

# Pricing, Non-QM, BI, Subservicing Tools; Processing and Pricing Shifts; Strong Employment Data Shoots Rates Higher

By: Rob Chrisman | Fri, Feb 4 2022, 1:46 PM

Goals are good. Anyone whose goals included bringing back [serving alcohol](#) on Southwest flights is happy. It is fine for the Biden Administration to highlight first-time homebuyer and affordable housing goals. But by the time those goals filter down to the state and local levels, well, things happen, like economics, red tape, builder preferences, existing housing zoning, and... felines? One wealthy town out in Northern California stopped an affordable housing development citing mountain lion habitat. Different reasons in different parts of the nation. Celebrate diversity! Old timers remember when mortgage rates varied by the different areas of the nation: Freddie Mac published average rates based on geography. Taste bud differences still exist, and, ten days ahead of Valentine's Day, different states have different candy preferences. Certainly employers are grappling with employees having different preferences of returning to the office, working from home permanently (citing "extra" time not commuting or even showering and using those hours to work), or adopting a hybrid model. A cynic will ask if it is easier for manager at a lender to lay people off they've never even met. Managing a scattered, remote origination force can present challenges, and today's audio version of the commentary is [available here](#) and this week's is sponsored by [ActiveComply](#), making social media monitoring simpler, more compliant, and lowering costs.

## Lender and Broker Services and Products

"Now is the time to speak with [MortgageConfidential](#) to find out your true value in the market! If you are a Loan Officer or Sales Leader, you have had an amazing run. Volume and high income have likely hidden too many inefficiencies with your current lender. Operations professionals have been over-worked and are burnt out. The market is changing and you need to make sure you are in the best possible situation. Don't sell yourself short, let Lenders and Banks compete over you! MortgageConfidential is the #1 resource in the industry for Mortgage Professionals to find top opportunities and maximize their value. Check out our [site](#) and put yourself on the market, confidentially. [Email us](#) - 100% Confidential, guaranteed!"

Servicers: Valentine's Day is coming up, are your borrowers feeling the love from your subservicer? If not, and you are planning to or thinking about taking servicing in-house, talk to [Universal Component Lender Services \(UCLS\)](#) an a la carte subservicer providing flexible capacity and tailored solutions for servicers currently self-servicing or advisory services for those considering the move. Unlike many subservicers where you give up control of how your loans are managed and borrowers treated, UCLS services your loans your way. Outsource and customize only the services you want like Default Management, Call Center Support, or REO/Claims, and have your team focus on what they do better than anyone else – care for your borrowers. Ensure your portfolio gets the compassion and compliance it deserves. Contact [Staci Hannebrink](#) to learn more or request a meeting at their booth (#402) at MBA Servicing.

Are you ready for Q1 reports? Whether it's this quarter or any quarter, there's an easy way to keep track of where the loans you generate come from: [Richey May's RMANalyze](#), business intelligence designed by and for mortgage industry experts. Our platform consolidates data from every department and every piece of software you use. Need to know which loan officers are converting applications to funded loans? Get the answers in one click, plus intuitively drill down to all the details you need. Curious how you're measuring up against your peers? Use our Peer View Ops functionality. Contact us today for a walk-through and custom RMANalyze implementation plan.

Jamaica has sent a [four-man bobsled team to the Olympics](#) for the first time in over 20 years, a development that's sure to turn Cool Runnings into trending content. (The movie, inspired by the 1988 Jamaican bobsled team, is available on Disney+ for those of you wanting to "get on up, it's bobsled time!") For trends of professional relevance, turn to Sales Boomerang's Q4 Mortgage Market Opportunities Report, which identifies several opportunities for mortgage lenders to assist borrowers with tappable home equity. Contact Sales Boomerang today to learn more. Get on up, it's home equity time!

Typical borrowers will have an average of 11 mortgage-related transactions in their life. When you consider many real estate investors might have that many transactions in a few years, you can easily see the huge opportunity to work with more real estate investors. Bring your deals, scenarios, and questions on Wednesday, February 9th as [National Mortgage Professional Magazine presents a DealDesk](#) featuring Angel Oak Mortgage Solutions' Investor Cash Flow Loans. Come join this interactive forum where mortgage brokers and loan officers share real deals and scenarios. These [DealDesk webinars](#) are both informative and deal-making. Learn how to utilize Angel Oak's quick to close no-income DSCR Investor Cash Flow loan. This loan is one of their most utilized products and has helped many brokers add to their volume.

[OptifiNow](#) announced the release of an integration with [LoanScorecard](#), the leading provider of non-agency automated underwriting systems. The integration enables wholesale lenders to provide fast and accurate scenario quotes to mortgage brokers in a high-volume call center sales process. Oaktree Funding, a wholesale mortgage lender in Upland, California, is the first client to use the integration. Oaktree selected OptifiNow and LoanScorecard to build a custom process that allows call center sales agents to rapidly respond to inbound phone calls with loan scenario quotes. “OptifiNow and LoanScorecard created a process that fit perfectly with our wholesale call center model,” said Kris Martin, Co-CEO of Oaktree Mortgage. “When an agent picks up the call, a broker record pops up on their monitor and a scenario request is created with one click. A call can be completed in under four minutes, allowing our reps to respond to hundreds of requests per week.” After a loan decision has been sent, OptifiNow triggers an automated email and SMS nurture campaign to the broker. Want to learn how your wholesale business can benefit from a fully customizable CRM? Contact [Linn Cook](#) to learn more.

### Investor Name Change, Processing and Pricing Updates

Recall that [Pennymac Financial Services](#), the No. 6 wholesale lender in the country, is changing the name of its broker direct division to [Pennymac TPO](#), has introduced its new brand identity across all platforms, including a [refreshed website](#), social media channels, advertising campaigns, and consumer communications. Pennymac will also soon debut POWER+, a next-generation technology platform that gives brokers more speed, control and access to expert advice, guidance, and real-time engagement. Find out more information in the [Pennymac Press Release](#).

And brokers should know that United Wholesale Mortgage (UWM) announced that through March 31, 2022, it will [credit borrowers up to \\$600 for appraisal costs](#), available on all primary purchases, including jumbos.

Effective for loans originated on or after January 1, 2022, CFPB’s [Final Rule](#) updates the dollar amounts for provisions implementing amendments to Truth-in-Lending Act (TILA) under the Home Ownership and Equity Protection Act (HOEPA) and the Dodd-Frank Act. Accordingly, Sun West Mortgage will be updating sections of its [Implementation Guide](#).

The Ohio Department of Commerce announced an increase in the coverage amount for a residential mortgage to be subject to, or exempt from, a prepayment penalty under Ohio Rev. Code § 1343.011(C). In order to be exempt, the loan must be in an amount of less than \$98,619. [First American Docutech updated its Prepayment Penalty Matrix accordingly and is available on its website](#).

[loanDepot Wholesale](#) announced the release of the first episode of [Renovation Radio](#) podcast. Host Mark Hammond will interview experts from the housing industry and captures their stories. Check out [LoanDepot Renovation Radio Episode 1](#) with host Mark Hammond and Robbie Chrisman: Following in the Footsteps of a Legend.

The IRS is implementing an Optical Character Recognition (OCR) program that will scan 4506 authorization forms. This means if there is a discrepancy between transcript years ordered and years listed on the form, the order will be rejected by the IRS. Effective Monday, January 24, 2022, Flagstar Bank will be updating the 4506-C forms that print in the initial disclosure package and closing package to meet the new IRS standard. [Details on the 4506-C Forms update are available in Flagstar Bank Memo 22013](#).

PCF Wholesale is increasing its Max Comp from \$20,000 to \$35,000. There’s no need for brokers to make changes and any brokers with a lower compensation selected will not be affected by this change. [Visit the PCF Wholesale site to learn more](#).

First Community Mortgage posted information regarding 4506C Requirements in [FCM Correspondent Announcement 2021-34](#) and [FCM Non-Delegated Correspondent Announcement 2021-41](#).

PennyMac improved values on all SRP tables for the state of New York effective for all Best Effort commitments taken on or after Thursday, December 30, 2021.

AmeriHome is updating its pricing policy for program changes made to Mortgage Loans in a Best Efforts Lock, [view AmeriHome Announcement Number 20211214-CL for details](#).

Flagstar issued a reminder about Hazard Insurance Coverage requirement regarding equal to or the lesser. For more information, review [Flagstar Bank Memo 22010](#) which includes an example of required coverage when 100% insurable value of improvements is not established.

### Flagstar Bank issued a Reminder – Manufactured Homes in Special Flood Hazard Area.

The finished grade level beneath the Manufactured Home must be at or above the 100-year return frequency flood elevation. If any portion of the property essential to the Property Value are located within an SFHA for both new and existing manufactured homes, the Property is not eligible for FHA mortgage insurance unless the Mortgagee obtains either a FEMA issued LOMA/LOMR or a FEMA National Flood Insurance Program (NFIP) Elevation Certificate

[Refer to FHA4000.1 for complete details.](#)

VantageScore's latest resources show how the addition of alternative data (e.g., rent, utility, mobile payments) can improve credit scores, especially for consumers who have limited information in their credit files. Explore how consumers across the risk spectrum + those with limited credit histories benefit from using new data sets, including rent and utility payments, [Read VantageScore Research on Score Impact](#).

[Citi Correspondent Lending Bulletin 2022-01](#) contains various policy updates, notices, and clarifications. Credit policy updates include Minimum Tradelines on Non-Agency, Homebuyer Education, Re-Establishing Credit After Bankruptcy/ Foreclosure. Notification related to Pricing Policy Updates, Suspension of Citibank Commercial Banking Relationship Pricing Program and Condo / Co-op Questionnaire Update. Additionally, the bulletin clarifies DTI Calculation, Non-Agency Updates, Non-Traditional Credit: Agency Transactions, Title Insurance: Co-op Requirements, and Verifying Military Income.

Wells Fargo Funding is removing the term reduction benefit and updating the total remaining payments on Prior Approval Loans, effective February 22, 2022. Additionally, its non-Conforming requirements specific to nonoccupant coborrowers and properties purchased for occupancy by a direct family member have been simplified. The summary of the changes is available in [Wells Fargo Funding C22-003](#).

### Capital Markets: No Longer Driven Directly by the Pandemic

Yes, COVID is still out there, but it is no longer in the headlines. So what is driving rates, and particularly [mortgage rates](#)? Ahead of today's payrolls report, the bond market reacted yesterday to the Bank of England rate hike (up .5 percent) and the European Central Bank press conference (rates unchanged for now despite inflation remaining a real issue), leading to a rout in bonds. Domestically, job cuts were down 76 percent in January, per Challenger, and unit labor costs increased 3.1 percent over the last year, reflecting a 6.9 percent increase in hourly compensation and a 6.6 percent increase in productivity. This week's Primary Mortgage Market Survey from Freddie Mac saw the 30-year rate unchanged (3.55 percent) and the 15-year rate down 3 basis points to 2.77 percent.

Turning to today's calendar, we have received the January employment "situation" report. That apparently has become the politically correct term, because in the "old" days it was called "Unemployment Friday." We learned January's Nonfarm Payroll (+467k, beating +125k, with a huge December revision higher), the Unemployment Rate (up to 4 percent), Hourly Earnings (+.7 percent, +5.7 percent year over year), and the labor force participation rate remaining unchanged. That is it for economic releases on the day, though the NY Desk will purchase up to \$3.7 billion of 30-year MBS... many wondering why the Fed is still even doing this. After the employment data Friday starts with Agency [MBS prices](#) worse .5 and the 10-year yielding 1.90 versus closing yesterday at 1.83 percent. Are we heading for a 50-basis-point Fed move next month?

### Employment and Promotions

[Atlantic Coast Mortgage](#) (ACM) announced today that, after four years as Chief Operating Officer, Patrick Collins is [taking on a new role](#) as ACM's Chief Strategy Officer. As CSO, Patrick will focus his full time and attention toward the adoption of innovative tools and solutions that enhance the experience of ACM's borrowers and further increase loan originations. As stated by Collins, "[This strategic move](#) is just one more step in our evolution to create more opportunities and keep us moving forward as we continue to build one of the premier mortgage companies in the country." Patrick will be replaced as COO by Shane Intihar, who previously served as ACM's General Counsel. Throughout Shane's tenure at ACM, he proved to be a highly effective leader, with excellent organizational, problem-solving, and decision-making capabilities. Based on his track record, ACM is confident that he will excel as ACM's COO.

"A growing mortgage company is seeking superstar Mortgage Loan Officers (MLOs) to join our team. Are you great at your job and want to be rewarded and recognized? Trustar Bank, the fastest growing De Novo Bank in the country, is seeking experienced Mortgage Loan Officers to grow with our existing Mortgage Subsidiary, [Trustar Mortgage](#). A rare opportunity to join a successful All-Star Mortgage Team with a De Novo Bank headquartered in Virginia. We offer excellent compensation package including salary, benefits, and equity share. Resume in confidence to [Jayne Dungan](#), local candidates and Principals only please. EOE."

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