

# Company Webinars, Non-Agency, Compliance, DPA Products; USDA and Ginnie News; Rates Smack Housing Starts and Permits

By: Rob Chrisman | Thu, Jun 16 2022, 11:14 AM

If you can't think of a word or phrase, say, "I forgot the English word for it." That way people will think you're bilingual instead of an idiot. It is not hard to remember the phrase, "Rates are going higher." While independent mortgage banks continue to compete with the intermediate ARM offerings from depositories in the 3 percent range, and originators shift their sales techniques, on a larger scale the Federal Reserve acted yesterday confirming its desire to slow inflation down by raising the target overnight Fed Funds rate by 75 basis points (.75 percent). (For a primer, MCT had a post, "[How Does the Federal Reserve Affect Mortgage Rates](#)"?) Forget worrying about lack of growth, or its market guidance credibility (Fed officials were talking about 50 basis points for weeks), the 75 "bps" helps the Fed's inflation-fighting credibility. And remember that the Fed hasn't even started the selling process of reducing its massive MBS holdings. Some have wondered why [mortgage rates](#) have gone up higher/faster than the yield on the 10-year. What investor would want to own MBS right now in this rate raising environment, potential credit risk, and questionable mortgage duration? (Today's podcast is [available here](#) and this week's is sponsored by [SimpleNexus](#), an nCino company and award-winning developer of mobile-first technology for the modern mortgage lender. [Nexus Closing](#) gives borrowers flexibility and convenience during closing from traditional, to hybrid, to full eClosings.)

## Broker and Lender Services and Programs

The Fed sells five-pound bags containing \$10,000 of destroyed cash for \$45 a pop. What a bargain! Another shocking financial fact, a new study by Down Payment Resource has found that 33% of declined loans could have been saved with homebuyer assistance. In a market where lenders need to hang on to every fundable loan, Down Payment Resource's DPA directory of over 2,000 homebuyer assistance programs is an essential tool to help qualified borrowers build wealth through homeownership. [Visit the analysis for opportunities to improve homeownership accessibility with DPA](#)

Game changing technology! Plug into Zoral's Mortgage Automation Suite for 'best in class,' AI powered automation that has been specifically designed for mortgage banking. Zoral's affordable automation solutions let humans become faster, more accurate, more scalable, and more productive in their day-to-day job. For the past 18 years, Zoral has operated one of the largest intelligent automation labs in the world and combines globally proven technology with front line, mortgage experience when designing automation products that will truly make a difference. Simply put, Zoral's plug n play solutions will amaze you! Contact [Zoral](#) for your personal tour of the future.

Don't wait another day. reach out to Richey May today to see the most popular BI platform in the mortgage market for three years running, [RMAnalyze](#). With 100% of fully implemented customers renewing year over year, [Richey May's RMAnalyze](#) is business intelligence designed by and for mortgage industry experts. Our platform consolidates data from every department and every piece of software you use. It provides just the right reporting from the C-suite to the front line, plus the functionality to build visually engaging reports on key indicators. Bonus: Our analysts have deep mortgage experience, so you don't need to train us on your business. Get the cross-functional data, user-friendly dashboards, and real-time analysis you need. [Contact us today](#) for a walk-through and custom implementation plan.

[AmeriHome](#) Mortgage was the #2 Correspondent Lender and #7 Overall Mortgage Lender in 2021 according to [Scotsman Guide](#)! If you're interested in working with AmeriHome, you can meet with them at several upcoming events including, but not limited to, Eastern Secondary Conference and Convention, AMLA Annual Conference, MBA of Hawaii Annual State Conference, and the CMBA Western Secondary Market Conference! Find a full list of events on their [website](#). AmeriHome is now offering Western Alliance Bank warehouse lines to their clients, both Delegated and Non-Delegated, for both Agency and Non-Agency business. In addition, Western Alliance Treasury Management and Depository services are now available with dedicated customer service from trained mortgage specialists. Reach out to [CLsales@amerihome.com](mailto:CLsales@amerihome.com) for more information about what AmeriHome can do for you!

## Company Sponsored Webinars

[Uber's 2022 'Lost and Found Index'](#) revealed the most common items left behind in Uber vehicles during the past year, as well as some unusual ones, including tater tots, a bucket of slime and "my grandma's teeth." If you're not using Sales Boomerang's automated borrower intelligence alerts to find tappable equity in your database, you're leaving behind loan opportunities far more valuable than a pair of lost dentures. On June 30 at 2 pm ET, the MBA will host Sales Boomerang's Alex Kutsishin, Mortgage Coach's Dave Savage, and NEO Home Loans' Josh Mettle as they uncover the entry points to being successful in today's equity market. Non-MBA members: use code

SALESBMRNG100 to register for the webinar for free! [Join the conversation to ensure you aren't leaving borrowers with equity behind.](#)

[Register for ActiveComply's free webinar](#), "Using Social Media to Increase Purchase Business While Staying Compliant" on June 24, 12 PM EST to discuss how the best producers are using social media compliantly with Mitch Kider (Chairman and Managing Partner of Weiner Brodsky Kider PC), Barry Habib (CEO of MBS Highway), and Melissa Thomas (VP/Head of Compliance at ActiveComply). [ActiveComply](#): Do you know what your LOs are saying online? Are you saying NO to social media because you don't know the rules or feel protected? ActiveComply creates no-headache solutions for staying compliant on social media for IMBs, banks, credit unions, and more. [Meet regulatory requirements](#) easily through our compliance system technology. Sign up for a free demo and [try ActiveComply](#) today!

How much potential revenue is sitting in the pre-qualified stage of your team's pipeline? What are you doing to convert them? Those warm leads are money left on the table if you aren't keeping them in your ecosystem. Instead of sending borrowers off with a PDF, you should send them a QuickQual. QuickQual by LenderLogix provides borrowers with instant answers as they are looking for houses. With access to a customized mortgage calculator based on their financials, borrowers can run hyper-accurate payment and closing cost scenarios and even update letters on the fly. Lenders that use this technology find that their pre-qual to application conversion rate is 60% or greater. That sounds like it's worth checking out. The LenderLogix team is hosting [a webinar on July 6th](#) to showcase QuickQual's functionality for lenders, borrowers, and Agents. If you'd like to [see a sample QuickQual](#) before then, head over to their site and they'll send one right to your cell phone.

### Product-Specific News

Property investors are out there waiting for you! How can you help them? [Sprout Mortgage](#) offers its Inve\$tor Debt Service Coverage Ratio programs with low-ratio and no-ratio options which include eligibility for mixed-use properties. Contact your Account Executive or head to [www.SproutWholesale.com](#) today!

Flagstar Bank is aggressively expanding its specialty-lending offerings, including new product advancements and non-QM. On the menu are higher LTVs up to 90 percent and lower reserves on jumbo products like the recently updated Jumbo Express, more ARM options on its Jumbo One time close, and the upcoming relaunch of Flagstar's Advantage product which includes ARM options, offers LTVs up to 90 percent, loan limits from \$100,000 to \$3 million, and more flexible guidelines including a higher DTI up to 55%. And a stand-alone HELOC for TPO is coming soon. Visit [Flagstar.com/why](#) or contact [John Gibson](#) to learn more.

### USDA Rural, FHA, Ginnie News

The United States Department of Agriculture (USDA) updated the HAF FAQs and posted them to the [Single Family Housing Guaranteed Loan Program](#) website. The FAQs explains when a servicer may place a foreclosure action on hold when a borrower has applied for or takes advantage of HAF funds. Servicers are strongly encouraged to work with the borrowers to research eligible options that welcome sustainable homeownership. Questions regarding the HAF program can be directed to National Office Division at [guarantee.svc@usda.gov](mailto:guarantee.svc@usda.gov) or (866) 550-5887.

Ginnie Mae affirmed program guidelines for delinquent loan buyouts. Read the [Press Release](#)

In a new [Ginnie Mae Press Release](#), the rollout of enhancements to its Digital Collateral Program and the release of updated guidance for the securitization of eNotes was announced.

[USDA announced](#) an Interest Rate Increase for SFH Direct Programs.

The Single-Family Housing Guaranteed Loan Program (SFHGLP) issued a reminder to participating lenders of several helpful closing items. Per the 3555 Handbook, lenders are not authorized to close loans prior to the issuance of the Conditional Commitment. The Closing (Settlement) Date is defined as the date the loan closed per the Closing Disclosure. This is the date that will be reflected on the Loan Note Guarantee. Lenders can find the [Lender Loan Closing User Guide on the LINC Library, Loan Closing](#).

The Fiscal Year 2022 Section 533 Housing Preservation Grant (HPG) Notice of Solicitation of Applications was published in the [Federal Register](#) on May 26, 2022. The HPG program provides grants to qualified organizations to repair or rehabilitate housing occupied by very-low- and low-income families in rural areas. Eligible applicants include most State and local governmental entities, nonprofit organizations, and Federally Recognized Tribes. Applications may be submitted to the [Rural Development State Offices](#). The closing deadline for receipt of all paper or electronic pre-applications is July 11, 2022.

[Plaza Home Mortgage®](#), announced a new USDA renovation loan program that will enable qualified low to moderate income borrowers to purchase and renovate with no down payment and with loan amounts up to the "as improved" value. The program, which is available

through Plaza's Wholesale and National Correspondent Divisions, offers fixed rates and 100% financing on owner-occupied single-family properties in eligible USDA rural areas. Borrowers must meet USDA income requirements and Plaza's minimum credit score of 620. The loans can be used to purchase a home and complete upgrades like modernizing kitchens and bathrooms, building additions, adding amenities to accommodate disabilities, installing energy conservation improvements, and repairing Accessory Dwelling Units (ADUs).

PennyMac added a Government FHALLPA Special for all Best Effort commitments, 0.100 will apply to  $\geq 700$  FICO and Loan Amounts  $\leq$  \$325,000.

PRMG announced the release of the new consolidated Chenoa Fund FHA Down Payment product. This product is designed to help streamline the process and make the product easier for everyone. [View PRMG Product Update 22-22](#) for additional information about the changes.

## Capital Markets

The Federal Reserve just announced their **biggest interest rate hike in decades to combat inflation**. To get a good understanding of how announcements like these affect rates, read MCT's post, "[How Does the Federal Reserve Affect Mortgage Rates?](#)" In this article, MCT discusses the structure of the Federal Reserve, how the Federal Reserve supports the economy and its effect on [mortgage rates](#). Looking to dive deeper into secondary market learning tools? Take a look at the recently announced [MCT Learning Center](#). With a repository of webinars, technical whitepapers, blog posts, market commentary, and a dictionary of industry terms, the MCT Learning Center grants unparalleled educational access to users looking to expand their knowledge of capital markets.

After taking the blame for not anticipating the fastest price gains in four decades (so much for the word "transitory") and then for being too slow to respond, the Fed finally brought out heavy artillery yesterday in its bid to cool prices. In a 9-1 vote with only Kansas City's George preferring 50 basis points, the FOMC decided on a 75-basis point increase in its benchmark fed funds rate to a new target range of 1.50 percent to 1.75 percent. This is the first 75 basis point increase since 1994, though expectations are now for the same increase next month to get inflation under control. One week ago, the market was certain that the Fed would hike 50 basis points, so we have had a **pretty sizable jump in expectations in a short period of time**. Even so, Fed Chair Powell does "**not expect moves of this size to be common**" in what increasingly looks like a pitched battle against inflation.

In addition to the widely-expected rate hike, the Fed also released its latest economic projections, which showed that median PCE inflation is now expected to be up 5.2 percent from 4.3 percent in 2022 while growth in 2022 is now expected at 1.7 percent, down from the previous forecast for an expansion of 2.8 percent. The dot plot, which the central bank uses to signal its outlook, shows the median year-end projection for the federal funds rate moved up to 3.4 percent from 1.9 percent in the prior SEP and the estimate for the end of 2023 was boosted to near 3.8 percent. All Fed officials expect the fed funds rate to be above 3.0 percent at the end of the year, leaving the potential for another 75-basis point hike as soon as the next meeting.

A federal funds target rate likely to reach almost 4 percent by the end of 2023 should be effective in slowing the economy and ultimately bringing down inflation. As for the prospect of a soft landing, even the Fed conceded that the U.S. economy's eventual touchdown may be a bit bumpier than previously hoped for. That comes as the ongoing reduction in the size of the Fed's balance sheet is another factor putting upward pressure on [mortgage rates](#). The Fed plans to continue to reduce its balance sheet by \$47.5 billion a month, as laid out in May. "The housing market has slowed considerably over the past month as rate increases have taken hold," said MBA SVP and Chief Economist Mike Fratantoni. "We expect that this slower pace will remain through the summer, **but buyers could return later this year if the Fed's plans are better understood by the market** and lead to less rate volatility." There was some volatility in the wake of the FOMC decision, but Treasury yields fell by the close, indicating some confidence in what the Fed is doing.

In case that wasn't enough news on the day, U.S. retail sales unexpectedly fell (0.3 percent) in May for the first time in five months, restrained by a plunge in auto purchases and other big-ticket items, which arguably suggests demand is slowing thanks to high inflation. High gas prices likely curtailed discretionary spending on goods. On the other hand, an inventory glut in other goods has led to unexpected bargains for shoppers, especially for items that were hot sellers earlier in the pandemic. There is now the concern that the Fed will be raising rates aggressively into an economic slowdown.

Today's economic calendar is just about done and dusted. Weekly jobless claims (-3k to 229k), Philadelphia Fed manufacturing (-3.3), and housing starts & building permits for May (-14.4 percent but a higher revision for April; permits -7 percent). Following yesterday's Fed events, Sweden's Riksbank came out with their latest monetary policy decision as well as the Bank of England. The Desk will purchase up to \$920 million UMBS30 4 percent and 4.5 percent. We begin the day with Agency [MBS prices](#) worse .5 and the 10-year yielding 3.40 after closing yesterday (with the 4:45PM marks) at 3.40 percent as rates continue their grind higher.

**Jobs and Transitions**

Benjamin Franklin said, “When you’re finished changing, you’re finished.” It’s 2022 and yes, everything is changing. What are you doing to keep up with change? Take a peek to see what why we’re different. Canopy Mortgage is a better business model that provides Mortgage Loan Officers with ultimate control, unmatched pricing and a [proprietary Loan Origination System](#) that promotes highly efficient loan processes and faster closings! Finally, you can give your clients better pricing AND you can make more on your deals. Canopy provides a sustainable mortgage business model that’s good for everyone. No wonder why Canopy made the Scotsman’s Guide 2021 Top Lender in the Nation List. Reach out to [Josh Neumarker](#) at Canopy Mortgage for more information 888-696-9076.

[Falcon Capital Advisors](#), a leading business advisory firm that provides strategic advice, technical expertise and engagement execution to financial institutions and government agencies, announced that Phillip Bracken will be joining the firm as Vice Chairman to advise financial services and housing industry entities, investors, and government clients on strategic, operational and technology initiatives.

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