

Company Sponsored Events, Compliance Products; Pool of Loans for Sale to CUs; CFPB and UDAAP

By: Rob Chrisman | Thu, Mar 17 2022, 10:10 AM

Walking around Memphis yesterday got me to thinking, "I wonder what the part of my brain that used to store people's phone numbers is doing now." Maybe being used to store cool ads like the one in the joke section below, or lyrics of old songs? Thank you to VanDyk Mortgage's [Steve Richman](#) who reminded me of Mott The Hoople's "[All The way From Memphis](#)." In 1973, when that song was released, the Fed Funds rate hit a high of [11.22 percent](#). Inflation can be harsh. Are you thinking about the price of food and gas a few months ahead of summer vacation season? You're not alone. Millions of families are wondering what vacations are going to set them back this year, and possibly reconfiguring plans to spend less. Dramatic inflation can have that affect. I bring this up because, as was widely expected given the constant attempt to keep the U.S. economy stable, and battle against runaway prices, the FOMC raised the target range for the fed funds rate by 25 bps at yesterday's meeting. But the marked upward shift in the so-called "dot plot" indicates that many Committee members believe that a "significant" amount of further tightening will be warranted this year. (Today's audio version of the commentary is [available here](#) and this week's is sponsored by [Candor](#), AI that puts your underwriting on autopilot.)

Lender and Broker Products

In today's market, originators are likely looking for investor partners who can drive efficiencies, provide trustworthy financing and help you drive cost out of your operations. AmeriHome Mortgage, the number one bank-owned correspondent investor in the country, and their parent company, Western Alliance Bank, invite you to access an exceptionally strong suite of correspondent lending and warehouse banking resources from one responsive team. In addition to its Agency and increasingly popular Non-Agency Portfolio suite of products, AmeriHome is now offering Western Alliance warehouse lines to their clients, both Delegated and Non-Delegated, for both Agency and Non-Agency business. This will be a powerful tool to reduce costs in a tight margin environment; by using a Western Alliance warehouse line and selling loans to AmeriHome, clients will be able to reduce warehouse line carry costs, loan payoff times, and funding haircuts, and benefit from a streamlined document review and credit approval process. Reach out to CLsales@amerihome.com for more information about what AmeriHome can do for you!

If you've been striving to improve retention in your servicing portfolio, the New Year hasn't necessarily been your friend. The market is currently dealing with competing forces of rising [interest rates](#) and stratospheric levels of home equity. As we see a shift from a rate-centric refinance market to an equity-centric one, attrition risk is climbing due to lackluster retention strategies. Servicers continue to lose a whopping two-thirds of borrowers from their portfolios when they refinance. Additionally, high-quality refinance candidates are increasingly few and far between, dropping below 3.8 million by the end of February. Black Knight Chief Digital Officer Sandra Madigan says it's time to adopt a higher benchmark for retention success. [Read her recent blog post](#) to learn how servicers are improving retention with digital ecosystems that maximize customer engagement and offer differentiating experiences.

The adage, "time is money" is just as prevalent as ever. [On a recent episode of The Mortgage Collaborative's #TMCSuccessStories](#), Melissa Thomas of [ActiveComply](#) speaks with Laura Byrum, Director of Mortgage Marketing at [FirstBank Mortgage](#), about how FirstBank saved countless man hours per quarter by utilizing ActiveComply's social media monitoring platform. Created for the financial industry, by the financial industry, ActiveComply is an industry-specific, cloud-based solution 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. 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! Heading to TMC Days, Miami Nights? Schedule a time to [meet with our team!](#)

Credit unions: An auto loan financing company is seeking bids on a deal by Friday, March 18, for a pool with the following characteristics. "Average FICO 738, average rate 3.24 percent, average loan amount \$38k, and average DTI 40 percent. The total amount of the pool is \$5 million with \$15 million in app flow, primarily based in GA and FL. Term loans are 63 month collateralized by Auto Asset with max LTV of 100 percent based on MMR/NADA Clean Book. All loans have data-backed decisions, no stated income, and no paper docs. The company will take participation, flow, or whole loan. [Click here for more information.](#)

The CRA for IMBs: Beware!

[SB-1176](#) would impose Community Reinvestment Act (CRA) mandates (that currently exist only for depository institutions) on independent mortgage banks (IMBs) operating in California. This bill represents "a solution in search of a problem" and is incompatible with the independent mortgage bank (IMB) business model and their historical lending activities. IMBs do not have deposits to reinvest, nor do they

have access to direct government support, like the depository institutions the federal CRA law covers. IMBs are already deeply engaged in sustainable lending in low- to moderate-income (LMI) communities and are subject to robust oversight and supervision from multiple federal and state regulators. Enacting SB 1176 in California would give momentum to similar legislation at the federal level and in other states. CRA imposition on IMBs would be a very misguided policy choice, and it would unnecessarily increase compliance costs of originating mortgages to LMI borrowers in California. SB 1176 will only work to detract from the continuing efforts in California to promote and make available additional affordable housing. MBA and California MBA have been deeply engaged on this critical issue.

Are you an IMB licensed in California? The California MBA and National MBA is hosting an educational CRA webinar for California MAA Members (but my guess is that everyone should listen in, given the importance of the issue) on Tuesday, March 22nd from 11:00-11:30am PT. RSVP: [Click here](#).

And MCT did [a write up](#) on the impact of the CRA on IMBs.

CFPB's Priorities

Critics immediately cried "over reach" yesterday when the Consumer Financial Protection Bureau (CFPB) announced "changes to its supervisory operations to better protect families and communities from illegal discrimination, including in [situations where fair lending laws may not apply](#). In the course of examining banks' and other companies' compliance with consumer protection rules, the CFPB will scrutinize discriminatory conduct that violates the federal prohibition against unfair practices. The CFPB will closely examine financial institutions' decision-making in advertising, pricing, and other areas to ensure that companies are appropriately testing for and eliminating illegal discrimination."

Events and Training

Webinar: Actionable ways to combat shrinking margins in 2022. Do rising loan costs and fast-changing market conditions pose a threat to your profitability? As Q1 comes to a close, now is the time to ensure your strategies support a successful 2022. In this timely webinar from mortgage solutions provider [Maxwell](#), a panel of mortgage lending leadership, including Maxwell Solutions Director [Anthony Ianni](#), Maxwell VP of Mortgage Operations [Robert Groody](#), and FGMC COO [Suzy Lindblom](#), will discuss concrete actions lenders can take to encourage profitability despite challenges. From determining loan break-evens for margin success to unearthing basis point savings throughout the lending process, the tips outlined in this webinar add up to meaningfully bolster margins and impact your bottom line. [Click here](#) to register for Maxwell's free webinar taking place on Wednesday, 3/23 at 9:00 a.m. PDT/12:00 p.m. EDT.

[The house made famous by the Tim Burton movie Edward Scissorhands has been listed for sale in Florida](#) after being remodeled and decorated with film memorabilia, including a life-sized Edward mannequin. However, at an asking price of \$699,900, this unique home is only an attractive investment to die-hard fans of the cult classic film. After all, obtaining a mortgage is often referred to as "the biggest financial decision" of a consumer's life, one that should never be taken lightly by lenders. Forward-thinking mortgage advisors will use a borrower's first mortgage experience to earn their trust and build a meaningful, long-lasting relationship. Sales Boomerang's Alex Kutsishin sits down with Brad Bieber from Homebot on March 29 at 1 pm ET to break down the ways that lenders can leverage technology to simultaneously empower consumers and earn their trust. [Join Alex and Brad to learn more](#).

[The Mortgage Innovators Conference](#) is back IN-PERSON and BETTER THAN EVER. The event is annually attended by executives of lenders from around the nation, key decision-makers, and innovators; this event is one you can't miss. Solutions Providers, learn how your involvement at #MIC22 will enable you to showcase your company and products, as well as drive new business opportunities. Click [here](#) to sponsor and become a part of The Power of Innovation May 2-4, at the Hilton Anaheim.

Tomorrow is the next edition of The Mortgage Collaborative's Rundown with Rich and Rob. Rich Swerbinsky, the COO of The Mortgage Collaborative, and I will be covering current events in the mortgage market for 30 minutes starting at 1PM MT in "[The Rundown with Rich and Rob](#)."

Capital Markets: More Rate Hikes Ahead

MCT's award-winning capital markets platform, [MCTive!](#), is now integrated with the Fannie Mae Connect™ [Whole Loan Purchase Advice Seller API](#), allowing MCT Mark-to-Market and Hedge Accounting Reports to be updated with Fannie Mae purchase data instantly, instead of waiting to run reports through a Loan Origination System. The integration also allows MCTive's Loan Commitment Tracker to automatically draw down outstanding commitments as loans are purchased by Fannie Mae. "Integrating to the Fannie Mae Connect Whole Loan Purchase Advice Seller API completes a large step in MCT's roadmap for automating and independently verifying performance reporting" said Phil Rasori, COO of MCT. "By removing manual data entry into the LOS, the connection to this API will provide more accurate and

timelier 'Held For Sale' reporting." [Contact MCT](#) to start the process of automating purchase advice for your whole loan sales or purchases.

Talk about a flat yield curve, look at those closing yields yesterday: 3-year at 2.15, 5-year at 2.18, 7-year at 2.22, 10-year at 2.19. As was widely expected, yesterday the Federal Reserve raised its short-term rate target (by 0.25 percent) for the first time since 2018 and clearly signaled that additional hikes are coming. With the unemployment rate below 4 percent, inflation nearing 8 percent, and the war in Ukraine likely to put even more upward pressure on prices, the Fed acted to bring inflation under control. The Fed also indicated that it plans to begin to shrink its balance sheet, with Treasuries and MBS being allowed to passively roll off, which should begin this summer. Markets will be looking for future details regarding the pace of the runoff and whether the Fed would consider active MBS sales at some point to return to an all-Treasury portfolio.

St Louis Fed President James Bullard dissented, favoring a 0.50 percent increase, the first vote against a decision since September 2020. The median FOMC member expects significant further tightening this year due to higher inflation than had been the expectation at their December meeting. Expectations are to raise rates at each of the remaining six meetings in 2022, indicated by an upward shift in the so-called "dot plot." Fed Chair Powell wouldn't predict the cadence of rate hikes, but acknowledged that every meeting is a "live" meeting for a possible rate hike. The statement made clear that the committee is prepared to adjust rates as needed. Some longer-term estimates suggest that the Fed could shift policy into a restrictive stance, which led to some rapid-fire selling across the curve. Increased clarity should be a slight positive for MBS, particularly on the bank demand side.

Today's busy calendar is under way with a Bank of England rate raise, February housing starts/ building permits (+6.8 percent to 1.769 million, permits down to 1.859 million), weekly jobless claims (-15k to 241k, continuing 1.419 million), and Philadelphia Fed manufacturing for March (+11.4 to +27.4). Later this morning brings February industrial production and capacity utilization, Freddie Mac's Primary Mortgage Market Survey, and a Treasury auction of reopened 20-year bonds. The Desk will conduct one MBS purchase operation targeting \$702 million GNII 2.5 percent through 3.5 percent. We begin the day with Agency [MBS prices](#) better by .125 and the 10-year yielding 2.16 after closing yesterday at 2.18 percent.

Careers

"And the wins keep coming! [Planet Home Lending](#) snagged a 2022 Innovations Award from Progress in Lending. Why is this servicing and asset management award a big deal for MLOs? Because it means we're a company that invests. In our people. In our tech. In our entire range of services and across the entire Planet Family of Companies. Planet Home Lending's January retail customer recapture rate was an incredible 73.9% because we put our money where our mouth is. We give you the tools you need, then we get out of your way so you can do what you do best: reach more borrowers and close more loans. Come work for a company that cares about your bottom line. See what Retail Sales Leader Caleb Mittelstet has to say about [Planet's MLO opportunities](#). Then send a note to [Caleb Mittelstet](#) or SVP Talent Acquisition [Brian Miller](#). Let's talk about your success. Grow your business with Planet Home Lending – Right Place, Right Size, Right Now!"

Marin County, California-based Area Sales Manager Steve Vella reached out to rejoin [Bay Equity Home Loans](#)! In addition to his self-sourced business as a top 1% originator in the industry, Vella will be paired with a number of local Redfin agents in the Bay Area. The combination of coming back home and being paired with additional agents was a winning combination for Steve. Welcome back to the Bay family! For more information about Bay Equity please [contact us](#).

"Opening Day is right around the corner (hopefully). Baseball fans know about the Five Tool Player. But have you ever heard about the [Five Tool Lender](#)? Think about it: Every top producer is looking for five key elements to help them build their business: Strong operational workflow, an Extensive Product Catalog, Competitive Pricing, a Culture that feels like Community, and killer [Marketing Support](#). At [Thrive Mortgage](#), we close loans in half the average time of our industry peers. We regularly roll out multiple new product offerings based on business partner and loan officer recommendations. We innovate new technologies and automation to help you gain greater efficiency all while holding fast to the community of support... that's a special place to be. [Thrive](#) is continually looking to hire humble, hungry, and smart professionals who share that drive to be the best. Ready to join the big leagues?... [Let's start a conversation today.](#)"

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