

MLO Jobs; Broker, Jumbo, Leads, Presentation, Liquidity Tools; FHA, Ginnie, USDA News in Context

By: Rob Chrisman | Wed, Mar 31 2021, 10:54 AM

What word becomes shorter when you add two letters to it? Short. (There's the cutting-edge wit this commentary is known for!) Time can play tricks on us. Did you know that the fabled Studio 54 in Manhattan was only open from 1977 to 1980? Did you know that this is the end of the first quarter (already)? Freddie Mac 30-year fixed mortgage rates started 2020 at 3.72%, just 40 basis points above its all-time low, and plunged to 2.65% by the start of 2021. Now they're back up to 3.125-3.25. Freddie's volume in February was over 75 percent refi, so we'll see where that goes during 2021. Certainly purchase-focused lenders are thumping their chests, and hiring managers, regardless of company, are taking a hard look at the book of business of any MLO under consideration. Might this person's business dissipate? Will this person's business impact the Fannie 7 percent constriction on the company's business? The Agency-related changes will no doubt push product toward FHA, non-QM, and private capital-backed programs. (More on FHA & VA trends below.) Today's [audio version of the commentary](#) is available and this week is sponsored by [The STRATMOR Group](#). Partner Garth Graham discusses selling your company in 2021 versus 2020, and fixed versus variable expenses.

Lender and Broker Products and Services

Client expansion spotlight: [Sagent just announced a 5-yr partnership expansion with First Citizens](#) to continue to enhance their community banking vision with scalable servicing tech. For more than two decades, First Citizens has trusted [Sagent](#) to power its high-touch, consumer-first servicing experience, and will continue to empower their borrowers with the help of Sagent's self-service tools that let homeowners take control of their mortgages via top-notch, real-time customer care. "Even the best technology is only as good as the people using it, and we're proud to help First Citizens complement their unparalleled customer service with smart technology that drives cost savings, increases compliance and, most crucially, delivers delighted clients," says Sagent CEO Dan Sogorka. [Read more about the Sagent/First Citizens deal here.](#)

Lodasoft Releases New eBook, "How to Ruthlessly Eliminate Processor Bias in your Mortgage Process" Mortgage lenders understand that one processor may have better systems, smoother processes, and a better demeanor than another. But we have to ask: does the team treat every loan with the utmost care? Do you do everything you can so that they will close fast and make you as profitable as possible? [Lodasoft](#), a Digital Workflow Platform designed by mortgage veterans to revolutionize loan origination and task automation, has released a new eBook to discuss what causes "processor bias," providing six ways to eliminate this bias within the mortgage branch. The new eBook also outlines common remedies to create more consistency for the processing and production team within branches. To download the free eBook, visit Lodasoft's [website](#).

Hey Utah! Here's looking at YOU. CEO Glenn Stearns and SVP Wholesale, Delfino Aguilar of [Kind Lending](#) is coming to town for a special event in May. Set in an intimate setting, this highly interactive discussion will cover the topics that matter to YOU: industry forecasts, business mentorship and growth, company updates and what's on the horizon in 2021. If you'd like an invite, reach out to your local Utah Account Executive for more information or email Del to become an approved broker partner with Kind Lending.

[Northpointe Bank](#) Correspondent Lending recently launched its Streamline Jumbo Fixed & ARM program, with loan amounts up to \$3,000,000, loan-to-value up to 85% and no mortgage insurance requirements. The Streamline Jumbo program includes cash out refinances with LTVs up to 80%; closely follows automated underwriting guidelines; and is available for owner occupied, second homes, and non-owner-occupied properties. Approved Northpointe Bank clients have access to best effort and mandatory delivery options, third-party origination and the program is eligible in all 50 states and the District of Columbia. Northpointe Bank provides tailored solutions to maximize your profitability and help grow your business. View [program details](#) for more information or email us at correspondentsales@northpointe.com.

Like flying first class or sitting courtside, sometimes the optimized option is obvious! If you sell servicing-released, [Capital Markets Cooperative](#) (CMC) offers two tailored solutions to upgrade your liquidity options. CMC's unique servicing acquisition program solves liquidity issues by enabling Fannie Mae- or Freddie Mac-approved Sellers to sell Agency-direct with CMC as the servicer. CMC takes out the hassle and overlays... And you increase your revenue! CMC's [Preferred Partner](#), Essex Mortgage, offers Sellers a long-term revenue stream with a GNMA direct delivery outlet without the need to utilize your GNMA approval, or have a servicing structure in place. Sell the whole loan to Essex and gain the true value of your GNMA asset in today's disrupted market. Contact Richard Dybel to discuss which CMC programs can help you realize the most gain on the sale of each loan.

[Digideck](#) empowers lenders to create "Kick-SaaS" presentations! Modernize your sales outreach and engagement with easy-to-use tech

solutions. Digideck is a simple and seamless platform where you create a master deck and then enable your sellers to create customized presentations for each sales conversation. Known for high sales team adoption, Digideck will also track the engagement of your presentations: who opened, how often and what slides did they view. Watch a [sneak peek](#) video of Digideck in action.

Around 70,000,000 brackets were filled out this year for March Madness, and only 25 perfect brackets were left after the first 28 games! None were left after the first round! Those numbers are crazy. But so are the number of online ads the average person sees each year: about 2.2M! By contrast, that same person only gets about 1,150 pieces of mail each year, if they're popular. That's one of the reasons Monster Lead Group's mortgage direct mail system is successful. When coupled with their big data and conversion optimization strategy, you can punch your ticket to the big dance, regardless of the market. [Schedule 15-minutes](#) to hear how Monster can deliver consistent, high-quality leads or [learn more](#) about their solutions.

With April Fool's Day right around the corner, there will be plenty of hijinks and gags, but the virtual resources offered by [Stearns Wholesale](#) are no joke. At Stearns Wholesale, they offer exclusive monthly trainings and webinars on product and program developments, industry news, and market trends. For the month of April, they will be offering a variety of training sessions covering FHA and VA Fundamentals, New Homebuyer Programs, Jumbo Product Offerings, Credit scores and Reports, and a Town Hall Live Chat event with special guest, Victor Ciardelli, CEO of Guaranteed Rate, and the new owner of Stearns. These virtual trainings and webinars occur every month at Stearns Wholesale and are open to anyone to attend! If you would like to register for any of these upcoming sessions, click [here](#). If you'd like to learn more information or partner with Stearns, [click here](#) to be contacted.

FHA, Ginnie, and USDA News

Throughout much lending history the conventional product was more economical for borrowers than FHA, primarily due to insurance. But as lenders face high fees, an "adverse market" fee, caps in selling whole loans to Freddie and Fannie, loan level price adjustment hits, and Fannie's recent announcement of the [7 percent constraint](#) on acquisitions of NOO and 2nd homes, lenders are naturally looking at their options. The major option is, of course, the FHA program.

There was good FHA news yesterday. There is no impending increase in FHA mortgage insurance premiums. The bad news? There is no impending decrease in them either. Department of Housing and Urban Development (aka, HUD) Secretary Marcia Fudge stated, in [the quarterly report](#), "Given the current FHA delinquency crisis and our duty to manage risks and the overall health of the [Mutual Mortgage Insurance Fund], we have no near-term plans to change FHA's MIP pricing." Of course the private mortgage insurance companies cheered the lack of a decrease.

Remember in January when "the experts" were chattering about an insurance rate cut? Idle headline-grabbing gossip, as it turned out, and calmer heads have prevailed. For example, MBA President and CEO Bob Broeksmit, CMB, transmitted, "The MBA commends Secretary Fudge for maintaining FHA's current mortgage insurance premium pricing until we have a clearer picture of the long-term impact of the pandemic on FHA borrowers and the insurance fund."

FHA issued a reminder regarding the pending expiration of the temporary guidance concerning endorsement processes for mortgages where a borrower was granted a forbearance related to the COVID-19 National Emergency prior to the loan being endorsed for FHA insurance. FHA stated during the nine months of availability, fewer than three percent of FHA-approved mortgagees requested endorsement of such mortgages. Because of its limited usage, FHA believes the expiration of this guidance will have a minimal impact to the industry. The temporary provisions will expire today.

"So what?" you ask? The ability to endorse loans for which borrowers requested forbearance shortly after closing, driven by MBA advocacy and first outlined in [Mortgage Letter 2020-16](#), provided support for lenders concerned that properly-originated loans would later become ineligible for FHA insurance. Nine months is better than nothing, right?

Ginnie Mae added a [Bulletin](#) titled "Changes to Multifamily Prepayment Penalty Disclosure, Beginning April 2021".

The USDA Fiscal Year (FY) 2021 area loan limits, based on the guidance in [Handbook-1-3550, Chapter 5, Paragraph 5.6 A](#)), were effective February 1, 2021, have since been revised to resolve errors that appeared in the counties of Broward (FL), Madison and McDuffie (GA), Hillsborough and Merrimack (NH), Snohomish (WA) and to the Northern Marianas Islands. The updated FY 2021 area loan limits are also reflected in the following resources, so it is important to use the latest versions: Section 502 Worksheet for Computing Income and Maximum Loan Calculator (as found on the [Single Family Direct Home Loan](#) and [Direct Loan Application Packagers](#) pages). Section 504 Automated Worksheet (as found on the [Single Family Housing Repair Loans & Grants](#) page) [Single Family Housing Direct Eligibility Self-Assessment Tool](#).

In [Announcement 21-25](#), PennyMac Correspondent is expanding the AVM options allowed for VA IRRRL transactions. Also addressed is a reminder to Correspondents that a unique AUS (DU or LPA) casefile ID is required for each loan. the reuse of a case file ID will render both

the originally approved loan and the current loan ineligible for purchase.

Caliber Home Loans announced a 12.5 basis point purchase money pricing special for Government loans. The purchase money special will be effective with Best Effort Commitment Confirmations issued on or after March 11. The special will be applicable to all Best Effort Commitment Confirmations for the following products: USDA, FHA Fixed and High Balance, FHA ARM and High Balance, 203K and High Balance, 203H and High Balance, VA Fixed and High Balance, VA ARM and High Balance

[LoanStream Mortgage](#) enhanced its FHA and VA programs. Offering FHA Streamline 90% LTV and 580 minimum FICO and VA 100% LTV. [Explore program details](#). (Also noteworthy, when your loan closes on ALL DSCR FastONE loans locked March 1st thru March 31st, LoanStream will credit back up to \$800 in appraisal fees.

PRMG posted multiple updates in the [Resource Center](#) including VA Case Number and Appraisal Request, the addition of State Marital Rights and Signature Requirements, HOA Condo/PUD Best Practices and HOA Limited Condo Questionnaire.

Flagstar Bank's [Memo 21002](#) provides information regarding USDA-Rural Development notice stating that funding for Rural Development's Single-Family Housing Guaranteed Loan Program is available.

Capital Markets

Rates... up and down and all around. We had a nice little rally/improvement in Agency MBS prices yesterday ahead of today's month-end and quarter-end session. We could give it back today. It helps to step back and look at multi-week trends to gain a sense of perspective. Economic data last week was mixed as severe weather, business re-openings, and the fiscal stimulus all influenced numbers. The expiration of benefits from the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 was responsible for February's 7.1 decline in nominal personal income just as its enactment was responsible for January's 10.1 percent gain. Actual wages and salaries were unchanged in February. The personal savings rate, which averaged 7.3 percent over the 10 years preceding COVID, remained elevated at 13.6 percent. (Over the last year the personal savings rate averaged 17.5 percent! Think of all that cash potential home buyers have.) Increased savings along with business re-openings and looser social mitigation restrictions have **some economists worried about a spike in inflation as consumers reemerge in force this spring**.

The Fed is confident (for now) that any upcoming spike in inflation will be temporary and primarily the result of lower baseline data from one year ago and has pledged to keep monetary policy unchanged over the near-term. That has not stopped mortgage rates from rising nearly 70 basis points above January's lows. Mortgage purchase applications continue to increase as we head into home buying season and were 8.7 percent higher than a year ago for the week ending March 19.

Manufacturing data remained strong in February despite a small decline in orders for durable goods which was blamed on production and shipping bottlenecks. Over the last three months orders were up at a 12.7 percent annual rate. Initial claims for unemployment finally broke through the 700K level coming in at 684,000, the lowest level since spiking at the onset of the shutdown. While this number is still above the highest levels of the 2008 recession it is nonetheless a welcome milestone.

Looking at yesterday's fixed-income markets, Agency MBS prices improved yesterday despite the Conference Board's Consumer Confidence Index jumping in March to its highest level in a year on improved expectations for a further recovery. **Markets also received a couple housing indicators, with the FHFA Housing Price Index rising 1.0 percent** in January and the S&P Case-Shiller 20-City Home Price Index rising 11.1 percent year-over-year in January.

Today's economic calendar is already underway, and we've seen that 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 26. APD employment is also out (517k added to payrolls, nice!). Later this morning brings Chicago PMI for March and February pending home sales. **The lone scheduled Fed speaker is Atlanta's Bostic**. The Desk will conduct two MBS purchase operations, targeting up to \$5.3 billion 2 percent and 2.5 percent across \$2 billion GNILs and \$3.3 billion UMBS30s. We start Hump Day with Agency MBS prices down a shade and the 10-year yielding 1.72 after closing yesterday at 1.73 percent.

Employment

[Evergreen Home Loans™](#) is proud to announce that for the sixth consecutive year it's been named to the [Best Workplaces in Financial Services & Insurance™](#) list by Fortune and Great Place to Work®. Evergreen ranked #3 in the small and medium business category. The rankings are determined by anonymous associate surveys and a company analysis conducted by Great Place to Work®, and [100% of surveyed associates say Evergreen provides resources and equipment](#) to support their careers. Evergreen is honored to be consistently

recognized as a best workplace and is committed to maintaining a culture that embraces their convictions of Creativity, Integrity, Family, Fun, and Growth. Interested in working with a great company? [Check out the Careers page to learn more.](#) Best Workplaces in Financial Services & Insurance™ and Great Place to Work® are a trademark and registered trademark of Great Place to Work® Institute Inc.

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