

Borrower, Disaster Alert, Verification, Processing Tools; Non-QM and Non-Agency Product News

By: Rob Chrisman | Tue, Mar 8 2022, 10:40 AM

This morning I am heading to [Knoxville](#) to visit with the local chapter of the Tennessee Mortgage Bankers Association. On my way I received an email asking, "I'm trying to place a high bal loan on a manufactured house on acreage. Any suggestions?" Nope, no suggestions. This is not an ad, but you should start with [Mortgage Elements](#): enter the state, and then the program, and see who's doing what. And what about information on warehouse lending, and what it is telling us about the current lending environment? The Mortgage Bankers Association has [its survey](#). The MBA's Chart of the Week from mid-February showed that the average usage level of first-mortgage warehouse lines (the percentage of outstanding borrowings to warehouse facility limits) fell for the sixth consecutive quarter to 38% as of the end of the fourth quarter of 2021. It was the lowest usage level since the inception of the survey in the second quarter of 2018. Meanwhile, at the other end of the industry, a panel at MCT's Exchange discussed the exponential MSR portfolio growth in the last few years. Anyone with a financial interest in that asset are actively managing the mortgage servicing rights through watching speeds, stress testing, and cash flow analysis, and hoping to use the income and balance sheet boost as a cross hedge for lower production, margin compression, revenue, and balance sheet declines in other areas. And plenty more servicing sales are expected in 2022.

(Today's audio version of the commentary is [available here](#) and this week's is sponsored by [SimpleNexus](#), an nCino company and award-winning developer of mobile-first technology for the modern mortgage lender.)

Lender and Broker Products and Services

"If serving others is beneath you, leadership is beyond you." These words of wisdom are central to [FormFree](#), a fintech leading the charge to revolutionize the way lenders understand borrowers' true ability to pay (ATP). FormFree helps lenders reach traditionally underserved markets with its AccountChek asset, income, employment, and rental verification solution that helps improve the homebuying power of borrowers with thin credit files, who are disproportionately people of color. To learn more about how FormFree can help improve financial inclusivity, drop by the FormFree kiosk next week at ICE Experience or schedule a meeting with [Gregg Palmer](#).

Momentum. Integration. Innovation. Stewart continually integrates leading-edge technology into its forward-looking model of service and real estate industry expertise, and is excited to launch Remote Choice™, a closing solution that enables your borrowers to close where and when they want. Remote Choice combines the scale of Stewart's 500+ title offices with a national network of notary signing agents. Using NotaryCam™, the eClosing/RON platform, Remote Choice allows your borrowers to close at a Stewart office, remotely with a mobile notary, or online. Visit [Stewart Lender Services](#) at upcoming events like CBA Live, TMC Days & Mami Nights and ICE Experience 2022, or contact [Rich Kuegler](#) to learn how [Stewart's end-to-end real estate expertise](#) can improve your customer experience.

Tired of babysitting your loans? Leave back-office work to wemlo!, whose cutting-edge processing platform is transforming the mortgage brokerage channel, so you are able to focus more on revenue-generating activities and strengthening your personal brand. By outsourcing your workload to wemlo's team of superstars, you'll benefit from flexible processing at the pace of your business. What does third-party processing mean for your bottom line? Save time, money, and stress as you scale your team month-to-month based on demand as opposed to the headache of hiring an in-house processor. [Schedule your demo today](#) to see for yourself how wemlo simplifies and streamlines the entire mortgage transaction. NMLS ID 1853218.

When Lori Brewer created the [LimeGear](#) business intelligence platform in 2019, it swiftly made waves in the mortgage industry as a low-maintenance solution that provides near-real-time information about loans and employee performance. Envisioned as a user-friendly means for lenders to understand and harness operational data, user input has informed LimeGear's development from its inception to this very day. Now a part of SimpleNexus' product lineup, lenders' valuable feedback has culminated in LimeGear's biggest transformation yet! The full news is too big to cover here! [Listen to SimpleNexus' Lori Brewer unveil the next generation of the business intelligence platform in tomorrow's episode of the Robbie Chrisman podcast.](#)

UniversalCIS | Credit Plus, the leading verifications provider for the mortgage industry, announced last week it has rebranded as [Xactus](#). The strategic move reflects the company's evolution and the tremendous growth it has experienced over the last two years due to the recent mergers of Credit Plus, Universal Credit Services, CIS Credit Solutions, Avantus, DataFacts Lending Solutions, and SharperLending. In addition to its new name, the rebranding effort also includes the development of a new logo, website, key messages, and tagline, "Advancing the Modern Mortgage," which speaks to Xactus's focus to be an innovative and transformative force in the mortgage industry. Take a quick minute to [view this video](#) and learn more about status of the industry's evolution, what Xactus can help lenders accomplish, and why it is uniquely capable of advancing the modern mortgage.

When a natural disaster strikes, how do you know which properties in your pipeline or portfolio may actually be affected? FEMA declares the impacted region a “disaster area” using county boundary designations. But natural disasters do not always affect all properties within those boundaries. To help you reduce your financial exposure and provide better borrower support during a disaster, Black Knight offers Disaster Alerts. This innovative solution leverages multiple sources to pinpoint the specific impacted properties. The alerts enable you to focus only on those properties in the impact zone, helping minimize on-the-ground property inspections and save time and money. And, since the data is updated in near-real-time as the disaster unfolds, the solution helps you make the most informed decisions about how to best proceed with loans in your pipeline. To learn more, download our complimentary whitepaper [Natural Disasters and the Impact on the Mortgage Industry](#).

A missing cow was found safe (albeit confused) on an Australian beach last week. The bovine [washed ashore after being swept miles downriver from its farm by floodwaters](#). Rather than allowing a flood of competition to sweep away its customers, VanDyk Mortgage revamped its customer retention strategy with Sales Boomerang and Black Knight’s Surefire CRM. As a result, the lender found \$843 million in potential loan volume that would otherwise have been overlooked. Too good to be true? On March 8 at 1 pm ET, VanDyk Mortgage’s Steve Richman will offer an in-depth look at how combining automated borrower intelligence with a comprehensive marketing automation engine helped his company maintain lasting customer relationships without putting undue strain on its mortgage advisors. [Register for the free webinar to learn more.](#)

Non-QM and Non-Agency Products and News

[Verus Mortgage Capital](#)’s flexible Investor Solution Loan Program is the perfect product for income property purchases that require specialized mortgage financing. Verus offers competitive investment property programs to a wide range of qualified buyers. In fact, if you’re really ready to grow your mortgage volume, you should check out all of its non-QM loan programs. As the largest issuer of securitizations backed by non-QM loans, Verus offers a variety of programs for self-employed, foreign nationals, investors, credit challenged, higher-balanced loan mounts (JUMBO), and more that can answer all of your lending needs. Partner with the leading non-QM investor and expand your borrower base and increase your loan volume. [Contact Jeff Schaefer](#), Executive Vice President – Correspondent Sales, to learn more.

“Attention brokers: [IMPAC](#) is aggressively working to help you qualify more borrowers. IMPAC has expanded FICO/LTV buckets and [our programs](#) are now among the most competitive in Non-QM lending, including DSCR loans with LTV up to 85% for purchase and rate/term refinances, and interest only loans available with FICOs as low as 660. For our Full Doc/Agency Plus or Bank Statement programs, cash-out refinance is available for primary residences up to 85% LTV on loan amounts up to \$2M. As a pioneer of Non-QM, Impac has over 25 years of experience and a proven track record in alternative credit and non-agency lending. Our brokers learn how NQM is in our DNA through our fast underwriting, intuitive tools, and reliably quick customer service. Your files will be handled by a completely in-house underwriting team that understands the unique needs of your NQM borrower. [Become an approved broker](#) today. NMLS #128231.”

“Need an exception on a Non-QM loan? We make exceptions on nearly 40% of our Non-QM fundings and nearly 1/3 have multiple exceptions. Purchase season is upon us and now is the perfect time to consider our full spectrum of Non-QM purchase loans including our DSCR loan the Carrington Investor Advantage. If you have borrowers who just miss qualifying for a conventional or government loan and/or have been turned down by another lender, we’ll work quickly to provide a solution to fit their needs. Did you know our Non-QM Operations team is dedicated to Non-QM loans only? Non-QM is different from government and conventional loans. So, our account managers, underwriters, and loan setup specialize in Non-QM loans. Some loans close in a little as 14 days. Contact [Carrington Wholesale](#) or [Carrington Correspondent](#) for more information or if you have questions about Non-QM.”

The non-QM space continues to grow. [Verus Mortgage Capital](#) (VMC), a full-service correspondent investor offering residential non-QM and investor rental programs, was the largest non-QM issuer in 2021, financing more than \$5.4 billion in non-QM loans including 11 total securitization transactions, three of which were refinance transactions totaling \$1.37 billion. Since its inception, Verus has financed approximately \$14 billion across 32 rated securitization transactions, cementing its position as the largest non-QM issuer since 2017. In 2021, Invictus was able to take advantage of the low interest rate environment and exercised the optional redemption of eight securitizations with the goal to reduce the financing cost in its loan portfolio.

Citi Correspondent Lending recently posted multiple credit policy updates including self-employed income documentation on Agency Transactions. Non-Agency wage income verification & self-employed income documentation. Various policy updates on Non-Agency transactions include incidental cash back on Rate Term Refi’s, and removal of tax return requirements on commission income. Additionally, [Citi Correspondent Lending Bulletin 2022-03](#) includes fees owed Citi Notice and clarification regarding requirements for obtaining signatures on tax returns.

Wells Fargo Funding corrected verbiage in its policy for Non-Conforming Loans with alimony and separate maintenance payments as shown in the table located in [Wells Fargo Funding Newsflash C22-005nc](#). Additionally, in Newsflash C22-004nc, dated February 22, 2022,

Wells Fargo Funding announced several policy expansions to the Non-Conforming Loan program, which included \$3 million maximum loan amounts. The correct information was published in the Wells Fargo Funding Seller Guide (Seller Guide), so there are no changes to policy.

Mountain West Financial Wholesale is now offering Asset Depletion on the Jumbo L2 product as a means of qualifying potential borrowers. Find out more in the [MMF Wholesale Bulletin 22W-028](#).

First Community Mortgage Wholesale guideline updates for Summit/Peak are effective immediately for all new loans and all loans currently in the pipeline. For more information, [view FCM Wholesale Announcement 2022-6](#).

Capital Markets: Narrative Shifts Back to Inflation

“Treasures pulled back and the spread to MBS widened” to open the week, which should mean [mortgage rates](#) dropping lower are on hold for the time being despite continued fighting in Ukraine. But of **bigger concern to the average American consumer yesterday were inflated prices**, especially at the gas pump and in the grocery market. Even with the **Fed signaling it will raise rates at the Federal Open Market Committee meeting next week** to help curb inflation, buyers are expected to soon become more careful about splurging on expensive items.

Today's economic calendar is already under way early with the release of the NFIB Small Business Optimism Survey for February (missing estimates at 95.7). Today also has the January trade deficit (expected to total \$86.8 billion versus \$80.7 billion previously), wholesale inventories and sales for January, and a Treasury auction of \$48 billion 3-year notes. The Desk will purchase up to \$2.6 billion of conventional MBS and up to \$1.8 billion of 22.5- to 30-year Treasury coupons. We begin the day with Agency [MBS prices](#) worse .375 and the 10-year yielding 1.85 (after closing Monday at 1.75 percent), continuing the grind toward higher rates.

Employment

“Do we think [Motto® Mortgage](#) is the perfect place for LOs to thrive? Absolutely. But it's one thing to hear that from a marketing team. It's another to read it from those who live and breathe loan origination every day within the Motto network: ‘Do you want the ability to take care of your clients in changing marketplaces? We have the flexibility and the tools to provide our clients with the best in the market, no matter what.’ Dustin E., Motto Mortgage Franchise Sr. Loan Originator. ‘I've been on the bank side for most of my career. On the brokerage side we have more options we're able to offer.’ Chuck S., Motto Mortgage Franchise Owner/Loan Originator. Motto Mortgage offices are hiring LOs all over the country, with a specific focus in MO, NJ, WI, SC, NV, MA, and GA. To take the first step, [start here](#).”

Synergy One Lending, Inc., a lender committed to The Modern Mortgage Experience™, has announced the beta launch of S1 FinFit. This financial wellness app, allows loan officers to stay top of mind with their customers, generate leads, and nurture homebuyers towards mortgage readiness, building confidence and trust. S1 FinFit allows consumers to monitor their financial activity all in one place, with tools for budgeting, credit score monitoring, access to products such as Synergy's [Blockchain HELOC](#), and more. “S1 FinFit exemplifies our commitment to innovation, adding more valuable information to our customers and arming our originators with technology that truly empowers them to make a difference in their consumer's lives” says CEO Steve Majerus. To learn more about S1 FinFit and why so many top producers are choosing Synergy One, please contact [Aaron Nemeč](#) or [Ben Green](#).

Deloitte's Securitization Capital Markets Services team, focused on helping its clients successfully execute capital markets transactions, is [looking for a consultant](#) with MBS experience.

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