There Is No TRID Grace Period!

Speaking the Western States MBA Conference, Calvin Hagins, the CFPB’s deputy assistant director for originations emphasized, "I want to be perfectly clear, there is no grace period from the bureau." According to National Mortgage News, Hagins said, "There were a number of letters that were written to the regulators, meaning the prudential regulators as well as the CFPB, from a lot of different sources, all asking for a grace period, a hold-harmless period: 'We don't have enough time to comply, please extend it.'". "The effective date of the rule was Oct. 3, and that's still the effective date of the rule."

CFPB Will Focus On 4 Areas In Mortgage Audits

At the same California conference, Hagins went on to say CFPB examiners will spend "a lot of time" looking at 1. loan officer compensation plans, 2. compliance with ability-to-repay rules, 3. integrated disclosure requirements, and 4. the structure of marketing services agreements.

FHA Raises Loan Limits in 188 Areas

FHA just released its 2016 loan limits and was more aggressive than Fannie and Freddie. 188 cities or counties received a loan limit hike. No areas were cut meaning all of the $625,500 areas stayed. The floor remains at $271,050 or 65% of the conforming limit which

FHFA failed to raise this year. The national limit for HECMs remains at $625,500.

Are Big Banks and MBA Plotting to Kill Fannie and Freddie?

It seems someone ratted out what the big banks' lobbyists are pushing for in DC. According to the New York Times, lobbying records, legal filings, and internal emails and memorandums, show the big banks want the mortgage market back and Fannie and Freddie out. The article claims David Stevens, MBA president, was a lead architect in the Obama administration's proposal to phase out Fannie and Freddie. MBA is furious, calling the story "pointless" and "lacking substance." USA Today is accusing the banks of the same plot but leaves out Stevens and MBA.

New Fannie Guidelines Start This Weekend

Fannie Mae will release DU version 9.3 this weekend which implements some important changes. Home Ready will replace My Community which removes the first-time buyer restriction, permits rental income from a basement apartment, allows cash on hand, etc. It will require borrower education. Also, 9.3 will allow non-occupant borrowers, non-borrower household income, and boarder income. Many self-employed borrowers will only need 1 year's taxes.

Is Anyone Coming Away With a Clean FHA Audit?

Two more lenders were cited for deficiencies in the way they handled FHA loans. According to HUD's OIG, Provident Bank of New Jersey did not adequately document its loss mitigation efforts on 9 loans, didn't accurately report default status, and did not implement an effective quality control plan. RANLife mortgage of Utah was fined a million dollars for FHA violations. This comes on the heels of Quicken and Franklin American being fined by FHA.

Cleveland Fed Claims to Have Proof Why Millennials Aren't Buying

When we look at statistics, student loan debt isn't that overwhelming that a college grad can't afford a mortgage. That is, if they graduate. Then again, they may not want to be deep in debt. Whatever the reason, the Cleveland Fed has complied a chart that shows an uncanny correlation between young adult student debt and having a mortgage. What is most shocking is since 2005 the number of young adults with a student loan has nearly doubled while those who took out a mortgage is only about ½ of what it was in 2005. Those with student loans were much less likely to take out a mortgage.

Are TRID Loans Really Closing On Time?

Rob Chrisman wrote an interesting newsletter on December 5th indicating it may not be as rosy as some are portraying it. Chrisman claims most of the loans closed in October, when all of surveys were done, were actually on pre-TRID loans. Rob gives a couple of email addresses where you can get scenario questions answered by the CFPB. Why doesn't the CFPB make these answers public in FAQs? The answers certainly should apply to all. Rob brings up the point again that Dodd/Frank, by design, is creating larger and larger entities. For the rest of us, I still love the phrase coined by Florida's regulator, "Too small to comply."

HUD Says Giving Underwriters Too Many Loans Resulted In Fine

In its settlement with Franklin American, HUD claims its underwriters had a quota of 10 FHA loans a day to get top bonuses. To underwrite that many loans, unqualified junior underwriters were used, HUD charged. Quality control reviews in 2008 showed over 25% of Franklin's FHA loans were rated "poor" with as many as 40 violations in a file. But, at the time, no one thought FHA would come looking.

2016 Will Be a Good Year For Housing

Of 22 economists surveyed by Reuters not a single one believes the U.S. housing market for 2016 will be "fragile." Most would describe the 2016 housing market as "modest," with only three calling it "robust." They expect home price gains to slow slightly but home sales to remain steady.

Can You Close a TRID Loan in 7 Days?

At least one originator on LinkedIn says she just closed a loan in 7 days. According to the LO, the loan was underwritten in less than 3 days and a CD issued immediately after the Loan Estimate had run its 3 days. Other LOs questioned how they got an appraisal and title work in time, not to mention payoffs, estoppel letters, etc. on the seller side. It would seem the CD needed some tweaking after the initial issue.

Online Reviews Losing Credibility

Even the Federal Trade Commission is warning that a fair amount of online reviews are either not honest or totally bogus. The FTC is advising to "take them with a grain of salt." Companies are paying reviewers or giving them merchandise to give them good reviews. A false online reputation will sooner or later be drowned out by bad reviews elsewhere.

Study Says Texting Can Increase Sales by 328%

A study by Leads360 claims that text messaging can more than triple your sales. Since Leads360 tends to profit from the results of the study, one must be careful. But, one of the interesting takeaways is that most salespeople don't do much selling via text according to the study. The question is whether this would create a lot of Do Not Call violations. Of course, these days, the FTC seems to have been unable to stop those calls anymore so people are beginning to ignore the law.

Social Media May Become Part of Credit Scoring

Credit profilers are considering using information found on LinkedIn and Facebook as credit predictors. A person with well-developed and maintained social media accounts and activity may be a better credit risk than some who doesn't maintain these accounts. Most employers are looking at job applicant's social media activity so how the person handles social media may affect their income capacity.