

Corresp., AE, MLO Jobs; Diversity, VA, Pricing, Servicing Products; Freddie's Renovation Product and Fannie Updates

By: Rob Chrisman | Mbn, Aug 9 2021, 10:47 AM

Last week I was in Orange County at the Insellerate Experience Summit 21, and this week I am 2,500 miles away in Orlando, FL at the Lenders One Summit. Unfortunately Florida metro areas are seeing increased mortgage fraud (the headline speaker today is [Frank Abagnale](#)) and several years ago a business associate recommended that I never mention the term "fraud" in my commentary since web searches would associate me with illegal activities. I never went along with that (and have also never paid a penny to any search engines) and I continue to write about fraud, since lenders and vendors can learn from recent court cases ([like this one](#)) and can teach their staffs about them and the flow of money. "Trust but verify." CoreLogic just released its quarterly mortgage fraud brief for Q2 2021 showing that the [Mortgage Fraud Risk Index](#) continued to spike, with YoY gains reaching near historical highs at 37.2%. Occupancy fraud continues to be a top area of concern as the GSEs limit financing availability for non-primary occupancy. Out of the 15 riskiest metros analyzed, Florida metro areas take up six spots! (By the way, today's podcast is [available here](#), and this week's is sponsored by [Richey May](#), providing cybersecurity, assurance, tax, business advisory services, and technology solutions to clients nationwide.

Lender and Broker Products and Services

Loan compensation is a monthly (or biweekly!) source of pain for many managers, employees, and accounting departments. But it doesn't have to be. That's why Dean Shott, FLC Bank's SVP and managing director of technology and operations, adopted LBAWare's [CompenSafe](#). Since implementing CompenSafe, FLC Bank has streamlined incentive compensation management from a three-person job to a process that one employee manages from start to finish. According to Shott, "Since CompenSafe was implemented, no compensation issues have needed to be escalated up to me, because it runs like clockwork every month." [Download the free case study](#) to see how CompenSafe has made loan compensation a snap for FLC Bank.

The average 30-year fixed rate has dropped again as economic growth and pandemic concerns continue to affect the mortgage market. This volatility challenges lenders to forecast staffing needs and predict operational ebbs and flows. Now is the time to consider partnering with an expert 3rd party originations team. Outsourcing some or all your originations processes could reduce costs, expedite closings, and provide superior customer service. [Computershare Loan Services \(CLS\)](#) has provided mortgage fulfillment for more than 23 years with highly trained, experienced processors, underwriters, and closers. CLS takes the overhead burden off your shoulders so you can focus on building your business. The closed loan model means you only pay when the loan closes. [Partner with CLS](#) and help your borrowers get to the closing table on time. In any market.

Servicing retention rates are still among the lowest on record. To stay competitive, it is crucial for servicers to deliver a positive customer experience. Black Knight continues to make investments in its technology to help servicers better support their borrowers and improve retention. Black Knight offers a comprehensive suite of servicing solutions, including the MSP® loan servicing system, which provides robust automation and digital capabilities to enhance retention efforts and support business growth. MSP offers an advanced, [customer-facing digital solution](#) that gives consumers access to detailed information about their loan and home, while enabling self-service capabilities, such as making payments or requesting assistance all from the convenience of a mobile device. No matter the size of your portfolio, MSP can help. [Learn more today](#).

San Diego-based mortgage lender, [Rate Rabbit](#), saw a tremendous volume spike in the past year like so many in the industry. With the aid of the information supplied by their new industry-focused finance system [Loan Vision](#), [Rate Rabbit](#) has never had more confidence in their ability to maximize profit on each and every loan. "We've seen growth over the past year. However, the level of detail we now have with Loan Vision gives us the ability to dive into our profitability, evaluate that growth, and better interpret the needs of the business," said Jojo Caldwell in the [latest Loan Vision Success Story](#). Interested in learning more about how your General Ledger should be helping drive profitability? Contact Carl Wooloff to schedule a call today.

Are you ready for the borrower of the future? Get the inside scoop from Freddie Mac's Danny Gardner in the latest episode of Mortgage Connects, a podcast by MGIC. In just 30 minutes, Gardner deconstructs the economic and social challenges facing the post-pandemic mortgage industry. Listen to insights on the growth in diversity of homebuyers, the impact of the "triple pandemic" and how its factors have disproportionately affected minority groups, and how forbearance options may affect consumers' credit in the long-term. [Listen now!](#)

Keep your pipeline sizzling this summer with the [Freedom Mortgage Wholesale Division](#): 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. 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 AskFreedom@FreedomWholesale.com 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.

Black Millennials & Gen Z's - The Future of Black Homeownership [Zoom event!](#) Thursday, August 12th, 3PM Pacific/6PM Eastern, New American Funding & Freddie Mac have teamed up to discuss challenges facing Black Millennials and Gen Z's including saving for a down payment, mortgage insurance, credit score challenges, and overcoming bias in the homebuying process. "We will explore this topic and potential remedies and solutions. Moderated by Nora Guerra, Affordable Lending Manager, SF Client and Community Engagement Single Family Division of Freddie Mac, and joined by Latisha Carlisle, VP of Housing, NID- Housing, a National HUD Intermediary, Yana Davidovich, Director of Market Research and Insights, Single Family Division, Freddie Mac, and Ralph Remy, Director, Client Digital Experience, National Mortgage Insurance Corporation. Join us to learn about Black Millennials & Gen Z and how to develop, enhance and promote mortgage industry best practices to reach the Black community. [Register today!](#)"

Agency-Related Changes

There's a lot of chatter about the FHFA, which oversees the Government Sponsored Enterprises (GSE) and the Federal Home Loan Banks, as it is now under new leadership. Forget a lot of focus on removing Freddie and Fannie from conservatorship right away. Acting FHFA Director Sandra Thompson has already moved on the adverse market fee. Most believe that she will continue to focus on reversing Calabria-era policies, especially the GSE footprint limitations included in the PSPA (Preferred Stock Purchase Agreement). Some believe that we may see an expansion of the GSE credit boxes and that the GSE multifamily caps will be removed from the PSPAs and returned to the conservatorship scorecard. Who knows, perhaps Freddie and Fannie will crank up the Credit Risk Transfer (CRT) machine.

Freddie Mac announced its new [CHOICEReno eXpressSM mortgage](#), enabling homebuyers and homeowners to finance the cost of small-scale renovations with a single-close mortgage filling the need for a streamlined, affordable financing option, allowing homebuyers to make cosmetic renovations, such as replacing windows and doors, roof repairs, minor remodeling and interior or exterior painting. Available for mortgages with settlement dates on and after November 1, 2021, Lenders can sell CHOICEReno eXpress mortgages to Freddie Mac when the loan proceeds are used to pay for renovations of up to 10 percent of the home's as-completed value (up to 15 percent in rural regions with high needs classification) without requiring special lender pre-approval or lender recourse depending on the purchase price. View [FAQ](#) that explains more about the difference between this new streamlined version and the original CHOICERenovation mortgage.

Freddie Mac also [announced](#) that it has updated its requirements to provide lenders greater flexibility when offering its flagship [CHOICERenovation®](#) mortgage, available for mortgages with settlement dates on and after November 1, 2021. Updates include allowing 100 percent of the cost of materials to be advanced and renovation costs to be paid directly to a home improvement store. The ability to use proceeds to pay off short-term financing for prior renovations of an existing home and allowing a borrower to not occupy a primary residence while renovations are ongoing.

Freddie Mac [Seller/Service Bulletin 2021-27](#) covers new opportunities and Guide updates related to CHOICEReno eXpressSM mortgages, a new streamlined option under the CHOICERenovation® offering, Additional flexibilities for CHOICERenovation mortgages, Improvements for cash-specified payups, Qualified mortgages (updating the applicable sections of the Guide with requirements announced in earlier Bulletins), Cash-out refinance mortgages when none of the borrowers have been on title for at least six months prior to the note date, Guide Plus notifications. Check out the CHOICEReno eXpress [mortgage option](#) and an [article](#) on cash specified payup pricing enhancement

Recent Industry Insights and Perspectives from Freddie Mac Single-Family include: [QC Can Address Rising Defect Rates, Improve Lenders' Results](#) and [Appraisals in Rapidly Changing Markets](#).

Check out the latest compilation of policy changes and updates from the Selling Guide, Servicing Guide, Lender Letters, and Desktop Underwriter® (DU®)/Desktop Originator® (DO®) release notes in Fannie Mae's [In case you missed it Job Aid Summary](#).

Fannie Mae updated the Post-Closing Loan File Document Checklist ([Form 1032](#)) to assist lenders in responding to post-purchase file requests from Fannie Mae.

Fannie Mae has posted the [July Appraiser Quality Monitoring \(AQM\) list](#).

Fannie Mae and Freddie Mac published uniform SOFR ARM notes and riders [Forms](#) for use in Puerto Rico.

Fannie Mae updated the Master Servicing Simplification [page](#) to assist in preparation for changes announced in Lender Letter [LL-2021-12](#), Advance Notice of Changes to Investor Reporting Processes and Systems.

Beginning in August, Fannie Mae servicers can submit single and bulk upload claims within Property 360™. Fannie Mae will be able to fully process all claims without the need to resubmit in LoanSphere 571 Invoicing for manual processing. View the [Release Notes](#) for details.

Capital Markets

The big news to close last week was the July Employment Situation report, which beat headline expectations and showed a larger than expected increase in average hourly earnings. Upward revisions to May and June data brought the three-month average to 832k, and the economy has regained more than 7 million jobs over the past year, though the pace of those gains has been uneven. Generally speaking, recent economic data has **continued the narrative of a strong recovery that is held in check by supply constraints**. Along with July adding 943k new jobs and a strong drop in unemployment to 5.4 percent, initial claims for unemployment insurance dropped 14k to reach 385k in the last week of July.

Services and manufacturing continued to expand over the course of the month and both sectors reported significant price pressure as commodities remain in very short supply. Labor shortages were also widely reported in all industries. Surging demand from US consumers drove the trade deficit to a record level at -\$75.7 billion as imports increased by \$6.0 billion. Meanwhile, mortgage applications for purchase transactions eased 1.7 percent for the week ending July 30 and are now down 5 of the last six weeks. Despite lower interest rates, **purchase applications continue to face headwinds from an ongoing lack of inventory** which has driven up home prices.

This week contains several potential market moving events including updates on CPI and PPI with the \$126 billion Quarterly Refunding conducted over Tuesday to Thursday. Today's calendar kicks off later this morning with two labor market indicators: JOLTS job openings for June and the Employment Trends Index for July. **Two Fed presidents are scheduled to speak** starting with Atlanta's Bostic with Richmond's Barkin following him. **The Desk of the NY Fed will purchase \$4.9 billion MBS per day** on average today to Thursday with a new schedule and purchase estimate released on Thursday afternoon. We start the workweek with Agency MBS prices roughly unchanged from Friday's close and the 10-year yielding 1.28 after closing last week at 1.29 percent.

Employment and Transitions

[Mortgage Financial Services](#) continues its impressive growth as they are now licensed in 10 states with 5 more pending. With that, Mortgage Financial Services is looking for Wholesale/NDC Account Executives to help meet the demand created by the combination of aggressive pricing, personalized service, dedicated support teams, and the many other "Plus 1's" delivered to brokers/NDC's on a consistent basis. EVP of Wholesale Lending, John H. P. Hudson says, "Our Broker and NDC partners love and appreciate our dedication to helping them grow. We know that every loan counts. That's why we take the time to help mortgage professionals tailor-make loan options for their borrowers and referral partners." Brokers and NDC's interested in options should visit www.MFStpo.com. AEs interested in a confidential conversation with a dynamic, relationship driven (not territory driven) wholesaler, reach out to John H. P. Hudson at 817-247-4766.

[Synergy One Lending](#), a lender committed to The Modern Mortgage Experience™, is excited to announce the appointment of Kristie Wolford as Chief Production Officer, Consumer Direct. Kristie was recently named a HousingWire 2021 Woman of Influence. She joins Synergy One Lending with 26 years of experience in the mortgage industry, including 8 years as an operational efficiency and strategy consultant for a variety of retail and wholesale lenders, and most recently as EVP, Consumer Direct for a top correspondent originator. By leading [Synergy One's Consumer Direct division](#), Kristie will further the organization's mission to humanize and modernize the home lending experience. "In our relentless pursuit of providing exceptional customer experience and transparency in the homebuying process for our borrowers, our Consumer Direct team adds the human touch and expertise needed while navigating the loan process," says Kristie. "We don't just say Speed, Ease and Expertise™, we live it!"

[First Community Mortgage](#) is expanding its Delegated Correspondent Lending Division! "This award-winning company is looking for AEs in the North, South, East, West, and all parts in between to develop and deepen business partner relationships in our growing Correspondent channel. We are committed to offering unparalleled service and support to our business partners, as we seek to broaden our reach into all markets across the US. As a relationship lender with a penchant for service, FCM recognizes that people are the key to successful partnerships! If you are interested in learning more about FCM's Correspondent Lending division and our "best in class" operations team, please send a message to Brandon Sandefur, EVP Del-Corr."

Chicago-based [Key Mortgage Services](#) today announced the hiring of Ralph Melbourne as its new president at the mortgage arm of [Baird & Warner](#), Illinois' largest family-owned independent real estate services company.

View this Article: <https://www.mortgagenewsdaily.com/opinion/08092021-mortgage-diversity>