

LO Jobs; Valuation Products; Agency/Investor Changes; Mortgage-COVID-Video; Powell Sees Prolonged Tough Times

By: Rob Chrisman | Thu, May 14 2020, 10:12 AM

As we race toward the Memorial Day holiday on the 25th, for the first time in history we can save the human race by laying in front of the TV and doing nothing. Let's not screw it up! Zillow laid out its work from home (WFH) plan: [the rest of 2020](#). Microsoft? [October at the earliest](#). Facebook & Google for [the rest of 2020](#). Who cares what politicians say? Owners asking people to return to an office will be faced with antibody testing, temperature monitoring, and social distancing. The coronavirus pandemic might cause lasting damage to economies and individuals by leaving companies [burdened with debt](#) and by leaving households worried about financial security. Bank of England Chief Economist Andy Haldane: "All crises leave scars, and this crisis assuredly will be no exception." Whether it is nearly every government in the world, or billions of individuals, there is a lot of borrowing going on. On a personal level, Truist's Michele Perrin shared [this video](#) of an interview with her husband Chuck who was hit swiftly with the virus and is now, thankfully, on the slow road to recovery although his lungs were damaged and may take as much as a year to recover.

Lender Products and Services

Have 8 minutes for a chance to win \$500? Of course you do, especially in our shelter-in-home lives. A mortgage industry brand survey is giving away the chance to win a \$500 Amazon gift card to all completed surveys. [Click here to start](#). Good luck on your chance to win!

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!](#)

Take the guesswork out of appraisal alternatives during this challenging time with Connexions' all-new Intelligent Valuation Portal (IVP). It quickly identifies the best possible appraisal type based on GSE requirements by analyzing customer, loan, and property data to make the best product decisions for your business. IVP's decision-tree technology analyzes customer, loan, and property data to make the best product decisions for your business, while ensuring each appraisal ordered is compliant, cost-effective, and situationally appropriate. And with Connexions' new virtual inspection tool, CNX360, appraisers can safely and securely collect property information and pictures from the homeowners with a click of a button. Connexions has vast experience in the appraisal industry and offers a premier Appraisal Management platform that delivers best-in-class technology solutions, allowing you to deliver the highest quality real estate appraisals to your customers. Interested in Connexions' IVP or CNX360? [Contact them today!](#)

[As Chase, Wells Fargo and others step away from HELOC lending](#) due to current economic disruption, many borrowers need a lender to help them access their (often considerable) home equity reserves. ReverseVision President Joe Langner says this creates opportunity for lenders offering the Home Equity Conversion Mortgage (HECM). Because HECMs really deliver in a down market, senior homeowners are turning to the flexible HECM line of credit as an alternative to traditional HELOCs. That's because unlike HELOCs, HECMs can't be canceled, recast or frozen. HECMs also give borrowers flexibility in making monthly mortgage payments. If you'd like to learn more about how this rewarding, widely underutilized lending program can benefit your senior borrowers and your bottom line, contact Wendy Peel for a free consult or demo of [ReverseVision](#).

Investor/Lender Changes

The FHFA was busy yesterday. Fannie Mae issued [Lender Letter LL-2020-07](#), [COVID-19 Payment Deferral](#). "Servicers will use this new workout solution to help homeowners impacted by COVID-19 financial hardships return their mortgage to current status after up to 12 months of missed payments. Designed to be simple and efficient for both servicers and borrowers, this solution moves the amount of the missed payments to the end of the loan."

Freddie Mac, also overseen by the FHFA, [announced](#) "a solution for homeowners once they have resolved their COVID-19-related hardship that can quickly bring their mortgages current and put them back on track."

The industry is watching moves by AmeriHome and PennyMac, two large non-bank correspondent investors. Yesterday it was PennyMac's turn. "PennyMac will make updates to the Government LLPAs effective for all Best Effort commitments taken on or after Friday, May 15:

Update values on the Government 'FICO Price Adjustments' Grid." A sample of the updated rate sheet(s) was posted last night to the PennyMac Portal. "Sample rate sheet(s) will be available for download shortly after the standard rate sheet email notification is sent from 'PennyMac Seller Pricing.'"

Gateway First Bank, Correspondent Lending, is amending its May 5th, 2020 announcement titled Update to Agency LLPA's: Temporary Selling Requirements Related to COVID-19. "Effective immediately, agency purchase or no cash-out refinance transactions entering into a forbearance period (as defined by Fannie Mae and Freddie Mac) after purchase by Gateway but prior to the loans being sold to an agency, will not be assessed the following LLPA's: 500 basis points (5.000%) for first-time home buyers, or 700 basis points (7.000%) for all other transactions. Loans that are currently in forbearance are not eligible for purchase by Gateway. Agency Cash-out refinances that enter into forbearance after purchase by Gateway and prior to being federally backed may result in a repurchase. Purchase and no cash-out refinance transactions that enter into a forbearance period (as defined by Fannie Mae and Freddie Mac) after purchase by Gateway, remain eligible in accordance with agency salability and clients loan purchase and sale agreement."

Remember that Fannie Mae issued [LL-2020-04](#) extending the temporary appraisal flexibilities until June 30.

USDA issued information on SFH Direct Loan and Grant Programs. Fiscal Year 2020 [income limits](#) for the Single Family Direct Loan and Grant Programs were published on May 4, 2020 through a [Special Procedure Notice](#). The income limits were updated in the impacted websites and systems (e.g. UniFi and the [Section 502's Eligibility Assessment tool](#)). The following automated worksheets were also updated, and other changes as noted below were made. Section 502 - Worksheet for Computing Income and Maximum Loan Calculator (as found on the [Single Family Housing Direct Home Loans](#) and [Direct Loan Application Packagers](#) pages). Section 504 - Automated Worksheet (as found on the [Single Family Housing Repair Loans & Grants](#) page).

FHA, USDA, and VA have aligned to provide the housing finance industry and consumers with information that outlines their responses to forbearance and loss mitigation options available under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The [Interagency COVID-19 Forbearance Fact Sheet for Servicers](#) provides guidance to assist borrowers seeking forbearance on their mortgage loans that are insured or guaranteed by these Agencies. A separate [Interagency COVID-19 Forbearance Fact Sheet for Consumers](#) is also available.

This fact sheet outlines the steps borrowers need to take to request forbearance for their FHA-insured or USDA- or VA-guaranteed mortgages due to the COVID-19 National Emergency.

Today at 2PMET, Metro-West Appraisal and Appraisal Buzz will host a free town hall-style webinar to discuss safety, industry guidelines and the rapidly changing effects of the pandemic. Appraisers and leaders from Metro-West Appraisal, Genworth Mortgage Insurance, the Texas Appraiser Licensing and Certification Board and Collateral Analytics will participate in a live Q&A. Click [here](#) to register.

On the business loan front, [World Business Lenders'](#) COVID-19 RELIEF LOAN PROGRAM offers financing up to \$2,000,000 to businesses impacted by the pandemic, qualifying businesses by reviewing their pre-coronavirus revenues as part of its eligibility criteria; businesses can still qualify despite having little or no current cash flow. All loans are secured with adequate equity in virtually any form of real estate and WBL will take a junior lien position. The two-year loan Program is intended to make available to a struggling business the capital necessary to weather the economic storm by providing no payments until month four, interest only payments for the first year (first three months collected at closing), and loan structures with other flexible payment options. Contact Phil Grossfield.

Capital Markets

There were two main headlines moving the bond market yesterday, as **U.S. Treasuries exhibited some curve-flattening action in rallying for the second day in a row**. The first was Fed Chairman Powell urging the White House and Congress to spend more money to ensure their initial response to the coronavirus-induced economic downturn is not for naught. Additionally, he said that he expects only a gradual economic recovery and he repeated his opposition to a negative interest rate policy in the U.S. during his prepared remarks. In general, his outlook was pretty bleak. "There is a growing sense that the recovery may come more slowly than we would like...and that may mean that it's necessary for us to do more," he said.

On the bright side, the Chairman seems to be a firm believer that **the Fed currently has enough tools in its toolkit to address the crisis**, saying that negative rates are not currently under consideration. In my opinion, it's worth noting that the Chairman said that "Additional fiscal support could be costly, but worth it," to Congress when the same argument could be used about negative rates if the Fed really wants to achieve its mandate of achieving maximum employment and stable prices. Easing monetary policy is easier when inflation is low. The other headline impacting the bond market was the **concerns over a second wave of coronavirus infections, which weighed on risk tolerance**.

Some housekeeping notes. The U.S. Treasury \$22 billion 30-year bond auction was met with lukewarm demand. The Producer Price Index for final demand missed expectations as it marked its biggest decrease since records began in December 2009. Most of that decline was

attributed to a drop in prices for final demand goods. Core PPI, which excludes food and energy, slightly missed expectations as well. The figures will certainly keep the Fed on the path at the lower bound.

Today's main economic releases are already out: Weekly Initial Claims for the week ending May 9 (2.98 million!), April Export Prices (-3.3 percent), April Import Prices (-2.6 percent, ex-oil -2.5). There are three scheduled Fed presidents speaking today: Minneapolis' Kashkari, followed by Atlanta's Bostic and Dallas's Kaplan. 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 \$3.25 billion UMBS30 2 percent through 3 percent. The Desk will also report on MBS purchases for the week ending May 13 this afternoon. Additionally, today marks the Class B 48-hour notification. We begin the day with Agency MBS prices better/up nearly .125 and the 10-year yielding .62 percent after closing yesterday at 0.65 percent.

Employment and Transitions

In recognition of National Military Appreciation Month, [AFR Wholesale](#) honors all those who serve and have served. AFR is proud to offer a suite of VA loan programs to help our active military, veterans, reservists, and their families make the dream of homeownership come true. VA Loans offer many benefits to eligible borrowers, including purchase loans with up to 100 percent financing, low interest rates and no mortgage insurance premiums. Among the many lending options available with AFR, VA IRRRLs offer a quick approval refinance to help lower monthly payments on an existing VA loan, and VA Manufactured Housing loans can provide a solution to the lack of affordable housing in certain areas of the country. In addition to providing business partners with unique products and services, AFR also provides industry-leading technology and continuous educational opportunities. For more information go to afrwholesale.com, email sales@afrwholesale.com, or call 1-800-375-6071.

"At [Castle & Cooke Mortgage](#) we're working hard to keep up with our continual growth. There are worse problems, right? But you tend to grow quickly when you're a mortgage company in the Goldilocks Zone: Small enough to give customers a personalized experience but big enough to give loan officers all the tools and support they need. Our 'just right size' is the main reason Dave Purdy recently joined us as a Regional Manager. Under Dave, we've already opened three new branches in New Mexico and Texas while looking for opportunities in Oklahoma, Kansas, and Missouri. We're also excited to welcome industry veteran Steve Mix to the family. With over 20 years of Consumer Direct leadership, Steve will head up and build out our new Consumer Direct office in the Dallas/Ft. Worth area. If you're looking for an amazing career at a company that's just right for you, contact Christi Fullerton today."

"[Altisource](#) is continuing to grow in El Paso! Two strategic leaders are needed to help us continue to deliver world-class client and customer experiences. If process innovation, leadership in talent development and tenure in the mortgage industry are part of your DNA, Altisource would like to meet you! Check out [our job posting link](#). Please reach out to [Ashley Crawford](#) with any questions."

"[Carrington Mortgage Services](#) continues to expand its Non-Delegated Correspondent channel. As a result, we have openings for [FHA and VA Underwriters](#) with either a FHA DE or VA SAR Authority. The positions come with an aggressive compensation package including a sign-on bonus and can work remotely from home. Resumes/questions should be sent to John Cervantes, Director of Talent Acquisition."

Plaza Home Mortgage, Inc. announced that Kelley Tillinghast has joined the company as SVP, Chief Underwriter and will oversee all underwriting in Plaza's three channels (Wholesale, Correspondent, and Reverse), playing a key role in setting company underwriting policies and standards.

NewDay USA hired Pooja Bansal as SVP of Human Resources and Communications, and promoted Eugene Mizin as SVP of Operations and Finance.

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