

VA Cashout, HELOC Servicing, Bilingual Tools; Disaster Updates; Jumbo and Non-QM Updates

By: Rob Chrisman | Mbn, Nov 8 2021, 11:26 AM

Starting today I'm in Oklahoma City for the [OMBA Conference](#). The median home price here is roughly [\\$150,000](#) and housing prices are up nearly 7 percent in the last year, ahead of the 5.4 consumer inflation rate. Life is filled with numbers. I wonder what the numbers were to have Paul McCartney grace the cover of this month's [Costco magazine](#)? Numbers in the form of margins with wholesalers have plummeted this year, and I received this note. "Rob, I'm hearing rumors of layoffs in the wholesale channel. Any truth to that?" First, I have indeed heard actual layoffs at publicly-held wholesalers and rumors of more coming. (Anyone displaced can [post a resume for free here](#) for employers to view.) Second, it should surprise no one that this is happening, given that many wholesalers are at a breakeven and with the volumes dropping it is time to lay off staff, not replace anyone who leaves, or reallocate staff to other areas such as servicing. In the consumer direct channel, [STRATMOR](#) reports that lenders turned their focus to purchase business and Realtor relationships. Margins are tightening, loan officer comp is no longer the "hot topic," and everyone was definitely in "Get More Business" mode. (Today's audio version of the commentary is [available here after 5:30AMPT](#) and this week's is sponsored by [Candor Technology](#), helping underwriters and company improve underwriting effectiveness. Today's features Part Two of an interview with Josh Stech, Co-Founder & CEO of [Sundae](#), on how iBuying is changing the real estate industry.)

Lender and Broker Products and Services

According to analysis of HMDA data, the nearly one in five Americans who identify as Hispanic [face disparate treatment in the mortgage market](#) ranging from higher interest rates and closing costs to fewer financing opportunities from banks. SimpleNexus is helping make loan applications more accessible to Hispanic borrowers with the launch of Nexus Bilingual, a feature that enables lenders of all types gather loan information from prospective homebuyers in Spanish. With this latest addition to SimpleNexus' native mobile toolset, lenders will be better equipped to help Spanish-speakers kickstart their homeownership journey. [Learn more about Nexus Bilingual here](#).

Here's a story that may sound familiar: young Millennial Isaiah has saved up enough for a small down payment, but his parents think he should wait and save more. [See how mortgage insurance helped Isaiah buy a home sooner and build more equity](#). Are you ready to get renters like Isaiah off the sidelines and into the game? Grow your pipeline when you use mortgage insurance as a strategy to help first-time homebuyers put less down, afford more home, or expand their cash flow options. [Check out MI Solutions from MGIC](#).

Are You Ready for VA Cash Out opportunities in your market? Looking for tips to accelerate your underwriting experience? How can a VA Cash Out Refinance benefit your borrowers? Join the [Freedom Mortgage Wholesale Division](#) for a LIVE webinar training session on VA Cash Out Refinance mortgage products and origination processes. Ideal for new or experienced government originations. Webinars are offered [Monday 11/8](#), and [Tuesday 11/9](#).

With rates on the rise, lenders will need to consider how to replace their refi revenue. There is still \$9 Trillion in untapped home equity, and experts are predicting a surge in HELOC origination as a result. As you position your business for a profitable 2022, make sure you have the best servicing partner for HELOC volume. [Computershare Loan Services \(CLS\)](#) is a recognized sub-servicing leader with a sophisticated HELOC program. Their Access VISA Card allows borrowers to immediately tap into available HELOC funds at ATMs, in-store, or online—resulting in an average monthly usage rate of 20 transactions per card. Activity is managed in real-time and includes fraud monitoring, transaction risk analyses, and spend reporting data. [Contact CLS to learn more](#).

Disaster Updates

It's terrible to have lost your home, or had it suffer extensive damage, due to a flood, fire, hurricane, tornado, or earthquake. Here is [FEMA's Disaster Information Page](#) which sets off many Agency, investor, and lender policies and procedures.

FHA issued a reminder, [FHA INFO #21-74](#), to mortgagees about its guidance for originating and/or servicing FHA-insured mortgages in locations in the U.S. and its territories when the President declares a major disaster area during the COVID-19 pandemic.

Here's the [latest](#) from Fannie Mae regarding homeowners affected by Hurricane Ida. "We urge everyone in the path of the storm to focus on their safety," said Cyndi Danko, Vice President, Single-Family Risk Management, Fannie Mae. "Fannie Mae is committed to ensuring assistance is available to homeowners and renters in need and we encourage residents impacted by this storm to seek assistance as soon as possible."

Incenter Appraisal Management offers [remote disaster inspections](#).

SunWest Mortgage posted a [Disaster Area Update](#) regarding FEMA's addition of Counties in Connecticut as Major Disaster Areas.

Flagstar Bank has resumed Hurricane IDA fundings. To determine if a re-inspection is required, [view effective dates posted in the Flagstar memo](#). Natural disaster procedures are located in [Flagstar Doc. #4915](#).

FEMA declared federal disaster aid available to two counties in Connecticut. Additional information and re-inspection requirements is available in [FCM Disaster Announcement](#)

[DA-21-17- Connecticut Hurricane IDA](#)

FEMA issued a disaster declaration to include counties in Connecticut resulting from Hurricane IDA [View Caliber Home Loans Announcement CL21-72 for inspection requirements](#).

[Mortgage Solutions Financial](#) issued [Announcement 24-21C](#) in regard to Hurricane IDA

Flagstar Bank resumed loan closings and funding for properties located in various counties/parishes due to Hurricane Ida. The details, including effective date to determine if a re-inspection is required, are listed in [Flagstar Announcement 21117](#).

The IRS added parts of Mississippi in its Hurricane Ida Tax Filing Relief. Information on this update is posted in [FAMC Correspondent National Bulletin 2021-47](#).

Jumbo and Non-QM Tidbits

Chase continues to make updates to align its Non-Agency credit requirements more closely with Agency guidelines. [Refer to Chase Correspondent Bulletin CB21-45 for details](#).

For Non-Agency loans submitted through the Non-Delegated Underwriting Program, [AmeriHome Mortgage has a new loan submission form available](#).

Guild Mortgage introduced a new medical professional mortgage program designed to make it easier for medical professionals to buy their first home with zero down payment. The

[new mortgage option](#) honors medical professionals including medical doctors, veterinarians, dentists, surgeons and more. Under the [Guild Mortgage Program](#), qualified medical professionals, including those who have just graduated from medical school, can qualify for a home loan up to \$850,000 with up to 100% financing, no required mortgage insurance, and the ability to exclude student debt from their debt-to-income ratio. The program essentially removes all the barriers new medical professionals typically face when thinking about buying their first home.

Plaza Home Mortgage® reintroduced Solutions Non-QM for broker clients. Fit the home finance needs of self-employed professionals and other non-W2 borrowers. [Plaza's Solutions Non-QM program](#) has expanded eligibility guidelines and alternative documentation options. Plaza also offers a [free Bank Statement Income Calculation service](#), a dedicated Scenario Desk and Non-QM Underwriting team to give you fast and accurate answers to your questions.

PCF Wholesale announced the Enhanced JUMBO EXPRESS program. This program consolidates the features and eligibility guidelines of the, now retired, Jumbo Fixed & Jumbo Express products into one, single, new, [PCF Wholesale JUMBO EXPRESS PRODUCT](#). Price your Non-QM loans instantly [with PCF Wholesale using its Non-QM Pricing Engine](#). Get instant, detailed scenario options and find a program for your borrower.

Need Bank Statement, 1099 or P&L Documentation with Pricing that Doesn't Break the Bank? Check out Finance of America Mortgage's Two-X Flex Bank, Great for self-employed borrowers impacted by COVID. NEW - Get a 45-Day Lock for a 30-Day Price. To find out more, contact Dirk Nelson (925-303-9203).

Flagstar Bank updated its Jumbo Express 30-Year Fixed CALLPA Beginning with new locks as of Friday, October 22, 2021, [Flagstar Bank removed the 0.250 LLPA](#) for the state of California.

There are [new enhancements to Angel Oak Mortgage Solutions products](#). Minimum credit score is now 600 for [Bank Statement](#), [Investor Cash Flow](#) and [Portfolio Select](#). The maximum cash-out is now increased to \$1 million for [Bank Statement](#), [Platinum Jumbo](#) and [Portfolio Select](#).

PRMG announced its release of two products, Expanded Access Non-QM, and Investor Solution Non-QM. The products are initially being

launched to the Retail Channel but will be released to its Wholesale and Correspondent channels in the coming months. Products will be underwritten by the Corporate Jumbo/Non-Conforming Underwriting team and are delegated products. [Check PRMG's Total Expert](#) for Marketing materials including email, print flyers, and social media to promote these products.

Capital Markets

We saw last week that job growth bounced back in October, posting the strongest gain (+531k) since July and reinforced the Fed's tapering decision. That followed two weaker reports in August and September, though job gains for those two months were revised upward by a combined 235k. Most of that growth came from the hospitality and leisure sector, while manufacturing jobs saw the biggest month-over-month jump in 13 months. The unemployment rate dropped to 4.6 percent, continuing a very positive trend. The number of unemployed individuals has now dropped by 3.6 million over the last year, and recent gains show that **the economy has processed the delta COVID variant spike**. The Bank of England surprised markets by keeping rates on hold, sending bond yields lower around the world. The U.S. 10-year Treasury yield dropped 11 bps over the week, closing Friday at 1.45 percent.

The Fannie Mae Home Purchase Sentiment Index increased 1 point to 75.5 in October, as consumers once again reported mixed feelings about home buying and home-selling conditions, as well as increased pessimism regarding the larger economy. In October, a slightly greater share of consumers reported that it's a good time to buy a home and sell a home, with those numbers now sitting at 30 percent and 77 percent, respectively, up from 28 percent and 74 percent last month. Consumers also reported even stronger expectations that mortgage rates will increase over the next 12 months. Year over year, the full index is down 6.2 points. The report shows that homebuying and home-selling sentiment remain at historically low and high levels, respectively. The uptick in negative economic sentiment is likely a function of ongoing supply chain disruptions and inflation concerns. Demand for homes continues to far outpace available supply for sale.

Today's calendar is light on data with just the Employment Trends Index for October, due out later this morning. **Fed speak is plentiful**, however, including Vice Chair Clarida, Boston Interim President Montgomery, Chair Powell, Fed Governor Bowman, Philadelphia President Harker, and Chicago President Evans. The Desk will purchase up to \$4.7 billion of conventional MBS. Besides today's Class A 48-hours, Class B 48-hours is on Friday with the Desk scheduled to release a **new schedule and MBS purchase estimate** for the mid-November to mid-December period following last week's tapering announcement. We begin the week with Agency MBS prices worse nearly .125 and the 10-year yielding 1.48 percent after Friday's rally down to 1.45 percent.

Careers

[Bell Bank Mortgage](#) (with divisional headquarters in Minneapolis, Minn.) has been named the nation's Top Mortgage Employer 2021 by Mortgage Professionals America (MPAm). Bell is top-ranked among companies with 501+ employees, who were surveyed anonymously on their satisfaction with key factors including compensation, career development and culture. In a [Q&A with MPAm](#), Bell Bank Mortgage president Tony Weick summarized the keys to Bell's growth and success in this way: "Walk the walk when it comes to providing an environment for your teammates to be appreciated and excited, do what is right no matter if anyone is watching, and provide the tools and training to ensure employees can be successful and have fun in completing their goals." Bell has major mortgage and banking hubs in Minnesota, North Dakota, and Arizona, and has expanded its mortgage offices into Wisconsin, New Mexico, Florida, Tennessee, Missouri, Kansas and most recently Colorado.

"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."

"According to the [National Association of Realtors](#), condo sales were up 4.5% this September from a year ago. The median existing-condo price increased as well, up 9.3% for the same period. Which makes [Caliber Home Loans, Inc.'s](#) recent launch of our National Condo Sales Division big news. Leading the new team is [Christine Madrid](#), a Top 1% originator and sales director. "Christine has dominated in this market and our intent is to extend that success across the country," explained James Hecht, EVP Retail Production. "She will help our team implement our condo strategy to increase Caliber's success with developers and condo buyers throughout the nation." If your market is booming with condo business and you're looking to work for a company that consistently strives to make your job easier and has the tools to do it, contact James Hecht to see what your future may hold."

FHA currently has an open position in Denver Colorado for a Director, Program Operations & Customer Service Division. Complete job description and application is available in job announcement [22-HUD-189-P](#). Deadline to apply is 11/18/2021.

View this Article: <https://www.mortgagenewsdaily.com/opinion/11082021-jumbo-loans>