

PPE, Business Intelligence, Jumbo Products; April Training and Events; Primer on Yield Curve Significance

By: Rob Chrisman | Tue, Apr 5 2022, 11:05 AM

My friend David had his id stolen and now he's just Dav. Having anything stolen is not a laughing matter, and since we're in the money business, lenders and vendors are often the target of cyber-attacks. If you want the FBI's take on them, the Texas MBA is hosting the "Anatomy of Cyber Attacks" webinar next Wednesday, April 13th. (More upcoming events below.) Some MLOs think that [interest rates](#) have stolen their livelihoods, but really, did you think 30-year [mortgage rates](#) were going to stay in the 2s forever? Or overnight fed funds near 0 percent? As of Friday's close, the market has priced in a 70 percent likelihood of a 50-basis point hike versus 30 percent for a 25-basis point hike. The question remains whether the Fed will be able to achieve its desired soft landing whereby inflation eases back towards their target without impeding economic growth. Rising prices continue to put pressure on all areas of the supply chain which will likely mean continued pressure on consumer prices: February marked the seventh straight month where inflation outpaced income growth leading to expectations of lower consumer spending as the year moves on. Perhaps rising [mortgage rates](#) and still increasing home prices will lessen some demand and ease the bidding wars that have become prevalent in many markets over the last two years. (Today's audio version of the commentary is [available here](#) and this week's is sponsored by [Optimal Blue](#), a division of Black Knight. Today's features an interview with Chazz Huston on Optimal Blue's API strategy and how it helps lenders integrate real-time pricing into their technology stack from the POS to the LOS, the CRM and beyond..)

Lender and Broker Products and Services

Mortgage servicers are expected to operate in the borrower's best interest and within regulatory tolerance. As loss mitigation activities resume after a two-year pause, servicers have reason to be careful and can take steps to assess their operations now. The CFPB and more than 20 attorneys general will be looking for "red flags" that suggest servicers are cutting corners or are unprepared to help distressed borrowers as forbearance plans wind down. The Clayton Servicing Oversight group routinely reviews and stress-tests servicer readiness to ensure that policies, procedures, and vendors are compliant and will withstand scrutiny. In a new blog, [Joshua Fieldgrove](#), VP of Servicing Oversight, [discusses how servicers can prepare for increased regulator-scrutiny of their loss mitigation activities](#). Contact Joshua to learn more about loss mitigation reviews.

American Financial Network uses Candor Technology's Fast & Flawless AI for autonomous mortgage manufacturing. "The wow factor with Candor is the speed." Jonathan Gwin, Esq., COO. [Learn More](#).

Jumbo Express Delegated Program Launch! TMS CAREspondent Lending is excited to launch its new AUS Jumbo program called Jumbo Express. Streamlined guidelines and reasonable tangible net worth requirements will open up fast Jumbo purchase times and limited downstream risk for a wide range of originators. The delegated Jumbo Express program allows your company to control loan origination conditions and review times, while taking advantage of TMS's world-class service and purchase times after the loan is closed. Grow your Jumbo purchase business by delivering a client experience that only your company can. Couple this with competitive pricing and TMS's best-in-class people, and you have a home run product offering for your client base. The Jumbo Express product will be available to lock by approval only. Contact your Regional Sales VP about program approval or Correspondent@TheMoneySource.com if you have any additional questions. There's turn-tastic times ahead for your Jumbo purchase business!

Don't wait for "roadmap features" from other BI vendors. Get the insights you need now with Richey May's [RMANalyze](#). A complete business intelligence platform designed for mortgage lenders by mortgage industry experts, RMANalyze delivers the actionable insights you need to move your business forward. With an API library of over 1,000 pre-built connectors, RMANalyze lets you connect to ANY data source, not just your LOS. It's fast and highly performant with large and small datasets alike. Plus, our implementer/consultants will work with you to build custom visualizations and critical reports on key initiatives for every area of your company. [Contact us today](#) for a walk-through and custom implementation plan. And start putting actionable insights to work for your business.

How could the right product, pricing, and eligibility (PPE) engine benefit your organization? In today's volatile market, the right technology may provide more benefits than you think. In an industry where change is constant, a growing number of lenders are seeking solutions that enable them to remain nimble amid fluctuating market conditions and evolving customer expectations. Specifically, an advanced PPE engine can mean the difference between exceeding borrower expectations and losing them to a competitor. Black Knight's recent white paper, [Five Critical Components of a Successful PPE](#), examines the elements of a high-performing platform equipped to support long-term success.

Podcast: How to prepare for rising [mortgage rates](#) and economic volatility. From global unrest to Fed rate hikes, there's plenty to discuss in

the latest Clear to Close podcast episode from mortgage solutions provider [Maxwell](#). Hosts Alan and Bryan are joined again by Anthony Ianni, a 33-year mortgage veteran who understands the importance of proactively planning for a rising rate environment. Tune in for a discussion on current events, the macroeconomic forces that impact margin compression, and steps you can take to get ahead in today's volatile market, including reimagining your product and channel mix and thinking like your investors to increase spread differentials. Don't miss this timely chat on the most important market trends: Listen to the Clear to Close podcast's new episode on [Apple Podcasts](#), [Spotify](#), or [Google Podcasts](#).

XINNIX announced two key executive appointments last week as the company moves into the next era of leadership and sales performance development training. [Adam "Bulldog" Brooks](#) joined XINNIX as their Vice President of Technology. He will oversee the network and computing resources for business operations and will manage the state-of-the-art innovative solutions that maximize client success. He is a digital transformation leader with 20 years' experience for a diverse range of industries including telecommunications, healthcare, education, and television. Additionally, XINNIX Top Gun sales veteran [Andy "Crush" Van Wagnen](#) has been promoted to National Mortgage Sales Manager to lead XINNIX's highly-skilled national sales team.

Training and Upcoming Events in April

XINNIX has invited me to [an open mic session](#) to answer all your questions this Thursday, April 7, at 2 PM ET. [Register here](#), and I look forward to talking with you in a few days.

DYK that [90% of customers say that an "immediate" response is highly important](#) when they have a question? With consumers expecting prompt customer service in a digital age, it's no surprise that around 80% of borrowers move forward with the first mortgage lender they make contact with. Being the first to reach a borrower is great, but it's just as important for lenders to deliver the right message if they want to stay relevant and ahead of the competition. On April 12 at 1 pm ET, join Sales Boomerang's Alex Kutsishin and Knowledge Coop's Ken Perry to learn how the right combination of mortgage advisor training and customer outreach can make your organization the first and best choice for borrowers. Don't become another customer churn statistic! [Register for the free webinar and start winning more borrowers' trust and business.](#)

Hey, if you're attending the [CMLA Mortgage Lenders Expo](#) this week, be sure to say hi.

Join leaders from Freddie Mac and representatives from the housing finance agency ecosystem for a robust panel discussion on April 5th 10:00-2:00 ET. Discussion will include trends in equitable housing, opportunities and challenges millennial homeowners face, housing inventory levels in the eastern United States, affordable lending products and solutions to help prospective homebuyers. Registration is free for the [Freddie Mac 2022 HFA Eastern Regional Symposium](#).

Friday the 8th is the next edition of The Mortgage Collaborative's Rundown with Rich and Rob. We'll be covering current events in the mortgage market for 30 minutes starting at noon PT in "[The Rundown with Rich and Rob](#)." (If you're interested in sponsoring shows, contact [Tom Galluci](#).)

On April 8th at 9:45 AM (PDT), via Zoom, join [Silicon Valley CAMP - Avoiding the Financing Pitfalls of Condominiums](#). Discussion will include classification, documentation requirements, red flags, CPM and SUA (Spot) approval for FHA.

Underwriting guidelines are constantly changing. FHA, VA, and USDA have made several changes to their underwriting guidelines in the last few months. [Join Ohio Mortgage Bankers Association for a 1-hour complimentary webinar](#) on April 14th at 11:00am Eastern, Marianne Collins from Diehl Mortgage Training and Compliance will bring you up to speed on recent underwriting guidelines.

AmeriHome's underwriting management team will be offering a Delegated webinar on April 19 covering FHA & VA Best Practices. [See AmeriHome announcement 20220311-CL](#) for details & registration information.

Desktops Appraisals are here to stay. When can you use them? What is the real benefit? [Join the MMLASE Chapter for the first luncheon of 2022](#) April 19th 11:30 AM- 1:30 PM at Maggiano's Little Italy in Troy. Speaker Giles Hofacer, CEO, Appraisal Scout will provide all the answers.

Of course the [Great River Conference](#) is in Memphis April 20-23.

Learn practical strategies to help you grow your business and close more loans with builders on Thursday, April 28. [Register for Zonda's webinar: Boost Builder Business in the New Mortgage Market](#). Chief Economist, Ali Wolf, and VP of National Sales, Nicollette Chapman, will provide strategic insights and economic analysis of the mortgage industry. Topics include what role does migration play in housing affordability? Have we seen an uptick in available housing inventory? How are consumers responding to higher [mortgage rates](#)?

Time to celebrate, be entertained, and learn more about MeridianLink's product offerings. The MeridianLink User Forum returns live and in

person on May 2–5, in Huntington Beach. The conference will cover topics such as digital lending, loan optimization, and data solutions for the finance and fintech space. Visit the [MeridianLink Live! User Forum Blog](#) for more information.

#NEXTSPRING22 is May 1-3, live and in person in Dallas although at-home attendees will be integrated with an incredible virtual experience. [View #NEXTSPRING22 Self-Serve Sponsorship Store for available sponsorship packages](#). Contact Vanessa Williams with additional questions by phone (203) 509-9327, [email](#), or [LinkedIn](#).

Capital Markets

Last week the yield on the 2-year Treasury briefly exceeded the 10-year on Tuesday for the first time since 2019, in a warning sign that coming Fed rate hikes may trigger a recession. (The inversion happened at a level of about 2.39 percent.) A short-lived inversion also occurred in the summer of 2019 amid the trade war with China, and while that was followed by the COVID downturn of 2020, the last persistent inversion of the Treasury curve occurred in 2006-2007. A graph of yields, which have [interest rates](#) along the Y axis and time along the X axis, typically slopes upward, so when short-term yields return more than longer-dated ones, it suggests there is reason to worry about the long-term outlook. It can also signal that the high levels of short-term yields are unlikely to be sustained as economic growth slows, which can have an impact on a range of asset prices. The typical metric to watch is the difference between the 2-year and 10-year Treasury yields.

Typically a recession has not happened without short-term rates being higher than long-term rates. So many believe that it is a predictor of a future recession. The timing, however, is unknown. **It could take up to two years, and plenty of unforeseen things can happen in the interim.**

As the Federal Reserve embarks on a cycle of quantitative tightening, there are fears that it will reduce consumer spending and business activity as the central bank battles the highest inflation rates in a generation.

No one can predict [interest rates](#), and the timing of [interest rates](#), with any great certainty. But before anyone starts sounding the “recession alarm,” some economists will tell you that there’s reason to believe that this time around, yield curve inversion may not be as good of an indicator as it has been in the past, particularly given the enormous amount of quantitative easing undertaken by global central banks. And Fed Chair Jerome Powell recently announced that he’s paying more attention to the first 18 months of the yield curve rather than anything that goes on afterwards.

Looking at fixed-income securities yesterday, we saw some steepening of the yield curve to open the week amid chatter that the most hawkish Fed outcomes might already be priced in, though movement was muted compared to last week’s rout. It was a quiet open to the week, as expected, **ahead of tomorrow’s FOMC minutes release**. On the data front, factory orders for manufactured goods declined 0.5 percent month-over-month in February, not as bad as expected following a relatively strong month of order growth in January. The figure also likely reflects some delayed influence of the Omicron variant on business activity, making it too early to say if this is the start of a weakening trend for factory orders.

In primary dealer news, which is pretty rare, ASL Capital Markets Inc. was added to the list of the Fed’s primary dealers. Primary dealers are trading counterparties of the New York Fed in its implementation of monetary policy. They are also expected to make markets for the New York Fed on behalf of its official account holders as needed, and to bid on a pro-rata basis in all Treasury auctions at reasonably competitive prices. **Today, the Desk will conduct just one operation which will target \$1.5 billion UMBS30** 3 percent through 4 percent.

Today’s economic calendar is already underway with the February trade deficit; Later this morning brings Redbook same store sales, final March S&P Global services PMI, and ISM non manufacturing PMI for March. Several Fed presidents are currently scheduled to speak: Minneapolis Fed President Kashkari, Fed Governor Brainard, and New York Fed President Williams. We begin Tuesday with Agency [MBS prices](#) worse .375 and the 10-year yielding 2.47 (versus closing yesterday at 2.41 percent) after it became **apparent that central banks around the world are heading toward raising rates**.

Employment and Personnel Moves

“The last 2 years have been record-setting for Branch Managers production, but will you be able to continue at this pace? Is your current company prepared for the next decade? Will you be able to retire at your current company? ‘Success can lead to complacency, and complacency is the greatest enemy of success.’ (Brian Tracy) Sometimes the best path forward is the one you haven’t considered. Our Branch Managers Averaged \$152M per branch in 2020 and averaged \$173M per branch in 2021. We focus on our managers continued growth; we don’t focus on their prior successes. We’re prepared for the next decade and our transition plan is simple and easy to execute. Whether rates go up or down there is a way to continue to grow and be one step ahead of your competition. Contact [Anjelica Nixt](#) to schedule a confidential conversation and find out how we help leaders grow.”

[Spruce](#), the proptech company powering online real estate transactions, announced the appointment of Craig Cotton as the company's VP of Product, working "to identify, build, and deliver even more meaningful products to serve Spruce's innovative nationwide customers."

[TitleEase LLC](#), a title and settlement services franchise business, announced it has hired Jason Bilbruck as VP of Business Development, a new position the company created especially for Bilbruck.

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