

Non-Agency, TPO, Pre-approval, Compliance, CRM Products; Dallas Fed on Housing; FINRA Rule 4210 Update

By: Rob Chrisman | Wed, Mar 30 2022, 10:59 AM

As we edge toward Easter, which isn't until April 17 this year, the Dallas Fed has released a report on housing prices... have they become [unhinged from fundamentals](#)? Those crafty food scientists have been at work creating [Black Jelly Bean Spiced Maple Syrup](#) for creative pancake breakfasts. Some people will tell you that accounting can be creative, but one likes to think that publicly-held companies, with the advantages and disadvantages of being public, are an open book, accounting-wise. For example, Guild Holdings (Mortgage)'s [the most recent filing](#) with the Securities and Exchange Commission shows its diversity & inclusion efforts (page 6), senior officer compensation (page 18), and what board members earn (page 20). Guild and nearly every lender have [shifted](#) to going after purchase business while at the same time grappling with "work from home" and "work from the office" decisions. Lenders are having refinance teams shifting to the purchase process through training, and closing on time for a high percentage (95 and up) of deals. The refi lingo has changed to purchase contracts, signatures, gift letters, and grants. Ops and production drive toward a contract close date, not the refi lock expiration date, and lenders train staff on first-time home buyer challenges. Once again, our industry shifts. (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. Today's has an interview with Sam Mehta on how outsourcing and automation can help alleviate margin compression concerns.)

Lender and Broker Software and Services

Do you want to increase your team's efficiency, customize margins, and have seamless communication in all aspects of your business? If you're not harnessing the power of fully integrated software tools, you're missing out. [Jungo](#), the CRM built on Salesforce and customized for loan origination teams, is proud to announce its safe and secure integration with Mortechn. With the Jungo + Mortechn integration, get instant, accurate mortgage rate quotes straight from your account. Plus, better serve your clients and increase your loan volume in less time. Modernize your product and pricing options with the Jungo + Mortechn integration! To learn more, click [here](#).

"Is your organization prepared for more aggressive CFPB oversight? [Richey May](#) has helped our mortgage banking clients mitigate risk and strengthen compliance capabilities for the past 35 years. Our CFPB Readiness services will provide your organization with the best resources available, empowering you to take proactive measures, drive efficiencies, navigate change and focus on growth. [Contact our experts at Richey May Advisory today](#) to learn more about how we can help you prepare."

Are you sick of hearing your loan officers complain about updating pre-approval letters? They're likely fielding phone calls at night, on weekends, and even on their time off... so can you blame them? Save your lenders time with [QuickQual by LenderLogix](#). Right from within your LOS, QuickQual allows loan officers to send a text message to borrowers with an adjustable pre-approval custom to their financials. The borrower and Agent can then run real-time, hyper-accurate payment and closing cost scenarios and update their letter. QuickQual doesn't remove the loan officer from this pre-approval step. Instead, it enhances the customer experience by providing borrowers with instant answers and lenders with instant insights. With an activity timeline for each QuickQual issued, lenders can see what scenarios are being run and reach out with timely, pertinent information. That's working smarter, not harder. Head over to LenderLogix's website to [get a sample QuickQual sent to your phone](#).

Non-Agency Broker Product News

Deephaven's demographic data shows today's non-agency borrower is a very attractive mortgage customer. Fifty-one percent earn \$15,000 or more per month, and the average credit score is 724. Eighty-eight percent are self-employed. Self-employment is the most common factor for borrowers who do not have the documentation (W2) required for a conventional mortgage. The new data maps to workstyle trends that started taking hold before the pandemic. More and more of the U.S. workforce is self-employed either as contract workers, business owners, or entrepreneurs. Millennials, on the verge of turning 40, are helping drive this trend at the same time they are beginning to buy homes and grow families. No wonder the Non-Agency market is expected to double in 2022! To learn more about today's Non-Agency borrowers and how you can support their mortgage needs, [email Deephaven](#).

Brokers can't get enough of [Rocket Pro TPO's](#) Purchase Power Play. In fact, this benefit helped Rocket Pro TPO have the best purchase month in its history. Huge news: Rocket Pro TPO just announced the lender is extending this promotion through April! As you know, purchase season is just getting started and the lender wants to make sure you have this resource available as you help your clients finance their new home. Take advantage of it now and take 30 basis points off purchases for buyers with less than or equal to 90% LTV and greater

than or equal to 740 FICO. Talk to your AE now for more info on this incredible program.

[Carrington Mortgage Services](#) announced enhancements for the Investor Advantage loan program. Increased Maximum LTV from 82.50% to 85% for FICOs 700 and up, Increased Seller Contributions from 2% to 4%, Gift Funds are now acceptable for a down payment.

First Community Mortgage has a new product, the Summit/Peak Jumbo SOFR ARMs. Details are available in [FCMWholesale Announcement 2022-13](#)

Effective April 18, 2022, Wells Fargo Funding is updating its Non-Conforming reserve and post-close liquidity (PCL) requirements for borrowers who own multiple properties as described [Wells Fargo Funding Newsflash C22-007nc](#). Also posted in the Newsflash, highlights of policy expansion on Non-Conforming Loans documentation requirements for large deposits.

AD Mortgage will accept verifiable cryptocurrency for down payments, closing costs, and reserves for all Non-QM loans. View [A&D Non-QM Updates](#) for details.

Pennymac TPO now has a [Jumbo AUS Fixed program](#). Best to talk to your Pennymac AE.

Capital Markets: Quiet

Cap markets personnel are keeping a sleepy eye on [FINRA Rule 4210](#), dealing with margin requirements. The implementation date got kicked to October and now Brean Capital and others have filed a petition to stop it. (Let me know if you want a copy.) One very knowledgeable Director of Government Affairs wrote me, saying, "There were two letters filed in January. The FHLB ATL filed [this letter](#) on Jan. 18 raising an (ESG-like themed) angle of disparate impact of this on women and minority owned BDs. Likewise, Sens. Boozman, Lummis, and Tillis filed a [similar letter](#) on Jan. 10, raising concern about the impact on regional banks and mortgage originators, pointing out that it would ultimately increase the cost of loan origination and home financing. Not sure why they sent those letters now after this has been ongoing for years."

Turning to bonds, if the fighting in Ukraine ends, we'll return to looking at economic news in this country. Last week's economic data was highlighted by the durable goods report which saw a disappointing headline number but contained positive shipments figures. Given that the actual shipping of goods is when they are counted in GDP, the 0.2 percent rise in shipments will be more impactful than the headline 2.2 percent decline in orders. Long wait times for manufacturing inputs continue to broadly plague all industries as unfilled orders continue to rise. Some builders have had to limit sales to allow for construction backlogs to catch up with sales. New homes not started have risen to 209,000 units. Despite a modest decline in new home prices in February, the price of a new home remains 10.7 percent above one year ago. And bad news for lenders: Purchase mortgage applications have fallen 15 percent from their level at the end of January as rising [interest rates](#) have caused some potential buyers to reconsider their purchase.

Looking at this week, yesterday was another volatile trading day in the bond market. The U.S. 2-year and 10-year Treasury yields were the latest part of the curve to invert, reinforcing the view that Fed rate increases may result in a recession, though that could take up to two years. The Conference Board's Consumer Confidence Index actually rose in March though still missed expectations and sits below its level from a year ago. Job openings decreased to 11.3 million in February. On the housing front, the FHFA Housing Price Index rose 1.6 percent in January, beating expectations, and the S&P Case-Shiller Home Price Index was up 19.1 percent year-over-year in January, also beating expectations.

Mortgage applications from MBA kicked off today's economic calendar, decreasing 6.8 percent from one week earlier. [Mortgage rates](#) jumped to their highest level in more than three years during the reporting period as investors continued to price in the impact of a more restrictive monetary policy from the Federal Reserve. We've also received March ADP employment (+455k, as forecast) ahead of Friday's payrolls report, as well as the final look at Q4 GDP and core PCE deflator. Richmond Fed President Barkin and Kansas City Fed President George are set to deliver remarks on the economic outlook and monetary policy. The Desk will purchase up to \$2.15 billion 30-year 3 percent through 4 percent across GNILs at UMBS. We begin the day with Agency [MBS prices](#) unchanged from Tuesday night the 10-year yielding unchanged yielding 2.40 percent.

Employment and Lender for Sale

"A fully operational, nationally licensed lender with wholesale and retail channels, the main focus on Non-QM with an \$80 million pipeline, and growing, is looking to sell. The company is financially sound, run by an amazing staff, and has huge potential. If interested, contact Chrisman LLC's [Anjelica Nixt](#) to forward your note. Serious inquiries only. Potential buyers must have quick access to liquid capital and have the ability to act quickly."

“At [New American Funding](#), doing business means a lot more than just looking at the bottom line. As a privately-owned company, we’re able to make the strategic decisions that will set us up for success both now and in the future. That allows us to recruit top talent and hire smart as the market shifts. Our rapid growth is a testament to this strategy, and now we’re ready to add to our team of Outside and Inside Loan Officers as the spring buying season heats up! If you’re ready to make your home a company with strength and stability, we’d love to talk to you. Contact SVP, Business Development and National Recruiting, [Brooke Anderson](#) today! (609) 500-1520. EOE”

Evergreen Home Loans™ continues the exciting growth experienced in recent years. The company celebrates its core convictions: family, fun, integrity, creativity, and GROWTH. And it is committed to a foundation of success plans and individual growth for its loan officers. Evergreen recently announced the opening of its new Yuma, Arizona branch, further expanding its footprint in Arizona and across the western states. “Evergreen Home Loans is excited to join the Yuma community,” said Don Zender, president of production at Evergreen Home Loans. “Our team, led by branch manager Humberto Santana, is ready to provide top quality service to customers in the local area.” Evergreen is seeking loan officers looking to live out their personal and professional aspirations in a unique culture. If you’re interested in a company where growth is a priority, check out the [Careers Page](#). For Arizona specific opportunities, contact [Arlene Evans](#).

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