

# LO Jobs; Marketing, Docs, Loan Products; Lenders Continue to Combat Covid

By: Rob Chrisman | Tue, May 12 2020, 9:51 AM

I have a confession to make. I grew up drinking whole milk. In fact, I'm so old, when we were thirsty playing sports on the street, we drank out of whatever garden hose was convenient. (Audible gasp from readers.) I could go on, but the point is, I'm not ancient, we've made it through a few business cycles since those days, and we'll make it through this one. People still want to own a home, and financing them is what we do! iBuying is reportedly [picking up](#). Here Mark Cuban discusses [resilience](#). Originally a good portion of economists thought we would see an economic "pause," but that thinking is ebbing and now they're discussing which "[alphabet recovery](#)" the economy will see. In the reverse mortgage segment, where 10,000 Boomers a day turn 62 and many have equity, Joe Langner writes, "While endorsement volumes for FHA loans have slowed, the numbers reflect pandemic-related administrative challenges and an increase in unrepresented private reverse mortgage origination. In fact, ReverseVision has seen greater application volume in April 2020, which we believe is due to low mortgage rates and [increased private reverse origination](#)."

## Lender Services and Products

The DocProbe Story Part 3: Technology. Last week we saw how DocProbe's proven process has revolutionized the Trailing Docs industry. Today we examine the advanced Technology that keeps DocProbe moving at peak efficiency, speeding up turnaround times, increasing accuracy and ultimately, lowering your per loan cost. Our process begins with OCRing and barcoding all incoming documents, indexing every page to ensure end-to-end tracking. Our in-house team of software developers designed a proprietary system using these technologies to digitalize Trailing Document management, resulting in complete accuracy and swift turnaround time of your Final Docs. Our client portal is designed with you in mind, allowing you to login to your DocProbe account, take a fully transparent view of your Trailing Docs and run reports. Finally, LOS integration and digital delivery to lenders, investors, and custodians bring it all full circle. Take a peek under our hood at [www.docprobe.net](http://www.docprobe.net) or reach out to Nick Erlanger for a personal tour.

MGIC's Loan Officer Hub has a brand-new page dedicated to only the best podcasts in the mortgage and real estate industry. [Explore the 20+ new podcasts that just went live](#). They focus on referral, consumer, and social media strategies from leaders across the industry. Now is the perfect time to listen on any device and hone your skills to gain some knowledge so you can finish strong in 2020.

[Results](#) of a recent study on COVID-19 communications showed that mortgage is only 20% among all of the other financial services that are competing for consumer eyes. Not to mention, mortgage is also up against different industries outside of finance. With all of this noise going out to the consumer, how do you know you're reaching the audience you want? And if you are reaching the right people, how can you be sure your messaging is impactful enough to get them to act. In today's environment, it's never been more important to reach the right audience with the right message. [Click here to see the survey results from Informative Research and learn how your message can stand out from all of the noise!](#)

He Made the President's Club While Hospitalized! Here's a true story about the power of [Relationship Engagement](#): On a mortgage company's production cruise in 2003, a winner slipped near the pool and landed on the back of his head. He was unconscious for 20 minutes, but when he woke up, he felt fine. Turns out he wasn't fine. In fact, he almost died and spent a year in the hospital. The crazy thing is he did \$12 million in production that year. How? He had great relationships, a great assistant, and his marketing was automated. His Realtors and clients had no idea he was even sick. They continued to get great service from his assistant and targeted, personalized marketing from Usherpa. According to the Loan Officer, "Without Usherpa, I'd be out of business." [Local Content](#) sent to the right people at the right time with the right message: [Usherpa.com](http://Usherpa.com).

## COVID-related Changes

Due to the ongoing impact of COVID-19, investment properties will no longer be eligible for mortgage insurance through Radian or MGIC. Loans that have a rate quote dated on or before Sunday, May 10, 2020, must be submitted to Flagstar underwriting on or before Wednesday, May 13, 2020. Effective immediately, rates for Essent will no longer be included in quotes for MI pricing. Loans in the pipeline with existing Essent quotes will continue to be processed. Flagstar Bank let correspondents know that it issued [Memo 20048](#): Conventional Condo Approval Updates due to COVID-19. And has [posted guideline updates](#) applicable to the Jumbo 5/1 and 7/1 Arm and Non-Agency Jumbo-income types.

Arch MI told clients that, "Fannie Mae and Freddie Mac have announced updates to the COVID-19-related temporary requirements. Fannie

Mae updated Lender Letters LL-2020-03 and LL-2020-04, and Freddie Mac issued Bulletin 2020-14. Both Fannie Mae and Freddie Mac have announced that all temporary requirements and flexibilities set to expire with loan applications through May 17, 2020, will be extended through June 30, 2020. Read a full overview of Arch M's position on the Agencies' changes in our latest Customer Announcement, [CA 2020-05.](#)"

With [CB20-26 Chase Correspondent COVID-19 Update - Non-Agency Self-Employed DTI, EPD Flexibility and Delinquent Payment History](#), Chase is now requiring a Non-Agency Self-Employed Maximum DTI of 35.00%, but offering temporary Early Payment Default (EPD) Flexibility, and spells out its policy on delinquent payment history.

First Community Mortgage issued [Wholesale Announcement 2020-18](#): Updates to COVID-19 Flexibility for VA and Conventional Guidelines. And issued [Correspondent Announcement 2020-16](#): Updates to COVID-19 Flexibility for VA and Conventional Guidelines.

Want to know/hear how a well-known investor was financially hit during the 1st quarter? [Redwood Trust](#) released its results Thursday.

For the wholesale channel, PRMG is discontinuing the Housing Authority/Bond Down Payment Assistance programs apart from the Chenoa product. The Chenoa product will still be available. Additionally, standalone down payment assistance (DPA) programs are still eligible to be used in conjunction with our standard agency and government products. Approved standalone DPA programs can be found on the Resource Center or [here](#). To request approval for a new standalone DPA program, please follow the process as outlined on the DPA submission checklist, which can be found on the Resource Center or [here](#). Note this only applies to certain Housing Authority/Bond Down Payment Assistance products. As a reminder, CalHFA was previously discontinued for the wholesale channel.

## Capital Markets

Jobs and housing drive our economy, and recent economic **data from early May has confirmed the extent of the economic toll of shelter in place and the resulting shutdown of many businesses**. The Bureau of Labor Statistics' Employment Situation Summary report showed payrolls declined by a record 20.5 million in April and the unemployment rate jumped to 14.7 percent; a post-World War II high. U-6 unemployment was 22.8 percent. Employment in leisure and hospitality declined by 7.7 million, or roughly 47 percent of workers in that sector of the economy. Given the significant number of lower-wage workers laid off, average hourly earnings increased \$1.34 to \$30.01 during the month. Additionally we saw the first large retail companies announce bankruptcies during the first week of May and other larger companies announce significant layoffs. Initial applications for unemployment insurance declined, but remained near historic highs, suggesting that labor data will remain dire in May. Many states began relaxing shelter in place orders in early May and the financial markets have shrugged off much of the historically bad data on hopes that signs of a rebound will surface soon.

The latest weekly installment of the MBA forbearance survey showed that total **loans in forbearance as percent of servicing portfolio volume as of May 3 rose to 7.91 percent** from 7.54 percent the previous week. Fortunately, the pace of forbearance growth has slowed, for now. According to separate data from Black Knight, 225,000 more borrowers took advantage of government and bank mortgage forbearance programs last week, bringing the total of homeowners not making their monthly payments to nearly 4.1 million, as of May 7. The rate of increase in forbearance requests slowed to 5.8 percent from 12.8 percent the previous week. Ben Graboske, president of Black Knight, said, "what remains an open question at this point is to what degree forbearance requests will look like at the beginning of May—when the next round of mortgage payments become due, and with nearly 30 million Americans newly unemployed in the last month." Under the government mortgage bailout that is part of the CARES Act, borrowers can initially miss payments for up to 90 days and can then apply for extensions of up to a year. The Mortgage Bankers Association also said it expects the share of loans in forbearance will continue to grow, particularly as new mortgage payments come due this month.

Looking at the bond market, it was a relatively quiet day for market headlines yesterday. The morning was filled with talk of a new stimulus package out of Washington, again above a trillion dollars, which would include money for state and local governments and more direct payments to Americans. **The afternoon was filled with talk from China calling for the invalidation and renegotiation of the phase one trade deal** due to U.S. rhetoric, and China Vice Chair Liu admitted China hasn't met U.S. purchase demands as outlined in the original deal. And more than a dozen European countries eased their lockdown restrictions. U.S. Treasuries pulled back across the curve (the 10-year yield closed the day +4 bps to 0.72 percent) as investors assessed the impact of reopenings at home and abroad.

Today's economic calendar got under way before the open with the NFIB Small Business Activity Index for April (-5.5 to "90.9"). We've also received the April CPI report (-.8 percent, core -.4 percent). Later today brings Redbook same store sales for the week ending May 9, a laundry list of virtual Fed speakers (Minneapolis' Kashkari, St. Louis' Bullard, Fed Vice Chair Quarles, Philadelphia's Harker, and Cleveland's Mester), a \$32 billion Treasury auction of new 10-year notes, and the April budget deficit. **The NY Fed will conduct two FedTrade purchase operations totaling up to \$4.875 billion** starting with \$1.625 billion UMBS15 2 percent and 2.5 percent followed by up to \$3.25 billion UMBS30 2.0 percent through 3.0 percent. We begin the day with Agency MBS prices worse/down a few ticks and the 10-year yielding .71 percent.

## Jobs/Opportunities

A group of well-capitalized mortgage executives with combined 70+ years of experience is looking to acquire an existing company with agency seller/servicer approvals. Ideally the company should be operating and in good standing with all applicable states and agencies, regardless of geographic region. Please contact [Anjelica Nix](#) if you are a potential seller or are interested in exploring a partnership to add capital to your company.

“The Team at Kind Lending is bringing the brightest and most enthusiastic minds together to build a mortgage lending company with heart. Led by the biggest names in mortgage CEO Glenn Stearns and President Yvonne Ketchum, Kind Lending is quickly growing a team of underwriters, account managers, closers, funders, and more. View open positions on [www.kindlending.com/careers](http://www.kindlending.com/careers). If the ‘kind vibe’ is a fit for you, send your resume to us for consideration.”

At [On Q Financial](#), we believe the dream of homeownership is inclusive. What happens, however, when a consumer’s homeownership dream is interrupted by a global pandemic? That is what happened to an On Q Financial borrower when COVID-19 restricted their travel back to the US from Costa Rica. “We made their dream a reality by E-Closing their home loan completely online while the borrower was still in Costa Rica. It is a game changer especially in this market,” said Juan Rodas, SVP Capital Markets & Fulfillment. E-Closings are the epitome of social distancing, going beyond hybrid closings and allowing loans to close completely contact-free and paperless. If your borrower needs to close on their home loan while practicing social distancing, working for an innovative lender with an E-Close solution is right for you. If you are interested in learning more about On Q Financial, [contact us today!](#)

“We’re all about setting the bar high in the mortgage industry at PrimeLending, and our record Q1 speaks volumes of what we can accomplish together. Through extraordinary circumstances, [our team](#) continued to deliver phenomenal service while adjusting to new guidelines, a volatile market and work-from-home mandates. That’s what agility is all about, and nobody has the strength, stability, and expertise to navigate rough conditions and thrive like PrimeLending. In a time where home buyers and homeowners need guidance more than ever, we’re very proud to be a ‘helping hand’ customers can trust in today’s marketplace. Can you say the same about your company? If you’re ready to join a team with the people, process and products in place to help you [achieve your goals](#), contact Nic Hartke to start the conversation.”

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