

# Broker, Back-Office, Non-QM Products; Upcoming Events; The Fed and Rates

By: Rob Chrisman | Thu, Dec 12 2019, 9:06 AM

We never see the headline, "Psychic Wins Lottery!" No one has a crystal ball, but originators often ask their capital markets staff about the direction of rates, whether it is, "Should I lock today?" or "Why can't we guarantee a builder a rate nine months from now?" I bring this up because plenty of lenders around the nation are planning for 2020. On the table are expanding or shrinking, adding or consolidating branches, hiring or firing, rolling out new products, creating strategic co-branding. Some of that is based on residential forecasts from the I bring this up because plenty of lenders around the nation are planning for 2020. On the table are expanding or shrinking, adding or consolidating branches, hiring or firing, rolling out new products, creating strategic co-branding. Some of that is based on residential forecasts from the [MBA](#) (\$2.1 trillion this year, \$1.9 trillion 2020, down 8%), [Freddie Mac](#), and [Fannie Mae](#). But why believe experts when it comes to forecasts, U.S. budget shortfalls, climate change, or animals becoming extinct? I guess you have to tell your boss something, right? Yesterday the Fed reminded us that moderate economic growth and low unemployment in the U.S. aren't bad things.

## Lender Tools

Self-employed professionals with good income and high credit scores should be easier to approve but documenting their income can be challenging. With about 16 million self-employed in the U.S. according to the Bureau of Labor, this significant segment is one all lenders should be marketing to. Verus Mortgage Capital's Bank Statement Program is ideal for self-employed borrowers or seasonal and commissioned employees who have good credit but non-traditional income. Verus' team reviews and verifies your applicants' income via bank statements to help you make sound lending decisions. Borrowers qualify based on 12- or 24-month average of deposits using personal or business banking account. [Verus Mortgage Capital](#) is the largest securitizer of non-QM assets in the industry and is committed to helping correspondents succeed in this dynamic sector. Contact Jeff Schaefer to learn more about Verus' Bank Statement Programs.

2019 was a trial by fire that tested our adaptability and ability to thrive in the face of unpredictability. And while 2020 will undoubtedly present surprises we couldn't foresee, a year like 2019 teaches us that maybe it's not as much about guessing what's around the corner as it is about preparing to roll with the unexpected punches. A new eBook from Maxwell, "2020 Mortgage Lending Resolutions", is less an attempt to predict the future and more an exercise in setting our intention for the year ahead. It's about aiming high. It's about setting goals that push us out of our comfort zone, and preparing to demonstrate our agility for what 2020 will surprise us with. A must-read for all lending professionals and managers, [read your complimentary copy here](#) (no form required).

Freddie Mac Single-Family is ALL FOR reducing barriers and raising hope. Freddie Mac is expanding the thinking around affordable lending and inspiring others to do the same. With All For Home<sup>SM</sup>, we're leading the way through providing insights, education, mortgage products and business solutions that address the needs of today's borrower and of The Borrower of the Future<sup>SM</sup>. Rising home prices and interest rates, coupled with a lack of entry-level inventory, are increasing affordability challenges. Demographic and cultural shifts, migrations from rural to urban, first-time homebuyers with thin-credit files and complex processes pose additional barriers to achieving the American dream. It takes collaboration and partnership to innovate solutions that make a positive impact. Learn more about All For Home, discover key insights to inform your business and take advantage of solutions and tools that will enable your borrowers to make [Home Possible®](#). All in. All of us. All For Home.

You give holiday presents to family and friends, but what about your clients? Now, you can gift them FREE LPMI on rate and term conventional loans with a minimum FICO of 760 and up to 85% LTV. You think that's good? How about, 50 bps credit on 30-year conventional investment properties above \$150,000? Until the end of the year, QLMS is helping LOs close as many loans as possible with a month-long rollout of 20 exclusive promotions leading into 2020. A broker's superpower is choice. Make sure you choose QLMS to help your clients unleash these savings. [Click here](#) and learn more about these and other promotions to become stronger together with QLMS.

## Events

NEXA Mortgage is a mortgage broker with 363 Loan Officers and that is up from 313 just two months ago. NEXA was recently featured in [HousingWire](#) and [GrowJo.com](#) as the fastest growing mortgage broker in the country. Want to know why NEXA is growing so fast? Join its weekly webinar today, "Why NEXA with Mike Kortas". The CEO dives into a deep conversation of what drives this growing channel. This webinar is today at 10am PST/1pm EST at [www.NEXAmortgage.com/support](http://www.NEXAmortgage.com/support). Just click on the link and join. Let them know you heard about it on Chrisman.

National MI has an exciting line-up of webinars in December. [Register](#) and attend one of these classes: December 12 @ 12 PMPST, The Future is Female: The Rise of the Single Female Homebuyer and How to Reach Her with Kristin Messerli and Sarah Vita; December 17 @ 10 AMPST, 7 Ways to Manage Email, Avoid Inbox Overload & Control Your Workday with Kendra Lee; December 19 @ 10 AMPST, Advanced Self-Employed Borrower with Marianne Collins.

Hudson Cook, LLP announced [a new monthly webinar series](#), CFPB Bites of the Month, beginning January 15, 2020. With consumer financial services concerns front and center in the daily news cycles, including the 2020 Presidential election, the CFPB work has taken center stage. To help keep clients abreast of what is happening, Hudson Cook Partners Eric Johnson and Justin Hosie will present monthly updates, including but not limited to: CFPB press, rulemaking, ongoing litigation, supervision and other timely news. The webinars will last just 30 minutes during lunchtime on the third Wednesday of each month.

On January 9th the [Puget Sound Mortgage Lenders Association](#) is having its general meeting in Fife, Washington. Yours truly will be there speaking about the economy, lending trends around the nation, and the importance of customer service.

Collateral Risk Network has launched CRN as a non-profit with [an ambitious agenda](#). Among other things, it will be establishing standards for valuations where none exist. CRN has assembled a fantastic lineup of speakers, including Brian Montgomery (FHA), John Bell and James Heaselet (VA), Ed Pinto (AEI), and Lynn Fisher (FHFA). The Compliance Roundtable on January 21 will focus on the new California "gig economy" law and the impact on the appraisal profession. There are also new data laws emerging that will impact lenders and AMCs. It looks like finally regulators and legislation has caught up to emerging technologies. If anyone is interested in learning more about the upcoming event contact Karen.

In March, the [Lenders One Summit](#) is about new connections, ideas and opportunities. "We are excited to continue the momentum in Miami this March, as we celebrate the 20th anniversary of the cooperative. In this challenging market, we're focused on continuing to bring new solutions to support your business. Our member and provider networks are the keys to driving our co-op ahead in this industry, and we're excited to gather at Summit to provide a forum for you to grow and learn from thought leaders and peers."

Registration is now open for June's [2020 National Settlement Services Summit \(NS3\)](#), the event which brings together everyone from across the real estate transaction. It will be held in Florida and feature Fifth Third Bank Chairman, President and CEO Greg Carmichael as a keynote speaker. It's the opportunity for the industry to assemble in one place with colleagues, learn from experts in breakout sessions and share best practices in informal roundtable discussions.

The MBA of Florida's Secondary Market and Convention Committees set forth the 2020 "Back to Back" events: June 17-19, 2020 [17th Annual Secondary Market Conference and the 77th Annual Convention](#) to be held at the Hyatt Regency Grand Cypress in Orlando.

## Capital Markets

The popularity of bid tape AOT executions continues to grow, as lenders realize the associated savings and convenience available through a full-featured whole loan trading platform like MCT's BAM. Bid tape AOT programs from Mr. Cooper and Home Point Financial are the latest fully-supported executions available to MCT clients, including the automated tri-party agreements, wider trade tolerances, automatic blending, immediate acceptance, and short delivery periods that distinguish bid tape AOT from legacy AOT executions. A new program from Northpointe Bank will also be available in the near future. MCT is proud to support these investors for mutual client benefit under the InvestorMatic Program. Since MCT rolled out the first bid tape AOT executions in May 2018, clients have saved an average of \$63,000 each on transaction costs. If you haven't been using these executions, you've been leaving money on the table. [Learn more about the advantages and economics of these executions.](#)

The FOMC **unanimously agreed to keep rates on hold yesterday**, with its views of the economy little changed from the prior meeting. Past announcements have frequently included some dissent, but most members now see rates remaining unchanged through the end of 2020 as the latest dot plot forecast no changes to the fed funds range next year and only one rate hike in 2021. Fed Chair Powell signaled the central bank would keep policy "somewhat accommodative," and downplayed concerns about issues in the repo market, reiterating that term and overnight repurchase operations will continue through at least January. Traders were looking to see whether the central bank was becoming more optimistic about the economy, following last month's bumper payrolls report, but it seems the outlook remains the same. Any talk from the Fed over the next year that contradicts the current dot plot will be considered big news.

Following yesterday's Fed events, the SNB and ECB left rates unchanged overnight. **ECB head Lagarde's first post-meeting press conference** is currently underway. The U.S. calendar just began with weekly jobless claims for the week ending December 6 (252k) and the **Producer Price Index for November** (unchanged, core -.2%). Later today brings the final leg of this week's mini-Refunding for the Treasury when \$16 billion reopened 30-year bonds are auctioned. In the afternoon, the Desk of the NY Fed will be out with the four-week MBS reinvestment estimates, which is expected to total \$5.1 billion, along with a new two-week Fed Trade schedule. Internationally, the U.K. vote

will determine whether Prime Minister Boris Johnson stays in office or Labor Party Leader Jeremy Corbyn takes over, with the latest polls showing narrowing in the Tories lead versus prior polls, increasing the risk of a hung parliament. After closing yesterday yielding 1.79 percent, we begin today with the 10-year yielding 1.78 percent and Agency MBS prices better slightly.

### Jobs and Transitions

American National Bank of Texas, a \$3 billion community bank in the Dallas-Fort Worth market, is expanding its mortgage department and is looking for a seasoned, dynamic Vice President of Mortgage Operations Manager. This position will lead our mortgage operations team of processors, closers and underwriters, ensure regulatory compliance and partner with our production team to grow and expand the mortgage business. All interested, qualified candidates can [review the job posting here](#) and complete an online application. You can also email resumes to Rusty Beard. ANBTX is an equal opportunity employer.

How many of us would willingly volunteer, even pay money out of our own pocket, to go on a Service Expedition to a remote village in another country? The people at Academy Mortgage say, "Sign me up." Providing opportunities to be of service in local and worldwide communities is a huge part of the Academy culture. Academy's President's Club (the company's highest performers) are rewarded with service trips, and all team members may participate in employee-sponsored Service Expeditions through The Academy Corps. A group of 34 volunteers traveled to Pucara, Ecuador, in September where they continued construction of a school that Academy volunteers had started on previous Expeditions. Watch this [video](#) to see how these service trips are life-changing not only for the beneficiaries of the projects but for all who participate. Want to make a difference in the world? Contact Patrick Welberg, SVP of Production, about how Academy's Purpose-driven service opportunities will unlock your Potential.

GO Mortgage has tapped into Amazon's Alexa platform to help simplify the process of mortgage calculation for consumers. The company, which prides itself on serving an educated consumer base, expects its [Alexa Skill](#) will enable its current and potential customers to make informed decisions for home buying and refinancing. The new Skill will calculate monthly mortgage payment rates and even let borrowers how much they could potentially save by refinancing. GO Mortgage offers top-rated digital platforms for its team, providing Loan Officers with the tools and support required for success. Interested in a retail opportunity? Contact, Frank Papaleo, VP of Retail for details.

Word has spread that Chris Boyle, Chief Client Officer, is leaving Freddie Mac by the end of the year. Sales and Client Management will now report to Danny Gardner, currently the SVP of Affordable Lending and Access to Credit, in addition to his current duties, and Marketing and Customer Experience will be reporting directly to Donna Corley.

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