

# Capital Markets; AI UW, Efficiency, Valuation, Sales Tools; Conventional Conforming News

By: Rob Chrisman | Tue, Mar 29 2022, 11:54 AM

When did “beauty parlors” become “beauty shops” become “salons” and “spas?” Our industry doesn’t have a monopoly on change, and in my recent travels around the nation visiting with residential lenders, things continue to evolve. Owners of servicing continue to release pools of mortgage servicing rights, raising cash to create profitable months and quarters. Banks, credit unions, and lenders mention ongoing efforts to “digitize” the lending process but some admitted to some level of “fake digitization”, defined as a borrower interface that appears to be digital but with lots of manual steps behind the scenes. And there is certainly a renewed focus on Consumer Direct (CD) build out as the market shifts. Meanwhile, large banks and lenders are doing their best to stay out of the headlines as news and public company releases tend to reverberate around to mortgage and bank executives. There was Better.com’s layoff mess, Wells Fargo’s recent headline on rejection rates for black borrowers, and Rocket’s disclosure of 90% “retention” as they define it, was actually the “retention” of borrowers to whom they have marketed, not actual payoffs from servicing. (Today’s audio version of the commentary is [available here](#). This week’s is sponsored by [Verity Global Solutions](#), an expert labor and automation solution provider that performs all non-customer-facing functions, from origination through servicing.)

## Lender and Broker Products and Services

As the housing industry works to envision a future beyond the pandemic, one area that continues to receive special focus is servicing. Although the forbearance rate has dropped, there are still approximately one million borrowers in forbearance. Over the last two years, subservicers have helped lenders navigate a foreign landscape and have shown they serve a real need in the loan life cycle. [Selene’s](#) latest white paper, “How a Specialized Subservicer Can Make a Difference,” outlines current servicer challenges, how partnering with a subservicer can help lenders achieve success in helping borrowers and holistic approaches to mitigating loss and identifying credit risk. Read the white paper [here](#).

One of the most challenging aspects of a real estate transaction is the valuation process... But it doesn’t have to be. With Black Knight’s fast, top-rated valuation solutions, you get reliable results, while helping save time and money. From residential, commercial, and rental property AVMs to cascades and hybrid valuations, you can choose from a suite of industry-leading solutions that best meets your needs. And turnaround times for most of our valuation solutions are quick: you get results within seconds, not hours. Find out why lenders across the U.S. rely on our proven valuation solutions to get the accurate and independent results they expect. [Learn more](#).

The Idaho Potato Commission recently released its limited-edition perfume, [Frites by Idaho](#). Designed to attract anyone who can’t resist the scent of French fries, the fragrance is far more likely to exacerbate hunger than actually satisfy it. Nor are purchased leads substantial enough to keep lenders’ pipelines full, as consumer-direct lenders know all too well. By combining Sales Boomerang’s borrower intelligence with Insellerate’s CRM, Homestead Funding provides timely, relevant outreach that keeps pipelines full by presenting the perfect loan opportunity at the ideal time. For more information, join Sales Boomerang’s Alex Kutsishin, Insellerate’s Josh Friend, and McGlone Mortgage Group’s Nick Rutherford for [a case study presentation on March 31 at 1pm ET](#).

How to win the 2022 purchase war: With YoY inventory down 17.5% and sale prices up 15.2%, lenders need to give buyers world class home search linked to your salesforce so portals don’t steal them and they can write offers that close. And as lenders, 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 FOR LENDERS: HouseCanary’s [ComeHome for home buyers & owners](#).

Can technology actually solve margin, capacity, and staffing challenges? [Candor’s clients say yes](#). They’ve cut cycle time by ~14 days, are getting 10+ underwriter touches per day, making healthy margins, and can smoothly scale for the next refi boom (yes, it’s coming). The secret? [Candor’s Loan Engineering System](#). Beyond basic “stare and compare” or calculation tools, Candor’s AI has made 1.5M complex decisions with no human review or assist - it’s authentic Expert System Technology. We’re so confident in those decisions, we Warrant every single one. Candor allows you to “hire” a Machine as an Underwriter that never makes a mistake, has zero bias, and gets a same day conditional approval for instant borrower surety. And, for the ultimate audit trail, a permanent database captures the entire history of the underwrite. There is no substitute, no alternative, no comparison. [Isn’t it worth 30 minutes to learn more?](#)

New blog: 4 ways to recapture efficiency in your loan pipeline. With the MBA’s latest Quarterly Performance Report revealing loan margins at a three-year low, the question on every lender’s mind is: How can I pursue profitability in today’s market? While profitability is more challenging now than in the past few years, 2022’s conditions provide a prime opportunity to go back to basics and revamp your business into a well-oiled machine that thrives no matter the market cycle. Here, a vital consideration is pipeline management, where you can unearth

efficiencies, cost savings, and improvements that directly augment your bottom line. Want to learn how? [Click here](#) to read mortgage solution provider [Maxwell](#)'s latest blog article, "4 ways to recapture efficiency in your loan pipeline."

### Conventional Conforming Product Shifts

During the last couple years lenders were originating product, and investors were buying that product, "hand over fist." Remember the days when lenders backed off pricing to slow business because their ops staffs couldn't keep up? Now the Agencies are sifting through the loans, and SEC filings showed that Fannie Mae and Freddie Mac reported \$2.97 billion of seller repurchases in 2021, the largest annual volume in years. Inside Mortgage Finance reported that repurchase volume was up 76.0% from 2020. Fannie and Freddie issued more than \$5 trillion of 1-4 family MBS in the past two years and most repurchase activity was related to production in that period. Some 58.6% of seller repurchases in 2021 were tied to MBS issued in 2020, and another 31.0% came from securities issued in 2021. "Repurchases on the 2020 vintage, currently \$2.37 billion, will likely edge higher as another \$208.6 million of buyback demands on loans from that period are still disputed by the seller or pending resolution."

NMI Holdings, Inc., parent company of National Mortgage Insurance Corporation (National MI), [Released its 2022 Sustainability Report](#). Highlighting the Company's continued focus on ESG, Diversity and Financial Inclusion, NMI's purpose is to serve its customers with distinction, security, and success, and to optimize the long-term benefit to stakeholders through the execution of safe, sound, and ethical business practices. Corporate sustainability is one of the way NMI puts purpose into action.

On March 2, 2022, LPA asset and income modeler (AIM) for income using direct deposits became available. This enhancement is the next evolution of AIM that reduces the burden of obtaining traditional documentation, helps close loans faster, saves money, provides a superior borrower experience and more. Check out [Freddie Mac March Loan Advisor](#) for new training opportunities and resources to learn more. Also new messages have been added that align with recent LPA enhancements and Single-Family Seller/Service Guide announcements. Others have been improved to be more tailored to your loan scenarios.

In the [March 2022 edition of the Fannie Mae Appraiser Update](#), there is a recap of recent research effort to better understand appraisal valuation differences across different racial groups, discuss adoption of the American National Standards Institute® (ANSI®) gross living area (GLA) standard and our new desktop appraisal option, and highlight the Noble Appraiser videos.

Do you understand the difference between gross vs. net defect rates and how analyzing these rates can enhance your QC? [Check out this issue of Fannie Mae's Quality Insider](#) to gain insights for using this data to strengthen your QC program.

This week marks the start of Phase 2 of the Uniform Closing Dataset (UCD) critical edits transition to convert a number of edits in the UCD Collection Solution from "warning" to "fatal." Make sure you're ready by reviewing all feedback messages returned by the UCD Collection Solution and resolving any issues. Get ready for the UCD critical edits transitions, [access Fannie Mae's UCD critical edits transition resources](#).

AmeriHome has been advised that the GSEs will be strictly enforcing their published appeal time frames. Accordingly, Sellers are reminded of the need to comply with time frames provided in any repurchase demand. [See AmeriHome announcement 20220306-CL for details](#).

### Capital Markets: Constructive Russian-Ukraine Talks?

You're about to get charged more for delivering second-home and high-balance loans to the agencies. What's your backup plan? MAXEX, the first digital mortgage exchange, gives you access to a network of investors ready to buy your second home and high balance loans. Utilizing the [MAXEX Conforming loan program](#) gives you an agency alternative to build a more robust secondary market strategy. [Talk to a MAXEX expert today](#) to learn how your team can utilize MAXEX's existing infrastructure to add product breadth at minimal cost.

SMARTER INTEL FOR TOUGHER HOMEBUYING 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. [TALK to SALES](#).

Mortgage-backed securities, upon which most [mortgage rates](#) are based, and Treasuries closed Monday mixed near opening levels on little news, a welcome respite after recent volatility in the bond market. There was further curve flattening and inversion in some cases. So many prices are set by supply and demand, and the market showed little reaction to the day's two note auctions that were received with mixed demand. The \$50 billion 2-year note sale was on the weak side while the \$51 billion 5-year note auction met solid demand ahead of today's \$47 billion 7-year note sale.

The world's financial communities are monitoring the possibility of progress in the talks between Ukraine and Russia today. Let's keep our fingers crossed! Speaking of today, it has plenty of second-tier, non-rate moving stats and the calendar gets under way shortly with Redbook same store sales. That reading will be followed by January home price changes from Case Shiller and FHFA, March consumer confidence, JOLTS job openings, and Dallas Fed Texas services for March. Three Fed presidents are currently scheduled to speak: New York's Williams, Philadelphia's Harker, and Atlanta's Bostic. The NY Fed Desk will purchase up to \$1.97 billion in conventional MBS across 30-year 3 percent through 4 percent and 15-year 2 percent through 3 percent. We begin the day with Agency MBS prices worse .125 and the 10-year yielding 2.49 after closing yesterday at 2.48 percent.

### Jobs and Business Opportunity

ANY Title Insurance Agency, which has been in business for over 16 years, is looking to partner with a NY Real Estate Law Firm. Title Insurance can be a very lucrative business and the foreseeable future title insurance will be focused on purchases rather than refinance. Please reach out to Chrisman LLC's [Anjelica Nix](#) if interested and to have your note forwarded.

"The Team at Polaris Home Loans, known for their unique, purchase driven marketing strategy and hybrid model (inside and outside) believes in having your cake and eating it too! Our exclusive purchase-oriented marketing strategy has seen incredible growth YTD - web-based leads up 3-fold & inbound calls up 4-fold! That's having your cake!!! The eating it too...is having a strong value proposition for self-sourced LOs: Strong base pay, benefits day 1, 150 Bps self-sourced, 75 Bps company generated, Broad product set, Pricing, Products, Service and Comp all top tier, Marketing support, unbeatable culture, Work from Home Office or one of 7 Regional Sites or remotely. So, if you're a self-sourced producer, and would love to grow your business by adding purchase focused marketing support and lead gen reach out for immediate consideration! Come for the comp, stay for the culture! Contact us at [info@polarishomeloansllc.com](mailto:info@polarishomeloansllc.com).

A California-based IMB is looking for a dynamic and strategic Chief Financial Officer to direct and oversee the financial activities of the organization. The Candidate will direct the preparation of current financial and accounting activities, reports, and summaries, and to create forecasts predicting future growth. [Send me](#) a confidential note of interest for forwarding.

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