

# Jumbo, Non-QM, Credit, Processing Products; Sponsored Events; Conventional Conforming Trends

By: Rob Chrisman | Wed, Nov 24 2021, 10:44 AM

Ready to play Iowa's [Thanksgiving dinner bingo](#)? Coffee prices are at a 10-year high, but drinkers will figure out what to do to afford it. All day long people tell me what to do. Travel safe. Be well. Take care. Have a nice day. Fly safe. Have a nice trip. Take care. Drive safely. Have a nice weekend. I lose track of everything I'm supposed to be doing, but in the residential mortgage business there are plenty of ways to keep track. Volume is easy to measure, albeit not the most important. If your volume increased, or stayed the same, versus last October, congratulations. Although they were up a little last week, mortgage apps decreased over 15 percent year over year in October. On the other hand, the NAHB/Wells Fargo Housing Market Index moved three points higher to 83 in November. And why not? It's a good time to be a builder. NAR's data show the youngest first-time-buying age ever recorded by NAR was 28 in 1991. The highest median age is 33, where it sits today, and they want to own homes. These 33-year-olds have [savings](#), have demonstrated the [ability to repay](#), and very much want to avoid being [foreclosed](#) upon as many of their parents were 10-12 years ago. (Today's audio version of the commentary is [available here](#) and discusses changes to conventional conforming lending by investors.)

## Products and Services

"1 UW Touch on 70% of loans!" If you could [underwrite 7.92 zero defect loans every minute](#), would you? What if every loan came with [>\\$1,000 more profit](#)? Borrower surety in one day? A defect policy? Candor is the only technology that automates the costliest parts of the manufacturing process. [Calculate your ROI here](#).

Is the ROI for ECOA Adverse Action Process Automation really, truly over 500%? Connector by Velma® clients report labor cost savings from multiple departments with increased sales engagement resulting in more rescued deals, faster speed to audit, and of course, eliminates risk of fines for non-compliance. If you are an Encompass LOA user with ECOA-Reg B headaches, [see for yourself](#) how Connector by Velma® streamlines processes, improves customer experience, and saves time for your sales and operations teams while omitting labor costs for a positive ROI.

As rates are expected to rise, it's more important than ever for brokers to hold onto customers. Caliber Reconnect leverages the data science and industry-leading recapture techniques to provide loan officers with alerts that indicate borrower actions and propensity to refinance or purchase. We also work to refer customers back when customers call in for servicing or visit our web properties. It's all geared to elevate our broker partner's business through our world-class servicing and marketing retention capabilities. Use the technology that makes a difference when you become an approved partner at [Caliber Wholesale](#). Watch this video about Caliber Reconnect and then email [Whslcontactus@caliberhomeloans.com](mailto:Whslcontactus@caliberhomeloans.com) to see how you can put your experience and Caliber's technology to work for you.

While the market is still going strong, experts know these trends can't be sustained indefinitely. At some point, the housing marketing will shift, and everyone will need to pivot. Forward-thinking industry leaders recognize this moment as the perfect time to carefully evaluate business partners and assemble the strongest team possible. To help, [Birchwood Credit Services](#) has put together an 11-area checklist to consider when assessing how a credit vendor stacks up against the competition. Click [here](#) to download the checklist. [Birchwood Credit Services](#) has provided credit reporting solutions to financial institutions for over thirty years. We're passionate about what we do because we believe it matters. Our proprietary bundled pricing models guarantee all add-on fees and back-end processing costs up front so there are never any additional "surprise" fees. In addition to eliminating hidden costs, these models improve TRID compliance and lower your credit expenses. [Visit us!](#)

Deephaven, a leading provider of non-agency mortgage solutions, has implemented three online tools that combine artificial and human intelligence to streamline the loan application process, delivering faster answers and recommendations to loan officers and their borrowers. The Scenario Calculator tool instantly ingests primary loan and borrower information to indicate the likely best-fit programs and products. The new Deephaven AUS is a semi-automated underwriting tool that grades the borrower's credit and provides conditions for meeting loan approval requirements once a complete application is submitted. And the new Bank Statement Analysis tool quickly calculates the borrower's income from 12 or 24 months of uploaded bank statements. No more hours spent combing through statement after statement, manually itemizing every deposit and payable. All three new tools are available on [deephavenmortgage.com](#) under the correspondent channel. If you have any questions or would like to know more about these innovative tools, contact Deephaven.

[Stearns Wholesale](#) is dedicated to supporting the wholesale community by providing broker's clients the operational support to win in jumbo! Recently these enhancements included increased communication that allows you to speak to an underwriter at critical milestones through the process, reduction in turn times, and continued investment in staffing. All provide the broker community with a product that will

accelerate growth. These updates will allow all brokers to take advantage of this unique opportunity in the marketplace and have the ability to serve clients that need Jumbo loans to fulfill their big-home dreams. Stearns Lending continues to solidify the narrative that brokers can win in jumbo by beating the banks and partnering with a lender that provides the tools to succeed. If you'd like to partner with Stearns or learn more, [click here](#) to be contacted.

### Company Sponsored Training and Events

[Lenders One](#), a national alliance of independent mortgage bankers, banks and credit unions, is hosting its inaugural in-person [Basecamp](#), the best of L1 Summits in a one-day format. The December 9th event will be hosted at Texas Motor Speedway and focus on the theme of technology. After kicking off with some team building events around the track, which include driving and a pit crew challenge, the Basecamp will continue with noted speakers [Severence MacLaughlin](#) and [Garth Graham](#) along with opportunities for networking. [Register today](#) for this heart-racing event. Building on the recent hire of Tricia Migliazzo, Senior Vice President, Origination Sales, Lenders One is looking to grow its team. Open positions include [Regional Director](#), [National Programs Manager](#), Director, Originations Marketing, [B2B Marketing Manager](#) and [National Business Development Manager](#). If you or someone you know is interested in these roles or learning more about the value of a Lenders One membership, please contact Justin Demola, CMB or Tricia Migliazzo.

[MLO MasterClass](#), the best Loan Officer training Platform, and [InstaMortgage](#), one of the fastest-growing mortgage companies, present "Mastering 2022 Webinar" a business planning webinar to teach you the trends, tips, and tricks to thrive in 2022. Join industry legends Shashank Shekhar, Khai McBride, Barry Habib, and Megan Anderson as they teach you everything you need to know to master the markets, growth, and marketing to make 2022 amazing for you. This Zoom event is free to attend but requires registration and space is limited. Get ahead of the year and start planning now. [Sign up here](#).

### Agency Updates

[Mountain West Financial Wholesale Bulletin 21W-081](#) shared the news that Fannie Mae will be expanding the options borrowers can choose from when selecting a homeownership education and counseling provider, this policy will be effective Jan. 1, 2022.

Effective with loan deliveries on or after 12/1/2021, PennyMac is aligning with Fannie Mae Lender Letter 2021-14, with the exception of the updates for Co-op Projects, which remain an ineligible property type for PennyMac and to not allow condo reserve exception requests. [Read PennyMac Announcement 21-94 for details](#). [PennyMac Announcement 21-91: November Product Highlight | FNMA Student Loan Solutions](#). [PennyMac Announcement 21-92: Fannie Mae LL-2021-10 Expanding Refinance Eligibility with RefiNow](#).

Fairway Wholesale Lending announced additional eligibility for estimated 2022 High Balance Loan Limits. Effective on and after 11/15/2021, including loans in process, Fairway will permit the use of estimated loan limits for High Balance / Super Conforming loans. [View Fairway Wholesale Client Announcement 2021-11-15](#) for additional details, eligible counties/states, and maximum loan limits.

In accordance with Fannie Mae requirements, [Flagstar Bank is updating Conventional Condo and Coop project approval and delivery requirements](#).

[Citi Correspondent Lending Bulletin 2021-14 Contains Credit Policy Updates](#) on Home Possible, LP Advisor Transactions, Eligible Visa Classifications, Illinois Land Trusts and Unacceptable Sources of Income. Also, clarifications on Interest & Dividend Income Documentation Requirements and Citi's Disaster Policy.

AmeriHome provided requirements for Fannie Mae loans secured by units in projects with five or more attached units with a Condo Project Manager (CPM) status of "Unavailable." Additional

requirements will be provided at a future date specific to projects with significant deferred maintenance and unsafe conditions, special assessments, and reserves. As a result of the changes, [Announcement 20211104-CL provides impacts to AmeriHome guidelines](#).

[In this edition of the loanDepot Newsletter](#), Conventional Guide updates include loanDepot Select - Texas Homestead Refinance Expansion, Restricted Stock Income, and Fannie Mae - Condo & Co-Op Projects with 5+ Units.

[PRMG Product Update 21-59](#) includes information on Fannie Mae RefiNow and Freddie Mac Refi Possible, Home Possible, CalHFA MyHome Assistance, Chenoa Edge, WHEDA Conventional and CO CHFA Preferred Plus Conventional.

FCM is now offering Freddie Mac RefiPossible®. [View FCM Conventional Guidelines, Section 1.11.08, for detailed program information](#).

PRMG revised requirements on various products such as aligning with requirements outlined in Fannie Mae's LL 2021-14 on any condo project for all conventional loans. Homeownership education requirements on Agency Fannie Mae and Fannie Mae HomeReady.

Restrictions for loan amounts over \$1,500,000 on VA High Balance and VA IRRRL High Balance. View [PRMG Product Update 21-58](#) for details and additional product revisions.

Effective immediately, Flagstar Bank Conventional Underwriting Guidelines will be updated with the changes listed within the [Flagstar announcement 21142](#).

[PRMG Product Update 21-53](#) clarifies information on Agency Freddie Mac Standard and Super Conforming loans with gift funds, seasoning requirements on FHA Standard and High Balance cash out transactions, refinance transactions seasoning requirements on FHA Streamline, VA IRRRL, VA IRRRL High Balance, USDA Streamlined Assist, VA, VA High Balance, and USDA Non-Fixed payment loans.

## Capital Markets

“President Biden reappointed Chairman Powell to a second four-year term as Fed Head. Simultaneously, he promoted Lael Brainard from Fed Governor to Vice Chair. With these titles, both will enjoy easy Senate confirmation. President Biden still has three more positions to fill on the seven-member Board of Governors. Through those hires he will placate his left-leaning base. Replacing Powell would have injected unnecessary uncertainty and would have appeared political.” Fabled economist Elliot Eisenberg summed the move up succinctly.

While we’re talking about the Federal Reserve, at the tail end of today’s economic calendar are the minutes from the FOMC meeting earlier this month, where inflation and tapering were certainly discussed at length. Investors continue to speculate on the Federal Reserve’s policy path in the coming months with the actual pace of tapering implementation remaining unknown. **We have seen some investors already pulling back and waiting for MBS prices to soften** once the more tapering occurs. Atlanta Fed President Bostic said yesterday that “A faster taper would certainly give (the FOMC) more optionality as we move into 2022 and see sort of where the data takes us. I definitely think it is appropriate for us to be talking about the pace of tapering and **being open to a faster one.**”

**Today’s busy economic calendar is already underway** with mortgage applications from MBA, which increased 1.8 percent from one week earlier. We’ve also received a whole slew of 8:30am ET releases with the 2nd look at Q3 GDP (2.1 percent) as well as trade figures (wholesale +2.2 percent, retail +.1 percent), and durables goods orders (-.5 percent, lower than expected, ex-transportation +.5 percent), as well as weekly jobless claims (199k, below 200k for the first time since the pandemic; continuing claims down to 2.049 million). Later today brings final November Michigan sentiment, new home sales, Freddie Mac’s Primary Mortgage Market Survey, and the aforementioned **minutes from the November 2/3 FOMC meeting**. We begin the day with Agency MBS prices unchanged from Tuesday as is the 10-year yielding 1.67 percent after all the news and before everyone heads out for the holiday.

## Employment

At [Evergreen Home Loans™](#), bettering the lives of community members is at its core. Whether it’s helping customers find their way home or charitable giving to improve lives through wellness and housing programs, Evergreen is committed to helping all communities it serves. This year Evergreen returned for the second year as the title sponsor and underwriter of the 24th annual KZOK “Rock the Harvest” radiothon benefiting Northwest Harvest. The 12-hour radiothon and online auction raised donations to support Northwest Harvest and their mission to feed individuals experiencing food insecurity across Washington. Through the EvergreenCares Foundation, EHL teams are empowered to give locally and associates can amplify their giving impact when contributing to local causes with matching charitable contributions. To learn more about the Evergreen Cares Foundation [visit the website](#). If you’re a loan officer who wants to change the world one relationship at a time, [visit the Careers page](#).

“[Sage Mortgage](#) is a multi-billion-dollar lender and digital mortgage solution that is redefining the mortgage origination experience. We are currently expanding and looking to add a Senior Mortgage Sales Leader to start up operations for us in the Dallas area. This position will be fully remote until a location is selected and will have flexibility to be hybrid or fully remote at that time. By building new technology solutions we’re creating simple and clean customer experiences to simplify the mortgage application process. Our team has developed a fully digital online application that enables the user to complete their application and start looking for the right mortgage that matches their needs 24/7, marrying the digital journey with exceptional human interaction from our expert Loan Officers to create the best possible borrower experience. We offer competitive salaries, a comprehensive benefits program for full-time employees, and a hybrid culture that provides them the freedom to work from home. While in the office, you will have access to an amazing campus that offers a full gym, pool, bowling alley, basketball court, and restaurant. While working from home, you will have access to a great remote support system and best in class technology. We welcome anyone that is interested in joining sage to reach out to Ann Richey or visit our careers page here: [Careers - Sage Mortgage | Red Ventures](#). Come join us!”

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