

Sales, MLO Jobs; Education, Tax, Sales, Pre-Qual, Licensing Products; Lender Stock Prices; Events; Forbearance Improvement

By: Rob Chrisman | Tue, Sep 21 2021, 10:41 AM

Asign in the window reads CURED MEATS. Inside, a salami takes his first steps since the accident. A prosciutto learns to forgive. There are all kind of things going on! First, a healthy, active secondary market helps rates in the primary markets. Fannie Mae announced [its intention](#) to enter into new credit risk transfer (CRT) transactions in the fourth quarter of 2021 through its Connecticut Avenue Securities® (CAS) and Credit Insurance Risk Transfer™ (CIRT™) programs. In anticipation of the Agency loan limit increase for 2022, [PennyMac](#) is offering brokers conforming high balance loan amounts up to at least \$625,000 in all states and counties except New York state, effective with today's locks. Some things are eternal, like the swallows returning to Capistrano or the start of college football season. [SFHGLP](#) Conditional Commitment process... "at the beginning of each fiscal year, funding for the guaranteed loan program is not available for approximately two weeks. USDA anticipates this brief lapse in funding to continue for FY 2022 so issues Conditional Commitments ([Form RD 3555-18/18E](#))." (The audio version of today's commentary, [available here](#), is sponsored by [Reggora](#), modernizing residential valuation and helping lenders streamline their appraisal process to close loans quickly and efficiently.)

Products and Services

Housed by the Federal Reserve Bank of New York, [the world's largest gold vault](#) rests on Manhattan bedrock 80 feet below street level. In it, 6,190 tons of gold worth roughly \$350 billion is secured by a 90-ton vault door. Speaking of vaults, SimpleNexus recently integrated it's [Nexus Closing](#) solution with DocMagic, enabling lenders to automatically generate eNotes and securely store them in an eVault for delivery to the MERS eRegistry. This is another notch in SimpleNexus' belt for providing the industry's most memorably modern, end-to-end, single-sign-on homebuying experience. In addition to integrating DocMagic's eVault technology, Nexus Closing comes with integrated RON and eSigning. It has been certified to meet both Fannie Mae and Freddie Mac's technical requirements for eClosing, eNote and eVault functionality and is compatible with the GSEs' respective eNote delivery systems. [Schedule a demo to learn more.](#)

[Northpointe Bank's](#) Non-Warrantable Condo offering provides financing for your borrowers interested in new and existing condo projects, including condotels, that do not meet conforming program requirements. Available for a primary residence, second home, and investment properties, the program offers loan amounts up to \$3,000,000, loan-to-value ratios up to 80%, expanded features such as alternative documentation including bank statements, interest-only and 40-year terms. Plus, Northpointe's Non-Warrantable Condo program can utilize either the borrower's income (debt-to-income) or only the property's rental income (debt-service coverage ratio) to qualify. Available for use with the following Northpointe Expanded Portfolio programs; Prime Non-Agency, Expanded Access, and Investor Cash Flow. Northpointe Bank provides tailored solutions to maximize your profitably and help grow your business. View [program details](#) for more information or Northpointe Correspondent.

Originators need to use data from external sources to meet the regulatory requirements during the loan process. Searching for data from sources like contracts, bank statements, loan applications, and guidelines is a time-consuming task. [Capacity](#) securely integrates with lenders' key systems via authentication and provides the loan officer with instant and actionable answers about borrower opportunities, loan statuses, guidelines, etc., which reduces the time that loan officers spend manually logging into systems and searching for information. Capacity's AI-powered chatbot can answer 90% of borrower questions without human intervention. Bottom line, [Capacity](#) makes it possible to effortlessly tap into key systems to provide real-time access throughout the entire loan life cycle. Want to learn more? [Get a quote.](#)

Are you a mortgage broker looking to capitalize on the booming housing market? Are you spending more time processing loans and dealing with technology than on your clients and referral sources? Now brokers have a chance not just to survive but thrive in the highly competitive space with Black Knight's [LoanCatcher](#) loan origination system (LOS). LoanCatcher is one complete, cloud-based LOS that helps brokers connect and collaborate with lenders and borrowers to originate, price and close deals faster. Deliver the digital mortgage experience borrowers expect with affordable technology that allows brokers to work from anywhere. No more settling for slow, unreliable, expensive, or pieced-together technology. Take your business to the next level with end-to-end integrations and advanced capabilities that can grow with your business and help you catch the next loan. [Watch a recording of our recent webinar](#), hosted by NAMB, to learn more about our new broker system.

Do you know where you are ranking against your peers? The way to get ahead is to know where you stand in real-time! See where you rank against your peers in real-time with [Richey May's RMAalyze + Peer View Ops](#). View data for any time period to really drill into where and

when you excelled or lagged in comparison to your peers, so you know where the opportunities are. With RMANalyze, a complete picture of your company is possible, and you can empower your managers to take proactive measures, find efficiencies, create change, and drive growth. Because this platform is designed by mortgage experts for mortgage experts, you can feel confident that this will fit your unique business needs. Contact us to schedule a customized demo today!

Want to know a dirty little secret? Most pre-qualification letters are issued on Word docs that loan officers keep handy, so they don't have to go into the LOS every time a borrower needs a letter updated. Even worse, many loan officers just forward the doc to their Realtors and let the agent update the letter themselves! Yikes! When you use [QuickQual by LenderLogix](#), borrowers and Realtors can securely update pre-qual letters within parameters set by the loan officer. Since it's integrated with your LOS, you can ensure that your originators remain compliant while delivering a fantastic customer experience. Head over to LenderLogix, and they'll [text a demo](#) right to your phone.

Sometimes the industry standard is substandard. [LERETA's](#) tax and flood services go beyond what is considered "industry standard" to get it done right, every time. Whether it is setting up meticulously accurate tax lines or using our ParcelPro technology to identify "ghost parcels", we take the necessary steps and care that other tax service providers don't. Our streamlined implementation process onboards portfolios quickly and our experienced associates leverage our advanced technology to identify potential issues before they become problems. Isn't it time to work with a tax service designed to support diverse business rules and at the same time solve for vendor diversification? Experience the LERETA difference today, contact Jess Johnson for more details.

Over 4MM millennials are reaching peak home buying age in 2021. How do you plan to earn the business of this massive customer base? Today's biggest housing opportunity is millennials. If lenders want to succeed now and for years to come, they need to reach, connect with, and earn the trust of the next big homebuyer generation. The key to reaching these potential customers is creating a tailored plan. Want to become the go-to lender for millennials? Leading digital mortgage platform [Maxwell's](#) ebook *The Millennial Playbook* delves into research-backed ways to adapt your lending practices to capture and keep their business. [Click here](#) to download *The Millennial Playbook* for free!

[XINNIX](#) announces a new alliance with NMLS-approved mortgage education provider [Learn Mortgage](#). The partnership provides new and experienced mortgage professionals an easy path to both required and optimal solutions to their professional development including licensing, sales performance, and continuous education. XINNIX and Learn Mortgage believe that with the right foundation and continuous support, the mortgage industry provides a fulfilling career for life. "Customers that combine services from both of us are not only improving company results with higher pass-rates but are also developing highly productive market-ready mortgage professionals FAST," said XINNIX VP of Sales, [Kim Harrington](#). [Click here](#) for more information on this new partnership.

Culture

Football season is underway and many a coach is hoping the culture they've cultivated will translate to wins on the field. One coach that consistently gets it right, love him or hate him, is Alabama's Nick Saban. In this month's Customer Experience Tip, STRATMOR's Mike Seminari takes a page from Saban's winning culture playbook to show lenders how to create a great culture that attracts employees, borrowers and even other (M&A-focused) lenders. When all things in the loan process go right, the Net Promoter Score (NPS) is 96 points and when one thing goes wrong, NPS drops by 75 to 100 points. Looking for ways to create a winning culture worthy of sharing and replicating? For three steps to use in your game plan, check out the September tip, "[How Can Lenders Create a Winning Culture?](#)"

Publicly-Held Residential Companies

Thank you to Finance of America's President Bill Dallas who reminded me that, in addition to its \$40 billion servicing book and securitizations, FOA expects to do \$30 billion this year, \$20 billion retail, \$7 billion TPO, and \$3 billion consumer direct. So it strives for a balance rather than being known as a wholesale shop. The \$300 million market cap, reflected by the stock price, is for the 30 percent of the company that is public. Extrapolating for the remaining 70 percent puts the value of the enterprise well north of \$1.0 billion.

Some will say that the value of any residential lender/investor is only the value of its servicing. This raises the question, of course, asked of many publicly-held independent mortgage banks. Namely, what is their real franchise value, especially in a market suffering ongoing margin compression primarily in the TPO channels. With FOA, its stock price (\$4.80) is 60% below its 12-month high of \$11.66. In fact, a quick scan of UWM, Homepoint, loanDepot, and Finance of America show all are down 34-69 from their initial public offering price. Does this mean that all of these companies were overvalued at their IPO, and many of the funds owing pieces of the companies profited handsomely? Or that investors have recently become worried about volumes and margins, and wondering, "Does a company 'control' the borrower, or the broker relationship? And what is more valuable?"

Events

Mortgage Banking Magazine presents “Leverage AI-Powered Document Automation & Key Servicing Tasks: Practical Yet Transformative Approaches Organizations Can Adopt”. A recent State of AI report from McKinsey & Co shows 50% of firms have adopted AI in at least one business function. Much remains to be done as more than two-thirds of originators spend more than 30% of their time on non-core functions. Major challenge: Understanding how and where to apply AI. In this session, Keith Mullen shares two core processes to perfect transformation, and how AI-powered document analytics power quicker, more reliable, and less costly operations so staff can focus on what’s important, and increasing capacity for growth. You’ll see what the ideal transformed process looks like so that you can benchmark and the fundamentals of AI-powered document analytics to get a head start on creating a technology stack shortlist. Instantly access “Leverage AI-Powered Document Automation & Key Servicing Tasks” [here](#).

Amanda Lawrence, Beth McGinn, Sherry Safchuk, and James Chou offer a discussion of [best practices for developing incident-response plans](#) that address growing cybersecurity risks in an era of increasing regulatory scrutiny. The Buckley team will cover overarching concepts, practical guidance for creating a plan before one is needed, recent threats, and ways to effectively respond to a data breach. “Best practices for incident-response planning in a dangerous and regulated world” is today from 2:00-3:00 p.m. ET.

The MBA will be hosting a webinar in partnership with Fannie Mae. Last month, Fannie Mae [announced](#) that it is launching a new feature of DU to enable single-family lenders, with permission from applicants, to consider rental payment history when determining eligibility. This development has the potential to help new, mortgage-ready consumers qualify for mortgage credit. The team at Fannie Mae is offering a (free) [one-hour explainer session](#); [Join us](#) on September 23, from 2-3 ET, when Stacey Shifman and Kristina Waters of Fannie Mae's Analytics and Modeling division will break down how the new feature works and answer members' questions.

Capital Markets

In a week filled with central bank action including the Fed, yesterday was about risk concerns over Chinese developer Evergrande and the fight over the U.S. debt ceiling. Treasury Secretary Yellen said yesterday that the U.S. faces “widespread economic catastrophe” if it doesn’t raise or suspend the debt ceiling, as the government will run out of money next month. The House votes this week on an increase in the debt ceiling, but there’s little likelihood it will get passed the Senate. Couple the FOMC risk with weakness in global equities amid growing default concerns related to highly leveraged Chinese developer Evergrande, and U.S. Treasuries rallied in curve flattening fashion by the day’s end.

The NAHB Housing Market Index rose slightly in September when it was expected to decline. Unfortunately, it’s still the second-lowest reading since July of last year, and follows a significant drop last month. **Building material cost challenges eased**, particularly for lumber, though delivery times remain elevated and there is a construction labor shortage.

The MBA’s latest Forbearance and Call Volume Survey revealed that the total number of loans now in forbearance decreased by 8 bps from 3.00 percent of servicers’ portfolio volume in the prior week as of September 12, meaning 1.5 million homeowners remain in forbearance plans. MBA Chief Economist says September and October are going to be very busy for servicers as many of those in forbearance reach the end of their terms. “While millions of homeowners have been helped thus far, **it is going to be critical for servicers to continue to provide assistance** to ensure their customers exit into a sustainable resolution. I’m hopeful that this forbearance program, which has been quite successful thus far, will end well.”

Attention now turns to the **two-day FOMC that gets underway today**. Investors are looking for any clues about the Fed pulling back on its \$120 billion of monthly bond purchases, as well as signals for when the committee will lift rates. That follows a few economic releases. We’ve also received housing starts and building permits for August (1.615 & 1.728 million annualized, beating expectations), and Philly Fed non-manufacturing firm and region indexes for September (-15.3 to +21.9). Later today brings a Treasury auction of **\$24 billion reopened 20-year bonds**. We begin the day with Agency MBS prices roughly unchanged and the 10-year yielding 1.32 after closing yesterday at 1.31 percent.

Jobs and a Loss...

[Draper and Kramer Mortgage Corp.](#) announced that mortgage industry veteran [Chris Knapp](#) has joined the company as EVP of Business Development. Knapp has more than 25 years of industry experience and previously served in executive roles at two of the nation’s top lenders. Based at the company’s Downers Grove, IL headquarters, Chris will contribute to recruiting and expansion efforts, help improve sales and operational efficiencies and advise the leadership team on strategic decisions as he continues his career as a top loan originator. “I’m thrilled to be joining a growing nationwide lender with a reputation for its positive and supportive environment for originators,” said Knapp. [Click here](#) to learn more about Draper and Kramer Mortgage Corp.’s career opportunities for originators across the nation.

“Are you looking for a casual, flexible, collaborative work environment? Are you passionate about making your mark in the mortgage

industry? Then look no further because [ClosingCorp](#), the leading provider of residential real estate closing cost data and technology, is hiring! We have several openings including [Account Manager](#) and [Client Support Specialist](#). ClosingCorp offers a comprehensive array of valuable benefits to protect your health, your family, and your way of life. The company has seen exponential growth over the past three years, and there's never been a better time to join a passionate, dedicated talented group of people! At ClosingCorp you'll have plenty of opportunities to learn and grow with an innovative industry leader. [Click here to apply.](#)"

Unfortunately Option One Mortgage CEO [Bob Dubrish](#) has passed away. An industry leader.

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