

MLO, Ops Jobs; Marketing, Non-QM, Jumbo Products; Company News

By: Rob Chrisman | Thu, Nov 12 2020, 10:52 AM

Are the election results under control? Thank you to Hawaii's Joe G. who sent along [this site](#) where the odds of who the next president will be are posted; you can buy shares in your favorite! Is COVID under control? In some parts of the nation, it is as if there is no pandemic at all, despite rising cases in 49 states. With this pandemic uncertainty, and hopes for a viable commercial vaccine a long way off, and possible further shutdowns, how is senior management expected to make decisions about office space? No one wants to request employees come back into the office, and then have some come down sick. Or will everyone be working from home permanently? (STRATMOR's blog is, "[Time to Call the Landlord?](#)") Parents are grappling with children returning, or not, to school. Remember: Education is important, but opening up the bars is important.

Lender Products and Services

The approaching holidays are a perfect time for lenders to evaluate their goals, projects, and strategic decisions to improve their businesses for next year. There is no better opportunity to find and implement the right tech platform in your business. For small to midsize community lenders looking for a digital mortgage point-of-sale platform, Maxwell stands out from the competition because it uniquely caters to these lenders' platform and partnership needs. Today, the 200+ community lenders on [Maxwell](#) gather documents over 73% faster and close loans 45% faster than the national average. That level of performance, along with a platform and team dedicated to adoption and implementation in weeks, not months, is a recipe for success for lenders in this year's likely short "slow" season. To learn more [schedule a demo](#) today.

MCT recently released two pieces in its [Newsroom blog](#), only a small part of MCT's commitment to clients and industry members alike to promote understanding and profitability in the secondary marketplace. Both [Best Execution Analysis in the Secondary Mortgage Market](#) and [History of Best Execution for Mortgage Loans](#) provide solid and understandable industry tips on best execution, while also being quite enjoyable reads. At the end of the day, it's all about yielding profits, and no hedge advisory does that for clients quite as well as MCT. Between the award-winning software, best-in-class client services and learning center, you are doing the most with MCT on your side. To be notified of future whitepapers, blogs, market commentaries, and webinars, [join MCT's Newsletter](#).

[Have you seen the simple innovation that quadrupled productivity and revenues for a division of American Pacific Mortgage?](#) The division's manager Charlie Christensen says a simple change to their daily processes boosted efficiency and revenues by 280%—without outsourced processing or hiring more staff. Director of Operations, Indica Weatherwax also reports that despite the significantly higher volumes she sleeps better at night knowing that every task, file, deadline, and detail is tracked so that nothing falls through the cracks. The team now serves four-times the customers while working remotely from anywhere. How did they do it? [Charlie explains how they used a simple process automation tool to scale production and automate their entire "lead to loan" process](#). Work smarter. Discover TeamworkIQ.

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 [11/13](#) (FHA SL), [11/20](#) (VA IRRRL) or [11/24](#) (VA IRRRL).

Expand your loan offerings with MAXEX, the first exchange for buying and selling residential loans through a single, trusted clearinghouse. Get fast, consistent liquidity and competitive pricing on Jumbo, Conforming and Non-QM loans from a marketplace of ready-to-buy institutional investors. MAXEX has several recently introduced programs. [Jumbo Express](#): Leverage certain results from Desktop Underwriter® (DU) and/or Freddie Mac's Loan Prospector AdvisorSM (LPA) to reduce the complexity of underwriting Jumbo Loans. Include loan amounts from \$510,401 - \$1.5M for transactions that are DU Approve / Ineligible or LPA Accept / Ineligible for loan size only. [Non-QM](#): Access a broad range of fixed, ARM, fully amortized and IO options for loan amounts from \$150K to \$2.5M. Better serve self-employed borrowers with Full Doc and Alt Doc programs. To learn more about MAXEX, visit us at [maxex.com](#).

If you're like the average lender, you have a database of 5,000 records, and only retain 20% or less of your borrowers. In one month, you've lost over 39 loans to your competitors. That's a whopping \$10 million of loan originations! [Sales Boomerang](#) notifies mortgage lenders when someone in their database is ready for a loan. Our clients retain more than 65% of their borrowers. The longer you delay, the larger that loss becomes on your bottom line. We want to be your retention hero and win back the loans that you're losing. "I have LO's that only work Sales Boomerang leads, and my ROI is in the 20-30X Range." (John Kresevic, CEO, JFQ) The numbers speak for themselves: 20X Avg ROI, \$240 Avg Cost Per Acquired Loan, 10-20% Avg Lift to Loan Volume. Want to see exactly how much you lost this year? [Request your](#)

[report today.](#)

He Made the President's Club While Hospitalized! Here's a true story about the power of [Relationship Engagement](#): On a Mortgage Company's Production Cruise in 2003 a winner slipped near the pool and landed on the back of his head. He was unconscious for 20 minutes, but when he woke up, he felt fine. Turns out he wasn't fine. In fact, he almost died and spent a year in the hospital. The crazy thing is he did \$12 million in production that year. How? He had great relationships, a great assistant, and his marketing was automated. His Realtors and clients had no idea he was even sick. They continued to get great service from his assistant and targeted, personalized marketing from Usherpa. According to the Loan Officer, "Without Usherpa, I'd be out of business." [Local Content](#) sent to the right people at the right time with the right message: [Usherpa.com](#).

Who's Doing What?

Some will argue that real estate agents believe loan underwriting guidelines should just go away. Underwriting limits the buyer pool, right? Let's not do that. But NAR [presented its thoughts](#) on what a Biden Administration means for Freddie Mac and Fannie Mae. Things to keep in mind: a) a full release from conservatorship will require legislation and that won't happen under divided government, and b) we'll see how the Supreme Court decides a lawsuit regarding the structure of the FHFA. Many believe that the Biden Administration will be in no hurry to recapitalize and release them, given the profits flowing into the U.S. Government and to continue to promote and increase affordable housing mandates.

M&A is still occurring. For example, First Citizens BancShares, Inc. and CIT Group Inc., jointly announced that they have entered into [a definitive agreement](#) under which the companies will combine in an all-stock merger of equals to create a top-performing commercial bank. The combined company will operate under the First Citizens name and will trade under the First Citizens ticker symbol FCNCA on the Nasdaq stock market with headquarters in Raleigh, NC.

The [2020 myCUMortgage Annual Awards](#) recognized a record 55 credit unions and loan originators. Awards received included the Purchase Money Lender of the Year: Canton School Employees Federal Credit Union, Canton, Ohio. Originator of the Year: Misty Brown, Desco Federal Credit Union, Portsmouth, Ohio. Lender of the Year: Midwest Community Federal Credit Union, Defiance, Ohio. Additionally, 42 loan originators were individually recognized for each helping over 100 members with home ownership. Receiving the highest individual honor was Tim Muffley, Mortgage Lending Manager with Desco Federal Credit Union in Portsmouth, Ohio. The annual award, the Tim Mislansky Belief Award, recognizes an individual with a credit union who exemplifies former myCUMortgage President Mislansky's belief in the importance of living one's core values at work, home and in the community.

Mortgage market share continues to shift away from commercial banks and to independent mortgage banks (IMBs). Rocket Companies [reported](#) third quarter numbers this week, including a share repurchase authorization – even though it just went public! Volume increased 122% year-over-year to \$89 billion, and Rocket reported GAAP net income of about \$3 billion, a 3.4% profit margin. Gain on sale margins were wide at 4.5%.

Speaking of publicly held lenders, remember when loanDepot was going to do [an IPO in 2015](#)? A memo was sent out saying LD will give it [another shot](#). A few months ago Bloomberg reported that Anthony Hsieh's and Parthenon Capital Partner's loanDepot (retail, wholesale, and correspondent) was contemplating an IPO that would see it valued at between \$12 billion and \$15 billion, a long way from 2015's \$2.5 billion expected valuation. It recently sold \$500 million in senior notes at a 6.5% coupon.

[United Wholesale Mortgage](#) is expected to debut via a special purpose acquisition company this quarter at a valuation north of \$16 billion. [Guild Mortgage](#) went public last month but its private equity firm owners sold less stock than they had planned to sell, and AmeriHome Mortgage and Caliber Home Loans postponed their planned IPOs.

[Redwood Trust](#), which alienated many lenders in March with its retreat from buying jumbo loans, reported a strong quarter driven by mortgage banking and an improvement in asset values. Management noted on the quarterly earnings call that about half the gains in mortgage banking reflected spread tightening. The company also saw rising values in the company's investment portfolio, and purchased \$176 million of jumbo loans versus \$155 million in the second quarter. March is a distant memory apparently, as jumbo rate locks spiked to \$2.1 billion, which suggests higher volume levels in Q4. The company also originated \$261 million of business purpose loans (BPL) and \$196 million of SFR loans. The BPL segment contributed a record \$52 million of earnings through both valuation gains on loans in inventory and origination income. Early stage delinquencies and forbearances have trended down meaningfully, and the portfolio appears well-positioned in terms of credit.

Capital Markets

The U.S. presidential election grabbed most of the headlines last week (and this week) and proved to be the catalyst for a dip in mortgage

rates once it became clear the Joe Biden would prevail, but there would be no “blue wave” that would have potentially led to a large new stimulus package to combat the economic effects of the coronavirus pandemic. Economic data released last week showed an economy that **continues to improve in some areas and stagnate in others**. Residential real estate continues to benefit as shifting preferences for more space boosted residential construction spending in September. Meanwhile, the service sector continues to struggle and increasing coronavirus cases makes it more difficult for close-contact services to see a similar recovery to manufacturing. Additionally, the uncertainty around the pandemic has led to an increase in COVID-related goods spending. Despite the economic headwinds, 638,000 new jobs were added in October **and that number is even more impressive** as 906,000 private sector jobs were added and a 200,000 decrease in government jobs was due temporary Census workers officially cycling out of employment data.

Bond markets return today to a busy economic schedule. October Consumer Price Index (flat), Core CPI (flat), initial jobless claims for the week ending November 7 (709k, lower than expected, down 48k), and continuing claims for the week ending October 31 (6.8 million). Later this morning, Freddie Mac will release its Primary Mortgage Markets Survey for the week ending November 12, and our Treasury auctions off \$27 billion in 30-year bonds, along with a **heavy dose of Fed speak** (Chair Powell, Fed Vice Chair Quarles, Chicago Fed President Evans, and New York’s Williams). The MBS purchase schedule sees the Desk purchase up to \$5.3 billion across three operations. The Desk will also report on **MBS purchases for the week ending November 11 which total \$5.8 billion** net per day. Thursday starts with Agency MBS prices better by a solid .125 and the 10-year yielding .92 after closing Tuesday at 0.96%.

Jobs

On Tuesday, Nov. 10, [Caliber Home Loans](#) CEO Sanjiv Das joined an outstanding lineup of industry executives at #NEXTDC20, a women’s executive mortgage summit. Caliber was one of several sponsors of this interactive online event, which featured an array of lending professionals on its agenda. Das participated on a prominent panel of experts and discussed the critical issues that have affected our industry for the past two decades. You’ll be able to catch the replay soon on the #NEXTDC20 website. “Caliber is a company with smart, strategic leaders who are enthusiastic about sharing knowledge. Come work for a company that will help you grow professionally. Visit our [website](#) today to view open opportunities.” To be immediately considered for Operations or Sales positions, email Jonathan Stanley or Brian Miller respectively.

NEXA Mortgage is a “pure broker” with dedicated underwriting teams that boast CTC in 16.9 days on average. Come learn why over 250 producing MLOs are moving to NEXA Mortgage each year. Come learn about our “7 non-negotiables” and why NEXA MLOs feel they have the edge on 1) Interest Rates 2) Products 3) Compensation 4) Support 5) Processing 6) Benefits and 7) Marketing/Technology. We host a weekly “Why NEXA” webinar at 11am MST each and every Thursday. Just find the [Why NEXA link](#) and login. The CEO and Co-Founder Mike Kortas will be covering a full demonstration about how all “7 non-negotiables” work.

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