

Webinars and Events; CFPB HMDA News; Agency, Investor, and Vendor Changes Continue

By: Rob Chrisman | Fri, Apr 17 2020, 9:10 AM

While in captivity, [watching the time, and waiting for release](#), can seem like forever. We're always waiting for something, whether it is the CFPB rolling out its proposal for new non-QM guidelines near the end of May, or Ginnie rolling out eNote and eSignature capabilities, hopefully before then. Lenders are waiting for the legal teams to comb through their subservicer agreements to see who bears the cost of loans entering forbearance. One thing there's no waiting on is lenders [realizing why LOs are so important](#), now more than ever. No more waiting at Seattle's Boeing: there are plans to open back up manufacturing in Washington next week which would allow 27k assembly line employees to return to work. Sportscasters are casting about for something to do, so they may as well narrate [the fate of a chew toy](#). (It's the same fellow who did the play-by-play of the dogs eating breakfast, with the [wife's scolding in the background](#) at the 10 second mark.)

New Product for Lenders

[Enterprise Software Designs](#) (ESD) introduces Unifyty (pronounced U.ni'.fi.tee). The first application of its type to combine all back-office functionality into a single next generation ERP. Over 17 years and 10,000 development hours have produced the most unique application available to Lenders. Unifyty is a self-maintaining, customizable system that consolidates multiple applications into a single platform. It can integrate to other popular products, improving efficiency in every department and improving interdepartmental communications. Here are just a few of the features available in Unifyty: HR (Onboarding/Offboarding), SSO, Automated Email Distribution Lists, Automated Web Content Management, Business Intelligence Reporting, Alert Management, Scorm Compliant LMS, Cross-platform integration, Inventory Control. Unifyty provides the structure to add new custom apps in a fraction of the time of traditional app development. You have a CRM, LOS and Accounting Software. For everything else, and to integrate these applications, there is [Unifyty](#): support@esderp.com (602) 935-6333.

Covid-19-Driven Events and Training

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, 2020 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. It is an unprecedented time with news and regulations changing daily. Altisource has partnered with the most trusted names in the financial industry: The Five Star Institute, MBA, Forrester and National Mortgage News to bring you an unprecedented line up of content and industry perspective. 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.

Here is a free webinar: "FACT vs. FICTION: eClosing and RON during and after COVID-19." Never before has eClosing and Remote Online Notarization (RON) been more vital than during today's unique COVID-19 climate. It's critical for all mortgage professionals to understand just how these technologies can support your business today and position it for greater success in the future. Join the free webinar on Wednesday, April 22 at 1PM EDT, where mortgage technology experts from DocMagic and OpenClose will provide an inside look into the eClosing process along with the technical and regulatory insights you need to better serve your customers today and tomorrow. Don't miss this FREE opportunity to prepare your business! [Register now](#).

In case you missed last week's webinar, Challenges & Solutions for Correspondent Lending in Crisis, MCT has published the recording along with updates to the major challenges. What's the latest on agency guidelines related to forbearance, and how can you mitigate repurchase risk? How are aggregator capacity issues impacting the secondary market? The spreads between Best Efforts and Mandatory pricing have widened and there are signs of improvement in aggregator pricing. MCT client Best Execution Analyses this week have shown a 50 BPS tightening of aggregator pricing to cash window execution compared to last week. Review the data and details in MCT's regularly updated article, Challenges & Solutions for Correspondent Lending in Crisis, and get the guidance you need during market volatility by [joining the MCT newsletter](#).

"Why now is the time to educate consumers about down payment assistance" on Monday 4/20 at 11AM CT. "[This webinar](#) will review the latest information on down payment assistance (DPA) program availability, trends and processes. You'll also learn how to start more homebuyer conversations by highlighting information about DPAs in your marketing campaigns, website content and social media platforms."

Envoy CEO Ron Millard continues his inspiring video messages to his remote colleagues, and in [this one](#) he offers some tips about

balancing work and family while working from home along with some humor in an effort to spread more cheer for all.

Virus-Driven Events

Wells Fargo Funding (correspondent) sent out C20-23 updating its temporary tax return transcript requirements that were published in Newsflash C20-017 from only two weeks ago. "For conventional Conforming Loans not receiving full income validation through Fannie Mae Desktop Underwriter (DU) validation service or Freddie Mac Loan Prospector (LPA) asset and income modeler, delegated, if all income information used to decision the Loan is made up exclusively of wage-earner income reported on a W-2 and/or fixed income reported on a 1099 (e.g., Social Security or VA benefits), and the automated underwriting system (AUS) does not require income documentation other than a paystub, W-2, or 1099, IRS tax return transcripts are not required. For all other transactions, the Seller must provide a verification of deposit (VOD) verifying the assets used in underwriting." (Read the bulletin for all details as there is lots more!)

JPMorgan Chase's warehouse bank, in addition to changes made in [its correspondent channel](#) (at the bottom), is reducing its credit box. For nonbanks it will require all borrowers to have a FICO score of at least 700 (compared to 620 previously) and 80% maximum LTV.

First Horizon Bank's warehouse group wants FICOs of at least 670 and will only provide credit on conventional and government loans.

March saw a big change in our biz, and the March 2020 Ellie Mae Origination Insights Report is now available: [download](#). Ellie Mae unveiled new branding which includes renaming the Encompass Digital Lending Platform as the Ellie Mae Digital Lending Platform. Capsilon by Ellie Mae will now be called Ellie Mae AIQ. The new branding is effective immediately and will be implemented across the company's product and services throughout the year. And the Ellie Mae Digital Lending Platform capabilities are there to support lenders during the evolving COVID-19 pandemic. eClosing and Remote Online Notarization: Ellie Mae has added two new eClosing partners to the Platform which supports remote notarization and helps unite users into a single workflow. Appraisal Alternatives and Innovations and Electronic Verification of Employment, Income, and Assets.

The CFPB issued a final rule amending Regulation C to adjust the thresholds for closed-end mortgage loans and open-end lines of credit. "Effective July 1, 2020, the threshold for reporting data about closed-end mortgage loans will increase from 25 to 100 closed-end mortgage loans. Effective January 1, 2022, when the current temporary threshold of 500 open-end lines of credit expires, the threshold for reporting data about open-end lines of credit will be permanently set at 200 open-end lines of credit." But hey, why believe me? Here are some handy-dandy links straight from the horse's mouth: [Unofficial, informal redline](#) to reflect changes to Regulation C, [Executive Summary, HMDA Rule Key Dates Timeline 2020-2022](#), [HMDA institutional coverage chart](#), effective July 1, 2020 through December 31, 2021, [HMDA institutional coverage chart](#), effective January 1, 2022, [HMDA transactional coverage chart](#), effective July 1, 2020 through December 31, 2021, and the [HMDA transactional coverage chart](#), effective January 1, 2022.

In light of the recent announcements by various Agencies regarding temporary servicing guidance related to COVID19, including guidance on forbearance plans, Sellers are reminded to review AmeriHome's Seller Guide Section 3.1.3.5 Original Terms Unmodified (this Guide Section last updated on 9/29/2017), which states, in part, that as of the AmeriHome Purchase Date "No Mortgagor has been granted a forbearance."

US Bank issued [Seller Guide Update SEL 2020-025](#). The following topics are included: Updated Correspondent Credit Overlays. Temporary CLTV/HTLTV Restrictions When Using U.S. Bank 2nd Mortgage Products. Rural Development Handbook Update – Chapter 1 and 10. Portfolio Appraisal Requirements.

[Sprout Mortgage](#), which ceased doing business in New York... is "introducing 3 new loan programs engineered to serve the needs of non-QM borrowers in an ever-changing economic climate: J9 (Full Doc), A7 (Bank Statements), A8 (Asset Depletion). These new programs are fully operational, and already accessible on many popular Product & Pricing Engines. Details are also available through our client portal, and you can obtain scenario eligibility and pricing via Sprout's easy-to-use iQualify app, 24/7."

Freddie Mac released three major revisions to its COVID-19 forbearance program to completely align with CARES Act provisions related to multifamily borrowers and tenants. Freddie Mac's program provides three months of forbearance for borrowers affected by COVID-19 along with a no-evictions policy for tenants during the forbearance period. The program is accessible to borrowers across the more than 27,000 properties that currently have performing Freddie Mac loans. Approximately 4.2 million U.S. renters reside at those properties.

Updated Evictions Prohibition During Forbearance Period: If a borrower enters forbearance, Freddie Mac now restricts a borrower from evicting, giving notice of, or starting an eviction of a tenant for nonpayment during the forbearance period. Freddie Mac's initial program required no evictions of tenants for non-payment related to COVID-19 during the forbearance period. The change put in place today means there is no longer a requirement that tenants demonstrate that their nonpayment is due to COVID-19 related hardship.

Explicit Prohibition on Charging Tenants Late Fees, Penalties or Other Charges for Nonpayment: Borrowers that enter forbearance under

the program cannot charge late fees, penalties, or other charges related to tenant nonpayment of rent during the forbearance period, as required by the CARES Act. This adds explicit guidance from Freddie Mac that borrowers may not charge such fees to tenants while in forbearance, in addition to Freddie Mac's general requirement that borrowers follow all applicable laws.

Extension of Program to End of Emergency Period: The last day to enter forbearance under the program is now the end of the federally declared emergency period or December 31, 2020, whichever comes first. Freddie Mac previously set the program to expire August 1, 2020. The forbearance program is modeled on Freddie Mac's industry-leading disaster-relief forbearance plan introduced in the wake of Hurricane Harvey in 2017. Since then, Freddie Mac has implemented the forbearance plan in response to other natural disasters, including additional hurricanes and the California wildfires.

Capital Markets

Recall that effective for all new Bulk Trade commitments issued on and after Friday, April 3, 2020, AmeriHome implemented a temporary adjustment to its pair-off penalty fee.

It was good to have a quiet day yesterday in the bond markets. With MBS prices just off last week's record highs and month-to-date supply already over \$180 billion and on track to surpass \$200 billion, **it allowed the market to take a breather.** The Treasury yield curve flattened slightly, including the 10-year yield rallying to close the day -3 bps to 0.61 percent after New York Governor Cuomo announced that his state's lockdown measures will remain in place for another month. The Desk of the NY Fed reported gross and net MBS purchases of \$59.403 billion and \$58.403 billion, respectively, for the week ending April 15 with settlements covering April through June. There were also \$1 billion in GNII 2.5 percent dollar rolls for April. This equated to \$14.601 billion per day on average versus daily selling from originators that averaged \$6.0 billion.

The end of week calendar is light on data with leading indicators for March the only release at 10:00am ET. Just before that, markets will be able to digest **panel remarks from St. Louis Fed President Bullard.** Today's Desk purchases are a repeat of Monday and Wednesday's schedule, totaling \$14.55 billion max of current coupon production. The Desk is also expected to release a new weekly MBS purchase schedule where another reduction is expected following this week's \$10 billion daily decline to \$15 billion on average versus \$25 billion previously. We begin the day with Agency MBS prices worse a few ticks and the 10-year yielding .64 percent.

Jobs

Newfi Wholesale is looking for experienced Account Executives with an established account base in select geographic areas. In this challenging market it's important to be able to offer multiple programs and solutions for your broker partners. Newfi's new Pinnacles NonQM program offers bank statement, 1099, asset depletion and 1-year tax return qualification options with all loan decisions made in-house. We also launched four new Jumbo options and offer traditional Agency and Government programs. Our proprietary technology offers a smooth and effortless experience for our clients. Join the growing Newfi Family! Email President Steve Abreau.

Planet Home Lending, LLC, has named Jim McDonald as Chief Marketing Officer. Jim is a data-driven, results-first marketing leader and expert in customer experience and digital enablement. The company's distributed retail branches and MLOs will win more customers with the best automated marketing technology, and the latest video, digital, reputation management, website, and analytics tools. "The customer acquisition model starts long before borrowers speak with an MLO and extends long after their loan closes," McDonald says. "The mortgage sales cycle includes multiple touchpoints that can be stitched together with tools to help transform customers into advocates. The formula for sales and marketing success in today's experience economy is to have customers tell other customers about their great experiences with Planet Home Lending." To discuss distributed retail opportunities at Planet Home Lending, contact Robert Tyler-Cook at 844-254-8966 / RTC@PlanetHomeLending.com.

"At Highlands Residential Mortgage, we're doing our part to #stayhomesavelives and #flattenthecurve, all while experiencing seamless day-to-day operations", said Josh Hebert CIO. "When the news of COVID-19 and work from home became a necessity, we already had the technology and culture in place to support an efficient transition, all while navigating our largest production month in company history! Our team members didn't miss a beat and have been able to provide exceptional customer support and continue to exceed expectations on file turn-times thanks to our flexible, collaborative technology ecosystem. Our customers are kept up to date on loan progress and provided secure tools to safely coordinate their home financing. We didn't know this would happen, but we were ready. We don't know what will happen in the future, but we'll be ready for that too. Want to be part of our innovative team? Reach out to Howard Hall today!"

The Community Home Lenders Association announced that Michael Delehanty, CFO of Mountain West Financial, Inc., is CHLA's new President.

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