

Fraud, Home Equity, Non-QM, Reno Products; Wholesale Updates

By: Rob Chrisman | Mbn, Jul 18 2022, 11:08 AM

Everyone is watching the value of their 401(k) plan go down. You should be watching it go down from “across the pond,” sitting at a sidewalk café in Paris. Anyone traveling in Europe is rejoicing at the exchange rate: Things are more affordable for American tourists this summer, with the exchange rate between the euro and the dollar now about equal. It's the first time since 2002 (in the early years of the euro's existence) that the ratio came close to 1:1, but could come at a cost of global economic stability. The Fed is on track to continue hiking [interest rates](#) by 75 bps per meeting to conquer inflation, in comparison to the European Central Bank, which is still hesitant to get too aggressive. EU recession fears are more pronounced than they are in the U.S., especially given the grim energy outlook and the shutting of the Nord Stream 1 pipeline for annual maintenance. (We all have a chance at listening to the MBA's [Dr. Mke Fratantoni](#) discuss the latest MBA economic projections.) Many Fed officials have already cemented expectations for a 75-basis point increase later this month, but the latest inflation report is putting 100 basis points on the table (Canada hiked by a similar amount on Wednesday). In fact, the CME Group's FedWatch tool now puts a 75 percent probability for a full percentage point hike on July 27, with another three-quarters of a percentage point coming in September. (Today's podcast is [available here](#) and is sponsored by [EarnUp](#), an award-winning, consumer-first technology payments platform where originators and servicers can provide a borrower experience with flexible payment options that reduces risk and improves overall financial health. Today's features an interview with EarnUp's Zach Kruth on borrowers' needs and what to do as we shift into a buyer's market.)

TPO Products

Cash is King! Have clients who've lost out to all-cash offers? Who doesn't! Help level the playing field for them with the [eCASH Home Financing Program from AFR Wholesale](#) which gives borrowers the buying-power of an essentially all-cash offer even if they don't have all the cash. How? With a contract addendum ensuring that AFR's program partner will buy the home if the buyer is unable to close due to a covered mortgage issue and that the seller will receive the approved purchase price regardless of the appraised value. It's a win-win, and a great reason to remarket to prospects. AFR is currently accepting eCASH applications in specific counties in AZ, CA, CO, FL, GA, IL, KS, LA, MN, MO, NC, NJ, NV, OH, TX, and VI, with plans to rollout nationwide. For more information about becoming a partner, go to [afrwholesale.com](#), [email us](#) or call 1-800-375-6071.

[Northpointe Bank](#) Correspondent Lending provides tailored solutions to maximize your profitability and grow your business. The Northpointe [Streamlined Renovation](#) program offers more financing opportunities without the administrative burden or higher rates associated with other renovation programs. Perfect for small-to-medium-sized projects, such as a new kitchen or bath remodel, a new roof or replacement windows. Up to 15% of the 'as completed' appraised value, or acquisition cost as applicable, may be used for the renovation cost. Maximum LTVs, debt-to-income ratios, and minimum credit score requirements follow conforming guidelines. For more information, [email us](#) or view our [program details](#).

“Are you looking for new, cost-reducing solutions for you non-delegated correspondent platform? [Contact](#) Rocket Pro TPO today to learn more. Led by Don Chiesa, SVP, a 30+ year industry veteran, our industry-leading platform delivers elite services to non-delegated correspondents. Our vision delivers the control, speed, and simplicity you need, starting with your dedicated Crew team offering personalized responsiveness in operations/underwriting. PathfinderSM by Rocket is powerful technology that delivers answers you need while using our complete mortgage product menu. Our partners purchase loans are clear to close within an industry-leading 20 business days plus we'll clear your warehouse lines with average purchase times of 3-5 days. And, in development, is our new fulfillment service that enables partners to leverage Rocket technology for all their disclosure needs including closing documents. Want to learn more about our new solutions coming soon? [Contact](#) Rocket Pro TPO today.”

Non-QM lending continues to go strong at [Carrington Wholesale & Carrington Correspondent](#). Carrington Mortgage Services continues to innovate in the Non-QM space. Carrington welcomes loan submissions for its [Investor Advantage \(DSCR\)](#) program, where Brokers are exempt from state licensing in 20 states. And over one-third of Non-QM approvals have one or more guideline exceptions. If you're looking for a Non-QM lending partner, look no further than [Carrington Wholesale](#) and [Carrington Correspondent](#). And did you know Carrington offers Non-QM training about Carrington's products at no cost to [brokers](#) and [sellers](#)?

Lender and Broker Software, and Services

“Now's the perfect time to take advantage of today's hot HELOC market and close more loans more quickly. [Xactus](#) is offering a HELOC

Verifications Bundle to help lenders target prospects more effectively, while mitigating risk, increasing efficiencies, and reducing costs. Best of all, the bundle is fully customizable to meet your specific needs. First, see who qualifies by mining your lists with Portfolio Review or set criteria and get pre-screened leads. Then, assess consumer risk with credit reports, AVMs, VOs and/or flood reports. Xactus can also help you acquire new customers with two other data solutions: Batch Pre-Screen FICO Based Data and Invitation to Apply (ITA) Non-Credit Data. With these tools you can precisely identify and target audiences for your marketing outreach efforts to ensure you're targeting the right individual with the right offer at the right time. To learn more, [email us](#)."

"[Western Alliance Bank's Specialized Mortgage Services Group](#) continues to be solution-oriented in changing markets by providing multiple financing vehicles and a comprehensive and robust suite of treasury management products and services. Our dedicated Deposit Services and Treasury Management teams understand the mortgage industry's business needs and can react quickly and efficiently to customer needs. Our Warehouse Lending team finances a wide spectrum of loan types and works with borrowers to customize terms to meet investor and execution needs. Additional synergies exist for loans being sold to Western Alliance Bank's wholly-owned subsidiary, AmeriHome Mortgage. MSR financing provides lines of credit that leverage Fannie Mae, Freddie Mac, and Ginnie Mae collateral. Lines can be annual or bi-annual revolvers or revolvers followed by term finance. Flexible structures provide solutions to accommodate originators' MSR retention strategy. Western Alliance Bank, Member FDIC."

PowerTPO proudly announces the release of its Lock and Shop program. With a rising rate environment, this program allows the borrower to lock in a rate while shopping for their home, giving them the protection they need. Visit [PowerTPO](#) to learn more. As a National Lender and Direct Seller/Servicer, PowerTPO services traditional Wholesale mortgage Brokers as well as our Independent Mortgage Banker (IMB) Non-Delegated program that aligns with Community Banks, Credit Unions, and Independent Mortgage Companies for the ultimate mortgage experience! Power Up and become a PowerTPO partner today by visiting www.PowerTPO.com! If you are a seasoned and proven top producer and interested in joining the PowerTPO Team, contact [Marla Guillaume](#). People, Processes and Partners equals Power!

The home equity lending wave is upon us. Borrowers are cashing in on home equity in 2022 at a rapidly growing rate. Do you have the right tools to confidently navigate the rise in home equity loans? Having the right tools to process home equity loans more efficiently while maintaining the quality and precision your customers expect is crucial. Download the [Home Equity ToolBox](#): a practical guide to home equity lending products, and explore some leading tools that speed up loan decisions, mitigate risk, and lower cost. Additionally, if you have not tried this lending-grade [automated valuation model \(AVM\) for home equity lending](#), it is being offered to all Rob Chrisman readers for free! This AVM was designed to process a large volume of valuations quickly and Fitch Ratings declared it one of the most accurate AVMs on the market. [Try it for free today!](#)

[FundingShield](#), the market leader in wire & title fraud risk management and closing agent compliance, released its Wire & Title Fraud Analytics Report for Q2 2021 showing a 40.7% increase in wire related issues from Q1-2022. 41.6% percent of transactions had at least 1 error leading to wire & title fraud risk and nearly 5% of closing agents did not have insurance coverage that met lender guidelines during Q2-2022. [Ike Suri, CEO & Chairman](#) shared, "These issues highlight increased cyber-threats, rise in business email compromise events, challenges and gaps in the insurance market and ongoing misrepresentations, control issues and inaccurate data being transacted upon. FundingShield works in the transaction flow preventing, identifying, and resolving these inefficiencies and threats allowing for cost savings of up to \$140 per loan for lenders. We have increased our client count by 15% in the past month with lenders seeking cost reduction and risk enhancements." FundingShield will be attending the CMBA Western Secondary, The Michigan MLA Conference in Grand Rapids. [Email FundingShield](#) for info.

Wholesale News

[Fairway Wholesale Lending](#) announced new & improved conforming 5/6, 7/6 and 10/6 SOFR ARM options, replacing the existing SOFR ARM products. Available with Fannie Mae and Freddie Mac Standard Programs. Purchase and refinance transactions on primary, second home and investment properties on eligible property types, Single-family detached or attached, 2- to 4-unit properties, and condominiums. This update has no impact on the Jumbo ARM offerings. For full program guidelines, refer to the SOFR ARMs Guidelines accessible after logging into [DRIVER](#).

Make volatile markets work in your favor with [loanDepot Wholesale](#) multiple lock period options. In addition to 30-, 45-, or 60-days lock option prior to loan submission, [loanDepot's mello@ Broker Portal](#) now allows brokers to lock for 15 days at initial approval. NOTE: For pre-locks, please submit within 10 days of lock date to ensure the lock does not expire prior to docs out status.

First Community Mortgage announced an increased maximum LTV, on Home Opportunity Loans (HOL) with a minimum credit score of 700 in [FCM Correspondent Announcement 2022-23](#) and [FCM Wholesale Announcement 2022-36](#). Review the updated HOL Matrix and Guidelines located in the Knowledge Center.

Capital Markets

Real Estate Investment Trusts are sometimes mentioned as investors in mortgages and mortgage-backed securities. Barron's sees an opportunity in apartment REIT stocks with home prices and [mortgage rates](#) on the rise. Apartment REITs are noted to be trading at a 21 percent discount to the value of their underlying assets, compared to 3 percent a year ago. The recommendation is to look at large-cap REITs with strong balance sheets, good management teams, and safe dividends with a focus in geographic areas of the country seeing strong apartment occupancy rates.

Last week's consumer price data increased market expectations that the Fed will get more aggressive at its July meeting, potentially with a 100-basis point hike. Since mid-June, however, energy prices have fallen significantly and the producer price index saw a welcome slow-down in transportation and warehousing prices which should flow through to food prices as we move through the year. Meanwhile, survey data suggests that **consumers are not as willing to absorb price increases as they have been over the last two years** with many small business owners reporting that rising costs are the most significant issues they currently face.

Friday's retail sales report was likely welcome news to the Fed. While headline sales were better than expected, when adjusted for inflation, sales declined slightly, signaling demand is softening, but not plummeting. **Data like this would help make the case for the "soft landing"** the FOMC committee members hope to achieve. Consumer sentiment improved in the preliminary July reading of the University of Michigan Consumer Sentiment Index. More importantly, the inflationary expectations of consumers began to moderate. As we learned from the FOMC minutes from the June meeting, the Fed pays close attention to this number.

This week sees a lull in terms of market moving data but does contain some **housing-related releases including NAHB HMI, housing starts / building permits, and existing home sales**. While the Fed will be in its blackout period ahead of the next week's FOMC meeting, the BoJ and ECB will be out on Thursday with their latest decisions. Today's calendar begins later this morning with the NAHB Housing Market Index for July. The NY Fed Desk will purchase up to \$832 million UMBS30 4 percent through 5 percent from early payoffs. We begin the week with Agency [MBS prices](#) worse .125 and the 10-year yielding 2.96 after closing Friday at 2.93 percent.

Employment

"Enact MI (formerly Genworth Mortgage Insurance) is hiring. We have two open positions in the West Region: an Account Manager for Orange County, CA & an Account Executive for the Utah/Montana territory. The Account Manager role in the OC is open for the first time in 30 years, presenting a unique opportunity for the right candidate to come in and continue to manage this productive territory. The Account Executive in the Utah/Montana territory provides a great career path for an up-and-coming sales candidate to continue developing themselves in a well-established territory. To learn more about these positions, visit the Enact Careers page [here](#) or contact Enact's RVP Sales for the West Region [Erin Kirkeeng](#)."

NP, Inc. has continued to gain momentum and expand on a national scale. Contrary to many other industry players, NP, Inc. hired new staff to fill roles in management, sales and operations over the last few months. Its team leaders are seasoned professionals with up to 30 years of experience in the non-traditional mortgage and secondary markets. NP, Inc. recently launched the Correspondent Lending Division to open the door for even more dedicated professionals to join NP's TPO family. Its Non-QM product portfolio has also grown with two completely new products (Select Prime Plus and Flex Supreme) added this year. From new Help Desk features and password-less technology to enhanced IT systems and streamlined processes, NP, Inc. is racing toward its goal of becoming the national lender for all Non-QM needs. For more information on joining the team, contact [Christopher Penesso](#).

[E Mortgage Capital](#), one of the largest independent mortgage platforms in the country, announced the launch of the EMC Way which provides mortgage professionals with the best-in-class marketing and technology resources to grow their business and find opportunities in this rising rate environment. The EMC Way provides access to premium marketing and technology solutions, combined with coaching and business planning resources. "We believe that we must double down on resources, infrastructure and support to ensure that our loan officers can thrive regardless of market conditions" says Joe Shalaby, CEO of E Mortgage Capital. If you are a licensed Mortgage Loan Originator looking to explore the E Mortgage Capital platform, please contact [Joe Shalaby](#).

FHA has one underwriting vacancy (salary up to \$118k per year) in Santa Ana, [announcement number 22-HUD-2208-P](#). Evaluate the operation(s) of the Direct Endorsement and/or contractor performed underwriting program(s), analyze the risk inherent in the issuance of mortgage insurance on mortgages for one-to-four family loans, determine if a property is an acceptable risk, the credit eligibility of the mortgages, and to assure compliance with all requirements.

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