

# Sales, Broker, Regulatory Tools; Lenders React to Taxpayers First Act Paperwork; Rates Quiet

By: Rob Chrisman | Wed, Dec 18 2019, 8:57 AM

My background is in capital markets, with a razor-sharp mind for figures. Not anymore. Remember when you'd have dozens of phone numbers memorized? Now the only phone number I remember is 867-5309, Jenny's. (For anyone under the age of 40, or over 65, ask someone about the reference.) For anyone with a sharp mind predicting doom and gloom about our economy, ask them where their money is invested. It is always interesting to see where he or she is investing their income for their family's well-being. The world is always approaching something... paradigm shift, recession, inflation, the end. Meanwhile, nearly everyone keeps doing what they're doing, earning money, putting it to work, helping their kids, helping their parents, figuring out where to eat Saturday night, whatever. And lenders keep doing what they're doing, one loan at a time. Mortgage Media put out its [Top Five Stories of the Year](#): rates, brokers, non-prime, GSE reform, and those born between 1981 and 1996. (I remember when each age group wasn't given a name!)

## Lender Services and Products

[American Financial Resources, Inc. \(AFR\)](#) continues to develop exceptional technology to meet the needs of its clients. AFR recently announced the integration of new features and upgraded functionality within their proprietary online loan portal AFR Loan Center. Key improvements include integrated product support and a refreshed user interface, enhanced to improve and simplify the experience. A unified dashboard and pipeline home screen with dynamic filters compliment a completely revamped loan view that now features a new "Loan Flows" system, providing the status of individual components of the loan process. In addition to industry-leading technology, AFR also provides its business partners with unique products and services, professional expertise and continuous educational opportunities. COMING SOON: Expanded eligibility in the DPA Advantage program! For more information on becoming an AFR partner, email [sales@afrwholesale.com](mailto:sales@afrwholesale.com) or call 1-800-375-6071.

Who is the person at your company who loves new challenges, has a knack for identifying the right loan product for clients, sets realistic expectations, and has high customer satisfaction ratings? That is the person to appoint as your company's Non-QM originator. Offering a full suite of products doesn't mean everyone has to know everything; sometimes, it makes sense to let one person own the niche. Deephaven Mortgage takes the approach of offering only Non-QM products, and therefore, earning the reputation as an expert in this field. Deephaven has purchased over \$5 billion of Non-QM loans and completed 11 securitizations over the last seven years in business, leveraging their expertise and knowledge. Set up a consultation with a Deephaven Account Executive today to determine who within your company is best suited to handle your most sophisticated clientele. Get in touch by contacting us at [brokerinfo@deephavenmortgage.com](mailto:brokerinfo@deephavenmortgage.com) (Wholesale) or [sales@deephavenmortgage.com](mailto:sales@deephavenmortgage.com) (Correspondent).

Covius, a trusted provider of solutions, insight and technology to leading financial services companies, has issued its annual 2019 Regulatory Overview and 2020 Preview. In this report, Covius' Compliance Solutions team provides detailed state updates on default and foreclosure legislation from this past year, a look back on CFPB Director Kraninger's first year, and watch items for 2020. Download a copy of the report [here](#). To get in touch with a Covius Compliance expert, please contact Jennifer Keys.

You give holiday presents to family and friends, but what about your clients? Now, you can gift them 20 bps off on 27-year YOURgage conventional loans. You think that's good? How about 50 bps credit on all loans between \$100,000 and \$199,999 now through December 31? 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.

Lenders like PRMG, Wallick & Volk, AnnieMac, Churchill Mortgage, American Pacific Mortgage, and Willow Bend Mortgage. What are these lenders doing differently? They've realized what over 70 other lenders have already discovered: what Sales Boomerang's Automated Borrower Retention System will do for them when the market shifts completely. This is your recession buster. [Schedule a demo](#) and be prepared for whatever the market brings.

## Taxpayers

Taxpayers First Act? [Here's a primer](#) from the IRS. Protection from identity theft for taxpayers comes with a paperwork price.

In compliance with the Taxpayer First Act, Loans for which tax return information provided by the IRS is required, **Wells Fargo Funding will require the taxpayer consent be present in all Loans**, regardless of whether tax return information is required. This practice will reduce

instances of needing to go back to borrowers to obtain the consent, should a Loan be selected for an additional review. Delegated and Non-Conforming Correspondent Credit Underwrite (CCU) Loans with Notes dated on and after December 28, Prior Approval Credit Packages received on and after December 28. Wells is recommending that Sellers review and update their internal processes and procedures as needed to ensure the taxpayer consent is included in all Closed Loan and Credit Packages. "To make the disclosure easier to locate and index, we recommend including 'taxpayer consent' in your disclosure language."

To comply with the Taxpayer First Act, Plaza Home Mortgage® is implementing the following: A taxpayer consent form has been added to Plaza's initial disclosure packages, including Broker Disclosures completed in BREEZE for the borrower(s) to sign. A taxpayer consent form has been added to the closing package to be signed by all borrower(s) at closing. Starting December 28, 2019, Plaza will require a signed taxpayer consent form prior to obtaining tax transcripts from the IRS using a 4506-T. The consent form is required for all borrowers who appear on the tax returns, even if only one borrower signs the 4506-T. This does not apply to non-purchasing entities that filed joint tax returns with the borrower.

Regarding the Taxpayer First Act, Land Home Financial Services' Correspondent loans will require the Seller to generate and deliver the Taxpayer First Act disclosure to the Borrower. For Wholesale loans, LHFS will generate and deliver the Taxpayer First Act disclosure to the Borrower. Additional guidelines can be located at [LHFSWholesale.com](http://LHFSWholesale.com) or [CLD.LHFS.com](http://CLD.LHFS.com).

The PennyMac Correspondent Group posted new announcements:

[19-66: Taxpayer First Act Consent Form](#) and [19-67: Update to Loans with Appraisal Waiver](#)

US Bank Correspondent/HFA [Seller Guide Update 2019-65](#) includes the following topics: Taxpayers First Act, Elimination of Third-Party Certification of Condo Approval for Delegated Lenders, Freddie Mac – Non-Traditional Types of Properties, LPA and DU AUS Conflicting Decisions, Rural Development Technology Fee and clarification on Conforming Loan Limits Increasing for 2020.

In accordance with the Taxpayer First Act & Agency requirements, Fifth Third Correspondent will require an Authorization to Share Tax Information on all loan files containing IRS tax return information. Fifth Third will not require a specific form, however the form provided must include the borrower's name and signature along with a statement giving express permission to share their tax information.

All loans purchased by FAMC must comply with the Taxpayer First Act. A consent form from the taxpayer expressing permission to share the tax information with another entity is required. This includes loans that are closed prior to the December 28, 2019 deadline. Lenders should work with their doc vendor to immediately implement the applicable consent form.

## Capital Markets

It was a relatively uneventful day for rates yesterday but were nudged by Prime Minister Johnson announcing, on the first day of this new Parliament, that he will **modify the Brexit withdrawal bill** so it rules out any extension to the transition period set to expire at the end of this month. His Conservative Party now holds 365 of parliament's 650 seats following last week's election victory.

In the U.S., **Treasuries & MBS pulled back slightly after the release of better than expected domestic economic data**. As I said yesterday, both total housing starts and building permits beat expectations. The strong monthly and annual gains indicate that potential homebuyers next year will have more properties to choose from, which is a departure from the lack of inventory over the last few years that has hampered the pace of home sales and increased the rate of home-price growth. The robust permits reading follows Monday's **builder sentiment that clocked in at the strongest level since 1999**. The data points to continuing growth for purchase originations in 2020, and an increase in affordability for home buyers.

Let's look at what is going on in Washington. After the House of Representatives passed a \$1.40 trillion spending bill to fund the government through September 30, 2020 yesterday, talk on the hill turns to impeachment today. The House is all but certain to pass two articles of impeachment, for abuse of power and obstruction of Congress. The House will handle the two articles of impeachment separately, in close succession, and then adopt a procedural measure to lay out what comes next. The Senate trial begins if and when the House transmits the bill of impeachment to the Senate. It's at the House's discretion when that occurs. The expectation is that it will happen before Christmas, and that the trial will begin early in the new year. U.S. Senate Majority Leader Mitch McConnell said yesterday he won't be an "impartial juror" during any impeachment trial of President Donald Trump, despite what legal experts say is an oath requiring him to be one. McConnell is seeking to end the proceeding swiftly with an acquittal.

Today's light calendar is already underway. Markets have received both some **Fed speak from Fed Governor Brainard**, and the weekly MBA Mortgage Index which saw applications decrease 5.0 percent from one week earlier. The survey for the week ending December 13 showed the refinance index was 135 percent higher than the same week one year ago. Mike Fratantoni, MBA Senior Vice President and Chief Economist, sagely observed, "As we move into the slowest time of the year for home sales, purchase application volume is declining but

continues to outperform year-ago levels, when rates were much higher. Purchase activity was 10 percent higher than a year ago.”

Later this morning brings a \$731 million GNII FedTrade purchase operation targeting up to \$563 million 3 percent and \$168 million 3.5 percent at a closing time of 11:45am. We begin the day with Agency MBS prices worse a tick or two and the 10-year yielding 1.89 percent, unchanged from Tuesday, which was unchanged from Monday. Flatlining!

### Personnel Wanted

“As 2019 draws to a close we express our gratitude to the 80+ producing LOs who’ve recently joined Canopy Mortgage team for a MONSTER GROWTH year! Your hard work combined with our technology has pushed over 17,150% growth in loan volume for the year. Better tech, better price, and smaller corporate structure works. Who knew!?! The refi boom really gave Canopy LOs a chance to fill up their pipelines to see what our proprietary LOS could handle. Many of them smashed their PRs with plenty of runway & appetite for more! Do you believe there’s a better way to do home loans & push more volume? You might fit in well at Canopy. [Now Hiring!](#) Reach out to Josh Neumarker, Director of Business Development at Canopy Mortgage (888-696-9076).”

“For the 4th year in a row Caliber Home Loans, Inc. has been recognized by Victory Media as a Military Friendly® Brand. This designation measures a company’s social and material investment in support of the military and veteran community. Caliber is on an exclusive list of 66 brands to receive this recognition for 2020. Military Friendly® has seen an increase in company applications by 1,429% according to its website. Caliber is more than a mortgage lender. We’re committed to assisting our active military and veterans in every way possible, from assistance with VA Loans to our community outreach initiatives. We’re looking for a few good loan officers to join the ranks of our sales organization! Contact Brian Miller or [visit our website](#) to learn more.”

“In 2019, Stearns Wholesale Lending celebrated a big anniversary, expanded our leadership team and planned for success and growth in 2020. Personalized attention, competitive products, and a focus on our people and their relationships have all contributed to 30 years of success and will continue to be our focus. Over half of our Account Executives have tenure of 5+ years. Hear from RVP, Delfino Aguilar in this [video](#). To be contacted by an Account Executive, [click here](#) and join the team with a strong history and bold future.”

GO Mortgage recently launched its Assigned Revenue Model for single originators and branch managers. The new compensation model will increase the revenue share for its participants while delivering a streamlined rate sheet execution, allowing for more compensation and superior rates. GO Mortgage’s innovative, best-in-breed technology and marketing stack, delivers a modern mortgage banking platform without increased branch overhead. If you are interested in learning more about GO Mortgage’s new retail platform, please contact Frank Papaleo.

In the Eastern U.S. Mortgage Network, Inc. announced that Ryan Hayes has joined the company as SVP of residential lending to work with the executive team to identify, improve and implement best practices, and work with the company’s leadership to pursue strategic development and growth opportunities designed to strengthen the company’s position in the mortgage banking industry.

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