

Tech, MLO Jobs; Pooling, Retention, VOA, Comp Products; Training; Small Lenders, Broker Dealers, and Rule 19b

By: Rob Chrisman | Tue, Dec 8 2020, 10:41 AM

Huh? Talk of a government shut down? Again? Are you the typical lender off to a record December, after setting records in November, October, September...? As attorney Brian Lew points out, "Mortgage bankers would be wise to skip the private jets and courtside seats and [put a bunch of those fat profits away for a rainy day](#) because it may come a lot sooner than you think." (Just look at [Mr. Cooper's \\$73 million fine from the CSBS](#).) The end of the year always comes sooner than we think, despite 2020 having dragged during some months, and we're growing older. We all get heavier as we get older, because there's a lot more information in our heads. (That's my story and I'm sticking to it.) Senility has been a smooth transition for me. The median (half above, half below) age of the total U.S. population is 38 years. The most common age among [whites in U.S. is 58](#) – more than double that of racial and ethnic minorities! Remember: The moment that you start worrying about the elderly is when you realize that you are elderly.

Lender Services and Products

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](#).

As mortgage lenders close on a projected \$3.18 trillion year, they are looking ahead to a similarly busy 2021. While short of this year's records, the Mortgage Bankers Association estimates \$2.49 trillion in opportunity next year. Opportunity to engage customers, deliver remarkable experiences, and set the foundation for a lifetime financial relationship. Cornerstone Advisors experts Ron Shevlin and Daryl Jones joined the Basis Point's Julian Hebron for a discussion on how today's volume has impacted the customer experience, digital challenges lenders face, and how to create a consistent customer journey. Get on-demand access to the full webinar [here](#).

ACES Quality Management™ (ACES), the leading provider of enterprise quality management and control software for the financial services industry, announced the release of several key features and enhancements to its [ACES Quality Management & Control Software™](#). The updates are designed to improve reporting through the system and create a highly customizable, easy-to-use experience. "With higher loan volumes comes a higher risk of compromises to loan quality, increasing the need to utilize technology that mitigates risk while boosting productivity and quality," ACES CEO Trevor Gauthier said. "The newest enhancements to ACES' user interface and reporting functionality are part of our ongoing strategic initiative to improve direct access to live data. Whether lenders need to quickly distribute reports or better understand their productivity, ACES improves their efficiency while providing better control over quality and costs." [READ THE FULL PRESS RELEASE](#)

As 2020 comes to an end, [TMS](#) wants to make sure that you're set up for success in 2021. And you don't normally see correspondent investors give advice like this, but TMS wants to remind lenders to consider holding loans for sale in December and instead sell them in January. Management also suggests, for correspondent lenders, to consider pairing off December TBA and adding new positions rather than a roll forward if there are TBA positions in a loss position. If you aren't one of the 500+ lenders doing business with CAREspondent, [sign up today!](#)

Top of Mind CEO Bill Hayes writes in: "To minimize the need to wrestle competitors for leads in 2021, lenders will need to pivot from a churn-and-burn mentality to nurturing the huge wave of refi customers they acquired this year." Bill's sentiment echoes the mortgage forecast released by the MBA in October, which predicts that refis will drop by 46% in 2021, 39% in 2022 and 9% in 2023. Bearing that in mind, how are you preparing to maintain momentum in 2021? To give lenders a leg up, Top of Mind has, for the first time ever, made sessions from its annual [Surefire Summit](#) (featuring speakers such as Barry Habib) available online at no cost. Start watching now.

Did you know LBAWare now offers a pay verification feature within its [CompenSafe](#) incentive compensation management (ICM) platform? With it, LOs and other employees who earn incentive compensation can verify their pay before paychecks are cut, greatly reducing the hassle, time, and cost of remediating incentive compensation disputes. As an added boon, Verify Pay creates an audit trail, which is especially important in states like California, where compensation disputes can snowball into a PR nightmare. [Get the full scoop on the newly enhanced feature here.](#)

In a campaign to celebrate the joys of working from anywhere, SimpleNexus wants to know: Where is your office? Getting in on the fun (and a shot to win a \$2,000 Expedia gift card) is easy. Just [tell SimpleNexus](#) whether you're team #roamandloan or team #loungeandloan to have a free SimpleNexus tee delivered to your home. Submit a selfie of you enjoying a piping-hot latte while sending a pre-approval letter from a park bench or cozied up by the fire as you ship disclosures in your PJs. Each pic you post of yourself sporting the tee is an entry toward the grand prize! Speaking of SimpleNexus, the company just announced a bi-directional [integration with Unify's Business Growth Platform](#) that reduces loan application abandonment by drawing applicants back into the process when they begin, but do not finish, a loan application.

The opportunity to buy back even 5% of a processor's or underwriter's time is significant, especially given current mortgage volumes. That's why Trinity Oaks Mortgage selected FormFree's AccountChek to verify borrower assets. With more than 25% of its volume stemming from builder relationships and an unstable employment market, Trinity Oaks needed a verification provider with lengthy refresh periods (AccountChek's go up to 180 days) to manage both existing home and new construction transactions. [Read the full case study](#) to see how AccountChek reduced processing times for Trinity Oaks and improved its liquidity strategy by reducing repurchase risk. On the topic of reducing risk, FormFree's Passport is opening the door to radical financial inclusion with proprietary algorithms that uplift credit-worthy consumers that traditional FICO scores have failed. Contact Christy Moss to learn more.

HomeBinder is excited to announce that they are in the final stages of transitioning to the Encompass API as part of their partnership with Ellie Mae announced in June 2020. HomeBinder, a unique post-close client retention platform that centralizes home management and keeps lenders top of mind, comes co-branded with both loan officer and real estate agent information as desired. The relationship doesn't end with a closed loan for you OR Agents you work with. You can find out more about HomeBinder in the Ellie Mae marketplace or click the links below. Learn more at HomeBinder.com. Book a live demo at <https://hubs.ly/H0t4tHx0> or call us today at 1-800-377-6915.

Training

Access the latest survey data about the consumer digital mortgage experience, register for the ServiceLink [Webinar](#) on December 10th for an overview of key findings and data regarding Delivering The Digital Mortgage Experience.

The National Association of Realtors® will host its [Second Annual](#) Real Estate Forecast Summit on Thursday, December 10th. The all-virtual event will provide a year-end review and outlook on the post-election real estate market and the economy. NAR Chief Economist Lawrence Yun and 12 leading real estate and banking economists and researchers will arrive at a consensus real estate market forecast for 2021 and beyond.

From Hawai'i comes news that MBAH's Annual Membership Meeting (on December 10th from 5:00-5:45 PM) is the final membership meeting of the year. A recap of activities for 2020 & sharing thoughts on outlook for 2021 plus Rick Tsujimura will join as the guest speaker.

Capital Markets

Do you spend hours sorting and sifting through your pipeline, trying to find the most profitable combination of loans to sell? Then you know determining the optimal loan composition can be a tough nut to crack. Compass Analytics, part of [Black Knight](#), is here to help with a major enhancement to its Pool Optimizer solution. Building upon years of product innovation, this new algorithm helps lenders solve for the most profitable combination of pools to maximize specified pay-ups and minimize high-balance price hits. Additionally, lenders can now incorporate investor preferences related to representative credit mix and other internal considerations into their best execution analysis, automatically. Take a moment to review Black Knight's informative blog post, titled "[Solving Agency Loan Pool-Level Constraints](#)" to learn more about improving profitability through aggregation—without investing hours of valuable time.

Catching the attention of capital markets folks everywhere is [Rule 19b-4\(n\)\(1\)\(i\)](#). What's that? Posted last week, it pushes out initial margin and higher capital levels for smaller broker-dealers that may be passed on to smaller originators through a wider bid/offer spread. comment period is apparently as short as 21 days.

Looking at recent economic data, we continue to see an improving economy, albeit at a **slower pace than over the previous few months**. Fourth quarter GDP is expected to be positive, but nowhere near the annualized pace of the third quarter. Additionally, the resurgence of Covid-19 and subsequent retrogression to stricter social mitigation regulations serve as headwinds to GDP growth in the first quarter of the New Year. Nonfarm payrolls were significantly below analysts' expectations of 440,000, showing only 245,000 jobs added in November and the total number of employed 4.9 million below February's level. The unemployment rate dipped slightly to 6.69 percent; however that was aided by 400,000 people no longer being considered part of the labor force. Initial claims for unemployment fell by 75,000 for the week ending November 28 reversing two weeks of increases. At 712,000, initial claims are still above their peak from the prior recession and the total number of people receiving some form of benefit was 20,163,477. Pressure remains for additional assistance from the government

and market is looking for **updated guidance from the Fed regarding asset purchases** that are supporting the low interest rate environment at their upcoming meeting this month.

Stimulus (now looking unlikely once again due to disagreement over state and local aid as well as lawsuits for businesses), the race to get a vaccine to the public, and the actual spread of the virus all seem to be competing against one another to move the bond market. Well, don't forget ongoing tensions with China due to further sanctions, an upcoming vote on a stopgap bill to fund the U.S. government and the **UK and EU failing to cement a trade agreement**. All the above weighed on risk sentiment to open the week, as the UMBS30 basis closed mostly wider, led by higher coupons and Treasuries rallied to bull-flatten by the end of Monday's trading session.

Black Knight reported that the level of all delinquencies less than 90 days past due has now returned to pre-pandemic levels. Serious delinquencies improved for the first time since the start of the pandemic. More than 2.3 million homeowners (5x times the number entering 2020) remain 90 or more days past due. **Prepayment activity jumped above 3% for the first time in more than 16 years**, a 12.7% month-over-month increase. Separately, the MBA's latest Forbearance and Call Volume Survey revealed that the total number of loans now in forbearance remained unchanged relative to the prior week at 5.54% as of November 29. According to MBA's estimate, 2.8 million homeowners are in forbearance plans.

The NFIB Small Business Optimism Index for November led off today's economic calendar (+2.6 points to 101.4), and final Q3 productivity (revised lower to +4.6 percent) and unit labor costs and Redbook same store sales for the week ending December 5. The first leg of this week's mini-Refunding takes place this afternoon when \$56 billion 3-year notes are auctioned. Today's FedTrade schedule sees **the Desk targeting the same classes as yesterday**, starting with \$1.305 billion UMBS15 1.5% and 2% followed by \$3.311 billion UMBS30 2% and 2.5% and \$1.764 billion GNII 2% and 2.5%. We begin the day with Agency MBS prices unchanged from Monday and the 10-year yielding .92 after closing yesterday at 0.93 percent.

Employment

Looking for a new opportunity in the new year? While much of the financial industry is feeling the strain of the COVID-19 pandemic, mortgage continues to experience growth. With over [125 offices in more than 30 states](#), Motto Mortgage offices offer industry-leading technology, training and support services, marketing tools and a wide selection of loan products to meet your clients' needs. Join the [more than 400 loan originators](#) who have already discovered how Motto Mortgage makes it easier than ever to establish relationships with real estate agents and acquire more clients. Motto Mortgage offices are recruiting nationwide, with specific needs in AL, GA, ID, MD, MA, NV, OH, PA, and TX.

[MortgageCTO](#) ("MCTO") is seeking new Account Managers to support the company's growing userbase of its industry-leading Loan Estimate disclosure platform, [FeeWise™](#). Candidates should have a solid understanding of the loan manufacturing process and experience with the Ellie Mae Encompass product suite. If you are technology savvy, have a thirst for knowledge and are ready for exciting work around a cutting-edge product, send your resume or LinkedIn profile to letsbegin@mortgagecto.com. MCTO offers competitive compensation, room for advancement and a flexible work environment. DFW candidates are preferred but will consider nationwide.

Norcom Cares, the non-profit foundation of Norcom Mortgage, recently completed its 100 Mile Challenge fundraiser. This virtual race, spanning the month of November, raised over \$30,000 for charities impacted by the COVID-19 crisis. The east-coast based lender is fortunate for a record-breaking year and understands the importance of giving back to the community. [Click here](#) to watch a video about the 100 Mile Challenge. If you're a Loan Officer who values philanthropy and community involvement, please contact Greg@norcom-usa.com to learn more.

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