



House Passes FHA/USDA Reform Legislation

A bill that would make FHA's [condo certifications less burdensome](#) passed the House this week. The bill also allows the USDA Rural Housing Program to delegate approval authority to selected lenders. It appears to have [White House](#) and bipartisan support so it may actually make it into law. If you just want the highlights you can read the [GOP synopsis](#).

More Credit Unions Offering 100% LTV With No MI

Navy Federal has been offering 100% with no MI for some time. So far things are good since real estate values are increasing. [Other credit unions](#) such as San Francisco Federal Credit Union are offering 100% to \$2 million and no MI. That isn't that big of a stretch considering the median home price in San Francisco is \$1,323,860. But, it is a lot of money if real estate values take a nose dive. I wonder what their regulators think about it or are they watching porno on TV like the ones before the crisis?

Fannie/Freddie to Allow Independent Arbitrators in Buyback Requests

FHFA had promised they were going to [allow third-party arbitrators](#) to resolve disputes between lenders and the GSEs when internal appeals fail to reach an agreement. That has now been formally implemented. It will not apply to past loans, only those delivered after January 1st, 2016.

Mortgage Originator Opportunities Are Huge!

Mat Ishbia of UWM points out in [his latest video](#) there is no excuse for you not making a lot of money as a mortgage originator. Realtors are looking for originators who can close TRID loans quickly. They will even consider a new favorite LO if they can deliver. Even if Realtors aren't your cup of tea there are 5 million homeowners who should be refinancing and that doesn't even include the ones who want cash-out or a shorter or longer term.



FHA at 100+ LTV with 50+ ratios?

Tucked away in Senate energy bill S.2012 is a provision that would allow borrowers to exceed 100% LTV if the home has energy efficient improvements, they would be added to the value. The DTI would also be tweaked up to account for energy savings. The [Cato Institute is not pleased](#) but you can bet it will sell homes since most homes have energy efficient features now.

A Powerful Argument for Pure Mortgage Brokerage

My friend Andy Harris is firmly convinced every other origination channel is inferior to pure mortgage brokerage. Andy points out that [only a broker can offer the full range](#) of products. Brokers work for the borrower, not the lender. Brokers have no corporate culture to fight. Wholesale lenders must compete for their business rather than dictate how the originator operates. Andy says calling yourself a “banker” when you are a non-bank is kind of like selling snake oil. Even if you don't agree, it's an interesting read.

CFPB Warns Credit Reporters to Report Accurately

In a [letter to the 25 largest banks](#), CFPB Director Cordray warned that those reporting information to credit bureaus should have written policies and procedures that prevent inaccurate information from being reported. What Cordray really needs to get serious about is collectors providing information that is either inaccurate or that is reported in a way that doesn't accurately reflect the dates, status, or spans of a collection. This is particularly true of medical collectors.



NAMB East is Just a Month Away!

A large percentage of attendees will walk away with a big prize at NAMB East. There are so many prizes that hundreds of people will get prizes like Surface 3s, I-Pads, GoPro cameras, TVs, Drones, to name just a few of the prizes being given away at NAMB East! Mark your calendars for Wednesday, March 9, 2016 to Friday, March 11, 2016, for the [biggest mortgage conference](#) east of the Mississippi. All of the major wholesale lenders are exhibiting in the sold-out exhibit hall. Meet industry leaders, motivational speakers, and top producers who will show you how to increase production. World-class golf, top entertainers, at Hilton Head's finest resort. It's right on the ocean with average temperatures of 65 to 70 degrees.

NJ Proposes Law To Prosecute Fraudulent Borrowers

Most of the activity in mortgage fraud centered around mortgage originators and mortgage companies committing fraud. [New Jersey wants to make it a separate](#) crime for a borrower or anyone else that commits fraud in a mortgage transaction. Can you imagine how many people in New Jersey they could have locked up for stated income loans if this law had been in place?

Refi Applications Are Still Hot

According to the [latest MBA survey](#) refis are still king, jumping from 59% of mortgage applications to 59.2%. No wonder. Rates for a conforming 30-year fixed decreased from 4.02% to 3.97%, jumbo 30-year fixed 3.89% to 3.84%, and 15-year fixed 3.28% to 3.22%. Purchase originations fell slightly from the previous week.

Borrowers Want Cash From Their Homes

According to Black Knight, [homeowners took \\$64 billion in cash](#) from their homes last year, marking six consecutive quarters of rising cash-out refi volumes. In Q3 2015, 42 percent of all first lien refinances involved cash-out, the highest share since 2008. The average cash taken was \$60,000. Even so, homeowners have tapped less than 2% of the available equity.

Can Marijuana Income Be Counted?

Banks won't let pot growers deposit their money because MJ use is still illegal under federal law. Since most mortgages are merely a funnel of federal funds one must question if funds from illegal activities may be counted. Franklin American, a non-bank, has decided marijuana income can be

used and has updated its selling guide to include it as acceptable income.

CFPB Employee Sues Over Disparate Pay

Florine Williams, is suing her employer, the CFPB, [in D.C. federal court](#). Williams was given a starting salary of \$150,000 per year in 2013, which she says was \$24,000 less than her male counterpart at the time. Williams says in the suit she was given raises last year and again earlier this month which brings her salary to \$162,000. She claims her male counterpart's salary has increased to \$198,000 per year. Guess what her job is? She is an equal employment specialist at the CFPB.

Nevada Super HOA Lien Law Revision No Help at All

Nevada law was so screwed up that HOAs were wiping out first mortgages for a lien of a few hundred dollars. It had become something of a racket for HOAs to extort money from lenders for fees or they could own a property for next to nothing. Nevada was at risk of becoming a pariah to mortgage lenders. So, the Nevada legislature “fixed” it. Now, the lender has 60 days from the HOA foreclosure to redeem the property. [The reason this is a worthless fix](#) is that the process must be completed within the 60 days. The notice of the foreclosure may still not give enough time. Worse yet, HOAs don’t have to perform timely to give needed information to the lender trying to redeem, especially if they can make a killing if the lender doesn’t redeem. I can see lenders refusing to loan on properties with HOAs in Nevada.

Nationstar is Betting Consumers Didn’t Like Their Name

Nationstar mortgage is [likely changing its public name](#) to “Mr. Cooper.” Making the name sound more like a person rather than a big corporation is believed to make people more likely to do business with them. You might expect Mr. Cooper to be a friendly guy that you can talk to. We’ll see if that works when things still run like Nationstar. Funny how we think labels can change what should have been fixed in the first place.