

# Capital Markets, Compliance, Homebuyer, Pre-approval Products; Fair Lending and Compliance are in Vogue

By: Rob Chrisman | Thu, Oct 28 2021, 10:59 AM

I have to go to Target later today to buy Halloween candy because I went to Target last week and bought Halloween candy. Get it? Here's another question: In the U.S., what's the difference between being unemployed and working at Starbucks? Unemployed people got paid more in 2020. (Although in 2022 Starbucks is raising its minimum wage to \$15/hour.) Yes, every Thursday we see the previous week's jobless claims data. The Bureau of Labor Statistics reported on October 12 that 4.3 million Americans quit their jobs in August 2021, the highest number ever recorded. It was also the sixth consecutive month of unusually high resignation rates across the U.S. I mention this because a) resigning from a job does impact a borrower's ability to repay, and b) "Trimming the fat" is a topic among mortgage banking managers. But there aren't may layoffs in servicing departments, and yesterday I mentioned large blocks of servicing being sold and bought with the inevitable, "Why?" Smaller companies, which added servicing last year because aggregators weren't paying for it, now need the cash to try to outlast their competitors with declining or leveling off margins and volumes. And take a look at the budget issues: Capital gains and other potential tax changes are on the negotiation list. And there's not as much agreement on the direction of rates, with predictions typically coming out wrong, and lots of conviction on the inflation side but much less on the deflationary side. (Today's audio version of the commentary is [available here](#) and this week's is sponsored by [Richey May](#), a recognized leader in providing specialized advisory, audit, tax, technology, and other services in the mortgage industry and in banking, and features Part Two of an interview with Mignonne Davis on internal audits.)

## Lender and Broker Products and Services

Building strong relationships with Real Estate Agents is vital to a healthy origination pipeline. That's why lenders in 42 states have implemented QuickQual by LenderLogix into their tech stack. This adjustable pre-approval letter gives Agents the ability to run payment and closing scenarios and issue letters anytime of the day. Aside from instant access to real numbers and on-the-fly letter updates, [QuickQual](#) lets Agents keep track of all of their borrowers with a web-based Realtor Dashboard. On a mobile phone or a computer, QuickQual makes the pre-approval process much more convenient for Agents, borrowers, and lenders alike. Head over to LenderLogix, and they'll [text a demo](#) right to your phone so that you can see how user-friendly QuickQual's adjustable letter is.

"How well is your production mix performing compared to your peers? If you are not sure, [Richey May's Peer View Ops](#) can help you understand your production mix compared to your peers in real-time. In addition to FICO, LTV, and DTI comparisons, we show your average pricing compared to your peer groups by type, purpose, and occupancy mix. You will have the ability to filter any metric by any of these loan characteristics to make sure you understand how you're performing compared to your peers in every cross section of performance. Contact us to schedule a demo to get a look at the reporting features and see how this tool helps drive your business."

[Covius](#), the leading provider of technology-enabled solutions to the financial services industry, has completed the acquisition of [Nationwide Title Clearing, LLC \(NTC\)](#). The 30-year-old Palm Harbor, FL-based company has long been a leader in lien release and other document production services as well as research and file services for originators, servicers and the capital markets sector. NTC President John Hillman and NTC's 670 team members have joined the Covius team. Rob Clements, Covius' Chairman and CEO, and John Surface, President and COO of Covius, cited the great cultural fit of these two companies and the enhanced opportunities and scale now available to joint clients. With this acquisition, Covius will expand its workforce by 50% and will be able to offer clients new products and technologies to position Covius for continued growth in the future. To learn more, contact us at [contact@covius.com](mailto:contact@covius.com).

The purchase market winter is coming. Game Of Thrones may be far behind us, but the great purchase war is just ahead: A 2022 market that's 75% purchases and just 4.79 million units. Home search portals keep adding new buyers, and picking off your pre-approved buyers. But not if you have a homebuyer portal that's slicker, more precise on valuations, and branded by you. This is how [ComeHome.com by HouseCanary](#), a national real estate brokerage, can power this modern homebuyer experience for you this winter: [hello@housecanary.com](mailto:hello@housecanary.com)

Brokers, did you tune in to [Rocket Pro TPO's](#) announcement last week? Brokers were blown away. Rocket wasn't kidding when they said, "breaking barriers." They are truly removing some of the biggest obstacles keeping you from closing more loans and growing your business. I especially liked the changes to Rocket Connect. Rocket Pro TPO is committing to an industry-leading two-hour response window for Rocket Connect inquiries. Brokers can also immediately escalate inquiries to Operations leaders. I'm sure these will be game changing when you are navigating this wild purchase market. Reach out to your AE for more info about this and the other tools announced.

## Compliance Concerns

[Delivering mortgage, credit, and compliance news to your inbox.](#) The weekly ACES Compliance NewsHub email features top headlines and breaking news to help compliance and quality control professionals easily find relevant news and important regulatory dates. Included with your subscription is access to our compliance calendar with upcoming deadlines and our Financial Credit and Compliance Research Library with federal legislation updates, legal, state, and industry news, Agency/GSE updates, disaster information, and ACES news. [Subscribe now to stay in-the-know.](#)

ActiveComply. [BOSS Magazine](#) names ActiveComply one of its “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 CMBA’s 2021 Legal Issues & Regulatory Compliance Conference in San Diego December 7th-8th. Schedule a time to get a peek at your company’s social media for brand reputation & compliance issues.

As we’ve seen over the years, the regulatory environment is a pendulum, and unfortunately pendulums aren’t likely to stop in the middle. Attorney Brian Levy addresses the changing face of mortgage banking and our industry seizing the opportunity to make real progress on [fair lending and the racial gap in homeownership](#) in particular.

Everyone in residential lending agrees that more CFPB clarity is always welcome. Kathy Kraninger was very good at this. Regulators should be transparent at setting expectations, as lenders want to follow rules: “Just tell us what they are.” Regulation by education versus regulation by enforcement is much preferred since companies and individuals that violate rules and regulations negatively impact the industry. And companies “getting away with stuff” impacts the behavior of other companies in an effort to compete. Just keep the playing field level!

As Reverse Mortgage Daily points out, it is clear that [fair lending compliance](#) will once again be a priority, and lenders of all sizes should begin to review their fair lending statistical data and compliance procedures. Are you ignoring Fair Lending rules? Of course not. But as reporter Kate Berry points out, “As Rohit Chopra gets set to take the helm of the Consumer Financial Protection Bureau, many expect fair lending to be high on his agenda. But his anti-discrimination efforts could diverge from that of his predecessors. Anti-redlining policies traditionally have focused on mortgage lending. Analysts say housing will still be a priority, but the CFPB will likely also crack down on fair-lending violations for small-business loans governed by the Paycheck Protection Program. Meanwhile, fair-lending investigations and penalties targeting [allegedly biased underwriting algorithms](#) could be a jumping off point for the bureau to address potentially discriminatory practices in the use of artificial intelligence.

## Capital Markets

How are you keeping up with recent changes and fundamentals in the secondary market? [MCT’s Learning Center](#) is consistently publishing market related content that help readers stay up to date. Recent publications include [The Future of Fannie Mae and Freddie Mac](#), [How the 10-Year U.S. Treasury Note Impacts Mortgage Rates](#), and [How Does the Federal Reserve Impact Mortgage Rates](#). Innovation is also fundamental to how MCT serves their clients. In their technology improvement series, they’ve recently discussed how their [Data-Writeback Tool](#), [Bid Tape Mapping for Non-Platform Tapes](#) and [Pricing Granularity](#) enhancements are providing additional value for their clients. If you’re interested in learning more about the current market or MCT’s solutions, [join their newsletter](#) or [schedule a demo](#) today.

How do elite investors buy homes and loans? As home demand shifts with plateauing list prices and short supply, Wall Street’s top buyers of homes rely on HouseCanary Solutions for real-time decision making. With the power of its newest solution, Acquisition Explorer, you can filter MLS listings tailored to exactly your Buy Box preferences. [Learn more about Acquisition Explorer here](#) or contact [sales@housecanary.com](mailto:sales@housecanary.com).

MBS prices and Treasury yields rallied yesterday on the back of a **strong \$61 billion 5-year note auction**. Economic releases on the day showed total durable goods orders declined 0.4 percent month-over-month in September, missing expectations. We still have several important economic releases for the bond market to digest this week. Today’s news began with the first look at Q3 GDP (+2.0 percent gain, sluggish and lower than forecasts) as well as weekly jobless claims (281k, continuing to improve), and the core PCE deflator, the favorite of the Fed. Later this morning brings the Pending Home Sales Index for September, which is expected to slip, and Freddie Mac’s Primary Mortgage Market Survey. Ahead of next week’s FOMC events, **both the BoJ and ECB will be out with their latest monetary policy decisions**. We begin the day with Agency MBS prices unchanged from Wednesday night and the 10-year yielding 1.54 after closing yesterday at 1.53 percent after the news that has the press talking “stagflation.”

## Employment

“As COVID restrictions ease across the US, combined with our commitment to homeownership in underserved markets, [The Mortgage Firm](#) has developed a multi-faceted approach to educate, inform and provide special incentive programs for borrowers in underserved markets. With enhancement to our CORP (Community Outreach Resource Program) Initiative we are partnering a team of TMF loan originators with local realtors, credit vendors, title firms and down payment assistant providers creating more visibility and to assist borrowers in these communities. As we further embrace the mission to make homeownership more equitable, we have also expanded our Diversity and Inclusion team lead by [Xiomara Abadias](#). We are committed to making homeownership available to more borrowers in our entire lending footprint. If you are interested in learning more about [The Mortgage Firm](#) and being part of the CORP Initiative, contact Mickey Schilling, CMB, VP Acquisitions & Development.”

“When we say you work among winners at [Caliber Home Loans](#), we mean it! Caliber earned five awards at the 34th Annual Sales & Marketing Awards at this year’s Atlantic Builders Convention. The ‘granddaddy’ of all the recognitions (the Associate Member Salesperson of the Year) went to Caliber’s very own, Frank Lay. ‘Frank has been an integral part of our builder focused team here in Edison, New Jersey,’ said Michael Borodinsky, Caliber Branch Manager. ‘He has helped grow our local market share exponentially.’ The recognition is also a huge honor for the entire New Jersey builder team. ‘These recognitions are well deserved and speak to Caliber’s overall commitment to the home building industry and local Home Building associations,’ said Michael Brown, SVP Caliber National Builder Division. If you have a winning attitude and want to join a team where success is truly possible, contact James Hecht or Michael Brown.”

“[ClearEdge Lending](#) continues to grow in 2021 by expanding across the country. We recently hired 2 Account Executives, David George in Connecticut and Trisha Fedrick in Texas adding to our 30+ sales team. And we’re looking for more Account Executives to join our team in all regions. What’s your next career move? At ClearEdge, we provide dedicated full-time training, mentorship, and a large database of loan officer leads to get you ramped up right from day one! With in-house credit and pricing exceptions made in minutes, you can close loans quickly and have direct access to underwriters and an assigned Account Manager. As an end-investor since 2015, ClearEdge has an extensive and innovative portfolio of Non-QM products as well as a diverse team of experts equipped with custom in-house technology. Come build your career with one of the fastest growing Non-QM lenders. For more information contact our Western Regional VP of Sales Matt Shaw, our Eastern Regional VP of Sales John Burns, our Central Region VP of Sales Aron Thielen, or visit [www.ClearEdgeLending.com](http://www.ClearEdgeLending.com).

[Angel Oak Companies](#) announced the hire of David Raju as the firm’s Group Chief Information Officer to lead the firm’s technology integration that aims to improve the digital transformation across all Angel Oak companies.

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