

# IT, AE, Marketing Jobs; Comp, Retention, Pre-approval Tools; Non-QM There for Non-owner and 2nd Homes?

By: Rob Chrisman | Wed, Mar 24 2021, 11:16 AM

My cat Myrtle is not a huge basketball fan. And she certainly wasn't interested in my idea recently to find fifteen people willing to pony up \$1 million each to buy [Michael Jordan's place](#) near Chicago. Hey, "Air" BNB it? Sell \$20 tickets to 200 tourists a day for a 10 percent annual return? COVID would have wrecked the return, speaking of which, does your company [pay you to take time off](#) to be vaccinated against COVID? Many do. Airlines are seeing the pent-up demand for leisure travel kicking in. But is your company allowing business travel, or allowing you to attend conferences this spring or summer? Here's another question about your company. Is it immune from fraud? One likes to think so. But probably not; just ask builder D.R. Horton who was [the victim of a fraud ring](#) for four years! Lenders are always on guard against fraud, both by training employees and by using well vetted technology. Speaking of which, today's [audio version of the commentary](#) is sponsored by Black Knight and features an interview with Mike Piombino, SVP of Origination Technologies for Black Knight discussing [lender benefits](#) of "lights-out" and seamless mortgage technology automation.

## Broker and Lender Products and Services

VOEs and VOIs can be a big cost center for lenders. There are too many providers, and your team probably wastes time chasing down hard-to-complete verifications. Stop chasing employers for VOE/VOI; let Truework handle all of your manual verifications. [Truework has a massive employee network with over 150 million employees \(35 million who can be verified instantly\)](#). Mortgage activity is up again and Truework will help you close more loans with fast and accurate verifications. [Start your first verification today](#). For a limited time Rob Chrisman readers get 6 free Verifications (\$240 value). [Set up time with Zackary Green to claim this offer](#).

Don't let your clients get in TAXicated! Ensure your real estate investor clients have the tax tips and guidance to minimize risk and maximize wealth. Tomorrow's free (virtual!!) event "[Top Tax Secrets for the Successful Real Estate Investor](#)" covers the top tax credits, the most audited deductions, 1031 Exchanges and more. Hosted by Civic Financial Services President and CEO, Bill Tessar, he shares the mic with Tony Watson, Senior Tax Consultant with Robert Hall & Associates. It's happening tomorrow, March 25th, at 9AMPST: [Register here](#).

In five years, we'll all be laughing about how we used to handle pre-approvals. We'll talk about how borrowers and Realtors would frantically call and text loan officers on nights and weekends trying to get an updated payment and closing cost scenario so an offer could be submitted. How loan officers had to leave the sideline of their kid's soccer game and go in the car to fire up their laptop to type out an updated pre-approval letter for an offer that couldn't wait. The good news is that the future is here now. When you start issuing pre-approvals from your LOS using [QuickQual by LenderLogix](#), your Realtors will never send business to your competitors again. [Head over to the LenderLogix website](#) and they'll text a demo right to your phone.

When filling out your bracket for March Madness, you're faced with a lot of different options, and the odds usually result in a bust. [Stearns Wholesale](#) offers a wide variety of options and programs that are all boom, no bust. One of which is its Smart Start program, which is a lender paid buydown with a 1.5/5 buydown schedule that applies to standard FNMA Conventional and FHA programs. It works by lowering the rate 1.5% in the first year, .50% in the second year, and eventually settling on the qualifying rate in year 3 and beyond. This program is great for first time home buyers who are looking to ease into their new mortgage payments and borrowers who are in a favorable financial situation where they are comfortable with a lower payment over the next two years. If you'd like to learn more about Smart Start or partner with Stearns, [click here](#) to be contacted.

Size is relative. A seven-foot-tall person might barely reach the tusks of an African elephant, but they'd tower over a man of 5'9," the mean height of adult males in the United States. Similarly, a 1% increase may seem small, but what if I told you just a 1% improvement in a lender's borrower retention rate could add \$1.25 million in bottom-line profit? Want to know how 19 lenders increased their customer retention by not just 1%, but a whopping 11% year-over-year? There's a new white paper you'll want to read. [Download it now](#).

When it comes to software implementation, lenders have a need for speed. Kudos are in order for Michigan First Credit Union and LBA Ware for taking incentive compensation management from manual to fully automated in a record-setting 23 days. According to Michigan First's Dan Sugg, LBA Ware's [CompenSafe](#) platform has enabled the credit union to quickly scale and develop custom incentive compensation plans that motivate its team of more than 40 LOs and LOAs to build strong relationships with members. Now LBA Ware is working with Michigan First to automate compensation for its operational staff, too. [Get the full story here](#).

## Non-QM and Non-Agency Chitchat

Someone will always buy an asset at some price, right? How about a 50 percent LTV non-owner loan? On April 1, the GSEs (think Fannie Mae) will limit the acquisition of single-family mortgage loans secured by second homes and investment properties to 7% of their volume. Is this the moment that non-QM lenders and investors have been waiting for?

Remember that recently the CFPB formally proposed a rulemaking that would delay mandatory compliance of the revised rule to Oct '22. Adoption of the new rule impacts both lenders and the owners of residential mortgage-backed securities. Moody's Senior VP Yehudah Forster wrote, "Although the CFPB is seeking to extend the mandatory compliance date of the new QM rule to October 2022, lenders are now able to use the new rule on optional basis. If adopted, lenders could qualify more types of loans as QM, including loans that are riskier than those allowed under current QM rules. It will also ultimately result in a non-QM market with loans of lower credit quality, since most of today's higher quality non-QM loans would qualify as QM under the new rule, making future non-QM more synonymous with non-prime."

Hanover Bank, located in Mineola, New York is a "balance sheet" Non-QM lender looking to add a few broker relationships in the New York metro area. If you are a broker looking for a local outlet and need to expand your product line, contact Chris Blake for further details.

"Verus comes in where the GSEs leave off. [Verus](#) has a new loan program that allows originators to either originate loans secured by second homes and investment properties using one of the flexible and affordable existing Verus Non-QM programs, or originate with Verus' new Agency Eligible – AUS program. The Verus Agency Eligible – AUS program allows our Sellers to continue to originate/approve loan requests for second homes or investment properties using the Agencies' automated underwriting tools: Fannie Mae – Desktop Underwriter (DU) or Freddie Mac – Loan Product Advisor (LPA). No new process/product required. Use existing warehouse lines. Standard loan limits and high-cost limits eligible. Credit/Income/Reserves from AUS findings report eligible. Register/Lock loans with Verus in LMS.

[Sprout Mortgage](#) announced a further effort to make its Premier Jumbo Full Doc program the simplest prime jumbo program in the mortgage industry. "Starting March 18 and available for jumbo residential applications loans begun anytime in March, Sprout's new Automated Underwriting System Express (AUS Express) feature will provide a streamlined employment and income documentation approach for its Premier Jumbo Full Doc Program. AUS Express eliminates tedious and unnecessary Appendix "Q" documentation. This means that for Desktop Underwriter (DU) recommendations marked "Approved/Ineligible" because of a loan amount exceeding agency limits, the new Sprout AUS Express can approve the financing with employment and income documentation that follows established guidelines from the Federal National Mortgage Association ("Fannie Mae"), along with Sprout's LTV, reserve and appraisal requirements."

Sprout's loan programs are accessible through many widely used mortgage product and pricing engines including Optimal Blue, Loan Sifter, EPPS LoanNEX and Mortech. Full details [are available](#) to mortgage professionals through the Sprout Client Portal, while Sprout's easy-to-use iQualifi app provides scenario eligibility and pricing. Contact Regional Manager Tom Conklin if you have any questions.

Non-QM lender, [Deephaven](#), has launched a progressive portfolio of new products with highly favorable LTV (loan-to-value ratio) and FICO® combinations. Write if you have questions about the latest products, which have a ready secondary market of Deephaven investors, to [brokerinfo@deephavenmortgage.com](mailto:brokerinfo@deephavenmortgage.com).

Finance of America Commercial is offering a no-application fee, no-entity review fee, and no-valuation fee on eligible Standard Fix & Flip, Bridge, and [Single Rental loans](#). Write if you have questions: [facinfo@financeofamerica.com](mailto:facinfo@financeofamerica.com).

Wholesaler Land Home Financial Services "loves" [Jumbo loans](#) and is offering a new program to prove it.

[Ad Mortgage](#) is offering Super Prime, Prime and DSCR products in New York. Super Prime rates have been reduced by up to 0.125%, DSCR rates have been reduced by up to 0.375%.

Acra Lending (ex-Citadel) New Non-QM Programs including 3 Month Bank Statements. For Complete Details - call 888-800-7661 or [click here](#).

[Angel Oak Mortgage Solutions](#) offers 12- & 24-Month Bank Statement Loan Programs with 90% LTV, \$150,000 to \$3,000,000. Angel Oak is offering a [webinar](#) on non-QM loans today.

[Quontic Wholesale](#) offers Lite Doc and No Ratio programs. (Recall that [Quontic](#), the adaptive digital bank, hired Craig Schimelman as VP, National Wholesale Sales Manager to lead the wholesale mortgage division to grow the Non-QM market, as well as Christine Houck, Regional Manager.)

[Carrington Wholesale](#) has Non-QM products: [Click Here to Price a Non-QM Loan](#).

LoanStream Wholesale updated its [non-QM product matrices](#).

The Mortgage Bankers Association of Florida is presenting a [Non-QM/Non-Agency Overview webinar](#) on April 15th.

Submit your listing by April 2 for Mortgage Banker Magazine's annual [Non-QM Showcase](#) to help thousands of bankers find the right

products they need to help their borrowers land the home of their dreams. Submissions will be featured in the June issue of Mortgage Banker.

## Capital Markets

Treasuries and MBS prices rallied to open the week amid talk of renewed international lockdowns and the MBS basis closed tighter led by lower coupons, as talk domestically surrounded Fed Chairman Powell and Treasury Secretary Yellen appearing before Congress. Fed Chairman Powell said that policymakers expect only modest upward pressure on prices this year while Treasury Secretary Yellen said she continues expecting a return to full employment in 2022. The day's \$60 billion 2-year note sale was met with solid demand. Separately, new home sales declined 18.2 percent month-over-month in February to a seasonally adjusted annual rate of 775k, due largely to the deep freeze in the Midwest and South during the month, **but also due to increased affordability pressures being applied by high prices and rising mortgage rates**. On a year-over-year basis, new home sales were up 8.2 percent.

Today's economic calendar is quite busy but already underway, and we've seen that Mortgage applications decreased 2.5 percent from one week earlier, according to data from the Mortgage Bankers Association's Weekly Mortgage Applications Survey for the week ending March 19. Black Knight reported that the national **mortgage delinquency rate rose for the first time in eight months**, from 5.85 percent to 6.0 percent, as expected with less days to process payments in February.

We've also had February durable goods orders (-1.1 percent, ex-transportation -.9 percent, both surprisingly weak). Later this morning brings preliminary March Markit PMIs and a Treasury auction of \$61 billion 5-year notes. Besides **Chair Powell and Secretary Yellen returning to the Hill to testify** on the CARES Act before the Senate Banking Committee, other Fed appearances include Richmond's Barkin, New York's Williams, San Francisco's Daly, and Chicago's Evans. Today's MBS purchase schedule sees the largest support on the remaining schedule with the Desk targeting up to \$7.1 billion MBS, including over \$5.6 billion UMBS30s. We begin the day with Agency MBS prices roughly unchanged and the 10-year yielding 1.63 after closing yesterday at 1.64 percent.

## Jobs

"Concerned about your stability? Seen a slowdown in volume at your company? While some parts of the industry have shown a cool down, the hot place to be is [Kind Lending](#). We're still hiring because we're growing like crazy. We haven't finished building the foundation of our team of Kind Ambassadors. Delfino Aguilar continues to recruit for our exceptional Sales team of Account Executives, and Chrissy Murphy & Natalie Cooke are building Operations teams of seasoned and caring professionals. Join a leadership team who's committed to putting people first. There are open positions in IT, Post Closing, Quality Control, Underwriting, Marketing, and more. Join the Movement at [KindLending.com](#). Send your confidential resume to Melissa Richardson.

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