

# Customer Service, Digital, Warehouse, Pricing Tools ; Non-QM, Jumbo, ARM News

By: Rob Chrisman | Mbn, Apr 4 2022, 12:23 PM

"Rob, my capital markets gal eliminated our ability to lock overnight at yesterday's rates. I think that she's being unreasonable. Your thoughts?" No, she's not. Overnight lock protection is one of the first things to go in a volatile rate environment, especially when developments in Ukraine, seven hours ahead of New York, contribute to our rate movement. Besides, who needs to lock loans at 3AM? It is tough enough to preserve pricing margins as it is. As packages of mortgage servicing rights continue to be sold by companies looking to raise cash, do you think it's hard to make money doing mortgages these days? Try music. I was recently chatting with a musician in Nashville who told me that they earn .003 per stream on YouTube. There are varying deal structures, of course, but for someone just starting out this equates to \$30 for 10,000 streams. Yikes. I hope that Bruce Willis, and his family, made some money as they've been [selling off \\$65 million of very nice real estate](#) as the actor's health declines. (Today's audio version of the commentary is [available here](#) and this week's is sponsored by [Optimal Blue](#), a division of Black Knight. Optimal Blue delivers technology and analytics solutions that help mortgage lenders and investors more accurately price, lock, hedge, and trade loans to increase profitability, mitigate risk and grow their business. Today's features an interview with Mark Tereris and John Dumonsau on how leveraging product pricing and eligibility technology will deliver the most targeted, and attractive, loan product, faster than ever before.)

## Lender and Broker Products and Services

[OptiFunder](#)SM offers automated Purchase Advice retrieval and reconciliation as part of its award-winning Warehouse Management System. OptiFunder is transforming the way originators manage capital with its optimized warehouse allocation [decision engine](#) which enables IMBs to meet strategic objectives such as lowering the cost of capital or achieving specific funding targets. The platform automates funding and loan sale tasks, reduces human error, and streamlines operations, while providing valuable aggregate warehouse utilization insights. Joe DeDominicis, CEO/CTO of Nations Reliable Lending shares, "We went from -\$30k interest expense before OptiFunder to \$50k in positive carry per month with OptiFunder. It's technology that actually does what it's supposed to do." For more information, a demo, or to meet at MBA Technology Conference and Expo, [email us](#) or visit [optifunder.com](#).

Did you know 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? Yep, with the help of the Velma Connector, no more manually printing out and mailing letters such as goodbye letters, insurance transfer notifications, and NOIs. Or no more sending lists to a mailing service and losing control and visibility of the process. Smart lenders eliminate labor costs while improving their accuracy, record keeping, and timeliness for a positive ROI. [More info here](#).

Are you up late tossing and turning, worried whether your servicing is compliant? For a restful night's sleep, you must select a sub-servicer that thinks ahead. Leesa Logan, Servicing General Counsel at [Computershare Loan Services \(CLS\)](#), emphasizes that servicers must keep abreast of changes in the industry and proactively identify risks within their organization. Logan underscores that "when you [partner with CLS](#), you can rest assured that we rigorously monitor the industry and keep our clients apprised of all regulatory changes. Nobody likes a surprise in this business, so at every step, we regularly communicate potential operational changes to our clients, so they always know how we approach a regulation." So, rest easy and [contact CLS to learn more](#). Ahhh... there's nothing like a good night's sleep!

Did you know that Justin Timberlake helped launch McDonald's "I'm Lovin' It" campaign? It's surprising, but true. Less surprising, but equally true, is the fact that Collins Community CU is lovin' their partnership with IDS. A long-time user of IDS' doc prep platform, idsDoc, Collins Community CU turned to their trusted partner for social distancing solutions. Sarah Whittle, Collins Community CU, notes "One of our loan officers recently conducted eight purchase closings in one day because all of them were Solitude Solution hybrid eClosings. This loan officer let us all know he would never have been able to do eight closings in one day without Solitude Solution." [Download this case study](#) to learn more about the [eClose platform](#) that has Collins Community CU saying "I'm lovin' it!"

Lender Bear was looking for a new pricing engine. She met with the oldest PPE in the woods and said, "This honey tastes a little bit dated!" She then tested the newest PPE in the market and said, "This PPE tastes a little too new!" Lender Bear finally found [Lender Price](#) and said, "This pricing engine tastes just right." Founded in 2015, Lender Price is the most modern and proven PPE in the industry, supporting 22 of the top 30 wholesale lenders, including 8 out of the top 12 banks and credit unions in the world. Request some honey and a delicious [demo](#) today.

Sterling National Bank is now [Webster Bank](#), creating an even stronger organization with more than \$60 billion in assets offering more financial solutions and ways to support our clients and communities. Webster's Residential Mortgage Warehouse Group provides

warehouse lines to independent mortgage bankers throughout the country with a competitive SOFR based pricing structure and strong operational support. Eligible collateral now includes agency, government, jumbo, closed-end seconds, and non-QM. We are now FNMA and FHLMC eNote capable. Contact [Jeff Bonner](#), MD (978-810-2027) or [Patti Robins](#), SMD, Group Head (212-273-5880) to discuss what we can do to support your business.

A group of schoolchildren is lifting peoples' spirits through the hotline "[When Life Gives You Lemons, Call a 5th Grader](#)." For kid-curated advice, jokes and inspirational quotes to brighten your day, simply call 574-832-4965. Alternatively, for modern closing workflows and data integrations that accelerate the mortgage lending process, call on the eMortgage experts at SimpleNexus! SimpleNexus is a digital homeownership platform at the forefront of the mortgage industry's digital transformation. On April 5 at 2 PMET, join Jay Arneja of SimpleNexus, Wintrust's Cindy Zuckerman, and PennyMac's Spencer Balszas they explore eWarehouse lending concepts, review considerations when purchasing eNotes, and discuss specific challenges in the digital lending ecosystem. [Register for the free webinar to learn about digital lending practices that will have borrowers blowing up your phone.](#)

"We're excited to announce that Jen Peachman, 20-year mortgage industry veteran—has joined [Capacity](#) as our Strategic Partnerships Manager. Jen's drive to help mortgage lenders grow and scale their businesses via technology makes her a great addition to the team. Using mortgage automation tech like Capacity frees loan officers from repetitive tasks, tickets, and shoulder taps, giving them time to build relationships, and close loans faster. Capacity correctly and instantly answers more than 90% of all questions without any human intervention, 24/7/365. Don't take it from us. [Our customers](#) love sharing the benefits of support automation, and you can too. [Request a demo to learn more.](#)"

### Non-QM, ARM, Investor Loan, and Jumbo News

[Sprout Mortgage](#) has over 35 uncommonly good non-QM and conventional mortgage solutions not commonly found elsewhere. From jumbo loans up to \$10M to investor loan products with debt service coverage, to our asset optimizer loan and bank statement loans with 40-year, 10 year I/O options, we've got you covered! Want to easily match any scenario with the right product, aggressive pricing, and terms in minutes? iQualifi is a superior tool you don't want to miss. Mortgage professionals are invited to try iQualifi today, for lightning-fast results. Simply message: [TRYiqualifi@sproutmortgage.com](mailto:TRYiqualifi@sproutmortgage.com).

Angel Oak Mortgage issued a change to its lock policy. "On Thursday March 31st, we announced a change in our lock policy. We are retracting those changes and are in the process of making the appropriate system updates to reflect the original information of your borrower's loans. We understand the change caused confusion and stress for you and your borrowers and for that we apologize. Please know that Angel Oak is fully committed to our Broker Partners and the Non-QM community. We stand fully committed to you and the reputation you have worked hard to build over the course of your career. Please continue to communicate with your account executive and work with them on any questions you may have."

Wells Fargo Funding issued a reminder regarding ARM products in the [Wells Fargo Funding Newflash C22-011](#).

[United Wholesale Mortgage](#) introduced [Investor Flex](#), 30-year fixed Debt-Service Coverage Ratio (DSCR) loan option for real estate investors. This product will allow borrowers to qualify for investment properties based on monthly rental income of the subject property rather than their current income. It's available on purchase and refinance loans up to \$2 million and can be used to finance up to 20 properties. It will also be offered for short-term rental properties, giving brokers another competitive selling point when targeting real estate investors.

As of April 1, Mountain West Financial® is offering the MMF Jumbo AG program available as a 30, 20, or 15-year fixed option. Program Highlights include 680 min FICO, \$2,000,000 max loan amount, LTVs as high as 80%, Purchase & Refinance options, and Delegated Underwriting. View [MMF Wholesale Bulletin 22W-032](#) for details.

[PRMG Product Update 22-12](#) includes multiple clarifications to its Diamond Jumbo product such as maximum number of loans to one borrower, Housing History and Housing Payment History, borrowers living rent free, Residential Properties Owned Free and Clear, and Continuity of Obligation Requirement. Additional clarification regarding Minimum Interest Only credit score requirements for Flex Connect Prime (700) and Flex Connect Plus (680), and Agency Products clarification that for gift funds, a trust or an estate is not an eligible donor.

loanDepot Wholesale announced the expansion of its Jumbo Advantage product suite. Jumbo Advantage EXPRESS FLEX offers jumbo loan amounts up to \$2,000,000 with full and alternative documentation options. [View loanDepot Wholesale Jumbo Advantage EXPRESS FLEX matrix and lending guide for program details.](#)

AmeriHome's Portfolio suite of program guides has been updated. See [AmeriHome Announcement 20220307-CL](#) for a summary of the published changes.

## Capital Markets

The stock market eked out slight gains on Friday while the U.S. yield curve extended its recent flattening, after another strong employment report signaled that the Federal Reserve is likely to raise rates at least six more times this year. Investors appeared to largely shake off a recession signal from the bond market that was triggered when the two-year and 10-year Treasury yields inverted for the first time since 2019. Crude oil posted its biggest weekly loss in more than 10 years after the Biden administration ordered an unprecedented release of U.S. strategic reserves in an effort to tame surging prices at the pump.

Zooming in on employment, an upbeat jobs report (payrolls were up 431k, the unemployment rate declined more than expected, and February was revised to a 678k increase) showed the economy is on the upswing and helped fortify the Federal Reserve's case to use aggressive interest-rate hikes to tackle inflation. The robust payroll gains bringing the unemployment rate close to the pre-pandemic low, coupled with rapid wage growth (hourly pay increased 5.6 percent from a year ago and the large number of job openings should see that figure continue to increase), shows that businesses can't fill jobs fast enough and validates the market's expectation that the Federal Reserve will continue to tighten by raising the policy rate multiple times over the coming months. For the housing market, that means the increase in [mortgage rates](#) since the end of 2021 should be sustained for the remainder of the year.

And those [mortgage rates](#) are soaring. [Mortgage rates](#) jumped last week to reach the highest in almost four years at 4.67 percent. Although [mortgage rates](#) have spiked more than half a percentage point over the past two weeks, reducing affordability for many potential first-time homebuyers, the increase in wages will certainly somewhat help offset that hurdle. Demand for first homes remains steady and demand for second homes is still up 35 percent compared to pre-pandemic levels. The confidence that many potential homebuyers have in their financial situation also benefits from this historically strong job market. That is even in the face of recessionary warnings, as U.S. government bond yields reached new levels of inversion, including the two-year rate exceeding the 30-year for first time since 2007, on fears the next Fed rate hike will be a big one.

This week's economic calendar is relatively quiet before an increase in first-tier data next week. There are some Fed speakers and the potential highlight of the week will likely be the minutes from the March 15/16 FOMC meeting on Wednesday where MBS market participants will look for any remarks on quantitative tightening. Today sees just two data points: February factory orders and the March Employment Trends Index. The Desk will purchase up to \$2.15 billion MBS in 30-year 3 percent through 4 percent. We begin the day with Agency [MBS prices](#) little changed from Friday and the 10-year yielding 2.39 after closing last week at 2.38 percent.

## Employment

"A rising tide raises all ships, what happens when that tide subsides? As we all know, the market has adjusted, and we are back to business as usual. Is your company poised to sustainably maintain and acquire market share in this new market? I have been at [Mortgage Solutions Financial](#) since day one, and I can confidently say, 'Yes! Yes, we are!' We are a VA/FHA focus lender, and we do it like no one else. We understand that for the past two years, we have all been too busy to even consider making a move to another company. [Mortgage Solutions Financial](#) is looking for branch managers that are VA/FHA focused and looking to take advantage of the new market. We genuinely follow the GSE's, HUD, and VA's, guidelines. We are masters of manual underwrites and prefer to be in smaller markets, although, we are very successful in large markets with a heavy military presence. When you contact us, you will speak with me, [Rob Clennan](#), the President of the company, not a recruiter. I have been an originator for 26 years, and this company was built for you!"

[Lenders One](#), a national alliance of independent mortgage banks, community banks, and credit unions, is building on the recent hire of Krista Sabol, Director of Marketing, Kris Willoughby, Director, National Territory, and looking to further grow the company's sales team. Open positions include Director, National Territory, Origination Solutions Sales Manager-Trelix, Origination Solutions Sales Manager-Premium Title. If you or someone you know is interested in these roles or learning more about the immense value proposition of a [Lenders One](#) membership, please contact Tricia Mgliazzo directly.

FHA has one vacancy in Washington D.C. for a [Management Analyst](#), earning up to \$139k per year, to research and investigate new or improved business and management practices for application to Housing programs and operations, identify data required for use in the management and direction of programs, and conduct complex and special studies for efficiency and productivity and recommend changes or improvements in work methods and procedures.

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