

Non-QM, Disclosure, Hedging, HELOC and 2nd Products; FHA News

By: Rob Chrisman | Wed, Jan 5 2022, 10:33 AM

U.S. travelers to Hong Kong have had better days, with Hong Kong banning travel from the U.S. Chicago schools (with over 300,000 students) have had better days as classes were canceled due to a union dispute with the mayor. In nearby Michigan, United Wholesale Mortgage (with 9,000 employees) has had better days as well, and, per this story, is under investigation for health protocol reasons. Good health (and a good work environment) is something everyone wants. Money too. Let's face it: if you have money, other people want it. Here's the latest scam out of Texas: parking meters with fake codes on them. Be careful out there! Some think that the IRS "wants" your money, but the Internal Revenue Service is acting on the U.S. Government's directives and laws. Like yesterday's tax tip about reporting stolen property as income. . . Many years ago I had my '79 Datsun 210 Hatchback stolen in a bad neighborhood in San Francisco. . . that is really a "punch in the gut" feeling when I came out of the house and it wasn't there. The police recovered the trashed car a few days later (I'm sure the thief didn't want to pay taxes on it, right?) and I had the 210 Hatchback fixed back up. And no one wants to feel a punch in the gut when dealing with the IRS! (Today's audio version of the commentary is available here and this week's is sponsored by Real Estate Connection (REC), a boutique real estate brokerage that acts as a centralized and organized, fully-managed real estate fulfillment service, connecting buyers with local qualified Real Estate Agents and walking them through the entire home purchase and selling process with the lender partner.)

Services and Products

If your goal for 2022 is to improve customer experience, eliminate hassles, reduce risks, or save time for your sales and operations teams, then see for yourself how Connector by Velma® can help you accomplish goals and solve ECOA-Action headaches! The best part? You never have to print out and stuff another NOIA letter again! (You're welcome.)

"Advancial Federal Credit Union has expanded our portfolio loan size limit to \$5,000,000 and increased LTVs for Investment Properties and Foreign Nationals. Call us today for a preview of what a credit union partner can offer your team. In addition to competitive pricing some of our program highlights include only one appraisal required regardless of loan size or collateral type, asset depletion that can be coupled with all other income, removal of a departing residence from the DTI and reserves, jumbo cash out to 5mm with no cap on cash in hand, hobby farms, unpermitted or manufactured ADUs, deed restrictions, mixed use, studio condotels and much more. Info can be found at www.advancialwholesale.com . Call today 888-876-2328 or email John Burkel.

Model Match has launched its 10th Annual Survey on Originators' Opinions. The questions are centered around perceptions of producers at the street level and matters critical to supporting their relationships with referral partners, customers, and their business. The survey covers the Six Core Components we evaluate during the Model Match process within the mortgage origination industry: Leadership, Culture, Business Model, Operations, Technology and Geography. This year we are going to raffle an iPad from a random draw of respondents.

Looking to earn more and have more control over your 1st & 2nd combo transactions? Department of Commerce FCU has just launched its Correspondent Home Equity Division, and is actively looking for partners throughout the country to originate HELOC's and 2nds. With a national membership charter and a 'make-sense' lending philosophy, DOCFCU can add value to your organization. Contact Jeff Banyas to learn more.

Statistically speaking, roughly 25% of you have already given up on your New Year's resolutions, if you made any at all. Less than 50% of Americans made New Year's resolutions last year, a number that has been decreasing for a while now. Whether you made a resolution or not, it's not too late to make a change and make a positive impact on your business this year. Last year, American Mortgage Service Company made a change to its LOS and has seen tremendous results. By switching to an LOS that could provide open APIs, American Mortgage was able to seamlessly connect the new LOS with its existing hedge advisor, Vice Capital Markets. Want to know more about the integration that led American Mortgage's Norma Scott to say, "I can't imagine having done this without Vice Capital because they helped drive this transition"? Learn more here.

Ready to automate your disclosure process? The FeeWise™ Disclosure Automation System is now integrated with Black Knight's ErnstSM Fee Service to help lenders more quickly and accurately generate disclosure packages. The FeeWise platform handles all data orchestration, end-user experience and integration with your existing POS / LOS and the Ernst Fee Service delivers the critical title, settlement and government fees. The integration of FeeWise and Ernst Fee Service will take disclosure automation to the next level. Join the growing list of lenders who have adopted this powerful solution. Email info@mortgagecto.com to learn more about FeeWise and its integration with Black Knight's Ernst Fee Service.

“Out with the old portals, Say ‘Hello’ to The Lounge! Take advantage of one of the most powerful tools to help mortgage brokers close more loans, LoanStream’s TPO Portal, The Lounge! Learn how to submit, price, and disclose loans in minutes. Get trained on using this powerful tool! Spots are limited. Reserve now. The Lounge - Submit, Price and Disclose in The Lounge. Plus, Expand Your Marketing in 2022 with Non-QM, join our webinar, space is limited: Webinar Registration LoanStream Wholesale - Wholesale Mortgage Lending: Stand out with the ONE Lender that makes you the ONE to call. Contact your Account Executive today. Visit LoanStream for our great rates and programs.”

Deephaven, a Non-Agency/Non-QM mortgage provider, gives brokers and loan officers a new tool that reduces appraisal turn times from weeks to days. The tool, Incenter Appraisal Management’s RemoteVal™, allows appraisers to remotely capture property photos and collect data without compromising report integrity. In addition, to expediting appraisals for its current loan originators, Deephaven is also using RemoteVal™ to help attract new independent brokers into the Non-Agency/Non-QM fold. Since Non-QM loans are not subject to GSE guidelines, Deephaven can take advantage of RemoteVal™ to provide brokers and their customers a smoother, faster borrowing experience. Brokers and loan officers also benefit from a dedicated Incenter Appraisal Management service team, supporting appraiser assignments, report QC, and submission. For more information about RemoteVal™ or to sign up for Deephaven’s Non-QM broker training course, please email info@deephavenmortgage.com.

FHA, VA, Ginnie News

Don’t forget that at the end of November the Federal Housing Administration (FHA) announced a new maximum loan limit of \$970,800.00 from \$822,375.00 for the calendar year of 2022. The new lending limit will take effect for loans with case numbers assigned from January 1 through December 31, 2022. The new maximum loan limit is also applicable to Freddie Mac’s special exception areas: Alaska, Hawaii, Guam, and the Virgin Islands.

FHA Mortgagee Letter (ML) 21-31 revises the effective dates for the transition to the FHA Catalyst: SFDMS Reporting Module and the associated changes to the SFDMS Reporting Codes and Reporting Data Elements. Additionally, the effective date for the updated default reporting codes has changed to March 1, 2022. Mortgagees should reference the updated SFDMS Reporting Codes and Data Elements document available on the Handbook 4000.1 Supplemental Documents page.

FHA extended the deadline to January 31, 2022, for review and feedback on the draft Home Equity Conversion Mortgage (HECM) sections of its Single Family Housing Policy Handbook 4000.1. (Handbook 4000.1). Interested stakeholders are encouraged to thoroughly review and provide feedback on the sections through the new deadline. Instructions for providing feedback are posted on the Drafting Table.

loanDepot is bringing the servicing of FHA, VA, and USDA-funded Ginnie Mae loans in-house. The company said the move leverages ongoing investment in loanDepot’s servicing platform, allowing it to scale for operational efficiency and enhanced customer service. Ginnie Mae, who approved the move, remains the market’s primary guarantor of securities containing FHA, VA, and USDA loans.

PennyMac updated Government LLPAs effective for all Best Effort commitments taken on or after Thursday, December 23, 2021, on the ‘Government FICO Price Adjustments’ Grid.

FAMC Correspondent National Bulletin 2021-58 includes information on 2022 Loan Limits, FHA System update & a table outlining the IRS updated/new filing deadlines per state declared as major disaster areas.

Capital Markets

The difference between adjustable rate and fixed rate mortgages increased a little yesterday as we saw some yield curve steepening. This is evidenced by the 2s10s spread widening by six basis points to 91 bps after widening by seven basis points on Monday. Economic data released yesterday included a weaker than expected ISM Manufacturing Index for December (though the report marked the 19th straight month of expansion for the manufacturing sector). In other good news, evidence points to price pressures softening some, presumably due to improved supply chain conditions. But supply concerns and inflation worries aren’t going away with the emergence of the Omicron variant continuing to drive global staffing challenges.

We’ll see the unemployment data this Friday, but yesterday we learned of a decrease in November job openings (to 10.562 million in November), coupled with “quits” rising by 370k in November to a record of 4.5 million. The unprecedented level of departures, including over one million in leisure and hospitality, depicts the continuing struggle to retain talent amid the social and economic tumult of the pandemic. Friday’s monthly employment report from the Department of Labor is currently forecast to show the U.S. added 420k jobs in December, and we have just received ADP employment for December (twice as strong as expectations at +807k) for private payrolls.

Yes, the calendar is already underway with the ADP numbers (+807k, a monster number!) and with mortgage applications from MBA

decreasing 2.7 percent from two weeks earlier on a seasonally adjusted basis. The results include adjustments to account for the holidays, though mortgage rates have been rising. Later this morning brings the final December Markit services PMI and the aforementioned minutes from the December 14/15 FOMC meeting following the decision to accelerate the wind down of asset purchases. The Desk will purchase up to \$3.7 billion in conventional MBS and will also conduct two operations in treasuries with the first targeting up to \$2.4 billion 7- to 10-year coupons followed by \$1.8 billion 22.5- to 30-years. We begin Hump Day with Agency MBS prices nearly unchanged from Tuesday and the 10-year yielding 1.65 after closing yesterday at 1.67 percent despite the strong ADP number.

Careers and Transitions

“Acra Lending is setting itself up for another successful year as one of the industry’s leading private mortgage lender! 2021 began with just over 200 employees, and after having a record-breaking year, rang in 2022 with over 400 employees and continuing to grow. Join Acra’s expanding team and experience the growth that is driven by our employees as much as our programs: We’re currently hiring for Wholesale Account Executives, Mortgage Loan Officer’s, Correspondent BDOs, Transaction Managers, Underwriters, and more! Come build your career with a company that is committed to helping you achieve success. Visit JoinAcra or email us at careers@acralending.com.”

“U.S. Bank is actively seeking a client sales executive to support our Housing Finance Agency (HFA) business channel. U.S. Bank provides customized partnerships to over 30 Housing Finance Agencies nationwide in support of our shared mission to provide sustainable homeownership. At U.S. Bank, you’re empowered to make a difference in the lives of our customers, communities, coworkers and shareholders. Join our team and explore what’s possible. If interested visit U.S. Bank to learn more and apply.”

Evergreen Home Loans™ is excited to announce a new lower fee and down payment requirement for the CashUp™ by Evergreen program. This program allows homebuyers to submit a cash offer without the need for all cash. These updates can significantly reduce the cost for buyers that use CashUp, and also help more clients qualify and take advantage of this game changing program. For loan officers, this means a more affordable and powerful way to help homebuyers get their offer accepted. If you’re seeking a company that strives to provide loan officers and their real estate agent partners with innovative solutions that meet market challenges and position clients for success, check out the Evergreen Careers page.

Homeowners Financial Group (HFG) is pleased to announce the appointment of Lauren Patel as the Vice President of Human Resources. She joins HFG with over 20 years of experience in Human Resource management across technology and financial service industries, including LoanDepot, Oracle, and Sage Software. She has rich experience developing leadership programs, implementing comprehensive performance management programs, and partnering with sales to streamline compensation plans. "Lauren is a true servant leader seeking to collaborate across the organization and to develop her team. We believe she is a perfect match for our culture, which prides itself on its dedication to our employees and communities we serve," shared Bill Rogers, President & CEO of HFG. As HFG continues to grow and thrive, Lauren will be instrumental in streamlining processes and developing our team to serve HFG’s mission.

Multifamilylending is alive and well, and Freddie Mac, who knows a thing or two about it, announced that Steve Lineberger and Meg McElgunn were named VPs of Production & Sales: Steve will oversee the Western and Central regions and Meg will lead the Northeast and Southeast regions.

Cenlar FSB announced that John Lacca, a 28-year veteran in the credit union space, has joined the company as VP, Executive Client Management, and will manage Cenlar’s credit union clients and will work directly with CU Servnet, a premier Credit Union Service Organization (CUSO) dedicated to mortgage loan servicing.

Waterstone Mortgage has named Catherine Mauldin as its Director of Strategic Growth. (Ms. Mauldin has more than 20 years of experience in the mortgage lending industry, working as a loan originator, processor, wholesale executive, business development associate/recruiter, project manager, and product owner.)

Mortgage Coach has promoted two of its department directors to VP-level positions: Jacob Gibbs was promoted from Director of Technology to VP, Technology, and Shannon Baldwin was promoted from Director of Marketing to VP, Marketing.

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