

# MLO Jobs; Digital, Marketing, Correspondent, ROI Tools; Disaster Updates; Collateral Valuation Trends

By: Rob Chrisman | Tue, Nov 10 2020, 10:28 AM

The headlines continue to blare and attract attention. HUD Secretary Ben Carson tested positive for coronavirus? True. Some foreign leaders not congratulating Joe Biden? Correct. President Trump fired the Secretary of Defense Mark Esper? Yup. In the builder and demographic world, replacing the term “Baby Boomer” with “Baby Chaser” is attracting attention. Labeling generations has not stopped, unfortunately, and now Boomers (the 73 million in the U.S. born between 1946 and 1964) seem to be following their Millennial kids (1981-1996) to new places so [they'll be near their grandkids](#). And builders are catering to them. Do Boomers think that they're that indispensable? Lastly, don't forget that tomorrow is Veteran's Day (which is different than Memorial Day) and the bond markets are closed.

## Broker and Lender Products and Services

The mortgage industry continues to grow as a true community of professionals, which is incredibly valuable, especially for loan officers that are new to the wholesale space and choosing lending partners. Take it from Thomas Mancuso of [NEXA Mortgage](#), who recently mentioned Home Point Financial as a favorite in that area, saying: “One big thing I notice in the broker community is who helps give back to brokers, not just calling them for deals, but actually participates in the community. [Home Point was brought up several times](#), so that made me eager to find out what it was all about.” If you're a mortgage broker or correspondent that still needs to sign up with Home Point, [visit its website](#).

This holiday season, TMS is putting the CARE in CAREspondent Lending. For every new lender that partners with TMS before the end of the year, TMS will donate \$500 to [Family Reach](#), a national non-profit dedicated to alleviating the financial burden of cancer. [Sign up here](#) to get started.

How many homeowners do you think are thankful for their loan officer this year? Probably a lot. During uncertain economic times, you've helped your clients maximize their wealth by making informed home finance decisions. In fact, in the last three months, more than 20,000 homeowners have reached out to their LO about refi options through [Homebot](#) alone. How are you staying in touch with your clients as we move into 2021?

As we close out a record-breaking year, the opportunity to develop lifetime relationships with your customers has never been greater. Join [Total Expert's webinar](#) on Nov. 18 at 1PMCT with guests from Cornerstone Advisors as they share expert tips to engage customers beyond the close. They'll share insight from the latest research and equip you with everything you need to know deliver the optimal borrower experience. [RSVP here or sign up](#) to receive the recording. Walk away with new strategies to master borrower touchpoints and set the stage for a successful 2021.

SimpleNexus has used the results of a third-party study conducted by independent advisory firm MarketWise Advisors to develop an [ROI calculator](#) that quantifies lenders' expected return on investment in the SimpleNexus digital mortgage platform. According to the study, on average SimpleNexus customers enjoy improved application conversion rates (13.61%), increased inbound leads/referrals (12.85%), additional loans closed per year (6.32/LO) and noteworthy operational savings (\$258.36/loan). But since no two organizations are the same, SimpleNexus invites you to [take a run at the calculator yourself](#). If you want to see firsthand how SimpleNexus can turbocharge your business goals, save the date for the company's third annual user conference. [SNUG21](#) takes place wherever you are February 22-24.

Back in March, a free one-pager from Top of Mind explaining why mortgage rates aren't zero even if fed rates were, was downloaded hundreds of times. And it makes sense. Mortgage lenders are strapped for time and need resources on hand that explain borrowers' most relevant (and repetitive) questions. Well, in the spirit of giving back, this month Top of Mind wants to take you on a content tour throughout the entire month of November. [Sign up and get a free sampler of its most popular content](#) delivered to your inbox once a week for the next four weeks.

End of year HomeBinder offer! HomeBinder's Alec Ahee has a special offer for you in his latest video [Wood Stove Sessions with Alec](#). This promotion ensures that you retain that heavy influx of clients this year, setting your business up for success for years to come. [See the video and get the offer from HomeBinder](#). (Offer ends November 30th)

“Giving is the highest form of living,” writes in FormFree Founder and CEO Brent Chandler. Kudos to FormFree on the success of its recent #HeroesGolfClassic charity golf tournament. Because of generous donations from individuals and corporate sponsors, FormFree was able to raise nearly \$30,000 for the American Red Cross to fund critical disaster relief efforts and support local veterans. Speaking of Brent Chandler, you can catch him on air today at #NEXTDC20, the virtual housing policy summit for executives. Hear his 5-minute take on the essentials executives need to know about the future of digital mortgage at 9:45 am ET this morning. Registration is free, so [sign up now](#).

## Disasters

The United States of America has its share wildfires, hurricanes, acts of terrorism, earthquakes, and floods. Lenders and investors keep an eye on the [FEMA announcements](#) which determine policies and procedures for analyzing collateral and local economic conditions. Few companies want to lend money on an uninhabitable house.

Flagstar is allowing loan closings and funding to resume for some [California properties](#) affected by the California Wildfires once a satisfactory re-inspection has been obtained.

PennyMac Correspondent Group posted [20-73: Government Loan Seasoning and Disasters](#)

## Collateral Changes

The appraisal industry has adapted to the COVID precautions. Full communication with the owner or occupant of the property, gloves, masks, all doors unlocked/open, and other procedures are accomplished. The Agencies have published guidance ([here is Freddie's](#)). Meanwhile, investors and lenders continue to change the states that they will lend in, and what types of properties they will accept.

It's a myth that comparable sales used in an appraisal report must be within one mile of the subject property. See how the myth has been vanquished by the Noble Appraiser, who is spreading the word that the best comparables are chosen using facts and data. Watch Fannie Mae's [One-Mile Myth](#) video.

Making condo loans? Learn about Fannie Mae's project insurance requirements through a [video series](#). It uses hypothetical scenarios to highlight our requirements for property, fidelity/crime, flood, and project liability insurance. Also, get answers to frequently asked questions in our project insurance requirements FAQs.

AD Mortgage will no longer accept manufactured homes for submission for all products starting 10/12/2020.

The Plaza Home Mortgage® Reverse Jumbo program has expanded again and is now available in Washington state. The program allows senior borrowers in higher value homes to tap into up to \$4M of their home's equity, with no MI! Reverse Jumbo is now available in these 16 states: AZ, CA, CO, CT, FL, GA, HI, IL, NJ, NM, NV, OR, PA, TX, UT, and WA.

Mountain West Financial posted, effective immediately, single wide manufactured homes have been removed as an eligible property type for HomeReady and Home Possible programs.

AmeriHome Correspondent provided updates to temporary measures addressing the impacts of COVID-19. Notably, in [ML 2020-37](#) FHA made changes to FHA's Appraisal Protocols including the discontinuing the use of Desktop-Only Appraisal inspection scope of work option. Also, the extension of re-verification of employment guidance to include cases closed on or before December 31, 2020. Following suit, VA's temporary exceptions pertaining to appraisals, repair inspections and income verifications have been extended until 12/31/2020.

Mountain West Financial Wholesale issued Bulletin 20W-130 informing clients that FHA is eliminating the option for an Exterior Only or a Desk Only appraisal. FHA appraisals ordered on or after 11/1/2020 will require a full interior and exterior appraisal. View the [MMF Website](#) to review this and other Bulletins.

United Farm Mortgage provides a variety of agricultural loans including Farm and Hobby Farm Loans. Check out its [Website](#) to discover all the options available.

Land Home Financial posted a bulletin to announce that HUD has extended the re-verification of employment guidance in [ML 2020-05](#); and, an updated Appraisal scope of work inspection option providing for Exterior-Only Appraisal, which limits face-to-face contact for certain transactions affected by COVID-19. Updates in the announcement are temporary and will not be incorporated into the Single-Family Housing Policy Handbook 4000.1

Franklin American reversed the policy announced in National Correspondent Bulletin 2020-22. Bulletin 2020-22, in response to regulation 3NYCRR 419.12. Effective immediately, FAMC will purchase loans in the state of New York at a reduced principal balance when payments are scheduled to be collected by the Lender. The reversal of this policy does create a new requirement, however, on any loan that is purchased at a reduced balance. In those instances, a current pay history will be required to be delivered to the Agency Delivery department via email once the borrower's first payment has been received and posted.

Today, Tuesday, November 10th, [Arch M](#) will release its quarterly Housing and Mortgage Market Review (HaMMR) report diving into new housing data and COVID-19's impact on the overall industry.

## Capital Markets

Recent economic data continues to support ongoing but moderating real GDP growth in the fourth quarter, as shown by last week's reports. Nonfarm payrolls were higher than expected and the unemployment rate dipped to 6.88 percent for October, a level last seen in November 2013. Total employment remains 7 percent below its peak this past February. Officially there are roughly 11 million people counted as unemployed, however data from the most recent jobless claim report shows 21.5 million individuals were collecting some form of unemployment benefit for the week ending October 17. The ISM Services Index fell while the ISM Manufacturing Index rose in October, potentially due to the continued shift in consumer spending from services to goods. Private residential construction increased 2.8 in September, reflecting the strong housing market. Mortgage refinance apps rose while purchase apps fell during the final week in October. While mortgage rates remain low and there are still many people that may benefit from refinancing, limited housing supply may be holding back purchase applications. The Federal Reserve indicated it continues to watch the trajectory of the coronavirus pandemic and made no policy changes at its last meeting.

Although drugs have many more hurdles to go over, yesterday's big news was Pfizer and BioNTech announcing that their prospective coronavirus vaccine was successful in Phase 3 trials, which drove a massive risk-on trade to start the week. Though experts warn that this particular vaccine still has many hurdles yet to clear, U.S. Treasuries were sold across the board yesterday, driving prices down and yields up as some of the coronavirus/growth risk premium was taken out of the market and investors weighed the likelihood of a "return to normalcy" sometime next year.

The start of the **record-sized \$122 billion Quarterly Refunding** stumbled out of the starting blocks with a mediocre \$41 billion 3-year note auction. The day saw increased supply, focused in 2.0% MBS being used to hedge pipelines. The MBS basis ended tighter, led by 2.5%, as treasuries sold off sharply with the yield on the 10-year closing at its highest since March. It was up 10 bps on the day while the 30-year was up 15 bps.

There is plenty of contention, but Joe Biden being declared the winner over the weekend in the U.S. presidential election. This aided the selloff, with investors viewing his inauguration as the start of potentially better global trade. Biden may usher in a wave of policy rollbacks and reversals, though, if Congress remains divided, few changes in tax or regulatory policies are expected in the coming years. Mortgage bankers generally prefer gridlock in Washington since it means certainty. Namely, **interest rates should remain lower for longer** with the continuation of the Fed's MBS purchases and fading hopes for a big stimulus package.

Late yesterday, the MBA's latest Forbearance and Call Volume Survey revealed that the total number of **loans now in forbearance decreased by 16 bps** to 5.67% of servicer's portfolio volume as of November 1. Today's calendar is light on economic releases but makes up for it with large supply and multiple Fed appearances. We only have two second-tier economic releases: NFIB Business Optimism Index for October and the September Job Openings and Labor Turnover Survey. The Treasury will conduct the second leg of its Quarterly Refunding when it **auctions a record \$41 billion 10-year notes**. Dallas Fed President Kaplan, Boston President Rosengren, Vice Chair for Supervision Quarles, and Governor Brainard **are all set to speak**. The NY Fed will buy up to \$5.3 billion over three operations today: \$975 million UMBS15 1.5% and 2.5%, \$2.9 billion UMBS30 1.5% and 2.0%, and \$1.5 billion GNII 2.0% and 2.5%. We begin the day with Agency MBS prices unchanged and the 10-year yielding .95 after closing yesterday at 0.96%.

## Employment

Norcom Mortgage is seeking a New York Area Manager. The east-coast based lender who continues to break sales records is expanding their retail sales footprint throughout the Empire State. For more information, please send inquiries/resumes to Chrisman LLC's Anjelica Nixt.

"When we say **#TeamPrimeLending** is full of superstars, we mean it, and our 17,000+ 5-star Zillow Reviews, 96% customer satisfaction rating and 4.8 overall national star rating through October is proof. Through unprecedented volume in 2020, our loan officers and operations staff have worked relentlessly to deliver service beyond expectations to all of our borrowers and business partners, and our customers have been sharing their positive experiences like never before. We've actually seen a YoY increase of 351.45% in reviews received from October 2019 through October 2020. It's been an outstanding display of agility, consistency, and excellent service at every phase of the mortgage process. If you're a branch manager, loan officer or in operations and you want to be a part of our star-studded team, contact Nic Hartke today."

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