

Jumbo Buyer Wanted; Secondary, Sales, Origination, Processing Tools; Jumbo News Around the Industry

By: Rob Chrisman | Mbn, Feb 7 2022, 11:18 AM

While brokers have taken note of UWM suing America's MoneyLine for sending loans to [Rocket and Fairway](#) (remember [UWM's policy](#) plainly stated last March), this week I head to Florida, which retirees humorously refer to as "God's waiting room." The state has its share of [expected hot markets](#) for 2022 per Zillow, as does the rest of the Sunbelt. Apparently, people in the northern climes are weary of the yearly weather cycle, and, as usual, expect to establish residences to the south. Throughout our lives we go through many cycles. And who says we're not in a cyclical business? Remember in the not-too-distant-past when lenders were pricing rates to "shut off the volume spigot" due to low rates? Last week U.S. Treasury prices fell with the 10-year yield briefly topping 1.93 percent, jumping from about 1.5 percent at the start of the year, and the 2-year Treasury is up 58 basis points since 1/1, as the Federal Reserve has signaled a more aggressive fight against inflation. Even home ownership goes through cycles, although that is pretty steady now: The U.S. Census Bureau says the nation's homeownership rate was essentially unchanged through 2021, hovering around 65.5 percent. (Today's audio version of the commentary is [available here](#) and this week's is sponsored by [MCT](#) and its [hedge advisory division](#), pairing industry leading experience with award-winning technology to assist you in locking, coverage, best execution, and reporting. Today's features an interview with Peter MacGillis, SVP of Operations at [Universal Component Lender Services](#), or UCLS, on how the company offers lenders more control over their servicing.)

Broker and Lender Services and Products

Are you looking for new purchase opportunities in your market? Join the [Freedom Mortgage Wholesale Division](#) for a free and live webinar highlighting key product features and process tips for VA, FHA, and Conventional purchases! Sign up for one of our live webinars listed below. See you there! [Friday, February 11, 2022 2:00 PM ET](#); [Monday, February 14, 2022 2:00 PM ET](#); [Tuesday, February 15, 2022 2:00 PM ET](#).

Need to increase your loan processing capacity? [Carrington Wholesale](#) recently launched [ProcessIQ](#). A new processing service to help expand broker capacity and increase capabilities for time intensive and/or complicated loans such as those with low FICO, high DTI, and [Non-QM](#) (bank statements, DSCR, high balance) loans. The Carrington [ProcessIQ](#) team handles all the logistics, jumps in and works directly with borrowers to process the loan. [Contact Carrington Wholesale](#) for more information or if you have questions about the service.

There are tons of tech companies cropping up in the mortgage industry, and for good reason! Originators need to use data from external sources to meet the regulatory requirements during the loan process. Searching for data from sources like contracts, bank statements, loan applications, and guidelines is a time-consuming task. The mortgage industry is in dire need of a [platform](#) that securely integrates with lenders' key systems via authentication and provides the loan officer with instant and actionable answers about borrower opportunities, loan statuses, guidelines, etc. This type of solution could reduce the time that loan officers spend manually logging into systems and searching for information. If you're interested in solving these problems, you might be interested in a mortgage support automation platform. [Learn more](#).

The Iditarod sled race is set to begin next month, but DYK that only northern dog breeds like huskies and malamutes are [permitted to race in the Iditarod](#)? The rule was adopted after John Suter entered the 1988 competition with poodles on his dogsled team, many of which were forced to drop out mid-race due to issues like frozen feet. Like mushers in the Iditarod, lenders need to pull together a winning tech stack to stay ahead of the competition. Luckily, having Sales Boomerang as a part of your pack makes lead generation easy! The award-winning borrower intelligence platform recently launched its new [Rate Watch](#) and [Reverse Mortgage](#) alerts, which make monitoring your database for timely, relevant loan opportunities a breeze. Find out how you can leverage these new alerts and win the borrower retention race by [scheduling a demo with Sales Boomerang today](#).

Jumbo: No G-Fees, No MI

A large national retail mortgage lender is looking for bulk whole loan buyers for non-agency jumbo prime production. Mix of business is predominantly retail, higher purchase concentration, and good diverse geographics with lower California concentration. Open to geographic carveouts for regional banks. Deal sizes will typically be around \$100M, lower for carveouts. Please send inquiries to Chrisman LLC's [Anjelica Nix](#) for forwarding.

Rates are still good for jumbo loans, given some pricing attributes compared to conforming conventional products. Last week the MBA informed us that the average contract interest rate for 30-year fixed-rate mortgages with jumbo loan balances (greater than \$647,200)

increased to 3.59 percent from 3.56 percent.

[This loanDepot WNTW](#) includes information regarding Tennessee Disaster Announcement, 2021 IRS Filing and W2 Requirements, jumboAdvantage EXPRESS ARM Expansion and loanDepot Wholesale Second Home & High Balance LLPA Changes.

A number of Flagstar Bank Non-Agency products have been updated. Its Jumbo Express has increased LTVs for cash out refinances, Jumbo ARMs increased loan amounts on purchase and rate/term refinances for a 1-unit property, Jumbo Advantage increased cash out limits. Information is posted in [Jumbo Non-Agency Program enhancements listed in Flagstar Bank Memo 22014](#).

Fairway Wholesale Lending is excited to announce the addition of 5/6 (2/1/5 Caps), 7/6 (5/1/5 Caps), and 10/6 (5/1/5 Caps) Adjustable-Rate Mortgages (ARMs) as eligible options on the Jumbo Non-Agency AUS product up to \$3 million loan amounts, effective for new locks on and after 01/28/2022. For full program guidelines, refer to the Jumbo Matrix accessible after logging into [Fairway Wholesale Lending DRIVER](#).

Effective immediately, Fulton Mortgage Company is increasing its Jumbo loan limits. View Primary and Second Home revised LLPAs on [Fulton Mortgage Website](#).

Mortgage startup [Tomo has doubled its mortgage footprint](#), expanding into Florida, Connecticut and Colorado to serve nearly a quarter of the U.S. market. It has also added jumbo loans, which will be available for both 15-and-30-year cycles. Loans can be distributed in amounts up to \$3 million.

On the other end of the process, Inside Mortgage Finance reported that JPMorgan Chase is preparing a \$2.01 billion jumbo deal, which will be the largest such offering since 2016, when the megabank came to market with a \$2.65 billion security. "The loans have been sourced from a number of lenders, led by United Wholesale Mortgage with a 54.0 percent share. loanDepot was second at 19.8 percent. The production is relatively new at 2.7 months. Nearly 20 percent of mortgages were eligible for sale to the government-sponsored enterprises, with a large chunk represented by second homes. No mortgages for investment properties will be included. Individual jumbo MBS are typically smaller than \$1.0 billion in size. In 2021, 11 jumbo deals were issued with balances greater than \$1.0 billion. Nine came from JPM."

The Secondary Markets

Free new ebook: The Future of Secondary Market Trading for Local Lenders, featuring insight from industry experts with 25+ years of capital markets experience. Today's competition and changing market trends are daunting—but they're not insurmountable. For local lenders, the secondary market provides a prime opportunity to pursue better margins, more competitive rates, and increased profitability. And yet for years, technology-driven secondary market solutions haven't catered to small and midsize lenders. Luckily, that trend is changing, with new offerings now available that enable unprecedented access to the secondary market. Dive into this new ebook from mortgage solutions provider [Maxwell](#) to learn how partnering in this area can help you generate world-class results, allowing you to compete with the industry's largest players. [Click here](#) to download Maxwell's latest ebook, The Future of Secondary Market Trading for Local Lenders.

Time to lock? A much better-than-expected payrolls report for January, if it continues, inevitably means more upward pressure on [mortgage rates](#), and rates in general, over time. Friday's report showed the addition of 467k jobs, with November and December readings revised higher, and average hourly earnings increasing more than expected. Mortgage-backed securities lagged the move a touch, as is typical on big moves in the bond market, though closed the week "wider" versus Treasuries. The report invited **renewed speculation about faster and/or larger rate hikes from the Fed**, though there is some confusion how the ADP report on Wednesday could show nearly a nearly 200k decline over the same period, so potentially look for this payrolls report to be revised downward. The Fed's takeaway is that the economy is clearly on the path toward full employment.

After the volatile sell-off in the bond market, the fed funds futures market is now pricing in a 37 percent implied likelihood of a 50-basis point rate hike in March, up from 14 percent at the end of Thursday. Additionally, the implied likelihood of a Fed funds rate between 1.50 percent and 1.75 percent after the **December FOMC meeting increased to 51 percent from Thursday's 32 percent**.

This week's economic highlights are CPI for January on Thursday and preliminary February consumer sentiment on Friday. The Treasury will auction \$110 billion in new 3- and 10-year notes and 30-year bonds over Tuesday through Thursday, and the **Fed calendar is light so far** with just Cleveland's Mester and Governor Bowman being the only speakers this week. The NY Fed Desk continues to plug along, for some reason, and will purchase \$3.5 billion per day on average over the course of the week (originator supply has been around \$4.4 billion, so someone is going to have to sop that up). Today's operations are focused on 30-year 2.0 percent and 2.5 percent for a maximum of \$3.6 billion. With just the Employment Trends Index for January and December Consumer Credit on the economic calendar today, both due out later, Monday begins with current coupon Agency [MBS prices](#) roughly unchanged and the 10-year yielding 1.92 after closing last week at 1.93 percent.

Employment

Berkshire Bank, headquartered in Boston, MA is expanding its mortgage and consumer lending businesses and is currently looking for a Sr. Vice President Secondary and Capital Markets Executive. This individual manages and monitors the Bank's secondary marketing function including product development, pricing, investor relationship with the respective agencies (FNMA, FHLMC, GNMA) investor delivery and post-closing. The capital marketing executive will be responsible to oversee and analyzes the pipeline and portfolio composition and that it adheres to all state and federal compliance regulations, and the Bank's target profitability. This individual will manage the secondary marketing department and work closely with the corporate treasury team. The candidate should have a minimum of 8 years of Mortgage and Secondary Marketing experience, strong analytical skills, and excellent Communication skills both oral and written. Berkshire Bank is offering a very competitive compensation package and sign on bonus for the right candidate. This position can be remote. If you are interested in learning more about the role reach out to [Ellen Steinfeld](#) or apply [here](#).

First Federal Bank's Residential Lending Division is actively seeking a senior level position, Director of TPO Sales, to expand an existing Regional platform nationally. "This individual will be responsible for the sales management and overall success of our TPO production which includes Wholesale, Correspondent (Del. Non-Del) & Mini Correspondent. FFB is a 59-year-old mutual savings bank that has enjoyed a productive 20-year history as a regional TPO lender. FFB offers an attractive salary and benefits package including a phenomenal 401K with a 12.5 percent match. If you are an energetic, qualified, talented, motivated individual with the experience and network to recruit and manage this type of business line, we need to talk. This candidate should have a minimum of five years' TPO experience. Bring your talent and desire to our customer-centric organization to showcase your talents." To learn more or apply, email your resume to [Anjelica Nix](#) for forwarding and specify this opportunity.

"Cooking a meal is fun to start from scratch. Businesses? Not so much. That's what makes owning a [Motto Mortgage franchise](#) so unique: The foundation has been created for you, meaning you can focus on building your business from the get-go. That's because we're already equipped with the best ingredients available for you to run your business seamlessly, as we provide the marketing, the product mix and wholesale lender relationships, the support, and compliance through our exclusive [Mortgage Brokerage-in-a-BoxSM](#) business model. With all these tools in place, you can open your business without the hassles many other business owners outside of Motto may have to deal with. Want more insight in Motto Mortgage franchising? Email franchise@mottomortgage.com today."

Wanna work for the FHA and make up to \$159k a year? You can be a Housing Program Policy Specialist in Washington DC, providing "single family housing program support and assistance in the analysis and development of policy, legislation and research for single family programs and valuation/appraisal requirements": [22-HUD-367-P](#). Or be a Housing Program Specialist in Oklahoma City, OK with slightly different duties and make up to \$103k a year: [Job Announcement Number 22-HUD-799-P](#).

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