

Marketing, HMDA Dashboard, DSCR, Tax Programs; Planet Home/Home Point and Redwood/CoreVest Mergers

By: Rob Chrisman | Fri, Apr 29 2022, 11:01 AM

On Sunday, here in Hawai'i, and everywhere else I guess, is Lei Day. I was all set to go down the 5th grade joke path, until I saw this story about napping and ran out of room in today's commentary. Utah's Michael Pickard thought he was allowed to take a nap at work. He fell asleep and was fired a week later. The Labor Commission ultimately sided with Pickard, finding his dismissal to be either discriminatory or retaliatory, and now [a Utah state appeals court has agreed](#). Regulators, courts, and the lending business all go hand-in-hand. The pricing margins that lenders and banks have help ensure that compliance departments function, buybacks can be handled, and legal matters dealt with. For example, the Office of the Comptroller of the Currency entered into a [Consent Order with Anchorage Digital Bank](#), which requires Anchorage to create a compliance committee and take steps to remediate alleged shortcomings with respect to the implementation and effectiveness of Anchorage's Bank Secrecy Act/Anti-Money Laundering ("BSA/AML") program. And in matters involving the CFPB, Attorney Brian Levy opines in [his latest musings](#), "If you think (Director) Chopra is simply another Cordray, you are missing the boat. While he's definitely not an industry advocate, and he's not shy about regulating without APA-backed rulemaking, [he's got a very different agenda](#) from the "old-school" consumer advocates or populist banking industry haters whose agenda dominated the early years of the CFPB. Chopra has also shown that he is willing to go his own way by [not playing well in the sandbox](#) with other regulators. (Today's podcast is [available here](#) and this week's is sponsored by [Richey May](#), a recognized leader in providing specialized advisory, audit, tax, technology, and other services in the mortgage industry and in banking.)

Lender and Broker Programs and Services

"...In this world nothing is certain except death and taxes." (Benjamin Franklin) This quote has held particularly true considering the last few years we have had in the mortgage and housing industry. This year the only certainty is no one knows for sure what will happen next and we know that transaction volumes are down. In times like these, lenders should do their due diligence and take extra precautions to ensure people are truly qualified. One way to help with this is by vetting and verifying property tax information from a reputable data provider such as [First American Data & Analytics](#). First American TaxSource® is an automated, real-time, nationwide solution for sourcing property tax information, including real time tax status. All a user has to do is request a report, and TaxSource does the rest. [Watch the TaxSource webinar now](#).

HousingWire's [LendingLife](#) newsletter is designed with loan originators in mind. Sent four times per week, [LendingLife](#) delivers the most important news and analysis straight from HousingWire's award-winning newsroom. Subscribe to [LendingLife](#) and get the insights you need to keep moving the housing market forward.

Ever wonder why you don't see ads from Google when you're online? It's because they advertise using direct mail (It's true - do a search for it). But they're not doing "spray-and-pray" direct mail. Google's direct mail is intelligent, data-driven, mature, and profitable, exactly like Monster Lead Group's solution. That's why Brad Bennett from RealFi Home Funding Corp said, "Eighteen applications in 2 days on this drop. We may hit 40 apps this week... Gotta love Monster!" So, [schedule a call with the team](#) at Monster to learn how it can deliver exclusive leads to your LOs. Or [read about Monster's offering](#) for yourself.

Non-QM lender Deephaven Mortgage is now closing DSCR ([Debt Service Coverage Ratio](#)) loans in as little as 15 days. DSCR loans often used to build single and multi-family investment property portfolios are qualified based on the property's projected cash flow to be purchased or refinanced. Deephaven's DSCR program allows for borrower credit scores as low as 620 and LTVs (loan-to-value) ratios up to 80 percent*. Loan amounts can be as high as \$2 million, and cash-out options can be used to unlock equity for business purposes use. Because property cash flow is used to qualify the loan, no borrower income or employment information is required. Deephaven can approve new brokers online in as little as 24 hours. To learn more about Deephaven's 15 Day DSCR loan program or to join the Deephaven broker network, please visit broker@deephavenmortgage.com.

Looking for insights to help drive your business strategy? [Richey May's 2021 Interactive HMDA Dashboards are now live!](#) The mortgage industry experts at Richey May have scrubbed the raw 2021 Home Mortgage Disclosure Act (HMDA) data, offering a window into mortgage origination trends nationwide, and organized it into dynamic dashboards that allow lenders to drill down on specific markets and companies to aid in strategic business planning. This dashboard allows you to compare your loan characteristics to your peers so you can see where you stand. Lenders will also find this dashboard valuable for identifying new markets for expansion, seeking out M&A opportunities, measuring the success of sales efforts and more. [Access the dashboard on our website](#) today and reach out to info@richey.com with any questions you may have.

The refinance-heavy fintech lenders are taking a beating, but they're not going anywhere. What they can't do is win local as you can. National Mortgage Professional presents "[Local Business Marketing 101 for Mortgage Lenders](#)" webinar taking place on Thursday, May 12 at 1:00 pm ET / 10 am PT. Marketing can often feel like a never-ending list of tasks you don't want to do (or don't know how to do). Stop wasting time with complicated messaging and tactics that haven't paid off. This will cover best practices and how to implement them for local marketing. Skyler Taylor, Strategic Growth Account Executive at Podium will show you what critical areas you should focus your marketing efforts on, how to drive more traffic to your website and each of your locations and why local marketing tactics are different, and which strategies will work for mortgage lenders.

Mergers, Acquisitions

There are several reasons why lenders, large and small, and vendors seriously consider acquiring, being acquired, or merging with another like-minded company. We can expect to see this throughout 2022, the latest examples being...

[Planet Home Lending, LLC](#), a national mortgage lender and servicer, has entered into a definitive agreement to acquire certain assets of the delegated correspondent channel of [Home Point Financial Corporation](#) (Homepoint), a mortgage originator and servicer and a subsidiary of Home Point Capital Inc.

"This transaction demonstrates Planet's unwavering commitment to correspondent lending," said Planet Financial Group CEO and President Michael Dubeck. "Correspondent lenders served by both companies will benefit from consolidation in a volatile market," said Planet Home Lending President of Lending John Bosley. Homepoint President and CEO Willie Newman said, "This strategic move is the right opportunity for Homepoint at the right time, as it enables us to further streamline our organizational focus and ensures that our delegated correspondent partners are matched up with another company that shares our principles of offering great service and competitive pricing."

How big is big? Homepoint generated \$20.7 billion in delegated correspondent volume in 2021, making it the 13th largest correspondent lender. Planet Home Lending is ranked 12th with \$22.8 billion in correspondent volume. The acquisition will also contribute to the growth of Planet's servicing portfolio, which is now at \$54 billion. Planet will combine the best practices of both entities to create a streamlined customer experience delivered via Planet's CORE Seller platform. The deal is expected to close in the second quarter of 2022, subject to customary closing conditions. McGuireWoods, LLP acted as legal adviser to Planet Home Lending. Jones Day acted as legal adviser to Homepoint. STRATMOR Group acted as investment banking adviser to Homepoint.

And [Redwood Trust, Inc.](#) announced that it has entered into a definitive agreement to acquire Riverbend Funding, LLC and its subsidiaries ("Riverbend"), a private mortgage lender to residential transitional and commercial real estate investors, in an all cash transaction. "The addition of Riverbend complements Redwood's existing business purpose mortgage banking platform, CoreVest American Finance Lender, LLC ("[CoreVest](#)"), enhancing CoreVest's suite of products, geographic and production footprint, and client base. Following the close of the acquisition, Riverbend will be integrated into CoreVest."

If you're considering a merger or acquisition, don't forget [STRATMOR's Garth Graham's piece on advice for companies](#) in the M&A section.

With the increase in [interest rates](#) and decline in margins, it will continue to be challenging for smaller mortgage companies. Trying to balance all the overhead and operating expenses within your business can be overwhelmingly stressful during a time like this. You may have thought about selling your business and continuing to provide as many employees as possible with employment going forward... It is crucial to think about your long-term sustainability. A nationwide lender with both retail and wholesale channels that is seeking to acquire a company with top sales talent and the staff needed to support that aspect. If you are interested, please confidentially reach out to [Anjelica Nix](#)."

Capital Markets

The main headline yesterday, outside of Wall Street earnings, was U.S. GDP contracting by an annual rate of 1.4 percent in the first quarter of this year when it was expected to increase 1.1 percent. The U.S. economy shrank for the first time since the first half of 2020 following a robust 6.9 percent growth rate in the fourth quarter of 2021. A ballooning trade deficit and slower inventory accumulation against a backdrop of inflation, rate hikes, and a fragile global economy is expected to further constrain activity as the year goes on. Private demand of the GDP grew by a strong 3.7 percent, well above the growth potential of the economy.

While the GDP report will inflame concerns about the U.S. economy being at risk of entering a stagflation period (necessitating tighter monetary policy to get inflation under control) or slipping into an eventual recession. Expectations are now for the number to be revised upward in coming reports due to strong consumer spending and wage growth, but the combination of stagnating growth and high inflation is a tough situation for the Fed to manage as it proceeds with its plans to further tighten monetary policy over the course of 2022.

We can expect that the Federal Open Market Committee, the “action arm” of the Federal Reserve, will raise rates by 50bp next week as underlying demand remains unusually strong. Yesterday afternoon, the Desk released a new MBS purchase schedule covering the April 29 to May 12 period, which totaled \$20.1 billion. The new schedule sees all of the 30-year operation targeting 30-year 3.5 percent through 4.5 percent with UMBS15 operations targeting 3 percent and 3.5 percent instead of 2.5 percent and 3 percent in the prior schedule. Today's schedule sees the Desk purchasing up to \$2.1 billion of 30-year 3.5 percent through 4.5 percent across UMBS30s and GNIs.

Today's month-end session kicked off with personal income and spending (+.5 and +1.1 percent, respectively, in March) and employment costs (+1.4 percent, stronger than expected). The Core PCE Price Index, the Fed's preferred measure of inflation, increased .3 percent. Later this morning brings Chicago PMI for April and final April Michigan sentiment. We begin Friday with Agency MBS prices worse .250-.375 and the 10-year yielding 2.89 after closing yesterday at 2.86 percent from the strong inflation data.

Employment

[Homeowners First Mortgage](#), part of the [Newrez](#) family of companies, is looking for experienced Loan Officers in the following California counties: Orange County, Riverside and San Diego. Homeowners First Mortgage offers the promise of longevity and security along with a commitment to service excellence. “Loan Officers on our team have a unique opportunity to grow their business through education-based marketing with our partners. The leadership team here fully supports our Loan Officers in growing their business with exceptional CRM, marketing, and web-based tools,” says Katherine Alves, Joint Venture President of Homeowners First Mortgage. Ideal candidates will have 3+ years of lending origination experience and an active federal or state NMLS license. Ready to become a part of a dynamic team? [Apply now](#) or contact [Katherine Alves](#), or our [recruiting team](#)!

“At Southwest Funding, our motto is ‘A Better Way To Mortgage,’ and it drives everything we do. Providing world-class support, our branches work with dedicated in-house processors, underwriters, and operations team, every day, every file. Reach more borrowers and close more loans with our in-house marketing team offering a high-touch service, customized to the Branch and their local opportunities and challenges. Combine this with innovative technology, and our business is on target to bloom in the summer for Southwest Funding and its 700+ Loan Originators. Working nights and weekends should not be the life of an originator, let us do the heavy lifting. Produce at the same high level, while also living the personal life you have always dreamed of. For more information, contact [Trey White](#).

[Victorian Finance](#) announced that thought leader and Producing Branch Manager Ashley Courville and The Complete Mortgage Team have joined VicFin as its newest branch serving clients in Louisiana and Alabama. Courville and her team have been a trusted brand throughout the community and have set a goal to help 250 families in Acadiana move into new homes this year. “It has been a vision of mine to be a part of a great culture and create an amazing client experience,” said Courville. “I have found the perfect match for us here at VicFin, where we can walk with our clients hand in hand, to create that great experience.” “Ashley has tremendous energy and talent that will elevate our entire team,” said E.H. “Sonny” Bringol, Jr., CEO of VicFin. “As I am a Louisiana native, we are excited to have Ashley Courville and her team as part of the VicFin family.”

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