

# Ops Jobs; DPA, Pricing, Doc Products; USDA, FHA, VA Notes

By: Rob Chrisman | Fri, Jun 12 2020, 9:08 AM

How the heck could anyone value a mortgage company these days? The value is pretty much comprised of its servicing, cash, receivables, and assets (loans held for sale). I guess we'll all find out if, and when, [Quicken Loans does an IPO](#), and Dan Gilbert winds up reporting to shareholders. Are you kidding me? Responding to analysts every quarter limits (some would say "handcuffs") one's decision making, especially long-term decisions. The Federal Reserve, which knows a few things about decision making, has indicated it is planning to hold interest rates near zero through 2021 and potentially 2022 and is working on more ways to help the US economy recover from the coronavirus pandemic. Given that, lenders, what are you going to do for a few years with these low rates? LendingTree recently commissioned [a survey](#) of more than 1,000 prospective buyers (which only works out to 20 per state, right?) about their plans to jump into the housing market. Worth a gander, it tells us more people want to buy a home, they're reconsidering the size of home, and more people than not are okay without an in-person tour.

## Lender Services and Products

"Getting less, like 2.49%\*, means more for your borrowers and your business. Wholesale and Correspondent lenders working with [Plaza Home Mortgage](#) now have the ability to offer 2.49, 2.99 and 3.49% on both 30 and 15-year fixed products. So offer your borrowers a rate they'll be excited about! If you're already a Plaza client, be sure to check out our rate sheet for details or contact your Plaza Account Executive. If you're not working with Plaza yet, [plug in a few details here](#) and we'll connect with you, or call us directly at 866.260.2529. (\*Some conditions may apply. See the Plaza Rate Sheet for all requirements.)"

For many lenders, a silver lining within the ongoing coronavirus crisis is the Refi boom. That good fortune for some comes with the challenge of having many employees working remotely. Some have thrived but others have struggled to close loans under these conditions, making post-closing an additional hurdle to deal with. For the lenders already using DocProbe to manage their Trailing Docs, this is one headache they don't have to worry about. Now is the perfect time to take the leap and make DocProbe the remote Trailing Docs solution so badly needed under the circumstances. DocProbe's retrieval department hunts down your documents and our audit and correction teams ensure all your docs are corrected. They are now ready to be shipped to your investors and custodians, all while you continue your work from your office, or still at home. Consider us an extension of your operations and the new address for all your Trailing Documents. Getting started is quick and seamless with just a few hours of your time. Visit us at [www.docprobe.net](http://www.docprobe.net) or contact Nick Erlanger for more info.

"Connector is an incredibly powerful product; we are saving money by replacing an expensive business intelligence software and at the same time we're delivering superior experiences to our loan officers and sales leadership." (Kim Baker, VP – IT Program Manager at Highlands Residential.) At Connector by Velma, we are SO excited about several amazing new clients including Highlands Residential, Loanpal, Fidelity, Legacy Mutual, Guaranty, and Watson! Connector, a digital communication solution for Encompass, is gaining momentum with seamless workflow automation, and intuitive business intelligence. The ECOA workflow automation sends NOIA letters to borrowers with eFolder integration, and it's creating an exciting impact in our industry! To learn more, connect with us for a short walk through. Press [here](#) to schedule a time.

In case you missed it... "As the industry pivots from forbearance setup to resolution, Servicers must optimize their borrower experience, by striking the right balance between technology and human touch." (John Newlin, Managing Director, Accenture, Residential Mortgage.) NAMMBA's State of the Industry Town Hall Series brought Accenture's John Newlin to its Fire Side Chat to share unique servicing strategies to give you an edge in Flattening the Impact of C19. [Watch now!](#)

Compass Analytics, a Black Knight organization, launched exciting capital markets focused functionality in its latest release of [CompassPoint](#), an industry-leading platform for pipeline risk management, hedge advisory services and MSR valuation. The new functionality empowers secondary departments to help drive profitable production, delivering key features that allow lenders to pass along portions of their expected bulk and/or specified pay-ups to street pricing and mark-to-market values. New attribution reporting gives lenders visibility into the trends of these key price components, building upon CompassPoint's expansive gain/loss reconciliation capabilities. Additionally, the latest release introduced enhancements to CompassPoint's pool optimizer, which gives lenders a second best-execution analysis to compete for the highest price through bulk aggregation. To learn more about CompassPoint, please contact us.

Steps we're taking to help our borrowers during COVID-19. As COVID-19 wreaks havoc on the lives of many mortgage borrowers, those who utilized down payment assistance (DPA) to purchase their homes face an additional obstacle. DPA that comes in the form of a forgivable second mortgage requires that borrowers remain current on both their first and second mortgages. Fortunately, CBC Mortgage

Agency is preserving the forgivable feature for borrowers who default because of a layoff or furlough. CBC is also reaching out to its distressed borrowers to alert them of their options including reviewing and cutting expenses, staying current on their mortgages, and educating them about the nuances of forbearance. They are also encouraging borrowers to create and maintain a budget and providing borrower counseling through Money Management International. Existing CBC borrowers can [find out more about their options here](#).

### FHA, Ginnie Mae, and USDA News

Remember that USDA Rural Housing Development announced that publication of revised HB-1-3555 Chapter 10: Credit Analysis is delayed pending USDA publication of a Procedure Notice (PN). In the interim, USDA has authorized Sellers to suspend the following requirements effective immediately: Credit score validations for GUS ACCEPT loans. Downgrade of GUS ACCEPT loans with manually entered debts requirement. The advance copy of the Chapter 10 revisions may be [found here](#), all additional revisions are pending publication of the PN. A new GovDelivery notice will be provided when the PN for HB-1-3555 Chapter 10 full publication is released.

FHA published [ML 2020-16](#) informing and providing guidance to mortgagees of temporary endorsement processes that will allow mortgages to be endorsed for insurance if the mortgages have closed in accordance with FHA requirements, but the borrower has requested or has been granted a forbearance post-closing due either directly or indirectly to the COVID-19 National Emergency.

FHA announced the annual recertification for lenders with a fiscal year ending December 31, 2019, was due no later than March 31, 2020. FHA urged lenders to complete their annual recertification package as soon as possible. If audited financial statements are unavailable, the Lender Data Verification, Certification, and Payment steps can be completed at any time.

If lenders do not want to renew their FHA approval, they must log-in to the Lender Electronic Assessment Portal ([LEAP](#)) and submit a voluntary withdrawal request. Failure to comply with the annual recertification requirements does not constitute a voluntary withdrawal.

FHA's [Single Family Housing Drafting Table](#) proposed enhancements to its Claims Without Conveyance of Title (CWCOT) program. All FHA-approved mortgagees, servicers, and other interested stakeholders should have reviewed the posted content and provided feedback. While FHA's CWCOT program has enjoyed success to date, the agency has identified several key areas for improvements to the existing program that could make it even more viable for foreclosure sales associated with defaulted FHA-insured mortgages going forward. Once the two-week feedback period ends, FHA will carefully consider the responses received and (if and/or where applicable) incorporate that feedback into a final CWCOT policy document to be published at a later date.

FHA published a [regulatory waiver](#) and an accompanying [Single Family Housing Policy Handbook 4000.1 \(SF Handbook\) waiver](#) of its required early default intervention requirements regarding in-person contact with borrowers. These waivers were issued due to the COVID-19 (Coronavirus) and are effective immediately, and temporarily allow servicers to utilize alternative methods for contacting borrowers (in lieu of face-to-face interviews) to meet the requirements of Section III.A.2.h.xii. of the [SF Handbook](#) and the regulation at 24 CFR §203.604. However, the face-to-face requirement for FHA-insured mortgages under the Section 248 – Single Family Mortgage Insurance on Indian Reservations, is still applicable.

Effective with loans locked on and after June 1, 2020, CalHFA will not impose a sales price limit for any of its loans. Continue to follow the [Income Limits](#) for the appropriate county as well as the [Loan Limits](#) for FHA loans. Refer to the [CalHFA Program Matrix and Overview](#) for complete details.

Wells Fargo Funding is aligning the effective date for the previously communicated temporary flexibilities with the extended dates announced by FHA and USDA Rural Development Temporary flexibilities for verbal VOEs and appraisals. FHA cases closed on or before June 30, 2020. USDA Rural Development's policy has been extended to June 30, 2020. Additionally, Wells Fargo Funding amended its tax return transcript requirements for all loans due to continued IRS tax return transcript processing delays.

AmeriHome provided [information](#) on the FHA Catalyst Case Binder Module as an alternative option for the submission of Single-Family Forward case binders for endorsement.

As a "June Special," Mountain West Financial is offering free appraisals on qualifying FHA and VA purchases through the month of June. Applicable on select FHA and VA Standard Loans. Purchase Transactions Only. Loans must have an application date between June 1st and June 30th. Minimum 730 FICO or higher. SFR Properties. NEW APPLICATIONS ONLY. Up to \$500 value.

And MWF introduced the Colorado Housing Finance Authority ([CHFA](#)) SmartStep, an FHA 30-year fixed-rate 1st mortgage with no DPA. Program parameters are the same as the existing SmartStep Plus program.

For all locks and bids on or after March 30, 2020, Lakeview Correspondent requires a minimum FICO score of 660 for FHA, VA, and USDA loans. These minimum FICO score changes do not apply to HFA loan programs. All product matrices and the COVID-19 FAQs will be

updated at a future date to reflect these changes.

Recently, Wells Fargo Funding reiterated it does not purchase single-close construction to permanent Loans and provided clarification on how this policy applies for VA Loans by updating Wells Fargo Funding Seller Guide Section 600.02(b) to specify: VA Construction/Permanent Home Loans (where VA loan funds are taken as draws and used to finance the construction of the property) are ineligible for purchase. VA New Construction Loans are eligible for purchase if they: Are Closed Loan transactions representing the permanent financing that paid off interim financing used to build the subject property and meet all other Wells Fargo Funding and VA policies and documentation requirements.

Fifth Third Correspondent Lending, with all new locks, VA Cash Out Refinance the LTV/CLTV has been reduced from 100% to 90% on all refinances excluding IRRRLs.

## Capital Markets

Even those with little involvement in equity markets heard something was up yesterday. My 401k turned into a 205k. Stocks tumbled the most in 12 weeks on renewed concerns over the pandemic and its economic impact: stocks fell and bonds rallied. **Treasuries & MBS rallied across the yield curve.** After hitting a two-month high last week at nearly 0.80 percent, the 10-year closed yesterday -10 bps to 0.65 percent. The “risk-off” trade dovetailed Wednesday’s FOMC Statement with fears of second wave of coronavirus cases.

As far as economic releases went, **initial jobless claims and continuing claims both decreased. But nearly 21 million people are still actively seeking unemployment benefits**, and most recent data shows the labor market remains a long way from being back to normal. The Producer Price Index for final demand increased more than expected in May, though the report on the whole doesn’t put any pressure on the Fed to raise rates anytime soon.

Rates continue to be driven by COVID damage, but today’s economic calendar is already underway with a quartet of releases. May Import Prices (+1.0 percent) & Export Prices (+.5 percent). The week’s calendar rounds out later this morning with the Preliminary June Michigan Consumer Sentiment Survey. Fed speak returns following Wednesday’s Fed events with Richmond Fed President Barkin making remarks later today. **The NY Fed will conduct two FedTrade MBS purchase operations totaling up to \$4.721 billion** starting with up to \$1.744 billion GNII 2.5 percent and 3 percent followed by up to \$2.977 billion UMBS30 2 percent through 3 percent. We begin today with Agency MBS prices down/worse a few ticks from Thursday and the 10-year yielding .70.

## Employment

Gold Star Mortgage continues to enjoy a decades-long reputation for attracting top LOs and branches, even during challenging or uncertain times when most are not actively seeking a move. When asked for their sustainable growth secret, COO AJ Franchi had this to say, “It’s simple, really. Gold Star is a company founded by actual salespeople for salespeople. There’s therefore a critical firsthand experience and insight applied to everything from our award-winning process automation to flat corporate structure to the free recruiting and marketing assistance we provide branches. We’re known for eliminating bulky, superfluous management without sacrificing our white-glove support infrastructure. This yields an industry-best margin, and gratis skies-the-limit support for our LOs’ expansion goals. We never lose our people-first approach. It’s the heart of our growth and retention.” Call (888) 696-1344 today to learn more about what the Gold Star Branch Advantage Platform may mean to you: [www.joingoldstarmortgage.com](http://www.joingoldstarmortgage.com).

“Looking for a career change? APM is hiring! Due to our national expansion and growth in 2020, we have open positions for all operational support team members including Underwriters, Closers, Funders, and Department Managers across the country. Who you work with and for is one of life’s biggest choices. Why not work for a company that has been voted Best Places to Work year after year! Our differentiator is our core-values. The values of Respect, Transparency, and Scrappy drive the day-to-day behaviors, decisions and how we work as a team. American Pacific Mortgage (APM) is a Top 15 Mortgage Companies in America, founded 25 years ago. To learn more, email Dustin Block.”

“Is your underwriting under 36 hours with a processing and underwriting philosophy that supports 1 touch underwrites, close times in under 20 calendar days, and has professional, hassle free marketing support? If not, you need to email us at [JoinPacRes@pacresmortgage.com](mailto:JoinPacRes@pacresmortgage.com). Expanding in more than 38 states. Click here, to see how we [Approve Dreams Daily](#).”

“BeSmartee disrupts the financial services industry with its award-winning, web-based Digital Mortgage Platforms for banks, credit unions and non-bank lending institutions. BeSmartee helps lenders convert higher, close faster and deliver a complete digital mortgage experience that is fast, easy, and transparent for their borrowers. We establish meaningful everyday experiences to convey how much we trust, respect and value the team here at BeSmartee. We know that a strong culture has been, and will continue to be, central to our

success. We would not be able to accomplish what we have in such a short time without our dynamic team. BeSmartee is hiring Enterprise Account Executives to join our team, and help grow our logos and revenues. Click [here](#) to learn more or email your resume to Nicolette Trujillo.”

View this Article: <https://www.mortgagenewsdaily.com/opinion/06122020-fha-loan-program>