

# Capital Markets, Comp, Social Media Products; Tech Change Study; Housing Starts, Fannie's 2022 Forecast

By: Rob Chrisman | Thu, Nov 18 2021, 10:19 AM

Recently the podcast, its link at the bottom of this opening paragraph daily, quoted, "Change in residential lending is mandatory, progress is optional." Technology, volume, personnel, the list goes on. (STRATMOR sums up tech changes below.) Tax changes are always in the works too, and [states' property tax burdens](#) are a factor for families who move. (Sorry New Jersey, hello Louisiana!) Here in Kansas, like other places around the nation, appraisals, including the process of becoming an appraiser, are a big worry and the desk top reviews returning in January (via Sandra Thompson from the FHFA's [announcement](#)) was good news. The appraisal issues are going to be very challenging as more appraisers look to retire, and secondary marketing investors need assurance that values are what lenders tell them they are. Demographics are always changing as well, and a [new report](#) from the National Association of Realtors (NAR), which definitely includes a larger data scope than lender's, shows that the median age of home buyers is 45 this year, compared to 31 back in 1981 and near the 2019 record high of 47; 34 percent are first time home buyers with a median age of 33. NAR suggests that home buying is motivated by marriage and parenthood. (Today's audio version of the commentary is [available here](#) and features an interview with Richey May's Nathan Lee on risk mitigation. This week's is sponsored by [Richey May](#), providing specialized advisory, audit, tax, technology, and other services in the mortgage industry and in banking.)

## Broker and Lender Services and Products

Monster Lead Group is reinventing mortgage marketing to help lenders and brokers make money. Monster is the first and only company to use big data & analytics to qualify borrowers. Then, using conversion-centric direct mail marketing, it drives high-quality leads. If you need exclusive mortgage leads for your LOs, [talk to the team at Monster](#). Or take a minute to [read how Monster can help](#).

[AmeriHome Correspondent](#) clients can submit any charitable work they've participated in (be it donations, volunteer work, etc.), and if selected, AmeriHome will make a donation in that client's name to the charity of their choice, as well as promote the company's contributions on the [AmeriHome Correspondent LinkedIn page!](#) If you are a current client and would like to be featured, reach out to your AmeriHome Sales Representative. If you are not currently signed up with AmeriHome and would like to learn more about its [offerings](#), reach out to [CLsales@amerihome.com](mailto:CLsales@amerihome.com) to connect with the AmeriHome team!

[ActiveComply](#): The internet is where consumers generally start their search for products and services by researching a provider's main websites, reviewing their social media pages, and reading reviews from previous customers. But fraud is lurking around every corner on the internet, and lenders are seeing a rise in the creation of fraudulent social media profiles and websites. How can lenders protect consumers, and their brand, from these situations? See ActiveComply's newest article on [Dealing with Fraudulent or Hacked Websites and Social Media](#). 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 or join ActiveComply's Head of Compliance, Melissa Thomas, on December 8th at 11am PST for the Compliance Technology session. Check out the full [CMBA Legal Issues and Regulatory Compliance conference](#) agenda for more.

As a lender, you can rely on [Richey May's Subservicer Oversight Review](#) for standard loan-level testing on 25 loans in your portfolio, focused mainly on default and escrow attributes. Sometimes that's enough. Sometimes it's not. Are there other areas you wish you knew more about? Could stopping at compliance be your biggest oversight? Richey May's loan-level testing digs deeper to provide valuable insights into how your portfolio is serviced. We look to surface new details and strengthen the client-subservicer relationship. We test the areas where you've received consumer complaints so you know exactly what happened and what you can do to drive value for your business. For more information on Richey May's Subservicer Oversight Reviews and custom loan-level testing, contact us today!

20 years ago today, [Harry Potter and the Sorcerer's Stone made its big-screen debut](#) in the United States, bringing to life the magical story of a young wizard and launching one of the highest-grossing movie franchises in history. Speaking of magic, CompenSafe, an incentive compensation management (ICM) platform by SimpleNexus' LBAWare, yielded magical results for American Financial Network (AFN). With increased transparency, curtailed review times and improved overall payroll accuracy, CompenSafe enabled AFN's incentive compensation program to effortlessly scale with the company's growth. [Read the full case study](#) to find out how CompenSafe can automate custom compensation plans for your company.

## Tech Changes

Is there a POS or LOS system change or enhancement in your strategic plans? You'll want to read the new article by STRATMOR Group Senior Partner Michael Grad in the just-released November Insights Report. According to Grad, lenders have good reasons to invest, but most will not achieve their target return due to implementation problems that could have been avoided with a better approach. He shares details on STRATMOR's recommended process for implementing new POS and LOS, a process that starts with defining the critical customer moments of truth and continues through designing and implementing the enabling technology to deliver success from the lender's perspective. Grad also explains the power of understanding the lender's Target Operating Model, using an implementation workbook and having a cross-functional implementation team to ensure success. This is a must-read article for every lender facing technology changes, in 2022 and beyond: "Digital Success: The Power of Process Led Implementation" in the November [Insights Report](#).

### Fannie's Rate and Origination Predictions

Fannie Mae's Economic and Strategic Research Group (ESR) released its latest economic outlook. Some key points: The ESR Group's expectations for inflation were upgraded meaningfully in the near term to average 6.2 percent on an annual basis in the fourth quarter. The forecast anticipates the recent price gains to begin to moderate over the coming quarters as temporary factors begin to wane, but the build-up of stronger, underlying inflationary pressure suggests that inflation will remain significantly above the Federal Reserve's two percent target through 2023. So the Fed is expected to begin hiking its target rate in 25-basis-point increments beginning in Q4 2022. However, if inflation continues to exceed expectations, there is increasing risk that the Fed will begin raising interest rates even earlier. The principal risks to the forecast remain the pace of global supply recovery, the availability and cost of labor, and the extent of Federal monetary and fiscal largesse.

Regarding resi originations, the ESR Group expects purchase volumes to total \$1.9 trillion in 2021 followed by 6.8 percent growth in 2022 to \$2.0 trillion. Refinance volumes of \$2.5 trillion are projected in 2021 before slowing in 2022 and 2023 to \$1.3 trillion and \$1.1 trillion, respectively. Finally, owing in part to the expectation that the Fed will begin to raise interest rates later next year, the ESR Group expects the 30-year fixed mortgage rate to average 3.3 percent in 2022 and 3.5 percent in 2023.

### Capital Markets

Join [MCT and Fannie Mae on December 2nd at 10 a.m. PT](#) for their industry webinar titled "MCT and Fannie Mae Present - Approvals, Integrations and Initiatives for 2022." MCT's COO, Phil Rasori, will team up with Fannie Mae's SVP and Head of Single-Family Products and Solutions, Steve Pawlowski, to discuss getting approved with Fannie Mae, moving from cash window to MBS delivery, API integrations, and initiatives for 2022. They will also discuss common problems while moving from cash window to MBS delivery, Fannie Mae's goal of leveraging automation for execution purposes, and the Servicing Marketplace API. [Register today for the webinar](#) and [join MCT's newsletter](#) to be notified of upcoming events.

With Polly's state-of-the-art [Loan Trading Exchange](#), it's now easier than ever to sell loans with confidence using automated best ex and commitment optimization. Polly's commitment cart functionality allows you to take down agency commitments, allocate into forwards, and sell loans to aggregators with a single click. While legacy systems have unintuitive agency commitment processes that result in manual errors and lost revenue when optimizing across pools, Polly's preview feature allows you to create a full snapshot of the day's commitment in a single view, so you can identify and optimize the best execution across all of your commitments. In short, the Loan Trading Exchange helps you confidently lock down your whole pipeline efficiently before the market moves, maximizing profit and saving valuable time. To learn more, email Jeff Krischer or visit [www.polly.io](http://www.polly.io).

Turning to mortgage rates, sometimes a "shaky" bond auction by the U.S. Treasury causes prices to drop and rates to rise. Sometimes not. That was the case yesterday as an **underwhelming housing starts report for October overshadowed the day's lackluster \$23 billion 20-year bond auction**. That housing starts figure came in at 1.52 million due to residential construction's ongoing challenges procuring (higher priced) materials and labor, making even started homes hard to finish.

Some would argue given that the shortage of housing in the U.S. has been going on for years, and that these numbers south of 2 million cannot be blamed on the recent supply chain shortages. Housing starts have remained around the same average level since I was born in 1959, though the U.S. population has risen 85 percent since then. It is even more of an issue when the National Association of Realtors reports a shortage of about 5 million units, which is over three years of housing starts alone.

While overall starts have declined for two straight months, the **good news is that the overall pace of activity remains quite strong**. And building Permits were a bit better, rising to 1.65 million. Doug Duncan, Chief Economist at Fannie Mae, says that "Both data series tend to be volatile, so too much shouldn't be read into this past month's movement. Permits, which tend to be more stable and representative of underlying trends in construction, moved up 2.7 percent over the month for single-family and up 6.6 percent for multifamily. The report to be largely in line with our current near-term forecast of a modest increase in starts over the fourth quarter. Total units under construction

including multifamily units were the highest since 1973. Demand for new housing remains robust given the lack of existing homes for sale, and continued strong house price appreciation is supportive of more construction.

“We expect an increase in the number of homes brought to completion next year as builders work through their backlogs, but our forecast is for only a modest rise in starts next year due to capacity constraints. If builders can somehow work these out in a more-timely manner, however, demand is currently sufficient to support a considerably higher pace of starts than what is occurring.”

Weekly jobless claims (268k, -1k from last week’s 269k) and Philadelphia Fed manufacturing for November (23.8 up to 39, an unexpected increase) led off today’s calendar. Later this morning brings October leading indicators, Freddie Mac’s Primary Mortgage Market Survey, the Kansas City Fed Composite Index for November, and another host of Fed speakers (Bostic, Williams, Evans, and Daly). **The Desk is scheduled to purchase up to \$5.6 billion** 30-year 2 percent and 2.5 MBS over two operations and up to \$1.6 billion long duration Treasuries. We begin the day with Agency MBS prices roughly unchanged from Wednesday night as is the 10-year yielding 1.60 percent.

## Jobs and New Hires

An industry leading valuation firm & appraisal management company is searching for a highly effective Director of Operations. This position will be focused on maximizing efficiency and promoting a culture of continuous improvement in a high-volume environment. An ideal candidate will demonstrate a commitment to delivering a best-in-class customer experience while preparing the business for rapid growth. If interested, please send your resume to Chrisman LLC’s Anjelica Nixt.

Carriage rides, boat tours, historical landmarks, and a roaring 20s themed dinner... Academy Mortgage is creating new experiences once again, this time with its President’s Club and Executive Club in Charleston, South Carolina. As a gesture of gratitude for their hard work throughout the year, qualifiers are rewarded with extraordinary adventures. Over 200 originators and managers (a record high) qualified for Academy’s President’s Club and Executive Club in 2020. [Check out some of the unforgettable moments from their time in Charleston, South Carolina.](#) Academy has been known to treat their team members to unique destinations with truly stunning backdrops and unforgettable experiences: dinner on The Great Wall of China, watching wildlife on an African safari, hiking to Machu Picchu in Peru, and exploring the Colosseum in Rome, to name a few. Adventure awaits! Come and experience the world with Academy Mortgage. Contact EVP of Growth Patrick Welberg today!

With Thanksgiving around the corner, [Embrace Home Loans](#) says it has much to be thankful for. “After a record year in 2020, we are on track to substantially increase our retail production in 2021,” says Steve Adamo, President of Retail Production, who adds Embrace continues to hire for all retail positions. The Rhode Island-based lender has been adding mortgage professionals at a rapid pace, with a 25% increase in the number of loan officers in the past six months. Loan officers and branch managers are attracted to Embrace due to its awesome culture, its certified coaching program to train new hires, and its superior marketing and technology support to ensure its originators succeed. The company has won numerous workplace awards, including National Mortgage News “Best Companies to Work For.” Customers are happy too: Embrace has 5-star ratings on Zillow and Social Survey. Interested in joining a winner? Contact Steve Adamo.

“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 MLOs 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.”

Caliber Home Loans has been named a 2022 Military Friendly® Employer by G.I. Jobs® magazine and MilitaryFriendly.com. The annual designation is given to companies which promote and elevate the standard for military programs and ardently work to recruit, retain, and advance veterans and service members within their organizations. Caliber earned four designations, including #2 Among Top Ten Military Friendly® Brands. “These designations are a testament to Caliber’s commitment to honoring our country’s heroes in the work we do every day,” said Sanjiv Das, Caliber CEO. “We are committed to providing rewarding career opportunities for our veterans and to meeting the specific mortgage needs of the brave men and women of the United States Armed Forces and their families.” For more information on Caliber’s commitment to our service members, visit [military.caliberhomeloans.com](http://military.caliberhomeloans.com). To [join the team at Caliber](#), Email Jonathan Stanley for Operations positions or James Hecht for Sales positions.

[Guaranteed Rate Companies](#) announced organizational changes to its executive leadership team. John Palmiotto, Chief Retail Production

Officer for the Midwest and East, will take on the newly created role of Chief Production Officer and Head of Sales. James Elliott, Chief Retail Production Officer for the West, has been named President of [OriginPoint](#), a recently formed mortgage origination joint venture between Guaranteed Rate and Compass.

[PenFed Credit Union](#) announced Tony Taveekanjana has joined its mortgage leadership team as National Retail Sales Executive and VP, responsible for expanding PenFed's national retail sales team with a focus on building self-sourced purchase production through partnerships with realtors, builders, and financial influencers.

The [Housing Policy Council](#) announced that attorney Mike Gill will join its executive team as SVP for Capital Markets to assist in advancing HPC's policy and advocacy work, with a focus on mortgage-backed securitization, capital markets, innovation, and the adoption of technology in housing finance.

Jennifer Goldsby is the new VP, Renovation Lending, at [Diamond Residential Mortgage Corporation](#), and Diamond is approved to deliver HomeStyle® Renovation loans directly to Fannie Mae®.

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