

# AE, MLO, Ops Jobs; Tech Training, MSR, Text Marketing, Anti-Fraud Tools; Goodbye Adverse Market Fee; Rates Continue Down

By: Rob Chrisman | Mon, Jul 19 2021, 11:25 AM

"My password is weak? Well, so is my memory, so cut me some slack and let me keep it!" What isn't weak is the bond market, and rates continue to fall. Lenders, weak or strong, have a lot on their plates. Mortgage rates continue to drop, and lenders are grappling with renegotiations, improving efficiency, and nationwide appraisal delays and expenses. And how's your move back to the office, or not, going? "Our profession cannot long endure a remote work model!" That's what the Morgan Stanley Chief Legal Officer is telling law firms. "I strongly believe that firms that return to the office will have a significant performance advantage over those that do not," CLO Eric Grossman wrote in a letter to Morgan Stanley's outside law firms. (Today's audio version of the commentary is [available here](#) and this week's is sponsored by Candor Technology. [Lenders using Candor](#) produce a high-quality loan that requires only 1 underwriter touch on 70% of loans. Imagine the ROI by reducing fallout, improving hedge, slashing cycle time, and banishing repurchases.)

## Lender Products and Services

"Do you want to do this the easy way, or the hard way?" is one of those stock lines that pops up [again](#) and [again](#) and [again](#) in film. According to a 2020 Fannie Mae survey, lenders that invest "a great deal of effort" in digital transformation see reductions in cycle times, improvements in data integrity and higher employee satisfaction and workforce retention. Or lenders can take it easy and get those same business results with SimpleNexus. Learn more about how mobile tech is transforming lending (e.g., by shrinking the disclosures phase from 2 days to less than 1 hour!) in [this new white paper](#).

The mortgage market is coming in hot for the summer selling season. A recent Fannie Mae [survey](#) reveals that the strong seller's market shows few signs of slowing down. It's more critical than ever to find an originations partner that can help improve your margins and navigate the market. [Computershare Loan Services \(CLS\)](#) serves the mortgage industry with products and services that give lenders real-world solutions to industry challenges. Its fully-staffed mortgage fulfillment team works on a fixed-cost model so lenders only pay when the loan closes. With an average tenure of 10+ years in the mortgage industry, CLS' processors, underwriters, and closers are the skilled support lenders need to get borrowers to the closing table on time. Reach out to [Chris Kames](#), EVP, and National Sales Manager at CLS, to learn how their fulfillment model can help you get and keep the advantage in a changing market.

Servicing assets continue to occupy larger portions of balance sheets across the mortgage banking industry, and they have historically been difficult to value. To provide [greater visibility into MSR valuation](#), Black Knight offers the [PulseSM solution](#), part of its MSR PlatformSM. Pulse leverages MSR broker assumptions to deliver market-based valuations that summarize servicing values, key statistics, and recapture and performance projections. Pulse pulls data from a servicing system and calculates loan-level valuations based on projected servicing-related cashflows. This information is packaged in a comprehensive daily report outlining valuation components, comparison points, change summaries and other related statistics, helping to examine fluctuations and point-in-time impacts based on market variables. Pulse is an ideal tool for lenders with recent portfolio growth, especially those new to MSR valuation. Its snapshot-style reporting offers an informative, yet simplified view of data. [Contact Black Knight](#) to learn about the benefits of daily MSR valuation with Pulse.

Need a full documentation VA and FHA purchase or refi experience with a winning price? Enjoy 2 Business Day Priority Purchase Underwriting and a (.250) LLPA incentive for all Conventional, VA, and FHA purchases with the Freedom Mortgage Wholesale Division's Summer Sizzle! Get fired up with every new Conventional, VA, and FHA purchase! Plus, offer more buying power for your Jumbo VA borrowers with no maximum loan amount and no down payment for eligible\* VA borrowers. To learn more, check out our rate sheet or email us to have an Account Executive contact you. \*Subject to credit approval, requires full entitlement; for purchases and cash-out refinances only and not applicable for loan amounts <= \$144,000. For IRRRLs, VA will continue to guaranty 25% of the loan amount without regard to the Veteran's available entitlement and/or county loan limits.

[Partners Credit](#) understands that concise messaging provides the easiest understanding, and that too much information is not always better. Partner's [Fraud Investigation Tool \(FIT\)](#) report streamlines the loan quality review process by extracting large amounts of information from massive databases and presenting only what is needed to make a proper assessment. With a quick-read summary and well-organized [data detail](#), we highlight potential problem areas without you having to search for a needle in a haystack. Efficiently clear any alerted items with our clearing tool and track all actions and history. Need data upfront for the initial loan decision? Add [foreclosure](#), identity or [Quick AVM](#) data to your credit review, giving you the loan quality assurances you need early in the process. Later, request our FIT report and receive only the elements not yet received without having to pay duplicate data fees. Contact us today to simplify your LQI review.

## Company Sponsored Training

TCS has been hosting "TCS Forums," a series of webinars with eminent industry leaders to understand their perspectives on the trends and outlook in the BFSI space. The upcoming one-hour webinar on Wednesday, July 21 (10:00 AM EST), is on "[Mortgages 2021 & Beyond: New technologies and growth models](#)." The event will bring together thought leaders from the industry and academia to discuss the anticipated shifts in the mortgage industry, what will be the cornerstone of growth and innovative business models for driving business momentum. Speakers: Benjamin Bumpus (SVP, Mortgage Operations, PNC), Dominic Cugini (SVP, Sr Director Service Digitization, Key Bank), Edward Golding (Executive Director, MIT Golub Center for Finance and Policy & Senior Lecturer, MIT Sloan), Erica Holmes (EVP, Head of Fulfillment Operations, Truist) and Jim Carney (VP, Credit Policy and Quality Control, National MI), along with TCS senior leaders.

On this day in 1922, Johnny Weissmuller became the first to break the 1-minute barrier for the 100m freestyle. Advancements in training and gear have helped swimmers get even faster over the last 100 years. For lenders looking to swim circles around their competitors, investing in the right tech can make all the difference. Sales Boomerang and Capacity eliminate non-revenue generating tasks so loan officers can focus on creating an elevated borrower experience and driving revenue. Join Katherine Campbell from Assurance Financial, Alex Kutsishin from Sales Boomerang and David Karandish from Capacity on July 21 at 1 pm ET to learn how investing in the right tech delivers rapid ROI. [Register for the webinar today](#).

## FHFA and Refis

The removal of the .5 hit on conventional conforming refis above \$125k is a reminder how much the secondary markets influence the primary markets, i.e., the rates offered to borrowers. Recall that the fee, designed to offset the expected increased credit risk facing the GSEs, was first announced in August 2020, though implementation did not happen until December 2020. There could be a slight boost to some lender's profitability in August due to loans locked prior to today's announcement include the fee, but are not closed/delivered to the GSEs until August 1 or later, and the Agencies won't require the fee. Some lenders will keep the upfront fee while others correct the locked price.

Acting Director Sandra Thompson's decision to eliminate the Adverse Market Refinance Fee was met with applause from around the industry. Many argued that with less than 2 percent of GSE loans in forbearance, and continued home price appreciation resulting in significant borrower equity, there was no need for the fee. Yes, the FHFA issued a [Press Release](#) on July 16th, announcing the elimination of the Fee. Originally designed to cover losses projected as a result of the COVID-19 pandemic, FHFA stated "The success of FHFA and the Enterprises' COVID-19 policies reduced the impact of the pandemic and were effective enough to warrant an early conclusion of the Adverse Market Refinance Fee."

Freddie Mac will no longer assess the 50 basis points, market condition credit fee in price for certain cash-out and "no cash-out" refinance mortgages, effective for settlements on and after August 1, 2021. Exhibit 19, Credit Fees in Price, and the applicable sections of the Single-Family Seller/Service Guide will be updated with a future Selling Bulletin. The Exhibit 19 Fee Calculator will be updated prior to August 1 to reflect this fee elimination.

Fannie Mae issued Lender Letter [LL-2021-13](#) announcing the elimination of the adverse market refinance fee that applies to most refinances. Loan-level price adjustment (LLPA) will no longer be assessed for whole loans purchased on or after Aug. 1, 2021, and for loans delivered into MBS pools with issue dates on or after Aug. 1, 2021. Follow the link to [review the LLPA Matrix](#).

Large lenders and investors quickly reacted. For example...

On July 16th PennyMac posted it is removing the Adverse Market Refinance Fee for any new Bulk and Best Effort commitments effective immediately. The Best-Efforts Rate Sheet has been updated accordingly.

Flagstar Bank [announced](#) that starting with new locks as today the Agency Adverse Market Refi Fee LLPA will no longer apply.

loanDepot Wholesale removed the Adverse Market Refinance Fee on all loans locked July 16th and will be updated in the mello® Broker Portal as soon as possible. Pricing has been updated reflecting the fee removal and is available in the mello Broker Portal. Loans in docs out status or later are not eligible for reprice. Eligible locked loans in a prior to docs out status will be updated in the mello® Broker Portal as soon as possible.

Mortgage Solutions Financial issued [Announcement 13-21C](#) in regards to the Adverse Market Refinance Fee.

MWF removed the adverse market fee for refinances. Loans previously locked with this adjustment will be revised to remove the LLPA. The pricing engine will be updated to reflect this change.

PCF Wholesale has removed the FHFA Refi Adjustment for all new lock requests.

First State Mortgage told brokers that the Adverse Market Fee of 50 bps will **no longer be applied** to refinance loans with amounts over \$125,000.

## Capital Markets

Last week closed with a Retail Sales report that beat expectations, rising 0.6 percent in June. While data continues to reflect a strong rebound, investors **wonder if this will bring us closer to tapering from the Fed**. Fed Chair Powell expressed concern in front of Congress last week with the pace of the 'transitory' inflation, a more pessimistic outlook than his prior comments.

Last week we learned that June's consumer inflation data was much hotter than expected, increasing over 5 percent over the previous year. (The last time year-over-year inflation was this high was in February of 1991 when the country was nearing the end of a recession and the Fed Funds rate was 6.25 percent.) June's headline inflation was **driven by significant price gains in a few categories due to the reopening of the economy**; think airfares and hotels prices, as well as a massive gain in used car prices which has resulted in some car models being more expensive used rather vs. new. And don't forget food and restaurant meal costs.

This week's economic calendar is slow, as usual mid-month. Fed speak will go quiet ahead of next week's July 27/28 FOMC meeting. Today contains just one economic release, the NAHB Housing Market Index for July due out later this morning. **The NY Fed Desk will purchase an average of \$5 billion of MBS per day** during the week. We begin National Daquiri Day with Agency MBS prices better by .250 and the 10-year yielding 1.23 after closing last week at 1.30 percent (and versus the end of March's 1.77) on lots of demand for U.S. securities, COVID variants, and world economies not bouncing back as expected.

## Employment and Transitions

"Opportunity is knocking at **TVC Funding!** We have billions to lend. Partner with us to provide **DSCR** (for both short-term and long-term rentals), **Fix & Flip**, **Ground Up Construction**, and **Bridge loans** to your borrowers nationwide. Our products are designed using common sense underwriting approaches, making them perfect as a white-label solution for brokers & correspondents. They are **competitively priced** as well. TVC is consistently innovating with new technology and honing our processes to ensure quick, easy, and consistent approvals making it smoother than ever to close deals. Our partners have come to trust us because we deliver on what we promise: we never stopped lending during the pandemic. Our private funding allows us to make the best decisions on behalf of our borrowers and our partners. Start partnering with **TVC Funding** today! TVC is also hiring: We're adding experienced BDMs, Loan Officers, Underwriters, Analysts and more. Email Doug Perry today for full-time and partnership opportunities!"

"**First Continental Mortgage (FCM)**, an innovative, independent mortgage lender, is seeking a highly qualified Producing Branch Manager in Houston, Texas, to oversee production for one of the largest privately held home builders in the country. For over 29 years, FCM and our affiliate companies, have helped families realize the American dream of owning a home! We specialize in partnering with builders as well as retail production. The Producing Branch Manager will direct day to day operations, work closely with senior management to achieve company goals and metrics, manage the LO production, and maintain a successful relationship with the builder partner. FCM funded over \$1.8 billion in purchase loans last year through our exclusive home-builder relationships. Submit confidential resumes to us, or for a complete description please visit please visit **FCM Careers**."

"**MAI Wholesale** is seeking additional Account Executives for its TPO channel. If you are the right individual, MAI will place its chips in your territory. In other words, we will come to you, you do not have to come to us. Great opportunity if your current company is being merged out of existence or you just feel like a number at a big box lender. MAI traditionally has provided its broker base with time saving technology. In fact, many others' wholesale platforms are based off of MAI's leading development work. A generous territory, combined with a staff which does not turn over, translates into volume for you. If interested, please contact Kevin Green, National Sales Manager, at 770-238-1565 Ext. 112. All inquiries held in strictest confidence. We look forward to speaking with you."

**First Option Mortgage**, a national residential mortgage lender, has added the mortgage team of Kingsley Kodan as SVP, Divisional Manager, and David Abrahamson, Division Operations Manager. With over 50 combined years of experience in the mortgage industry, both Kodan and Abrahamson are set to assist in the growth of the company. "FOM has been making all the right moves to position itself to take advantage of the organic growth opportunities that are becoming available in the market," Kodan said. Abrahamson added, "Having the operational infrastructure is key when a company decides to grow, and FOM has that". "We are extremely excited to be able to have industry veterans join FOM" said Alvin Shah, Managing Partner. "It helps in so many areas to be able to rely on their experience and have trust in their abilities." To find out about opportunities in your market with FOM, please visit [www.GoWithFom.com](http://www.GoWithFom.com).

View this Article: <https://www.mortgagenewsdaily.com/opinion/07192021-adverse-market-fee>