

Business Opportunities; Del, Non-QM Products; Remember the False Claims Act? European Lockdown Driving Rates

By: Rob Chrisman | Fri, Nov 19 2021, 10:56 AM

Before we gear up for reported Christmas tree shortages and their exorbitant prices, Brent G. writes, "My family asked me what I was planning for Thanksgiving. 'Having four margaritas before you get here' wasn't the answer they were looking for. The stock of publicly traded wholesalers such as UWM, Home Point, and loanDepot isn't what current stockholders are looking for either. They continue to set new lows, reminding us that the large private equity investors who cashed out at the IPO did well. Those that still own the stock, not so much. Publicly-held private mortgage insurance companies (MGIC, Radian and Essent) aren't faring much better but Guild, with its distributed retail model, is faring better meeting some expectations. Right or wrong, expectations and predictions drive a certain portion of our industry. But well-run mortgage companies don't base their business model around rate predictions (most of which have rates going up, as of late). Blame and worry don't do anybody any good... Keeping an efficient and profitable mortgage operation does. Lenders continue to monitor the cost of the hedge, maintaining culture, and compensation given an irregular workplace. Large lenders with adequate capital (both financial and intellectual) continue to staff up capital markets teams for moves to issuing their own securities. For non-depository IMBs and other non-bank lenders, if you can't sell it, you can't originate it. [available here](#) and 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

Have you looked at Towne Mortgage Company's Delegated Correspondent program? [A recent review](#) said, "We have been selling loans to Rusty and Towne for a couple years now. I have such respect for his work ethic, always available and very quick to respond to issues we run into. Their pricing on GOV and CONV is outstanding. They buy loans quickly and as a seasoned Secondary Marketing guy, I would recommend Towne and specifically Rusty to anyone looking to sell loans off your warehouse line quickly and capture the hot pricing they currently offer!" Need we say more? Get started with Towne Mortgage Company today, call (803) 760-3024 or visit [Towne Mortgage TPO](#).

Flagstar Bank is built to service and support the entire mortgage-banking infrastructure, from small one- or two-person shops to large, multiple-office originators to sophisticated mortgage REITs and funds... And it's built to be agile and responsive to market changes in doing so. The reason? Flagstar's unique business model. It's collaborative, team-oriented and personal. And it makes for a difference that clients notice, both in how Flagstar provides warehouse lines, and how it expands them to support clients' needs. What's more, stability and reassurance throughout the process is a given, because Flagstar is a well-capitalized bank with a robust risk and compliance infrastructure. All this gives Flagstar the ability to compete on much more than just price. Leading-edge, personalized attention is what they deliver, for every client they service. Talk to Jeff Neufeld or Joe Lathrop today to see what Flagstar can do for your business.

Unite Mortgage is excited to add an industry first, the "One Rate" Bank Statement Program, to its Non-QM Product offering. One Rate with no LLPA and closing non-QM loans in less than 15 business days. Unite has also improved pricing on all our Agency and Government products, making us #1 or #2 in most scenarios. With our aggressive product offering, pricing, and backed by our industry only 12-Day Purchase Pledge, you'll benefit right from the start by partnering with Unite. Want to know more about Unite? Simply watch this short [Video!](#) Or email Unite Mortgage President James Hooper. Be sure to [visit us](#) and follow us on all our social media channels. "Let's Unite Together!"

The pandemic drove unprecedented numbers of Americans to keep Thanksgiving small in 2020. For couples that started dating during lockdown, next week's holiday could be a long-awaited opportunity to introduce a significant other to the family, an occasion that rarely goes as planned. Will the new boyfriend have [an overly affectionate family](#)? Will the new girlfriend prove a [Debbie Downer](#)? Unfortunately, there's no way to know until the turkey is served. On the flip side, industry experts CAN help predict what's ahead for lenders in 2022. Join yours truly along with MBA Chief Economist Michael Fratantoni, Capacity's David Karandish, and Sales Boomerang's Alex Kutsishin on Dec. 1 at 1 pm ET as we lay out the latest industry and economic trends, market opportunities and insights. Don't let 2022 turn you into a Debbie Downer. [Register now](#) and turn your fear of the unknown into excitement for the future.

When asked about the benefits of automating their ECOA-Adverse Action process, Dan S., CEO at CapEd Credit Union said, "The most difficult part of my job is keeping my loan officers happy AND compliant at the same time. Connector makes it possible to do both: happy LOs are productive LOs." Curious how Connector by Velma® can help solve your ECOA-Adverse Action headaches and make an immediate impact on the success of your business? [Click here](#).

FHA and Ginnie Mae News

Sure, for years now many lenders have been happy that some of “the big boys” such as Chase and Bank of America have stayed away from originating FHA loans, or priced them so poorly they are not competitive. But is that healthy? Attribute it to the [False Claims Act](#), dating from the Civil War, or the FHA’s draft of its defect taxonomy, it’s up to you. Comments on the draft Servicing Defect Taxonomy (posted on the FHA’s [Drafting Table](#) on October 28) are due December 27. The [document spells out](#), if defects are found, what the cures are, such as producing additional mitigating documentation, refunds, all the way up to life-of-loan indemnification.

An unclear defect taxonomy could continue to keep lenders from entering the FHA market. A 2019 [memo of understanding](#) between the Department of Justice and the Department of Housing and Urban Development clarified that the False Claims Act would be enforced primarily through HUD’s administrative proceedings. As HousingWire points out, “The timing for an ambiguous outline of punishments is also less-than-ideal for servicers who are now negotiating with over one million borrowers exiting [forbearance](#) plans. Added to last week’s announcement that federal regulators will [end flexibilities](#) for mortgage servicers, servicers may feel they are under siege.”

And the industry had FHA’s annual report to Congress to ruminant on, and it showed [a healthy FHA](#): good news for the industry. Included in the news was, “The MMI Fund overall Capital Ratio for FY 2021 was 8.03 percent, an increase of 1.93 percentage points from FY 2020’s 6.10 percent” which prompted Mountain Lake Consulting’s Dave Stevens to call for a reduction in the FHA Mortgage Insurance Premium.

FHA announced the publication of the Title I Property Improvement, and Manufactured Home Loan Programs sections of its Single Family Housing Policy [Handbook 4000.1](#). These sections are the latest added to Handbook 4000.1, which improves the overall effectiveness and efficiency of FHA’s Title I Program policies and processes. Read [FHA’s press release](#) for complete details.

FHA updated its general appraiser requirements to reinforce its “commitment to preventing racial bias in the valuation of single-family properties.” [Mortgagee Letter 21-27](#) clarifies guidance for compliance with the Fair Housing Act requirements relating to appraising properties that “serve as security for FHA-insured financing... HUD expects all parties engaged in FHA mortgage insurance programs to eliminate all considerations of race, color, national origin, religion, sex, familial status, or disability from the appraisal process including considerations of race or national origin of the homeowner, homeowner’s neighbors, and the racial composition of neighborhoods where comparable properties are identified.”

[GNMA Revises Process for Applications to Refinance VA Loans](#) via APM21-06 to clarify APM 19-05, which revised the seasoning requirements for VA refinance loans under Chapter 24, Part 2 § (A)(3)(d)(i).

Sure it uses a lot of contractors, but with a small number of employees Ginnie Mae continues to truck along. Ginnie Mae MBS Program Principal and Interest Pass-Through Payments [totaled \\$1 trillion in Fiscal Year 2021](#).

eSignatures? Yup: Ginnie Mae issued [APM21-07](#): eSignatures and Remote Online Notarization on Loan Modification Agreements.

FHAVA Enhanced Programs: FHA Streamline 90% & 580 minimum FICO plus VA 100% LTV. [Explore program details on the LoanStream Mortgage Website](#).

FHA, VA, and USDA loans that have been modified must meet the seasoning requirement with the first payment due date after the modification. Additional information is available in [Flagstar Bank’s Memo 21148](#).

Capital Markets

Aside from the new pandemic-related restrictions in Europe, negatively impacting economies and therefore pushing rates down, it’s set to be a quiet end to the week for the bond market. There are no data points on today’s calendar, with only **remarks from Fed Governor Waller and Vice Chair Clarida**. That follows no news of note yesterday, though Freddie Mac did report that both 30-year and 15-year rates rose 12 bps versus the prior week in its latest Primary Mortgage Market Survey. That puts the 30-year rate at 3.10 percent, the highest in nearly a month. And Black Knight reported that after seeing a decline of more than 200k in forbearances over the first weeks of the month, the number of active forbearance plans held **essentially steady this week, ticking up 2k** from last Tuesday.

Today’s schedule sees **the Desk scheduled to purchase up to \$4.7 billion** of 15-year and 30-year conventional MBS and \$1.8 billion of 1- to 7.75-year TIPS (Treasury Inflation Protected Securities). We begin the day with Agency MBS prices better by a solid .250 and the 10-year yielding 1.53 after closing yesterday at 1.59 percent due to lockdowns in Europe.

Jobs, Business Opportunities, and New Hires

A large, well-capitalized, multi-channel, Southern California based lender is looking to acquire a retail origination platform with current volume in the range of \$100-300M per month. This lender originates a full range of products including conventional, government and Non-

QM loans. The buyer has all agency approvals as well as a large servicing platform. If interested, please contact Anjelica Nix and specify this opportunity.

Are you at a stage in your career where you produce at a high level but are looking to live the life you've always wanted outside of work? Many veteran originators think they need to choose between production or their personal life. Nothing could be further from the truth! One of the top originating teams in the nation is looking to help 1 Veteran Originator experience what it's like to produce at the same high level, while also living the personal life they've always dreamed of. Changing how you've always done something is hard, but it's time to break away from everything that has held you back. Calculating income, reading guidelines, working nights and weekends is not the life of an originator. If you close \$35M or more per year and want to stop choosing between production or personal life contact Anjelica Nix to schedule a confidential conversation.

A leading, privately held national IMB is interested in speaking with retail lenders for the purpose of acquisition. The lender operates more than 100 retail branches coast-to-coast, all which function under their own cost centers with full-fledged support from corporate. In recent years, the company's entrepreneurial model has become known for helping its branches grow with advanced marketing strategies, lead generation campaigns, and realtor and partner programs. It has scaled its infrastructure considerably to offer its branches significant growth opportunities without sacrificing its values and the employee experience. Direct to Fannie, Freddie, and Ginnie, the company also retains nearly 100 percent of mortgage servicing rights for a top-to-bottom customer experience that has led to significant YoY growth in loan volume. If you're interested in learning more, you can do so [here](#). Leadership will get back to you promptly and confidentially.

"Let's get straight to the point: [BluePoint Mortgage](#) is seeking experienced AEs specializing in non-QM loans that are looking to boost their compensation levels and close loans faster! We offer extremely competitive pay (up to 70 bps on non-QM), a flexible/fun work life balance, and a strong product offering. If you think you have what it takes to join ranks with BluePoint's Nationally Ranked Top Account Executives, [Scotsman Guide 2021](#), Apply [here](#)."

"At [Castle & Cooke Mortgage](#), we do things a little differently... And a lot better. We like to focus on culture, fostering a growth mindset, and keeping our eye on the goal: improving lives, one family at a time. We are actively interviewing top candidates and we're committed to finding the best of the best. Our direct-to-consumer lending platform has the systems, software, and in-house resources you need to maximize sales (and profits) in record time. And we're committed to keeping the process simple and straightforward for our borrowers! Check out our [employee testimonial video](#) to hear about what it's like to work here, then call or text Christi Fullerton, National Recruiting Manager, at (801)-739-3783."

Greater Nevada Mortgage is excited to welcome Al Crisanty as Vice President of Mortgage Sales! Crisanty is a recognized industry leader with a strong record of achievement leading sales organizations. "I am extremely pleased to be part of the GNM family," Crisanty said. "The company's core values, passion statement, and commitment to putting people first are so amazing and I look forward to sharing our inspiring story." Crisanty will provide a leadership framework to support our sales team while collaborating with operations partners to provide a positive origination experience for our clients. "We are thrilled to welcome Al to the leadership team," said Executive Vice President James Anderson. "His leadership experience will be invaluable as we continue to build and expand our mortgage unit in and outside of Nevada." We're hiring! If you're committed to helping others Live Greater, visit [GreaterNevadaMortgage.com/Careers](#) to learn more and apply.

"Assurance Financial is looking for top-producing, entrepreneurial branch managers in the southeast and eastern regions of the U.S. We are closing out our 20th year strong with no intentions to slow our growth or production momentum. If you are a true leader and an established pro in your market who wants to grow your origination opportunity, Assurance Financial is the perfect match for you. We offer a high level of operating autonomy, an aggressive compensation model, and a world-class operations team that will close all your loans on time, every time. Our technology stack guarantees a seamless application intake, improves closing delivery time, and features an integrated CRM with turn-key marketing solutions. We have everything it takes to exceed the expectations of your clients while giving you and your team a great environment to balance family and business life. Let's talk! Contact Paul Peters, CMB, or visit [assurancemortgagelo.com](#) to learn more.

The Mortgage Bankers Association (MBA) has promoted [Laura Hopkins](#) to VP of Member Relations and will lead all residential member recruitment and member relations efforts, as well as manage strategic partnerships with other organizations. Congratulations!

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