

# Securitization, MSR, Analytics, Desktop Appraisal Products; Credit Availability Numbers; Hot Inflation Data

By: Rob Chrisman | Wed, Nov 10 2021, 11:11 AM

I recently spent some of my day receiving a COVID test, and the nurse asked me, "Have you had a sudden loss of taste?" I replied, "No, I've always dressed like this." MLOs and lenders have always spent their days helping clients create wealth. And woe to any lender whose profits are based entirely on refinances, and one of the conversation topics here in Oklahoma City is our industry shifting to cash out refis or HELOCs and a focus on purchase business. (Speaking of purchases, thank you to Ken S. who sent along this news item about George Washington's estate being purchased.) A big conversation topic at a recent STRATMOR workshop on the consumer direct channel was converting from refis to purchases. Everyone is trying to improve efficiency, and today's audio version of the commentary is [available here](#). This week's is sponsored by [Candor Technology](#), helping underwriters and company improve underwriting effectiveness.

## Lender and Broker Products and Services

The classic holiday film "Home Alone" premiered on this day in 1990, introducing us to Kevin McCallister and the Wet Bandits. Other lenders stealing your borrowers is a little like Harry and Marv trying to break into your house while you're out of town. Luckily, Sales Boomerang will be your Kevin McCallister. Regarding the #1 automated borrower intelligence and retention platform, Brent Clifford of American Pacific Mortgage says, "Sales Boomerang helps our business both offensively and defensively. We use it defensively to protect ourselves from EPOs and pipeline leakage, as well as offensively to turn our past clients into repeat clients. Sales Boomerang is an essential tool for us." Lenders like APM that use Sales Boomerang see an average 20-40% lift to loan volume and 65% borrower retention rate. Want to defend your pipelines from bandits? [Schedule a demo with Sales Boomerang today!](#)

The FHFA has made desktop appraisals permanent starting next year. What are desktop appraisals? Will this help speed up appraisal turn-times? What about the quality of desktop appraisals? Will they displace in-person inspections? [Read more in "Permanent Desktop Appraisals - What's the Impact?"](#) This is brought to you by Triserv, a 50-state AMC that has client-specific, dedicated teams on both coasts offering high-touch, personalized service. To find out more, contact Triserv Appraisal Management Solutions.

Are you looking to win more realtor referrals? Learn how you can elevate your purchase business by improving your relationships with realtors from Total Expert CEO, Joe Welu, at next week's [Stearns Wholesale](#): be there at the Town Hall on November 16th. This session will cover a variety of informative and exciting topics, including understanding what agents truly want in their lender partnership and how to boost your purchase loan volume by ensuring you are the go-to lender in your market. To register for this free online webinar, click [here](#). If you'd like to partner with Stearns or learn more, [click here](#) to be contacted.

Web-based presentations earn more. For better or worse, market value always fluctuates. Your proposals and presentation's value shouldn't. This is not the time for loan officers to waste hours dragging, dropping, linking, and sending mediocre presentations. It's time to streamline your processes while creating content that converts. Build presentations that solidify your position in the market. Digideck is the preferred presentation platform for Mortgage Buyers who want to earn 20% more with better branding, build presentations 10x faster, and enhance engagement with prospects throughout the sales cycle. Whether it's virtual selling enabled by Digideck's in-app video conferencing, or real-time notifications when your audience is active in your materials, loan officers that modernize their outreach with Digideck are doing more, in less time. Perfect your message in stunning presentations that boost engagement, and experience the Digideck difference today. [Your first custom presentation is waiting for you.](#)

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)

As Lenders strategize for 2022 and beyond, in what could well be a rising rate environment, it's essential to have transparency into the marketplace with real-time, actionable information. The industry leading [Curinos LendersBenchmark™](#) platform enables lenders to make swift, measured, and calculated decisions focused on margin management and competitive pricing analytics. [LendersBenchmark™](#) equips you with the data and analytics needed to define your competitors, develop your pricing strategy, manage margins across products and loan attributes, and bring value to your organization. There's a reason 42 of the top 50 lenders trust [Curinos](#) data to improve decision making and returns. Born out of the combination of three familiar industry powerhouses, Icon, Novantas, and Informa, Curinos provides data, technologies and insights that enable financial institutions to make better, and more profitable data-driven decisions faster. Learn more [here](#).

[Deephaven](#), a leading provider of Non-Agency/Non-QM mortgages, has revamped its Foreign National Borrower Program, offering mortgages and refinances to residential property investors who are not U.S. citizens. No U.S. credit score is required to apply for a loan. Instead, the program uses a DSCR formula (Debt Service Credit Ratio) to determine if the property's cash flow covers the monthly debt service; with loan amounts up to \$1.5 Million and LTVs up to 75% on purchases (and up to 70% LTVs for a cash-out refinance). First-time investors are also welcome. The Foreign National Borrower Program, which requires 12 months of reserves to be held in a US FDIC insured bank, can be used for condos, non-warrantable condos, and planned unit developments (PUDs) 2–4-unit multi-families. If you have any questions or would like to know more about Deephaven's Foreign National program, contact us at [info@deephavenmortgage.com](mailto:info@deephavenmortgage.com).

Forbearance exits are here. Lower your costs by updating vs. ordering new property reports. [Covius](#) has already fulfilled property reports on a significant number of these loans and can often provide a fast, lower-cost option. Covius' solutions can help your teams respond to the volume of 2021-2022 forbearance exits with loan mod, loss mit, pre-foreclosure, REO and auction solutions. And with our recent acquisition of Nationwide Title Clearing, we've added market-leading research, collateral remediation, and assignments as part of the default cascade. Need help with forbearance exits? Think Covius. For more information, call 877.516.8121 or email [contact@covius.com](mailto:contact@covius.com). Learn more about our services at [covius.com](http://covius.com).

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 RMAalyze, 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!

## Capital Markets

[MCT just announced](#) it has automated the data reconciliation process to seamlessly transfer information between [MCTlive!](#) and [MSRlive!](#). The EBX technology now provides clients "LIVE," loan-level MSR values to inform the retained vs. released decisioning process. This solution also provides insight into how loans are trading and what investors are paying along with the intrinsic servicing value to enhance the Best Execution process. If you are interested in a bulk MSR transaction, MCT's MSR division can help. [In a recent case study](#), Matt Danilowicz, CEO of Doorway Home Loans, describes how MCT's "MSR team was absolutely crucial to the success of our MSR sale. I'm confident that with MCT's guidance, we added 15bps of additional profitability on our \$1 billion portfolio sale or approximately \$1.5 million." [Contact MCT today](#) for a demonstration or view their latest post, [Top 5 Takeaways for the Bulk MSR Market in Q4 2021](#).

[Securitization basics](#), [advanced assumptions](#), and [pool formation](#), we're pleased to invite you to our informative finale: Getting Down to Business: Step-by-Step Execution When Making the Leap to Securitization. Join securitization gurus from Black Knight and Freddie Mac for this session on Nov. 17, where we'll examine the necessary steps and the various best practices for success. The program will include an overview of process optimization with Black Knight's CompassPointSM risk management solution and required data and processes within Freddie Mac's Loan Selling AdvisorSM. Attendees will learn about automated pooling, pricing and funding, trading allocation, managing risk position and more. If you're ready to join the growing number of lenders proactively making the shift to securitization, [register for this webinar](#) today.

How elite investors buy homes & 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 our newest solution, Acquisition Explorer, you can filter MLS listings tailored to exactly your Buy Box preferences. [Learn about Acquisition Explorer](#): [sales@housecanary](mailto:sales@housecanary)

Turning to the bond market, following SIFMA's recommended holiday closings, **markets will be closed tomorrow in honor of Veteran's Day**. Some lenders will be open, and taking rate locks, and their expected locks tomorrow will be hedged today and/or Friday. MBS will back their rates off, given there is no bond or MBS prices to base aggressive rates on.

Rate sheets oddly enough were helped by the Producer Price Index for October coming in yesterday as expected (it could have been worse, right?), which is to say inflation remains hot, increasing 0.6 percent month-over-month and 8.6 percent year-over-year. The year-over-year readings for total PPI and core PPI were unchanged from September, which could mean that the inflation experienced by producers is at, or near, peak levels. Price increases will eventually trickle through to consumers, so look for elevated CPI readings moving forward. About a third of the increase was due to higher gasoline prices. All eyes now turn to the CPI data today.

Rates were also helped by Fed conjecture. I wrote yesterday about how President Biden gets another Federal Reserve seat. In addition to replacing the resigning Fed Governor Quarles, Biden may choose a new chair when Jerome Powell's term is up in February. Lael Brainard was interviewed at the White House last week, with she and Powell being the only known candidates in the running. Since then, it's triggered a **wave of speculation over how financial markets would react if President Biden announced her as his nominee**. Treasury

yields have slipped as investors speculate about the Fed's leadership, with shorter maturities leading gains as Brainard is seen as more dovish. It has been reported that President Biden will decide by Thanksgiving. The longer the President waits over the Fed's leadership, the bigger the risk to stability. Whoever the Fed Chair is come February will inherit the process of withdrawing QE and navigating a path to higher rates, both with elevated inflation.

Lenders are also interested in mortgage credit availability. The Mortgage Bankers Association tells us that it increased by 0.1 percent to 125.7 in October according to the Mortgage Credit Availability Index (MCAI) which analyzes data from Ellie Mae's AllRegs Market Clarity business information tool. A decline in the MCAI indicates that lending standards are tightening, while increases in the index are indicative of loosening credit. The index was benchmarked to 100 in March 2012. Despite the incremental increase in October, the overall index was 30 percent lower than February 2020 and close to the lowest supply of mortgage credit since 2014. There was an increase in the supply of jumbo ARM and non-QM products, which drove most of the increase in the jumbo index. On the conforming side, there was a pullback in ARMs, higher LTV loans, and lower credit score products. While there is tightening in ARM credit availability both for jumbo and conforming loans, ARM loans have accounted for a small share of loan applications, ranging from 2.5 percent to 5 percent of applications to date in 2021. MBA's Joel Kan added that, "Tight credit availability, combined with **ongoing supply and affordability challenges, are significant obstacles for some prospective first-time buyers.**"

Today's calendar is busy with some usual Thursday releases moved up a day with the bond market closed tomorrow in honor of Veterans Day. Mortgage applications increased 5.5 percent from one week earlier, according to data from MBA's Weekly Mortgage Applications Survey for the week ending November 5. Application activity finally responded to the recent reversal downward in mortgage rates. We've also seen CPI in October rising (+.9, much higher than expected, +6.2 percent for the year) versus 0.4 percent month-over-month and 5.4 percent year-over-year previously. The core measure rose .6 percent, from 0.2 percent and 4.0 percent previously. Initial jobless claims for the week ending November 6 (267k, as expected) with continued claims for the week ending October 30 (2.16 million).

Later this morning brings September wholesale inventories and sales, Freddie Mac's Primary Mortgage Market Survey, and the October budget deficit. The Desk is scheduled to purchase up to \$4.7 billion of conventional MBS and will also conduct the last treasury operation on the current schedule, purchasing up to \$3.2 billion of 7-year to 10-year coupon securities. On Friday afternoon, new MBS and treasury purchase schedules will be released and will contain the respective \$5 billion and \$10 billion cuts versus prior schedules following last week's tapering announcement. We begin the day with Agency MBS prices worse .250 and the 10-year yielding 1.48 after closing yesterday at 1.43 percent due to the inflation numbers.

## Careers and New Hires

"Attention Accountants, HR Specialists and MLOs! [The Mortgage Link](#) is growing! We are looking to bring additional talent on board and are interested to hear from you if you are a highly motivated, hardworking individual who possess the highest levels of integrity, confidentiality, discretion, and professionalism. This is an amazing and unique time to join our team and contribute to this growing company. Specifically we are looking to add a Senior Accountant, HR and MLO, as we seek to broaden our reach across all markets in the US. We have the balance sheet to scale, the margin flexibility to enable your growth, and the transparency of a true partner. Our MLO's work with the same dedicated processors, underwriters, and support team, every day & every file, so you can concentrate on reaching more borrowers and closing more loans. If you're interested in working for, or partnering with, a company designed to help you stand out and develop innovative programs to succeed, contact Jon Lowe to discuss.

Serving those who serve is what we do. So far this year, that's meant assisting more than 30-thousand veterans close on a new home. To do that successfully, you have to understand the military experience. This past Spring, [Caliber Home Loans](#) established an Advisory Council on Military Issues to help keep us informed. "The council is making a great impact," boasted Bryan Bergjans, SVP National Director Military & Retail Production. "For example, in 2021 we joined forces with the Military Spouse Advocacy Network by providing content for military spouses through its peer-to-peer mentorship program. In 2022, we are focused on educating military members and their families about the VA home loan benefit." If you want to work with a team that really knows what it means to serve, email Jonathan Stanley for Operations positions or James Hecht for Sales positions.

[Open Mortgage](#) has appointed Adam O'Daniel as SVP of Marketing where he will manage a team of high-performing Marketing and Learning and Development members, driving all of Open Mortgage's enterprise marketing functions. In addition to leading customer relationship management (CRM) and market research initiatives, O'Daniel will oversee brand strategy, paid advertising, social media, email marketing, product marketing, media relations and communications.

[Spruce](#), the proptech company powering online real estate transactions, announced the appointment of Brian Kielian as the company's first Head of Customer Experience, and Blair Drake, the company's first Head of Service Delivery. Both will report to EVP of Real Estate Operations, Lisa Robertson, and will play a critical role in Spruce's ongoing investment in customer service, and prove the company's

commitment to bringing its customers the best possible experience.

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