

Pricing, Broker, Jumbo, Fee Collection Products; STRATMOR Survey; Investor ARM News

By: Rob Chrisman | Tue, Jun 21 2022, 10:56 AM

Here in Honolulu, talk among those gathered for the MBAHawai'i annual conference includes the rise in adjustable-rate mortgage lending by depositories, and the impact of inflation, and the Federal Reserve fighting it, on home loan rates and [interest rates](#) in general. Inflation is everywhere. Here's your tip-of-the-day: go buy some Forever Stamps from the Post office as [postage prices are going up in early July](#). If you think that you have it bad, on a year-over-year basis, freight and building materials prices increase in May means they were up [36.3% for the year!](#) These price increases certainly argue for doing things more efficiently. Ever heard of modular housing developer TopHat? Me neither, perhaps because it does business in the United Kingdom. But the Goldman Sachs-backed housebuilder is going to build Europe's largest home factory in the U.K. and be able to produce [4,000 homes a year](#). (Recall that Goldman also bought an entire community in Florida.) Yes, the creation of housing stock may warrant a change. Speaking of change, how 'bout Apple store workers in Maryland voting to form the company's first U.S. union?! (Today's podcast is [available here](#) and this week's is sponsored by [Candor](#). With Candor's Machine as an Underwriter, lenders modernize their manufacturing infrastructure making them immune to margin, capacity, and staffing challenges forever.)

Broker and Lender Services and Programs

Human vision can detect more shades of green than any other color. Similarly, Nexus Vision by SimpleNexus helps lenders see more green with the out-of-the-box business intelligence lenders need to effectively manage, measure, and operate their businesses. Featuring dashboards, reports, and scorecards, Nexus Vision gives lenders instant access to actionable insights, no developer or data scientists required. From the C-suite to branch managers, LOs and underwriters, [Nexus Vision delivers performance and productivity insights](#) that help organizations run more profitably. [Download the free whitepaper](#) to learn more about how performance scorecards can help you optimize productivity.

Some borrowers can be [tough nuts to crack](#). For that very reason, being able to predict a customer or prospect's next financial move is a tremendous competitive advantage for mortgage advisors. To generate the most reliable assessment of customer intent possible, however, you need accurate, up-to-date consumer data. Rather than relying on third-party lead lists and weak signals of loan-readiness, Sales Boomerang tracks strong signals of intent, things like major life events, changes in financial situation and actions such as applying with a competitor, to help lenders present relevant offers to the right borrowers at the best possible times. Quit driving yourself nuts trying to anticipate borrowers' financial needs and [learn to read the signs of customer intent](#).

Calling all mortgage operations teams! If you're still manually collecting and processing your upfront fees, this webinar is for you: "How Mortgage Operations Teams Can Improve Performance and Ensure Compliance with Fee Chaser." Fee Chaser by LenderLogix allows lenders to request fees right from within the LOS and send borrowers a secure payment link via text and email. Borrowers complete the payment right from their device and everyone gets a receipt. Putting your fee collection on autopilot saves the entire team time and PCI compliance headaches. With Fee Chaser, 60% of lenders receive their payment within 5 minutes and 94% receive their payment within 24 hours. [Register today for this webinar](#) on July 13th that will include a demonstration of Fee Chaser's functionality for lenders and borrowers. If you'd like to [see a sample fee request](#) before then, head over to their site and they'll text one to your cell phone.

Don't miss your chance to meet with the TMS Correspondent team at the Western Secondary Market Conference in Dana Point, CA, 7/25 – 7/27. This is your opportunity to learn more about the advantages TMS Correspondent has to offer and how they can help you close more loans with their agency-style direct credit box and a full suite of renovation products. Plus, TMS now offers delegated AUS Jumbo products. TMS is a world-class national correspondent investor and mortgage loan servicer. They leverage 20 years of experience to help you prosper, and everything they do revolves around a single mission: Grow Happiness. Don't miss your chance to meet with a Top Ginnie Mae issuer. Email carespondent@themoneysource.com to set up a meeting.

[Finance of America Mortgage](#) TPO has got you covered when it comes to keeping you on top of the rapidly evolving mortgage landscape. Information is king and we know your time is valuable; and sitting through endless meetings is not a good use of your time. With that idea in mind, FAM TPO brings you Broker Bites. Bite-sized opportunities to keep you in the know and on top of your game. [Broker Bites](#) are quick, information packed tutorials and webinars brought to you by the Training Team at Finance of America Mortgage TPO. Take 15 minutes out of your day to join one of our weekly calls to learn about new products, services, and all that Finance of America Mortgage TPO has to offer the broker community! Interested in partnering with Finance of America Mortgage TPO? [Reach out](#) today to see how we can help take you to the next level!

Let's play a quick round of Jeopardy! CATEGORY: Mortgage data. CLUE: These three characteristics make up a quality mortgage pricing data source. Before we reveal the answer, let's consider why incorporating data into your mortgage operations even matters. To start, originators are facing a double-edged sword of record-high rates and a shrinking number of borrowers. Optimal Blue repeatedly observes that in volatile environments, the most successful lenders have incorporated dependable data assets into their strategies. So, what are these three critical characteristics of reliable data? Find the answer in Optimal Blue's recent blog post, "[3 Characteristics of a Quality Mortgage Pricing Data Source.](#)"

Customer Service: Job #1

It's been a tough year for everyone. According to the MBA, refinance applications are down [75 percent](#) and [interest rates](#) are two points higher than this time last year. To compete, lenders have to focus not just on product and price, but also on the emotional elements of the borrower journey. In his new June Customer Experience Tip, STRATMOR Group Customer Experience Director Mike Seminari encourages lenders and their originators to differentiate themselves by developing empathy for borrowers who are facing the same challenging environment, just in a different way. According to Seminari, "Emotional connection with both their new and existing customers may well be the defining characteristic that separates the winners from the losers over the coming months, and perhaps years." Learn more about empathy in Seminari's article, "[How Can Originators Empathize with Their Borrowers?](#)"

Adjustable-Rate Mortgage News

Lenders and originators are certainly experiencing the lack of secondary market investors in ARM products. This, of course, leaves banks and credit unions in the enviable position of a) being able to put them into their portfolios, and b) not always having to feel the force of higher rates on warehouse lines since money paid on deposits has not gone up as fast. Certainly, the percentage of adjustable-rate mortgage applications has moved higher, and for some lenders account for 20 percent of new business.

The amount of advertising on radio, television, and social media for adjustable-rate mortgages (ARMs) has certainly increased. While Fannie and Freddie do have 15-year fixed, and hybrid-ARM products, the overwhelming number of mortgages funded are 30-year fixed. Most originators will tell you that new mortgage applicants want to know that their rate will not change in the future unless they refinance.

The Federal Reserve Board is required by the Adjustable Interest Rate (LIBOR) Act to publish regulations identifying the benchmark replacement (based on SOFR) for LIBOR contracts. Following publication of this regulation, the GSEs will announce the replacement index for legacy LIBOR products. Servicers should start identifying LIBOR loans with non-standard language to avoid last minute changes. For more information, [read the Legacy LIBOR Non-Standard Note Review](#). Details are also available on the [LIBOR Transition page](#).

[AmeriHome Product Announcement 20220504-CL](#) announces a new SOFR ARM options available within the GSE loan programs.

Plaza Home Mortgage®, announced the addition of its new Jumbo Preferred Program that features both fixed and adjustable-rate mortgages (ARM), competitive rates and loan amounts up to \$3 million. Available through [Plaza's Wholesale channel](#), the program can be used for primary, second home and investment properties and single family, 2-4 unit and condominiums. Borrowers can have DTIs up to 43% and FICOs to 700 (fixed) and 720 (ARM).

[loanDepot Wholesale](#) competitively priced ARM products can help your Borrower save money on introductory interest rate and lower their initial monthly mortgage payment. Wholesale Programs offer 10/6 SOFR, Jumbo Advantage Express 7/6 and improved pricing on Conventional 5/6 and 7/6 ARMs.

Capital Markets

After yesterday's holiday, since prices in a free-market economy are determined by supply and demand, of particular interest this week for markets are Treasury supply consisting of \$14 billion 20-year bonds auctioned Wednesday followed by \$18 billion reopened 5-year TIPS on Thursday. **We also have Fed Chair Powell's semiannual monetary policy testimony to Congress on Wednesday** before the Senate Banking Committee then again Thursday before the House Financial Services Committee. Few are looking for any surprises after the recent Fed meeting verbiage.

The short-week opened rather modestly with the Chicago Fed National Activity Index for May (down to +.01 percent, still positive) and Philly Fed non-manufacturing firm and region indexes for June. Later today brings existing home sales for May, which is forecasted to decline 3.7 percent to a 5.4 million annualized rate. "**Fedspeak**" is confined to **Richmond's Barkin and Board Governor Waller**. We begin the trading week with Agency [MBS prices](#) worse .125 and the 10-year yielding 3.26 after closing Friday at 3.24 percent on continued thinking that rates will continue higher to try to stem inflation.

Employment

“M&T Bank recently merged with Peoples United Bank, making it a combined \$200 billion banking franchise serving customers from Virginia to Maine. We are looking to expand our origination team across the footprint, with emphasis on the New England market. Originators enjoy a robust and competitively priced product suite including traditional agency product, plus jumbo, HELOC, construction, and affordable lending programs. In addition to self-source, originators are integral to our community-based partnership model and leverage our 1,000+ branches for business generation. We’re also looking for top mortgage technologists to help us continue to focus on providing a great digital experience for customers and employees. Now is a great time to join our 22,000 strong team a make a career with a bank that understands what’s important. Contact [Rico Tempestoso](#) for more details. M&T Bank Corporation is an Equal Opportunity/Affirmative Action Employer, including disabilities and veterans. Member FDIC. NMLS ID# 381076.”

[Angel Oak Mortgage Solutions](#), the leading non-QM lender has added to its already amazing team of Account Executives due to the increasing demand for non-QM and company growth. They recently welcomed seven experts to the Angel Oak family. Account Executives Jessica Warrick in Orlando, Florida, David Ramos in Las Vegas, Nevada, Richard Kunzer covering Indiana, and Dustin Graham in Phoenix, Arizona. Inside Sales welcomes Jaye Hohman, Landon Thomason, and Santiago Carmona. They are excited and ready to help originators with quick and easy solutions using non-QM. Angel Oak is continuously growing and are always looking to add to its team of expert account executives who deliver a high level of service to brokers and correspondents nationwide. See [JoinAngelOak.com](#) for information on how to join the leader in non-QM.

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