

FHA, LO Jobs; Retention, Non-QM Products; Training and Events; Investors React to FHFA's Price Shift

By: Rob Chrisman | Mbn, Aug 17 2020, 10:13 AM

Out in California and parts of the West it's "hotter than Satan's house cat." California is once again having rolling power outages, and [an opinion piece](#) by the ex-CEO of Wells Fargo doesn't paint an improving picture on the financial side of things. (Susan Milazzo, the CEO of the California MBA, is also following [a potential new California consumer watchdog](#) group.) There isn't a lot of wonderful news anywhere, frankly, which experienced loan originators know points to continued low rates. But too much of a "good" thing isn't good. Lyft reported dramatic drops in riders and revenue in the 2nd quarter, both falling more than half, and Uber ride bookings were down over 70 percent from the previous quarter, and TSA airport screening numbers are [down about 75 percent of last year](#). Given WFH (work from home) employees, REI is searching for a buyer for its new unopened headquarters in Seattle. And in media-land, Fox and Walt Disney's ESPN are staring at huge advertising revenue losses this autumn if the entire college football season is moved to 2021. A good time to be saving money. And a great time to borrow.

Lender and Broker Products

Non-QM is making a return, and so is [Verus Mortgage Capital](#). The top investor of non-QM loans pre-pandemic is once again actively investing in new origination and scratch and dent. Verus has completed 4 securitizations since COVID's onset. Verus purchases loans in all 50 states and its expansive offerings include LTVs up to 90 percent, cash out up to \$500k, 12 and 24 month full and alternative documentation, and foreign national. The non-QM market was originally created to help consumers who didn't qualify for a traditional mortgage and now they need these programs more than ever. Verus offers non-delegated and delegated with a pre-funding review. To learn more about the exciting opportunities in non-QM, email Jeff Schaefer, EVP – Correspondent Sales, or call 202-534-1821.

Do you use LoanCare as your servicer? Richey May & Co. will be conducting its annual [servicer oversight review](#) over LoanCare later this month to assist lenders with their monitoring and oversight responsibilities. Richey May's program and subsequent 120+ page report provides value beyond the basic compliance requirements. With a focus on current and ongoing procedures as a result of the COVID-19 pandemic, the review includes interviews with all key department heads to observe their processes and challenges, a comprehensive review of business continuity and IT assessments to ensure client and consumer information remains secure, and a summary of the servicer's notable accomplishments, challenges, and strategic initiatives for the future. Optional loan level testing is also available to provide succinct and valuable insight into how your personal portfolio is being serviced, potentially uncovering unobserved information, and assisting in the client-servicer relationship. To learn more or to participate in the upcoming review of LoanCare, or Richey May's 2020 reviews of Dovenmuehle or Cenlar, please contact Kevin Lohry.

"[Sales Boomerang](#) notifies mortgage lenders when someone in their database is ready for a loan. 'Look at the opportunity cost you have by not having Sales Boomerang. Last year we closed over \$72M in loans that we would have lost from not having Sale Boomerang.' (Stephen Barton, Eustis Mortgage) 'In the first 4 months we took in \$180M in applications and we have about 100 LOs. That is a significant impact to our business. My top performing LO attributes 25 percent of her business to Sales Boomerang alerts.' (Katherine Campbell, Assurance Financial) 'Sales Boomerang gives us a conversion that is 2 ½ times better than our normal conversions.' (Tim Lewis, Castle and Cooke) The numbers speak for themselves: 20x Avg. ROI, \$240 Avg Cost Per Acquired Loan, 10-20 percent Avg Lift to Loan Volume. Want to see exactly how much you lost this year? [Request your report today](#). We will show you which competitor took your deal, what was the loan amount, what type of loan it was, the term and much more."

Conferences and Training

Are you ready for VA IRRRL and FHA Streamline refinance opportunities in this market? Learn how to efficiently submit your files once for a final approval! Join Freedom Mortgage Wholesale for live webinar training sessions on VA IRRRL or FHA Streamline mortgage products and origination processes. Ideal for new or experienced government originators. Sign up for a VA IRRRL or FHA Streamline webinar on [8/17](#) (VA IRRRL) or [8/21](#) (FHA SL).

The [Mortgage Innovators Conference](#) starts TODAY at 9 am (Pacific)! Make sure you're there to hear the latest from tech CEOs like Aaron King (Snapdocs), Josh Friend (Insellerate), Brent Chandler (FormFree), Matt Hansen (SimpleNexus), industry stars like Sue Woodard (Total Expert), thought leaders like Jim Deitch (Teraverde), and much more! Filled with surprise entertainment, live engagement opportunities, and fun games... Don't miss out on a truly immersive experience! [Register now](#) and remember that lenders attend FREE (participation required)!

August 18-20 we have [Calyx Vision 2020](#). Hear directly from Fannie Mae and Freddie Mac executives about the upcoming changes and what to expect and see the updates in your Calyx loan origination software. [Register today!](#)

On August 25th, Insellerate will be [showcasing industry-first tech](#) that radically transforms borrower engagement, putting amazing power in the hands of the loan officer. You won't want to miss out.

Investors and Lenders React to FHFA/Freddie/Fannie Changes

New originators wonder why "corporate" adds a margin and makes a profit on loans. Of course increasing net worth helps with warehouse lines, investor approvals, and provides a cushion in bad times. Late last week, with the sudden .5 hit on conventional conforming refis, we were all reminded of another reason. Given underwriting turn times, most of conventional conforming refi pipelines will suffer a .5 hit, which by all indications is coming out of "corporate." Not the LO, not the broker, not the borrower. The company itself. Others were quick to react; let's take a look at conventional conforming news in general.

Thank you to E.S. who passed along and updated and new question answered by Fannie. "Q128. Does Fannie Mae purchase loans that are in forbearance? Yes, certain loans that go into forbearance after loan closing and before sale to us became eligible for sale beginning May 1. Loans must have note dates on or before Aug. 31, and must be delivered by Oct. 31, 2020. Refer to Lender Letter LL-2020-06, Selling Loans in Forbearance Due to COVID-19 for eligibility and delivery requirements. Q129. Will the note and delivery dates be extended any further for selling loans in forbearance? No, there are no plans to further extend the terms for selling loan in forbearance. Loans with note dates after Aug. 31 that go into forbearance after closing and before sale will not be eligible for sale to us."

PennyMac [Broker Direct](#) Wholesale is limiting Self-employed borrowers to a maximum of 70 percent LTV/CLTV on all conventional transactions for applications taken on or after August 14th. This policy includes borrowers who manage investment properties through an S-Corp, Partnerships or C-Corp. Loans currently in the pipeline will not be impacted.

US Bank Home Mortgage posted a [Pricing Flash P-2020-11](#) Agency Adverse Market Fee.

Effective immediately for new Commitment Confirmations, relocks and lock changes as described in the Guide, a 50bp LLPA will be added to all Conventional Refinance Mortgages. This update will be reflected on Caliber Home Loans Correspondent rate sheets published on and after August 14.

In response to Freddie Mac and Fannie Mae's implementation of LLPA for most refinances, FAMC Correspondent will add a 50-basis point adjustment to all Conventional refinance products for new locks and relocks (relocks subject to worst case pricing) locked on and after August 14. As a result, the current cash out refinance adjustment on these products will be eliminated.

Flagstar Bank has implemented the new Adverse Market Refinance Fee LLPA of -0.500 for any new Agency refinance loans locked on or after Friday, August 14.

In response to Fannie Mae and Freddie Mac announcements on August 12, requiring a 50 basis point (bps) Adverse Market Refinance Fee loan-level price adjuster on most refinances, Wells Fargo Funding is applying a 50 bps fee on any conventional Conforming refinance included in a Mandatory Commitment executed through Bid Tape, Direct Trade, or Assignment of Trade (AOT). In addition, a 50-bps fee will be applied to conventional Conforming Best Effort refinance transactions, registered, Locked, relocked, and renegotiated on and after Friday, August 14.

At the direction of Fannie Mae and Freddie Mac, all refinance loans will be subject to an adverse market fee of 0.50. This fee is effective with loans locked on or after August 13. This fee is not subject to the LLPA caps for HomeReady and Home Possible. Mountain West Financial Wholesale rate sheets and pricing engine have been updated accordingly.

Effective with all conventional refinance loans locked on/after August 13th Mortgage Solutions Financial will charge a 0.500 LLPA

PCF Wholesale announced that effective immediately for all new locks, there will be a conventional refi adjustment (Rate & Term and Cash-Out) of -0.500.

Capital Markets

Last week ended without a new stimulus package prior to the summer Congressional recess which will increase the financial stress for the millions of unemployed whose enhanced unemployment benefits have expired. Prior to that expiration, we learned that retail sales increased in July, following June's increase and are up 2.7 percent year-over-year. Consumer spending makes up the largest portion of GDP and with millions of people now seeing their incomes decrease, **retails sales are expected to moderate over the next couple**

months. Consumer prices increased in July surpassing analysts' expectations as energy prices increased. Producer prices saw similar increases in July. Mortgage applications were up nicely for the week ending August 7th as refis spiked, but those gains may be short lived after the FHFA announced a new half point fee on all refinances being sold to Fannie and Freddie. **Purchase apps remain strong and are up 21 percent over the last twelve months.**

Friday, in the bond market, MBS and Treasuries closed "mixed" as investors digested reports showing a slowdown in economic recovery. Retail sales rebounded to above pre-pandemic levels, but posted a weaker gain than expected. While sales were shy of expectations in July, the upward revision to figures from June makes the report less disappointing on the whole, though it may be the last positive print before the lapse in extra jobless benefits is reflected in tighter purse strings by consumers. Industrial and **manufacturing production both rose in July, but each were down from strong June readings, and well below levels from a year ago.** Productivity improved significantly in Q2, but the overall level of activity was sharply lower due to coronavirus-related shutdowns and restrictions. Consumer sentiment remained weak in August, too. The preliminary University of Michigan Index of Consumer Sentiment for August showed a stark difference in expectations among those who identify as Republican and Democrat, with Republicans more optimistic.

This week's economic calendar is relatively light and sees updates on housing and regional Fed surveys with Markit PMI flashes for August on Friday. Fed appearances are on the light side, though the minutes of the July 28/29 FOMC meeting will be released on Wednesday afternoon. **With regards to MBS, the Desk will purchase a maximum of \$25.6 billion,** while Class C 48-hour notification is tomorrow. Kicking off today's calendar was Empire State manufacturing for August ("3.7", down 14 points much worse than expected). Later this morning brings the NAHB Housing Market Index for August, expected to show incredible optimism, and remarks from Atlanta Fed President Bostic. The Desk will again conduct three MBS FedTrade operations, starting with \$765 million UMBS15 2 percent and 2.5 percent followed by \$2.8 billion UMBS30 2 percent and 2.5 percent and \$1.4 billion GNII 2 percent and 2.5 percent. We begin the day with Agency MBS prices up/better by a solid .125 and the 10-year yielding .68 after closing last week at 0.71 percent on continued reminders of stalled worldwide economies.

Employment

Caliber Home Loans CEO, Sanjiv Das' Op-Ed in [MarketWatch](#) provides his insight of the pandemic and Caliber's employee-first approach to returning to the office. Sanjiv discusses taking swift action to shift to work from home in March of this year, the status of teleworking, and how Caliber is responding to the pandemic as an organization. His holistic leadership reassures employees that safety is non-negotiable. Caliber's patience has proven to be the correct decision as confirmed cases and hospitalizations surge in the DFW area. Caliber's **ability to adapt and focus on customer needs** during these challenging times has created a stronger culture and a deeper connection to customers and the community.

Symmetry Lending is expanding! With an unrelenting commitment to service, speed, and simplicity, it is with great excitement that Symmetry announces growth in its HELOC product and team of experts. Effectively immediately, Symmetry is offering the following expansions of its HELOC product: 1) Minimum FICO for all active states is reduced to 700! 2) Maximum CLTV for loans in CA increased to 89.99%! *740 FICO required to exceed 85.00% in CA. 3) Symmetry now offering HELOCs on Concurrent-Close Purchase AND Refinance Transactions! * Refinance Transactions not allowed in Massachusetts. With this expansion, Symmetry is also growing the team. Visit Symmetry's [careers](#) page or email us at careers@symmetrylending.com to learn more about how you can join our exciting team of HELOC Professionals.

AmeriCU, a division of Towne Mortgage, has been partnering with Credit Unions since 1993 to deliver outstanding mortgage experiences for their membership. "What makes us unique is our direct relationship with our Credit Union (CU) partners. We are looking for experienced, bilingual loan officers who are customer-service oriented in the Miami/Dade and Midwest territories. The ideal candidate is a self-sourced originator who has the ability to service partners as well as prospect new CU opportunities in Spanish & English. Would you like to join a thriving, competitive, and fun organization? Contact Ilene Lubin for Southeast region opportunities (Spanish speaking is a plus). Contact Erik Kelly for Midwest region opportunities."

OptiFunder, the industry's only Warehouse Management System, announced it surpassed \$4 billion in fundings in July, doubling in just 2 months. At a time when all lenders are achieving record monthly fundings, OptiFunder clients are benefiting from significant scale via optimization and automation in their funding department. Due to this growing demand, OptiFunder is seeking to hire a Sales Director to join its team. If you have prior experience selling products to independent mortgage bankers with an emphasis on warehouse line, send your resume to careers@optifunder.com. OptiFunder is also looking to hire many other roles as well including implementation specialist, product manager, and sales engineer. For a product demonstration contact Brian Abbott.

FHA Office of Single Family Housing is advertising multiple job opportunities. In Washington D.C., FHA currently has three vacancies for [Housing Program Policy Specialists](#), three vacancies for a [Management Analyst positions](#), and in Denver FHA is hiring a [Management](#)

Analyst – Operations.

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