

HELOC, Marketing, Training Products; Robots at HUD?

By: Rob Chrisman | Mbn, Dec 2 2019, 8:14 AM

Did your company make any money in the 3rd quarter? I hope so, and I hope the 4th quarter is looking bright as well. (Just like I hope that MLOs on your staff are funding lots of loans, because if they aren't, time to train them or let them excel elsewhere.) A couple weeks ago the MBA released its [Mortgage Bankers Performance Report](#) with the attention-grabbing headline, "IMB Profits Rise to Near Seven-Year High in Third Quarter of 2019." Independent mortgage banks (IMBs) and mortgage subsidiaries of chartered banks that provide their information to the MBA reported a net gain of \$1,924 on each loan they originated, up from \$1,675 per loan in the second quarter of 2019. According to the illustrious Marina Walsh, MBA's VP of Industry Analysis, the increase in profits was primarily driven by declining production expenses and higher loan balances, which mitigated the effects of lower basis-point revenue. "Overall, it was a strong summer for independent mortgage banks, with 91 percent reporting profitability."

Lender Products and Services

Symmetry Lending is expanding again, with many exciting announcements. The HELOC specialist known for Service, Speed, and Simplicity, is now accepting submissions in 28 states, with the newest additions being Connecticut, Idaho, Indiana, Michigan, Pennsylvania, Utah, and Virginia. With this growth, Symmetry is excited to introduce the newest area managers: Ed Schwartz, Stacy Cappadona, Nancy Roy, and Deb Goguen. Learn more about all of Symmetry's area managers [here](#). Symmetry is also announcing a reduction in margins! Keeping things simple, Symmetry has reduced the margins on Stand Alone transactions, now offering the same low pricing as the Piggybacks. Learn more about these margin reductions by viewing the pricing guide on Symmetry's website.

Loan Officer Hub updated its referral strategy podcasts. Listen on any device to leaders in the industry speak about how to expand referral partner networks, and close \$200M in business. [Listen Now](#).

Is a 40% lift in your loan production part of your plan for 2020? [The XINNIX System™](#) of Training, Accountability, and Coaching is the proven way to ensure your experienced loan officers increase their productivity and new hires are fast tracked to success in any market. Schedule a call with a XINNIX Account Executive today to see how XINNIX can help you get started in January.

How much oversight is enough when it comes to vendor management? That question was asked at the recent MBA Fraud Prevention Forum in Chicago. To help you prepare for the 2020 vendor management lifecycle, Vendorly® is looking for feedback on a brief third-party risk management survey. With your participation, you'll be entered to win a \$100 Amazon gift card! Take the survey [here](#).

HUD, FHA and VA

Is HUD catching up with IT modernization? Yes, it is, and in fact HUD has a video clip of robotics at work, evidence of the strides HUD is making in technology. The FHA IT modernization video clip can be seen by going to the "[Federal Housing Administration](#)" site on LinkedIn; The article with the embedded video clip is the 5th article down. (It appears you can email it if you viewed from a PDA, but viewed on a laptop I can't find that feature.)

Don't let Thanksgiving hide the latest Mortgagee Letter (ML), increasing the Maximum Rehabilitation Costs in QOZs. On November 22 FHA published [Mortgagee Letter 2019-18](#), which increases eligible rehabilitation costs for Limited 203(k) Mortgages secured by properties in Qualified Opportunity Zones from \$35,000 to \$50,000 in total. It introduces enhancements to FHA's Limited 203(k) Rehabilitation Mortgage Insurance Program for properties located in Qualified Opportunity Zones. FHA's 203(k) Rehabilitation Mortgage Insurance Program enables homebuyers and homeowners to finance both the purchase (or refinancing) of a house and the cost of its rehabilitation through a single mortgage or to finance the rehabilitation of their existing home. The \$50,000 cap will be available for the first 15,000 mortgages secured by properties in QOZs each calendar year. FHA will provide advance notice through ML suspending the increase prior to this limit being reached. Additional Opportunity Zone information — including a list of designated QOZs — is available through the U.S. Department of Treasury's Community Development Financial Institutions (CDFI) Fund.

FHA released its [Federal Housing Administration \(FHA\) Annual Report to Congress](#) on the financial status of FHA's Mutual Mortgage Insurance Fund (MMIF) for fiscal year (FY) 2019. As detailed in the report: The MMIF Capital Ratio for FY 2019 was 4.84 percent, the highest level since FY 2007. FHA had insurance-in-force on single family mortgages valued at almost \$1.3 trillion at the end of this past fiscal year. The performance of the forward book of business posted a stand-alone capital ratio of 5.44 percent. The Home Equity Conversion Mortgage (HECM) reverse mortgage portfolio continues to show a negative stand-alone capital ratio, but improved substantially from a negative (-)

18.83 percent capital ratio in FY 2018, to negative (-) 9.22 percent in FY 2019.

From an industry-wide perspective, keep an eye on the recent RFIs including [Ginnie Mae's Request for Input](#) on digital mortgage guidelines. Ginnie's Request for Input on digital guidelines is a great place for people to be involved and share insights since Ginnie's stated goal is to get into digital mortgages and accept these loans as collateral. Comment on issuer eligibility, eligible loan types, loan package and pooling requirements, investor reporting, risk and liabilities. Ginnie is creating a digital collateral pilot, and eGuide has statements around issuer eligibility for participating, could blossom into full-blown acceptance of eMortgages. Of great importance are custodian requirements and pooling parameters. Help the digital mortgage to become a reality for Ginnie.

loanDepot Wholesale/Correspondent posted its [Weekly Announcement](#) covering the following topics: FHA Fixed & ARM, loanDepot Net Tangible Benefit Policy, VA IRRRL – Interest Rate Decrease Requirement Update, Selling Guide Announcement SEL 2019-08, Freddie Mac Single-Family Update and Freddie Mac Bulletin 2019-20.

Wells Fargo Funding is updating its Best Effort Rate Sheet to apply Adjusters for additional lock periods to the 30-day price, instead of the 60-day price, for conventional Conforming, FHA, VA, and Guaranteed Rural Housing (GRH) Loans. This change aligns the lock period adjusters published on the rate sheet with those that appear on your lock confirmations, and will be reflected on pages 1, 6, 7, and 8 of the rate sheet on December 9. Note: Adjusters for additional lock periods continue to apply to the 60-day price for Non-Conforming Loans.

Plaza is aligning with FHA's update and will accept the higher rehabilitation limit for eligible Limited 203(k) loans on or after December 16 as published in Mortgage Letter 2019-18.

[Mountain West Financial](#) Wholesale issued a reminder regarding The Taxpayer First Act which requires consent to share the data to be obtained prior to sharing with other parties. Both required consents will be captured simultaneously using the new Taxpayer Consent form. The new document "Taxpayer Consent Form" does not take the place of or eliminate the 4506T, and will be required on all loans with the exception of non-income qualifying loans such as Streamline Rate Reduction Refinance (FHA) loans and VA Interest Rate Reduction Refinance Loans (IRRRLs). The Taxpayer Consent form will be effective with initial disclosure and closing document packages on or after 11/21/2019.

Effective for loans locked on and after December 16 with Mountain West Financial Wholesale, the maximum MyHome assistance amount, when used in conjunction with a CalHFA Conventional 1st mortgage, will be 3.00% of the purchase price or appraised value, whichever is less. The maximum MyHome assistance when used in conjunction with a CalHFA FHA 1st mortgage will remain 3.50%.

AmeriHome announced that the maximum base loan amount for both VA Interest Rate Reduction Refinance Loans (IRRRLs) and non-IRRRL VA transactions eligible for purchase by AmeriHome will be \$1 million. (This overlay previously applied to non-IRRRL VA transactions only.) The VA and VA IRRRL Program Guide and Government Overlay Matrix have been updated with this change.

U.S. Bank Home Mortgage posted and Seller Guide Update [SEL-2019-061](#) Monthly Release and [SEL-2019-063](#) - November XX Manual Underwriting.

The PennyMac Correspondent Group has posted an announcement regarding [19-58: VA Circular 26-19-23: Updates to the Entitlement Calculation and Funding Fee](#).

US Bank [Bulletin 2019-060](#) covers the following topics: Temporary Authority to Operate (Temporary Authority) for Mortgage Loan Originators, Update to Portfolio Underwriting Guidelines Clarification. Manufactured Housing in Condominium Projects. Rural Development Handbook and VAlender Handbook Updates. Updated Connecticut Trust Table. Correspondent ARM Sample Disclosures. Government ARM Change Dates, End of Cycle Coming Soon.

[AmeriHome](#) reminded clients that there is no change to the requirement that all VA transactions purchased by AmeriHome must meet the Ginnie Mae minimum 25% guaranty restriction. The maximum base loan amount for both VA Interest Rate Reduction Refinance Loans (IRRRLs) and non-IRRRL VA transactions eligible for purchase by AmeriHome will be \$1 million. (This overlay currently applies to non-IRRRL VA transactions only.)

Capital Markets

U.S. Treasuries & MBS experienced little movement during Friday's lightly traded affair, ending the abbreviated cash session where they began although there were some minor price movements between coupons and maturities, and between UMBS and the Treasury curve.

There is a lot of "headline fatigue," but the big news this week should **once again center around Brexit and the U.S. China trade war**. Markets will be in wait to see how Beijing will hit back after President Donald Trump signed Congressional legislation in support of Hong Kong democracy protesters, possibly compounded by markets suggesting the U.S. has the upper hand in the trade war as financial

warning signs flash across China. We received some more Chinese PMI's over the weekend. And the Brexit general election is next Thursday the 12th.

As parts of the nation bear the brunt of winter storms, this week's calendar is **light on Fed appearances before next week's FOMC decision**, but does include some other central bank decisions from the RBA (tomorrow) and BoC (Wednesday). Important data points later this week include the ADP Employment Change for November and ISM Non-Manufacturing Index for November on Wednesday, Trade Balance, and Factory Orders for October on Thursday, and the important payrolls report to close the week.

Today's calendar begins later this morning when markets receive the **final November Markit manufacturing PMI, the ISM manufacturing PMI** for November, and Construction Spending for October. The Fed will also be back in the market with purchase operations following the release this afternoon of the latest Fed Trade schedule. We begin the day with Agency MBS prices worse .250-.375 and the 10-year yielding 1.84 after closing last week at 1.78 percent based on trade tensions easing and some strong manufacturing news.

Jobs

"This year Caliber Home Loans, Inc. solidified our place in the market as a leading national lender. We all worked together to break more records than ever before, introduce innovative home financing solutions and increase our business in all four sales channels. Our notable achievements include being the first lender outside of Figure Technologies to originate home equity lines of credit directly on a blockchain platform and our selection as the United States Veterans Chamber of Commerce's (USVCC) #1 OPTION, for home mortgage loans. We proved to be #CaliberStrong at the end of the 3rd quarter by funding \$7.85 billion overall in October and \$19.9 billion overall in the quarter. This was a 70% increase over Q2 2019 volume, the biggest growth among all top 30 lenders in the country. Loan Consultants ready to reach new levels of success should visit www.joincalibernow.com or email Brian Miller about career opportunities.

Fresh off the heels of another record-breaking quarter, non-QM lender Angel Oak Mortgage Solutions added to its growing roster of Account Executives in November. Jason Cowan came on-board in Salt Lake City, Drew Ruggieri in Cherry Hill, NJ, Kevin Hammond in Raleigh, Bill Deptuch in Eugene, Oregon and James Torres in Inside Sales. These AEs have gone through the first round of training and have been teaching brokers and correspondents how easy it is to work with Angel Oak. And Angel Oak is not done yet as management is continuing to add Account Executives in many additional markets including Milwaukee, Cincinnati and Virginia Beach. To learn more, view the latest job openings on the [Careers Page](#) or email National Business Development Manager, Andy Looker.

Gateway First Bank earns consistent recognition for growth and performance. Gateway First Bank was recently recognized as one of the MReport's Top 25 Companies in Mortgage and Servicing and one of America's 5,000 fastest-growing companies by Inc. Gateway also earned a spot in Scotsman Guide's Top Mortgage Lenders and was named Home Possible RISE Award winner by Freddie Mac. "It's an honor to be recognized for our customer service, performance and culture by industry leaders," said Stephen Curry, CEO of Gateway. "This year we transformed to a bank, resulting in tremendous growth for the organization. This has expanded our passion for strengthening families through homeownership to include their entire financial health." With \$1.4 billion in assets, over 1,300 employees and 160 mortgage centers licensed in 40 states and the District of Columbia, Gateway is one of the largest banks in Oklahoma and one of the largest banking and mortgage operations in the U.S. To learn more visit www.GatewayFirst.com.

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