

Subservicing, Webinar, QC, Verification, Underwriting Products; 2022 trends; Ukraine Crisis Unfolds

By: Rob Chrisman | Thu, Feb 24 2022, 11:13 AM

Greetings from Little Rock, Arkansas (home of cheese dip, 1935)! George Thorogood's music is alive and well here, and a happy 72nd birthday to he who wrote the [lending anthem](#), "When I Do a Loan, I Prefer to be by Myself." While George is busy celebrating his birthday week, apps plunged to their lowest level in two years, and the CFPB released [a factsheet](#) on the interest rate that is used for calculating prepaid interest under the price-based General QMAPR calculation rule for certain ARMs and step-rate loans. Switching gears... Zoomed out? Me too. In person is so much better, although companies seem to be keeping pieces of technology from the work-from-home environment. For the past couple years, many of us have spent a portion of our workdays staring at screens featuring grids of their colleague's faces. [Teamflow](#) offers an alternative. (Nope, this is not a paid endorsement.) The remote-work platform allows companies to create virtual offices with desks, meeting rooms, and whiteboards. Users' faces appear as bubbles that can be moved around the virtual office, similar to a video game. When you want to talk to a co-worker, simply drag your bubble to theirs, a kind of virtual approximation of the much-missed spontaneous work conversation. If you're an ops manager in Atlanta and hired a great underwriter in Billings, this might be a good way to chat. (Today's audio version of the commentary is [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.)

Lender and Broker Products and Services

Homeownership remains the primary way most families build wealth in America, but [the homeownership rate of Black households is only 45.1% compared to 73.8% for white households](#). In the wake of a pandemic that has disproportionately affected the financial security of minority and working class Americans, [FormFree](#) is making it possible for lenders to adopt more inclusive underwriting practices that can help close the minority homeownership gap. FormFree's AccountChek helps more prospective homebuyers become homeowners as an authorized report provider for Fannie Mae's rent payment history underwriting initiative and Freddie Mac's Loan Product Advisor asset and income modeler (AIM) for income using direct deposits solution. FormFree has also signed the MBA's Home for All pledge to certify its ongoing commitment to addressing racial inequities in homeownership, expanding access to sustainable housing, and promoting diversity in the mortgage industry. [Find out how FormFree can help you do your part to expand mortgage loan accessibility.](#)

[A 500-pound black bear aptly dubbed "Hank the Tank" has captured national attention](#) for breaking into 28 California homes since July. Locals have tried everything from Tasers to paintballs to deter Hank, but he persists. While Californians struggle to protect their property from Hank's fearless appetite, VanDyk Mortgage keeps its customer database safe from hungry competitors by leveraging Sales Boomerang's borrower intelligence alongside Black Knight's Surefire CRM. Sales Boomerang automatically alerts VanDyk Mortgage advisors when someone in their database contacts a competitor. Alert history is then automatically added to the contact record in Surefire, enabling originators to make a meaningful, value-adding connection every time they reach out to a past customer or prospect. To find out how Sales Boomerang and Surefire have helped VanDyk Mortgage grow its refi business and improve customer retention, [download the free case study.](#)

Unburden your underwriters! Free up your underwriters from cumbersome income and asset calculations and help them get to more loans in less time by using [the best underwriting automation tools on the market](#). A product of Richey May and Zoral Group, this specialized toolset (powered by robust automation, OCR, and AI/ML capabilities) goes beyond mere validation of data points. It extracts data from borrower income and asset documents, performs complex analyses, checks for mismatches, flags malicious code, and supplies your team with a GSE fraud checklist and ongoing analysis, all without your processing and underwriting teams having to extract data from borrower documents and enter it into your LOS. Bonus: Support for a full range of borrower types and loan products, including self-employed, FHA, VA, jumbo, and non-QM. Want to see this powerhouse in action? [Sign up](#) for a demo today.

Want to remove backlog and gain efficiency with high-quality results in your due diligence and QC process? Maxwell Diligence uses technology and experienced underwriting talent to save lenders time and improve quality across due diligence and pre- and post-close QC. An impactful piece in Maxwell's Mortgage Optimization Platform, Maxwell Diligence eases the backlog issues and lack of consistent results lenders face today. Plus, lenders can rest assured: The solution is spearheaded by some of the industry's most tenured leadership, averaging over 20 years of mortgage operational experience. [Click here](#) to learn more about Maxwell Diligence or [set up a call with Maxwell today.](#)

"Our conventional underwriters move from 5-6 reviews per day, to 10 with Candor, a 100% efficiency gain!" Travis Rulle, FBC Mortgage.

That's because Candor's Autonomous Intelligence makes complex decisions with no human assist. "Candor is real AI. It has automated the capabilities of an underwriter." Shane Osborne, Hallmark Mortgage. With Candor you can banish margin & capacity worries. By programming underwriter expertise, Candor's AI technology makes a [1 UW touch on 70% of loans reality](#). >1,100 data cross checks identify data mismatches. One-of-a-kind ability to scrutinize information for integrity issues. A 49,000-defect resolution gauntlet to identify and resolve data and information defects. Decisions are warranted. 63 happy clients. It's hard to think of a reason to not contact Candor for more information. [Calculate your added profit here](#).

One thing has been made clear over the past two years: remote, digital processes are here to stay, and more businesses and professionals are leveraging the technological advancements available in remote online notarizations (RON) to securely sign and notarize documents. Black Knight's DocVerifySM digital document verification platform sets the standard for RON, as well as in-person electronic notarizations (IPEN) and signature capabilities. Certified and approved for use in most states without needing to download or install software for use, DocVerify can securely store and manage legally binding eSigned documents online across a variety of industries. Documents, confidential information, and electronic signatures are encryption protected. DocVerify's RON functionality accelerates turnaround times, reduces costs, eliminates the need to travel for signing and notarizing documents, and gives homebuyers greater access to closing documents ahead of their closing date, providing them more time to review materials. Find out more advantages [here](#).

"Growing purchase volume and increasing focus on non-QM means greater risk. As if that weren't enough, CFPB is tightening scrutiny. Sourcepoint can help you efficiently mitigate risk in this dynamic environment, so you can focus on growth. We recently acquired The StoneHill Group, the leader in Mortgage Quality Control and Due Diligence and whose services are accepted by the top rating agencies, GSEs, and hundreds of financial institutions across the country. Whether you are a large or small mortgage company or credit union, our proprietary platform helps you seamlessly scale loan QC operations. Not only that – you can eliminate staffing challenges by tapping into a global workforce and gain 24/7 access to subject matter experts, best practices, and performance data to take your operations to the next level. Best of all, you don't need to make any upfront capital investment. Start a conversation with our expert, [Donna Rowe](#)."

In subservicing, it's crucial to have a trusted partner. A partner who maintains a culture of compliance and always delivers rock solid service. While other subservicers may make you feel like just a number, TMS treats you as a valued partner, while delivering the level of care your customers deserve. Said Mario Ragazzone Jr., VP of Loan Servicing at EMM Loans, "We've made the right decision to form a subservicing partnership with TMS. We felt their expertise in loan servicing was aligned with our strategic direction and they offered consistent quality of service to our customer base." A partnership with TMS means you and your customers are in the best of hands. Come partner with TMS in putting the service back in subservicing. Ready to Grow Happiness? [Partner with TMS](#).

Company Sponsored Webinar

Industry Experts Reveal What 2022 Holds for Mortgage Compliance! Last week, ACES Quality Management hosted [a webinar](#) with ACES' EVP of Compliance, Amanda Phillips, and Practice Group Leader at Ballard Spahr, Richard J. Andreano Jr. Topics covered included the mortgage compliance outlook for 2022, servicing-specific 2022 compliance expectations, and a review of the CFPB's most recent supervisory highlights. The ACES QC Now webinar series is designed to share insights and tips to help quality management professionals stay informed of industry changes and navigate unpredictable times. Watch the webinar to formulate your compliance management strategy and learn key insights from our industry experts. Watch [the webinar](#) today!

The 2022 Market

The last two years have been quite a ride for the industry. What's next? In the new February Insights Report, STRATMOR Group Senior Partner Jim Cameron uncovers the trends and challenges lenders are facing as the mortgage industry moves into a "classic down cycle" market. In his article, "As the Mortgage Market Turns: Lender Perspectives on the 2022 Market," Cameron analyzes the data from the most recent STRATMOR Operations and Technology Workshops, providing details on cycle times, staffing levels, appraisal turn times, technology use, the customer experience and the industry's long-running conundrum: the "too busy vs. too poor" syndrome. It's all in [STRATMOR Group's February Insights Report](#).

Capital Markets

How are you keeping up with rapidly changing market dynamics? The [MCT Review](#) puts the most important capital markets information in one concise, actionable place. This week's edition looked at how the Federal Reserve scaling back its asset purchases will continue to affect [MBS prices](#) as well as some little-known cash benefits of bid tape AOT in a market deterioration. For those looking for additional material on how to best manage your business in a volatile environment of rising rates and shrinking margins, MCT recently teamed up with MBA Chief Economist and SVP of Research and Industry Technology, Mike Fratantoni, for a whitepaper [Understanding and Preparing for Changes in the Mortgage Market](#). To sign up for the MCT Review and receive a deeper look at general trends impacting the bond market

straight to your inbox, [join the MCT newsletter](#).

Turning to the bond market, [mortgage rates](#), and rates in general, are typically impacted by major surprise events around the world. After the Biden administration claimed a full-scale attack on Ukraine by Russia was imminent for the past three weeks, it finally happened. **Russian forces attacked targets across Ukraine** after President Vladimir Putin vowed to "demilitarize" the country and replace its leaders. The assault is sure to extend market turmoil in the United States and Europe, and risk appetite has deteriorated in response. The attack is no guarantee of rates dropping, as the hawkish rhetoric of late from major central banks means that volatility is going to persist.

Moves in Ukraine are definitely driving rates lower, and unfortunately, for anyone with a 401(k), equities are heading lower as well. The western reaction to the unfolding situation in Ukraine will likely be limited to economic sanctions. Russia, whose GDP ranks between South Korea's and Brazil's) has confirmed it was conducting a "special operation" to protect the eastern Donbas region (which it recognized as its own just days ago), citing the need to "demilitarize" Ukraine and accusing the U.S. of crossing its "red line" by expanding NATO. Russian cyberattacks are meanwhile hitting the country, with **Ukrainian officials citing an intensifying hacking wave of destructive software**.

Although overshadowed by Ukrainian news, today has a full scheduled calendar across data, Treasury supply, and FedSpeak. We've already received the Chicago Fed National Activity Index for January (+.69), **the second read on Q4 GDP (7.0 percent, up slightly)**, the core PCE deflator (), and jobless claims (-17k to 232k, continuing claims 1.476 million). Later this morning brings January new home sales, Freddie Mac's Primary Mortgage Market Survey, the Kansas City Fed manufacturing index for February, and an auction of \$50 billion worth of 7-year notes, a security that traders use to more accurately determine mortgage-backed security prices.

Today's FedSpeak could knock around rate hike odds around in regard to whether the Fed will go 25 basis points or 50 basis points at its March meeting. Remarks today will come from Richmond Fed President Barkin, San Francisco's Daly, Atlanta's Bostic, Cleveland President Mester, and Board Governor Waller. The NY Fed Desk will purchase up to \$3.1 billion in 30-year MBS. We begin Thursday with Agency [MBS prices](#) and the 10-year yielding 1.87 after closing yesterday at 1.98 percent.

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