

Title Company Wanted; Jumbo, Custom Letter Products; FHA and VA Developments; Blockchain and Mortgage Update

By: Rob Chrisman | Fri, Mar 25 2022, 11:08 AM

“A fine is a tax for doing wrong. A tax is a fine for doing well.” Lenders sometimes grapple with the former, always deal with the latter. In my travels around the nation visiting with residential lenders, what else has their attention? Loan officer recruitment, the area with fabled signing bonuses over the last year or so, is heating up. After two great years and a reduction in pipelines, some MLOs are searching for new homes or at least taking phone calls from recruiters, testing their worth in the open marketplace. Home equity lending is surging. This is an advantage that banks and credit unions are trying to push, and this lending product internally helps banks as they can shift staff from mortgage to HELOC lending (usually less complex). And STRATMOR’s current blog is about how “[Lenders Continue to Pivot](#)” in a shift to a purchase-centric focus. (Today’s audio version of the commentary is [available here](#) and this week’s is sponsored by [ICE Mortgage Technology](#), combines technology, data and expertise to help automate the mortgage process, from consumer engagement through loan registration, and every step and task in between.)

Lender and Broker Products and Services

“At [Sprout Mortgage](#), whether it’s our jumbo loans to \$10M, investor loans with debt service coverage, superior technology, or aggressive pricing, we have uncommonly good mortgage solutions not commonly found elsewhere. We have solutions that can help customers despite rising [interest rates](#). That’s why we’re hiring across the nation – we’ve got explosive growth! You too can benefit from providing over 35 unique non-QM and QM solutions to meet all types of customer scenarios. Reach out to [Jessica Fieramosca](#), SVP of Recruitment, at 657-888-9878, to chat about fresh career possibilities. You’ve got nothing to lose, and only earnings potential to gain. #SowYourSuccess at Sprout!”

Are you manually printing out and mailing letters such as goodbye letters, insurance transfer notifications, and NOIA’s? Or are you sending lists to a mailing service and losing control and visibility of the process? There’s a better way. Have your Encompass® LOS do it all for you. Yep, with the help of Connector by Velma®, Encompass will automagically print and mail custom letters, at exactly the right time with the right information, and store a copy in the eFolder for easy audit support. Eliminate labor costs while improving your accuracy, record keeping, and timeliness for a positive ROI. [More info here](#).

Blockchain and Mortgages

Before the COVID pandemic hit, eClosings were a notion that lenders understood, but few believed offered tangible ROI. As the pandemic took hold and lenders scrambled to provide remote closing capabilities, priorities changed and eClosings became a necessity. Today blockchain is a notion... Will necessity drive this innovation as well? While blockchain technology is just beyond the cutting edge for most lenders, so, too, was eClosing just a couple of years ago. As lenders struggle with high costs to originate, shrinking margins, complex untrustworthy processes, and slow investor delivery, blockchain is positioning to become a viable technology to address these issues. In the just-released March Insights Report, [STRATMOR Group](#) CEO Lisa Springer and Senior Advisor Brett McCracken offer insight into recent blockchain developments and analyze some of the impacts this innovative technology could have on the mortgage industry. Don’t miss their article, “Mortgage Technology: The Road to Blockchain” in STRATMOR’s [March Insights Report](#).

FHA and VA

FHA announced the availability of a Spanish version of the COVID-19 Recovery Loss Mitigation Options Mortgage Letter [ML 2021-18](#). This pre-recorded, on demand training webinar discusses in detail FHA’s COVID-19 Loss Mitigation Policy including: all available COVID-19 Loss Mitigation Options and the new COVID-19 Recovery Loss Mitigation Options. Servicers of FHA-insured mortgages and other interested stakeholders in FHA transactions can register to view at no cost. The webinar is also available on the [FHA Servicing & Loss Mitigation Classroom and Webinar Training](#) web page on hud.gov.

Don’t forget that the [FHA improved its system for electronic submission of flood insurance data](#). The enhancements are to the FHA Connection (FHAC), adding fields for mortgagees to electronically submit additional flood-related data for single family forward mortgages and HECM mortgages.

The FHA will be gathering data on usage and outcomes with respect to reconsiderations of value (ROV). We can expect that this requires system changes in FHA Connection. And the FHA will also be developing a new form or [adding language to an existing form](#) notifying

borrowers of the availability of the ROV process.

A [new report](#) from the National Association of Hispanic Real Estate Professionals highlights how prevalent the use of FHA loans is in the Hispanic community. LOs, however, know that the use of FHA loans and other low down payment products can make these homebuyers less competitive in a market experiencing inventory constraints. Latinos were twice as likely to use an FHA loan than non-Hispanic white homebuyers in 2021. NAHREP tells us that 61% of top real estate practitioners surveyed said FHA borrowers faced competitive disadvantages in 2021, resulting in 48 percent of those agents said they worked with FHA applicants to switch them to conventional loans. There's a strong bias from sellers in favor of institutional investors, conventional borrowers, and individuals that were able to make large down payments or purchase with all cash. That is no surprise.

Effective for locks on or after March 18th, First Community Mortgage is decreasing its minimum credit score on Government loans as announced in [FCM Correspondent Announcement 2022-10](#) and [Wholesale Announcement 2022-12](#). View the First Community Mortgage Knowledge Center and LTV/Credit Score Matrix for details.

Capital Markets

Bonds, which include mortgage-backed securities of course, were helped yesterday by jobless claims falling 28k to 187k, the lowest point since 1969 as the demand for labor far exceeds supply. End van life! Continuing jobless claims decreased by 67k to 1.35 million, which is the lowest level since 1970. Before we celebrate too much, the figures will boost concerns about a pickup in wage-based inflation pressures that might **compel the Fed to take an even more aggressive approach in removing its policy accommodation**. Speaking of the Fed, the drum beat for larger and faster rate hikes was heard from the perennial doves yesterday, with Minneapolis's Kashkari and Chicago's Evans joining their more hawkish colleagues.

[Mortgage rates](#) surged again in the latest week according to Freddie Mac's Primary Mortgage Market Survey with the 30-year rate up another 26 basis points, on top of last week's 31 basis points, to 4.42 percent. The 5/1 hybrid ARM rate rose to 3.36 percent, but the spread versus the 30-year rate hit the widest level since 2015. Also yesterday, MBA reported the inaugural results of its new monthly Purchase Applications Payment Index (PAPI), meant to measure the ratio of monthly mortgage payments to income over time using data from the MBA's weekly mortgage application data. February showed an 8.3 percent increase, **which indicates a deterioration in affordability**.

Today's economic data sees Michigan sentiment and pending home sales both due out later this morning. **We will also receive remarks from four Fed speakers:** New York's Williams, San Francisco's Daly, Richmond's Barkin, and Governor Waller. The Desk will conduct the last operation on the current schedule when it purchases up to \$1.4 billion UMBS30 2.5 percent through 3.5 percent before releasing a new schedule covering the March 28 to April 13 period, expected to total \$21.5 billion. We begin Friday with Agency [MBS prices](#) worse .125 and the 10-year yielding 2.37 after closing yesterday at 2.34 percent.

Careers, a Retirement, and a Business Opportunity

A national title & settlement company is looking to purchase small to mid-sized local, regional, and national title/settlement companies. If you're thinking about selling, now is the time! Contact [Rob Chrisman](#) to forward your confidential note of interest.

Gateway Sales Rally Celebrates Record Breaking year! Over 500 team members gathered to celebrate, laugh, learn, and give back during the Gateway Mortgage Sales Rally. The three-day event began with an awards ceremony recognizing 127 individuals and teams for both dollar and unit production including top performers well over \$100 million in individual volume and over 1,200 units in team production. During Content Day, speakers from around the country and within Gateway provided innovative ideas, inspirational messages, and an in-depth look at how to take success to the next level. The team then headed to the House of Blues for a fun evening. The Rally concluded with a volunteer event packaging 100,000 meals in partnership with Feed My Starving Children. Gateway Mortgage, a division of Gateway First Bank, is one of the largest mortgage bank operations in the United States. If you are interested in joining a team committed to supporting loan originators, contact [Maryann Arbogast](#) or visit Gateway [here](#).

"Is the Juice worth the Squeeze? Between margin compression, cost per funding increasing, [interest rates](#) rising, is running a branch everything it's cracked up to be? More and more producing branch managers are questioning if they would be better off focusing on personal production not managing LO's or operations staff? A change in title isn't always a step backward in life or your career. One of the top teams in the nation is looking to add one mortgage veteran who wants to get back to doing what they love and focus on originating. Our dedicated operations team has closed over \$1B in loans and is ready to help 1 seasoned professional dominate their market. If you're a Producing Manager who wants to step away from meetings, paperwork, and staffing issues to focus on your book of business contact Chrisman LLC's [Anjelica Nixt](#) to schedule a confidential conversation."

Nations Lending Makes List of Fastest-Growing Midwest Businesses. The Inc. Regionals List (inspired by the annual Inc. 5000) has ranked

Nations Lending as one of its fastest-growing businesses in the Midwest. The new list from Inc Magazine ranks the best rising private companies across the 12-state region. While Nations Lending is headquartered in Ohio, the company supports 32 branches in the 12 Midwest states. With more than \$4.88 billion in loan volume across 19,280 total units in 2021, Nations continues to expand year-over-year. “We are so proud and honored to be included in another prestigious group of successful companies across the U.S.,” said Bill Osborne, Nations Lending President. “This is validation once again for all the hard work and dedication from each and every one of our employees.” To learn more about Nations Lending, you can visit [Nations Lending](#).

Get ready to move! To help its customers compete with cash offers, [Embrace Home Loans](#) has introduced an innovative program called Approved to Move™ Plus (ATM+), which allows for fully underwritten buyers to receive an unconditional loan commitment with a certificate of value for the property. The program lets buyers make an offer in any amount they choose, often not contingent on an appraisal. “Low inventory continues to be the biggest obstacle facing homebuyers, with sellers often receiving multiple offers above the asking price,” says Jason Will, SVP of market growth with Embrace. “In order to compete, buyers are often waiving these contingencies themselves, putting their earnest money deposit at risk and creating anxiety,” Will says. “Approved to Move™ Plus empowers our customers with a competitive advantage and peace of mind. Our loan officers and referral partners like it too.” Considering a career change? Contact Steve Adamo [here](#).

Flagstar Bank announces that [Joe Lathrop](#), Senior Vice President, Warehouse Lending, is retiring April 1 after 37 years in the industry, most of them at Flagstar. Known for partnering with clients, Joe has helped lead Flagstar to being the 2nd-largest warehouse lender in the nation. Joe has always understood that service is the key to lasting relationships. “Our client’s reputation is on the line when we fund their loans,” he says. “By being accurate and timely, we create happy customers who maintain long working relationships with us.” And rest assured, that industry-leading commitment to service will stay strong. Jeff Neufeld continues as Director of Mortgage Finance Banking, and all Relationship Managers remain at Flagstar, ready to serve clients. That’s Flagstar’s Human Interest Rate: interest in their customers, and in solutions that put them first. To send Joe your best wishes, visit his [LinkedIn page](#).

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