

# MLO Jobs; Broker, Underwriting, Non-QM, Processing Tools; Does the Fed Expect a Fast, Hot Recovery?

By: Rob Chrisman | Wed, Mar 17 2021, 9:17 AM

Many years ago I asked my father about why we didn't have a home gym. He replied, "Want exercise? Jog to the liquor store and get me a beer, then do a 100 pushups, and we'll talk about it." Okay, he didn't really say that, but up until recently, health and wellness factors in housing were way down the priority list for builders. [That has changed for new construction](#). But there is plenty of old construction around, as evidenced by, in 2020, sales of previously owned U.S. homes surged to their highest level in 14 years, and many economists forecast sales to rise again this year. And in general there are millions of more home buyers every year as people in their late 20s and 30s hit their home buying stride with lots of ducats in their pockets, wondering if the new Administration will put forth tax credits but confronted with limited inventory. Meanwhile, builders are dealing with "Land, labor, and lumber." And let's not forget local communities with their zoning ordinances and fees. Satisfying demand will take years. (Today's [audio version of the commentary](#) is sponsored by [MCT MSR Services](#). Whether you are getting your agency approvals, selling through co-issue, or actively growing your portfolio, MCT® offers a suite of tools along with an experienced team to help you with all your mortgage servicing right's needs.)

## Lender Products and Services

¿Hablas español? Surefire CRM does. According to the Urban Institute, Hispanic people will comprise 56% of all new homebuyers by 2030. So building market-share in the Spanish-speaking community is a must, especially if you do business in Florida, Texas, or California. That's why Top of Mnd's award-winning, omnichannel marketing content is available in Spanish and English. After Miami-based First Equity Mortgage Bankers, Inc. (FEMBi) adopted Surefire CRM to automate Spanish- and English-language outreach throughout the customer lifecycle, it increased company headcount by 35% in just six months. [Download the full case study](#) to see how bi-lingual marketing has grown sales at FEMBi.

Prediction: LES will join POS and LOS as an industry 3-letter acronym. LES, [Candor's Loan Engineering System™](#) is quickly shaping up to be a vital core system. [Here's why](#).

What regulators expect from servicers right now: [Sagent](#) CEO Dan Sogorka just did a strong HousingWire briefing on the latest homeowner hardship stats, what regulators expect right now, and how nimble technology can help as forbearances mature and the threat of a default wave still looms. Here's a notable quote: "Servicers must be powered by nimble technology to be heroes to borrowers, stalwarts to investors, and stewards of consumer protection to regulators." This is our industry's opportunity to show consumers and regulators that servicing is where lifetime customer care is managed and grown. [Check out the summary and ping Dan directly with questions](#).

You're in luck (#HappyStPatricksDay)! You still have time to register for AFR Wholesale's interactive Q&A series "[In the House](#)" and join us this afternoon at 2pm ET! Today's segment will feature special guest AFR partner Scott Greenlaw, president of eBuilt Home Loans, who joins host Laura Brandao to discuss how he created a successful origination team. As always, you can have your questions answered LIVE! [Register now](#). You'll also want to join the AFR team next month, on April 14, as they host an OPEN HOUSE on "In the House." Find the latest information on upcoming "In the House" segments, as well as a variety of complimentary webinars, on the [AFR website](#). Learn about new programs, or simply brush-up on familiar programs, when it's convenient for you! For more information about becoming a partner, go to [afrwholesale.com](#), email [sales@afrwholesale.com](mailto:sales@afrwholesale.com) or call 1-800-375-6071.

[Stearns Wholesale](#) has become the benchmark in providing brokers the keys and advantages to achieving growth and success over the course of 6 presidential administrations, a financial crisis, global pandemic, and a multitude of regulatory changes. With their keen focus on developing groundbreaking technology, creative solutions, and providing a broad product mix, including Fannie/Freddie options and Smart Start, an innovative buydown program, Stearns continues to help its clients expand and grow their business. From jumbo to manufactured home, and nearly everything in between, Stearns has all the right options you need to fit any unique borrower situation. If you'd like to learn more about what Stearns has to offer or partner with Stearns, [click here](#) to be contacted.

With upcoming GSE limitations on 2nd homes and investment properties, it's time to find an investor who is ready to meet your client's needs. [First Guaranty Mortgage Corporation® \(FGMC\)](#) brings you competitive pricing and common sense guidelines with their proprietary Non-QM/Non-Agency product line, [Maverick Solutions™](#)! With loan amounts up to \$3,000,000, purchases available up to 80% LTV and credit scores down to 640, FGMC is eager to help you with the 2nd home loans in your pipeline. Our Non-Agency offering also allows bank statement income, gifts with 5% of own funds, and has low reserve requirements on these property types. If you are interested in structuring a Non-QM/Non-Agency deal or have questions, email FGMC's Structure Desk at [nonqm@fgmc.com](mailto:nonqm@fgmc.com). For more information about Maverick Solutions, follow FGMC on [LinkedIn](#) or contact Paul Jones to schedule a free, personalized training for your team.

After a record 2020 lenders, servicers and investors are searching for proven technology to help buoy operating margins. One enduring challenge is managing the voluminous data within mortgage documents that are needed across the enterprise. How can you data-enable your processes and reduce multiple human touches? Covius' DocData™ delivers for Top 5 banks and market-making investors today. A SaaS document identification, data extraction and classification platform, DocData's intelligence recognizes more than 400 document types and validates the document's data against expected data. With billions of pages processed, DocData delivers efficiency for your margins from the team that is recognized industry wide as the compliant mortgage document experts. Jonathan Kunkle can help you benefit from Covius' decades of expertise and innovation to find the intelligence in your documents. Contact us today for a complimentary 30-minute consultation that can drive your business case with your peers' best practices.

"Commerce Wholesale continues to enhance its Non-QM product offering. Our Community Mortgage Program which is the most exclusive program in the market offering No Income documentation required for Primary and Second Homes has been increased to 75% on a Purchase or R/T refinance and 70% for Cash-Out transactions with loan amounts from 100,000 up to 3 Million. We have also drastically improved pricing on our Prime Plus Program that offers loan amounts to 90% with No MI with Loan amounts to 2 Million. You can check out today's pricing by clicking on [Daily Rates](#). Want to learn more about Commerce and how we can help you grow your business in a rising rate environment reach out to James Hooper, SVP of Wholesale."

Kind Lending is now offering Symmetry HELOC 2nds as an alternative to jumbo financing for borrowers who meet agency guidelines. Twice the loan, not twice the work. One submission through the Kwikie portal and Kind will handle the underwriting and the rest of the process with Symmetry for a simultaneous and simple closing. To become an approved broker partner, contact Delfino Aguilar, [daguilar@kindlending.com](mailto:daguilar@kindlending.com). Join the Kind Movement today!

### MI News

With what seem to be continual changes from the FHFA in terms of risk and pricing, carried out via Freddie Mac and Fannie Mae, the private mortgage insurance business (MI) watches its fortunes rise and fall, especially when loans top 80 percent LTV. Let's take a look at two examples.

Radian expects earnings per share to increase due to more benign credit expectations given accommodative borrower relief program extensions from the FHFA, robust home price appreciation, and improving forbearance trends. The earnings beat was driven by lower loss provision and higher net earned premiums, mainly from premium adjustment. IIF growth came in a bit lower than expected and lower than that reported by the other MIs. Delinquency levels continued to normalize through January, down to about 5.1 percent from a 6.5 percent peak in June, which should continue following the overall GSE forbearance rate trajectory. Robust home price appreciation should also support better both loss frequency and loss severity. Frequency benefits by more borrowers being able to sell their home to avoid foreclosure. Severity benefits from the collateral being worth more should it come to a foreclosure/liquidation scenario.

MGIC reported lower losses incurred, but also lower investment income. The company used a 7.5 percent default-to-claim rate on new notices in Q4, compared to just under 8 percent the prior quarter and 8.0 percent in 2019. The company issued its fourth ILN (\$399 million Home Re 2021-1), which saw spreads back to pre-COMD levels. The company is undergoing accelerated tech and business process investments. New default notices have declined for eight consecutive months through January, while cure activity continues to drive the total delinquent inventory down. The overall GSE forbearance rate has been seen to be a useful leading indicator of how MI delinquency rates trend. Credit provisioning has been fairly mixed for the MIs.

### Capital Markets

Momentarily taking a step back to keep things in context, data over the last week reaffirmed expectations for continued improvement this year as vaccinations ramp up and social mitigation policies are scaled back. Small business optimism increased in February, inflation metrics in the form of producer prices inched up as energy prices rebound, and at the consumer level "inched" was used again as we learned that the CPI increased 0.4 percent in February and 1.7 percent over the previous 12 months. (For those that don't use any food or energy, during the last year, core CPI increased 1.3 percent.) Both indexes were heavily influenced by rising fuel and energy costs. Initial claims for unemployment fell, **purchase mortgage applications increased nicely the week before as the housing market remains strong despite short supply.** (Refinance apps continue to slide, however, with the average 30-year fixed rate rising to 3.26 percent in early March.)

Today the FOMC (Federal Open Market Committee) meets and while there is no expectation for any significant changes to monetary policy the upwards pressure on interest rates remains as the economy improves and inflation heats up. With all eyes on the FOMC's moves today, or lack thereof, bond market movement (aka risk appetite) was muted yesterday. Treasuries and MBS closed the day mixed, a basis point or two off their opening levels, while the MBS basis closed wider.

There were several disappointing economic releases Tuesday. Industrial Production fell 2.2 percent in February when it was expected to rise 0.5 percent. Capacity utilization slipped from 75.5 percent to 73.8 percent. Retail sales numbers were also poor, but maybe not as bad as the headline number (-3.0 percent month-over-month) suggests considering January's numbers were revised upward. The new round of stimulus checks should help prop up retail sales in March and April. Finally, we saw a strong \$24 billion 20-year bond reopening. Expect market movement today to be more poignant than yesterday. Investors will pay particular attention to any remarks surrounding consumer prices.

Speaking of today, the highlight will undoubtedly be the **conclusion of the FOMC's two-day meeting with the Statement** and updated Summary of Economic Projections due out in the afternoon with Chair Powell's press conference starting shortly thereafter. The Statement will likely note the improvement in both growth and employment since the last meeting while many investors are anticipating an updated Dot Plot showing a shorter time period until the first rate hike with current market pricing in late 2022.

Today's economic calendar is already underway, however. Mortgage applications decreased 2.2 percent from one week earlier, according to data from the Mortgage Bankers Association's Weekly Mortgage Applications Survey for the week ending March 12. Surveys showed little change in rates over the survey period. Markets have also received housing starts and building permits for February (-10.3 percent, permits -10.8 percent: both ugly). **Today's MBS purchase schedule sees the Desk conducting two operations**, composed of 30-year 2 percent and 2.5 percent, \$1.9 billion in GNIs and \$2.9 billion in UMBS30s. We begin the day with Agency MBS prices worse .5 and the 10-year yielding 1.67 after closing yesterday at 1.62 percent based on continued economic recovery hopes.

## Employment

**Sun West Mortgage Company, Inc.**, a leading full-service national mortgage lender, is excited to spotlight Eileen Mrabal as a shining example of women in mortgage. March is Women's History Month, which commemorates and encourages the study, observance, and celebration of the vital role of women in American history. Eileen Mrabal, Loan Officer at the Downey, CA branch for Sun West, had an extremely successful year with 65 million in production in 2020 alone. Advice that Mrabal would give to her peers in the mortgage industry would be, "To stay persistent, stay relentless. Having that connection with your clients is what's going to push you forward to the next step." For more information on Sun West, please contact Victor Ortega, Branch Manager, (562) 501-4515 or Brian Mitchell, Executive Managing Director, (281) 979-8908. For Sun West Mortgage Company, Inc. licensing information and disclosures, please click [here](#).

**Evergreen Home Loans™** was excited to partner with Dave Savage, Founder of Mortgage Coach, and Todd Bookspan, Executive Coach and Win by Noon Creator, for the latest Evergreen Leadership Advantage webinar, How to Become a Modern Mortgage Originator. Dave and Todd provided expert insights on delivering more value to clients; developing a personal brand that generates leads and referrals; evolving to meet the demands of today's consumers; and more! If you missed it or would like a refresher, [check out the recording here](#). And if you want to be part of a company that gives you access to the tools, technology, and resources to stand out as a leader in your market and with your referral partners, check out the [Evergreen Careers page](#) for the latest career opportunities.

University Lending Group would be honored if you would share your loans with us. Pairing the latest technology and enhanced customer experience with superior service to you, our frontline customer, is our focus. We know this is your business and we honor that. The culture of our company is geared towards working together with a common goal, thus creating a feeling of family. We feel this leads to more cohesive teams and a happier work environment. With a focus on common-sense open-door underwriting with a 24-48 hour underwriting turn time on purchases, and niche products to help you serve your clients, we think it is worth your time to have a confidential conversation with our SVP/Strategic Growth, James Clark. [Reach out to ULG](#). Experience the University difference!

You're working hard. But are you getting the support you need to make sure your borrowers are happy? **Embrace Home Loans** has increased underwriting capacity by 300% to support best-in-class turn times in 2021. One year into the pandemic, their average customer rating is 4.91/5.0 and their loan officers have a Net Promoter Score (NPS) of 96, up to 20 points higher than reported industry averages. A big part of that success is because loan officers work closely with their own dedicated, local processors. Loan officers also provide outstanding customer service to borrowers and communicate often to manage their expectations, and they design their own best practices. Embrace Home Loans continues to grow and is looking for high-performing mortgage professionals who care deeply about customer satisfaction. If you want to be part of a winning, supportive team, contact Patrick Mullen.

**Freddie Mac** has named Mark Grier, member of the Board of Directors, as the company's Interim Chief Executive Officer (CEO). Grier served as Vice Chairman and a Member of the Board of Directors of Prudential Financial, Inc. until his retirement\* in 2019. He joined the Freddie Mac Board in February 2020 and will continue to serve on the company's Board during his tenure as Interim CEO. (\*Does anyone retire anymore?)

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