

Compliance, MLO, U/W jobs; processing, disclosure, broker tools; conventional conforming changes; fraud report; refi to purchase shift

By: Rob Chrisman | Mon, Feb 21 2022, 7:42 AM

The mortgage talk here in Cleveland is how, "Tough times never last but tough people do." Many estimates have residential production hitting \$4.8 trillion in 2021, so is there anyone left to refinance? Of course there is, and in many conversations with lenders, rate & term refis have been replaced by cash out. Black Knight, a mortgage technology and data provider, says there are still 3.8 million people who would benefit from refinancing (30-year fixed-rate mortgage holder with a maximum 80% loan-to-value ratio, a credit score of 720 or more, and a likelihood of reducing their current first lien rate by at least 0.75%) and potentially save \$1 billion per month. But many MLOs and lenders have turned their attention to the purchase biz, so what are they doing? The current STRATMOR blog is, "[What's Next](#)" about how lenders and MLOs are shifting to a purchase-centric focus. And unfortunately, even "purchase business" has a solid percentage being done by investors, and thank you to Pam B. for forwarding Redfin's numbers on how [nearly 20 percent of buyers are investors](#). Lastly, you'd have to go far to find anyone predicting lower rates are ahead of us in 2022. Certainly they've gone up, and the recent [Freddie Mac PMMS](#) showed the average 30-year rate at 3.92 percent. *(Today's audio version of the commentary is taking today off for the President's Day Holiday but is normally [available here](#). This week's is brought to you by [Sagent](#), bringing the modern experience customers expect from loan originations to servicing with platforms that let consumers manage their home-owning lives from anywhere.)*

Employment

Berkshire Bank, headquartered in Boston, MA is expanding its mortgage and consumer lending businesses and is currently looking for a Vice President, Consumer Lending & Payments Compliance Officer. This individual will execute the compliance monitoring plan for the Consumer Lending & Payments business line. Identify and manage the development and implementation of respective compliance regulations and fair lending efforts for retail lending operations. They will participate in the development of policies, procedures, new products, and strategies. Manage the implementation of self-monitoring testing, conduct quality control reviews, prepare detailed analysis of results, and provide recommendations for correction actions. The candidate should have a minimum of 5 years of retail lending and servicing compliance experience, at least 1 year of supervisory/leadership experience, have knowledge of federal laws and regulations governing residential mortgage, home equity loan/lines and consumer loans. Must have excellent organizational skills, be analytical, a multi-tasker, a problem solver and strong attention to detail. If you are interested in learning more about the role reach out to [Kim Conroy](#) or apply [here](#).

"**Acra Lending** continues to grow as the industry's leading Private Mortgage Lender! We have the widest Non-QM program offerings like our 3, 12 & 24-Month Bank Statement, Investor Cash Flow, Business Purpose, ITIN, and Foreign National programs. In addition, we have recently launched Fix & Flip and Multi-Family programs. Our investment in technology and training provides the foundation for our team to achieve success and as we expand after a record breaking 2021, we are continuing that momentum through 2022. With our continued growth we are **looking to bring in additional talent** from [MLO's](#), [Correspondent BDO's](#), [Fix & Flip Account Executives](#), [Transaction Managers](#), [Underwriters](#), and more. Come build your career with a company that is committed to helping you achieve success and growth. Visit [joinacralending.com](#) to apply today."

FHA? It has multiple openings for a [Marketing & Outreach Specialist](#) (Communications) to advise as a technical consultant responsible for developing strategies, analyzing, and producing for communicating and marketing, and write comprehensive communications plans and supporting tactics, review and analyze written material. Or there's a [Supervisory Single Family Housing Specialist](#) (Quality Assurance Division) in Denver (up to \$124k/yr.).

Lender and broker products & services

According to a 2017 survey, [Americans collectively waste about \\$2.7 billion each year replacing lost items](#). While the cost of replacing a TV remote (the most commonly misplaced item) is negligible, losing track of documents pertaining to your home and mortgage can lead to disastrous consequences. By digitally storing each piece of a home's paper trail in one centralized platform, **HomeBinder ensures homeowners have direct access to their home's essential documents throughout the homeownership journey**. What's more, HomeBinder's platform provides the automation to intelligently ingest information from home inspection documents. This gives homeowners the ability to immediately review, schedule and track home improvement projects based on information drawn from their home inspection report. Don't treat former customers like lost causes. Instead, offer your borrowers a comprehensive home management

resource that creates clients for life. [Schedule a HomeBinder demo today.](#)

Hiring or firing processors as your business demands increase or decrease can be expensive and time-consuming. That's why wemlo offers flexible third-party processing so you have the freedom to scale month-to-month per your business needs. By outsourcing to wemlo's processors, you'll save on resources like benefits, onboarding, and management costs that are required to hire an in-house processor. [Schedule your demo today](#) to see how wemlo's highly trained, robust team of processors can help save you time and money. NMLS ID 1853218.

Take flight! [Freedom Mortgage Wholesale Division](#) is now offering up to a (0.625) improvement in VA & FHA FICO-based LLPAs. Plus! A (0.375) improvement on Conventional loans from \$400-\$499k and a (0.500) improvement on \$500k+ Conventional. *That's \$3,000 on a \$600,000 loan!* To learn more, check our rate sheet or email to have an Account Executive contact you at AskFreedom@FreedomWholesale.com.

The first widely used sewing machine was created late during the first Industrial Revolution. This critical invention transformed the world where only manual sewing had been used previously. A metaphor for modern-day CIOs who must automate the steps in their loan manufacturing process by stitching together a complex technology stack. **FeeWise™ is doing its part by empowering lenders to automate their disclosure process in a compliant, intuitive, and scalable way.** This critical business process is typically manual, error prone and therefore, costly. FeeWise provides complete control over a lender's unique fee and disclosure workflow needs. Join the growing list of progressive companies who have positioned for the future through disclosure automation. *Email info@mortgagecto.com to schedule a live demo and connect in person at kiosk #23 during the ICE Experience Conference in Las Vegas, March 14-16.*

Cloud-based [LoanMAPS](#), a fully integrated digital processing and underwriting system, will eliminate your need for a POS, a LOS, a CRM, report writer, and income calculator. Do you know your costs of your full-time employee? Does your Fintech truly improve streamline the work process and reduce your cost to produce? LoanMAPS does. With LoanMaps you can have confidence you will start the loan with an agency compliant AUS underwrite, and our workflow will have entry level mortgage bankers closing in no time! *"LoanMAPS is not about replacing people, it is about using technology to its fullest potential so that your employees can reach theirs."* -Take3Tech! In conjunction with our partner DocMagic, users can finish closing documents in 15 minutes. See more about how you can reduce your cost to close with the LoanMAPS [Closing Module!](#)

Conforming conventional changes never cease

Pennymac Correspondent Group released an adjustable rate program ([22-13: Release of Conventional SOFR ARM Program](#)) and is aligning with Fannie Mae and Freddie Mac's updates and is retiring the temporary COVID-19 self-employed income requirements for profit and loss (P&L) statements and business bank statements: [Pennymac Announcement 2-11: COVID Self-Employed Updates](#). [Pennymac Announcement 2-12](#) provided information on its updates to Conventional LLPAs effective for all Best Effort commitments. "Penny" posted updated Conventional LLPAs for Best Effort commitments 30 days and longer, as shown in [Pennymac Announcement 22-10](#), effective Monday, February 7th.

With the recent FHFA introducing new loan level price adjustments (LLPAs) for some Fannie Mae and Freddie Mac high balance and second home transactions, [Rocket Pro TPO](#)

Posted a summary of changes that went into effect February 1.

Flagstar Bank announced Conventional Temporary COVID Guidelines will be updated with the change noted in [Flagstar's memo 22018](#). New and existing LPA casefiles ran on or after January 31, 2022 are eligible for [Refi Possible Program enhancements described in Flagstar Bank memo 22016](#). It implemented FHFA's Agency Second Home and High Balance/Super Conforming loan level price adjustments for all lock periods. [Review Flagstar's memo 22019 for LPA Adjustments](#). Memo includes answers to frequent questions asked after a pricing announcement.

Flagstar Bank posted updates to Conventional Guidelines in [Flagstar memo 22020](#) related to retirement of LPA V4.8 and older, Homeview online education resource, Fannie Mae limited funds to close, and Freddie Mac borrowed funds secured by an asset. Flagstar Bank implementing the new loan level price adjustments on its conforming Fannie Mae One-Close Construction. These new LLPAs worsen the price and are in addition to the existing rate adjustments. [View Flagstar Bank memo 22020 for pricing information.](#)

Flagstar Bank updated the existing Agency Escrow Waiver and Agency State & Loan Amount MSR loan level price adjustment values, listed in the applicable grid in [Flagstar Memo 22025](#).

Effective with loans locked on or after Friday, February 18, 2022.

Fairway Wholesale Lending now permits Co-op properties for loans locked FNMA Agency Direct on TPO Brokered Loans. Eligible products include Standard Fannie Mae and HomeReady Products in DC, IL, and NJ. Co-Op Project Review completed by Fairway Wholesale Lending. Refer to the Fannie Mae Co-Op Guidelines for [full program guidelines](#), [accessible after logging into DRIVER](#). As announced by Fannie Mae and Freddie Mac, Fairway will be removing Conventional prior COVID policies previously published for self-employed borrowers effective immediately. [View Fairway Wholesale Lending Client Announcement 2022-02-04 for details](#).

FAMC Correspondent updated Conventional Conforming requirements including LPA Eligible Source of Funds and self-employed borrowers. [See FAMC Correspondent National Bulletin 2022-04](#) for additional information and all lock, delivery, and purchase by dates, if required.

AmeriHome and each of the Agencies, Fannie Mae, Freddie Mac, FHA, VA, and USDA, have published announcements providing temporary measures to address the impacts of COVID-19 (coronavirus). [AmeriHome Product Announcement 20220201-CL provides a consolidated summary of interim requirements](#). AmeriHome posted a General Announcement summarizing previously published changes made during January, [additional changes made with AmeriHome 20220111-CL announcement](#), and recent Agency and regulatory news.

Wells Fargo Funding changed its conventional conforming LTV/FICO adjusters, effective February 4, 2022, to reflect the market, risks, and associated costs more accurately for these transactions. [The itemization of adjusters is available in Wells Fargo Funding Announcement C22-005](#).

The GSEs (Government Sponsored Enterprises, aka, Freddie Mac & Fannie Mae) announced that changes to loan-level price adjustments (LLPAs) will apply to second home and high-balance loans. These LLPA changes are effective for all whole loans purchased on or after April 1, 2022, and for loans delivered into MBS pools with issue dates on or after Apr. 1, 2022. In order to align with FNMA/FHLMC's implementation date, while at the same time keeping consumers in mind with the intent to provide as much flexibility as possible and avoid implementing the fee where it is not necessary, **PRMG** will begin feathering in the revised price adjusters on applicable Conventional Conforming Second Home and High Balance transactions shown in [PRMG Secondary Marketing Update - FNMA/FHLMC Second Home & High Balance LLPA's](#)

First Community Mortgage Wholesale continues to follow COVID-19 updates and flexibilities in accordance with the Agencies. [Review FCM Announcement CV-22-1 for details](#). And FCM continues to follow COVID-19 updates and flexibilities in accordance with Agency. [Review FCM Announcement CV-22-1 for details](#).

Mountain West Financial revised information provided regarding FNMA 2021-03, retiring COVID-19 temporary requirements for borrowers with qualifying income derived from Self Employment provided the most recent federal income tax returns are not older than 2020. Standard Underwriting policies with respect to Self-Employment income may be followed. If the most recent federal income tax returns are dated before 2020, prior requirements must continue to apply, [which are now described \(unchanged\) in MWF attachment to bulletin 22W-016](#). Note: The temporary requirements for Verification of Self Employment continue to apply to all loans using Self Employment income to qualify.

Fifth Third Correspondent Lending Communiqué edition 1.6.22 includes information regarding Fifth Third's adherence to Fannie Mae and Freddie Mac temporary condo review requirements until further notice. Effective immediately, Fifth Third has resumed new locks for Broward, Miami-Dade and Palm Beach counties, Florida.

Capital Markets

Want MBS to trade in something other than dollars? The popularity of China's yuan as a currency for international payments is [growing](#) as trade between China and its Asian neighbors increases. Payments making use of the yuan have reached 3.2% of global market share. China would love nothing more than to have the yuan replace the dollar.

U.S. economic data released over the last week indicated an economy managing to forge ahead despite challenges faced from Omicron, supply constraints, and persistent inflation. Retail sales increased 3.8 percent in January, the most in 10 months to beat many analysts' expectations. Non-store sales led the gains as many consumers opted to shop from the comfort of home while spending at bars and restaurants declined. The spike highlights a steady appetite for merchandise such as cars and furniture, and might suggest consumers are buying big-ticket items before [interest rates](#) rise.

Meanwhile, the median price of an existing home rose 15.4 percent year-over-year to \$350,300 as supply shrank to a record low 1.6 months. The competitiveness of many markets as well as rising [mortgage rates](#) may be hastening the search for prospective homebuyers who are rushing to finalize their purchase before rates and prices move even higher. Labor and supply shortages, which are preventing many builders from starting construction on new homes, have resulted in a record backlog of homes waiting to be built. **For the moment**,

the challenges facing the housing market have yet to substantially slow buyer demand.

Existing home sales increased 6.7 percent month-over-month in January to a seasonally adjusted annual rate of 6.50 million, above 6.08 million expectations. There seems to be a push to buy homes as [mortgage rates](#) increase. This leaves unsold inventory at a record low, which is going to keep price pressures elevated and prospective buyers forced toward lower-priced homes in the face of higher [mortgage rates](#). Total sales in January were down 2.3 percent from a year ago.

Wire fraud is a huge problem for everyone in financial services. CoreLogic released its quarterly **mortgage fraud** brief for Q4 2021, which showed that the Mortgage Fraud Risk Index increased 10.4 percent from Q3 2021, and 26.7 percent from Q4 2020. Factors such as a significant decrease in loan application volumes for Q4 versus Q3 and more changes to the GSE financing policies for investment properties translated to increased risk in Q4. *More than half of the metros with the highest fraud risk were in Florida and California*, and 12 out of the 15 riskiest metros saw fraud risk increase over the past quarter. The full report can be found [here](#).

MBA's Builder Application Survey (BAS) data for January 2022 showed mortgage applications for new home purchases decreased 12.5 percent compared from a year ago, though applications increased by 10 percent, a positive sign to start the year. This change does not include any adjustment for typical seasonal patterns. The estimate of new home sales fell in January to its slowest annual pace since July 2021 as purchase activity for new homes continues to be concentrated in the higher end of the market. Overall sales prices continue to increase, evidenced by another record-setting month for the average loan size at \$427k. **No bond market today, so watch any rate sheets for conservative pricing.**

In honor of Abraham Lincoln, who was born on February 12, 1809, and in the past had his own Federal Holiday, a bit of real estate trivia. Lincoln, in 1862, signed [the Homestead Act](#) which made millions of acres of government land in 160 acre lots available to any male over 21 who could pay a small processing fee. How cool would that be now?

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