

Redfin/Bay Equity Deal; Powell & 7 Percent Inflation; Various Vendor Offerings

By: Rob Chrisman | Wed, Jan 12 2022, 12:08 PM

Most people are paid wages... will raises keep up with an annualized inflation rate of 7 percent? Others may receive a large payout from the sale of their company. Want to sell your mortgage vendor company to a VC firm, or receive private equity money? Label it a "Mortgage technology disruptor" firm. There are new things out there, old things with new names, or new ways to look at things. As a lender, do you have a program for [barndominiums](#)? Are you a lender thinking about starting up a direct-to-consumer business? The current STRATMOR blog is, "[Opening the Door to Consumer Direct](#)" about the pros and cons of the CD channel. Flipping houses? Sure. But [flipping cars is now here](#). What'll they think of next? Today's audio version of the commentary is [available here](#). This week's is sponsored by [SimpleNexus](#), an nCino company and homeownership platform that unites the people, systems, and stages of the mortgage process into one seamless, end-to-end solution that spans engagement, origination, closing and business intelligence.)

TPO, lender and broker products & services

"[OptiFunder](#)SM is not only easy to use, but it has increased our efficiency when funding loans. Whether you're funding two loans or 200, the time to do so is practically the same," shares Darryl MacNair, CFO of [Eustis Mortgage](#). Simple, streamlined funding and post-closing are available now via the OptiFunder System. Funding requests, confirmations, shipping, and Purchase Advice reconciliation are automated. The sophisticated decision engine selects the optimal warehouse line for each loan to achieve the best financial performance. Empowering, real-time business insights for all connected lenders are available on the dashboard. OptiFunder supports over 60 warehouse lenders on the platform and is integrated with all the major LOS for easy, fast implementations. Contact [Carmel York](#) for more info and make 2022 as easy as Click. Fund.

The [FeeWise™ Disclosure Automation System](#) integration with ICE Mortgage Technology™ creates a revolutionary combination for lenders. Retail channels access FeeWise through Encompass® or Encompass LO Connect™ and wholesale / non-delegated channels through Encompass TPO Connect™. The solution provides an intuitive and contemporary end user experience combined with rich features like a highly customizable fee itemization, settlement service provider management and compliance test results. Lenders benefit through improved operational efficiency, reduced fee tolerance cures and the opportunity to grow market share. Join progressive companies like PRMG, Sprout Mortgage and Plains Commerce Bank who have experienced remarkable gains by implementing FeeWise. [Watch this 60-second video](#) to learn more and email info@mortgagecto.com to schedule a live demonstration.

"In a year that is predicting a 39% reduction in loan origination volume, it's more important than ever to adopt a credit first strategy to set your borrowers up for a successful home buying experience. Join [Birchwood](#) and [CreditXpert](#) for our complimentary webinar "[How a Credit First Strategy Can Help in a Quickly Changing Market](#)" this Friday. We will dive into loan origination forecasting trends for 2022, and tactics you can implement with your borrowers to increase their credit score, ultimately delivering more revenue for you and your organization. To register for the webinar, click [here](#)." [Birchwood Credit Services](#) has provided credit reporting solutions to financial institutions for over thirty years. 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 our [website](#) today.

True or False? Underwriters are hired for their intellect, not their ability to push buttons faster. Candor automates the costliest portion of origination: [The credit & information risk assessment conducted by underwriters](#). With the power to automate the intellect & judgement required to [make underwriting decisions](#), lenders can consistently originate high quality loans, [at scale](#). If margin is a concern, [explore Candor](#).

[Spring EQ Wholesale](#), the industry's leading home equity lender, is now accepting AVMs (Automated Valuation Models) on HELOCs for qualified loans. Our automated process pulls AVMs immediately with no upfront cost to your clients! This enables you to close loans faster and with no concerns about needing an appraisal. Additionally, Spring EQ has launched a new Bridge Loan product and dramatically reduced HELOC pricing for California properties. You can [see rates here](#). Spring EQ offers true originator compensation, CLTVs to 97.5%, DTIs to 50%, adjustable rate HELOCs, and fixed rate home equity loans. Piggybacks, stand-alones, and 1st lien home equity loans are available. Rates are climbing, and available equity is at record levels. Do not send your loans and clients away and receive no compensation for your work: [become a partner now](#) or contact your Account Executive to learn more.

Need instant access to reliable, up-to-date, and comprehensive nationwide property data for your lending decisions? With Black Knight's SiteXPro, you get just that. SiteXPro is an easy-to-use web-based solution that provides exceptional-quality property data covering 99.99% of the U.S. population. The solution includes residential and commercial data, and enables you to quickly obtain property reports, create

targeted lead lists, perform market analytics, identify risk and more. And, because Black Knight collects the majority of data directly from the source, we're able to verify and update it to provide you with the most reliable, current information available. Discover how instant access to quality property data can better support your lending decisions and help you identify growth opportunities. [Sign up for a free 30-day trial today*](#) (*Available to new customers only).

[HousingWire Daily](#) is the definitive daily newsletter for real estate, mortgage, appraisal, and closing professionals. Every business day at 9 AMET / 6 AMPT, we send out the top headlines across the housing industry. All of our news is sourced and written by our award-winning independent newsroom, which has a mission of moving the housing market forward. Subscribe to [HousingWire Daily](#) and get your daily recap of All Things Housing!

Lenders in 42 states are now using QuickQual by LenderLogix for their pre-approval and pre-qualification letter creation and management. Peter, a QuickQual user in Maryland, shared a true story about the impact this mortgage technology has had on his work-life balance: "We had my daughter's birthday party a few weeks ago at our house. Two emails popped up on my phone that day, notifying me that my borrowers logged in and generated new letters. This was during the birthday party at 3 in the afternoon on a Saturday. I had 15-20 people here that we were entertaining, and the last thing I wanted to do was go sit at my desk and update pre-approval letters. Thankfully, I didn't have to. The letters were generated, and the contracts were in my email on Monday morning. I did absolutely nothing that weekend in terms of work, and I enjoyed my little girl's party. It really changes what you do as a loan officer, and I have nothing but great things to say about it." If you're interested in learning more about how QuickQual works, visit their site to [get a sample texted to your phone](#).

There are three emerging market needs in 2022 that lenders can easily answer with non-QM programs: decreasing profit margins, a growing self-employed segment, and expanding investor loan opportunities. By offering non-QM loans with the help of an experienced non-QM investor like [Verus Mortgage Capital](#), you can answer these needs, expand your borrower base, and close more loans. Verus is the largest issuer of securitizations backed by non-QM loans and the industry's largest purchaser of these products. It has programs for self-employed, higher-balanced loan amounts (JUMBO), foreign nationals, investors, credit challenged, and more. Not only that, Verus is underwriting non-QM, Prime Jumbo Non-Delegated, and Delegated in days, not weeks. The point is, you don't have to let market needs go unanswered this year. Answer them with non-QM, and by partnering with Verus. [Contact Jeff Schaefer](#), Executive Vice President – Correspondent Sales, to learn more.

Are you ready to offer eSigning on loss mitigation packages? Ginnie Mae is. And [Covius](#) and Stawy have just announced a new integration to offer eClosing and remote online notarization (RON) on loan modification packages. One top 10 servicer is already on board. Covius will use the Stawy platform to offer RON and eSigning capabilities for all loss mitigation products, regardless of recording requirements. When a RON-eligible loan modification package is generated, Covius will systematically tag the signature lines for eSign and RON recognition and start the scheduling process with the borrower(s). Covius will lead the digital notarization process using Stawy's technology to notarize the documents in the borrower's home or office. Contact [Joe Chappell](#), EVP, Covius Settlement Services @303.715.205 for more information.

Last year more than 2,000 of your industry peers took advantage of First Guaranty Mortgage Corporation's® (FGMC) monthly Non-Agency webinar series, [Maverick Flight School](#), and its customized trainings! From product overviews to guidance on sourcing Non-QM loans, these FREE live events give insight on how to navigate today's unique borrower situations. Don't get left behind! Join FGMC experts this month and learn how Maverick Solutions can help you gain competitive advantage in 2022. [Reserve your seat today!](#) Need one-on-one support? FGMC is available for customized webinars, realtor lunch and learns, sales rallies and team building events. Contact [Tom Davis](#) to learn more about becoming a partner and how Maverick Solutions can help you grow your business.

In 2022, mortgage lenders will be especially keen on attracting the talent of LOs who are popular with referral partners and have the proven ability to perform in a purchase market. Luckily, [Black Knight's Surefire CRM](#) has developed the [Surefire Lookbook](#) to help lenders make an eye-catching first impression on recruiting prospects. With the Surefire Lookbook, lenders can showcase their investment in marketing technology and demonstrate their ability to help prospective loan officers compete with award-winning content. Prospective recruits can see themselves featured in their future employer's marketing emails, open-house flyers, direct-mail postcards, interactive multimedia and more — including co-branded marketing campaigns that also feature a Realtor or other referral partner. [Check out a sample Lookbook or create your own for free on the Surefire website](#).

And in merger & acquisition news...

News yesterday was made public of the pending merger of [Redfin and Bay Equity Home Loans](#), and how it will "create a unique qualified customer generator for Bay Equity loan officers in the challenging market ahead. Redfin has 2,400 employee agents and 11,000 affiliated agents. It also has nearly 50 million monthly visitors to its website and apps. All will be lead sources for Bay Equity branches and loan officers. With the merger, what won't change? The Bay Equity name and culture where employees are family. One of the best operational teams in the business closing loans quickly and efficiently. A marketing platform second to none and a leader in technology. What will

change? In addition to its regular book of business, Bay Equity will be able to drive tens of thousands of qualified purchase customers to originators to build databases, and grow their pipelines and paychecks. Bay will also leverage Redfin's developer talent to make investments in its technology platform."

Capital markets

The general consensus is that mortgage rates are heading higher over time, but rates fell Tuesday. Why? As we would say (sorry Myrtle) on the trading desk, "Even a dead cat bounces." Market prices aren't linear: even if the trend is higher, or lower, there will be opposite movements along the way. And originators shouldn't wait to look into suggesting or expanding ARM product offerings for borrowers. How about some other reasons rates fell. The day's \$52 billion 3-year note auction found solid demand ahead of today's \$36 billion 10-year note reopening. But Atlanta Fed's Bostic, a known dove, spoke aggressively about shrinking the balance sheet at nearly double the prior episodes' pace, something that has been echoed by several of his FOMC colleagues. And The NFIB Small Business Optimism Index showed a net 48 percent of small business owners reported raising compensation, which is a record for the index going back almost 50 years.

The headline story yesterday, aside from reprices, was Fed Chair Powell facing pressure on inflation at a Senate Banking Committee re-confirmation hearing ahead of his expected confirmation to a second term. He indicated that 2022 will be the year the central bank unwinds its pandemic policies while maintaining flexibility in the fight against inflation. The Fed wants to keep price gains from becoming entrenched, and Powell made the point of stressing that the central bank doesn't prioritize price stability over full employment (though high inflation can be seen as a severe threat to achieving maximum employment). The Fed Chairman said that the economy no longer needs highly accommodative policies and that steps to reduce the balance sheet will be taken later in the year as he and his colleagues allow it to run off. He did, however, have a general tone indicating he is concerned about the market reaction.

The \$2 trillion drop in central bank demand for MBS and Treasury securities will provide a real-world test of how much appetite actually exists. Without the central bank purchases, and with cash now offering some yield, it will be interesting to see how willing investors are to continue to purchase long-duration government debt at significantly negative real yields. Yields will also be pressured upward this year from the amount of government bonds hitting the private sector as investors are forced to absorb more debt.

Today's economic calendar kicked off with mortgage applications from MBA, which increased 1.4 percent from one week earlier for the week ending January 7, including an adjustment for the holidays. We've also received December CPI (+.5 percent, +7 percent for the year), core (+.6 percent). Later today brings a Treasury auction of \$36 billion reopened 10-year notes, the December budget statement, and remarks from Minneapolis Fed President Kashkari. The Desk will purchase up to \$4.5 billion 30-year 2 percent and 2.5 percent across GNIs and UMBS30s. We begin the day with Agency MBS prices are roughly unchanged and the 10-year yielding 1.74 after closing yesterday at 1.75 percent.

She was only a whisky-maker, but he loved her still.

Employment, promotions, and moves

Is the Juice worth the Squeeze? With costs per funding going up, margin compression looming, interest rates rising, is running a branch everything it's cracked up to be? More and more producing branch managers are questioning if they would be better off focusing on personal production not managing LOs or operations staff? A change in title isn't always a step backward in life or your career. One of the top teams in the nation is looking to add one mortgage veteran who wants to get back to doing what they love and focus on originating. Our dedicated operations team has closed over \$1B in loans and is ready to help 1 seasoned professional dominate their market. If you're a Producing Manager who wants to step away from meetings, paperwork, and staffing issues to focus on your book of business contact [Anjelica Nix](#) to schedule a confidential conversation.

Castle Mortgage Corporation, a Delaware Corporation doing business as [Excelerate Capital](#)," announced the promotion of Thomas Yoon to Chief Executive Officer, where he will now serve as CEO and President as he leads Excelerate to its next growth level.

In mortgage industry legal news, top mortgage industry lawyers Daniella Casseres and Ari Karen, and their team, are joining Andrea Mitchell and Andy Sandler at financial services and fintech focused law firm, [Mitchell Sandler](#). Andrea serves as managing partner of the firm; Andy has spent over 30 years as a banking and mortgage industry lawyer and entrepreneur. Daniella will lead the firm's mortgage regulatory practice, and join Andrea and Robyn Quattrone on the firm's management committee making Mitchell Sandler the leading majority women owned and managed financial services and mortgage industry focused law firm in the country. Ari will lead the firm's financial litigation and employment law practices.

[Spring EQ](#) announced two key additions to its leadership team with the appointment of David Haggert as chief marketing officer and Peter Schwartz as senior vice president of corresponding lending. Mr. Haggert will oversee strategic planning, brand development and lead generation efforts. And Mr. Schwartz will be responsible for launching the company's new correspondent channel in the first quarter of 2022.

[New American Funding](#) announced that Christine Obermayer has been promoted to the new position of VP, Retention and will lead New American Funding's new Retention Department and focus on helping the company's current customers navigate their refinance options to ensure that New American Funding is always putting their financing needs first.

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