

High level Ops, Implementation Jobs; Demographics for MLO's: Who's Locking and Who's Not?

By: Rob Chrisman | Fri, Nov 27 2020, 9:17 AM

Left over pumpkin pie for breakfast today? Have you begun your company's Holiday Cookbook yet? (Help corporate culture by sending an email, ad a recipe, send it on to someone else working from home, keep it going.) Remember when "flexible" working arrangements made the news? For example, flexible work arrangements (think gig employment, independent contractors, and freelancers... and robots?) accounted for [94 percent of the net employment growth](#) in the United States from 2005 to 2015. How the government regulates the treatment of these people will have broad reaching effects across the entire economy. Jared Kushner and Ivanka Trump know a little something about employment, and homes. They are expanding their "cottage" by the Trump National Golf Club in Bedminster. In the plans are [four new pickleball courts](#), a relocated heliport, and a spa and yoga complex, the New York Times reported. I am sure that the rumors are false of one of them telling the other, "Stop complaining about your life. There are literally people living in Illinois."

Demographics: Who's Locking?

The 2020 Census will provide an official count of the U.S. population (roughly 330 million, led by CA, TX, FL, and NY), but annual estimates offer an ongoing look at population trends between decennial counts, and the latest city and town population estimates show three-fourths of the nation's incorporated places have fewer than 5,000 people. About 63 percent of the nation's population lives in incorporated places, and in addition to 76 percent of the approximately 19,500 incorporated places having fewer than 5,000 people, almost 42 percent had fewer than 500 people. Conversely, only 4.0 percent (780) of all cities had a population of 50,000 or more in 2019, yet nearly 39 percent of the U.S. population (127.8 million) live in those cities.

MLOs might want to check out one of Bankrate's recent surveys which addressed, "**Who is refinancing and who isn't.**" It tells us that 27% of current mortgage holders surveyed don't know their current rate. (That isn't surprising; You and I only know our because we're in the biz, right?) Greg McBride, Bankrate chief financial analyst, tells us, "Roughly 8 in 10 homeowners with a mortgage have not refinanced and more than 1-in-4 doesn't even know what rate they're paying." The nationwide survey showed that 17% of mortgage borrowers say they have refinanced this year, an additional 27% have considered refinancing but haven't done so, and 52% have not considered refinancing. This means that despite the ongoing record low mortgage rates, 80% of mortgage borrowers have not refinanced. To be sure, some of these homeowners aren't eligible for refinancing or have other compelling reasons not to refinance.

Homeowners cited numerous reasons for not refinancing, but lack of enough savings to cover the costs of the refi was the biggest stated hindrance. The new FHFA refinance fee set for loans purchased by the Agencies is set to begin Dec. 1 won't help many of those refinancing.

Homeowners cited a number of reasons for choosing not to refinance, including that it **wouldn't save me enough money** (33%), **closing costs and fees that are too high** (23%), **too much paperwork** and hassle (22%), plans to move or pay off the loan soon (14%), low credit score (10%) and unemployment or reduced income that would prevent qualifying (6%). Households with annual income below \$50,000 were more likely to cite a low credit score (32%) as a reason for not refinancing.

While it's true that the fee will make refinancing more expensive overall, many **homeowners still stand to see significant savings even after it comes into effect**, because that 0.5% is being added to interest rates that are otherwise historically low.

In "the old days," usually you'd go through school, meet someone special, start a career, marry, then either buy a home and/or have children. This has all been impacted by COVID. For example, there are 2.2 million weddings performed annually in the U.S. every year, and due to cancellations and statewide lockdowns early on we saw that the \$54.4 billion wedding business [was in a tailspin](#) and couples are forced to make impossible choices around their special day. Earlier this year, according to surveys from Wedding Report, it's estimated 6.5 percent of couples are cancelling their weddings, 28 percent tried to move the dates back to the back half of 2020 or further, 22.5 percent are pushing it back to 2021, and 43 percent were not doing anything at that time. The average cost of a wedding in 2020 was estimated at \$24,675, so the 5 to 15 percent rebooking fees can be a serious blow.

In 1968, the top 20 percent of U.S. households made 43 percent of all income, a figure that in 2018 stands at 52 percent. One reason the rich have stayed wealthy is that [they're increasingly marrying other rich people](#). In 1960, 0.4 percent of married couples both made the top 20 percent of income for someone their age. Naturally, the increase in this number may have something to do with women entering the workforce, but the percentage of wealthy people marrying other wealthy people is far above expectation: in 2018, 7.4 percent of couples were dual top earners in their demographic, though if couples married randomly it would be just 4 percent.

Right now, it's hard to buy a new house that isn't large in America. Homes under 1,400 square feet have historically represented about 16 percent of new housing stock, but since 1999 they've been just 8 percent of new construction. Homes sized between 1,800 square feet or less had been 40 percent of new homes, but now they're merely 22 percent. Meanwhile, the 2,400 square foot and up segment had represented a third of the new market but **now are about half**. New entry-level and starter homes are simply not on the market anymore, mainly because costs associated with construction have surged, so it's go big or no home.

In terms of careers, the U.S. Census Bureau released a graphic showing median earnings of women in certain occupations from the [2018 American Community Survey](#). The occupation table shows the percentage of women in select occupations and the earnings of full-time, year-round female workers in 2018. It compares earnings to those of men in the same occupations. Sniff around for yourself [on the Census Bureau's site](#). There is no reason comp shouldn't be equal!

It seems homebuilders can finally be happy, or at least happy about budding momentum in the sector. The outlook has improved for both single-family and multifamily, as housing starts have been strong and beating expectations. Housing figures should not only contribute positively to Q4 GDP growth and offset some of the weakness in capital spending, but position housing as one of the bright spots in the 2020 economic outlook.

But economists love to look into the details, and why **starts sometimes trail permits by a wide margin**. Permits, which are less volatile and tend to lead starts by a month or two, rose to the highest in 12 years. The bulk of the gap between starts and permits is often found in apartment construction, though a relatively large proportion of homes are started the very same month a permit is issued. The gap between permits and starts can reflect concerns about overbuilding in some submarkets, soaring construction costs, and the lack of construction workers.

Even with high demand for apartments and economic-cycle low vacancy rates, the overhang in permits creates some upside risk to housing starts going forward. The industry is watching forbearance stats. Starts were beaten down when interest rates spiked toward the end of the year. The Fed's pivot toward lower rates eventually engendered a rebound, after builders rid themselves of inventories and began to focus more on entry-level housing. The biggest hurdles for builders going forward are securing affordable well-located lots and construction workers, but it seems homebuilders are optimistic.

The Census Bureau Data can help older Americans afford housing. Assessors sometimes use Public Use Microdata Sample ([PUMS](#)) files to conduct a customized inquiry that met a given program's eligibility criteria. PUMS files contain a small sample of individual records, with identifying information removed, from the ACS that show the population and housing characteristics of the people included on those forms. After analyzing the data, households are often found that were eligible for tax exemptions but are not enrolled in programs that can help them. Why wouldn't an MLO want to help their client that way? Putting together an outreach plan based on the ACS data with the goal to increase enrollment would help many and increase the number of homeowners applying for the program.

Capital Markets

Wednesday's pre-holiday economic data dump pointed to a malaise in Q4. **Initial jobless claims unexpectedly posted their first back-to-back advance** since July, while Americans' incomes and savings fell in October. Household spending was muted, likely due to an acceleration in virus cases and new restrictions. On the bright side, durable goods orders increased at a faster-than-expected pace last month, and October New Home Sales decreased but remained elevated beyond expectations. Q3 GDP remained unrevised at 33.1% in the second estimate. This week's earlier than usual Primary Mortgage Market Survey from Freddie Mac for the week ending November 25 saw 15-year and 30-year fixed rates holding at their record lows of 2.28% and 2.72%, respectively. By the end of the day, Treasuries were basically unchanged and the UMBS30 basis closed wider, led by 1.5%.

Fed officials took a glass-half-empty view of the labor market, according to minutes from their November 4-5 meeting. Policy makers discussed announcing enhanced guidance for asset purchases "fairly soon," though there was no agreement surrounding longer duration purchases before the December meeting. A few participants expressed concern that maintaining the current pace of agency MBS purchases **could contribute to potential valuation pressures in housing markets**. New York Fed President Williams stated negative rates by the Fed could be a possibility, which contradicts Chairman Powell's statements that negative rates are not appropriate for the U.S.

There are no economic events today, which also explains the early close. Settlement close is at 1PMET with SIFMA recommending a 2PM ET close for cash. It should be an uneventful day. Now that bond and equity markets are open again, we begin the day with Agency MBS prices better/up a few 32nds and the 10-year yielding .85 percent after closing Wednesday at 0.88%.

Employment

As the nation honored its heroes on Veterans Day, Caliber Home Loans took the opportunity to surprise one veteran-owned small business with an impactful gesture of support. Watch this [Nov. 11 segment](#) of “Today with Hoda & Jenna” to learn about Sam Floyd, a Marine Corp. veteran who owns his own coffee roasting business. “Floyd’s heartfelt reaction to Caliber’s pledge will make you smile since it will truly have an impact on his life and the cause Floyd supports. Caliber cares. Be part of a team that makes the dream of home ownership a reality. Join a company that supports its employees and the communities in which they work and live. Come to Caliber. Visit our [website](#) today to view open opportunities. To be immediately considered for Operations or Sales positions, email Jonathan Stanley or Brian Miller respectively.”

CU Direct is looking for a Vice President of Mortgage Implementations. [CU Direct](#) delivers enterprise lending solutions and technology to over 1,100 financial institutions and 15,000 auto dealers nationwide. CU Direct launched [Origence](#), a completely differentiated Enterprise Origination Platform that includes an LOS, POS, analytics, CRM and artificial intelligence components. This new platform has seen rapid market adoption and need for a new senior leader to manage mortgage implementations. This role is to manage multiple teams and more than 30 complex implementations at mortgage banks, credit unions, and community banks annually, and the VP is the key strategic leader who drives the Implementation strategy for CU Direct’s mortgage solutions. The ideal candidate has 10+ years with mortgage LOS implementations, successful client implementations, and leadership at credit unions, banks and/or mortgage industry, as well as leadership skills to manage multiple teams, priority management, and client relationship management in complex situations. Exceptional leadership with mortgage implementations, characterized by driving efficiency and a high performance with the ability to lead multiple projects. Please email your confidential resume to Chrisman LLC’s Anjelica Nix for forwarding.

[TCF Bank](#), a \$48B premier Midwest bank, is on a growth journey and is searching for an SVP, Senior Director of Mortgage Operations. This is a significant leadership opportunity to oversee and lead day-to-day mortgage operations and related loan support teams for Retail, Consumer Direct, and Home Equity origination channels. If you are embody an entrepreneurial spirit and have an innovative eye to making the loan origination process easier for customers, team members, and want to be supported by significant digital and technology investments, please [click here](#) to learn more or apply.

On the flip side, but not in the mortgage industry although this definitely impacts the pool of available borrowers, [Disney announced layoffs totaling 32,000](#). Anyone can post a resume for free at [www.LenderNews.com](#).

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