

# Study on Prepayments, MLO Productivity, Compliance, Profitability Tools; Conforming Conventional News

By: Rob Chrisman | Thu, Mar 3 2022, 10:21 AM

I flew into San Diego yesterday for the [MCT Exchange](#), and it is hard not to notice the number of boats in the harbor. For some quick “fun with numbers” on recreational boating: The U.S. state of Florida has the highest number of registered recreational boating vessels in 2020, with almost 959 thousand, closely followed by [California](#). Hawai’i has half as many as Wyoming. In contrast, the District of Columbia had [the smallest number](#) of registered boating vessels, with just over two thousand in 2020. Keeping with the “numbers” theme, I receive my share of questions regarding mortgage-backed security statistics. Anyone doing research on them should check out FINRA’s [Reporting of Mortgage and Asset Backed Securities \(Securitized Products\)](#), a little dry but packed with information. I mention this because, as we know, soon the Fed is scheduled to stop buying MBS every week, and for those of you who like graphs, [here is the link](#) to the Federal Reserve’s balance sheet. Yikes! (Today’s audio version of the commentary is [available here](#) and this week’s is sponsored by [CWDL](#), providing industry-specific audit, accounting, and tax solutions that help you better understand the present so you can plan for the future. See what’s possible with CWDL. Today’s features an interview with Justin Demola, President of Lenders One, on how collaboration helps those in the industry.)

## Lender and Broker Products and Services

[PNC Bank](#) partners with [ActiveComply](#) for social media compliance! Created for the financial industry, by the financial industry, [ActiveComply](#) is an industry-specific social media monitoring platform that collates social media for IMBs, banks, credit unions, & more. [ActiveComply monitors profiles and post content 24/7](#) to ensure compliance and protect brand reputation. PNC saw an opportunity to demonstrate its commitment to technology and innovation by [adding this cloud-based solution](#) to its tech stack. Learn more about how [ActiveComply](#) helps you engage with social media safely and meet your compliance and archival requirements by [scheduling a personalized demonstration](#) today!

Podcast: How to prepare for a profitable 2022 in today’s challenging market. With Q1 coming to a close in a few short weeks, now is the time to create a plan to maintain profitability throughout the rest of the year. In the latest Clear to Close podcast episode from mortgage solutions provider [Maxwell](#), hosts Alan and Bryan speak with 33-year mortgage veteran Anthony Ianni about actionable steps lenders can take to combat margin compression and preserve their bottom line. From analyzing your P&L by loan to reexamining your product mix and partnerships, these steps can mean the difference between struggling margins and profitability. To prepare for a strong Q2 and beyond, listen to the Clear to Close podcast’s new episode on [Apple Podcasts](#), [Spotify](#), [Google Podcasts](#), or [your browser](#).

As we’re talking to mortgage leaders around the country preparing for the changing market, they are working hard to get Loan Officers to adopt the new habits that are required for success in a purchase money environment. We know that technology can drastically help LOs succeed. But remember, you must inspect what you expect. How engaged are your LOs with your technology providers and what does that mean for your Return On Investment? Mortgage leaders need to know the answer to these questions: What is your technology partner doing to move the engagement needle? How many times do your LOs login to their CRM daily, how many calls do they place weekly? How many leads are converting to applications? As you audit your technology stack, download a few free tools to boost LO success: [Tips for Beating Loan Officer Call Reluctance](#) and [3 Habits of Top Producing Loan Officers](#).

Home buyer & owner problem: With [YoY inventory down 17.5% and sale prices up 15.2%](#), you must give buyers world class home search linked to your salesforce so portals don’t steal them and they can write offers that close. And you must give owners a real-time view of home equity and ability to make informed home improvement, cash out, or sell/buy decisions. Real-time engagement solution: [House Canary’s ComeHome](#) for home buyers & owners.

For the first time since inception, MCT’s client-exclusive conference, [MCT Exchange](#), will provide a public live stream of its general sessions starting today at 8am PT. [Register now to view today’s live stream](#) where industry thought leaders will discuss recommendations and priorities in today’s market, the future of secondary marketing, and 2022 insights. The live broadcast will continue on Friday at 10am PT with a keynote address from Chris George, President of CMG Financial, followed by a MCT client panel featuring a discussion on originations in the post-pandemic era. [Register now to join the MCT Exchange live stream!](#) If you would like more information please [contact MCT today](#) or [join its newsletter](#) for future announcements.

## Conventional Conforming Updates

Freddie Mac's [Bulletin 2022-5](#) from yesterday addressed its Asset and Income Modeler, tax return policies, property insurance, and Home Possible program.

Fannie's [March Selling Guide update](#) from yesterday includes changes to single-close construction-to-permanent transaction requirements, adds Condo Project Manager™ (CPM™) status designations to align with the enhancements in the March 4 CPM release, and simplifies policy for the allowable interest rate permitted on a Community Seconds® transaction.

[MBA of New Jersey](#) provided members with [FHFA's news release](#) on its re-proposed minimum financial eligibility requirements for Fannie Mae and Freddie Mac (the Enterprises) seller/servicers. FHFA will collect industry feedback for 60 days.

[New Mexico Mortgage Lenders Association](#) posted information on FHFA's long-awaited proposal that would update the capital, liquidity, and net worth requirements for servicers of GSE-backed loans. These requirements largely would apply to IMB servicers, with certain additional requirements being placed on large servicers, those with servicing portfolios greater than \$50 billion. [A more detailed summary of the FHFA proposal](#), including how it compares to existing requirements and prior FHFA proposals is available.

Fannie Mae reminded folks about its updated uniform legal instruments, security instruments, notes, riders and addenda, and special purpose documents. Lenders can use the updated forms anytime but must use them for loans with note dates on or after Jan. 1, 2023. [Access the updated forms](#) and [Review the fact sheet](#). Refer to [SEL-2021-06](#) for details.

Wells Fargo Funding expanded policy on requirements for postponed improvement or repair escrows on conventional Conforming Loans and documentation requirements for VA Interest Rate Reduction Refinance Loans (IRRRLs) to allow a WebLGY screen print in lieu of the Certificate of Eligibility. Details are available in [Wells Fargo Funding Newsflash C22-008](#)

For all conventional loans approved through DU or LPA, Pennymac is aligning with Fannie Mae SEL 2022-01 and Freddie Mac Bulletin 2022-2 on the use of the new Desktop Appraisal (Fannie Mae Form 1004 Desktop/Freddie Mac Form 70D, Uniform Residential Appraisal Report) option in lieu of an interior and exterior inspection appraisal. View [Pennymac Announcement 22-17](#) for details.

And Pennymac updated Conventional ARM SRPs and Government LLPAs effective for all Best Effort Commitments taken on or after Wednesday, March 2, as follows: Update SRP values on 'Conventional Agency ARMs' Grid for both SRP – Conv with Impounds and SRP – Conv without Impounds tabs and Update values on the Government 'FICO Price Adjustments' LLPA Grid.

First Community Mortgage posted implementation date information regarding Freddie Mac & FNMA Desktop Appraisal Option. In [FCM Correspondent Announcement 2022-09](#) and [Wholesale Announcement 2022-10](#)

Effective Tuesday, March 1st, First Community Mortgage branded conforming and government loan guidelines will be removed from our Correspondent Knowledge Center. We will continue to follow Agency guidelines (FNMA, FHLMC, FHA, USDA, and VA) and post an FCM specific overlay resource guide outlining our overlays by category and agency product.

[FCM Correspondent Announcement 2022-8](#) and [FCM Wholesale Announcement 2022-9](#).

[AmeriHome Mortgage General Announcement 20220205-CL](#) summarizes previously published changes made during February, additional changes made with this announcement, and recent Agency and regulatory news.

## Capital Markets

What can mortgage pipeline rate lock data tell us about prepayment activity? Quite a lot – according to findings released in a new white paper from Optimal Blue, a division of Black Knight. This complimentary resource identifies a strong use case for rate lock data as a more concrete indicator of prepayment risk. Since prepayment prediction is a critical component of MBS and MSR valuation, this uncovering could bring game-changing impacts to the mortgage industry. [Read the white paper](#) today to discover how pipeline rate lock data could help inform your prepayment modeling.

Smarter intel for a tougher home buying market! As buying homes at the right price gets harder with [YoY inventory down 17.5% and sale prices up 15.2%](#), HouseCanary is your national brokerage to power intelligent analysis and buying. Create multiple local market Buy Boxes using [Acquisition Explorer](#) to filter and analyze live listings as they hit. Then run 3yr home value forecasts using market volatility, local income, and other factors to make smart decisions. [Demo here](#).

Rates: up and down and all around. Where they'll stop, no one will know. While the fighting in Ukraine shows no signs of abating, Fed Chair Powell headed to Capitol Hill yesterday where he said inflation is not transitory, the Fed is still planning to raise rates in March (and is prepared to move more aggressively at future meetings with a 50-basis point hike should inflation pressures persist), and the effects of the Ukraine invasion are impossible to model. Aiding the pullback yesterday was a very positive ADP jobs report: The economy added 475k

private employer jobs in February and the January number was revised upward from -300k to +500k.

Although the current focus of rates is on the Russian invasion, yesterday the Fed released its March Beige Book, which described the overall pace of economic expansion since mid-January as "modest to moderate" with some Districts reporting weaker demand in the hospitality sector. Consumer spending weakened since the last report while manufacturing grew at a modest pace. Supply chain issues continue to limit activity, especially in construction. Banks reported weaker financial conditions and no change in demand for loans. Some Districts reported difficult growing conditions. Employment increased at a modest to moderate pace while prices continued growing at a robust pace, due in part to rising input and transportation costs.

Today's busy calendar is already under way with some labor market indicators in the form of job cuts From Challenger for February (15,245, nearly a record low) and weekly jobless claims (-18k to 215k, continuing claims 1.476 million). We've also received Q4 productivity and unit labor costs (unchanged at +6.6 percent but labor costs were +.9 percent). Later today includes another trip to Capitol Hill for Fed Chair Powell when he testifies before the Senate Banking Committee on the Monetary Policy Report, as well as several more economic releases: final February Markit services PMI, February ISM nonmanufacturing PMI, January factory orders, Freddie Mac's Primary Mortgage Market Survey, and a mini-Refunding by the Treasury consisting of new 3s and reopened 10s and 30s for \$48 billion, \$34 billion and \$20 billion, respectively.

Besides the Fed Chair, today also includes two Fed presidents speaking, Richmond's Barkin and New York's Williams. The Desk will purchase up to \$2.9 billion of 30-year MBS ranging from 2.5 percent to 3.5 percent and the Treasury will conduct its last purchase operation of the week when they purchase up to \$1.6 billion 7-year to 10-year coupons. We begin the day with Agency MBS prices are +.125 and the 10-year yielding 1.84 after closing yesterday at 1.87 percent.

## Employment

Tomo is a purchase-focused Mortgage Lender founded by an all-star team of former Zillow, Microsoft, USAA, and Amazon executives. Tomo is currently looking for a Head of Compliance who will be responsible for the oversight, management, and maintenance of Tomo Mortgage's compliance management system. "Aside from the autonomy to review and evaluate compliance issues, this individual will regularly interface with and inform our executive leadership team as well as have the opportunity to build a comprehensive compliance system from the ground up. At Tomo, we thrive on collaboration and this role will work cross-functionally with individuals at all levels across the organization. We're transforming the mortgage industry and having a great time doing it. Come join us."

"Towne Mortgage Company continues to demonstrate strength and stability as a TPO lender and nationally acclaimed Top Workplace by Detroit Free Press. Our Account Executives have unlimited opportunities in all channels: Wholesale, Non-Del, and Full Delegated offering single AE territories in large markets. Towne offers an extremely competitive compensation and benefits package to our Account Executives. We provide our Sales Teams with a full FNMA/FHLMC/GNMA agency product set, renovation (203K & FNMA HomeStyle), manual underwrites, Jumbo products with full delegation, and more! Let Towne's years of experience in this space help you generate more business from your clients. Towne also offers flexibility based on client needs and can provide all in-house fulfillment from disclosures to retention of loan servicing. Towne is interested in filling open territories across the country. Please send your confidential inquiries to Mark Zierott."

As you keep your eyes peeled for Leaping Leprechauns this month, consider this: Why do top-producing Branch Managers and Loan Officers make the leap to Supreme Lending? Supreme has welcomed some of the industry's best to its team over the past several months: top producers looking for more than just a pot of gold at the end of the rainbow. Growth from recruiting tops nearly every list of reasons to make the move to Supreme. The Dallas-based independent lender has one of the largest Recruiting Departments in the industry, a team of 30+ full-time, experienced recruiters who were responsible for more than \$4.25 billion in funded volume in 2021. As Supreme's 450+ branches nationwide build their teams and increase their production, key decision-making and control remains at the local level, providing the autonomy that top producers desire. If you're interested in becoming another lucky member of the Supreme Team, contact National Production Manager Ryan Baxter.

In an organization or company, Core Values are an answer to an important question: "What do we expect of one another"? And when you land on that you have identified your culture, your brand. Shamrock Home Loans EVP of National Sales, Bruce Weltin shares his company's core values, the things expected of his staff: Consistent daily demeanor, Heart for people, Positive influence, Resourcefulness, and Intellectual curiosity. This quick video introduces you to Bruce. Shamrock is looking for loan officers and branch managers that fit these Core Values. Contact us today to see if you're a fit at [info@shamrockhomeloans.com](mailto:info@shamrockhomeloans.com).

Planet Home Lending is proud to be honored and recognized by Fannie Mae as a 2021 STAR (Servicer Total Achievement and Rewards™) Performer, and this is huge news for MLOs. Come work for a company with expertise in both General Servicing and Solution Delivery, a dual accolade shared with only 10 of our peers across the industry. Planet's speed and simplicity, which support a superior end-to-end client

experience, are the reason [Planet Home Lending](#)'s January retail customer recapture rate was an incredible 73.9%. Keep your customers for life with analytics-driven marketing that knows when your customers are in the money and directs them back to your pipeline. [Watch our Retail Sales Leader Caleb Mittelstet](#) talk about why originators are moving to Planet. Then send a note to [Caleb](#) or SVP Talent Acquisition [Brian Miller](#). Grow your business with Planet Home Lending – Right Place, Right Size, Right Now!

A long-time industry veteran [Deborah Gadberry](#) was appointed as the new Director of Third-Party Origination Sales for [First Federal Bank](#). She is also the President Elect for [Tennessee Mortgage Bankers Association](#). Congratulations!

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