

Ops Jobs; Business Opportunities; AMC Products; Yesterday's Agency Changes

By: Rob Chrisman | Fri, May 15 2020, 9:29 AM

I messed up yesterday, not knowing “Bike to Work” Day was postponed until September. Getting out of the bedroom was okay on my Schwinn Varsity, but coming down the stairs was rough on “the boys.” What is also rough are margin calls. Margin calls were, and still may be, a big deal for lenders’ cash flows. There’s little point being upset with broker dealers. The Treasury has [a committee](#) that establishes best practices for the fixed-income markets, and the TMPG’s recommendation for [managing margins](#) has been in place for years. But residential lenders are licking their chops over what promises to be a solid May and June, given pipelines, margins, and a stable market. Given the potential profits, few lenders want to “leave the table.” But that doesn’t mean M&A has stopped, and news broke yesterday of an acquisition transaction (more below). The way transactions happen in real estate are [changing](#). Agents sadly say, “The test for buyers is no longer asking if they can imagine living in a place, but if they can imagine quarantining there.” Lastly, here’s what happens when you combine a quarantined Scottish sports broadcaster with his [two dogs in a swamp](#). (Turn up the volume.)

Lender Services and Products

[LauraMac](#), a technology company, announced the launch of its enterprise due diligence platform. The SaaS platform combines a configurable rules engine with distributed workflow allowing users to work together in a compliant, secure, and transparent environment. “We’ve created this technology to empower our clients to make smarter and more confident decisions,” LauraMac CEO Bob Fulton said. “By combining automation, collaboration and configuration, we believe the LauraMac platform will transform the way the industry looks at loans in the secondary market.” The platform is designed for correspondent buyers of whole loans or MSR’s, banks, investment funds acquiring assets, originators performing pre or post-close QC audits, third party review firms, servicers evaluating forbearance and modification status or any other company looking for an innovative business process management tool. LauraMac was founded by Chris Saitta, who has successfully led several other technology companies.

[NAN \(Nationwide Appraisal Network\)](#) continues to be recognized by industry leaders as one of the most trusted AMCs in the country. Recently engaged by MBA, NAMB, FAMP, and some of the largest lenders in the nation as their AMC of choice to help educate industry professionals about appraisals during COVID-19, NAN has seen soaring demand for its services. As such, NAN has expanded its Sales team by bringing on industry veterans Shauna Reimann (Southwest) and Keith Kirby (West) to fill two new Regional Sales Manager positions. “We understand how much is at stake each time a loan originator trusts us with an appraisal order, and it’s why we utilize the most advanced predictive analytics when engaging appraisers,” says Steve Sussman, SVP of Sales & Strategy. “It’s also why we believe in service above all else. The genuine relationships we build with lenders, brokers, and appraisers are the foundation of our success.

[Join MCT on May 21st at 11AMPT](#) for a webinar on Challenges & Solutions for Correspondent Lending in Crisis: Part 2. Record registrations have already been reported for this webinar indicating the importance of this timely guidance. MCT’s panel of experts will review current market conditions and how they are affecting pricing, liquidity, and capacity, focusing on actionable strategies for navigating the crisis and the key challenges that persist. MCT’s dedication to providing expert-level guidance shines through again in the release of its newest post, 5 Operational Best Practices for 2020 Market Volatility. This release has also been added to MCT’s new Market Volatility Guide which is focused on helping lenders survive current and future waves of market volatility. Don’t miss this timely content as it’s released, join MCT’s newsletter today.

Transitions

Out of Ohio comes news that [CrossCountry Mortgage, LLC \(CCM\)](#), with its nearly 3,000 employees, is acquiring the assets of New Jersey-based residential mortgage lender First Choice Loan Services Inc. Ron Leonhardt, CEO of CrossCountry Mortgage, noted, “It enhances both our strategic growth in several regions as well as our consumer-direct component.” Regarding First Choice’s Mortgage Program for Costco Members, EVP Bill Schneider stated, “There was an extensive review process on both sides to ensure that that Program would go forward with the high level of service required to provide the outstanding experience Costco members expect.”

Agency Changes

The Federal Housing Administration (FHA) published [Mortgagee Letter \(ML\) 2020-13](#), “Extension of Foreclosure and Eviction Moratorium in connection with the Presidentially-Declared COVID-19 National Emergency and New Reporting Requirements Related to FHA Single

Family's CARES Act Loss Mitigation Options." It is an extension of the foreclosure and eviction moratorium for all FHA-insured single family mortgages previously announced in [ML 2020-04](#), to June 30, 2020, but excludes vacant and abandoned properties. There are [new reporting requirements](#) in FHA's Single Family Default Monitoring System (SFDMS) for loss mitigation options related to the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

Mortgagees and servicers are required to select the appropriate default/delinquency reason codes to report the borrower's status at the end of each reporting cycle and update accordingly as their circumstances change. Effective May 1, 2020, FHA implemented [new reason codes](#) related to COVID-19, which should be applied to the April 2020 reporting cycle.

There's also [Mortgagee Letter \(ML\) 2020-14](#), "Extension of the Effective Date of Mortgagee Letter 2020-05, Re-verification of Employment and Exterior-Only and Desktop-Only Appraisal Scope of Work Options for FHA Single Family Programs Impacted By COVID-19." It is an extension of the effective date of the guidance contained in [ML 2020-05](#), which provides flexible alternatives for re-verifying a borrower's employment and conducting appraisal reviews while physically-distancing during the Presidentially-Declared COVID-19 National Emergency.

FHA's extension of appraisal guidance is effective immediately for appraisal inspections completed on or before June 30, 2020. The extension of re-verification of employment guidance is also effective immediately for cases closed on or before June 30, 2020.

Freddie Mac noted that servicers will be reimbursed for all advances once the loan moves from forbearance into COVID-19 Payment Deferral Status. Not only did Freddie announce its policy for reimbursement of advanced interest, but also changed its policy for reimbursement of taxes and insurance (note that Freddie servicers, unlike Fannie servicers, do not need to advance principal so that was not addressed). Freddie Mac stated that servicer advances for interest, taxes, and insurance will be reimbursed upon settlement of the COVID-19 Payment Deferral. This timeline means that after the loan status changes from a forbearance to a newly current loan, called a COVID-19 Payment Deferral by Freddie Mac, servicing advances will be reimbursed. So in the worst-case scenario, the servicer would have to advance for four months after which Freddie Mac would advance for the remaining eight months and then the servicer would be reimbursed after that.

Yesterday Fannie has updated Lender Letter [LL-2020-02](#), Impact of COVID-19 on Servicing, to address these topics: reclassification of MBS mortgage loans in the 2007 Trust Agreement, property inspections during forbearance plans, foreclosure and bankruptcy moratorium extension, and post-forbearance workout options update.

Fannie also spread the word that the COVID-19 temporary [appraisal flexibilities](#) have been extended through June 30. Lenders and appraisers can find details on the temporary appraisal guidance, video tips for using the flexibilities, FAQs, and more resources on our Appraisers page.

Capital Markets

Federal Reserve Chairman Jerome Powell says **policymakers might have to act further and use additional fiscal stimulus to safeguard the economy**, highlighting the unprecedented amount of monetary measures taken but has stressed the importance of further assistance. "The recovery may take some time to gather momentum," Powell says. "Additional fiscal support could be costly but worth it if it helps avoid long-term economic damage and leaves us with a stronger recovery."

An economic contraction stemming from the coronavirus pandemic will drive the unemployment rate to 17% next month, according to a survey of economists. The majority of respondents expect the economy to begin recovering in the second half of this year, with a 9% annualized growth rate in the third quarter and 6.9% expansion in Q4.

As I've said many times before, expectations are priced into markets. So, when jobless claims yesterday posted a larger figure than expected, it drove a rally in Treasuries. If you didn't see the figures yesterday, another 2.98 million Americans filed for unemployment benefits, more than the 2.5 million expected, bringing the eight-week total to 36.5 million. Other headlines included talk that the Fed may ultimately have to increase its asset purchases, and **President Trump saying he won't renegotiate the trade deal with China**.

Today's economic calendar is already underway. We've had releases for April Retail Sales (ugh: -16.4) as well as May Empire State Manufacturing (ugh: -48.5). Later this morning brings April Industrial Production and Capacity Utilization, March Business Inventories, March JOLTS - Job Openings, and Preliminary May University of Michigan Consumer Sentiment Index. The NY Fed will conduct two Fed Trade purchase operations totaling up to \$5.083 billion, **and will later release the MBS purchase schedule for next week which includes an early close on Friday**. We begin the day with Agency MBS prices up/better by a few ticks and the 10-year dropping to .59 percent after closing yesterday to 0.62 percent after the atrocious Retail Sales number.

Employment and Business Opportunities

“At [Caliber Home Loans](#), our DNA is built on the foundation of helping our customers at all stages of home ownership. Over these past weeks, we’ve seen unprecedented hardship impact the areas we live and work. With record performance that enabled us to hire more than 400 employees since April 1, Caliber is thriving, and our grateful team is rallying to give back to those in need. This week, in partnership with the United Way, Caliber launched the Caliber Kindness campaign. Until May 29th, employee donations, matched by Caliber up to \$500,000, will benefit food banks and vital community support services across the United States. At Caliber, we strive to make a meaningful difference in the lives of our customers and each other. #CaliberStrong”

“Challenge accepted. At [Primary Residential Mortgage, Inc. \(PRM\)](#), we thrive during challenges. While many other respected mortgage firms have come and gone, PRM endures. In over 23 years, we have never missed a funding obligation to a customer, a payroll obligation to an associate or a payable obligation to a vendor or loan partner. Our battle-tested business model and an aversion to balance sheet debt have helped us succeed, and grow, even during the toughest of times. As we tackle present challenges and pursue future opportunities, we’re searching for the industry’s best mortgage professionals. Are you ready to find new success with a stable partner backing you up? Join us. Visit our [branch partner website](#) or contact Amy Gallow, VP of Business Development, to learn more.”

Coming off record production volume in April, [Nations Lending](#) is growing across the country. Nations, established in 2003, is an agency-direct seller/servicer with Fannie Mae, Freddie Mac and Ginnie Mae, licensed to lend in all 50 states. “Nations’ long-term strategy of selling direct is really paying off,” said Corey Caster, EVP of National Production. “Delivering direct has allowed us to keep minimal overlays and continue as business as usual, which has created a real advantage for our loan officers.” Nations Lending continues to invest in industry-leading technology to help our salesforce grow the business. For the past three years, Nations has been named a Top 100 Lender by *Executive Mortgage Magazine* and Top Mortgage Employer by *National Mortgage Professional Magazine*, and twice a Best Workplace in Financial Services by *Fortune Magazine*. To learn more about branch opportunities, contact Doug Opdycke, VP of National Recruiting at (623) 734-5747. Equal opportunity employer.

PennyMac is growing rapidly, and diversity is at the heart of its innovative culture and continued success. By utilizing virtual interviews and onboarding processes, PennyMac has hired nearly 1,000 new staff members since COVID-19 hit the United States. With its headquarters and four other offices in Southern California, along with major centers developed in Tampa, Ft. Worth, St. Louis and Las Vegas, the company is excited to announce its expansion into Phoenix with a new sales and operations hub. To jumpstart the new Arizona location and continue adding talent throughout the country, PennyMac is committed to hiring an additional 500 people within the next three months. From competitive compensation and benefits to career growth opportunities, leading technology, and a culture that’s passionate about helping customers and clients, PennyMac is an incredibly exciting company to join. Are you ready to make a difference? [View opportunities today.](#)

“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!](#)”

It’s easy to hang posters of mission and vision statements on office walls. This is likely a common practice in most mortgage lender locations. But how well does your company act on these core values and beliefs? The company culture at [Academy Mortgage](#) is a direct reflection of the lender’s vision to Inspire Hope, Deliver Dreams, and Build Prosperity. Academy’s numerous service initiatives, including Service Expeditions around the world, help inspire hope. Continual development of innovative technology and loan solutions enhance Academy’s abilities to deliver the dream of homeownership. Unique professional development programs, like the Leadership Academy and Torchbearer program, facilitate Loan Officer career growth to build prosperity. Are you interested in partnering with a company who walks the talk to achieve their Potential? Academy is looking for merger and acquisition opportunities with like-minded companies. If your company is interested in confidentially exploring a merger or acquisition with Academy, please contact Executive Vice President [Patrick Welberg](#).

A California-based lender is looking to acquire a retail or wholesale lender. The lender prefers that those interested must have at a minimum a GNMA ticket (Freddie is a plus). The lender is well capitalized and looking to continue their expansion and grow market-share nationally. The lender will entertain discussions with any size organization meeting the minimum requirement. All communication will be held in strict confidence. Contact Chrisman LLC's Anjelica Nix to forward notes of interest.

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