

Underwriting Jobs; Marketing, VA Products; FHA, VA, USDA Lending Changes

By: Rob Chrisman | Fri, Feb 7 2020, 9:09 AM

I can't predict the future, don't even know what I'm doing for lunch today, but in October [this commentary suggested](#) that with the [MOU](#) inked in October between HUD and the Department of Justice centered on alleviating some of the uncertainty regarding the False Claims Act penalties, the big banks would take a good look at re-entering the FHA biz. And why not, given the perceived profit margins and customer service opportunities? Jump on in, the water's great! "Jump" isn't the word, but sure enough, yesterday [JPMorgan Chase](#) confirmed that it's contemplating reentering the FHA market as a direct originator, probably with a cautious eye about a potential administration change in November. (Chase has continued to purchase FHA loans from its correspondents.) There is a fair amount of FHA, VA, and USDA changes across the industry—more below.

Lender Services and Products

Maxwell CEO John Paasonen just posted a great piece on their blog titled, "[Will A Machine Replace You? The Future of the Loan Officer in the Digital Age](#)." The aptly named piece dives into the evolution and impact future technology will have on the industry we know today. I won't spoil the outcome, but a great read for all lending professionals. [Click here to start reading!](#)

"Exciting news at IMPAC!! We have significantly improved pricing on ALL non-QM products for both Wholesale and Correspondent channels! Additionally, we would like to welcome Brian Robinett as Chief Production Officer and Angela Ditri as Operations Director of Correspondent Lending. Brian comes to us with an extensive background running multiple platforms within the Wholesale, Correspondent and Retail space, confirming IMPAC's commitment to growth in the Non-QM sector. Angela joins us with over 25 years of experience managing high volume and large-scale correspondent mortgage operations. Together with Michael Falce, Director of Correspondent Lending, their mission is to grow IMPAC's Correspondent and Wholesale channels by building strong relationships and providing exceptional service. Given these new exciting changes and additions to the team, we're speeding steadfastly into 2020 with a strong focus to support our clients in the Non-QM market."

Join us and learn to market new VA mortgage opportunities in 2020! The recently implemented Blue Water Navy Vietnam Veterans Act of 2019 has provided new mortgage benefits for jumbo borrowers, active duty Purple Heart recipients and more. As a leading VA lender, Freedom Mortgage Wholesale's No Down Payment VA Jumbo program enables eligible jumbo borrowers to exceed published FHFA county loan limits without a down payment requirement! No jumbo overlays or loan limits! Sign up for 2020 VA Mortgage Marketing training on [2/7](#), [2/10](#) and [2/21](#).

Calling all marketing pros. I'm not going to tell you something you don't already know, but... localized, personalized, omnichannel marketing rules. Look at the data: open rates for emails to strangers are 5-10%; emails to an LO's past customers list increases opens to 20-30%; localized emails to Realtor partners bumps open rates north of 35%. Personalized emails skyrocket: birthday emails are opened at 40% and Loan Milestone Alerts get opened at 70+%! You see the trend. The stronger the relationship is and the more it means to the recipient, the better the response. That's why Usherpa sends content that matters, to people our LOs know. Don't get me wrong we cover all kinds of leads too. [Omnichannel marketing](#): email, direct mail, video, voice, text. How we can help you accomplish your goals? Let's talk. Dan Harrington. Realtor 7 years, Loan Officer 6 years, Mortgage Marketer 25 years.

FHA, USDA, VA News

When delinquencies were way above the historical average it impacts investor's desire to own securities backed by mortgages. The national delinquency and foreclosure rate increased by 2.14 in December. FHA delinquency and foreclosure rates increased by 44 bps, posting the highest delinquency and foreclosure rate of 2019. Conventional and VA 30-year loans' delinquency and foreclosure rates were roughly unchanged month over the month. Oregon is the best-performing state, with delinquency and foreclosure rates at 1.86 percent. Mississippi is the worst in the nation, with 6.26 percent delinquency and foreclosure rates. The Pacific region (CA, OR, WA, HI, and AK) has the lowest overall delinquency and foreclosure rates (2.18%). You can bet your bottom dollar that investors pay attention to this.

Most large banks pulled out of the FHA market post-crisis in the wake of large fines assessed on lenders/servicers by government regulators using the False Claims Act. A reentry of JPM into the FHA market, especially if it resulted in other banks reentering, would not be good for existing mortgage originators, especially correspondent lenders, since it could reduce the size of the correspondent market. But in November we'll have a presidential election and a change at the White House could once again change how HUD, the DOJ, or the FHA view

enforcement.

FHA issued a reminder to mortgagees about its guidance for originating and/or servicing [FHA-insured forward mortgages](#) in locations in the U.S. and its territories when the President declares it a major disaster area. This declaration is made when natural disasters or other events are of such severity that it is beyond the combined capabilities of state and local governments to respond. The following guidance applies to all areas covered by a Presidentially-Declared Major Disaster Area (PDMDA), including those areas covered under the PDMDA declared on January 16 for [Puerto Rico Earthquakes \(DR-4473\)](#).

FHA issued [Mortgagee Letter 2020-02](#), Mortgagee Electronic Funds Transfer Accounts, that requires mortgagees to establish and maintain Electronic Funds Transfer (EFT) Accounts electronically. Previously, mortgagees had to submit a hard copy form to FHA to establish and maintain these accounts. EFT accounts permit FHA-approved mortgagees to receive payments from FHA when they submit FHA insurance claims. The changes and additional guidance that allow for the establishment and maintenance of EFT Accounts electronically have been implemented in Lender Electronic Assessment Portal (LEAP) and FHA Connection (FHAC) and are effective immediately. Mortgagees must use the EFT Account Setup function in LEAP to provide their bank account information for FHA Insurance benefits payments. Hard copy forms will no longer be accepted.

Don't forget that recently a GovDelivery was issued by the Single-Family Housing Guaranteed Loan Program (SFHGLP) to announce the future revisions to [technical handbook HB-1-3555 Chapter 10, Credit Analysis](#). The advance copy provided with the GovDelivery was stated to be available for a minimum of thirty days on [USDALINC's Training and Resource Library](#) for lender review and preparation pending the publication of the Procedure Notice (PN). Effective on January 28th, Lenders are authorized to suspend the following: Credit Score Validation for GUS ACCEPT files and downgrade a GUS ACCEPT file with manually entered debts. Refer to Attachment 10-A "Credit Matrix" of the advance copy of Chapter 10. All additional revisions to the revised HB-1-3555 Chapter 10 will continue to be pending publication of the PN. The SFHGLP will provide a new GovDelivery notice when the PN for HB-1-3555 Chapter 10 full publication is released.

U.S. Bank Correspondent/HFA issued [Seller Guide Update SEL-2020-004](#) clarifying and giving additional guidance on VA Cash-Out transactions, changes to the Income Analysis Worksheet, and credit underwriting updates specific to Debt Counseling Prior to Application and Credit Reports at the time of Application. U.S. Bank reminded clients that the FHA requires connection to water and sewer systems whenever feasible and available at reasonable costs. U.S. Bank Home Mortgage defines feasible and reasonable as 2% of the Sales Price or Appraised Value. Legal and complex title requirements prohibit U.S. Bank Home Mortgage from originating or purchasing any Government loans in IL Land Trusts. And the VA funding fee payment can be split. It can be partially paid by the buyer, seller, partially financed, or partially paid in cash.

loanDepot Wholesale/Correspondent's [Weekly Announcement](#) includes information on LDW Credit Report Fee Increase, LDW Forms, Desktop Underwriter (DU) For Government Loans Release Notes and changes to the Veterans Information Portal (VP).

PennyMac Correspondent Group posted a new announcement [20-03: Updates to Conventional and Government LLPAs](#).

Non-Delegated FHA and Non-Agency Loans closed on and after January 10, 2020 must have received a Clear to Close underwriting decision prior to the loan Closing Date. FHA and Non-Agency loans with a loan Closing Date prior to receiving a Clear to Close underwriting decision will not be eligible for purchase. AmeriHome Mortgage will use the Closing Date as provided on the Closing Disclosure to determine the loan Closing Date.

Mountain West Financial Wholesale announced that Golden State Finance Authority (GSFA) has increased the maximum debt-to-ratio of income (DTI) for borrowers with FICO scores >680 to 50% applicable to both FHA and Conventional Platinum loans underwritten through LPA. Additionally, GSFA's Subsidy Promotion for lower AMI (Area Median Income) borrowers will end on February 7, 2020. Please ensure any Platinum loans for Subsidy Promotion borrowers are locked prior to end of day, February 7th.

Mountain West Financial® Wholesale announced the introduction of the Texas Department of Housing and Community Affairs (TDHCA) My First Texas Home Program making homeownership more affordable for low-to-moderate income first-time homebuyers across the entire State of Texas. This Program offers a 30-year, fixed rate, fully amortized FHA 1st mortgage. An optional down payment and closing cost assistance up to 4% of the total loan amount. A 2nd mortgage option that has deferred payments, 0% interest and is due upon sale, transfer, refinance, no longer own-occupied or pay-off of 1st mortgage. Refer to MMF's [My First Texas Home Program Matrix and Overview](#) for complete program details.

Plaza Home Mortgage® has expanded its [VA Fixed and ARM program guidelines](#) to allow purchases to \$1,000,000 at 100% LTV. And it doesn't stop there...the maximum loan amount for refinances with a 620 credit score has also been increased to \$1,000,000 with a maximum LTV of 90%. [VA IRRRL](#) and [FHA Streamline](#) Refinance guidelines have been expanded and allow credit scores to 580.

PRMG has updated multiple [Product Profiles](#) including its Agency Products, FHA Products, Investor Solution, Chenoa FHA Edge and FHA Rate Advantage.

Capital Markets

Could your crystal ball for 2020 use some clarity? [Vice Capital Markets](#) Principal Chris Bennett recently [shared his thoughts](#) on what he expects to happen in the specified pool, TBA and servicing markets, as well as trends in eNote adoption and API development – all of which will have a significant impact on lenders' operations and bottom lines in the coming year. Using keen market insights like these alongside extensive trading experience, Chris and his team at Vice Capital Markets have helped financial institutions over the last two decades navigate the often-murky waters of managing interest rate risk to maximize profitability on over half a trillion of MBS trades and mortgage-related transactions. Make 2020 the year you crystalize your secondary execution. Reach out to Vice Capital Markets' Chris Bennett to make the most of your secondary execution in 2020 and beyond.

Up and down, up and down. U.S. Treasuries, and MBS prices, ended Thursday rallying slightly, closing near their opening levels after spending the session in a narrow range. The cash market appeared on track to deepen its recent pullback after Treasury futures faced some overnight pressure, but futures rebounded during the European session, canceling out any movement. The number of confirmed coronavirus cases in China rose past 28,000 with the death count exceeding 550. **It seems as though markets took a breath before today's January employment report**, though it was reported yesterday in the **FHLMC mortgage survey that mortgage rates are now at three-year lows**.

The BLS reported that nonfarm business sector labor productivity missed estimates in the fourth quarter, and that unit labor costs were above estimates. Productivity is still running below the long-term average from 1947 to 2019, though 2019's growth in nonfarm business sector productivity was the strongest since 2010 and above the average for the last 12 years. What does it really mean for lenders? Not much.

January Nonfarm Payrolls started today's domestic calendar. That release included Nonfarm Private Payrolls (225k), Average Hourly Earnings (+.2%), and the Unemployment Rate (3.6%). Later this morning brings the unimportant December Wholesale Inventories and December Consumer Credit. **The Federal Reserve will release the Monetary Policy Report later this morning ahead of Chair Powell's visit to Capitol Hill next Tuesday and Wednesday**. We begin today with Agency MBS prices are better nearly .125 and the 10-year yielding 1.62 percent after closing yesterday at 1.64 percent.

Jobs

A national title insurance Agency is looking to start a relationship with a real estate attorney. "The principal will explain in detail when we discuss. It's a great opportunity for a real estate attorney to expand its business." Interested attorneys should contact Chrisman LLC's Anjelica Nix to forward a note of interest.

"Valuation Partners, a leading nationwide appraisal management company, is expanding its sales force. The AMC had a record year in 2019, has been in business for over 35 years, and has a best of class reputation. [Valuation Partners](#) is looking for a VP of Sales for the Northeast Region. Our ideal candidate possesses mortgage sales experience in the northeast with existing industry relationships. Responsibilities include representing the firm regarding all valuation products in the mortgage origination space. Professionalism and a commitment to a strong work ethic are a must. Experience in correspondent, mortgage insurance, and/or mortgage vendors sales experience is desirable. Compensation is a combination of base plus commission, health and dental, and 401(k). Join a team with a full suite of valuation products, a commitment to exceptional customer experience with senior leadership that understands the appraisal business. If you are interested, please send us your confidential resume."

"Senior underwriters, if you are looking for a place where you can call home, we are looking for you! [Doorway Home Loans](#) is a privately held residential direct lender, founded in 1987 on the principles of responsible lending and exceptional service. Doorway is actively seeking an experienced Underwriter with a minimum of 5 years' experience in underwriting and 3 years' experience in FHA. In addition, the ideal candidate will possess one of the following: Extensive Non-QM experience or Active VASAR designation. Experience and knowledge of Encompass is preferred but not required. Compensation will include base salary, a bonus plan and a benefit package. The right candidates will work primarily out of the corporate office located in Santa Ana, with the opportunity to work remotely on occasion. If you're interested, please send a resume to Director of HR Denise Rodriquez"

[GO Mortgage](#) recently hired Andrea Knorr and Travis Butler as new Business Development Managers. Knorr and Butler bring a wealth of experience in business development, strategy, and talent acquisition, having spent over 20 years in numerous roles within the financial services sector across the US. These new team members will play a critical role in strengthening and overseeing the growth of talent for the company. To learn more about joining the GO Mortgage team, contact Andrea Knorr or Travis Butler.

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