

# MLO and Ops Jobs; Fee Collection, HELOC, Renovation Products; Comp Survey; Bank M&A Trends

By: Rob Chrisman | Fri, Feb 19 2021, 9:15 AM

(To listen to the audio version of today's commentary, please [click here](#).) I received many nice comments about the section in [yesterday's commentary](#) about losing people in our industry before their time. Unfortunately, there was one that I just found out about yesterday. Oklahoma's [Kent Carter](#) recently passed away. We would steal each other's jokes at conferences, and he truly championed residential lending in that area. He'll be missed. Kent, I never got a chance to tell you that I told my suitcase that there will be no vacations this year. Now I'm dealing with emotional baggage! Or that I went for a COVID test, and the nurse asked me, "Have you had a sudden loss of taste?" I replied, "No, I've always dressed like this." On a more serious note, like moving your company and its jobs to Topeka, Kansas. Want to [make a quick \\$15k](#) by doing so? Now's your chance.

## Broker and Lender Services and Products

TGIF, am I right? Believe it or not, TGI Friday's restaurant is credited with inspiring singles bars and inventing modern craft cocktail culture. And of course, it sparked the ever-important cultural movement of office workers greeting each other with "TGIF" once a week. Lenders with Sales Boomerang find themselves saying "TGISB" each morning when they receive their list of targeted borrower alerts. [Sales Boomerang](#), the #1 automated borrower intelligence and retention platform, notifies mortgage lenders the moment someone in their database is ready for a loan. ("Last year we closed over \$72M in loans we would have lost from not having Sales Boomerang," says Eustis Mortgage's Stephen Barton.) Lenders using Sales Boomerang see an average 20-40% lift to loan volume and 65% borrower retention rate for around \$299 per acquired loan, a 20x ROI. Get Sales Boomerang on your team and have your loan officers thanking you every day!

"If one were to complete a report card for 2020, it's doubtful there would be a passing grade in sight, making such an endeavor feel useless. However, for lenders looking for a report card on their subservicers, these efforts are not futile. In fact, they are necessary to understanding their subservicer's performance (not to mention mandatory from a regulator's perspective). Lenders like [Atlantic Bay Mortgage](#) have relied on MQMR's servicing-focused sister firm, [Subsequent QC](#), for their subservicer audits because, "...SQC strips the fluff out of its reports and narrows down the focus to what is most important to us in terms of investor requirements and compliance." For 10 years, SQC has annually audited all the major subservicers, such as Dovenmuehle (scheduled for Q1 2021), to ensure compliance AND adherence to customer service best practices. Contact [info@mqmresearch.com](mailto:info@mqmresearch.com) to learn more about our 2021 audit calendar."

Wholesale and Correspondent lenders, looking to increase your renovation production? Partner with Norcom Mortgage, the independent, direct lender with over 30 years of Renovation experience. Norcom makes the process easy with access to all Renovation products managed by their dedicated Reno division. All underwriting, draws, servicing, and appraisal management are handled in-house. Additionally, with Norcom's network of experienced Inspection Consultants, you and your borrowers can expect a smooth transaction from start to finish. For more information, please contact James Morin, EVP Sales.

Earlier this month, [Symmetry Lending](#) introduced regional pricing for Piggyback HELOCs. As result, Symmetry now offers HELOC margins as low as 0.74%! This margin over today's Prime index, results in a rate to your client as low as 3.99%! This is the perfect solution for your customers that seek jumbo financing, where you can alternatively structure your 1st mortgage with a Symmetry HELOC up to 89.99% CLTV with a 680 FICO to increase their purchasing power! Looking for more solutions? Utilize Symmetry's Post-Close HELOC for your clients that recently closed a streamline refinance transaction. Submit your loan package to Symmetry within 120 days of your 1st mortgage closing and get your clients a HELOC with the same great pricing as a concurrent piggyback! Take advantage of these solutions that will help you close more business and provide industry-leading service, speed, and simplicity to your clients. Contact your [Symmetry Area Manager](#) today. Also, don't forget to follow us on [LinkedIn](#), [Facebook](#), and [Twitter](#) for our ongoing updates!

[LenderLogix](#) has [partnered with Fiserv's CardConnect](#) to enable a fully integrated upfront fee collection solution for mortgage lenders. This new partnership brings simple, secure, and affordable credit card payment processing to your mortgage origination process and ensures a best-in-class payment experience for your borrowers. Now you can easily collect upfront fees and reconcile payments with a single button click from your LOS. Data flows seamlessly from end to end with this powerful API integration, saving your team the hassle and downtime of learning a whole new system. If you want to revolutionize your digital mortgage process within a couple of weeks, say hello to Fee Chaser and [goodbye to credit card numbers jotted down on sticky notes](#).

## Compensation

According to participants in STRATMOR Group's latest Operations Workshops, 22 percent of fulfillment staff incentives are based on a tiered dollar-per-loan basis. Many lenders also indicated they paid hiring and retention bonuses to hire and retain the staff needed to keep up with demand. How did you handle the hiring needs of your company for 2020? How does that compare to your peers, and will you change your approach in 2021? Participate in STRATMOR's 2021 Compensation Connection® Study to get answers to these questions and more. The study provides compensation information for all roles unique to the mortgage industry, from sales to post closing for both Independent and Bank-owned lenders, and details on incentives and benefits paid. Get the most mortgage-specific compensation information available. [Sign up to participate in the 2021 Compensation Connection® Study](#) today!

## M&A

First, my apologies to John Hedlund, the COO of AmeriHome, for misspelling his name "Hedland" in this week's note about AmeriHome's acquisition.

This week we had the AmeriHome deal, and many in our industry expect more deals will be announced. Depository bank mergers and acquisitions are also worth a look. A report from FJ Capital Management predicts that the M&A market will bounce back and increase significantly over the next 10 to 15 years. The report projects that the U.S., which currently has about 5K community banks, may have only half as many in 10-15 years, mostly because of mergers and continuing pre-pandemic trends. Some think that there will be a big change from 2019 to 2020. Looking back, [data from S&P Global Market Intelligence shows that 2019 was a good year for bank M&A](#). The first quarter of 2019 saw 47 deals that totaled \$6.7B, leaving out SunTrust's \$28.3B sale to BB&T. That number dropped to 39 deals in the first three months of 2020, worth a combined \$6.6B.

PCBB reports that, "Those 39 sales were the smallest number of closed deals in any quarter since 2011, when 33 banks changed hands in the first three months of the year. Price-to-book ratios were lower for 2020 deals than in 2019 too. The median price-to-tangible-book ratio was 156.3% in the first three months of 2020. By comparison, that number was 170.5% for the last three months of 2019, and 159% for 2019 as a whole."

As we saw yesterday in the bond market, investors are becoming more and more inclined to believe that a recovery is in the offing. Assuming the economy rebounds as the pandemic recedes, M&A interest and activity should increase along with it. But the factors that make banks attractive targets will probably be different than they were in 2019. M&A buyers will probably look for particular criteria like banks with loan portfolios that did well during the pandemic, technological infrastructure & capabilities, earning capacity during a near-zero rate environment, and "excess" liquidity.

PCBB believes that, "The parties in bank transactions might ask: How well did the bank's loan portfolio perform during the pandemic? (What can we say, credit remains king.) How up to date and firmly embedded are a target bank's technological abilities? Like many other office-based firms, banks have been forced into staffers working from home and helping customers do business virtually. Banks that have done that successfully, by leveraging technology to reduce overhead and increase customer self-service, will have a competitive advantage.

"How strong is a bank's ability to earn, given that interest rates are near zero? All banks' net margins are under attack, and that probably won't change in the next 18 or so months. Banks that have managed overhead while proactively developing fee income will be more attractive than those that have not. Lastly, how much of the "excess" liquidity currently on the balance sheet is expected to stay? Banks that leverage the opportunities from PPP or look at longer-term trends in developing profitable relationships with strong core deposits are likely to be valued higher in a merger of equals."

## Lender News

[Rising Bank](#), a digital bank delivering convenient access to market-leading financial products with some of the best available interest rates, has expanded its product suite to include mortgage loans and insurance. Rising Bank customers have also gained access to Zelle. Rising Bank has expanded into the [mortgage sector](#) to help homeowners with home loan options. "Whether customers are looking to buy or refinance, Rising Bank helps remove the complexity from home borrowing. With competitive rates and personalized service, Rising Bank offers customized financial solutions on an easy-to-use digital platform." Rising offers Agency products in 13 states: Arkansas, Colorado, Florida, Illinois, Indiana, Iowa, Kansas, Kentucky, Missouri, Ohio, Nebraska, Oklahoma, and Tennessee.

[Bee Mortgage App](#), the first app built for an exclusive mobile mortgage experience, successfully hit the first raise mark of its Seed round. Additionally, the Bee Team has been thrilled to watch their brand awareness increase with over 3,500 organic downloads generating quality mortgage leads for its banking customers. "Woman and minority founded by licensed real estate agents and mortgage pros along with a team experienced in mobile app development, systems automation, AI/ML and blockchain technology, Bee is on a mission to make homeownership more accessible and affordable. By mobilizing the mortgage experience, Bee is disrupting the mortgage market for a

generation of young, first time buyers in the market today.”

But it can be argued that human lead generation is the mother’s milk of MLOs. For example, Keller Williams has its [Keller Williams Home Buyer Lead Program](#). And United Wholesale Mortgage (UWM) created Referral Connect that allows brokers across the country to share their referrals with other brokers. “Just provide the borrower’s contact information, choose a broker from the list provided, and we’ll automatically send an email from you to the referred broker: [here](#).”

## Capital Markets

Each day I talk about Treasury yields, though recently there has been little correlation between those and mortgage rates with all the support from the Federal Reserve. So, let’s talk about actual mortgage rates. Yesterday’s Primary Mortgage Market Survey from Freddie Mac for the week ending February 18 saw the 30-year rate up 8 bps to 2.81 percent after remaining unchanged for the prior three weeks. The 15-year fixed rate rose 2 bps to 2.21 percent.

Psychology and economic news are driving rates, and there were a couple of headline releases yesterday. The latest **jobless claims report showed an unexpected increase** from last week and hitting a four-week high. And the trends aren’t good: there were 4.49 million continuing unemployment claims and 4.06 million pandemic extension claims. It’s a double-edged sword: the labor market has a tough road ahead but these unsavory figures will continue to pressure lawmakers to go big on the next stimulus package. Meanwhile, housing starts were shy of estimates, falling 6 percent in January, while building permits increased more than expected, hitting their highest level since 2006. Permits rose for both single-family homes and multifamily projects, signaling the housing rebound still has plenty of forward momentum, but upward pressure on median home prices remains, hurting first time homebuyers.

Black Knight reported that the number of mortgages in active forbearance rose by 15k since last Tuesday. Despite the weekly increase, the monthly rate of decline held steady at -2 percent, continuing the trend of very slow but steady improvement in the number of outstanding forbearance cases. Later this morning brings preliminary February Markit manufacturing and services PMIs and January existing home sales. We also have **two Fed speakers scheduled**: Richmond’s Barkin and Boston’s Rosengren. **The Desk will conduct two operations totaling up to \$5.3 billion**, starting with \$2 billion GNII 2 percent and 2.5 percent followed by \$3.2 billion UMBS30 1.5 percent and 2 percent. After Treasuries ended yesterday mixed, though with little movement, and the MBS basis closed sharply tighter, we begin the day with Agency MBS prices down .125 and the 10-year yielding 1.31 percent.

## Jobs and New Hiring

“[Homeowners Financial Group](#) is pleased to announce the expansion of our Executive Team with the hiring of Brian Ruzycski as Chief Information Officer. Brian brings over 20 years of experience and has maintained a focus on product development and data analytics in building enterprise solutions. “It goes back to our commitment to reinvest and expand our offering with the tools needed in today’s market to succeed. We are committed to leveraging technology in multiple formats across all departments. I couldn’t be more thrilled to add Brian to the Executive team to ensure we provide leading-edge technology in both IT and software capabilities to continue to provide our employees with what they need to be successful,” commented Bill Rogers, CEO. If you are interested in [joining Homeowners Financial Group](#), please contact Brian Ruzycski or send your confidential resume to Erin Dueck.”

[Celebrity Financial](#) and its subsidiary, Celebrity Home Loans, are pleased to announce the arrival of new Chief Risk Officer and General Counsel Joseph J. “Joe” Grassi III. Grassi joins CHL from Guaranteed Rate and brings with him a wealth of knowledge and experience including more than 20 years at Fannie Mae and two years as Principal Deputy General Counsel at the United States Department of Housing and Urban Development. As a member of the Executive Steering Committee, Grassi will lead both the Legal and Compliance organizations. David Robnett, CEO of Celebrity Financial, states “We are thrilled to add Joe to our exceptional team. His tenure and track record speak volumes about what kind of person he is and how valuable he will be to Celebrity as [we continue to grow](#) and serve more families each year.”

“[Assurance Financial](#) is continuing to grow production, add retail branch offices, and expand its production reach into the midwestern U.S., particularly the Colorado, Arizona, Kansas, and New Mexico markets. We are searching for an established Regional Production Manager to help create and develop mortgage origination branches in the new midwestern territory—someone who is an outstanding talent and proven retail sales leader with a demonstrated track record of hiring and managing multiple production offices across several states. We are a profitable and well-capitalized full-service mortgage banker offering an entrepreneurial, customer-focused sales support environment, FNMA/FHLMC/GNMA direct status, and well-positioned to compete for more growth with state-of-the-art operations/support technology. This new Regional Production Manager position will report to the CEO. If you are interested in joining a dynamic group of mortgage bankers and building a dynamic production team, please contact Paul Peters, CMB or visit [AssuranceMortgageLO.com](#) to learn more.”

Congratulations to Rich Barrent who is the new SVP of Special Projects at [Compass Mortgage](#) where he will be working on various operational initiatives that leverage technology solutions.

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