

# Retention, Broker, Underwriting, Warehouse Products; New Non-QM Wholesaler; Ukraine Driving Rates

By: Rob Chrisman | Fri, Mar 4 2022, 10:28 AM

Yes, it's March 4th... the only day that is a command for us humans. We thought it was our ability to love that made us human, but it turns out that it is actually our ability to select each image that contains a traffic light. (Put another way, to prove to a robot that we are not a robot.) Underwriters know a thing or two about human nature, and about collateral. This morning I leave San Diego, recently in the press for "de-throning" San Francisco as the [least affordable city in the United States](#). Do your underwriters care if the loan is on a townhome? (Think single-family dwellings with at least two floors that share a wall with another house, each individually owned.) If they do, you should know that townhome construction has surged in the last year or so. By the most recent numbers, townhomes now make up nearly 13% of all single-family starts and have notched a 38% uptick in just a single year. Why? [Follow the money](#). Oh, and larger homes are coming your way, as they have been for a while. Recent data from the NAHB confirms that the size of new single-family homes [continues to increase](#), likely to allow homes to serve multiple functions for homeowners. (Something tells me this doesn't fall into the "affordable housing" category.) 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 has an Interview with Ian Goldsmith, SVP of Product Management, MeridianLink, on all things automation in the mortgage industry.

## Lender and Broker Products and Services

While the 1-month LIBOR remains in use until mid-2023, Flagstar Bank has gotten out ahead of transitioning away from it today. Why? Simple: to make sure you're able to choose the best possible benchmark index for you. When you establish a new warehouse line with Flagstar, you can choose from Prime, Term SOFR, or the Ameribor® index. Current clients make this selection at their annual relationship review. And that selection is backed with service that's always personalized, always on point. Flagstar is the second-largest warehouse lender in the nation for a reason: they've been on the leading edge of the space for over 30 years. And now, they're doing everything possible to make your transition from LIBOR seamless. Learn more about how Flagstar is helping originators transition to a new benchmark rate for their warehouse line. Visit [flagstar.com/libor](http://flagstar.com/libor) or reach out to [Jeff Neufeld](#) to begin a conversation.

National MI Director recognized by Training magazine! [National MI](#) announces that [Ralph Remy](#), Director of Client Digital Experience, has received a 2021 Emerging Training Leaders award from Training magazine. The award recognizes 25 training professionals who inspired and engaged their organizations with exceptional leadership skills, business acumen and innovation. One of Remy's most significant achievements at National MI has been conducting "Engaging the C-Suite Training," working with the company's sales advisors to connect either virtually or in-person with the executive leadership at their mortgage lender customers' corporate offices. Remy leads the client digital experience function, which includes both internal sales enablement training and external training initiatives for National MI's lender customers throughout the country. The award winners are profiled in the March 2022 issue of [Training magazine](#).

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, and jumbo. Want to see this powerhouse in action? [Sign up](#) for a demo today.

So many brokers are taking advantage of [Rocket Pro TPO's](#) Purchase Power Play! Now through March 15, 2022, get a 30-bps credit. That's industry-leading pricing, and it's on ALL primary residence purchase loans, including jumbo and high-balance loans, which have a FICO at or above 740 and an LTV at or less than 90. This powerful pricing the perfect way to help your client start the spring purchase season the right way. Price it out and compare. Talk to your AE today and go to [RocketProTPO.com](http://RocketProTPO.com) for more info. You don't want to miss on this deal.

Dating can be a pain. However, for people with chronic headaches, falling in love may actually offer substantial relief. [According to Stanford medical research](#), the "love hormone" oxytocin significantly reduced headache pain for 50% of subjects. Speaking of huge reliefs, VanDyk Mortgage found the perfect tech pairing for relieving its customer retention headaches in Sales Boomerang and Black Knight's Surefire CRM. On March 8 at 1 pm ET, Sales Boomerang's Alex Kutsishin will meet with VanDyk Mortgage's Steve Richman and representatives from Surefire CRM to give the inside scoop on how Sales Boomerang's borrower intelligence and Surefire's comprehensive CRM system

helped VanDyk Mortgage identify \$843 million in potential loan volume that would otherwise have gone overlooked. [Register for the free webinar to find out more.](#)

## Broker and Correspondent News

[Champions Funding LLC](#) joins the Non-Qualified Mortgage (Non-QM) marketplace to “empower mortgage brokers with a variety of wholesale loan products geared for their diverse customers who have non-traditional credit profiles, and cannot get approved with standard financing, or belong among the nation's most distressed communities... The demand for alternative lending solutions is booming. The company's flagship products allow the broker community to tap into a \$1 Trillion market and serve the historically underserved communities across the nation.”

PRMG announced its new time-saving feature, Automated Disclosures. [Access PRMG's new training materials for automated disclosures details and instructions.](#)

Rocket Pro TPO has a great tool to help boost purchase business: [PathfinderSM by Rocket](#). Use it to review these recent product changes and identify new ways to deliver solutions to more clients.

The IRS is moving from manually processing 4506-C forms to an automated process through Optical Character Recognition (OCR) software, changing how the 4506-C will be accepted.

To comply with the new changes outlined, beginning February 07, 2022, initial disclosure packages prepared by [Fairway Wholesale Lending](#) will include a single 4506-C form drawn in the name of the Primary Borrower only. Details can be located in Fairway Wholesale Lending Client Announcement 2022-02-17. And Fairway recently rolled out a new e-signature available in all states. Log into Fairway Wholesale Lending's Driver to download the guide for your borrowers.

[Fifth Third Correspondent Lending Communiqué edition 2.18.22](#) includes the expiration of COVID self-employed requirements provided that the most recent complete federal tax returns in the mortgage file are not older than 2020. Fifth Third will accept loans where DU uses the average median score must still meet any minimum FICO required per the product guidelines.

PRMG issued a reminder that appraisal fees updates are scheduled to be in effect 2/14/22. The updated Appraisal Fee Schedule are posted in [PRMG Update 22-03](#). Loan should be disclosed with the higher fee immediately. And posted policies, procedures, and information in PRMG Update 22-02 including the addition of and updates to Snapdocs features, updated Day 1 Certainty– The Work Number Instructions Underwriting, lock policies, PRMG insurance requirements, multiple updates to general forms and the VA Calculator Tool. A Prepay Penalty Calculator (Expanded Access and Investor Solution) has been added plus updated Expanded Access Business Narrative, Symmetry Investor Solution Certification Form, HELOC Worksheet, Disaster Notices.

Choose from a 3%, 4%, 5% or 6% at Land Home Financial Services FHA Within Reach™ Down Payment Assistance Program. 100% Forgivable Down Payment Assistance, Manufactured Housing Allowed, No First Time Home Buyer Restrictions. Increase your purchase loan business with [Land Home Financials' FHA Down Payment Assistance Program Within Reach™](#).

Pennymac chose Delayed Financing as its February Product Highlight. Delayed financing is a unique financing option that allows homebuyers to obtain a mortgage loan after purchasing a property in all cash. Discover the ins and outs in [Pennymac Announcement 22-09](#).

New controls have been implemented in loanDepot's mello to support the New Jersey Residential Mortgage Lending Act (“RMLA”) that limits the types of fees that may be charged by a mortgage lender to a borrower. Effective for new applications created on and after February 8, mello will not allow the entry of a borrower charge for any of the fees listed in the New Jersey Prohibited Fee Policy. [For additional information and the list of NJ prohibited fees, access loanDepot's February 14 WNTW.](#)

[Wells Fargo Funding Newsflash C22-007](#) provides an updated list of vendors approved to provide life-of-loan flood zone determinations to reflect various companies' name and operating changes. Additionally, to ensure guidelines are clear and concise, several updates were made to the Wells Fargo Funding Seller Guide for Non-Conforming Loans. There were no changes to policy, [view Wells Fargo Funding Newsflash C22-003nc for details.](#)

[Wells Fargo Funding Newsflash C22-009](#) provides information on expanded condominium (condo) and cooperative (co-op) project condition questionnaire requirements, removal of CoreLogic Valuation Solutions as an authorized appraisal management company (AMC). Also noted in the newsflash, loans that have already completed a principal curtailment and recast of principal and interest payment are ineligible for purchase by Wells Fargo Funding.

Preparing for Tax Day. Read [Flagstar Memo 220262](#) for 2021 Tax Year Filing Requirements.

AmeriHome is updating the Non-Delegated Loan Submission Form and Non-Delegated Loan Submission Form for Non-Agency Loans to provide the most recent documentation requirements with loan submissions. See [AmeriHome announcement 20220203-ND](#) for details.

### Capital Markets: Ukraine Conflict Takes Center Stage

The Fed certainly finds itself in a tight spot, grappling with U.S. inflation (which can be dampened by higher rates) and the Russian invasion of Ukraine (causing a flight to quality and lower rates). Federal Reserve Chair Jerome Powell said the current economic conditions support a 25 basis-point rate increase this month but did not rule out the potential for a bigger hike. "To the extent that inflation comes in higher or is more persistently high than that, then we would be **prepared to move more aggressively** by raising the federal funds rate by more than 25 basis points at a meeting or meetings," Powell said.

[Mortgage rates](#) finally declined ahead of today's jobs report as traders continued to weigh the impacts of the war in Ukraine. The Russian invasion seems to have made it easier for central bank policy makers across the globe to raise rates gradually and methodically, without upsetting any apple carts. As the war enters its second week, calls to hike rates dramatically have faded and a 25-basis point increase is what the market is expecting.

In his second day of congressional testimony, Fed Chair Powell said that the decline in labor force participation is "certainly something that's now contributing to wage inflation and actual inflation and to the labor shortage that we're currently seeing." He also emphasized to a Senate panel that the central bank is prepared to increase faster if need be. Cleveland Fed President Mester echoed that message, saying yesterday that the uncertainty of the **Ukrainian conflict also adds upside risk to inflation**, which could cause the Fed to react more decisively.

Looking at wage inflation and labor shortages, today's jobs report was forecast to show average hourly earnings rising 5.8 percent year-over-year, the strongest in data going back to 2007, excluding two pandemic-distorted prints in 2020. And make no mistake, wages are the key number to watch in the jobs report. Many workers have not seen their incomes keep up with inflation. High labor costs would be yet another factor for the Federal Reserve to contend with as it prepares to raise [interest rates](#) to tamp down inflation.

As I alluded above, [mortgage rates](#) slipped not only yesterday, but also in the latest Primary Mortgage Market Survey from Freddie Mac with markets trading risk-off amid the Russian invasion of Ukraine. For the week ending March 3, the average 30-year and 15-year fixed [mortgage rates](#) fell 13-basis points to 3.76 percent and 3.01 percent, respectively. Today's highlight is the employment report for February. As the labor participation rate ticked up, nonfarm payrolls were +678k, much higher than expected, hourly earnings were flat (on the year +5.1 percent), and the unemployment rate was 3.8 percent. Today's lone Fed speaker sees Chicago's Evans delivering remarks, and **the NY Fed Desk will purchase up to \$2.6 billion of conventional MBS**. We begin the day with Agency [MBS prices](#) better by .250 and the 10-year yielding 1.78 after closing yesterday at 1.84 percent.

### Employment and Promotions

"Don't let your success of today lay you into complacency for tomorrow. For that is the worst form of failure.' (OG Mandino) Ready to build the life and business of your dreams? Is that possible with your current company? It's easy to be held back by your situation and just accept that things are pretty good. We're focused on taking Branch Managers from 'pretty good' to 'great!' Find out how a branch can go from \$42M, to \$98M, to \$223M in just 3 years. Spoiler alert: It all started with a confidential phone call. Our transition plan removes the pain of changing companies, our platform encourages the vision of your future, and our leadership supports you in taking over your market. It's time to take the next step in your career! Contact [Anjelica Nixt](#) to forward your note and schedule a completely confidential conversation.

Intercoastal Mortgage announces branch expansions in the Carolinas and Florida. [Intercoastal Mortgage Company](#) was founded in 1987 and has ranked among the top mortgage lenders in the greater Washington DC area for the past three decades and closed over \$5.6 billion in volume in 2021. "We are excited to continue our growth in the North Carolina, South Carolina, and Florida markets by providing mortgage professionals with innovative construction lending products along with cutting edge technology solutions so they can level-up their business" said Josh Burruss, Executive Vice President, Chief Lending Officer. "Intercoastal Mortgage has expanded to 18 branch locations through a customer centric approach that provides a world class experience for borrowers." For more information, please contact [Josh Burruss](#). Intercoastal Mortgage, LLC NMLS #56323 (formerly Intercoastal Mortgage Company) is an equal housing lender.

A regional retail lender headquartered in the Southeast is searching for a candidate to run its secondary/lock department. The position can be remote. Responsibilities include daily management of pricing engine and lock desk, managing hedge activity, handling loan sales, and providing analysis, insight, and recommendations to Senior Executive Team. Those interested should [contact me](#) to forward your note.

[Union Home Mortgage](#) (UHM) announced the promotions of Bryan Wright to VP of National Sales, Cyndi Garza to VP of National Business Development, and Steve Runnels to VP of Retail Sales, East Division. Congratulations to all!

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