

Warehouse, Broker Products; Webinars Everywhere on Everything; Mr. Cooper's Early Forbearance Figures

By: Rob Chrisman | Tue, Apr 7 2020, 9:10 AM

Is there good news out there? You bet! [Ying Ying and Le Le mated](#). That aside, Day 98 of captivity. We've all found out that really hot water and sudsy soap break down the protective outer layer of the virus. And I found out I have the most loving wife: Last night I woke up while she was holding a pillow tightly over my face to protect me from Covid-19! And this morning I saw a neighbor talking to her dog. It was obvious she thought her dog understood her. I came into my house, told my cat Myrtle.... we laughed a lot. Yes, the home life has changed, and video conferencing has entered our homes in a big way. The question, "Is the call audio, or video too?" is common. Here's [a helpful Zoom pie chart](#). What could possibly go wrong with live feeds and children, right? A Norwegian school quit using video calls after [a naked man 'guessed' the meeting link](#). More below on Zoom's security, or lack thereof, and continued coronavirus-driven changes in our industry.

Lender Services and Products

Union Home Mortgage Corp. TPO recognizes this time of uncertainty for our Partners and their families. We are here for you. In our Wholesale and Non-Delegated Correspondent production channels, we are offering the following products: FNMA, FHLMC, FHA, VA, USDA and affordable housing products. We will continue to adapt to changes, keep you informed, and do our personal best to fund all loans on time as expected. We've made changes to our workflow and technology to create Raving Fans. Thank you for your business and partnership. Stay well. We're an organization dedicated to providing world-class service at competitive prices. Contact Jim Wickham, Vice President - Third Party Origination at (248) 318.8553.

[OptiFunder Warehouse Management System](#) reported a record month in March, surpassing \$1.5 billion in fundings to 18 different warehouse lenders. What started as a warehouse optimization engine has quickly become a critical piece of the mortgage originator's toolkit helping lenders navigate ever-changing funding criteria. OptiFunder's Warehouse Management System, winner of HousingWire's 2020 Tech Award, provides automatic optimized warehouse decisions based on current conditions, warehouse capacity and eligibility on the fly. Lenders can rest assured they achieve the lowest cost of capital and better manage the impact of margin calls. For more information [click here](#) or contact COO Brian Abbott (404-271-8941).

Do you need to train repurposed talent or train new retail or consumer direct loan officers, processors, loan officer assistants or support professionals to meet the capacity challenge in the market? Click [here](#) for a special message from XINNIX CEO and Founder Casey Cunningham on ways to get the talent you need market-ready in as little as 10 days. XINNIX offers four training solutions that produce market-ready talent, fast: SOAR™ for New Processors; ORIGINATOR ASSIST™ for New LOAs; ORIGINATOR DIRECT™ for New Consumer Direct Loan Officers; and ORIGINATOR™ for New Retail Loan Officers. Schedule a call with a XINNIX Account Executive today for more information.

Events and Training (From the Comfort of Your La-Z-Boy)

Developments driven by the pandemic have upended correspondent lending. Everyone agrees about the importance of supporting borrowers during this time of crisis, but actions thus far have created uncertainty, reduced options for potential borrowers, and may seize up the mortgage market, all completely antithetical to the goal of assisting borrowers. Does it have to be this way? [Join MCT on Wednesday, April 8th at 11AM Pacific for a public webinar, Challenges & Solutions for Correspondent Lending in Crisis](#). Topics to be covered include unresolved systemic issues, actions taken by GSE's and aggregators, the impact on originators and pricing, and the path forward. Click [here](#) to register.

Join in to hear the latest information on Mortgage Fun, Freebies, and Forbearance. [Register for the Tuesday, April 7th Webinar](#); David Luna and Rob Chrisman will discuss the latest news and what's behind it.

Compass Analytics (Black Knight) and Phoenix Capital offer up "[Retaining Servicing – Part II: Deeper Dive on Execution, and Forbearance Cash Flows and Value](#)."

Discover Easy Options for Virtual Meetings with Homebuyers. Arch MI created a new webinar to help leverage the latest technology to connect with customers where they're most comfortable right now: at home. With a decade of experience hosting virtual training events, mortgage banking expert Ginger Bell will share key strategies. [There are two Webinar sessions available](#). Tuesday, April 7th from 2–3 p.m. ET and Thursday, April 9th from 11 a.m.–Noon ET.

The Franklin American Mortgage [April 2020 Wholesale “Customer Training Calendar”](#) is now available. This month’s calendar offers a variety of training opportunities such as: Mortgage Fraud, Working Virtually, Amazon and Google’s Impact on Today’s Borrowers, Pump up the Gram: A Guide to Instagram Marketing in 2020 and Loan Officer’s Checklist for Success.

Join Offit-Kurman for a webinar on April 7th at 12 pm ET. [Register for Responding to the Economic Challenges of COVID-19 on Lenders.](#)

Join the [MBAMW Webinar on Thursday, April 9th](#): The Coronavirus, Data Security & Cybersecurity, and Avoiding Common Pitfalls.

James Brody, Johnston Thomas’ Mortgage Banking Practice Group Chairman, will discuss [navigating regulatory requirements and remaining resilient during the pandemic](#), including new FLSA exemption changes, loan originator compensation & the LO Comp Rule, EPD & EPO adjustments, consumer privacy and data security, and vendor risk management best practices. Thursday, April 9 from 1:30 - 2:30 PM ET / 10:30 - 11:30 AMPT.

On April 15 and 16, the [Mortgage 2020-Live Virtual Conference](#) brings together dozens of top mortgage industry leaders and thousands of mortgage professionals for a two-day interactive summit that will tackle the toughest production, legal and compliance issues facing us today, all designed to help you better navigate the new mortgage origination, servicing and technology challenges. Learn the latest from HUD, the GSEs, the MBA and ABA and more, direct from featured speakers such as Dave Stevens, HUD’s Brian Montgomery, me, Flagstar’s Kristy Fercho, MBA’s Chief Economist Michael Fratantoni, Jay Brinkmann, and others. Presented by Firstline Compliance, The Knowledge Coop and Shred Media. Conference passes are available now. Every attendee receives access to two days of live and recorded content and interactive Q&A, multiple conference tracks including production and compliance, which will remain available on the conference website for 30 days for all attendees.

Altisource is hosting [a one-day virtual summit](#) on how Covid-19 is impacting the mortgage industry. The Mortgage Industry Pandemic Summit will take place on May 6 featuring 28 of the most influential leaders in Originations, Servicing, Vendor Management and Government discussing the operational challenges facing mortgage and real estate companies as a result of the pandemic. There is no cost to attend and registrants can select the all-access option for all sessions or choose individual sessions that interest them the most.

Even during uncertain times, efficient compliance must still be a priority. October Research will host Mayer Brown’s Kris Kully and ARMCO’s Kacey Olson on the [“Streamlining the HMDA Process”](#) webinar 2 p.m. May 7th. They will share their experience on innovating the Home Mortgage Disclosure Act (HMDA) process to make it easier to stay compliant. Address the recent changes to the HMDA regulations without overwhelming your staff and even improve your business.

Corona Changes

Videoconferencing’s Zoom is all the rage. Just be careful what you say on it. It allows users to access meetings with a specialized URL but Zoom URLs use a meeting ID with 9 to 11 digits, and by randomly guessing IDs within that realm of digits, hackers can obtain access to unprotected meetings. This has led to hackers and pranksters entering conferences and wreaking havoc. This is a pretty glaring security issue: a simple software program designed to sniff out different Zoom URLs was able to find 100 meetings per hour. It might not even require sophisticated software be used: [a random digit dialing can produce a one-in-seven party crashing success rate](#). Zoom’s responded by making passwords the default on future meetings, but that’s not going to solve the problem for meetings that are necessarily open. Like AA, which more and more mortgage bankers appear to be headed toward.

Mr. Cooper says it placed [86,000 customers](#) (2.5 percent) on forbearance plans in the first week after Congress approved a bailout and relief package intended to help consumers through the coronavirus pandemic. The nation’s largest nonbank mortgage servicer said forbearance volumes ranged from 8,000 to 22,000 a day through Friday.

The Federal Reserve will establish a facility to facilitate lending to small businesses via the [SBA’s Paycheck Protection Program](#) (PPP) by providing term financing backed by PPP loans. Additional details will be announced by the Federal Reserve later this week.

The Mortgage Bankers Association brought together industry leaders and affordable housing advocates in a [public statement](#) to draw attention to the need for a liquidity facility for residential and multifamily mortgage servicers. It’s needed. Simply put, how’d you like to be an independent mortgage banker with \$20 million in the bank and possibly have to come up with that much every month to cover the borrowers in your servicing portfolio not making their payments?

Redwood Trust turned heads Friday... “effective immediately, for loans already submitted to Redwood for review, but for which purchase price and terms letters (PPTLs) have not been executed by Redwood and the seller, all funding and purchase decisions will be assessed on a case-by-case basis prior to execution of a PPTL. For loans for which PPTLs have been executed by Redwood and the seller, Redwood will fund the purchase of those loans on the PPTL funding date; and Redwood is not accepting new file deliveries for purchase requests.

I have received many questions about Wells Fargo Funding's jumbo product ceasing. One can check out [this write up](#) mentioning the regulatory asset cap imposed by the U.S. Government. To be blunt, and simple, if Wells can only hold so many assets, and a jumbo loan is an asset, well, that's that. "Every organization, including Wells Fargo, must carefully evaluate how we serve customers and manage risk, while also maintaining balance sheet discipline in this environment."

Don't forget PennyMac is aligning with the direction outlined by F&F regarding forbearance, and "therefore, any loan in forbearance or for which forbearance has been requested is not eligible for purchase by PennyMac." PennyMac also stated, "Additionally, any loan that is in forbearance or for which forbearance has been requested up to 15 days post purchase by PennyMac may result in a repurchase."

Caliber Home Loans sent, "Effective with Commitment Confirmations issued on or after April 7 we will be updating the Caliber Government and Government High Balance Loan Level Price Adjustments (to be) reflected on the rate sheets published on April 7." As you can imagine, the focus is on low credit score products as it is with so many other investors.

Fremont Bank told brokers, regarding F&F's appraisal policies, "The temporary flexibilities apply to Conventional Conforming, High Balance and Super Conforming loan products only and do not apply to Portfolio ARMs, HELOCs, Gold Jumbo, Diamond Jumbo or FHA loan products. Brokers cannot currently order Exterior Only or Desktop appraisals via MORRIS and will need to order a Traditional Appraisal on our website. We have implemented a process in which each appraisal order will be reviewed and then modified to the temporary appraisal type based on transaction type and the GSE Permissible Appraisal..."

Keep in mind that the U.S. government has stepped in to offer homeowners financial relief during this unprecedented time with the Coronavirus Aid, Relief, and Economic Security (CARES) Act. **Government-sponsored agencies such as Fannie Mae and Freddie Mac will offer forbearance agreements with protections for those homeowners in need** where there is an agreement between a homeowner and their mortgage servicer to suspend payments for a period of time. The homeowner does not incur late fees or other penalties during the forbearance.

"The devil's in the details," as they say. Look for servicers ensuring payment relief by providing forbearance for up to 12 months. Waiving assessments of penalties or late fees. Halting of foreclosures and evictions of borrowers living in homes owned by the mortgage servicer until at least May 17, 2020 (Freddie Mac). Suspending the reporting to credit bureaus of past due payments of those in forbearance due to the COVID-19 emergency. Offering loan modifications for payment relief to keep mortgage payments the same after the forbearance period. Borrowers are eligible regardless of whether their property is an investment, second home, or owner-occupied.

Capital Markets

Here's [a very short telling video](#) of the current unemployment situation.

As the coronavirus pandemic continues to spread globally and with the number of cases in the United States having roughly one quarter of the world-wide cases, the National Institute of Allergy and Infectious Diseases encourage more aggressive social distancing measures to limit the virus' spread. Stay-at-home orders are the norm, limiting activity to varying degrees of 'essential' business operations. Like alcohol. **The increased limits on social activity will continue to weigh on economic activity, accelerating the pace of decline.** The decline in March unemployment is merely the beginning and lower response rates to the Bureau's survey likely point to significant revisions in the coming months. 701,000 jobs lost in March is already near the monthly peak of the 2008 - 2009 financial crisis which saw 21 months of job losses, the largest of which was 802,000 in March 2009. Given the recent weekly unemployment claims numbers, **April's net job losses could potentially number in the millions.** It is widely expected that many, if not all, of the economic releases in April will show unprecedented declines due to the severe and sudden halt to much of the global economy.

U.S. Treasuries pulled back to open the week, including the 10-year yield ending Monday +9 bps to 0.68 percent, as risk tolerance improved amid **signs that some countries are reaching, or have reached their peak in coronavirus cases and fatalities.** For the day, the NY Fed Desk purchased \$20.92 billion MBS, up from \$19.86 billion on Friday, of the \$25 billion tentative maximum. Separately, the Federal Reserve announced the establishment of a facility that will purchase small business loans from banks.

Today contains three releases: Redbook same store sales for the week ending April 4, February Job Openings and February Consumer Credit. All are due out later this morning. The Desk is scheduled to conduct a repeat of yesterday's six FedTrade operations. Additionally, the afternoon sees the sale of \$25 billion U.S. 10-year Treasury notes. We begin the day with Agency MBS prices worse a few ticks and the 10-year yielding .73 percent.

Business Opportunity

As certain aspects of the mortgage market freeze up due to growing market volatility and disruptions caused by the coronavirus pandemic, are you looking for strategic ways to navigate the new reality? Are you considering large staff reduction or exiting certain channels of your business? Do you need to dramatically reduce operating costs but are worried about reputational risks and the potential of re-building? Whatever your challenge during these uncertain times, we can support you as a strategic partner, providing tangible results over the short, medium as well as long term. Contact Chrisman LLC's [Anjelica Nix](#) to learn more.

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