

Ops, MLO Jobs; Production Shell Wanted; CRM, Productivity, Marketing Products; FHA's New Appraisal Delivery Product

By: Rob Chrisman | Wed, Aug 19 2020, 9:21 AM

Three weeks ago the Commentary included a webcam shot of [Warrior Canine Connection's Puppy Cam](#). (They've grown. Rated PG, depending on what they're up to when you tune in.) What hasn't grown is Blockbuster Video (remember it?), and thank you to Faith M. for sending in a notice of [Blockbuster's last store](#) in Bend, Oregon, which is now an Airbnb. And what has skyrocketed is the delinquency rate for US Federal Housing Administration mortgages. The Mortgage Bankers Association tells us that it increased to 16 percent in the second quarter, the highest figure in records dating to 1979, and nearly triple the 6.7 percent rate for conventional mortgages. It is certainly impacting servicing values. More FHA news below.

Lender Services and Products

In a world of chaos and record-setting volume, [Maxwell's digital mortgage platform](#) is engineered for efficiency. Maxwell drives efficiency throughout the entire origination process, from streamlining time to approval with automated document collection (gathering docs in minutes not days) and automated borrower follow-ups to productivity-driving features like their onshore outsourced fulfillment services and platform integrations with leading credit, LOS, and pricing providers. Loans are closing on Maxwell 45 percent faster than the national average and collecting document 73 percent faster. Find out the impact Maxwell can have in your process today. [Learn more](#) or [Request a demo](#) today.

An average loan has hundreds of pages of documents changing hands and comes from a variety of sources, like loan origination software, documents, and handouts that live in your cloud drive or email threads. [Capacity](#) connects to every source of information so that the information you need is always on hand. Borrowers also benefit from a superior customer experience with 24/7 automated support. Capacity connects to apps, mines documents, captures tacit knowledge, and automates the loan process—all through a mobile-friendly chat interface. [Request a demo to learn more](#).

Want better call results? USE BETTER Direct Mail Marketing for Mortgage Lenders from [Monster Lead Group](#): "It's been your consistency, it's been unbelievably consistent. It's really like clockwork... We're able to grow and scale because of the predictability of the Monster campaigns." (Steven J. Sless and Andrew Parker, PRM Reverse Mortgage Division.) "Monster is a very intricate part of our success and how we keep the phones ringing." (Ryan Sawyer, United Mortgage Corp.) "Somebody can charge me half as much as you guys do, but I can't get beyond the level of your results. For me, service means a hell of a lot and the results speak for themselves." (John Kresevic, JFQ Lending.) "We've basically stopped doing all other marketing and gone 100 percent with Monster." (Manny Fajardo, Premier Lending Corp.) Monster Lead Group. If you want consistent phone calls and predictable ROI from your direct mail like these lenders, go to <https://www.monsterleadgroup.com/better/> right now.

Originate, trade, and service more high-margin loans (down-FICO GSE/Ginnie, cash-out, nQM) with confidence in borrower credit risk & resiliency with the actionable [Mortgage Risk & Fairness Score](#). Is this borrower likely to request forbearance, go delinquent, or default in the next 24-months? What's their true ability & "willingness" to pay? Will they outperform their credit scores by 25, 50 or more points? What loans should I kick from this pool? Are there any arb opportunities? Which borrowers in my servicing port are showing signs of instability, mobility, or churn? These are just a few questions that MRS answers. Everybody has big data. It's how you use it that matters. MRS uses big data, advanced analytics, and years of experience to deliver the most predictive, prescriptive assessment of borrower performance & resiliency. MRS is plug-n-play, validated (top 10 bank) and vetted (CFPB, OCC, Fed). [Click for more information](#).

Lenders are reporting a positive influence on turn times and underwriter productivity using the [LoanCraft](#) income report. More and more lenders have recognized the value of putting income in the same category as appraisal, credit, and title reports. The LoanCraft service can be immediately implemented with no set up fees or monthly minimums and requires little training. Just upload PDFs through the secure portal or select LoanCraft in Encompass and they do the rest, usually in less than 4hrs. You'll receive an easy to use report that includes an at a glance format showing income supported by the uploaded documents and a summary of the additional possible income sources with the documents required to support inclusion. Contact Dominic Spadafore for more information.

As you know, there is a lot of M&A activity going on. Most of these deals are asset deals, leaving behind the corporate entity that is then available as a 'shell' for other entities who may be wanting to obtain the agency tickets. These shells are marketable, especially if the selling entity has been well-run, originating low risk product and thus has a low tail risk associated with their legacy production. In fact, a well-capitalized de novo mortgage conduit is looking right now for this type of shell. The ideal shell would have all three-agency tickets to be approved sellers and/or servicers to Fannie, Freddie, and Ginnie and a majority of state licenses. We are open to looking at shells,

however, that have a minimum of one active agency ticket. If you are interested, reach out to our advisor Richey May at info@richeymay.com. All inquiries will remain confidential.

Now more than ever it's imperative to engage with your relationships to build trust. [Scotsman Guide](#) recently featured Dan Harrington quoting, "Modern mortgage professionals require frictionless, user-friendly tools that enhance sales... The right technology not only simplifies day-to-day life, it helps users and management strengthen relationships." Does your CRM help you create relationships that last a lifetime using data intelligence and multi-channel marketing? Guarantee client loyalty and explode your sales with [Usherpa's](#) insanely easy technology and robust automated marketing. Discover what easy looks like [today](#).

Purchase Business

Which originators are capturing more purchase business? According to the 2019 STRATMOR Originator Census® Study, 84 percent of originations were purchases overall. Originators with less than five years' tenure did an average of 86 percent purchases compared to originators with more than five years tenure who averaged 79 percent purchases. Are the newer hires ready to handle the post-refi boom market, or are the longer-tenured originators better able to adapt to the change? Either way, are your originators ready for the next purchase market after the refi boom tapers off? Get the answers to these questions and more by participating in the [2020 STRATMOR Originator Census Study](#). This study is your link to gain valuable insights into loan originator production, age, turnover and tenure with your company as compared to peers. The more you can understand and measure the key attributes of your sales force, the better you will be able to proactively manage your team. [Register today](#), the opportunity to participate ends September 15!

FHA Program News

The Federal Housing Administration's mortgage program, viewed by many as the most affordable path to homeownership for many first-time buyers, minorities, and low-income Americans, attracted headlines this week. It has the highest delinquency rate in at least four decades. The share of late FHA loans rose to almost 16 percent in the second quarter, up from about 9.7 percent in the previous three months and the highest level in records dating back to 1979. The reasoning is simple: Millions of Americans stopped paying their mortgages after losing jobs in the coronavirus crisis. Those on the lower end of the income scale are most likely to have FHA loans, which allow borrowers with shaky credit to buy homes with small down payments.

Servicers know (and mortgage servicing rights fluctuate because of it) that most of them are currently protected from foreclosure by the federal forbearance program included in the CARES Act. Borrowers with pandemic-related hardships can delay payments for as much as a year without penalty. Want to buy some MSR? New Jersey had the highest FHA delinquency rate, at 20 percent. The state also had the biggest increase in the overall late-payment rate, jumping to 11 percent in the second quarter from 4.7 percent. Bloomberg reports that Nevada, New York, Florida, and Hawaii were runner ups.

FHA published [Title I Letter-487](#) providing Title I lenders with an optional extension to the maximum claim period of up to six months so that lenders have additional time to engage in loss mitigation efforts to assist borrowers affected by the COVID-19 National Emergency declaration. Additionally, this Letter reminds Title I lenders of their obligation to contact borrowers to discuss their reasons for default, explore a cure, and describes the loss mitigation options available for Title I loans.

The FHA announced the upcoming release of its [FHA Catalyst: Electronic Appraisal Delivery](#) module on the FHA Catalyst platform. FHA Catalyst: Electronic Appraisal Delivery will allow lenders to electronically submit, track, and manage single family property appraisals. The FHA Catalyst: Electronic Appraisal Delivery module enhances electronic appraisal report submission features while maintaining industry standard appraisal data sets in use today throughout the housing finance industry. In its initial release, the module can be used by lenders to electronically submit appraisal reports and updates for FHA Single Family Title II forward mortgages. FHA-approved lenders may begin using the FHA Catalyst: Electronic Appraisal Delivery module beginning September 4. FHA encourages lenders to request access to the module for their users as soon as possible by contacting the FHA Resource Center by emailing answers@hud.gov.

FHA's COVID 19 Loss Mitigation Options were spelled out in [Mortgagee Letter 2020-22](#). But analysts point to the lack of FHA's process and underwriting policies for borrowers coming out of forbearance. (The VA announced its policy on June 30th ([Circular 26-20-25](#))).

In the [Wells Fargo Funding Seller Guide](#) Section 600.03, the following note was added: FHA Streamline Refinances and VA Interest Rate Reduction Refinance Loans, aligning with VA's policy that payments deferred as part of a forbearance plan are not considered late. However, please note that our forbearance overlay, in Seller Guide Section 600.02(b): Other Wells Fargo Government Loan Restrictions Requirements, continues to apply.

[PRMG](#) announced changes for properties in West Virginia. Conventional products have a maximum DTI for all purchase and refinance transactions is 50 percent. FHA Standard and High Balance and USDA maximum DTI for cash-out refinances is 50 percent. FHA Streamline

and USDA Streamlined Assist loans must be credit qualified. VA and VA High Balance products have a maximum DTI for cash-out refinances is 50 percent. Purchase transactions may follow AUS findings, regardless of DTI.

Capital Markets

As I discussed briefly yesterday, we saw **stronger-than-expected housing starts (+22.6 percent) and building permits (+18.8 percent) data for July**. New housing starts posted an annualized pace of 1.50 million units, just shy of the pre-coronavirus February level of 1.57 million. The building permits reading was the strongest pace for permits since January. This is the third straight month U.S. homebuilding picked up, the latest sign the housing sector is emerging as one of the few areas of strength in a COVID-riddled economy. Homebuyer demand remains strong, inventories are tight, and there is a need for new units to keep the pace of sales going, which dovetails well with numbers showing builders will continue to increase production in the coming months.

Markets largely shrugged that report off and instead focused on a new high for the S&P 500, concerns surrounding the U.S. dollar, and observations from Walmart and Kohl's that the back-to-school season got off to a soft start, which will engender further concerns about a near-term slowdown in spending. That comes as we still have no stimulus agreement in Washington, with the latest reports suggesting Senate Republicans will introduce a smaller stimulus package that will be tied to a continuing resolution to fund the government on September 30.

Today's light economic calendar is already underway, with mortgage applications decreasing 3.3 percent for the week ending August 14, according to data from the Mortgage Bankers Association. The GSE refinance hit likely played into some of the dip. Ahead are the **release of the minutes of the July 28-29 FOMC meeting** in the afternoon (and subsequent remarks from Richmond Fed President Barkin) **and the results from a \$25 billion 20-year Treasury bond auction**. The Desk of the New York Fed will conduct three FedTrade operations, targeting up to \$7 billion MBS, including two in Class A First up is \$2.8 billion UMBS30 2 percent and 2.5 percent followed by \$1.4 billion GNII 2.5 percent and 3 percent, then \$2.8 billion UMBS30 2 percent and 2.5 percent. We begin today with Agency MBS prices up/better nearly .125 and the 10-year yielding .65 after closing yesterday at 0.67 percent.

Employment and Promotions

"**Mountain West Financial**, who has won the Top Workplace Award for 5 consecutive years, is proudly celebrating making homeownership a reality for over 30 years. Mountain West is adding to our family: we're hiring Underwriters, Processors and Closers. We offer competitive salaries, excellent benefits, matching 401K, an Employee Assistance Program, and the opportunity to work remote. We are passionate about service and have invested in the tools that will help make you successful. Our Core Values, and commitment for serving our team members and clients. are the foundation of everything we do and our moral compass that drives our vision and goals. Come be a part of our story and join the MMF Family!"

Looking to join a company that delivers, doesn't just promise, career growth and advancement? Two recent promotions at **Academy Mortgage** exemplify the independent lender's commitment to elevating its People. Justin Harris and Jason Klaskin have joined Academy's Sales Leadership Team (SLT): Justin as SVP of Production and Jason as SVP of Sales Support. Formerly the company's Colorado Regional Sales Leader, Justin brings more than 18 years of valuable experience and a passion for the mortgage business to the SLT. Jason joined Academy in 2008 as a Loan Officer, and his tremendous contributions quickly moved him up the ranks to District Manager and MI Tri-State Regional Sales Leader. Both will be instrumental in leading the company's growth in production and people, as the company continues to actively expand and hire talented sales and operations professionals nationwide. Contact Senior Vice President Bill Sohan to join a company where you will achieve your potential.

BSI Financial Services has promoted Larry Goldstone to president of capital markets and lending and John Lawrence to president of servicing and lender services.

JPMorgan Chase has brought on Cerita Battles as Head of Affordable Lending to lead the execution of Chase's strategies "to help address historic barriers to homeownership among minority consumers and underserved communities.

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