AE Jobs; Loan, U/W, Compliance, Business Intelligence Products; Condo and Co-op Agency News; Good Jobs Data

By: Rob Chrisman | Thu, Oct 14 2021, 11:00 AM

Labor strikes are back in the news, but this time of year is baseball or football players in the Hall of Fame. (A few of the footballers lost four Super Bowls!) There's plenty of competition, some friendly some not, in residential lending. The wholesale channel, always focused on the benefits of scale, has devolved into a break-even game, hitting publicly-held wholesaler stock prices but helping brokers compete against retail shops. Correspondent investors have never had much margin to play with. And retail lenders, if they haven't already, will be dragged into lower margins. We've seen it all before. Today's audio version of the commentary is available here. This week's is sponsored Candor Technology, helping underwriters and company improve underwriting effectiveness.)

Broker and Lender Tools and Software

What common snack food dates back to 4700 BC? Zea mays everta, a.k.a. popcorn. Fossil evidence from Peru proves its long existence. Still, it wasn't until Charles Cretors debuted his popcorn wagon during the Midway of Chicago's Columbian Exposition in 1893 that the treat gained widespread POPularity. Speaking of mainstream embrace, SimpleNexus continues an impressive year of innovation with the debut Nexus Pay next week at MBA Annual21. The in-app payment solution allows borrowers to pay mortgage-related charges (appraisal fees, credit checks, first month's payment) using the same mobile hub they have used to submit a loan application and eSign documents. If you're attending MBA Annual21, join SimpleNexus for a welcome reception at the San Diego Wine and Culinary Center on Sunday, October 17, from 7:30 to 10:00 pm PT. SimpleNexus will also present a live demonstration of Nexus Pay on Tuesday, October 19, from 12:30-1:15 pm PT on the Innovation Stage in Exhibit Hall A.

"Goodbye, guesswork. Hello, real answers. Welcome Richey May's RM Analyze, business intelligence designed and implemented by and for mortgage experts. With year-end report season looming, you don't have time to waste on systems that struggle to provide key insights and set up reports. Our platform not only consolidates data from every department and every piece of software you use, but it also provides just the right reporting from the C-suite to the front line, privacy protection included. With RM Analyze, you have everything you need to build visually engaging reports on key indicators right at your fingertips. Need peer analysis? Check out our new Peer View Ops functionality. Contact us today for a walk-through and custom RM Analyze implementation plan."

The mortgage market is changing quickly, keeping up is getting more challenging as refi volume slows, purchase demand grows, and the number of non-agency products is expanding continuously! Now more than ever, originators need to be prepared with access to the right products and tools for easy navigation. No matter what channel you participate in, it's all about volume and maximizing profitability. A key to success is streamlining pricing and decisioning for both agency and non-agency. LoanNEX is your solution! LoanNEX is a next generation PPE specializing in serving the unique needs of the non-agency market. LoanNEX is excited to announce that their pricing and decisioning engine is now available as an integrated solution within Lenders' portals. Linking LoanNEX to your portal gives wholesale and correspondent clients access to LoanNEX on a fully integrated basis. Learn more about LoanNEX, or schedule a time to meet with us at MBA Annual!

ActiveComply: BOSS Magazine names ActiveComply one of their Highly Recommended FinTech Companies in 2021! Boss Magazine showcases how Nationwide Mortgage Bankers is leading the charge in innovating the mortgage process with partners like ActiveComply: "The ActiveComply social media monitoring tool keeps an eye on all of NMB's social media sites and their sales and loan officers' social media sites and provides feedback to ensure compliance." Read in full here. ActiveComply's cloud-based solution helps lenders meet monitoring and archival responsibilities through automated compliance system technology: discover company and LO accounts related to your brand, examine profiles for NMLS IDs, Equal Housing information, and specific disclosures (image scanning included). Visit activecomply.com today to learn more. ActiveComply will be attending MBA's Annual Convention in sunny San Diego October 17th-20th. Want to schedule a time to meet to get a peek at your company's social media compliance? Click here to request a time slot!

"1 UW Touch on 70% of loans!" Candor: 1) 30 days integration, 2) 3 months to ROI, 3) 1 click workflow from your LOS, 4) 100% initial underwrite, 5) Issue Conditions, including AUS and Reps/Warrants, 6) 100% complete list of Borrower Documents on first click, 7) 38% of Conditions automatically cleared, 8) OCR Documents, 9) Calculate W2 & Self-Employed income, 10) Fully underwrite a loan, 11) Guarantee underwrite with a defect policy, and 12) Make you ready for every possible market cycle. Unbelievable? ~1.3M autonomous underwrites later, Candor clients are pulling ahead of the pack. Check the ROI here. Contact us for a demo.

Declines in margins are attributable to two primary factors: Reduction of lending volumes due to rising mortgage interest rates and weakness in the relative pricing of agency mortgage-backed securities. As the threat of margin compression looms large, many mortgage lenders are seeking new ways to prepare and maintain profits. Join MCT and Verity Global Solutions on October 28th at 11am PT for a Halloween-themed industry webinar titled "Don't Let Margin Compression Scare You." In the webinar, MCT and Verity Global Solutions will review which stages of the mortgage origination life cycle are best to outsource and if it makes sense for you. It's time to embrace the new normal of remote working as waves of mortgage lenders are adopting the concept of a global team with powerful results. Register today for their webinar on October 28th at 11am PT.

TPO Loan Products

"At Planet Home Lending, we offer our Correspondent partners access to competitive products without added staff or overhead expense. Just one of the many benefits of doing business with Planet. There's still time to meet with us at MBA Annual to get competitive products and pricing, flexible delivery, and superior service. Contact Senior Vice President, Correspondent Sales Jim Loving at (414) 270-0027 to book your appointment."

Northpointe Bank Correspondent Lending announced it is increasing its conforming loan limits, up to $625,000 for 1-unit properties for most of the country; and up to $937,500 for properties in Alaska and Hawaii. The maximum conforming loan limit for 2-unit, 3-unit, and 4-unit properties have been increased to $800,250, $967,250, and $1,202,000, respectively. The higher loan limits are available immediately for both best effort and mandatory lock commitments. Northpointe Bank offers more programs giving your borrower more options to finance their home. Contact correspondentsales@northpointe.com for details. Warehouse financing is also available through Northpointe Bank's warehouse program. Please contact Dave Christel for more information.

Newrez Correspondent has launched a newly formed sales team dedicated solely to Bank & Credit Unions. With industry-leading products, competitive pricing, and a dedicated special sales and operations team, we're looking forward to supporting more communities and helping more families achieve their homeownership dreams. Have questions? Contact us at BusinessLending.ftw@newrez.com.

FHFA, Conforming Conventional Changes Continue

MBA President and CEO Bob Broeksmit, CMB, addressed the Federal Housing Finance Agency's (FHFA, overseer of Freddie and Fannie) announcement of the 2022 multifamily lending purchase caps for the GSEs ($78 billion each for Fannie Mae and Freddie Mac). "The MBA and FHFA share a common goal of increasing the supply of affordable rental housing, and we commend FHFA for its continued commitment to providing stable liquidity to the marketplace and its focus on helping renters in underserved markets. The $78 billion caps for each GSE (an increase of $8 billion from 2021) and the 50% mission-driven requirements support affordable multifamily housing and help ensure a level playing field across the various capital sources."

Condos and co-ops are an affordable homeownership option in many markets and a lifestyle choice for many buyers. In a new Fannie Mae Perspectives blog, Jodi Horne, Director of Single-Family Collateral Risk Management, discusses the measures Fannie Mae is taking to address issues of significant deferred maintenance that may impact the safety, soundness, structural integrity, or habitability of a condo or co-op unit or the overall project and its amenities.

Freddie Mac co-ops are now eligible with Wells Fargo Funding's expanded conventional Conforming Prior Approval cooperative (co-op) guidelines using Loan Product Advisor (LPA).

With the addition of LPA, content in the Wells Fargo Funding Seller Guide has been updated to clarify content including removing guidelines where Sellers will now follow Fannie Mae or Freddie Mac.

PRMG is aligning with Fannie Mae's recent DU update enabling positive rent payment history to the risk assessment and an update to credit score eligibility. Regarding the DU credit score change, DU currently uses credit scores to ensure compliance with the 620 minimum representative credit score requirement. Note that the score determined by DU is for DU eligibility only, and does not apply to pricing or any other scenarios where a credit score requirement may apply. Login to the PRMG website and review Product Update 21-48 for additional information.

First Community Mortgage Correspondent announced the removal of adjustments from Second Home and Investment properties: 3 Points, above Standard Agency, Loan Level Price Adjustment (LLPA). Maximum 75% LTV/CLTV.

Capital Markets

This morning we had the weekly jobless claims, but going back to last Friday, September's nonfarm payrolls report may have initially disappointed markets due to a lower-than-expected headline number, however a closer look reveals some silver linings. The prior two months were revised upwards by a combined 169k jobs and September's headline was dragged down by a decline of 123k government jobs which were primarily related to state and local education as not all schools are fully opened. Elsewhere in the report, the household survey showed employment increased 526k in September following August's 509k gain. One potential cause for the disconnect between the household survey and the establishment data is that the establishment data can miss newly created businesses early in the recovery cycle and is often revised later. Regardless, employers are still having trouble filling open positions, especially in the high contact leisure and hospitality sector. Additionally, global supply shortages as well as capacity constraints at US ports have kept some manufacturing facilities idle despite robust product demand that would normally drive up hiring in those sectors.

Jobs, inflation, and tapering are driving investor sentiment, and therefore bonds and interest rates. We received more clues about each yesterday. Inflation remains hot due to supply-chain disruptions and labor shortages, which have sharply driven up costs for producers that have been partially passed on to customers. **CPI rose 5.4 percent in September from a year earlier, matching the largest annual gain since 2008**, though the return to its peak from July was expected. The FOMC Minutes from last month showed that Fed officials see inflation lasting longer, while still being transitory. The Minutes from the September meeting laid out support for a tapering process that will likely be concluded in 8-months. **The taper is expected to begin in mid-November** and see a $15 billion ($10 billion in Treasury securities and $5 billion in Agency MBS) monthly reduction of purchases, concluding near the middle of 2022. Several Fed officials did voice support for a faster reduction of purchases.

Today's economic calendar is under way with September producer prices (+.5 versus expectations of +.6 percent, core +.2 percent, much lower than expected) and weekly jobless claims (-36k to 293k, good news, and continuing claims at 2.593 million). Later this morning brings Freddie Mac's Primary Mortgage Market Survey and **no less than five Fed presidents speaking**. The Desk will conduct the last two operations on the current schedule targeting up to $5.4 billion 30-year 2 percent and 2.5 percent before releasing a new two-week schedule in addition to the MBS purchase estimate for the mid-October to mid-November period in the afternoon. We begin the day with Agency MBS prices better/up slightly and the 10-year yielding 1.54 after closing yesterday at 1.55 percent after the inflation and jobs numbers.

AE Jobs

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