

# Correspondent, Home Equity Products; Warehouse Facility For Sale; HUD and Flood Programs

By: Rob Chrisman | Thu, Oct 17 2019, 8:57 AM

52% of Agency biz (e.g., Freddie and Fannie) is first-time home buyers. Over at HUD, according to the Mortgage Bankers Association (MBA), first-time home buyers account for more than 75 percent of FHA home purchases. FHA & VA continue to evolve – more below.

## Lender Services and Products

“New! Freedom Mortgage Wholesale’s FHA Condo Single Unit Approval program allows for approvals of individual condo units meeting certain eligibility requirements even if the condo project is not FHA approved! Freedom Mortgage Wholesale is the right choice for a fast and easy FHA Condo approval. Relax - we coordinate the collection of all condo project information for you. Additionally, Freedom Mortgage will absorb any fees associated with Condo Questionnaire requests. [Join us](#) for FHA Condo Single Unit Approval training.”

Just announced at AIME Fuse: UWM’s BRAND 360. Launching October 23rd, Brand 360 will make it easier for clients in their network to market to borrowers, increase retention and promote their businesses. It’s packed with features that alert you when it’s time to reconnect with past clients (or opt in to have [UWM](#) do it for you automatically), let you create customized marketing materials, and select and schedule social media posts for up to 30 days. You’ll also be able to use their built-in analytics to measure your marketing’s effectiveness. Contact UWM if you’re interested in joining its network.

Chenoa Fund: A Safe and Happy Home: Through the years, [Chenoa Fund’s](#) programs have helped more than 17,000 low- and moderate-income borrowers obtain loans and realize long-held dreams of owning a home. When asked what they value most about the experience, most buyers provide a common response: the chance to live in a safe and happy home. Darlene T. recalled the joy she felt at leaving behind her “overpriced, poorly maintained rental” in an “undesirable part of town” and moving into her own house: “The neighborhood is beautiful, safer and has many conveniences close by.” Brittnie S. also was grateful to have a “safe place to come home to” after long shifts as a nurse. For these and other former renters, homeownership provides a sense of security that has a decisive impact on their quality of life. That’s an outcome worth celebrating.

CLOES.online is now offering the newest format for **online education designed for mortgage loan originators**. Deb Killian, CRMS presents a full video, NMLS approved, online pre-licensing and continuing education classes that will change the way you think about online education. These recorded presentations provide students with the information they need to succeed as mortgage originators. The courses are available 24/7 and not available anywhere else. Hear the rules and best secrets from a professional who was personally responsible for over \$1 billion in loan originations. Get information you need to know about originations and why. Hear, read the material and see full video presentations. Get accurate information the first time and get it right. Now the Latest Streaming info CLOES Live. Contact Deb Killian, CRMS for information on using [CLOES.online](#) to supplement your training programs. We teach MLO competencies and we prove it. Charter Oak Systems, LLC, NMLS Provider #1405047

Blend, the digital lending platform, is now helping financial institutions address the broken home equity process. The market opportunity is rapidly growing - according to TransUnion, HELOC originations are expected to double over the next five years. Want to reach new customers at the right time in the cycle? Check out Blend’s guide to incorporating home equity into your marketing mix. Read it [here](#).

“Everything’s Bigger In Texas” including Mr. Cooper! Based in Dallas, we take pride in our ranking as America’s largest non-bank servicer (\$640B+), position as a top Correspondent and Co-issue investor, and our comprehensive offerings and capital markets expertise. In addition, we’re excited to announce the successful launch of MOXI (Mortgage Originations Xpress Interface), which is our new Delegated Correspondent technology innovation and loan management solution. MOXI offers our clients dynamic features such as drag and drop document delivery, self-service ad hoc reporting, instant bulk registrations and eligibility for Hybrid AOT just to name a few. Also, no FNMA 3.2 is required! AND that’s not all! Significant technology investments continue as we are in development to introduce an innovative Non-Delegated platform in early 2020. MOXI’s big debut is during MBA’s Annual Convention & Expo in Austin. Contact your Regional Sales Team to schedule a proper introduction! For information, visit [www.mrcooper.com/correspondent](http://www.mrcooper.com/correspondent).

The threat of an impending recession continues to be a popular topic in the news lately, and while the timeline of when the economy will slow is hotly contested, the question seems to be when, not if, we’ll see our next fiscal downturn. As a mortgage lender, having a game plan—and understanding how to adapt to stay successful—is imperative with a recession on the horizon. A new Quick Guide, “9 Ways to Prepare for an Economic Recession,” provides a great starting point to evaluate where your business stands today and what you can do to weather the storm, regardless of length or intensity. A must-read for all lending managers and professionals, and an exclusive to Rob

Chrisman subscribers today, [download your free copy here \(no form required\)](#).

FundingShield is the first Mortgage Fintech focused on Wire Fraud Prevention and Risk Management to receive Mortgage Bankers Association's MISMO Premiere Level Certification. The Premiere Level Certification is the highest-level certification available by MISMO. It provides assurance that the technology provider's products demonstrate compliance with MISMO standards and best practices driving data integrity and security to the market. The Certification is further confirmation of FundingShield's commitment to provide relevant risk management solutions to the industry as the market leader and pioneer in closing agent compliance, settlement risk management & wire fraud prevention technology. The Full release is available here at the [Mortgage Bankers Association News Link](#).

## FHA and VA Changes

FHA has introduced training materials to assist mortgagees and other stakeholders with the implementation of the Condominium (Condo) Project Approval Final Rule and updates to [Single Family Housing Policy Handbook](#). For additional support on this topic, the following pre-recorded webinars are now available: Module 2C1: FHA Condo Approval – Condo Project Approval: [Module2C1-CondoProjectApproval](#). Module 2C2: FHA Condo Approval – Mortgagee Direct Endorsement Lender Review and Process (DELRAP) Authority Requirements: [Module2C2-MortgageeDELRAPAuthorityRequirements](#). Module 2C4: FHA Condo Approval – Underwriting Condominium Loans: [Module2C4-UnderwritingCondominiumLoans](#). To access additional FHA webinars, visit the [Single Family Housing Self-Paced, Pre-Recorded Training page](#).

Last year, The Economic Growth, Regulatory Relief, and Consumer Protection Act established [new requirements for Department of Veterans Affairs \(VA\) refinance loans](#), including seasoning, net tangible benefit and recoupment. The agency is now taking action against loans that do not meet the new requirements. "The VA has started to contact lenders regarding recent refinances that may be ineligible for guaranty," said Stephanie Schader, Vice President at The Collingwood Group.

Meanwhile, much of the industry hopes that HUD and the FHA takes a stand in private flood insurance policy, or at least following other financial regulators' policies. The National Association of Realtors sent yet another letter. "Dear FHA Colleagues: I am following up on [our letter, dated July 26, 2017](#), urging FHA to begin accepting private flood insurance. Over the past two years, we have been communicating with you and Congress about this. We were pleased to see [plans in the Unified Agenda for a proposed rulemaking in early 2019](#) but to date, no notice has been issued. Urgent action is required: [On July 1, new federal lending regulations take effect](#), relating to whether private flood insurance can be placed on FHA-backed home loans in flood hazard areas. Those rules generally require the acceptance of certain private flood insurance; your rules currently prohibit any acceptance at all.

"We are concerned about market uncertainty and confusion, especially when consumers are finding that the private market offers more affordable and higher quality coverage than the National Flood Insurance Program. Is there any update you can share with us? This is critical to our membership. We thank you for considering this important issue. Please let us know if there is additional information or anything else we can provide to help move this issue forward."

A group (the Mortgage Bankers Association, the American Insurance Association, the Independent Insurance Agents & Brokers of America, the National Association of Mutual Insurance Companies, the National Association of REALTORS, the Property and Casualty Insurers Association of America, The Financial Services Roundtable, and United Policyholders) have urged FHA to amend the agency's policy regarding the acceptance of private flood insurance by lenders for FHA-insured loans. "We all believe that FHA requirements pertaining to the use of National Flood Insurance Program (NFIP) policies are resulting in an unnecessary roadblock for otherwise capable borrowers."

VA recently completed an aggressive **initiative to process home loan funding fee refunds to Veteran borrowers**. The culmination of a multi-year internal review of millions of VA-backed home loans spanning almost two decades resulted in more than \$400 million in refunds. While some funding fees charged were found to be attributable to clerical errors, most fees were charged correctly. The exception was for those Veterans whose exemption status changed following the issuance of a disability rating after the closing of their loan. Letters were mailed notifying Veterans who were eligible for a refund. Veterans who believe that they are entitled to a refund of the VA funding fee are strongly encouraged to call their VA Regional Loan Center at (877) 827-3702 to find out if they are eligible.

And remember that the VA released [Circular 26-19-23](#), interim guidance for the Blue Water Navy Vietnam Veterans Act of 2019. It is best to read the Circular, but some key provisions of the Act, effective with loans closed on or after (and not before) January 1, 2020, are: Veterans with loans amounts over \$144,000 with full entitlement, will not need a down payment regardless of purchase price. The guarantee for loans at \$144,000 and less will not change. For Veterans who have previously used entitlement that has not been restored, the maximum amount of guaranty is the lesser of 25 percent of the loan amount OR the maximum amount of guaranty entitlement available. The maximum amount of guaranty entitlement is 25 percent of the Freddie Mac Conforming Loan Limit, reduced by the amount of entitlement previously used (not restored). Purple Heart recipients will be exempt from paying the Funding Fee.

If you are attempting to keep up on regulatory news involving government programs, the OMBA provides pertinent information via its OMB Alerts like [published information](#) applicable to The Economic Growth, Regulatory Relief and Consumer Protection Act, Public Law”, as passed by Congress. The law addressed VA refinances, both IRRRLs and Cash-Out and may mean big problem for lenders.

## Capital Markets

Mortgage Industry Advisory Corporation (“MIAC”) is pleased to solicit offers for a warehouse facility for a Non-Bank Originator of Residential and Commercial Mortgages. Also, on offer are the high coupon, Non-Agency loans originated in this program. The Originator is headquartered in Sydney Australia with production coming from the major cities on the East Coast of Australia being Sydney and Melbourne. The Client originates approximately AU\$1b of mortgages per year. Approximately 20% of this volume is Non-Agency – in domestic terminology. The Financing request is for this AU\$200mm per year, expected to grow to AU\$400mm per year over the next 12 months. On offer is an additional ~ AU\$100mm per year in Personal Guarantee commercial loans of similar quality secured by commercial real estate. For more information, please contact your MIAC sales representative (212-233-1250) or Brendan Teeley.

Fannie’s trading desk spread the word that now clients have more flexibility when selecting a settlement date, “allowing you to pool sooner, if you choose.” The standard book entry form is now 3 business days for [Fannie Majors](#) and 4 business days for a single-issuer pool. The Selling Guide and Settlement Calendar, available on our [Delivering page](#), will be updated in December to reflect these changes.

Rates go up. Rates go down. And everybody now seems to be an expert on when the recession is coming. Housing data out yesterday was positive with the NAHB Housing Market Index increasing in October, though combined with a decline in retail sales, it is quite impossible to predict precisely where the economy is headed. The **October Fed rate cut odds rose to over 80 percent**.

Treasuries got off to a higher start after the Chinese government warned overnight that “strong countermeasures” will be taken if the U.S. passes the Hong Kong Human Rights and Democracy Act. It has already passed the House and is awaiting Senate approval. Treasuries extended their starting gains after the release of a weaker than expected Retail Sales report for September was coupled with an upward revision to the reading from August, and the 10-year yield closed the day -2 bps to 1.75 percent.

The other big news, as I mentioned yesterday, **is the impending Brexit deadline on October 31**. The U.K. and EU are reportedly nearing a deal, though nothing is finalized before this week’s critical European summit. If no agreement is in place by Saturday, the U.K. is legally required to either ask Brussels for an extension or win Parliament’s approval for leaving anyway. The main obstacle remains how to handle the Irish border.

The Federal Reserve’s Beige Book for October noted that overall economic activity increased at a slight to modest pace during the survey period but with variations seen across the country. **Overall household spending was described as “solid”** while tourism and travel-related spending increased modestly. The report noted that most contacts expected continued economic expansion, but at a slower pace. Separately, the Federal Reserve resumed permanent open market operations yesterday, as part of a plan to purchase \$60 billion worth of Treasury bills per month.

Today’s calendar is already underway with progress on Brexit in the UK, initial jobless claims (+4k to 214k), September housing starts (-9.4%!)/building permits (-2.7%), and the October Philadelphia Fed Survey (down to “5.6”). Later this morning brings September industrial production and capacity utilization. The session also sees remarks from Chicago Fed President Evans, Governor Bowman, and New York’s Williams. We begin the day with Agency MBS prices roughly unchanged and the 10-year yielding 1.75%.

## Promotions and Moves

Altisource Portfolio Solutions S.A announced that Steve Kolimaga has been appointed VP, Enterprise Sales, and will be enhancing the value that Altisource delivers to the origination market through tailoring specific products and services to customer needs.

And from Rhode Island comes news that [Embrace Home Loans’](#) Buddy Hardiman has been promoted to SVP of retail and direct sales and will lead and manage the company’s direct sales team, the transition to new technologies to improve the overall digital customer experience, and continue spearheading the many enhancement initiatives currently underway on the company’s retail platform.

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