

YOUR TRUSTED SOURCE FOR MORTGAGE BANKING AND SERVICING NEWS

MortgagePoint

Magazine

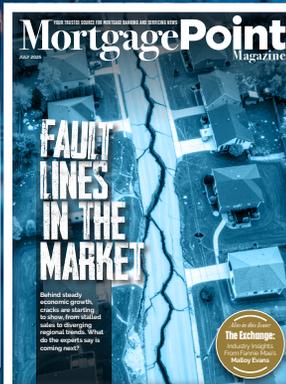
DECEMBER 2025

The Cost of Readiness

From outdated reimbursement structures to mounting regulatory expectations, **preservation firms are absorbing unprecedented strain.** Industry executives reveal how resilience, automation, and smarter collaboration are keeping operations alive, and what needs to change.



MortgagePoint Magazine



Experts you trust. People you know. News you want. *MortgagePoint* is putting essential mortgage market news at your fingertips with our new digital edition, now available online via your smartphone, tablet, or computer. Enjoy the magazine at your desk, and tap into *MortgagePoint* Digital's easily accessible platform anywhere, anytime. Committed to giving originators, servicers, and all lending professionals access to smarter perspectives, *MortgagePoint* believes it's time to think differently about the mortgage industry. Because the American Dream is evolving . . . are you?

Subscribe to *MortgagePoint* and *MortgagePoint* Digital now!



REGISTRATION
NOW OPEN
Scan QR for Early-Bird Pricing!

JOIN THOUGHT LEADERS SHAPING THE MORTGAGE INDUSTRY.



FIVESTAR
CONFERENCE
ANDEXPO **FSC** 2026 **BUILD**★★★★★
TOGETHER

SEPTEMBER 1-3, 2026 | THE OMNI HOTEL | DALLAS, TEXAS

TheFiveStar.com/conferences.com

THE EVOLVING WORLD OF PROPERTY PRESERVATION

A new year is almost upon us, and this month's cover story features conversations with a panel of experts in property preservation, the business of maintaining vacant or distressed properties such as foreclosed homes to prevent vandalism, deterioration, and code violations.

It's an industry that faces complex challenges in regulations and how much the companies are paid for their services. These pros keep the properties secure, safe, and market-ready by performing tasks such as debris removal, lawn care, removal, securing the property, winterizing pipes, and minor repairs. It's all to protect the property's investment value and to ensure neighborhood stability. The industry is under pressure, and its executives have to be resilient, embrace automation, and collaborate smarter to keep their operations ongoing.

Here's what else you'll find in the December issue of *MortgagePoint*.

Andrew Warren, the head of TD Bank's Community Development Lending vertical within the Commercial Real Estate group, examines how developers, financial institutions, and communities alike want innovative ways to bridge the gap between demand and supply in affordable housing.

Dylan Montana, EVP of Capital Markets at Logan Finance, explains how non-QM loans have grown from a niche product to an important pathway for homeownership in an evolving market. Mastering non-QM has become a necessity for survival in an evolving market.

In this op-ed, Ryan Donovan, President and CEO for the Council of Federal Home Loan Banks, writes about the Federal Home Loan Banks, a system of 11 regional, member-owned cooperatives that are privately capitalized and mission-driven. Their mission is providing stable, fully collateralized funding "that translates into homes built, small businesses launched, and communities strengthened."

Jennifer Rogers, Founding Member and Managing Attorney of IDEA Law Group LLC, explains how mortgage default law firms are working smarter and staying compliant via the use of artificial intelligence. It's technology that is rapidly transforming the legal profession but has been met with some caution by many mortgage default firms.

Welcome to the December 2025 issue of *MortgagePoint* magazine.



David Wharton
Editor-in-Chief



MortgagePoint Magazine

EDITOR-IN-CHIEF

David Wharton

ART DIRECTOR

Jason Stone

SENIOR EDITOR

Lance Murray

REPORTER

Demetria C. Lester

MAGAZINE CONTRIBUTORS

Phil Britt, Ryan Donovan, Andy Beth Miller, Dylan Montana, Jennifer Rogers, Den Shewman, Andrew Warren

COPY EDITOR

Brandy Scott

ADVERTISING

214.525.6700

2025 EDITORIAL ADVISORY BOARD

Daren Blomquist, VP of Market Economics, Auction.com

Michael Keaton, SVP, Subservicing Business Development, Onity Group Inc.

Michael Merritt, SVP, Customer Care & Mortgage Default Servicing, BOK Financial

Candace Russell, VP of Post-Sale Activities, Default Servicing, Carrington Mortgage Services, LLC

Bryan Bolton, Chief Administrative Officer and SVP-

Mortgage and Consumer Servicing, U.S. Bank

Kevin Bowen, Head of Home Lending Product &

Innovation, JPMorgan Chase & Co.

Benjamin Gottheim, VP, Servicing Policy, Single-

Family Portfolio & Servicing, Freddie Mac

LaQuanda Sain, EVP of Servicing, Rocket Mortgage

Jake Williamson, SVP of Single-Family Collateral &

Quality Risk Management, Fannie Mae

Kim Yowell, EVP of Servicing, Fairway Independent

Mortgage Servicing

EXECUTIVE ADVISOR

Michael S. Waldron

FiveStarGlobal

CORPORATE OFFICERS

PRESIDENT & CFO

Jonathan Hughes

ART DIRECTION

Jordan Funderburk, Jason Stone

No part of this publication may be reproduced without written permission from the publisher.

©2025 Five Star Global, LLC. All Rights Reserved

1341 W. Mockingbird Rd, Ste 900W
Dallas, TX 75247

This publication is intended to provide accurate, authoritative, and detailed information in regard to the subject matter covered. All written materials are disseminated with the understanding that the publisher is not engaged in rendering legal advice or other professional services. Under no circumstance should the information contained herein be relied upon as legal advice as it is designed to be a source of information only. *MortgagePoint* strongly encourages the use of qualified attorneys or other qualified experts with regard to the subject matter covered. *MortgagePoint* does not guarantee the accuracy of the information and is not liable for any damages, losses, or other detriment that may result from the use of these materials.





Cover Story

18

THE COST OF READINESS

From outdated reimbursement structures to mounting regulatory expectations, preservation firms are absorbing unprecedented strain.

Industry executives reveal how resilience, automation, and smarter collaboration are keeping operations alive, and what needs to change.

Departments

4

MTECH

10

MOVERS & SHAKERS

32



Features

OPTIMISM MEETS REALITY IN AFFORDABLE HOUSING

As optimism grows for expanded access and development, rising costs, regulatory uncertainty, and widening shortages challenge affordable housing leaders heading into the new year.

36



THE FUTURE OF NON-QM LENDING: TRENDS AND OPPORTUNITIES

Non-QM Loans have evolved from a niche product to an important pathway for homeownership in an evolving market.

40



NEW RESEARCH QUANTIFIES BILLIONS IN ECONOMIC VALUE DELIVERED BY FEDERAL HOME LOAN BANKS

46



HOW AI CAN HELP MORTGAGE DEFAULT LAW FIRMS WORK SMARTER AND STAY COMPLIANT

Mortgage default firms are cautious but increasingly curious about AI. Here's how technology can streamline workflows while maintaining strict compliance.

42



Counsel's Corner

LITIGATION TRENDS, FAPA RISKS, AND THE FUTURE OF DEFAULT LAW

In this month's Counsel's Corner, **Friedman Vartolo** Managing Partner Adam J. Friedman discusses the firm's litigation-driven model, emerging legal risks from New York to Maryland, and how AI will reshape the role of law firms in servicing.

50



Also in this Issue:

MORTGAGE ORIGINATIONS DIPPED IN Q3 DESPITE GAINS IN REFIS, HELOCS

56



U.S. FORECLOSURES CONTINUE GRADUAL CLIMB AMID HIGHER HOUSING COSTS

For many American consumers, owning a home is a top priority since it may help create wealth that can last for many generations.



FIRSTCLOSE INTEGRATES STEWART HOME EQUITY SOLUTIONS INTO OMS

FirstClose™, a fintech provider of data and workflow solutions for mortgage and home equity lenders nationwide, announced a new partnership with Stewart Lender Services, a division of Stewart Information Services Corporation, that enhances FirstClose's Order Management System (OMS) with expanded home equity fulfillment capabilities.

Through this partnership, FirstClose OMS users will gain integrated access to Stewart's suite of home equity title, valuation, and closing solutions. By streamlining ordering and fulfillment within a single workflow, lenders can reduce manual steps, accelerate decisioning, and improve borrower experiences.

"Our home equity fulfillment solutions are designed to help lenders move with speed and confidence," said Beth Fowler, President of Stewart Lender Services. "By integrating with FirstClose, we're equipping lenders with the tools needed to accelerate loan decisioning, improve operational efficiency, and provide borrowers with a modern, streamlined home equity experience."

Stewart's addition to FirstClose OMS provides lenders with data, property reports, title insurance, and an E&O policy covering home equity loans, offering options, and rapid response. Stewart also offers automated title decisioning tools and a streamlined curative process, which supports faster eligibility checks and quicker clear-to-close outcomes for many loan scenarios.

"Partnering with Stewart Lender Services enhances the power of our Order Management System by giving lenders direct access to a broader set of integrated home equity solutions," said

Tedd Smith, CEO of FirstClose. "By unifying data, title, valuation, and closing workflows in one place, lenders can shorten cycle times, manage risk, and drive growth in the evolving home equity market while also delivering a more seamless experience for borrowers."

Lenders using FirstClose OMS can also leverage Stewart Valuation Intelligence's offerings, which include desktop and field appraisals, AVMs, hybrid inspections, and analytics that support accurate property valuation and risk assessment. Stewart's integrated signing and closing services offer multiple options, including mobile notary, remote online notarization (RON), and in-person electronic notarization (IPEN).

REAL GENIUS AND TAVANT PARTNER TO LAUNCH DIRECT- TO-CONSUMER MORTGAGE PLATFORM LAZLO

Tavant, a provider of AI-powered fintech solutions and digital engineering, announced that, in partnership with Real Genius, a national direct-to-consumer mortgage banker, it has developed LAZLO, a proprietary digital lending platform designed to deliver a faster, fully online mortgage experience from application to close.

LAZLO is enhanced by Tavant's TOUCHLESS® Experiences and Fin-Connect platform, featuring embedded automation, API-driven integrations, and custom dashboards. Both borrowers and loan officers gain complete visibility into application status, underwriting progress, and closing milestones.

"Our goal has always been to provide exceptional value and a five-star customer experience," said Jamie A. Thornton, CEO of Real Genius. Partnering with Tavant enabled our team

to develop and deploy LAZLO, making that vision a reality. We're providing borrowers a faster, more transparent mortgage experience, while streamlining operations for our team. This partnership allows us to scale smarter, close more loans faster, and deliver a more confident homebuying experience."

Hassan Rashid, President – Fintech, Tavant, said, "Real Genius is a forward-thinking, technology-first lender that is setting the bar for how modern mortgage experiences should be delivered. Their unwavering focus on transparency, speed, and borrower empowerment sets them apart in this industry. We're honored to partner with their team to build LAZLO, integrating cutting-edge technology with exceptional service."

EQUIFAX INTRODUCES INCOME QUALIFY TO DELIVER INSIGHTS EARLIER IN THE MORTGAGE LENDING PROCESS

Equifax has announced the introduction of Income Qualify, a new solution that provides mortgage lenders with income and employment insights from The Work Number throughout the prequalification and pre-approval stages.

The capacity of lenders to reliably issue prequalification offers is currently restricted. Income Qualify is designed to enable mortgage lenders to perform an initial assessment more quickly and with less burden on the borrower by providing verified income and employment data earlier in the process.

"Mortgage lenders are facing increased competition for qualified buyers," said Joel Rickman, General Manager and SVP of U.S. Mortgage and

Verification Services at Equifax. “They need to be able to assess borrower eligibility and make critical lending decisions more quickly while also managing costs. By delivering key income and employment data alongside our trusted credit report at the prequalification stage, Equifax is helping lenders act faster, support affordability, and move the borrower forward in the process with more confidence.”

For many American consumers, owning a home is a top priority since it may help create wealth that can last for many generations. Equifax thinks that comprehensive data solutions, like Income Qualify, are essential to promoting affordability.

Leveraging data from The Work Number, Income Qualify provides the following data points alongside the Equifax Mortgage Credit Report, where available:

- Name/SSN
- Employer Name
- Tenure
- Prior-Year Total Income

Income Qualify can assist lenders in evaluating borrowers earlier in the loan process by providing this information prior to origination. Additionally, by purchasing The Work Number at origination with greater knowledge, it can assist lenders in controlling expenses.

HOMETAP SECURES \$50M TO EXPAND HOMEOWNER SOLUTIONS

In order to enable homeowners to access wealth without making monthly payments, Hometap has secured \$50 million to extend its home equity investing products. Hometap’s goal of providing flexible financing alternatives in the face of growing homeownership costs is supported by this grant.

Hometap announced that it has

raised \$50 million in funding led by affiliates of Gallatin Point Capital.

Per the latest release, Hometap, which operates in 16 states and Washington, D.C., will use the funds to “accelerate the adoption of its homeowner-first products that help homeowners address life’s challenges and opportunities without adding to their monthly expenses.”

Hometap has deployed over \$2.3 billion in home equity investments since launch, supporting more than 22,000 homeowners in strengthening their financial futures.

“As the cost of homeownership rises, families need practical, flexible ways to access the value in their homes,” said Jeffrey Glass, CEO of Hometap. “This financing allows us to further invest in the tools, technology, and education that help homeowners make confident financial decisions. It also reinforces our commitment to broadening home financing options that are aligned with the realities homeowners face today.”

Matthew Botein, Managing Partner and Co-Founder of Gallatin Point Capital, added, “Today’s homeowners face not only the challenge of buying a home, but also the ongoing costs of maintaining it and navigating uncertain economic conditions. This investment reinforces Hometap’s leadership in delivering alternative home equity solutions and will help the company reach more people with innovative options that make homeownership more sustainable.”

MERIDIANLINK ANNOUNCES INTEGRATION WITH FIRST AMERICAN'S COMPLIANCE SOLUTION

The MeridianLink Mortgage loan origination system (LOS) is now linked with First American Data & Analytics’ regulatory compliance

tool, RegsData. By giving lenders access to compliance monitoring within the MeridianLink LOS environment, this connection will help ensure that loans satisfy investor and regulatory requirements prior to closing.

“Compliance is a moving target with rules and requirements constantly evolving at the federal, state, and local levels. RegsData takes the guesswork out of compliance by regularly tracking regulatory changes and delivering an automated solution that flags potential compliance issues in real time,” said Jennifer Menard, Senior Director of Product Management for First American Data & Analytics. “With this integration into MeridianLink, we’re delivering convenience, speed, and peace of mind that every loan meets the latest requirements before it closes.”

By comparing loan data to current laws, regulations, and investor guidelines, RegsData helps lenders reduce risk and expedite loan closings by warning users of possible compliance violations and fee calculation issues early in the loan process.

Key benefits of the integration include:

- Automatic compliance checks flag issues related to TRID, QM, TILA, HOEPA, and other regulatory violations, eliminating the need for manual review and optimizing workflows.
- Fully embedded functionality that enables users to review and act on compliance results without leaving the LOS environment.
- Quick and efficient ordering process with reports that are automatically delivered to the eDocs repository.
- Interactive PDF reports with clickable summaries linking directly to detailed result sections.
- Override capabilities for approved users to adjust fee treatments and condition tolerances.
- Historical access to prior orders and compliance reports.

THE 2026 FIVE STAR EVENTS

MARK YOUR CALENDARS!



THE 2026 FIVE STAR
**Government
Forum**

FIVE STAR GOVERNMENT FORUM

April 15, 2026 | The National Press
Club | Washington, D.C.

Officials making critical decisions on the direction of the housing economy are working together with the mortgage industry to ensure that sensible regulations are in place to protect the industry and the customers that it serves. With representation from the CFPB, HUD, FHFA, Fannie Mae, Freddie Mac, Ginnie Mae, and others, Five Star Government Forum is a landmark annual event where leaders in mortgage servicing and the federal government engage in open dialogue about the industry's most pressing issues.



VELOCITY
A FORCE CONFERENCE

VELOCITY: A FORCE CONFERENCE

May 20-21, 2026 | The Westin
New Orleans

Crafted for agents, brokers, asset managers, property management practitioners, attorneys, and servicers, this event delivers valuable business enhancement strategies through interactive expert-led sessions. Seasoned leaders curate unparalleled content and share niche industry insights within a casual setting primed for forging beneficial connections. With a focus on expanding market share and fostering versatility, Velocity equips you for success in every market cycle, whether a veteran or newcomer, and ensures a tailored experience to increase your impact in REO and beyond!



LEGAL LEAGUE
SPRING 2026 SERVICER SUMMIT

LEGAL LEAGUE SPRING SERVICER SUMMIT

SPRING 2026

Open to all mortgage servicing professionals, government representatives, Legal League members, and associate members, the Spring Servicer Summit is the premier event for financial services professionals to discuss default policies, procedures, and emerging issues. Join us for a day of education, networking, and engaging discussions about the pressing issues that impact financial services law firms.



**BUILD
TOGETHER**
FSC SEPTEMBER 1-3, 2026

FIVE STAR CONFERENCE & EXPO

SEPTEMBER 1-3, 2026
DALLAS, TX

Five Star Conference and Expo is the premier mortgage conference that attracts leading subject matter experts, legions of exhibitors, and thousands of professionals representing mortgage servicers, lenders, federal government agencies, financial services law firms, service providers, investors, and real estate organizations from across the nation. It's more than a conference; it is a community of likeminded professionals working towards the common goal of a stronger mortgage industry.

PRESENTED BY

THEFIVESTARINSTITUTE

REGISTER NOW TO LOCK IN EARLY BIRD RATES!

Visit thefivestar.com/events for more information.

“We’re excited to expand our long-standing partnership with First American Data & Analytics,” said JP Kelly, SVP of mortgage for MeridianLink. “The integration with their RegsData compliance solution provides MeridianLink lenders with seamless, one-click access to compliance monitoring to help ensure all loans meet regulatory and investor requirements before closing. We’re adding value for our MeridianLink Mortgage customers by supporting faster, more confident loan closings, and we’re expanding our MeridianLink Marketplace with solutions that drive origination efficiency and compliance.”

MERIDIAN PARTNERS WITH PERSONETICS FOR AI MONEY TOOLS

Meridian Credit Union has teamed up with Personetics in order to provide members greater confidence in handling their finances in a difficult economic climate. The partnership intends to incorporate intelligent insights and customized financial tools into Meridian’s improved advisory experience, OnYourWay.

Offering daily banking, mortgages, savings, investments, and credit solutions, Meridian manages lending and banking services for individuals and small businesses.

“Consumers—especially younger generations—expect their financial institutions to be active partners in helping them manage their money,” said Udi Ziv, CEO of Personetics. “Meridian shares our vision of democratizing financial wellness, and we’re proud to collaborate with them to deliver meaningful, personalized value to every Member.”

Personetics specializes in AI-powered banking products that offer contextual financial advice, personalized suggestions, and predictive analysis. Financial institutions all over the world use its cognitive banking software to

“Consumers—especially younger generations—expect their financial institutions to be active partners in helping them manage their money.”

—Udi Ziv, CEO, Personetics



provide proactive, data-driven customer engagement.

According to research cited by the credit union, 84% of customers would think about changing banks in order to get access to customized financial tools, indicating a growing need for sophisticated digital banking features.

The new experience is currently operational and provides a desktop and mobile interface. The platform provides actionable insights, tailored offers, proactive alerts, and budgeting tools using improved data and AI. Additionally, small business owners have access to a specific feature set that helps with financial planning and spending tracking. One of the first organizations

to use Personetics’ next-generation UI/UX platform, which offers a consistent experience across channels, is Meridian.

“Supporting the financial wellness of our Members is at the heart of Meridian’s mission, and this is reflected in the new, enhanced OnYourWay experience,” said Matthew Seagrim, Chief Digital and Marketing Officer at Meridian Credit Union. “By partnering with Personetics, we’re arming our Members with human-centered digital tools to make better financial decisions, while providing a seamless digital experience in line with what they’ve come to expect in their daily lives. Ultimately, this enhanced banking experience will help us cultivate even stronger, more enduring relationships.”



FORCE
FEDERATION OF REO
CERTIFIED EXPERTS



CREATING QUALITY REO CONNECTIONS.

The Five Star Institute creates countless opportunities for progress in the mortgage industry, and Five Star established the Federation of REO Certified Experts (FORCE) in 2011 to further this mission.

FORCE members are an elite group of knowledgeable agents and brokers dedicated to the residential REO market. The FORCE creates lasting connections between our distinguished network and top asset managers, investors, and servicers.

The FORCE Network's Five Pillars of Network Management Success

1.

Compliance

As a member of the FORCE, your compliance is verified, which makes you a more reputable and marketable contact.

2.

Communication

Members now have access to critical industry information through newsletters, webinars, social media, and emails.

3.

Education

FORCE members can exceed expectations by staying up-to-date with the latest educational offerings, such as those available at the Five Star Conference.

4.

Exposure

The FORCE will help you grow your business through Five Star's connections, complimentary and discounted ads, events, comarketing opportunities, vendor partnerships and more.

5.

Inclusion

The FORCE is continuously working to provide productive partnerships and create new ways for members to connect with industry leaders.

We would enjoy speaking with you about what the FORCE can do for you. Contact FORCE@TheFiveStar.com

For More Information, Visit FiveStarFORCE.com.

HARD AT WORK FOR YOU

The FORCE network is in partnership with various organizations that are periodically in need of services provided by residential real estate agents and brokerage firms. These activities are at the discretion of the participating partners and may include but not be limited to:

Services Provided Include: REO Listings Short Sales Valuations Deed-In-Lieu Market Analysis

» Movers & Shakers

» Lenders/Serviceers

FIRST COMMONWEALTH FINANCIAL CORPORATION APPOINTS JOSEPH V. DIVITO JR. TO BOARD OF DIRECTORS



First Commonwealth Financial Corporation announced the appointment of **Joseph V. DiVito Jr.** to its Board of Directors, effective immediately.

DiVito brings a wealth of experience in information technology, cybersecurity, regulatory compliance, data privacy, and governance, having served clients across a broad range of industries during his distinguished career.

“We are pleased to welcome Joe to the First Commonwealth Board of Directors,” said Jon Gorney, Chairman of the Board of First Commonwealth. “His deep expertise in information technology, cybersecurity, and regulatory compliance will be invaluable as we continue to navigate an increasingly complex financial and digital landscape. Joe’s impressive track record of advising organizations at all stages of growth will bring fresh insights to our board and further strengthen our commitment to strong governance and risk management.”

DiVito, age 58, retired as a Principal of Pricewaterhouse Coopers LLP in June 2025 after a 35-year career advising organizations from startups to *Fortune* 50 companies. He holds a Bachelor of Science degree in business administration, an MBA, and a JD from Duquesne University. He is a Certified Information Privacy Professional (CIPP/US), Certified Information Privacy Manager (CIPM), and Certified Information Systems Auditor (CISA).

His industry expertise includes retail, manufacturing, hospitality, technology, pharmaceuticals, utilities, insurance, and banking.

“I am honored to join the Board of Directors at First Commonwealth, a company with a strong reputation for integrity, community commitment and customer focus,” DiVito said. “I look forward to contributing my experience and working alongside the board and management team to support the company’s strategic goals and long-term success.”

NEWDAY USA EXPANDS NEWDAY HOME LEADERSHIP TEAM

NewDay USA, a national mortgage lending company serving the veteran community, announced two key leadership appointments to help lead the launch and expansion of the company’s new mortgage offering, NewDay Home. This new program empowers veterans to purchase a home with no down payment and no money out of pocket for closing costs, putting homeownership within reach.



Ken Harthausen has been named President of NewDay Home’s Builder Division, and Neil Brooks has been named President of NewDay Home.

Together, they bring decades of leadership experience, proven success in mortgage lending and real estate, and a deep commitment to serving those who have served our nation.

“Ken and Neil both embody the heart of NewDay and our core mission to help Veteran families achieve the American Dream of homeownership,” said Rob Posner, CEO of NewDay USA. “Their track records in building partnerships, delivering results, and serving

Veteran families will help us achieve our goal of supporting the military community throughout the homebuying process.”

“Homeownership represents a promise fulfilled to those who have served,” said Rear Admiral Thomas C. Lynch, USN (Ret.), Executive Chairman of NewDay USA. “Ken and Neil will help us deliver on that promise by bringing decades of experience, innovation, and leadership to our mission of putting one million Veterans in homes.”

Harthausen has built a career spanning more than two decades in mortgage lending, builder programs, and strategic growth initiatives. Most recently, he served as Vice President of National Strategic Alliances at Loan-Depot, where he drove strategic builder partnerships across the country.

Harthausen started and grew Countrywide Home Loans’ Builder Joint Venture Program from scratch into the largest in the nation. The success of that effort established him as a leading and trusted voice in builder mortgage solutions and innovative home financing options. Prior to CountryWide Home Loans, Harthausen built PHH’s Builder Division and led initiatives across national sales strategy and operational execution at GE Capital.

As President of the NewDay Home Builder Division, Harthausen will oversee efforts to expand partnerships with homebuilders nationwide, giving eligible veteran buyers more opportunities to leverage their VA Home Loan benefits to purchase homes.

“It is an incredible privilege to be part of NewDay USA’s relentless mission to break down barriers to homeownership for our nation’s heroes,” Harthausen said. “By partnering with transformational builders serving the military community nationwide, we are creating real opportunities for veterans to have a place to call home.”



Neil Brooks, a United States Navy Veteran, brings more than 20 years of real estate leadership and success to NewDay USA. He most recently served as

a top-producing Realtor at My Home Group in Scottsdale, Arizona. Brooks has ranked among the Top 1% of Realtors in Arizona for more than a decade and was recognized by *The Wall Street Journal*/Zillow as No. 7 in Arizona and No. 247 nationwide for production in 2017.

Brooks has also consistently held the top-producing agent position at Century 21 Arizona Foothills for several years. A Certified Military Housing Specialist, he combines deep expertise in VA loans and a genuine commitment to serving military families in their homeownership journey.

In his new role, Brooks will lead the launch of NewDay Home and its national network of real estate agents. Every agent in the network has been vetted and certified through the Admiral Certification Program, a national credential that equips real estate professionals with specialized VA Loan training to better serve and advocate for military buyers.

"Helping Veterans find a home is more than a job—it is a commitment to those who have served and sacrificed for our country," Brooks said. "NewDay Home gives veterans and military families the opportunity they have earned to succeed in today's housing market and buy a home without a single dollar down."

CORNERSTONE CAPITAL BANK APPOINTS TONY TAVEEKANJANA AS VP OF MARKET EXPANSION



Cornerstone Capital Bank, with its home office in Houston, Texas, has named **Tony Taveekanjana** as VP of Growth and Market Expansion of

its retail home lending unit, Cornerstone Home Lending. With over two decades of mortgage and banking experience, Taveekanjana will spearhead national expansion efforts and forge strategic partnerships.

In his role within Cornerstone's National Retail Division, Taveekanjana, also known as "Tony T.," will identify and launch new markets while strengthening existing high-growth regions. He will play a pivotal role in supporting internal teams, elevating performance, and reinforcing Cornerstone's Mission, Vision, and Convictions across the division.

"Tony brings a fresh perspective and a strong tenure in our industry," Jay Crowell, President of the National Retail Division, said. "He has led teams in markets outside our current footprint and has deep experience strengthening regions poised for growth. He also brings a tireless work ethic and a leadership style that aligns with our culture of collaboration, excellence, and long-term relationship building."

"I'm thrilled to join Cornerstone Home Lending, a company with the rare combination of a well-capitalized platform, a thriving and winning culture, and a value proposition that is second to none," Taveekanjana said.

"With bank-powered niche portfolio loans, the ability for loan officers to originate across state lines without individual licensing, a fully in-house servicing team with best-in-industry customer service scores, an unmatched operational support-to-loan officer ratio, and the leading joint venture mortgage platform in the country, Cornerstone gives top mortgage professionals everything they need to take their business to the next level, today and in the future."

Taveekanjana joins a company that is consistently recognized as an exceptional workplace and known year after year for its top-producing loan officers. Currently, 91% of team members say Cornerstone Capital Bank is a great place to work, compared to 57% at a typical company in the United States.

MortgagePoint



Experts you trust. People you know. News you want. *MortgagePoint* is putting essential mortgage market news at your fingertips with our new digital edition, now available online via your smartphone, tablet, or computer. Enjoy the magazine at your desk, and tap into *MortgagePoint* Digital's easily accessible platform anywhere, anytime. Committed to giving originators, servicers, and all lending professionals access to smarter perspectives, *MortgagePoint* believes it's time to think differently about the mortgage industry. Because the American Dream is evolving... are you?

**Subscribe to
MortgagePoint
and MortgagePoint
Digital now!**

Visit
themortgagepoint.com/mp-access
to take advantage of our special offer!

Taveekanjana is committed to Cornerstone's Mission of making a positive difference, with a focus on building purpose-driven teams that genuinely care about their clients and fostering local partnerships that expand access to homeownership.

"Tony has infectious energy, a passion for people, and a dedication to serving our community," Crowell said. "We have a tenured, accomplished team, but adding new players is critical to our evolution and growth. Tony is a key addition who will sharpen us and make us a better team."

Taveekanjana's appointment reflects Cornerstone's belief that sustainable growth stems from relationships, not transactions. As the mortgage industry navigates shifting market conditions and increased demand for personalized service, Taveekanjana's rich skillset, paired with Cornerstone's culture of care, positions the division for success.

MERIWEST CREDIT UNION NAMES VP, CHIEF TECHNOLOGY OFFICER



Meriwest Credit Union, announced the promotion of **Gene Fichtenholz** to VP, Chief Technology Officer (CTO), following the

retirement of Lina Hess on Oct. 31. Fichtenholz brings more than 30 years with Meriwest to his new role, including more than 12 years in management. Most recently, he was VP, Digital Innovations, where he spearheaded transformative initiatives such as the move to Meriwest's new Digital Banking platform, the introduction of innovative member-facing digital services, and enhancements to online account opening and onboarding.

He also led Meriwest's efforts in artificial intelligence and machine learning (AI/ML), driving data-driven decision-making, and operational efficiency. Before 2019, Fichtenholz was

Assistant VP, Information Technology, with responsibility for Data Architecture and Business Intelligence.

Since joining Meriwest in 1993, Fichtenholz has played a pivotal role in shaping its technology infrastructure and advancing its digital capabilities. Meriwest said his deep institutional knowledge, forward-thinking approach, and collaborative leadership have positioned Meriwest at the forefront of innovation, making him uniquely qualified to lead the credit union's technology strategy into the future.

In his expanded role as CTO, Fichtenholz will oversee both Information Technology and Digital Innovations, spearheading Meriwest's ongoing digital transformation and commitment to operational excellence with a strong emphasis on advancing AI-driven solutions to enhance member experiences and operational efficiency.

"Gene's expertise in AI and machine learning, combined with his long-standing dedication to Meriwest, positions him perfectly to guide our technological advancements," Meriwest CEO Lisa Pesta said. "We are confident in his ability to drive innovation and deliver exceptional value to our members."

"Gene's promotion is a well-earned recognition of his years of dedication, innovation, and leadership at Meriwest," Board Chairman Dr. Arthur Jue said. "His vision for the future of technology aligns perfectly with the Board's, and he has a deep understanding of our members and values. The Board looks forward to his continued leadership as we build on our tradition of service and innovation."

Meriwest said that Fichtenholz's appointment underscores its dedication to fostering internal talent and ensuring a seamless transition as we continue to provide exceptional financial services to our members.

"I am honored to step into this role and continue advancing Meriwest's mission," Fichtenholz said. "I look forward to leading our technology and digital innovation efforts, with a focus

on harnessing AI and machine learning, to enhance the member experience and support our organization's growth."

NEXA LENDING APPOINTS RANA MORTENSEN AS CHIEF ADMINISTRATIVE OFFICER



NEXA Lending has appointed **Rana Mortensen** as Chief Administrative Officer, a strategic addition to its C-Suite that reinforces the

company's commitment to operational excellence, cultural cohesion, and national growth.

In her new role, Mortensen will continue to oversee administrative operations across facilities, human resources, people operations, corporate events, internal communications, and system administration. Mortensen will serve as the connective force that aligns departments, drives accountability, and ensures company-wide execution on NEXA's strategic vision, the company said.

"Rana is the heart of execution at NEXA," CEO Mike Kortas said. "She not only ensures that things get done, she ensures they get done the right way, with people, culture, and excellence at the center. Her leadership has been instrumental in helping us grow responsibly while preserving what makes NEXA special: our people and our purpose."

Chandler, Arizona-based NEXA said that over the years, Mortensen has become an indispensable part of its growth story bridging leadership, operations, and culture in a way that keeps the company unified through constant innovation. Her ability to navigate complex systems while building meaningful relationships has earned her deep respect across the organization.

"Every organization needs someone who can turn vision into movement. Rana brings the precision, foresight, and empathy that make progress possible. Her ability to organize complexity while

“Strategy without execution is theory. Rana brings strategy to life. She embodies the operational integrity and communication excellence that allow our ideas to thrive and our teams to perform.”

—Tammy Richards, Chief Strategy Officer, NEXA Lending



keeping people first is what makes her such an invaluable leader,” Chief Operating Officer Jason duPont said.

As NEXA continues to expand its nationwide platform, Mortensen’s leadership will ensure that every initiative from corporate operations to people development runs in alignment with NEXA’s purpose and promise.

“Rana represents the best of who we are; her work ethic, her clarity, and her consistency inspire every leader around her,” Chief Growth Officer Geri Farr said. “Growth only matters when it’s built on structure and trust, and Rana has been the foundation for both.”

Mortensen has been deeply involved in building NEXA’s internal culture, shaping communication channels that empower every employee to feel heard, valued, and connected. She has championed initiatives that keep the company aligned not just by process, but by shared purpose.

“Strategy without execution is theory. Rana brings strategy to life. She embodies the operational integrity and communication excellence that allow our ideas to thrive and our teams to perform,” Chief Strategy Officer Tammy Richards said.

FOUNDATION MORTGAGE WELCOMES SAMUEL BJELAC AS SVP, NATIONAL SALES, TPO



Miami, Florida-based Foundation Mortgage has appointed **Samuel Bjelac** as SVP, National Sales, Third-Party Origination (TPO), further

strengthening the company’s leadership team and expanding its national wholesale lending presence.

Bjelac brings more than two decades of experience leading top-performing third-party origination (TPO) and wholesale sales teams at many of the industry’s most-respected mortgage institutions. Most recently, Bjelac served as SVP of National Sales, TPO at Carrington Mortgage Services, where he helped drive significant non-QM growth and deepen relationships with broker partners nationwide.

Previously, Bjelac held senior leadership roles at LendingOne, Sprout Mortgage, Flagstar Bank, and CoreVest Finance, earning a strong reputation for building high-impact sales teams,

expanding distribution channels, and delivering innovative non-QM and conventional solutions to brokers and borrowers alike.

“Sam’s deep knowledge of the TPO and Non-QM sectors, paired with his passion for broker partnership, makes him an invaluable addition to our leadership team,” Foundation Mortgage CEP Marc Halpern said. “His proven ability to inspire sales teams and forge meaningful industry relationships will help accelerate our growth and advance our mission of common-sense lending built on a rock-solid foundation.”

Bjelac earned his MBA in Finance from the University of Baltimore, where he was inducted into Beta Gamma Sigma, and holds a BS in Marketing from West Virginia University.

“Foundation Mortgage is a company that truly understands the needs of brokers,” Bjelac said. “I’m excited to join a team that combines experience, innovation, and integrity—and to help drive the next chapter of growth for this exceptional organization.”

With Bjelac’s appointment, Foundation Mortgage said it continues to expand its leadership depth, reinforcing its commitment to providing brokers with flexible programs, responsive service, and the power to close more loans through partnership and performance.

» Service Providers

WESTCOR LAND TITLE INSURANCE ADDS AGENCY REPRESENTATIVE JENNIFER SMITH



Maitland, Florida-based Westcor Land Title Insurance Co. added **Jennifer Smith** as a new Agency Representative on the Mountain

Region team where she will work with and support agents in Montana, Northern Idaho, and Wyoming.

“This is such a vast region and a

rather untapped market for us, so we wanted an Agency Representative who has deep roots within that territory, strong knowledge of the business, competitive drive, and respect from their peers,” said Erik Helgeson, VP, Western States Area Manager. “Jennifer Smith is who we were looking for.”

Smith has worked in title insurance for over 35 years. She started her career in the industry as a student, putting herself through college. Since then, she has gained impressive knowledge and experience in a variety of roles, including Title Examiner, Escrow Officer, Branch Manager, County Manager, and Area Manager. During her time as an Area Manager, she also ran a commercial/ranch escrow desk for select customers.

“Smith’s success is built on her ability to develop significant connections and relationships with clients and partners,” Westcor said. She also has worked with some of the industry’s strongest leaders in the Mountain Region. She worked for the largest title agent in Montana, and she was the assistant to the largest commercial real estate broker in the state.

Smith served as president of the Montana Land Title Association from 2017 to 2018. She has also served as board chair of the Big Sky Economic Development Authority.

FIRSTCLOSE APPOINTS ADAM NICHOLSON AS DIRECTOR OF PROFESSIONAL SERVICES



FirstClose, a fintech provider of data and workflow solutions for mortgage and home equity lenders nationwide, announced the appointment of Adam Nicholson as Director of Professional Services. Nicholson will lead the company’s implementation operations, including project delivery, process optimization and cross-func-

tional coordination to enhance the customer experience.

In this new position, Nicholson will oversee implementation strategy, guide project scopes and timelines, establish policies and standard operating procedures, and collaborate with executive leadership to ensure delivery frameworks align with organizational objectives. He will also support the refinement of onboarding practices and client-driven product enhancements to strengthen adoption and long-term value for lenders.

“Adam brings a deep background in professional services leadership across mortgage and financial technology,” said Tedd Smith, co-founder and CEO of FirstClose. “His ability to build strong teams, streamline processes, and deliver measurable results will help us further accelerate implementation

efficiency and reinforce the value lenders experience when partnering with FirstClose.”

Nicholson has more than 12 years of experience directing implementation, customer success, and professional services teams within the fintech sector. He most recently served as an enterprise client success manager at Blend. He previously held director-level roles at Polly and SimpleNexus, where he led implementation groups, established onboarding processes, reduced delivery timelines and collaborated with product and engineering teams to support customer-driven improvements. Earlier in his career, Nicholson spent six years in software implementation leadership roles at Accenture, developing deep expertise in mortgage technology, regulatory compliance, and system integration.



“Adam brings a deep background in professional services leadership across mortgage and financial technology. His ability to build strong teams, streamline processes, and deliver measurable results will help us further accelerate implementation efficiency and reinforce the value lenders experience when partnering with FirstClose.”

—Tedd Smith, co-founder and CEO, FirstClose



MAXIMIZE YOUR REACH

With Webinar Exposure

The Future of Brand Promotion.

Become a leader in forward-thinking multi-channel digital advertising with Five Star Sponsored Webinars. Present, host, or advertise to a captive audience and build your contact database. For more information or to see if webinar sponsorship is right for you, scan the QR code to get in touch with a brand experience team member.





**LEGAL
LEAGUE**



ALL-STAR LINEUP



When you need a financial services firm with the experience to champion your needs, Legal League members will provide you with a clear view of the legal landscape and the expertise to navigate it.

214.525.6749
LegalLeague100.com

ALABAMA

BDF LAW GROUP
972.386.5040
BDFGROUP.COM

**McCALLA RAYMER
LIEBERT PIERCE, LLC**
312.476.5156
MRPLLC.COM

McPHAIL SANCHEZ, LLC
251.438.2333
MSLAWYERS.LAW

ARIZONA

BDF LAW GROUP
972.386.5040
BDFGROUP.COM

**HLADIK, ONORATO
& FEDERMAN, LLP**
215.855.9521
HOFLAWGROUP.COM

**MCCARTHY &
HOLTHUS, LLP**
877.369.6122
MCCARTHYHOLTHUS.COM

ARKANSAS

**MCCARTHY &
HOLTHUS, LLP**
877.369.6122
MCCARTHYHOLTHUS.COM

CALIFORNIA

BDF LAW GROUP
972.386.5040
BDFGROUP.COM

**McCALLA RAYMER
LIEBERT PIERCE, LLC**
407.674.1850
MRPLLC.COM

**MCCARTHY &
HOLTHUS, LLP**
877.369.6122
MCCARTHYHOLTHUS.COM

COLORADO

BDF LAW GROUP
972.386.5040
BDFGROUP.COM

**MCCARTHY &
HOLTHUS, LLP**
877.369.6122
MCCARTHYHOLTHUS.COM

CONNECTICUT

KORDE AND ASSOCIATES
860.969.0400
LOGS.COM/KORDE

**McCALLA RAYMER
LIEBERT PIERCE, LLC**
407.674.1850
MRPLLC.COM

**NEUBERT, PEPE &
MONTEITH, PC**
203.821.2000
NPMLAW.COM

DELAWARE

**STERN &
EISENBERG, P.C.**
215.572.8111
STERNEISENBERG.COM

FLORIDA

DIAZ | ANSELMO, P.A.
954.564.0071
DALLEGAL.COM

**GILBERT GARCIA
GROUP, P.A.**
813.638.8920
GILBERTGROUPLAW.COM

**KAHANE & ASSOCIATES,
PA**
954.382.3486
KAHANEANDASSOCIATES.COM

**MANGANELLI, LEIDER &
SAVIO, P.A.,**
561.826.1740
MLS-PA.COM

**McCALLA RAYMER
LIEBERT PIERCE, LLC**
407.674.1850
MRPLLC.COM

KASS SHULER, P.A.
813.229.0900
KASSLAW.COM

**VAN NESS LAW FIRM,
PLC**
954.571.2031
VANLAWFL.COM

GEORGIA

ALBERTELLI LAW
813.221.4743
ALAW.NET

BDF LAW GROUP
972.386.5040
BDFGROUP.COM

**McCALLA RAYMER
LIEBERT PIERCE, LLC**
678.281.6500
MRPLLC.COM

IDAHO

**MCCARTHY &
HOLTHUS, LLP**
877.369.6122
MCCARTHYHOLTHUS.COM

ILLINOIS

**McCALLA RAYMER
LIEBERT PIERCE, LLC**
312.476.5156
MRPLLC.COM

INDIANA

**SCHNEIDERMAN AND
SHERMAN, P.C.**
866.867.7688
SSPCLEGAL.COM

KENTUCKY

SCHNEIDERMAN AND SHERMAN, P.C.
866.867.7688
SSPCLEGAL.COM

LOUISIANA

DEAN MORRIS, LLC
318.388.1440

MAINE

DOONAN, GRAVES, & LONGORIA, LLC
978.549.9759
DGANDL.COM

MARYLAND

STERN & EISENBERG, P.C.
215.572.8111
STERNEISENBERG.COM

STERN & EISENBERG, P.C.
215.572.8111
STERNEISENBERG.COM

MICHIGAN

HLADIK, ONORATO & FEDERMAN, LLP
215.855.9521
HOFLAWGROUP.COM

POTESTIVO & ASSOCIATES, P.C.
248.853.4400
POTESTIVOLAW.COM

SCHNEIDERMAN AND SHERMAN, P.C.
866.867.7688
SSPCLEGAL.COM

MINNESOTA

SCHNEIDERMAN AND SHERMAN, P.C.
866.867.7688
SSPCLEGAL.COM

MISSISSIPPI

BDF LAW GROUP
972.386.5040
BDFGROUP.COM

DEAN MORRIS, LLC
318.388.1440

McCALLA RAYMER LIEBERT PIERCE, LLC
407.674.1850
MRPLLC.COM

NEVADA

BDF LAW GROUP
972.386.5040
BDFGROUP.COM

McCALLA RAYMER LIEBERT PIERCE, LLC
407.674.1850
MRPLLC.COM

McCARTHY & HOLTHUS, LLP
877.369.6122
MCCARTHYHOLTHUS.COM

NEW HAMPSHIRE

MARINOSCI LAW GROUP, P.C.
401.234.9200
MLG-DEFAULTLAW.COM

NEW JERSEY

HLADIK, ONORATO & FEDERMAN, LLP
215.855.9521
HOFLAWGROUP.COM

KML LAW GROUP, P.C.
215.627.1322
KMLLAWGROUP.COM

McCALLA RAYMER LIEBERT PIERCE, LLC
407.674.1850
MRPLLC.COM

STERN & EISENBERG, P.C.
215.572.8111
STERNEISENBERG.COM

NEW MEXICO

HLADIK, ONORATO & FEDERMAN, LLP
215.855.9521
HOFLAWGROUP.COM

McCARTHY & HOLTHUS, LLP
877.369.6122
MCCARTHYHOLTHUS.COM

NEW YORK

HLADIK, ONORATO & FEDERMAN, LLP
215.855.9521
HOFLAWGROUP.COM

MARGOLIN, WEINREB & NIERER, LLP
516.921.3838
NYFCLAW.COM

McCALLA RAYMER LIEBERT PIERCE, LLC
407.674.1850
MRPLLC.COM

PINCUS LAW GROUP
917.359.1576
PINCUSLAW.COM

ROACH AND LIN, P.C.
516.938.3100
WWW.ROACHLIN.COM

STERN & EISENBERG, P.C.
215.572.8111
STERNEISENBERG.COM

NORTH CAROLINA

McMICHAEL TAYLOR GRAY, LLC
404.474.7149
INFO@MTGLAW.COM

OHIO

BERNSTEIN-BURKLEY
412.456.8100
BERNSTEINLAW.COM

CLUNK, HOOSE CO., LPA
330.436.0300
CLUNKHOOSE.COM

COOKE DEMERS, LLC
614.939.0930
CDGATTORNEYS.COM

McCALLA RAYMER LIEBERT PIERCE, LLC
407.674.1850
MRPLLC.COM

SCHNEIDERMAN AND SHERMAN, P.C.
866.867.7688
SSPCLEGAL.COM

OKLAHOMA

BDF LAW GROUP
972.386.5040
BDFGROUP.COM

LAMUN MOCK CUNNINGHAM & DAVIS, PC
405.840.5900
LAMUNMOCK.COM

OREGON

LAW OFFICES OF JASON TATMAN
858.201.3593

McCALLA RAYMER LIEBERT PIERCE, LLC
407.674.1850
MRPLLC.COM

McCARTHY & HOLTHUS, LLP
877.369.6122
MCCARTHYHOLTHUS.COM

PENNSYLVANIA

BERNSTEIN-BURKLEY
412.456.8100
BERNSTEINLAW.COM

GROSS POLOWY, LLC
716.204.1700
GROSSPOLOWY.COM

HLADIK, ONORATO & FEDERMAN, LLP
215.855.9521
HOFLAWGROUP.COM

STERN & EISENBERG, P.C.
215.572.8111
STERNEISENBERG.COM

PUERTO RICO

HLADIK, ONORATO & FEDERMAN, LLP
215.855.9521
HOFLAWGROUP.COM

SOUTH CAROLINA

BELL CARRINGTON & PRICE, LLC
803.509.5078
BELLCARRINGTON.COM

TEXAS

BDF LAW GROUP
972.386.5040
BDFGROUP.COM

BONIAL & ASSOCIATES P.C.
972.643.6698
BONIALPC.COM

McCALLA RAYMER LIEBERT PIERCE, LLC
407.674.1850
MRPLLC.COM

McCARTHY & HOLTHUS, LLP
877.369.6122
MCCARTHYHOLTHUS.COM

THE MORTGAGE LAW FIRM
619.465.8200
MTGLAWFIRM.COM

UTAH

SCALLEY READING BATES HANSEN & RASMUSSEN, P.C.
801.531.7870
SCALLEYREADING.COM

VIRGINIA

STERN & EISENBERG, P.C.
215.572.8111
STERNEISENBERG.COM

WASHINGTON

IDEA LAW GROUP, LLC
602.321.8316
IDEALAWGROUPLLC.COM

McCALLA RAYMER LIEBERT PIERCE, LLC
407.674.1850
MRPLLC.COM

McCARTHY & HOLTHUS, LLP
877.369.6122
MCCARTHYHOLTHUS.COM

WEST VIRGINIA

BERNSTEIN-BURKLEY P.C.
412.456.8112
BERNSTEINLAW.COM

STERN & EISENBERG, P.C.
215.572.8111
STERNEISENBERG.COM

WYOMING

BDF LAW GROUP
972.386.5040
BDFGROUP.COM

ASSOCIATE MEMBER (EXECUTIVE)

360 LEGAL INC.
888.360.5345
360LEGAL.NET



AREMCO INC.
888.650.0093
AREMCOCORP.COM



COMPLIABILITY SOLUTIONS LLC
972.768.6050
COMPLIABILITYSOLUTIONS.COM



HELLO SOLUTIONS
727.403.5900
HELLOSOLUTIONS.COM



LEGALFEE CONSULTANTS
MATT@LEGALFEE-CONSULTANTS.COM
LEGALFEE-CONSULTANTS.COM

ASSOCIATE MEMBER (PARTNER)

Managing The Process of Service™
PROEST
813.877.2844, EXT. 1424
PROEST.US

BLACK DOME SERVICES, LLC
979.487.1084
BLACKDOMESERVICES.COM

GLOBAL STRATEGIC BUSINESS PROCESSING SOLUTIONS
212.260.8813
GLOBALSTRATEGIC.COM

ASSOCIATE MEMBER (SUPPORTER)

SERVICELINK
800.777.8759
SVCLNK.COM

THE COST OF READINESS

From outdated reimbursement structures to mounting regulatory expectations, preservation firms are absorbing unprecedented strain. Industry executives reveal how resilience, automation, and smarter collaboration are keeping operations alive, and what needs to change.

By DAVID WHARTON

Property preservation and field services enter 2026 facing many headwinds. Costs have climbed, volumes have shifted, and stagnant pricing structures have left contractors and preservation vendors absorbing pressure from multiple angles. At the same time, servicers face heightened scrutiny, aging portfolios, and climate-driven risk, requiring faster reporting and tighter compliance. The industry is being asked to do more with less, even as the labor pool thins and technology investment becomes critical.

In this year's look at the state of the property preservation sector, leaders from AREMCO, Cyprexx, ServiceLink, Genstone, and Safeguard share how they're redesigning operations, rebuilding the contractor ecosystem, and using technology—especially AI—not as a buzzword, but as a practical tool to keep properties safe, servicers compliant, and communities protected.



CLELLAN KANE

SVP, Asset Services, AREMCO

Q: "Operational resilience" has become a key phrase across the servicing and preservation sectors. How do you define it in practical terms at AREMCO, and what does it look like in day-to-day execution?



KANE: At AREMCO, operational resilience isn't a buzzword; it's the ability to perform no matter what hits the market, the weather, or the workload. In practice, it

means our teams can pivot without compromising compliance or visibility. We build redundancy into processes, not just systems. So, if a storm, regulation, or vendor failure occurs, work continues without gaps. Every job order, photo log, and cost line is tied back to clear standards and live performance dashboards. Resilience, for us, looks like being able to deliver the same quality on day 1,000 as we did on day 1, regardless of conditions.

Q: The property preservation space continues to be shaped by market swings, labor shortages, and evolving regulatory expectations. How has AREMCO built systems that stay agile amid those disruptions?

KANE: We've designed AREMCO around controlled adaptability. Our structure combines internal crews, vetted vendor networks, and technology that gives real-time insight into field conditions and financial exposure. Because we oversee construction, preservation, and asset management under one command center, we can rebalance resources in hours instead of weeks. When regulations shift or volume spikes, our teams don't start



over; they re-route using frameworks that already account for change. It's agility with discipline.

Q: What tools or innovations has AREMCO implemented to enhance efficiency, transparency, and compliance in preservation operations?

KANE: We built our operations around what we call "Clarity by Design." Every task and dollar is traceable from field to finance. Our proprietary command dashboard consolidates photo evidence, SLAs, bids, invoices, and compliance triggers in one view. It integrates directly with client systems like MSP, VendorScape, and Pruvan, eliminating redundant reporting. The result? Real-time visibility, automatic audit trails, and fewer surprises for servicers and investors. It's transparency that pays you back literally.

Q: Field service vendors are the backbone of preservation work. How does AREMCO ensure consistency, accountability, and communication across such a broad and distributed vendor base?

KANE: We treat vendors as extensions of our brand and not just contractors. Each one operates under a scorecard system that measures timeliness, photo accuracy, bid variance, and quality audits. Those metrics feed weekly dashboards reviewed jointly with our vendor partners. We also assign single-point-of-contact field managers who speak both the servicer's and contractor's language to reduce confusion and escalation. Accountability isn't about policing; it's about partnership and precision.

"We treat vendors as extensions of our brand and not just contractors. Each one operates under a scorecard system that measures timeliness, photo accuracy, bid variance, and quality audits."

—Clellan Kane,
SVP, Asset Services, AREMCO

★★★★★

Q: Maintaining quality and compliance while moving quickly is a constant balancing act. What strategies or controls does AREMCO use to mitigate risk without slowing down operations?

KANE: We embed "risk checkpoints" directly into the workflow rather than layering them on after the fact. For example, line-item bid validation happens automatically at submission, and photo packages are QC-flagged before they ever hit the client's portal. That front-end intelligence allows us to prevent errors instead of fixing them later. It's not more process; it's a smarter process that keeps compliance intact and timelines tight.

Q: How do you cultivate a culture of adaptability and continuous improvement within your team?

KANE: We hire operators, not spectators. Everyone from our analysts to our construction leads understands that change is part of the job description. AREMCO runs an internal framework we call the "Performance Evolution Model," which blends analytics reviews, after-action audits, and micro-training bursts. It turns lessons learned into measurable enhancements every quarter. Improvement isn't a one-time workshop. It's built into how we work.

Q: AREMCO recently joined the Property Preservation Executive Forum. How do partnerships like that strengthen your ability to anticipate industry trends and align with best practices?

KANE: Partnerships like the Property Preservation Forum give us more than a seat at the table; they give us a pulse on what's coming next. It's where regulatory shifts, investor priorities, and field-level realities meet. We use that platform to both contribute and benchmark, sharing operational data trends, best practices, and lessons from multi-state portfolios. The feedback loop helps us adjust faster and shape solutions that raise the bar for the entire sector.

Q: How have your clients' needs evolved as economic and regulatory pressures shift, and how is AREMCO responding to maintain trust and performance under pressure?

KANE: Clients are demanding two things: visibility and validation. They want to know not only that work was done, but that it was done right, at the right cost, and aligned with investor policy. We've answered with deeper financial forensics and more transparent

reporting. Our dashboards link every expense, photo, and status update back to the investor guideline it supports. In a world of shrinking margins and heightened scrutiny, that kind of clarity builds trust faster than any presentation could.

Q: As we move into 2026, what do you see as the biggest opportunities for innovation in preservation operations, and how is AREMCO positioning itself to lead that next phase?

KANE: The next wave is data-driven preservation, where predictive analytics guide work orders before deterioration happens. We're investing in automation that flags early-risk indicators from weather, occupancy, and asset data so field crews can act before loss occurs. We also see huge opportunities in unifying preservation, rehab, and disposition workflows, so every decision ties to ROI. AREMCO's goal isn't just to execute faster; it's to make every action measurable, defensible, and profitable for our clients. That's the evolution we're building toward.



TONY MAHER

EVP of Business Development, Cyprex Services

Q: How is Cyprex leveraging technology such as AI to improve efficiency or compliance in field services today?



MAHER: Cyprex is using AI as an *augmentation layer* across field services—not to replace people, but to strengthen speed, accuracy, and compliance. Key applications include:

- Automated inspection analysis that verifies whether photos support occupancy determinations, checks for

missing compliance indicators, and flags inconsistencies before reports reach clients.

- Risk-scoring models that prioritize properties needing escalation or quality review—allowing operations teams to focus human expertise where it delivers the most value.
- Data normalization and address correction systems that reduce manual rework and improve deliverability across FHA/HUD, VA, USDA, and GSE platforms.
- Utility, HOA, and code-enforcement research automation that accelerates the information-gathering process required for compliance tasks.
- Predictive QA using machine-learning signals to spot patterns (e.g., repeat inspector errors, slow-moving orders, recurring condition exceptions) earlier in the cycle.

The goal is faster, more consistent compliance with federal guidelines while improving contractor and client experience.

Q: How do you balance the human expertise required for nuanced field decisions with increasing automation?

MAHER: Automation handles *consistency*; humans handle *context*. Cyprex's approach is:

- Use automation to pre-screen inspections, identify gaps, and structure information.
- Let field inspectors and quality reviewers apply judgment where conditions are nuanced—such as distinguishing seasonal inactivity from true vacancy, or interpreting borderline safety, debris, or code-compliance conditions.
- Equip field staff with AI decision-support tools (not decision-making tools) so they can work faster without losing control of the outcome.

- Maintain a strong training and feedback loop, feeding real-world edge cases back into both human training and automated checks.

AI elevates human accuracy—it doesn't replace the need for experienced people who understand local markets, weather patterns, materials, and property behavior.

Q: HUD's pricing structure continues to strain vendors. How is this affecting the health of the industry, and what should change?

MAHER: HUD's pricing structure has not kept pace with:

- Inflation
- Material/labor cost increases
- Fuel and transportation volatility
- Lower density in property concentrations causes further drive-time between assets, compounding fuel and transportation volatility
- In addition, there is more competition for similar jobs with "windshield time, further compounding the pay shortages in outdated pricing
- Regional variations in contractor pay
- The rising cost of compliance and reporting requirements

This stagnation has caused:

- Contractor attrition, especially in trades like roofing, plumbing, board-ups, and debris removal.
- Regional service gaps are making it difficult for servicers to maintain consistent coverage.
- Quality pressure, as vendors struggle to recruit skilled labor at outdated price points.
- Reduced capacity to handle seasonal spikes, disasters, or bulk conveyance events.

What needs to change:

HUD should adopt a **dynamic or indexed pricing model** that adjusts for regional labor markets and inflation, similar to how other federal programs revise rates annually. Pricing should also acknowledge the increasing compliance burden—from photo standards to PPE requirements to reporting complexity.

Q: How are companies like Cyprexx maintaining service quality despite outdated pricing models?

MAHER: It requires operational discipline and innovation:

- **Process optimization:** Reducing waste, automating routine tasks, and tightening inspection workflows.
- **Smarter routing and scheduling:** Using data to minimize travel and reduce contractor downtime.
- **Contractor support:** Offering clearer scopes, faster payment cycles, and better communication to help retain top performers even in tough markets.
- **Quality-focused triage:** Prioritizing QA resources on the highest-risk properties or the most complex preservation scopes.
- **Technology-driven consistency:** Automated checks reduce rework and catch issues early, preventing costly revisits.

The reality is that the industry is absorbing pressure, and continued stability will require pricing modernization from HUD and other agencies.

Q: What are the biggest hurdles in recruiting and retaining qualified field contractors today?

MAHER: The largest challenges include:

- **Pay compression:** Skilled trades can

“HUD should adopt a dynamic or indexed pricing model that adjusts for regional labor markets and inflation, similar to how other federal programs revise rates annually.”

—Tony Maher,
EVP of Business Development,
Cyprexx Services

★★★★★

earn significantly more in construction or renovation markets.

- **Travel costs:** Fuel volatility makes rural coverage difficult.
- **Scope variability:** Preservations often require wide skill sets—carpentry, landscaping, plumbing basics—which not all contractors possess.
- **Documentation burden:** High photo counts, app compliance, and real-time reporting create steep onboarding ramps.
- **Generational shifts:** Younger workers seek predictable income, digital tools, and flexibility—conditions harder to provide in field services.

To combat this, companies must streamline documentation tools, provide real-time communication pathways, and build contractor-friendly operational models.

Q: How do generational shifts—especially younger workers' expectations—affect field operations and training?

MAHER: Younger workers expect:

- Mobile-first tools
- Real-time communication channels (text, chat, app notifications)
- Clear feedback loops
- Work-life balance and flexibility

Cyprexx is adapting by:

- Simplifying onboarding and providing clear and concise investor and client requirements.
- Using AI to pre-validate photo sets, so new inspectors receive faster correction and coaching.
- Structuring work assignments to provide clearer expectations and predictable workflows.
- Building more responsive contractor support channels.

Meeting generational expectations isn't optional—it's essential for rebuilding the field workforce.

Q: How is recent consolidation across field services reshaping competition?

MAHER: Consolidation is creating:

- **Fewer, larger national players** that compete on scale, technology, and compliance infrastructure. This provides the well-established providers with a clear advantage over new entrants.
- **Higher barriers to entry**, as compliance demand increases and pricing stagnates.

BUILDING STABILITY TOGETHER



THE 2026 FIVE STAR
Government
Forum

April 15, 2026

The National Press Club | Washington, D.C. | visit TheFiveStar.com

BRINGING LEADERS FROM MORTGAGE SERVICING AND THE
FEDERAL GOVERNMENT TOGETHER TO PARTICIPATE IN AN OPEN
DIALOGUE FOCUSING ON THE MORTGAGE INDUSTRY'S MOST
PRESSING ISSUES AND CHALLENGES.

PRESENTED BY

THEFIVESTARINSTITUTE

Host Sponsor



AUCTION.COM

Supporting Sponsor



- **Servicer technology** overlays provide Nationals with their own technology platform to quickly integrate with these new requirements.
- **Greater regional dependency**—smaller subs and independents now rely more heavily on large national property preservation providers for volume.

The upside is that consolidation encourages modernization—firms are investing more heavily in systems, automation, and contractor support. But it also shrinks the vendor pool, which can create fragility during high-volume cycles.

Q: Are there opportunities for more collaboration across preservation, asset management, and mortgage servicing?

MAHER: Yes, and the industry is underutilizing them. The biggest opportunities include:

- **Shared data ecosystems** where inspection photos, work orders, utility data, and code-enforcement cases are exchanged seamlessly between servicers, field vendors, and asset managers.
- **Unified definitions and standards** for occupancy determinations, debris, winterization, and conveyance across FHA/HUD, GSEs, and investors.
- **Integrated preservation + REO strategies**, allowing early repair planning during default instead of waiting until conveyance.
- **Cross-training** between preservation, valuations, and asset management teams to reduce blind spots.
- **Industry-wide digital compliance frameworks**, reducing redundant photo/documentation requirements.

Stronger collaboration would cut cycle times and reduce avoidable conveyance delays.

Q: What are the industry's "blind spots" that aren't getting enough attention?

MAHER: A few stand out:

1. **Data interoperability**
Everyone collects photos, inspections, and property data—but systems still don't talk to each other effectively. Lack of shared standards creates inefficiency and rework.
2. **Contractor pipeline fragility**
The field labor pool has been shrinking for years; without pricing modernization, it will continue to collapse.
3. **Technology adoption inequality**
Some contractors are highly sophisticated; others struggle with basic mobile reporting. The gap creates inconsistencies that technology alone can't solve.
4. **Deferred investment in aging housing stock**
Preservation work is getting more complex as properties age, but pricing structures haven't adjusted to reflect more intensive repair conditions.

★★★★★

RAQUEL PASALA

VP, ServiceLink

Q: We've heard from many about how HUD's pricing structure is impacting vendors and contractors. How is this affecting the health of the industry, and what would you like to see change in HUD's approach?



PASALA: It would be good to establish a regular schedule or cadence for pricing reviews that includes automatic increases every two

to three years, at most every five years. As an industry, we should be on the same page so that there's a standard for cost. Multiple layers of the supply chain need to be considered, each adding value, from local boots on the ground to regional and national providers. From servicers and investors, all the way up, there needs to be appropriate compensation, taking into account the additional requirements that need to be met. Technology costs need to be taken into account, as well. This impacts the health of the industry as it creates barriers to entry into the field for new players. As providers retire, the field is thinning.

Q: How are companies like ServiceLink managing to maintain service quality and compliance standards despite financial pressure from outdated pricing models?

PASALA: ServiceLink continues to invest in our technology, which allows us to implement added automated quality control and scale as needed with things like image recognition and natural language processing. This allows us to maintain our top-notch quality service and meet compliance standards through

an upfront investment that will help our clients in the long term.

Q: Labor shortages continue to challenge preservation firms nationwide. What are the biggest hurdles you face when recruiting and retaining qualified field contractors today?

PASALA: The cost structure is certainly prohibitive, as are the restrictions we face when it comes to the level of training we can provide for our independent contractor providers. There is also a lack of instruction from an industry guideline perspective. They outline the result but not how to get there, and that leaves a lot open to interpretation. Ambiguity can be a challenge.

Q: How do generational shifts in the workforce—especially younger workers' expectations for technology, flexibility, and communication—affect the way you structure field operations or training programs?

PASALA: We adapt our training programs to meet the needs of each individual we are working with. We are cognizant of the fact that today's younger generations are very conscious of the environment, work-life balance, personal safety, and mental health. We have shifted to a more flexible work environment, with work-from-home options and flexible scheduling to accommodate the needs of today's employees.

Q: There has been notable consolidation across field services and related sectors in recent years. How is this reshaping the competitive landscape?

PASALA: The shift has been needed, in a sense, to right-size the industry, where default volumes have been decreasing for many years. However, it has minimized the number of options our clients have.

“The shift has been needed, in a sense, to right-size the industry, where default volumes have been decreasing for many years. However, it has minimized the number of options our clients have.”

—Raquel Pasala,
VP, ServiceLink

★★★★★

Q: How is ServiceLink leveraging technology to improve efficiency or compliance in field services today?

PASALA: ServiceLink is at the forefront of leveraging advanced technology to enhance efficiency and compliance in mortgage field services, particularly through its proprietary EXOS Technologies platform, which integrates artificial intelligence, machine learning, and cloud-based systems to automate workflows, reduce turnaround times, and ensure regulatory adherence across default management processes. Central to this is

EXOS One Marketplace®, a comprehensive asset decisioning hub that provides servicers and investors with real-time, portfolio-wide visibility into property statuses via personalized performance dashboards, predictive analytics and geospatial modeling—enabling users to drill down to ZIP-code-level forecasts for repair probabilities, water intrusion risks or other preservation needs based on historical data and environmental factors, thereby optimizing costs, minimizing losses and justifying claims in audits by embedding HUD guidelines, timelines and claimable expense calculators directly into the interface.

This tool collectively addresses fragmented workflows by consolidating data from field services, auctions, loss analysis and asset management into a single ecosystem, fostering proactive decision-making amid labor shortages and economic volatility, while built-in compliance checks—such as transactional claimability reviews and exception flagging—help navigate diverse investor requirements (e.g., FHA vs. GSE loans) without manual intervention, ultimately driving greater scalability, accuracy and resilience in an industry grappling with rising property complexities.

Q: How do you balance the human expertise required for nuanced field decisions with the increasing automation of inspections, reporting, and quality assurance?

PASALA: We always work hard to ensure we're providing our clients and field partners with a white glove service, keeping that human touch and having a person involved every step of the way. We have open lines of communication for those nuanced situations, and they can get a hold of a person at all hours of the day, so we can facilitate and partner with them for the unique decisions that are needed for a given asset. We have streamlined our real-time communication to ensure there is always a human to provide support and expertise.

Q: Are there opportunities for greater collaboration across preservation, asset management, and mortgage servicing that the industry hasn't fully capitalized on yet?

PASALA: Yes. ServiceLink offers an end-to-end solution that brings all these areas together, which helps to reduce costs for our clients by streamlining the process. This is something that we do that is unique and is an opportunity for the industry as a whole to take note. There is often a focus on individual partners, which can segment and bifurcate the process. When you collaborate across preservation, asset management, and mortgage servicing—along with title and auction—you plug those gaps and meet all their needs that otherwise are left to the client to fill. This is where offerings like EXOS One Marketplace really benefit our clients.

Q: What are the "blind spots" you think the industry still has: areas that aren't getting enough attention but will be critical for long-term sustainability?

PASALA: The industry does a great job of identifying a wide variety of areas that need attention. What is missing is the overall view that considers all these individual focuses—that often are tugging in different directions—to provide insight and pull together the big picture.

★★★★★

DENIA RAY

SVP, National Field Services,
Genstone Field Services

Q: What key trends are currently shaping the property preservation space, whether in technology, regulation, or client expectations?



RAY: Artificial Intelligence (AI) is emerging as a leading tool in property preservation, offering unmatched

efficiency in identifying deficiencies and processing hundreds of images within minutes. By generating punch lists tailored to agency, investor, or client requirements, AI adds a critical layer of quality assurance without replacing manual review.

On the regulatory front, the CFPB continues to monitor agencies and servicers to ensure preservation and inspection services remain fair and reasonable for borrowers who cure defaults. This oversight has prevented non-HUD agencies from significantly raising rates, keeping them aligned with HUD standards. As a result, industry cost estimators struggle to justify price increases, leaving preservation companies to absorb additional expenses such as mileage for servicing rural properties.

Q: We've spoken before about the impact of HUD pricing on vendors and contractors. How is this affecting the health of the industry, and what would you like to see change in HUD's approach?

RAY: HUD insures 57% of all seriously delinquent loans while holding only a 16.5% market share—yet its outdated pricing model is crippling the property preservation industry. Despite decades of cost-of-living increases, HUD's reim-

bursement rates for essential services like lock changes, winterization, and debris removal remain virtually unchanged. For example, lock changes still pay \$60, though inflation-adjusted rates should exceed \$125. Similar gaps exist across all service categories.

Mortgagee Letter 1995-25 paid \$60-\$75 for a lock change, in multiple states. Today, they pay \$60, despite a cost-of-living adjustment during this time of 112.58%, which would put this service in the \$125.50-\$159.44 range. Dry winterizations paid \$100-\$150 in multiple states, and today pay only \$100, despite COLA showing they should be in the \$214-\$318.87 range. Cubic yards of debris paid \$50-\$60 under Mortgagee Letter 2007-03. Today, they pay less, at \$50, despite the COLA increasing 56.25% during this period, putting this line item more realistically in the \$78.13-\$93.75 range.

This failure to update pricing has driven 80% of qualified contractors out of the market, leaving communities vulnerable and FHA portfolios at the highest servicing risk. Unrealistic conveyance standards and stagnant rates have pushed tier-1 banks out of FHA servicing, shifting disproportionate risk to preservation companies.

HUD must act now. Fair, reasonable pricing and annual reviews are critical to sustaining the industry and protecting neighborhoods. Legal networks already benefit from regular pricing updates aligned with Fannie Mae standards—field service providers deserve the same consideration. Without immediate reform, the industry faces collapse.

Q: How are companies like Genstone managing to maintain service quality and compliance standards despite financial pressure from outdated pricing models?

RAY: It is a significant challenge! Our acquisition by Genstone Group has been a game-changer, giving us access to shared services—legal, marketing, IT,

Positioned to Influence.

Partnered With the Nation's Leading Organizations in Championing the Cause of the Mortgage Field Services Industry.

ASSOCIATE MEMBERS



MEMBERS



“Genstone joined Five Star’s Property Preservation Executive Forum (PPEF) for an opportunity to attend closed door discussions on the challenges within the industry. The PPEF brings together the top mortgage servicers within the industry, along with national property preservation experts, for powerful, thought-provoking discussions on industry challenges. The PPEF Membership also offers and shares “best practices” that they have leveraged within their own businesses. Coupled with the phenomenal and extensive government and investor relationships within Five Star, this group has the ability to influence positive change within the property preservation sector, which is crucial to Genstone’s passion around ending blight, securing neighborhoods, and stabilizing communities.”

—Denia Ray, SVP National Field Services, Genstone



For more information, contact memberships@thefivestar.com.

audit, vendor management, risk, compliance, and HR—that smaller firms simply can't afford. These resources keep us aligned with evolving regulations and ensure policies remain current.

Vendor turnover adds another layer of complexity. Many new entrants lack risk awareness, while experienced providers exit the market. To bridge this gap, we share information to help partners understand client needs and improve conveyance bids using HUD's cost estimator. Despite these efforts, we often absorb costs to meet HUD's strict timelines and avoid "mortgagee neglect" designations.

Our QC team, supported by AI, conducts thorough reviews to maintain quality and return work for corrections when needed. This process not only safeguards compliance but also helps contractors learn and close gaps, reducing repeat issues.

Q: Labor shortages continue to challenge preservation firms nationwide. What are the biggest hurdles you face when recruiting and retaining qualified field contractors today?

RAY: The top hurdles facing property preservation today include unfair pricing, low volumes, and rural, fragmented portfolios. After six years of COVID forbearances and loss mitigation efforts—without inspections—the portfolio is in its worst condition yet. Deferred maintenance has led to widespread mold and structural damage, making many properties unsafe for contractors and driving some out of the space.

Recruitment now demands creative strategies; old tactics no longer work. Retaining qualified partners requires transparent, two-way communication and encouraging diversification into SFR turns, maintenance, and conventional property management—similar skillsets that help sustain their businesses. With GFS now part of the Genstone family, there's a stronger opportunity to support partners in growth and diversification.

“As the economy slows, despite the consolidation, new players will enter the space.”

—Denia Ray,

SVP, National Field Services, Genstone Field Services

★★★★★

Q: How do generational shifts in the workforce—especially younger workers' expectations for technology, flexibility, and communication—affect the way you structure field operations or training programs?

RAY: We're evolving our leadership and communication strategies to meet the needs of a diverse workplace. By using the channels our teams and partners prefer—whether text, email, or phone—we ensure transparency and maintain an open flow of information. Our younger team members, who embrace new technology, play a key role in driving AI adoption and boosting productivity.

Q: How is Genstone leveraging technology to improve efficiency or compliance in field services today?

RAY: Genstone is transforming property preservation through advanced

technology and AI. Our new asset-level system centralizes data for risk mitigation, tracks REO sales, and ensures accurate billing. Integrated vendor management streamlines onboarding, performance tracking, and automated work assignments based on SLA and capacity.

We've partnered with a leading weather data provider for real-time portfolio oversight, enabling proactive measures during disasters—from monitoring 900 assets during California wildfires to guiding hurricane prep and snow removal. Clients have access to branded portals for live updates, forecasts, and dashboards. These innovations have boosted efficiency, reduced costs, and virtually eliminated trip fees for snow removals—delivering smarter, faster service nationwide.

AI-driven photo analysis creates precise punch lists for REO and FHA properties, accelerating bids and compliance.

Q: How do you balance the human expertise required for nuanced field decisions with the increasing automation of inspections, reporting, and quality assurance?

RAY: Great question! Genstone stands out in the industry by maintaining 100% manual quality control—even for occupancy inspections—while leveraging AI and automated workflows for speed and accuracy. Our system flags anomalies for immediate review, ensuring quick action. For example, if a property shifts from vacant to occupied, it triggers secondary checks, including USPS-linked skip tracing, to confirm mail activity and validate occupancy.

Q: There has been notable consolidation across field services and related sectors in recent years. How is this reshaping the competitive landscape?

RAY: Consolidation has been great for Genstone as it helps us to increase market share and benefit from cost savings from economies of scale and operational efficiencies. We also have stronger financial power to continue innovating and delivering new products to the market. As the economy slows down, despite consolidation, new players will enter the space.

Q: Are there opportunities for greater collaboration across preservation, asset management, and mortgage servicing that the industry hasn't fully capitalized on yet?

RAY: Absolutely. We are experiencing that now with our acquisition and new position as part of the Genstone family of companies and affiliation with the Fay Group. We now offer a full end-to-end service and work closely with the other entities for a seamless client experience.

Q: What are the "blind spots" you think the industry still has: areas that

aren't getting enough attention but will be critical for long-term sustainability?

RAY: While most are not blind to us, there is a constant balancing act. One issue that I believe the industry needs to hit head-on is discoloration treatment vs mold remediation. Some states, including New York, only allow licensed and certified environmental companies to address this issue, unless it is the homeowner themselves doing the work. Investors want to keep the price down, and typically only want "treatment." HUD will approve "treatment" but then state that if any more mold grows during the property's pre-sale and post-sale conveyance activities, it will be considered "Mortgagee Neglect" and will not be claimable. This is often not obtainable with 100-year-old homes and basements, some of which are in flood zones. The best sump pumps in the world, and humidifiers, are not going to be enough long-term. It is estimated that 47% of homes have some type of mold or mold spores. In areas like New York, with long foreclosure timelines exceeding five years, multiple treatments may be needed. Unfortunately, that is an expense we end up having to absorb, at no fault of our own, and shouldn't be.

An additional area that presents a challenge is with the more rural nature of the portfolios, and difficulties in determining occupancy with acreage, fences, gates, and "no trespassing" signs. Some of our clients want us to engage drones. This requires a whole different set of compliance matrices, as laws vary from state to state and municipality to municipality, but most support the residents' right to "quiet enjoyment" and privacy.

★★★★★

MIKE GREENBAUM

COO, Safeguard Properties

Q: How is Safeguard leveraging technology such as AI to improve efficiency or compliance in

field services today?



GREENBAUM:

Safeguard is using AI to solve long-standing operational bottlenecks in field services rather than

treat AI as a buzzword. Our approach focuses on practical automation that enhances compliance, improves accuracy, and reduces turnaround time.

Key areas include:

AI-Driven Photo & Video Validation

- Automated routine enforcement using GPS, geofencing, and image analysis.
- Occupancy detection from both photos and 360-degree drive-by video.
- Hazard Insurance damage detection.
- Build expectancy in our audit processes based on Computer Vision and Machine Learning.

AI-Supported Script Processing

- Our inspection scripts now allow AI to answer structured questions based on video walkthroughs.
- CoreScript automation helps flag missing photos, inconsistent answers, and items not in compliance before orders reach QA.

AI Agents for Vendor Performance

- Automated routines track zone capacity, underperformance, milestone gaps, production rate, and delayed commitments.
- Alerts are sent to vendors via text, app notifications, and weekly summaries.

Q: How do you balance the human expertise required for nuanced field decisions with the increasing automation of inspections, reporting, and quality assurance?

GREENBAUM: Automation is powerful—but field conditions are nuanced, and the wrong kind of automation can misinterpret critical risks. Our philosophy is: AI does the repeatable work. Humans do the judgment work.

- AI handles tasks requiring volume and consistency: labeling photos, detecting anomalies, verifying GPS, flagging risks, and identifying missing requirements.
- Humans assess complex structural issues, interpret nuanced damage, handle homeowner interactions, and determine conveyance readiness.

We design systems so inspectors spend more time on decisions and less on documentation; back-office staff focus on exceptions; and AI provides a second set of eyes, not a substitute.

Q: How are companies like Safeguard managing to maintain service quality and compliance standards despite financial pressure from pricing models that may not have been updated?

GREENBAUM: Safeguard succeeds by aggressively optimizing operational efficiency:

- AI-driven QA and audit reduce rework and prevent curtailments.
- Better routing and mobile workflows minimize drive time.
- Training programs stabilize vendor performance.
- Data-driven vendor capacity management ensures assignment accuracy.
- Automation reduces overhead, preserving vendor payments.

We remove inefficiency rather than reduce quality.

Q: Labor shortages continue to challenge preservation firms nationwide. What are the

biggest hurdles you face when recruiting and retaining qualified field contractors today?

GREENBAUM: Key challenges:

- Gig workers expect faster pay cycles, routing, and minimal paperwork.
- Skill mismatch between general gig labor and preservation requirements.
- Rising fuel and insurance costs.
- Coverage gaps in rural regions.

Safeguard addresses this with app-based assignments, video training, realistic expectations, and consistent work volume.

Q: How do generational shifts in the workforce—especially younger workers' expectations for technology, flexibility, and communication—affect the way you structure field operations or training programs?

GREENBAUM: Younger workers expect mobile tools, fast communication, feedback loops, transparency, and flexible work. Safeguard adapts through:

- Modernized mobile app interfaces
- In-app messaging and automated reminders
- Video-based training
- Gamified dashboards for performance and capacity

This improves onboarding, retention, and productivity.

Q: There has been notable consolidation across field services and related sectors in recent years. How is this reshaping the competitive landscape?

GREENBAUM: Consolidation has created fewer, larger national players with the scale to invest in technology. Smaller providers struggle with fluctuating volumes and compliance requirements. Safeguard's national infrastructure and technology depth give it an advantage in

this environment.

Q: Are there opportunities for greater collaboration across preservation, asset management, and mortgage servicing that the industry hasn't fully capitalized on yet?

GREENBAUM: Yes—significant opportunities exist:

- Unified data models for preservation, valuations, inspections, and asset disposition
- Shared AI-driven risk scoring
- Consolidated vendor performance tracking
- Better integration of insurance loss draft workflows
- Standardized occupancy verification approaches

The technology exists—the coordination can be enhanced.

Q: What are the "blind spots" you think the industry still has: areas that aren't getting enough attention but will be critical for long-term sustainability?

GREENBAUM: Critical blind spots include:

- Occupancy verification accuracy
 - Aging vendor workforce
 - Climate-driven damages are increasing in frequency and cost
 - Underutilization of remote sensors, cameras, and robotics
 - Data interoperability gaps across servicing ecosystem
 - Fraud detection opportunities using AI that remain underdeveloped
- Safeguard is actively building solutions to address these blind spots.



REGISTRATION
NOW OPEN
Scan QR for Early-Bird Pricing!

JOIN THOUGHT LEADERS SHAPING THE MORTGAGE INDUSTRY.



FIVESTAR CONFERENCE AND EXPO **FSC** 2026 **BUILD TOGETHER** ★★★★★

SEPTEMBER 1-3, 2026 | THE OMNI HOTEL | DALLAS, TEXAS

Supporting



Participating



TheFiveStar.com/conferences.com

OPTIMISM MEETS REALITY IN AFFORDABLE HOUSING

As optimism grows for expanded access and development, rising costs, regulatory uncertainty, and widening shortages challenge affordable housing leaders heading into the new year.

By ANDREW WARREN

The affordable housing crisis has been years in the making. As we head into 2026, developers, financial institutions, and communities alike are seeking innovative ways to bridge the gap between demand and supply. Meeting this need also fuels economic growth, creating jobs, stimulating development, and strengthening neighborhoods.

Finding Hope in a Challenging Market

Despite the headwinds expected in 2026, affordable housing professionals remain cautiously optimistic about the sector's potential. A TD Bank survey of 238 participants attending the Governor's Conference on Housing and Economic Development in Atlantic City, New Jersey, revealed that 52% of respondents are confident that access to affordable housing will expand next year, while 62% anticipate an uptick in development activity. The conference brought together leaders and innovators from across New Jersey's public and private sectors involved in housing and economic development.

This optimism, however, is tempered by persistent structural challenges. The survey identified the strongest projected demand in multifamily housing (64%), housing for seniors and elderly populations (58%), and workforce housing



ANDREW WARREN is the head of TD Bank's Community Development Lending vertical within the Commercial Real Estate

group. His team finances the new construction and preservation of affordable housing and community facilities across the bank's footprint from Maine to Florida. Warren's team has the subject-matter experts and key product partners responsible for originating Community Development Loans (CDLs) that also leverage investments made by the bank's Community Capital Group. The group works with for-profit, non-profit, and governmental agency developers to support the bank's Community Reinvestment Act (CRA) and Community Impact Plan (CIP) efforts. As a volunteer, he works with and serves on the boards of non-profits and a Community Development Finance Institution (CDFI) that focus on increasing the supply of affordable housing and supportive housing and reversing food insecurity in underserved communities. Originally from Detroit, Warren graduated from Cornell University and currently lives on the Upper West Side in New York City with his family.

targeting essential and middle-income workers (50%). The ability to meet these needs continues to be constrained, with the biggest barriers to development being mounting construction costs (55%) and price hikes tied to tariffs (39%). As a result, only 29% of respondents plan to expand their housing developments in

2026, underscoring a tension between aspiration and feasibility.

The challenges are not uniform across the country, differing in urban and rural markets. States such as New York, Florida, Texas, and California, which are each facing affordability crises in both urban and rural markets, illustrate the diversity of local barriers. In large metropolitan areas, the high cost of land and complex permitting processes slow development, while in rural regions, the scarcity of builders and inadequate infrastructure compound the problem.

Still, affordable housing professionals are finding creative ways to adapt. Transit-oriented developments that place residents closer to jobs and public transportation are gaining traction, offering a model that links housing stability with economic mobility. Similarly, adaptive reuse, which transforms underutilized commercial spaces such as malls, schools, and office buildings into residential units, is emerging as a practical and sustainable strategy to expand housing supply more quickly. These approaches demonstrate a shift in mindset: from building outward to reimagining what already exists.

As one New Jersey developer observed, "We have some of the most developed land in the state—it's just not developed for today." That sentiment captures the industry's central challenge



Across the country, demand continues to far outpace supply, and the gap is widening.



and opportunity: rethinking how to use existing assets, policies, and partnerships to meet modern housing needs. In an environment shaped by economic uncertainty and regulatory flux, success will depend on the sector's ability to innovate, collaborate, and invest in resilience, ensuring that optimism translates into real progress.

2026: A Turning Point in Affordable Housing

Next year is shaping up to be a defining year for affordable housing, one that could set the tone for the next decade.

Across the country, demand continues to far outpace supply, and the gap is widening. The National Low Income Housing Center reported earlier this year that the U.S. is short 7.1 million affordable rental homes for extremely low-income renters. Meanwhile, as more aging baby boomers and homeowners in general stay put, the housing market continues to feel the squeeze. The result? Rising prices, shrinking options, and fewer paths to homeownership.

Adding to the pressure, tariffs and surging construction costs, highlighted in the TD Bank survey, are expected to weigh heavily on how many affordable housing projects actually reach completion in 2026.

As we approach the new year, policy changes that could affect lending and borrowing costs are also under close

watch for affordable housing professionals. The Big Beautiful Bill is another factor to consider, which plans to expand the Low-Income Housing Tax Credit (LIHTC), the nation's primary tool for financing affordable housing. The expansion is expected to support new development and advance previously delayed projects.

The outcome of the FY26 federal budget is also a question. The proposal calls for a 44% funding cut to the Department of Housing and Urban Development (HUD) compared with FY25. The plan consolidates key rental assistance programs to achieve the reduction by consolidating HUD's largest rental assistance programs and eliminating several initiatives tied to homelessness prevention, fair housing, and community and development. Additional reforms to housing programs under other federal agencies could further reshape the landscape. For example, the TD Bank survey reported that 60% believe proposed changes to the Section 8 Housing Choice Voucher Program will shape their development strategies. Among them, 84% anticipate a negative impact.

Beyond the federal government, cities, towns, counties, and state governments play a critical role in developing affordable housing. Many local governments are pursuing a wide range of solutions, including land use reforms that help to implement zoning policies to meet the specific needs of the

community. States such as Connecticut and Massachusetts have been leading the way in trying to encourage zoning reform. This trend may widen in the coming years as local governments grapple with trying to meet the need for affordable housing.

Working Together for Impact

As we head into the new year, financial partnerships are crucial in helping affordable housing professionals overcome challenges from a development, cost, and policy perspective. Financial institutions can offer support with dedicated affordable housing lending programs or teams, flexible lending terms, and bridge financing or gap funding solutions. Many leading financial institutions have long been pushing for access to this capital and are among the largest investors in affordable housing.

In addition to lending and equity investments, philanthropy and partnerships are also crucial. Charitable foundations and housing programs play a vital role, helping fill funding gaps and ensuring that communities have the resources they need to grow and thrive.

Each grant given through a charitable program helps sustain homeownership for families facing rising property taxes, costly repairs, or the threat of foreclosure. Grants help support purchase counseling, energy-efficiency improvements, and emergency financial assistance.

At TD Bank, in 2024, there were 138 (\$1.7 billion) loans or letters of credit for affordable housing, creating or retaining 6,710 units of affordable housing for low- and moderate-income families.

In short, 2026 will test the resiliency and creativity of affordable housing developers, a year of both headwinds and hard-won opportunities. At its core, affordable housing is about more than construction. It's about community—about giving people a place to thrive, not just survive. This work matters and is the foundation of stability for families, which ultimately drives broader economic growth. **MP**



MAXIMIZE YOUR REACH

With Webinar Exposure

The Future of Brand Promotion.

Become a leader in forward-thinking multi-channel digital advertising with **Five Star Sponsored Webinars**. Present, host, or advertise to a captive audience and build your contact database. For more information or to see if webinar sponsorship is right for you, scan the QR code to get in touch with a brand experience team member.



THE FUTURE OF NON-QM LENDING: TRENDS AND OPPORTUNITIES

Non-QM Loans have evolved from a niche product to an important pathway for homeownership in an evolving market.

By DYLAN MONTANA

Picture this: a successful restaurant owner with \$2 million in annual revenue walks into your office seeking a mortgage. Her tax return shows \$45,000 in income after business deductions. In conventional lending, she was declined. In non-Qualified (non-QM) lending, she would be approved for her dream home in a matter of days. This scenario routinely plays out across America, and it's reshaping the entire mortgage industry.

The numbers tell a compelling story. With 16.75 million self-employed Americans and investment property ownership at record highs, non-QM lending has evolved from a niche product into an essential pathway to homeownership. For mortgage brokers, mastering non-QM isn't just an opportunity—it's becoming a necessity for survival in an evolving market.

The Investment Property Gold Rush

Real estate investing has exploded beyond traditional landlords into a mainstream wealth-building strategy. A Q1 2025 report by real estate data provider BatchData shows that investors now account for 27% of all home purchases, with some markets seeing rates above 30%. But here's what's truly revolutionary: these aren't just cash buyers or institutional investors anymore.



DYLAN MONTANA

serves as the EVP of Capital Markets at Logan Finance, where he has been a driving force since joining in May 2021. With a strong background in secondary markets and due diligence, Montana previously served as SVP of Due Diligence at Sprout Mortgage. He holds a B.S. in finance from the State University of New York at Oswego. At Logan, Montana has been instrumental in innovating capital markets strategies and secondary execution, helping guide the company to recognition as a Top 5 Non-QM lender. Known for his strategic mindset and ability to translate market complexities into opportunity, Dylan plays a key role in fueling Logan's continued growth and industry leadership. Outside the office, Dylan enjoys spending quality time with his family and is an avid golfer.

Consider the software engineer who owns three Airbnb properties in mountain towns, generating \$15,000 monthly but showing minimal W-2 income. Or the retired couple using their rental portfolio to fund their lifestyle. Where traditional lending sees risk, non-QM lending sees opportunity. DSCR loans evaluate these properties based on their actual cash flow: if a property generates \$3,000 in monthly rent against a \$2,000 mortgage payment, it qualifies. It's that straightforward.

The short-term rental revolution has created an entirely new borrower category. These properties, often generating 2-3 times the income of traditional rentals, were virtually unfundable through conventional channels just five years ago. Today, specialized DSCR programs for vacation rentals offer up to 70% financing at competitive rates, complete with compliance verification to ensure the property can legally operate as a short-term rental.

The five- to eight-unit property segment represents the next frontier. These properties—too large for conventional residential loans, too small for most commercial lenders—have found their sweet spot in non-QM. With loan amounts up to \$2.5 million and the ability to qualify based on rental income alone, investors can scale their portfolios efficiently.

Tech Innovation Takes Qualification From Days to Hours

Remember when alternative income verification meant weeks of manual calculations and documentation gymnastics? Those days are over. According to Freddie Mac, 81% of lenders are aggressively or very aggressively digitizing their mortgage processes, with advanced technology adoption rising sharply.

Today's bank statement programs use sophisticated algorithms to analyze cash flow patterns instantly. Instead

**For mortgage
brokers, mastering
non-QM isn't just
an opportunity—it's
becoming a necessity
for survival in an
evolving market.**



The numbers are compelling: Research from Statista projects that as many as 90.1 million U.S. workers will participate in freelancing by 2028, accounting for more than half of the U.S. labor force.

of manually reviewing 24 months of statements, advanced systems can identify business revenue, separate it from transfers and one-time deposits, and calculate qualifying income in hours, not weeks. This isn't the exception. It's the new status quo.

But technology isn't just about speed; it's about accuracy and accessibility. Modern non-QM underwriting can identify patterns that human underwriters might miss. From seasonal businesses and irregular income patterns to multiple revenue streams, artificial intelligence can analyze these complex scenarios and provide an accurate risk assessment that actually reflects a borrower's ability to pay.

The real game-changer? Direct bank verification systems. With borrower permission, lenders can now pull bank data directly, eliminating the tedious process of gathering, scanning, and uploading months of statements. This reduces fraud risk, speeds processing, and most importantly, gets borrowers to closing faster. In a market where speed wins deals, this technology gives non-QM brokers a serious competitive advantage.

Capital Markets: The Engine Behind Innovation

The secondary market's embrace of non-QM has fundamentally changed what's possible in mortgage lending. Non-QM loans made up about 5% of total mortgage originations in 2024, the highest share on record for this alternative sector.

Per *Scotsman Guide*, citing S&P Global predictions, non-QM loans will represent nearly 30% of non-agency mortgage-backed securities in 2025, a signal of strong and growing demand from institutional investors and the secondary market. This expansion is underpinned by robust loan performance and an increased appetite from banks and insurers alike, positioning non-QM as a key growth driver for the coming years.

Although credit performance has softened since its post-pandemic highs,

the resilience of non-QM lending and its capacity for strong risk segmentation continue to attract institutional capital and fuel growth in the secondary market.

What does this mean for brokers? More products, better pricing, and faster execution. Foreign national programs have expanded dramatically, serving international buyers without a U.S. credit history. Asset depletion loans now let retirees with substantial savings, but no traditional income, to qualify for mortgages. P&L programs accept CPA-prepared profit and loss statements instead of tax returns. Each product solves a specific problem for borrowers that conventional lending can't serve.

The standardization of non-QM guidelines has also reduced the learning curve. While each lender has nuances, core products like DSCR, bank statement, and asset depletion loans now follow relatively consistent frameworks. This means brokers can build expertise that transfers across multiple lending partners, increasing efficiency and closing rates.

Your Revenue Roadmap for Late 2025

As we navigate the remainder of 2025, non-QM lending offers the clearest path to increased production and revenue. The National Association of Realtors forecasts modest growth in purchase activity, but with rates stabilizing, the refinance boom won't return anytime soon. Success requires capturing more of the available market—and that means serving borrowers that conventional lending ignores.

The numbers are compelling. Research from Statista projects that as many as 90.1 million U.S. workers will participate in freelancing by 2028, accounting for more than half of the U.S. labor force. Add small business owners, real estate investors, retirees, and foreign nationals, and you're looking at a massive portion of the potential mortgage market underserved by conventional lending. These aren't subprime borrowers—they're stable, often high-net-worth individuals with excellent credit who simply don't fit the W-2 mold.

The generational wealth transfer adds another dimension. As baby boomers transfer \$84.4 trillion to younger generations through 2045, beneficiaries often receive substantial assets but lack traditional income profiles. Asset-based lending programs have become essential for converting this wealth into homeownership.

The maturation of non-QM compliance frameworks and industry-standard documentation practices has reduced operational concerns for brokers. With established guidelines on ability-to-repay requirements and proven servicing protocols, originators can confidently offer these products knowing they meet regulatory standards.

Making Non-QM Work for Your Business

Success in non-QM lending requires three things: product knowledge, the right lending partner, and efficient processes. Start by identifying your market's

underserved segments. Self-employed professionals? Real estate investors? Retirees? Each group requires different non-QM solutions.

Choose lending partners based on execution, not just rates. Can they calculate income from bank statements in 24 hours? Do they have dedicated scenario desks for complex situations? Can they close in three weeks when needed? The best non-QM lenders provide tools that make your job easier, from white-label marketing materials to rapid scenario analysis.

Most importantly, position non-QM as a solution, not an alternative. These aren't "loans of last resort," they're sophisticated financial products designed for today's borrowers. When you present them with confidence and expertise, clients recognize the value and refer others in similar situations.

The Non-QM Future Is Now

The mortgage industry is experiencing a fundamental shift. Traditional

employment is giving way to entrepreneurship and gig work. Real estate investing has democratized through technology platforms. International buyers see U.S. real estate as a safe haven. These trends aren't reversing; they're accelerating.

The future of mortgage lending has arrived, and it speaks the language of flexibility, innovation, and inclusion. Non-QM is breaking down barriers that have historically kept creditworthy borrowers from achieving their homeownership dreams.

For mortgage professionals, the choice is clear: embrace non-QM lending or watch opportunity walk out the door. The brokers thriving today aren't those clinging to conventional lending alone. They are the brokers who have built expertise across the full spectrum of mortgage products, serving every qualified borrower regardless of how they earn income or build wealth. **MP**

MortgagePoint Magazine

Experts you trust. People you know. News you want. *MortgagePoint* is putting essential mortgage market news at your fingertips with our new digital edition, now available online via your smartphone, tablet, or computer. Enjoy the magazine at your desk, and tap into *MortgagePoint Digital's* easily accessible platform anywhere, anytime. Committed to giving originators, servicers, and all lending professionals access to smarter perspectives, *MortgagePoint* believes it's time to think differently about the mortgage industry. Because the American Dream is evolving... are you?

Subscribe to MortgagePoint and MortgagePoint Digital now!

Op-Ed



NEW RESEARCH QUANTIFIES BILLIONS IN ECONOMIC VALUE DELIVERED BY FEDERAL HOME LOAN BANKS

By RYAN DONOVAN

For nearly a century, the Federal Home Loan Banks have been a crucial, stabilizing force behind the strength of America's financial system. They exist to ensure that their members—banks, credit unions, insurance companies, and community development financial institutions—have reliable liquidity and funding in every economic environment so they can meet the needs of the people and places they serve.

The Federal Home Loan Banks are a system of 11 regional, member-owned cooperatives that are privately capitalized and mission-driven. That mission has always been clear: provide stable, fully collateralized funding that translates into homes built, small businesses launched, and communities strengthened. For more than 90 years, they have transformed financial stability into tangible economic growth nationwide.

Now, a study from the Urban Institute—the first in an expected three-part series quantifying the holistic value of the FHLBank System—quantifies the economic benefit the 11 Federal Home Loan Banks deliver by reducing systemic stress and lowering the likelihood of bank failures. The study estimates that the Federal Home Loan Bank System



RYAN DONOVAN

currently serves as President and CEO for the Council of Federal Home Loan Banks. Prior to joining the

Council in 2022, Donovan served as EVP and Chief Advocacy Officer at the Credit Union National Association, where he led a team of more than 100 advocates at CUNA and its state credit union leagues and associations. He has been an advocate focused on financial services policy for almost two decades, having worked for the California and Nevada Credit Union Leagues prior to his nearly 15-year run at CUNA. Donovan began his career working for former House Democratic Leader Richard A. Gephardt (D-MO) and Representative Brad Sherman (D-CA).

generates between \$13.2 billion and \$21.4 billion in annual economic value by reducing bank-failure risk and mitigating financial stress in the banking system. Put plainly: the liquidity the FHLBanks provide strengthens financial institutions, mitigates systemic risk, and helps keep periods of stress from becoming something worse—protecting communities and taxpayers in the process.

Urban's findings confirm what those closest to the FHLBank System long have understood:

- When liquidity pressures rise, member institutions turn to the FHLBanks—not as a sign of distress, but as a risk-management tool purposefully built into the system.
- Membership in the FHLBank System is associated with a nearly 10% reduction in the likelihood of bank failure, saving the federal deposit-insurance system roughly \$950 million per year.

In practical terms, these findings provide evidence that the FHLBanks keep credit flowing to neighborhoods, workers, and families rather than freezing up when conditions tighten.

This is not theoretical. We saw it in March 2023, when volatility hit the banking sector. Institutions with access to the FHLBanks had a reliable countercyclical source of funding. They could meet withdrawals, manage balance-sheet pressure, and continue serving customers. Nearly every bank that accessed FHLBank liquidity during that period remained stable and continued operating to serve their customers—exactly as Congress intended when it created the system in 1932.

This first study from Urban Institute does more than validate the system's economic value for banks and the

banking system. It helps fill a gap in the public discourse—one that too often has focused on perception instead of data and results.

It also reinforces something fundamental about the purpose of the FHLBank System: The strength of this country is built locally.

Neighborhood financial institutions are not an appendix to the U.S. economy—they are the economy for millions of families and businesses. The FHLBanks exist to stand behind them with liquidity that is reliable, scalable, and grounded in safety-and-soundness discipline.

Funding is more than a line item on a balance sheet. It is a first-time homebuyer closing on a mortgage. It is a developer creating new homes or a nonprofit building affordable housing in a growing community.

It is a small-business owner meeting or expanding payroll. The work of the FHLBanks turns stability into possibility and capital into community impact.

The Urban Institute study helps make this clear, and we expect the additional forthcoming studies will further accentuate the point: the FHLBanks deliver outsized value while managing risk, strengthening institutions, and supporting housing finance and community development nationwide.

Independent research such as Urban's validates what the FHLBank System has demonstrated for decades: When local lenders are strong, communities thrive—and the American economy is stronger for it. **MP**



Funding is more than a line item on a balance sheet. It is a first-time homebuyer closing on a mortgage. It is a developer creating new homes or a nonprofit building affordable housing in a growing community.

Counsel's Corner



LITIGATION TRENDS, FAPA RISKS, AND THE FUTURE OF DEFAULT LAW

In this month's Counsel's Corner, Friedman Vartolo Managing Partner Adam J. Friedman discusses the firm's litigation-driven model, emerging legal risks from New York to Maryland, and how AI will reshape the role of law firms in servicing.

Editor's Note: This interview was conducted on November 21, prior to the Court of Appeals issuing its decision on FAPA and reflects information current at that time.

Adam J. Friedman is a Managing Partner at Friedman Vartolo LLP. He presently serves as the managing partner of the Garden City, Jersey City, and Philadelphia offices. Friedman manages the Bankruptcy, Financial, Mid-Atlantic Foreclosure, and Technology departments of the firm. Prior to founding Friedman Vartolo, Friedman managed the Real Estate and Foreclosure divisions of Pulvers, Pulvers, Thompson & Friedman, LLP from 2010 to his departure. Friedman is admitted to practice law in Maryland, New York, New Jersey, and Pennsylvania state courts, as well as the United States District Courts in New Jersey and the Eastern, Southern, Western, and Northern Districts of New York.

Q: What do you think sets your firm apart in this space?

I love this question, because I truly see Friedman Vartolo as a unicorn in the default space.

There are law firms with deep,

high-level litigation expertise in one or two notoriously challenging states. There are also firms with a true multi-state footprint, capable of managing high volumes of standard matters across multiple jurisdictions. Frankly, most firms in this space are capable of neither. We're one of the few firms that can operate at scale and handle the highest risk matters in the country.

New York remains the most challenging litigation environment in our industry, and it has become our calling card. Our clients rely on us for litigation excellence across every state we serve, and we've structured our legal team to exceed that expectation. Our attorneys handle the most complex and delicate matters. Cases that require experience, precision, and an ability to balance legal, regulatory, and business considerations simultaneously.

Parallel to our litigation strength, we've built a true operational engine that is scalable, data-driven, and constantly evolving. We operate seamlessly across six states today, with the infrastructure to expand far beyond that. Our systems were designed for end-to-end management, blending speed on routine matters with exceptional depth on complex ones. We're pushing the limits of what a default

services firm can automate, integrating AI, workflow automation, and real-time data into every aspect of our operations. And we're doing it with purpose: to give our attorneys the freedom to focus on judgment-heavy work and to give our clients a firm that gets stronger and faster every single year.

At our core, we're a firm built for complexity and scale. That combination is what sets us apart.

Q: Are there any recent court decisions or legal trends that servicers and investors should be paying closer attention to?

Several legal and regulatory developments deserve close attention right now because of potential risk movement across the industry. In New York, the statute-of-limitations landscape remains one of the most consequential. The Foreclosure Abuse Prevention Act, or "FAPA," sharply restricted a lender's ability to stop or reset acceleration, and the following litigation centered on retroactive applicability has created real uncertainty. With the Supreme Court declining review in *U.S. Bank v. Fox*, all eyes are now on the New York Court of Appeals, which is weighing retroactivity



“Automation won’t eliminate lawyers, but it will put a spotlight on those who think deeply, anticipate, interpret, and guide.”



—Adam J. Friedman,
Managing Partner, Friedman Vartolo LLP.



and due-process questions in *Article 13 LLC v. Ponce De Leon Federal Bank*. Its ruling will determine whether older accelerations are permanently time-barred or whether pre-FAPA doctrines still apply. Until then, trial and appellate courts continue to apply FAPA broadly. This may leave servicers with meaningful exposure and potential loss of enforcement rights across legacy NY portfolios.

At the federal level, the CFPB’s proposed Regulation X overhaul and the rollback of remaining COVID-19 era protections point toward earlier borrower engagement, stricter communication timelines, and intensified scrutiny of fees, credit reporting, and vendor management. Depending on Congress’s decision to fund the CFPB in 2026, these changes may directly affect cost structures, advance obligations, and may also increasingly alter performance expectations for distressed assets.

New Jersey’s Community Wealth Preservation Program, or “CWPP,” signed January 12, 2024, expands access for foreclosed-upon homeowners, next-of-kin, tenants, and nonprofit community development corporations to purchase properties at sheriff’s sales and establishes key procedural changes (including a 3.5% deposit and 90-business-day closing

period). CWPP also changed sheriff-sale dynamics by granting eligible community buyers statutory priority, thereby redefining bidding behavior and altering transfer expectations.

Maryland’s recent licensing upheaval, driven by *Estate of Brown v. Ward*, the Maryland Office of Financial Regulation, 2025 guidance, and the subsequent legislative fix creating a passive-trust exemption, highlights how quickly regulatory frameworks can shift. Separately, FinCEN’s nationwide residential real estate reporting rule for non-financed transfers to entities and trusts, effective December 1, 2025, will require beneficial ownership reporting for many trust-based acquisitions. This may push investors to strengthen onboarding and ownership-verification procedures for Maryland portfolios as well.

Q: How do you see the role of law firms evolving as technology becomes more integrated into servicing and default operations?

As technology becomes more integrated into servicing and default operations, I don’t think the role of law firms disappears; I think it becomes sharper.

Currently, law firms serve two primary functions: we practice law, and we act as an informal database. Clients come to us for timelines, statutory guidance, county-specific nuances, and procedural requirements. Information that often resides in many places and comes together only through experience.

Technology is about to collapse all of that. As AI, automation, and more intelligent infrastructure take hold, much of the informational friction that exists today will be eliminated. The questions we receive today, which are challenging because systems don’t communicate with each other, will be answered instantly. Even more complex data requests, such as standardized payment histories or judgment figures, will surface cleanly, without the back-and-forth that currently characterizes the process.

When that happens, law firms won’t lose relevance; they’ll lose noise. Everything mechanical, repetitive, or based on scattered information will be automated. And that’s a good thing. Because what remains, what can’t be automated, is the core value: judgment, insight, strategy, and the ability to navigate ambiguity.

This is where our industry is headed. The firms that survive won’t be the ones built to click buttons or move volume; those models are already on borrowed time. The firms that thrive will be the ones that operate like true strategic partners. The ones that understand the nuance of litigation, pattern recognition across jurisdictions, risk calculus, negotiation dynamics, the timing of courts and judges, and the invisible forces no spreadsheet can capture.

In other words, I don’t think technology reinvents the law firm; I believe it reveals it. It strips away the commodity layer and exposes the part of the profession that matters. Automation won’t eliminate lawyers, but it will put a spotlight on those who think deeply, anticipate, interpret, and guide.

Whether that shift takes one year or 10 is almost irrelevant. The accelerant is already here. AI isn’t just a tool; it’s the pressure test that will force every firm to

decide whether it wants to be a file-mover or a true advisor. And the firms that choose the latter, and build around that identity, are the ones that will define the next era of this industry.

Q: What keeps you motivated to work in this field?

What keeps me motivated in this field is the challenge. The default industry is enormous, intricate, and constantly evolving. Most people outside the space have no sense of its true scale or the degree to which it influences the broader economy, but that scale is exactly what energizes me. Our firm has always believed that growth is a responsibility, not an optional pursuit. If you're not improving, innovating, expanding your capabilities, and capturing new opportunities, you're already moving backward.

This industry makes that mindset unavoidable. Nothing stays still for long: statutes shift, procedures change, technologies accelerate, and client expectations rise every single year. You can't "master" this field once and coast, not if you operate across six states at the level we do. When you manage work at this scale, efficiency, precision, and adaptability aren't aspirations; they're requirements.

That's what motivates me: the climb. The belief that there is always another layer of quality to reach, another level of efficiency to unlock, another frontier of technology to push into. We embrace the challenge because it makes us better—as operators, as attorneys, and as partners to our clients.

And there's a larger purpose behind it. We are working to build a firm that sets an entirely new standard for what a default-services law firm can be. Whether others think that ambition is feasible isn't the point. What matters is that continual improvement is possible, and we show up every day committed to proving it. That's what drives me, the conviction that we can keep climbing, keep improving, and build something extraordinary in an industry that demands the absolute best from anyone who wants to lead within it.

Q: Lastly, what is one piece of advice or perspective you'd like to leave with our audience?

If there's one takeaway I'd offer, it's this: in our industry, your long-term performance is determined far more by the strength of your partnerships than by the elegance of your spreadsheets.

Default servicing is often treated like a numbers business, and to an extent, it is. Volumes are large, scorecards are necessary, and data matters. But when you zoom in on actual outcomes, the differentiators aren't found in columns and formulas. They're found in the people you trust to help you navigate complexity: your law firms, your title teams, your diligence providers, and your property preservation partners.

Judicial tendencies, timing patterns, courtroom dynamics, and jurisdictional nuance drive timelines and portfolio success. And the organizations that consistently outperform are those that tap into their partnerships not just as vendors, but also as advisors. The clients who call us pre-purchase, asking about strategy and wanting to understand judges, opposing counsel, and title intricacies, are the clients who move faster, avoid unnecessary risk, and ultimately see materially better returns.

Servicers hold tremendous power in this ecosystem. My advice is to use that power intentionally: choose partners who provide genuine insight, communicate candidly, and are genuinely invested in your success. Whether you work with us or with someone else, work with people who elevate your decision-making, not just your file counts.

At our firm, we've always believed that our growth comes from helping our clients grow first. The clients who treat the relationship as a collaboration, who see us as an extension of their thinking, not just their throughput, consistently perform at the top of the industry. That's not luck. It's the compounding value of a trusted, strategic partnership.

In a business as complex and consequential as ours, the right partners don't just close cases. They change outcomes. **MP**

MortgagePoint



Experts you trust. People you know.

News you want. *MortgagePoint* is putting essential mortgage market news at your fingertips with our new digital edition, now available online via your smartphone, tablet, or computer. Enjoy the magazine at your desk, and tap into *MortgagePoint* Digital's easily accessible platform anywhere, anytime. Committed to giving originators, servicers, and all lending professionals access to smarter perspectives, *MortgagePoint* believes it's time to think differently about the mortgage industry. Because the American Dream is evolving... are you?

**Subscribe to
MortgagePoint
and *MortgagePoint*
Digital now!**

Visit
themortgagepoint.com/mp-access
to take advantage of our special offer!

HOW AI CAN HELP MORTGAGE DEFAULT LAW FIRMS WORK SMARTER AND STAY COMPLIANT

Mortgage default firms are cautious but increasingly curious about AI. Here's how technology can streamline workflows while maintaining strict compliance.

By JENNIFER ROGERS

Artificial intelligence (AI) is rapidly transforming the legal profession—but for mortgage default law firms, where accuracy, efficiency, and compliance are paramount, the adoption of AI has been met with caution. Many firms are intrigued by the promise of AI but hesitant to embrace it due to concerns about confidentiality, ethics, and control.

Can AI really help a mortgage default law firm? What exactly does it do, who can benefit, and how do you manage the risks associated with it? These are all questions that I have struggled with as a law firm owner and as someone who is much more comfortable making legal arguments than attempting to learn something as technical as AI.

While I am not the most tech-savvy attorney, I do understand that AI is here to stay, and if I don't understand it and implement it where I am able, I will be left behind. So, I reached out to Eyal Leeder, co-founder of AskTuring and an expert in AI who has created an AI platform that was tailored specifically to assist the mortgage default industry. Eyal answered my questions in a language that I could understand. I left our conversations feeling excited to get started, and I thought the conversation might be helpful to other attorneys trying not to be left behind. Below are some of the questions that Eyal helped me with.



JENNIFER ROGERS is the Founding Member and Managing Attorney of IDEA Law Group, LLC. For more than 20 years,

Rogers' practice has primarily focused on representing mortgage lenders and services in real estate, title curative matters, routine and complex civil litigation, bankruptcy, creditors' rights, residential and commercial foreclosures, and evictions. Rogers is a founding member of the Colorado Creditor's Bar Association. She is licensed to practice law in Colorado.

Q: I see AI everywhere—in articles, webinars, in the news, at conferences and in casual conversations with friends—but I don't understand how a law firm can benefit from AI.

Eyal: AI provides you with access to tools that can dramatically reduce the time that a person would have to spend on repetitive tasks, things like populating forms, creating policies, template generation, searching internal documents for answers, ensuring billing is submitted properly, marketing, and creating draft newsletters. The tasks it can handle are really endless.

Q: If it can do all of this, then why do you think there is such hesitation to move forward with implementing it in mortgage default law firms?

Eyal: Mortgage default firms handle high volumes of sensitive data—from borrower financials and loan documents to court filings and foreclosure notices. As a result, firms are understandably cautious about adopting any new technology that might jeopardize client confidentiality, introduce legal or ethical risks if outputs are inaccurate, or disrupt compliance workflows tied to investor, agency, or court guidelines. In addition, a default firm doesn't really manage one workflow, but dozens of separate flows based on client-specific requirements and guidelines. Introducing brand new technology into such a complex environment can certainly appear daunting.

And then, of course, there's a fear of hallucinations and a general lack of clarity about which tools are safe, which are not, and how AI fits into legal practice.

Q: Hallucinations?

Eyal: Yes, hallucinations. It is when AI generates information that may sound correct but is factually wrong. Think of it like this: a five-year-old might come to you

“Mortgage default firms handle high volumes of sensitive data ... As a result, firms are understandably cautious about adopting any new technology that might jeopardize client confidentiality, introduce legal or ethical risks if outputs are inaccurate, or disrupt compliance workflows tied to investor, agency, or court guidelines.”

—Eyal Leeder, Co-Founder, AskTuring



“AI isn’t a replacement for lawyers or paralegals—it’s a powerful assistant that can handle routine, repetitive, or data-heavy tasks at speed and scale.”

—Eyal Leeder, Co-Founder, AskTuring

★★★★★

and excitedly tell a story about meeting space aliens at school. It is clearly not true, but to hear the kid tell it, with all the excitement and hand waving and sound effects, it’s a very convincing presentation. It is also very likely that the kid completely believes it, too, even though it only happened in their imagination.

You see, large language models such as ChatGPT, Google’s Gemini, xAI’s Grok, and others all generate their responses in a probabilistic manner. They have been fed vast amounts of information and trained on it, but what they actually utilize is a vast set of probabilities. For example, the model knows that if the question relates to basketball, it is likely that the word “Michael” would be followed by the word “Jordan”, but it doesn’t actually understand who Michael Jordan is or what he accomplished. Every word, every sentence, and every paragraph is created using probability, not certainty or prewritten information. So, a model can easily respond with something that it calculates as being PROBABLE but didn’t actually happen. That is what we would call a hallucination.

Q: What are some of the most practical, day-to-day uses for AI in mortgage default law firms?

Eyal: It can start at the beginning and assist in accepting referrals and collecting information from referral documents to open the file. It can draft pleadings policies, communication and training materials, search documents for specific information, generate templates, and review invoices for accuracy. It can also run QC checks on every file on a regular basis and flag exceptions.

In my platform, AskTuring, the firm can upload all of their documents, like client guidelines and requirements and directives, fee agreements, policies, regulatory materials, etc., into the secure, private index, and the firm employees can then “talk to the documents.” For example, the employee can ask the platform what a certain client allows in billing for a spe-

cific task, and the Index will generate the answer based on its review of all of those documents, and also provide the user with a link to the specific page and paragraph where that info was pulled from.

AI isn’t a replacement for lawyers or paralegals—it’s a powerful assistant that can handle routine, repetitive, or data-heavy tasks at speed and scale. Some of the most beneficial tasks AI can handle for a law firm are:

- **Document Automation**—Generating first drafts of complaints, motions for default, affidavits, and notices, and populating forms using data from the firm’s case-management system (CMS).
- **File Review & Quality Control**—It can flag missing or inconsistent documents in foreclosure or bankruptcy files. It can be used to verify if assignments or loss mitigation documents are in place, or if files have missing or incorrect fee approvals.
- **Data Extraction & Summarization**—AI can read and summarize loan documents, notes, deeds, or payment histories and pull key data points (loan #, default date, borrower info, legal description, etc.) from large PDFs.
- **Bankruptcy & Litigation Sup-**

port—Monitor PACER or court dockets for bankruptcy filings, draft motions for relief from stay or proofs of claim with less manual effort, and compile payment histories needed for POC.

- **Compliance Checks**—It can ensure that file timelines meet GSE, CFPB, or investor guidelines, and can automate file audit reports for clients or servicers.
- **Billing and Invoicing**—Read and extract information from incoming invoices, create outgoing invoices, and ensure the correct backup documents are attached based on state, investor, and client requirements.

Q: One of the biggest concerns that I have with using AI in the mortgage default industry is security and protecting private information. Is it even realistic to think that we can use AI in light of the security requirements of our clients?

Eyal: Security is a big issue in our industry. The AI tool you use should have SOC2 certification and not share data with the foundational models. Self-hosted AI or enterprise-level privacy controls are big factors in the level of security.

Q: Is AI going to replace the workforce?

Eyal: No, we are always going to need humans to think and analyze. Especially in our industry. We have to keep humans in the loop to maintain legal integrity. Anything generated by AI needs to be reviewed for accuracy by a human. Besides, I have learned that no matter how long you have been in the industry, there is always something that makes you go, “That’s the first time I’ve ever seen this happen!” Those are instances where the AI requires human guidance and decision-making.

Of course, with foreclosure volumes expected to continue to rise, law firms have to improve efficiency. The rising workload and complexity of the work make manual processes unsustainable. By having AI complete or even start some of these tasks, law firms will save a significant amount of time each week, which frees them up to focus on tasks that truly require human analysis or interaction.

Final Thoughts

I am so appreciative of the time that Eyal spent answering my questions and explaining how AI could make a real difference in the productivity of my firm. I walked away from the conversation with a completely different understanding. I actually am excited about moving forward with implementing AI in my law firm. I still have some concerns, so I will approach it as Eyal suggested, in baby steps, in order to learn as we go and understand the potential of AI to improve our processes and run the practice more efficiently.

From our conversation, I learned that AI offers real, measurable benefits to mortgage default law firms—from improved efficiency and accuracy to better compliance and client service. Yes, there are risks—but they can be managed. With the right tools, training, and policies in place, AI can become a strategic asset rather than a liability. **MP**

REORedBook

OFFICIAL MEMBERSHIP DIRECTORY OF THE FORCE



**AN ELITE NETWORK OF VETTED
AGENTS & BROKERS AT YOUR FINGERTIPS.**

ANYTIME. ANYWHERE.

OUT NOW » Visit REORedBook.com



Major markets with populations exceeding 1 million, with the steepest quarterly drops included:

1. Austin, Texas (down -35.6%)
2. Atlanta (-25.8%)
3. San Antonio (-19.5%)
4. Washington, D.C. (-15.8%)
5. Dallas (-15.7%)

The large metros with the strongest quarterly gains included:

1. Buffalo, New York
2. New York
3. Rochester, New York
4. Cleveland
5. Philadelphia

Refinance Lending Realizes Modest Growth

Refinance loan originations rose to 688,502 in Q3 2025, up 0.2% from Q2 and up 12% from Q3 2024. Refinance loan volume reached \$229.7 billion, down 1.2% QoQ but up 12.5% annually, ATTOM said. Refinances accounted for 38.8% of all loans and 38.3% of total dollar volume. Both were slightly above the previous quarter.

Refinance activity rose quarterly in 110 metros, led by the following metros with populations exceeding 1 million:

1. Las Vegas, Nevada (up +32.9%)
2. New Orleans, Louisiana (+17.9%)
3. Phoenix, Arizona (+16.7%)
4. Cleveland, Ohio (+15.4%)
5. Honolulu, Hawaii (+14.8%)

Home-Equity Lending Continues Rising

Home-equity line of credit (HELOC) lending rose to 319,318 loans in Q3—up 2.8% from Q2 and up 4.6% from Q3 2024. HELOC dollar volume rose to \$61.1 billion, up 0.7% QoQ and 5.9% YoY. HELOCs comprised 18% of all mortgage originations and 10.2% of total dollar volume, compared to 17.2% and 9.8% in the previous quarter, according to ATTOM.

The largest quarterly HELOC increases among metro areas with populations above 1 million were in:

Lending/Originations

MORTGAGE ORIGINATIONS DIPPED IN Q3 DESPITE GAINS IN REFIS, HELOCS

U.S. mortgage originations fell 2% in Q3, according to ATTOM's Q3 2025 U.S. Residential Property Mortgage Origination Report.

ATTOM said its report showed 1.77 million mortgages secured by residential property (one to four units) were issued in Q3, marking a 1.6% decrease from the prior quarter but a 1.9% increase over the same period last year. ATTOM said that mortgage activity rose quarterly in 98 of 209 U.S. metropolitan areas it analyzed.

"Mortgage activity eased back a touch from the spring pickup, but it's still running slightly ahead of last year," ATTOM CEO Rob Barber said. "The modest lift in refinance and HELOC activity suggests some homeowners are taking advantage of small rate improvements and tapping equity, while purchase activity remains constrained by affordability. Taken together, Q3 looks like a market trading water rather than turning a corner."

ATTOM reported that the \$600.4 billion in total dollar volume represented a 3.1% decrease from Q2 but a 3.1% increase from the same period last year.

It said that purchase loans fell quarter over quarter and year over year (YoY), while refinance loans and HELOCs moved higher on both a quarterly and annual basis.

Overall Lending Activity Fell Slightly

The biggest quarterly gains among metros with populations over 1 million included:

1. Buffalo, New York (up +17.3%)
2. Cleveland (+12%)
3. New York, New York (+10.2%)
4. Philadelphia (+8.1%)
5. Portland, Oregon (+7.5%)

It said that 111 metro areas experienced quarterly declines in total lending, with the sharpest quarterly drops in Austin, Texas; Myrtle Beach, SC; Rochester, New York; Waco, Texas; and Columbus, Georgia.

Purchase Mortgage Lending Cooled in Q3

Purchase mortgage originations fell to 765,667 loans in Q3 2025—down 4.8% from Q2 and down 6.6% from Q3 2024. Purchase loan dollar volume dropped to \$309.6 billion, down 5.2% quarter over quarter (QoQ) and 3.3% YoY. Purchase loans accounted for 43.2% of all originations and 51.6% of total dollar volume, down from 44.6% and 52.7% in Q2 2025, ATTOM reported.

Purchase mortgage lending declined QoQ in 67% of the 209 metros analyzed.

ATTOM said that overall, its Q3 2025 mortgage data points to a housing finance market that is stabilizing but still constrained by affordability and rate pressures.



1. Portland, Oregon (up +27.6%)
2. Virginia Beach, Virginia (+24.3%)
3. Richmond, Virginia (+22.5%)
4. Fresno, California (+18.2%)
5. Birmingham, Alabama (+17.6%)

ATTOM also reported that government-backed and construction mortgage lending declined slightly in Q3 as total origination volume eased. It said that FHA loans accounted for 14% of all loans, down from 14.9% in Q2. Veterans Administration (VA) loans represented 5.7%, down from 5.9%, while construction loans comprised 1.1% of total mortgage activity, compared with 1.5% the prior quarter.

ATTOM said that overall, its Q3 2025 mortgage data points to a housing finance market that is stabilizing but still constrained by affordability and rate pressures. It said that as interest rates and home prices continue to influence

buyer sentiment, ATTOM's latest figures suggest a cautious but steady lending environment heading into the year's final quarter.

STRONG GROWTH IN OFFICE, RETAIL, AND HOTEL ORIGINATIONS

According to the Mortgage Bankers Association's (MBA) Quarterly Survey of Commercial/Multifamily Mortgage Bankers Originations, commercial and multifamily mortgage loan originations increased 18% from Q2 2025 and 36% from the same period last year.

"Commercial and multifamily borrowing has now increased for five

straight quarters on both a quarterly and annual basis," said Reggie Booker, MBA's Associate VP of Commercial/Multifamily Research. "Lending activity increased last quarter across most major property types and capital sources, led by particularly strong growth in office, retail, and hotel properties. While some sectors, such as health care and industrial, saw slower activity, overall volumes reflected improving sentiment as property values stabilized and loans reaching maturity were refinanced."

Overall commercial/multifamily loan volumes increased as a result of an increase in originations for office, retail, hotel, and multifamily properties over the previous year. The dollar volume of loans for office properties increased by 181% year over year (YoY), retail premises by 100%, hotel properties by 66%, multifamily properties by 27%, and industrial properties by 5%. Compared to Q3 2024, overall loan originations for healthcare properties fell by 43%.

Investor-driven lenders saw an 83% YoY increase in the dollar amount of loans they originated. Loans for depository lenders increased by 52%, loans for government-sponsored enterprises (GSEs, such as Fannie Mae and Freddie Mac) increased by 40%, loans for commercial mortgage-backed securities (CMBS) increased by 5%, and loans for life companies decreased by 4%.

Q3 Originations Jump From Q2 2025

Originations for retail premises rose by 141% in the third quarter of 2025 when compared to the second quarter. Originations for hotel properties increased by 76%, for commercial properties by 67%, and for multifamily properties by 12%. Compared to the second quarter of 2025, Oregon originations for industrial properties fell by 17% and for health care properties by 6%.

The dollar volume of loans for GSEs climbed by 37%, loans for depositories by 36%, Oregon originations for CMBS loans by 31%, and loans for investor-driven lenders by 14% between the second and third quarters of 2025. The amount of money lent to life insurance businesses fell by 22%.

FHLBANKS DRIVE LIQUIDITY AND AFFORDABILITY WITH SURGE IN AMA MORTGAGE PURCHASES

The Federal Home Loan Banks' Acquired Member Asset (AMA) programs continue to play a vital role in supporting affordable homeownership and strengthening local communities. According to new data from the Federal Housing Finance Agency (FHFA), the 12 regional FHLBanks collectively purchased nearly 47,000 mortgages in 2024, a move that injected more than \$14.6 billion in liquidity into local lenders. That statistic represents a 40% jump from the previous year, underscoring how these programs continue to help small financial institutions meet the housing needs of families nationwide.

Created in 1997, AMA programs are a cornerstone of the FHLBank System's mission to provide liquidity to members while expanding access to mortgage credit. Through initiatives such as the Mortgage Partnership Finance® (MPF®), Mortgage Purchase Program (MPP), and Mortgage Asset Program (MAP), the FHLBanks purchase conforming and government-guaranteed home loans from member institutions. This process enables community banks, credit unions, and other local lenders to replenish capital and issue more loans for home purchases and refinances, thus keeping mortgage funds circulating where they are needed most.

The programs' reach is broad. In 2024, AMA loans originated from more than 2,200 counties spanning all 50 states, the District of Columbia, Puerto Rico, and Guam. About three-quarters of all AMA mortgages financed home purchases, with one in four supporting first-time homebuyers. Every AMA loan was for an owner-occupied property, and most were for primary residences. It is worth noting that 100% of these fea-

From rural towns to urban neighborhoods, AMA programs keep lenders lending, families buying, and communities growing.



tured fixed-rate terms, providing long-term payment stability for borrowers.

AMA lending also reflects a strong focus on affordability. Over half of the households served earned below the national average family income of \$144,500, and nearly nine in 10 AMA loans were made in areas with below-average incomes. These figures demonstrate how the program reaches communities that often struggle to access traditional mortgage financing.

Unlike Fannie Mae and Freddie Mac, whose mortgage purchases increasingly come from nonbank lenders, AMA programs primarily serve insured depository institutions, especially smaller, community-based ones. Roughly 96% of FHLBank members are community financial institutions, which means that the liquidity generated through AMA purchases often flows directly back into local economies.

From rural towns to urban neighborhoods, AMA programs keep lenders lending, families buying, and communities growing. The 2024 results affirm that the FHLBanks' commitment to turning capital into community impact remains as strong as ever, helping to keep the dream of homeownership within reach for families across America.

'PORTABLE MORTGAGE' PROPOSAL GAINS ATTENTION

With attention turned toward affordability and the prospect of a 50-year mortgage having been suggested recently, the

A hand is shown from the bottom, cupping a glowing blue house shape. The house is composed of several upward-pointing arrows of varying heights, creating a sense of growth and investment. The background is dark blue with vertical light streaks and small glowing dots.

“Having both a portable assumable mortgage and a 50-year loan available will help to bridge the gap between the haves (those with a mortgage at 3%) and have-nots (those with mortgages of 6% or higher).”

—Sam May, Co-Founder, Hompwr

Trump administration is now proposing another idea aimed at making housing more affordable: let homeowners take their mortgage rate with them when they move.

Federal Housing Finance Agency (FHA) Director Bill Pulte said on X that the administration is “actively evaluating” so-called “portable mortgages.”

One reason homeowners are reluctant to move, which keeps homes off the market, is that a new mortgage would be more expensive.

A Redfin analysis of FHFA data shows that just over half of homeowners with a mortgage have a rate below 4%. However, average mortgage rates have been between 6% and 7% for the last few years. Enabling people to keep their lower mortgage rates could potentially encourage them to move and free up supply.

How Would It Work?

Sam May, Co-Founder of Hommpwr, suggests both the portable mortgage or 50-year-mortgage ideas could provide options for homebuyers: “Having both a portable assumable mortgage and a 50-year loan available will help to bridge the gap between the haves (those with a mortgage at 3%) and have-nots (those with mortgages of 6% or higher). So first-time buyers who don’t have that 3% mortgage have a tool they can use to compete on a payment level and increase their buying power in an unlocked, more active housing market. Otherwise, affordability remains an issue, and they won’t be able to compete with somebody who’s trying to move their 3% mortgage over.”

Scarpero.com mortgage broker Carlos Scarpeo points out that, should the idea move forward, it will require significant changes to the financial system, as the idea is “not something that could be changed overnight” due to U.S. mortgages being “securitized and not held by the banks.”

An FHFA representative told CNN that the agency was studying a “wide variety of options” to lower housing costs.

POTENTIAL HOMEBUYERS REMAINING ON THE SIDELINES

The median U.S. home-sale price jumped 2.3% during the four weeks ended November 16, the highest gain in seven months, according to a new data from Redfin, the real estate brokerage powered by Rocket.

Home sale prices are rising despite poor homebuying demand because total inventory is shrinking. Still, it’s crucial to note that home prices are growing slower than salaries and inflation, meaning homebuying is becoming marginally more affordable.

Sales of pending homes decreased by 0.8% on an annual basis, which is a slight decrease but the largest in four months. Economic instability and high housing costs are keeping many potential buyers on the sidelines; mortgage rates are rising after falling to their lowest point in a year, and home prices are still rising. Homes are also taking longer to sell; the median home that goes under contract does so in 49 days, the greatest stretch for this time of year since 2019.

At the same time, total supply is losing steam. Active listings rose 6.1%

year over year (YoY), the weakest growth since February 2024. Prices are being supported by the declining number of available properties.

However, not all places are seeing an increase in sale prices. The median home-sale price decreased in 18 of the 50 most populous U.S. metros, the most in over two years (tied with the 4 weeks ended November 2).

Prices fell most in:

1. Fort Worth, Texas (-3.9% YoY)
2. Dallas (-3.3%)
3. Jacksonville, Florida (-3.3%)
4. Miami (-2.5%)
5. Seattle (-2.2%)

“Buyers may be able to find a deal,” said Jonathan Buch, a Redfin Premier agent in West Palm Beach, Florida. “In today’s slow market, the people who are selling are typically the ones who have to because of a divorce or job relocation. Many of those people are willing to sell at a lower price than they could get if they waited for demand to pick up. Still, homes that are fairly priced and move-in ready—especially the ones with pools—are selling quickly, with bidding wars.”

Sale prices rose most in the Rust Belt and Midwest, with prices increasing most in Cincinnati (10.5%), Pittsburgh (9.5%), Detroit (8.4%), Milwaukee (8.3%), and Cleveland (8%).

Key Findings — National

Metrics	Metros with biggest YoY increases	Metros with biggest YoY decreases
Median sale price	Cincinnati (10.5%) Pittsburgh (9.5%) Detroit (8.4%) Milwaukee (8.3%) Cleveland (8%)	Fort Worth, TX (-3.9%) Jacksonville, FL (-3.3%) Dallas (-3.3%) Miami (-2.5%) Seattle (-2.2%)
Pending sales	West Palm Beach, FL (21.2%) Cleveland (9.7%) Miami (9.4%) Phoenix (8.6%) Riverside, CA (6.7%)	San Jose, CA (-18.2%) Seattle (-17.7%) Tampa, FL (-14.2%) Las Vegas (-12.5%) San Diego (-9.7%)
New listings	Montgomery County, PA (14.2%) Minneapolis (13.9%) Cincinnati (11.9%) Phoenix (11.4%) Pittsburgh (11.1%)	Tampa, FL (-15.6%) Orlando, FL (-9.9%) Fort Lauderdale, FL (-9.2%) Sacramento, CA (-8.6%) Riverside, CA (-8.4%)



MAXIMIZE YOUR REACH

With Webinar
Exposure—The Future of
Brand Promotion!

Become a leader in forward-thinking multi-channel digital advertising with Five Star Sponsored Webinars. Present, host, or advertise to a captive audience and build your contact database. For more information or to see if webinar sponsorship is right for you, scan the QR code to get in touch with a brand experience team member.



THEFIVESTARINSTITUTE
webinar
SERIES





»» Default Servicing

U.S. FORECLOSURES CONTINUE GRADUAL CLIMB AMID HIGHER HOUSING COSTS

According to ATTOM's October 2025 U.S. Foreclosure Market Report, there were 36,766 U.S. homes with foreclosure filings—default letters, scheduled auctions, or bank repossessions—up 19% from a year ago and 3% from a month ago.

“Foreclosure activity continued its steady upward trend in October, the eighth straight month of year over year (YoY) increases,” said Rob Barber, CEO at ATTOM. “Starts rose nearly 20%, while completed foreclosures were up 32% from last year. Even with these increases, activity remains well below historic highs. The current trend appears to reflect a gradual normalization in foreclosure volumes as market conditions adjust and some homeowners continue to navigate higher housing and borrowing costs.”

Nationwide, one in every 3,871 housing units had a foreclosure filing in October 2025.

States with the **worst** foreclosure rates were:

1. Florida (one in every 1,829 housing units with a foreclosure filing)
2. South Carolina (one in every 1,982

3. Illinois (one in every 2,570 housing units)
4. Delaware (one in every 2,710 housing units)
5. Nevada (one in every 2,747 housing units)

Florida, Texas & California Lead the Way

In October 2025, lenders began the foreclosure process on 25,129 properties in the United States, a 20% increase from the previous year and a 6% increase from the previous month.

States that had the **largest** number of foreclosure starts in October 2025 included:

1. Florida (4,136 foreclosure starts)
2. Texas (3,080 foreclosure starts)
3. California (2,685 foreclosure starts)
4. Illinois (1,252 foreclosure starts)
5. New York (1,165 foreclosure starts)

The major metro statistical regions (MSAs) with a population of more than one million that experienced the biggest year over year drops in foreclosure starts in October 2025, in contrast to the national figures, were:

1. Milwaukee (decrease from 33 foreclosure starts in October 2024 to 15 in October 2025)
2. Indianapolis (decrease from 252 to

- 142 foreclosure starts)
3. Louisville, KY (decrease from 59 to 45 foreclosure starts)
4. Washington, D.C. (decrease from 308 to 239 foreclosure starts)
5. Detroit (decrease from 541 to 428 foreclosure starts)

In October 2025, 3,872 U.S. homes were repossessed by lenders through completed foreclosures (REOs), up 2% from the previous month and 32% from the previous year.

States that had the **greatest** number of REOs in October 2025 included:

1. Texas (358 REOs)
2. California (336 REOs)
3. Florida (243 REOs)
4. Pennsylvania (205 REOs)
5. Illinois (187 REOs)

Overall, foreclosure activity increased for the eighth consecutive month YoY, according to ATTOM's October 2025 U.S. Foreclosure Market Report, with 36,766 properties having foreclosure files. Although activity is still below historic highs, foreclosure starts were up 20% and final foreclosures were up 32% from a year ago.

ANALYSIS SHOWS CITIES WITH HIGHEST MORTGAGE DELINQUENCY RATES

Many homeowners are struggling to stay current on their mortgage loan payments, causing the number of mortgage delinquencies to increase across the nation, according to a new report from personal finance website WalletHub.

The increase is driven by high mortgage rates and housing costs, along with a rising cost of living that has left many homeowners struggling financially. Falling behind on a mortgage is a serious matter, potentially resulting in late fees,

Although activity is still below historic highs, foreclosure starts were up 20% and final foreclosures were up 32% from a year ago.



credit score harm, and even foreclosure.

WalletHub analyzed proprietary user data from Q1 to Q2 2025 to determine the cities with the highest rates of mortgage delinquency, as well as those where borrowers are staying current.

“The rate of mortgage delinquency varies significantly from city to city, ranging from around 3% to nearly 24%. The bad news is that while people in some cities are having much more difficulty paying their mortgages than others, the problem as a whole is also getting worse this year. In fact, the mortgage delinquency rate actually increased in all but 13 of the 100 cities in our study between Q1 2025 and Q2 2025,” WalletHub Analyst Chip Lupo said.

Laredo, Texas, Tops the List for Delinquencies

The city with the most people delinquent on their mortgage is Laredo, Texas, with roughly 24% of mortgages in delinquent status as of Q2 2025. WalletHub said it is significantly higher than the delinquency rate in other major cities, with no other city in its study topping 19%.

On top of that, WalletHub said that Laredo residents’ delinquency rate is going up. Despite already being the highest in the nation, Laredo experienced a nearly 6% increase between Q1 2025 and Q2 2025. WalletHub said nearly all major cities experienced increases during the same period.

Laredo has a high number of residents in financial distress. Laredo is one of the weakest cities when it comes to residents’ money management skills, WalletHub said.

Ranking second is Detroit, Michigan, with almost 19% of mortgages delinquent as of Q2 2025. That’s a high number, but it’s around 5% below the delinquency rate in Laredo.

WalletHub said that, in general, Detroit has a serious delinquency problem even outside of mortgages. It ranks third among the cities where people are the most delinquent on all types of debt combined. As was the case in most major cities, WalletHub said Detroit’s mortgage delinquency rate rose between

Q1 2025 and Q2 2025, rising by 11%.

Newark, New Jersey, has the third-highest mortgage delinquency rate. Its residents are delinquent on close to 17% of their mortgages, just slightly behind second-place Detroit. WalletHub said one contributing factor to Newark’s high delinquency rate is that it ranks fourth among the cities in which people are most delinquent on debt in general.

Newark also had an increase in the delinquency rate between Q1 2025 and Q2 2025, with an increase of more than 9%.

WalletHub said that to determine the cities where most people are delinquent on mortgage loans, it analyzed its proprietary user data on consumer mortgage delinquency rates between Q1 2025 and Q2 2025.

ICE FIRST LOOK: MORTGAGE PREPAYMENTS HIT 3.5-YEAR HIGH

The pool of refinance candidates expanded in October and drove mortgage repayments upward, according to ICE Mortgage Technology in its just-released ICE First Look at mortgage delinquency, foreclosure, and prepayment trends.

ICE is a neutral provider of a robust end-to-end mortgage platform and part of Intercontinental Exchange Inc. (NYSE: ICE).

“Softening mortgage rates expanded the pool of refinance candidates in October, pushing prepayments to their highest level in three and a half years,” said Andy Walden, Head of Mortgage and Housing Market Research at ICE. “This trend was largely driven by people who purchased homes at elevated rates in recent years seizing the opportunity to lower their monthly payments.”

Walden added: “Overall mortgage health remains solid, with continued improvement in delinquency rates across all stages. While foreclosure activity has ticked up, levels remain his-

torically low. This uptick is driven by a rise in FHA foreclosures along with the resumption in VA foreclosures following last year’s moratorium.”

October Delinquencies Improve; Loans in Foreclosure Highest Since 2023

Here are key takeaways from the ICE report:

- 1. Delinquencies improved:** ICE said the national delinquency rate fell by 7 basis points (bps) in October to 3.34%. That is down 11 bps from the same time last year and 53 bps below the October 2019 pre-pandemic benchmark.
- 2. Broad strength in delinquency rates:** Performance improved across the board, ICE reported, with both early-stage (30-day) and late-stage (90+ day) delinquencies declining during October.
- 3. Prepayments reached a multi-year high:** ICE reported that the single-month mortality (SMM) rate, which tracks prepayments, rose by 27 bps in October to 1.01%. That marks the highest level in 3.5 years and an increase of 16 bps from last year when interest rates were at similar levels.
- 4. Foreclosure activity trending upward:** Although October foreclosure starts slowed by 9.8% from the prior month, the overall trend continues to rise. ICE reported that foreclosure inventory is up by 37,000 (+19%) year over year, and foreclosure sales have increased by 1,900 (+32%) from last year’s levels.
- 5. Government loans driving foreclosure growth:** While foreclosure activity remains muted by historical standards, ICE said the number of loans in active foreclosure hit its highest level since early 2023, driven by a notable rise in FHA foreclosures (+50% YoY) along with a resumption of VA activity after last year’s moratorium.



FORCE
FEDERATION OF REO
CERTIFIED EXPERTS



CREATING QUALITY REO CONNECTIONS.

The Five Star Institute creates countless opportunities for progress in the mortgage industry, and Five Star established the Federation of REO Certified Experts (FORCE) in 2011 to further this mission.

FORCE members are an elite group of knowledgeable agents and brokers dedicated to the residential REO market. The FORCE creates lasting connections between our distinguished network and top asset managers, investors, and servicers.

The FORCE Network's Five Pillars of Network Management Success

1.

Compliance

As a member of the FORCE, your compliance is verified, which makes you a more reputable and marketable contact.

2.

Communication

Members now have access to critical industry information through newsletters, webinars, social media, and emails.

3.

Education

FORCE members can exceed expectations by staying up-to-date with the latest educational offerings, such as those available at the Five Star Conference.

4.

Exposure

The FORCE will help you grow your business through Five Star's connections, complimentary and discounted ads, events, comarketing opportunities, vendor partnerships and more.

5.

Inclusion

The FORCE is continuously working to provide productive partnerships and create new ways for members to connect with industry leaders.

We would enjoy speaking with you about what the FORCE can do for you. Contact FORCE@TheFiveStar.com

For More Information, Visit FiveStarFORCE.com.

HARD AT WORK FOR YOU

The FORCE network is in partnership with various organizations that are periodically in need of services provided by residential real estate agents and brokerage firms. These activities are at the discretion of the participating partners and may include but not be limited to:

Services Provided Include: REO Listings Short Sales Valuations Deed-In-Lieu Market Analysis



Government

PRESIDENT HINTS AT CHOICE FOR NEXT FED CHAIR

Who will be the next chair of the Federal Reserve? *Bloomberg* reported that President Trump said he thinks he's identified his choice to replace the current Fed Chair, Jerome Powell.

Bloomberg said the president suggested that people are holding him back from firing Powell.

"I think I already know my choice," Trump told reporters in the Oval Office. He did not identify who the choice is, however. "I'd love to get the guy currently in there out right now, but people are holding me back."

Treasury Secretary Scott Bessent is leading the search and has said he has narrowed the pool of contenders to current Fed Governors Christopher Waller and Michelle Bowman, former Fed Governor Kevin Warsh, White House National Economic Council Director Kevin Hassett, and BlackRock Inc. executive Rick Rieder.

"We have some surprising names, and we have some standard names that everybody's talking about," Trump said. "And we may go the standard way. It's nice to every once in a while to go politically correct."

Bloomberg noted that Trump has

mused publicly about the decision, praising candidates on the list, but has been coy about suggesting whether he's leaning toward any one candidate.

Bessent later said on Fox News that he hoped to conclude the search process in December.

"We're doing another round of interviews. Then some people in the White House will be doing interviews, probably right after Thanksgiving," Bessent said. "Mid-December, the President will meet with the final three candidates and hopefully have an answer before Christmas."

Trump repeatedly has criticized Powell for being too slow to slash interest rates. Powell's term as chair ends in May, but his term as governor is not scheduled to end until 2028.

Trump said again that he'd like Bessent to take the Fed job, but that Bessent enjoys his role in the administration as Treasury Secretary too much to leave.

Bessent confirmed, however, on Fox News that he could "safely say" he won't be the pick.

Bloomberg reported that the next Fed chair likely will be named to a 14-year Fed governor term that opens on Feb. 1. The term that expires at that time is currently held by Stephen Miran, who is on unpaid leave from the White House Council of Economic Advisers.

Trump nominated Miran in August to fill a vacancy at the Federal Reserve's Board of Governors.

Adriana Kugler, who was appoint-

ed to the Federal Reserve Board by President Joe Biden in 2023, stepped down from her position as Governor on the Fed Board to return to Georgetown University as a Professor in the fall.

Bloomberg said the next Fed chair will need to maintain a careful balancing act, appealing to Trump's desire for lower interest rates while also maintaining investor confidence.

FHLBANKS BACK FHFA'S EFFORTS TO MODERNIZE OVERSIGHT, EXPAND HOUSING SUPPLY

In its comments on the Federal Housing Finance Agency's (FHFA) draft Strategic Plan: Fiscal Years 2026–2030, the Council of Federal Home Loan Banks expressed support for the agency's ongoing efforts, led by Director Bill Pulte, to modernize oversight and lessen needless regulatory burdens on the Federal Home Loan Banks (FHLBanks).

In addition to praising FHFA's recent actions to remove out-of-date guidelines and advisory bulletins that were not open to public notice and discussion, the Council's letter suggests integrating the objective of lowering needless regulatory burdens across the supervisory framework of the FHLBank System. Additionally, the Council calls on FHFA to make sure that regulations and regulatory guidelines enable the FHLBanks to effectively fulfill their fundamental liquidity mandate, which promotes affordable housing, community development, and housing finance.

The Council's remarks draw attention to how specific rules and advisory bulletins have restricted the 11 FHLBanks' capacity to offer liquidity to their members. They also urge FHFA to keep improving these frameworks in order to better align them with safety and soundness goals while enabling the System to take more action to address housing issues across the country.

The letter also calls for changes to the rules regulating the FHLBanks' Affordable Housing Program (AHP) and cites a comment letter from August 2024 that offers detailed suggestions for increasing the use of AHP funds to meet urgent housing needs.

"Director Pulte has proposed a strategic plan that charts a bold path to sustain the FHLBank System's long-term stability and impact," said Ryan Donovan, President and CEO of the Council of Federal Home Loan Banks. "We will be a constructive partner to ensure the FHLBanks keep delivering reliable liquidity in a safe and sound manner to help keep mortgage credit affordable."

Additionally, the Council reiterated the FHLBanks' pledge to work with

FHFA to improve the Affordable Housing Program and use both mandated and voluntary programs to increase the supply and affordability of housing in each of the 11 FHLBank districts.

FANNIE MAE REMOVES FICO FLOOR FOR DESKTOP UNDERWRITER

Fannie Mae is eliminating its 620-credit-score floor for loans using its Desktop Underwriter [PBi] system, the GSE announced.

The latest DU Version 12.0 release

notes and Selling Guide update include the change, which would enable more mortgages to be processed through the DU system, though Federal Housing Finance Agency Director Bill Pulte said the change is only a small one in a post on X.

"Our underwriting standards are the same," Pulte said. "As a process matter, to ensure two scores can be used and not just one, we eliminated requirement for FICO in the infamous 'guide.' Big deal for consumers. Small or nothing deal for underwriting."

In eliminating its dependence on the credit score, DU will now instead consider other credit risk factors, including a borrower's credit history, income, debt levels, property characteristics, and loan purpose.

"The DU risk assessment reflects a comprehensive evaluation of credit risk factors from the borrower's credit report along with non-credit risk factors from the loan application," Fannie Mae said in its release notes. "Lenders must continue to meet all post-closing quality control requirements to verify the accuracy and integrity of the information used to support the underwriting decision. This includes ensuring all data submitted to DU is true, correct, and complete, and conducting a verification of credit history."

Additionally, the Selling Guide has been updated to include terms of enforcement relief of representations and warranties related to undisclosed non-mortgage debt for certain loans underwritten through DU. Mortgage-related debt (including HELOCs and second liens) is excluded from eligibility for relief.

When a final DU submission receives an Approve/Eligible recommendation and a DU message indicating that the loan has obtained relief from enforcement of representations and warranties for undisclosed non-mortgage liabilities, Fannie Mae will not enforce representations and warranties related to non-mortgage debt obtained by the borrower(s) before or concurrent with the day of closing.



“We will be a constructive partner to ensure the FHLBanks keep delivering reliable liquidity in a safe and sound manner to help keep mortgage credit affordable.”

—Ryan Donovan, President and CEO, Council of Federal Home Loan Banks

SENATE BANKING COMMITTEE ADVANCES KEY SENIOR ADMINISTRATION NOMINEES

The Senate Banking Committee, chaired by Tim Scott (R-S.C.), advanced several of President Trump's nominees for important roles at the Federal Deposit Insurance Corporation, the Department of the Treasury, and the Department of Housing and Urban Development.

The following nominees will soon head to the Senate floor:

1. Joseph Gormley, to be President, Government National Mortgage Association, Department of Housing and Urban Development
1. Francis Cassidy, to be Assistant Secretary, Department of Housing and Urban Development
1. Paul Hollis, to be Director of the Mint, Department of the Treasury
1. Travis Hill, to be Chairperson of the Board of Directors, Federal Deposit Insurance Corporation

"Today, the Committee considers a slate of President Trump's nominees whose leadership will be essential to maintaining the strength and stability of critical American institutions," Scott said in his opening remarks. "From housing finance to financial stability, these roles directly affect the lives of families, small businesses, and communities across our nation. Ensuring that experienced leaders fill these positions is not just a procedural step—it is a matter of real consequence for the economy and communities across our country. Safe and affordable housing is foundational to the American Dream."

"It's time the federal government returned to delivering results for the American people," Scott concluded.

In support of the Senate Banking, Housing, and Urban Affairs Committee's decision to move important senior

“It’s time the federal government returned to delivering results for the American people.”

—Tim Scott (R-S.C.),
chair, Senate Banking Committee



administration candidates for leadership roles in housing and financial services out of committee, David M. Dworkin, President and CEO of the National Housing Conference, issued the following statement:

"The National Housing Conference (NHC) applauds the Senate Committee on Banking, Housing, and Urban Affairs for voting the nominations of Joseph Gormley to serve as President of Ginnie Mae, Travis Hill to serve as Chair of the Federal Deposit Insurance Corporation (FDIC), and Frank Cassidy to serve as Assistant Secretary for Housing and Federal Housing Commissioner at the U.S. Department of Housing and Urban Development (HUD) out of committee. Each of these nominees brings exceptional expertise, judgment, and commitment to the critical work of strengthening our nation's housing and financial systems."

Dworkin added: "NHC is confident that each of these nominees will serve

with integrity, skill, and dedication to the best interests of the American people. We urge the full Senate to take up these nominations without delay and confirm them as soon as possible."

FED CUTS, HIGHER MORTGAGE RATES: ATLANTA FED EXPLAINS THE DISCONNECT

Though historically, Fed funds rates and mortgage interest rates move in the same general direction, the trends of the two rates—which are distinctly separate—have moved in different directions over the last couple of years, the Federal Reserve Bank of Atlanta points out in its recent Economy Matters economic research note.

Mortgage rates and other interest rates have moved in opposite directions following the Federal Reserve's interest rate cuts over the past year, the Atlanta Fed says.

Mortgage rates have trended higher since earlier in the decade, leading to a decrease in home affordability, according to the Atlanta Fed's Home Ownership Affordability Monitor. Mortgage rates rose above 5% in April 2022, and have remained above that level ever since, according to Freddie Mac's 30-year fixed rate mortgage average in the United States. Before April 2022, rates had been below the 5% threshold since February 2011.

The Federal Reserve sets short-term interest rates—the Fed funds rate—not mortgage rates, the Atlanta Fed points out. The Fed Reserve makes changes in the Fed funds rate—cutting it, increasing it, or leaving it as is—an effort to fulfill its dual mandate from Congress: promoting maximum employment and stable prices.

The Fed's short-term rates factor into how banks and financial institutions set many other rates, such as those for business loans, credit cards, and auto loans.



AMDC

AMERICAN MORTGAGE
DIVERSITY COUNCIL



Council. Community. Certification.



"Onity Group's partnership with the American Mortgage Diversity Council reflects our vision for an industry that serves all communities with fairness, dignity, and access. We believe that kind of vision requires bold leadership and shared responsibility."

— Jose Irizarry, Senior Vice President, Total Rewards, Human Resources and Chief Inclusion Officer, Onity Group Inc.

The CFPB has been in the crosshairs of Vought and President Trump for much of the year as intergovernmental battles over its mission and continued existence have stretched on.



For the past 20 years, mortgage rates have been more closely associated with the interest paid on 10-year Treasury notes than with the fed funds rate set by the FOMC, according to Kris Gerardi, a Research Economist and Senior Adviser, and Domonic Purviance, subject matter expert with the Atlanta Fed's Supervision and Regulation Division.

"While mortgage rates do, typically, move fairly closely with short-term interest rates like the fed funds rate, they are more strongly linked to longer-term rates such as the 10- or 20-year Treasury yield," Gerardi said. "This is because the average life of a mortgage is around seven to 10 years."

Mortgage rates respond to many economic signals besides the Fed funds rate, Holden Lewis writes in a Nerd Wallet blog. "The availability of jobs is one of those signals. Because of the government shutdown, a jobs report for September wasn't released. The most recent jobs report was for August, and it showed a slowdown in hiring and an increase in the unemployment rate."

TRUMP ADMINISTRATION NOMINATES LEVENBACH TO LEAD CFPB

Office of Management and Budget official Stuart Levenbach has been nominated by the Trump administration to be Director of the Consumer Financial Protection Bureau for a five-year term.

Reuters reported that President Trump and OMB Director Russell Vought have called for the elimination of the CFPB, the federal consumer finance watchdog. Vought is also Acting Director of the CFPB.

Levenbach was appointed Associate Director for Natural Resources, Energy, Science, and Water at the OMB after Trump took office this year. Reuters said Levenbach's CFPB nomination was received in the Senate.

Previously, Levenbach held other positions at OMB, and he was also Chief of Staff for the National Oceanic and Atmospheric Administration.

CFPB Workforce Faces Uncertainty With Cuts Planned

Sen. Elizabeth Warren, a Massa-

chusetts Democrat considered to be the architect of the CFPB, said Levenbach's nomination appeared like "a front for Russ Vought to stay on as acting director indefinitely as he tries to illegally close down the agency."

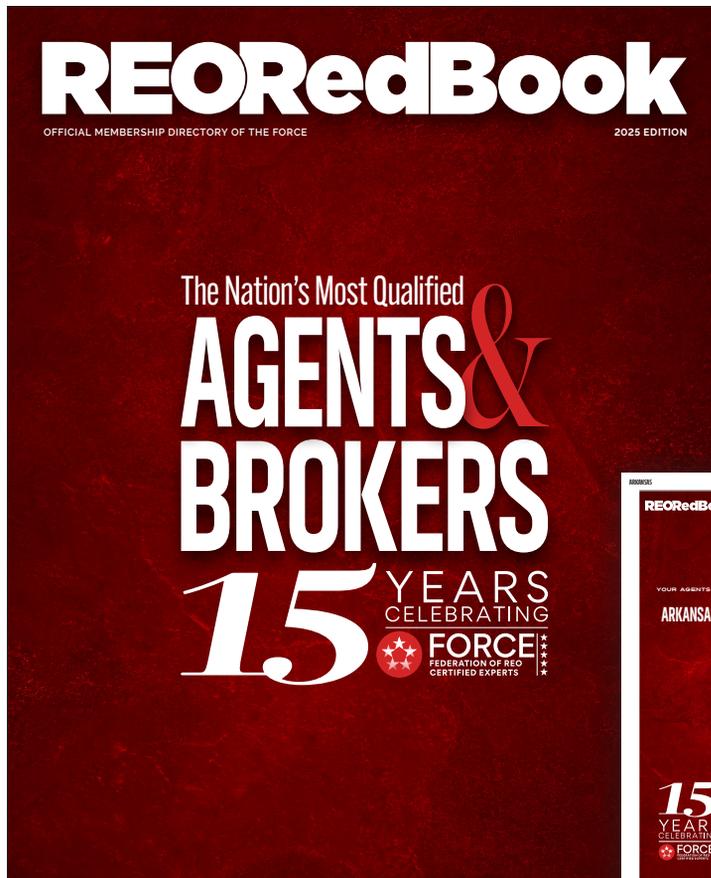
Reuters reported that the CFPB's workforce faces mounting uncertainty over the Bureau's ability to continue to pay them or offer severance while a legal battle continues over the administration's plans to fire the vast majority of the CFPB's staff. The CFPB gets its funding directly from the U.S. Federal Reserve, unlike federal agencies for which Congress appropriates money each year.

The CFPB has been in the crosshairs of Vought and President Trump for much of the year as intergovernmental battles over its mission and continued existence have stretched on. Vought had previously commented that the process to dismantle the Bureau was underway and could conclude "within the next two or three months."

Those plans have faced pushback from CFPB labor unions and consumer advocacy groups that have filed lawsuits arguing that the Administration lacks the authority to dismiss most agency staff or dissolve the Bureau outright.

REORedBook

OFFICIAL MEMBERSHIP DIRECTORY OF THE FORCE



**AN ELITE NETWORK OF VETTED
AGENTS & BROKERS AT YOUR FINGERTIPS.
ANYTIME. ANYWHERE.**

OUT NOW » Visit REORedBook.com



Market Trends

GENERATIONAL PESSIMISM: YOUNG ADULTS GIVING UP ON HOMEOWNERSHIP

Seung Hyeong Lee, a Ph.D. Candidate in Economics at Northwestern University, and Younggeun Yoo, a Ph.D. student in economics at the University of Chicago, detailed in a new research paper titled, “Giving Up: The Impact of Decreasing Housing Affordability on Consumption, Work Effort, and Investment,” how many younger generations have given up on becoming homeowners.

This is a result of the steep decline in housing affordability in recent decades nationwide. According to their predictions, the homeownership rate of cohorts born in the 1990s will be approximately 9.6 percentage points lower than that of their parents’ generation when they retire.

The pair revealed that renters with relatively modest wealth display the same behaviors. Over the course of a person’s life, these reactions compound, resulting in a significantly larger wealth

disparity between those who give up and those who continue to pursue homeownership.

Additional commentary from John Burn-Murdoch, Chief Data Reporter at the Financial Times, further detailed the research findings and further offered his insight on the subject.

“It has become a rite of passage for every new generation of young adults to be labelled lazy and irresponsible by its elders, but Gen Z has probably had it worse than most,” Burn-Murdoch said, attributing Gen Z attitudes toward risky investments like cryptocurrencies and NFTs.

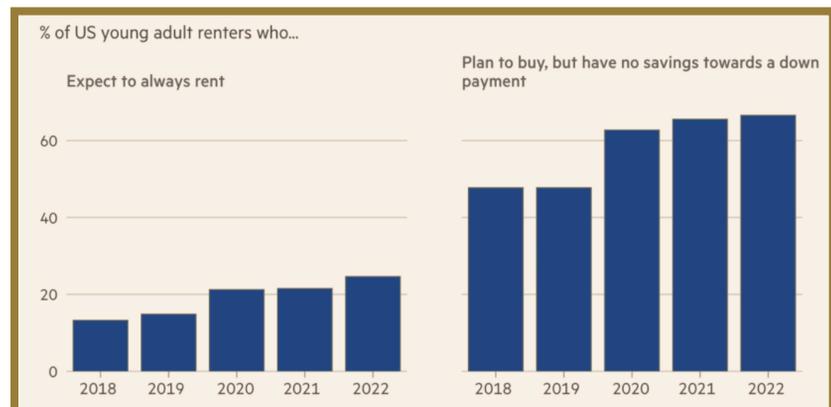
There are two major contrasts between Gen Z and those preceding generations facing similar disdain:

1. Rather than fighting back on these characterizations, modern 20-somethings have tended to embrace them, leaning into neologisms such as “quiet quitting,” the act of employees doing the minimum required for their job, which means meeting their basic responsibilities and working only their scheduled hours, without going “above and beyond.”
2. According to new research, these actions are logical reactions to deteriorating economic conditions, particularly the growing difficulty of becoming a homeowner.

Homeowner Sentiment Weakening Among Many Young Adults

Reduced work effort, increased leisure spending, and investment in risky financial assets are all factors that are significantly more prevalent among young adults who have little to no realistic probability of being able to afford a home in today’s housing market and economy.

Research indicates that those for whom homeownership is a more achievable goal in the medium term, or who have already accomplished it, take fewer risks and strive harder at their jobs. Lee and Yoo further outline how the connection between unaffordable housing and economic attitudes among generations seems to be linked.



What U.S. economic expert Demetri Kofinas calls “financial nihilism” has played a significant role in homebuyer sentiment in younger adults. As home affordability shrinks, individuals who come to believe they won’t reach the likelihood of attaining homeownership turn to a mixture of high-risk behaviors.

Gen Z is sometimes regarded as “lacking resilience in the workplace”; many young professionals have flocked to social media to decry the pointlessness of the typical 9-5 trend. The data implies these evolving ideas and behaviors are anchored in economic reality as it progresses.

“It’s not that previous generations were more engaged in their work because jobs back then were thrilling, it’s that applying oneself at work used to be a means to an end,” Burn-Murdoch said. “With the reward of owning your own home yanked out of reach, the whole thing feels futile.”

The outcomes of these examinations have substantial consequences:

- They emphasize how urgent it is to address the issue of homeownership affordability. As many consumers can now see, the effects are upsetting society and the economy as a whole, putting many young individuals on a precarious financial path where mistakes could be irreversible.
- They underline the significance of teaching young people the financial literacy they need to navigate a new environment where, for many, the only hope of success is to take enormous monetary risks. Compared to their parents, today’s 20-somethings are far more likely to become life-long tenants. This implies that they will want more advice than previous generations on alternative ways to build wealth, as well as the knowledge and assistance to understand that the game is not yet finished.

“It’s all very well bemoaning the growing economic nihilism of younger generations—and the evidence bears it out—but they’re just playing the cards they have been dealt,” Burn-Murdoch concluded.

A number of nations, including the U.S., have historically low birth rates. This concerns many since it may result in an aging society, where there are more elderly people than working-age individuals to support them.



NEW RESEARCH LINKS U.S. FERTILITY DECLINE TO HIGH HOUSING COSTS

According to a recent study, one of the primary causes of the declining birth rate in the United States between the 2000s and the 2010s was the rising cost of housing.

Birth rates are complicated and multifaceted, and economists and demographers have identified a number of causes for their general decline, including significant cultural changes and financial hardships. Many of these causes and discussions around them were already thoroughly examined by *Newsweek*.

However, a recent study by Benjamin K. Couillard, a doctoral candidate in economics at the University of Toronto, indicated that 51% of the fall in the fertility rate between the 2000s and 2010s was caused by growing housing expenses since 1990.

Similarly, Theodore Cosco, a research fellow at The Oxford Institute of

Population Ageing, told *Newsweek* that “addressing declining birth rates would require comprehensive support mechanisms, such as affordable childcare, paid parental leave, health care access, and economic stability.”

How U.S. Housing Is Shaping Fertility, Birth Rates & More

A number of nations, including the United States, have historically low birth rates. This concerns many since it may result in an aging society, where there are more elderly people than working-age individuals to support them.

According to the Congressional Budget Office’s most recent prediction, the nation’s fertility rate—the average number of children a woman has in her lifetime—is now expected to average 1.6 births per woman over the next 30 years. That is less than the 2.1 births per woman replacement rate needed to keep the population steady in the absence of immigration.

According to Couillard’s rent-focused investigation, he discovered that “rising costs since 1990 are responsible for 11% fewer children, 51% of the total

fertility rate decline between the 2000s and 2010s, and 7 percentage points fewer young families in the 2010s.”

“This analysis concludes that the supply of housing suitable for families can meaningfully contribute to demographic sustainability,” Couillard said.

According to Couillard, high rents lower fertility by forcing people into housing arrangements that are less conducive to raising children, such as sharing a home with friends or relatives, as well as by directly raising the cost of having children.

According to the analysis, family formation is postponed, household arrangements change, and overall fertility decreases as housing costs rise.

Data analysis and intricate simulation are two components of Couillard’s methodology. He created a model that simulates how people decide where to live and when to have children by analyzing real-world data, specifically from the U.S. Census Bureau, to see how fertility varies when rents rise in various neighborhoods.

He then tested “what if” scenarios using this model, such as what would happen to birth rates if more large homes were available or if housing were more affordable.

According to the U.S. Bureau of Labor Statistics, rents increased by an estimated 149% nationwide between 1990 and 2020—more than the cumulative inflation rate of 103% over that time.

Numbers Shift as Housing Industry Remains Volatile

In 1990, the fertility rate was 2.08. According to data from the Centers for Disease Control and Prevention (CDC), it fell to 1.64 in 2020 and to a record low of 1.599 last year.

“I conclude that rising housing costs are a major cause of declining fertility. ... If housing is to be a lever in family policy, the focus must be on producing the housing that families actually want,” Couillard said.

As the population ages and the labor force declines, the controversy over the birth rate in the United States will

probably get more heated, according to the report. The majority of experts *Newsweek* spoke with concur that there isn’t a single reason or way to stop the birth rate fall, and many of them support economic changes that would make it simpler for people to become parents.

“While it’s not surprising that high rents and housing costs curb fertility, it’s very difficult to ‘prove’ it in the data,” said Jake Krimmel, Senior Economist at Realtor.com, in his review of the study. “Not only that, but the causal link needs to be quantified, so we know exactly how important the housing cost channel is relative to, say, the rising cost of childcare or other economic and demographic shifts.”

In conclusion, Margaret Anne McConnell, a Professor of Global Health Economics at Harvard, and other scholars emphasized that there is good news concealed in the falling birth rate since it signifies certain favorable cultural trends, such as increased reproductive choice.

HOME BUYER REGRET FALLS SHARPLY AS MARKET SLOWDOWN BOOSTS CONFIDENCE

According to research from Realtor.com, one of the most prevalent causes of post-purchase regret among American homebuyers—believing they paid too much for their house—has drastically decreased, going from 15% in 2023 to just 8% in 2025. The decrease demonstrates how consumers are making more thoughtful decisions in the slower, more expensive housing market of today and enjoying the advantages of more assured decision-making.

Nearly four out of 10 recent buyers (37%) said they had no regrets about their home purchase in 2025, up six percentage points from 31% in 2023, according to the Realtor.com 2025 Consumer Attitudes & Usage Study.

The slower pace has allowed purchasers more time to consider their options, with properties remaining on the market for a median of 63 days in October 2025—nearly two weeks (13 days) longer than in October 2023.

“As the market has shifted from a fast-paced sellers’ market to one that gives buyers more breathing room, we’re seeing buyer regret trend down,” said Laura Eddy, VP of Research and Insights at Realtor.com. “Today’s buyers are generally more qualified, taking extra time to weigh their options and make confident decisions—factors that are helping reduce second-guessing after purchase. And for many, that means having even more to feel thankful for this season.”

Unexpected home upkeep (16%), higher-than-expected household expenses (15%), and depleted savings accounts (14%) were the most frequent issues among those who did have post-purchase regrets.

U.S. Buyer Regret Sees Generational Divide

While younger homebuyers continue to overcome new obstacles, such as financial hurdles when purchasing, older consumers are a bit more self-assured. The report showed that age-related differences in regret demonstrated how life stage and experience affect the satisfaction of purchasing a home. While younger customers—especially first-timers—were more likely to experience surprises, older consumers were the most confident during the process.

- **Boomers:** 60% reported no regrets at all, citing only minor concerns like home maintenance or higher-than-expected household costs.
- **Gen X:** 45% reported no regrets, with top issues echoing boomers—maintenance and budget strain.
- **Millennials:** Just over one-third (34%) had no regrets. Their biggest challenges were emptying savings (surprisingly, the highest among all generations), higher maintenance costs, and unexpected household expenses.

Regrets Experienced After Purchasing a Home

Response	All home-buyers	Gen Z (18-28)	Millennials (29-44)	Gen X (45-60)	Boomers (61-79)
There is more home maintenance than anticipated (e.g., money, time, etc.)	16 %	11 %	16 %	12 %	15 %
I had to spend more on household items than anticipated	15 %	12 %	13 %	12 %	12 %
My savings account is empty	14 %	9 %	15 %	10 %	6 %
The cost of ownership is higher than anticipated	11%(-5pp)	12 %	11 %	10 %	9 %
Concern about rising interest rates impacting my future mortgage payments	10 %	11 %	12 %	9 %	3 %
The home was not in the condition I expected	9 %	10 %	10 %	9 %	8 %
I rushed into the decision	9 %	9 %	10 %	8 %	6 %
The house is too small	9 %	10 %	9 %	10 %	6 %

Additional Factors of Buyer Regret Experienced After Purchasing

Response	All home-buyers	Gen Z (18-28)	Millennials (29-44)	Gen X (45-60)	Boomers (61-79)
I paid too much for the home	8% (-7 pp)	10 %	9 %	7 %	7 %
I wish I had done an inspection(s)	8 %	12 %	9 %	6 %	4 %
I wish I had asked for buyer contingencies	8 %	8 %	9 %	9 %	3 %
I didn't consider the external environment (e.g., noise, traffic, etc.)	8% (+4 pp)	10 %	8 %	9 %	1 %
I settled for house that didn't fit my needs	8 %	10 %	7 %	7 %	4 %
The home is too far from work	8 %	11 %	8 %	3 %	2 %
I don't like my neighbors	7 %	8 %	7 %	6 %	4 %
The house is too big	6 %	4 %	8 %	5 %	1 %
I don't like my neighborhood	4 %	10 %	5 %	4 %	2 %

- **Gen Z:** The most likely to experience remorse (only about a quarter, 27%, had no regrets). Gen Z cited skipping inspections, higher ownership costs, and household spending as top post-purchase concerns.

Additionally, younger generations were more likely to regret neighborhood choices and commute distances,

highlighting the increasing difficulty of striking a balance between affordability, lifestyle, and location in today's expensive housing market.

"Buyers today are entering the market with clearer expectations and stronger financial footing," Eddy added. "Even though affordability remains a challenge, the slower pace has allowed people to make decisions that feel right

for them, and that's reflected in lower regret levels across the board."

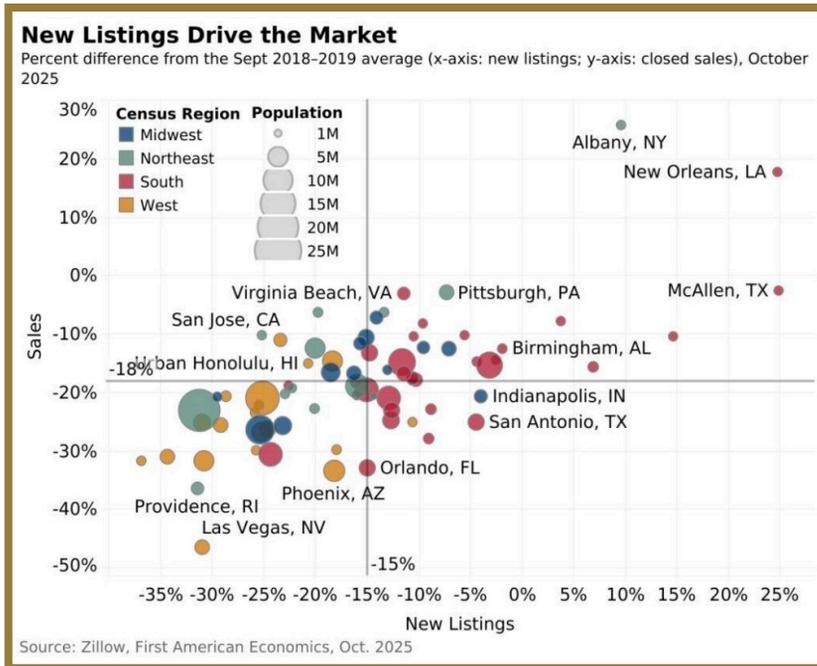
The results of the report indicate a substantial change in consumer psychology. Higher borrowing costs and slower market conditions in many regions seem to have introduced more consideration and confidence in decisions, whereas a hot sellers' market and low loan rates earlier drove hurried decisions and quick offers.

NEW HOME LISTINGS RISE TOWARD PRE-PANDEMIC LEVELS

According to new data from First American, home sales are still slow after a protracted period of muted activity, with the rate of sales still hovering around 4 million yearly. The Existing-Home Sales Outlook predicts a little increase in October since demand is still high, but transactions have been hampered by a lack of supply and issues with affordability. The slight improvement on the supply side is one cause for cautious optimism. One of the market's most persistent bottlenecks has been addressed as new listings have grown yearly and approached pre-pandemic levels.

Why revisit pre-pandemic levels? Demand, supply, and mortgage rates were more balanced in the years before 2020, which provides a fair baseline for what "normal" looked like. The degree to which the housing market has recovered from the pandemic-era distortions—characterized by a super seller's market, rate shocks, and skyrocketing prices—followed by the following downturn can be determined by comparing the activity of the market today with that of the 2018–2019 period. There is an obvious positive correlation between the two: sales typically increase as new listings approach normal.

"This dynamic offers some optimism for 2026. As more homeowners list, more buyers will have opportunities to purchase, moving the market



one step closer to balance. Where new listings grow, sales flow,” said Odeta Kushi, Deputy Chief Economist at First American.

Examining Sales & Listing Trends Nationwide

First American used a straightforward “how close to normal” assessment for both metrics by comparing October 2025 new listings and sales in 75 major markets to each market’s own October 2018–2019 average. Since flow is important for transactions, we concentrate on fresh listings. If properties take longer to sell, active inventory may rise, but new listings provide buyers with additional possibilities. Using the 75-market average for each measure as the midlines, the outcome is a scatterplot with four quadrants. This is what the quadrants display with that framing:

- **Pace setters:** For both new listings and sales, these markets are nearer their pre-pandemic October levels than the average market. As supply improves and sales react, these markets seem to be spearheading the return to more normalized activity. Pittsburgh, Knoxville, Tennessee, and Virginia Beach, Virginia, are a few examples. Markets from the South, Northeast, and

Midwest are included in this area, and many of them are reasonably priced.

- **Demand-ahead:** Compared to listings, sales are closer to the market’s pre-pandemic average, and they are also closer than the average market as a whole. This quadrant is dominated by markets in the Northeast and Midwest. Consider cities like Boston or Detroit, where buyer demand appears to be strong in relation to what is being marketed. These metros may become pace setters if supply becomes even more unrestricted.
- **Supply-ahead:** More than the average market, new listings have returned to normal. Many of these are Southern markets, such as San Antonio or Tampa, Florida. Demand-side frictions, such as price restrictions, rate sensitivity, or regional labor market and economic conditions, are probably reflected in the pattern.
- **Stuck in neutral:** Compared to the average market, both metrics deviate further from each market’s pre-pandemic norm. This includes Western metropolitan areas like Portland, OR, and Los Angeles, where sales have not yet caught up, and new listings are still below average.

New Listings Helping Strengthen Complex Housing Market

Improving inventory appears to be a crucial component of a long-term recovery, as evidenced by the high correlation between the normalization of sales volume and new listings.

For October, First American updated its Existing-Home Sales Outlook Report to show that:

- Existing-home sales for October are expected to increase 0.3% from the previous month’s pace of sales and increase 1.1% compared with the pace of sales a year ago.
- The largest contributors to the projected monthly increase in existing-home sales are a resilient economy (+0.3%), a weaker rate lock-in effect as measured by the lagged* spread between the prevailing market mortgage rate and the average rate for all outstanding mortgages (+0.3%), and higher house-buying power (+0.1%).

*Note: The spread is incorporated with a two-month lag in the Existing-Home Sales Outlook model.

MORE LOW-INCOME AMERICANS LIVING PAYCHECK TO PAYCHECK

The percentage of U.S. households living paycheck to paycheck grew slightly as lower-income Americans continue to struggle financially while their wages fail to keep up with inflation, according to a recent analysis from the Bank of America Institute.

According to the analysis, 29% of lower-income households are living paycheck to paycheck. That’s up slightly from 2024 and from 27.1% in 2023, the data shows. The Bank of America Institute defines paycheck-to-paycheck as spending more than 95% of household income on necessities such as housing,

23

24

31

PAY DAY!
😊

April

S M T W T F S

1 2 3 4 5 6
7 8 9 10 11 12 13
14 15 16 17 18 19 20
22 23 24 25 26 27 28 29 30

June

S M T W

gasoline, groceries, utility bills, and internet service.

This year, the institute said that almost a quarter of all U.S. households lived paycheck to paycheck. It said several factors explain why many people are lagging.

First, the institute said that the nation's inflation rate in 2025 has crept up to an annual rate of 3% after dipping to 2.3% in April. It said the rise in consumer prices this year is well below their pandemic-era peak of 9.1% in 2022 but is above the Federal Reserve's target rate of 2%.

"Inflation is picking back up again, and cost increases are picking back up again," said Joe Wadford, an economist at the Bank of America Institute. "That's definitely going to put some renewed pressure on those households."

Second, the institute said the cost of groceries and other essentials continues to rise as lower-wage workers' paychecks and purchasing power stagnate. In October, the institute said wages for lower-income households were up only

1% from a year ago.

"The gap between their wages and expenses has just continued to widen since the beginning of the year," Wadford said. "When the cost of living is increasing 3% but your wages are only increasing 1%, you're just going to really struggle to keep up."

Fewer Job Openings, People Leaving Jobs Impact Low-Income Workers

The institute said that lower-wage workers experienced strong wage growth during the pandemic and subsequent economic recovery, but that increase has slowed sharply since late 2022, said Elise Gould, senior economist at the Economic Policy Institute. The institute said that one factor weighing on wage growth is a decline in the number of job openings and the rate at which workers are leaving their jobs.

"When people aren't looking for other offers or quitting, that is going to cause wage growth to slow," she said.

In the preceding 12 months through October, higher-income millennial households have seen their average wages grow five percentage points faster than those of lower-income millennials, according to the institute.

Bank of America Institute noted that while lower-income households are struggling, middle- and higher-income households are on firmer financial ground, buoyed by stronger wage growth. This demographic has seen little to no increase in the share of households living paycheck to paycheck, the Bank of America Institute said.

"These higher-income cohorts are more able to absorb the recent reacceleration in inflation due to their outsized wage growth," Wadford said.

The institute said that is fueling what economists refer to as the "K-shaped economy," which experts describe as the divergence in spending and financial health between wealthier Americans and people with more modest incomes.



MortgagePoint
Magazine

Experts you trust. People you know. News you want. *MortgagePoint* is putting essential mortgage market news at your fingertips with our new digital edition, now available online via your smartphone, tablet, or computer. Enjoy the magazine at your desk, and tap into *MortgagePoint* Digital's easily accessible platform anywhere, anytime. Committed to giving originators, servicers, and all lending professionals access to smarter perspectives, *MortgagePoint* believes it's time to think differently about the mortgage industry. Because the American Dream is evolving ... are you?

Subscribe to *MortgagePoint* and *MortgagePoint* Digital now!

By about 2017, it was a prevailing view among policymakers that for the foreseeable future, F&F would continue to anchor the U.S. housing finance system. After all, The Stoop said, Congress was not focusing on a replacement, and also in part because of the two agencies' improved operating performance and risk profile.



GREAT FINANCIAL CRISIS: HOW TWO MAJOR SOURCES OF RISK HAVE BEEN CONTAINED

The Great Financial Crisis (GFC) in 2008 was the most impactful financial collapse and economic downturn since the Great Depression of 1929-1939. It led to a long list of changes that included legislation and a host of revised and new regulations by the government.

The GFC caused regulators, central bankers, and the financial industry itself to think deeply about the causes of financial instability and systemic risk that played a significant role in the crisis, according to the first of a two-part series from The Stoop, the NYU Furman Center Blog.

Donald H. Layton, Senior Visiting Fellow at NYU, wrote in The Stoop that

while those changes were numerous, they largely ignored Fannie Mae and Freddie Mac, two massive government-sponsored enterprises (GSEs) that it said were at the heart of the Great Financial Crisis.

The blog said that neglect made sense because the Obama administration had intended that Fannie Mae and Freddie Mac would be “wound down” and replaced by something Congress would create. That plan never materialized. Layton is the former CEO of Freddie Mac.

By about 2017, it was a prevailing view among policymakers that for the foreseeable future, F&F would continue to anchor the U.S. housing finance system. After all, The Stoop said, Congress was not focusing on a replacement, and also in part because of the two agencies' improved operating performance and risk profile.

The Three Sources of Potential Financial Instability

In the series' first part, The Stoop

examines several of the system's weaknesses that were rooted in a structure Congress created for the GSEs, and how that led to three specific sources of potential financial instability.

Part I reviews how two of the three identified sources of financial instability—(1) the excessive concentration of mortgage interest rate and liquidity risk, and (2) significant undercapitalization—effectively have been contained, mainly via actions taken during conservatorship, a major policy success that The Stoop said is rarely discussed in the industry or government.

According to Layton, the third major risk that could lead to financial instability for F&F is excessive concentration of mortgage credit risk, some of which remains unresolved despite advances made between 2013 and 2019. The Stoop said, in fact, it is heading in the wrong direction.

Before the Great Depression, housing finance wasn't something the U.S. government took much interest in. However, starting in 1932, it began to play a significant role, and by the late 1930s, it was its dominant force. That's something it has since maintained, The Stoop said.

Part I delves heavily into the federal government's reaction when it created a series of specialized financial institutions focused on residential mortgage lending. Those included savings and loans that were the mainstay of residential mortgage lending in the immediate post-war decades; F&F, which assumed that role through the 1980s; the Federal Home Loan Banks (FHLBs); the Federal Housing Administration (FHA); the Federal Savings and Loan Insurance Corp. (FSLIC), a counterpart to the FDIC; and others. Think of it as Congress creating a parallel banking system dedicated to residential housing finance.

Its purpose was to allow homeownership policy to be implemented in a focused way and to effectively channel subsidies to “help homeownership.”

One type of subsidy was light capital requirements on the various specialized mortgage institutions that were created to make mortgages less expensive.

But light capital requirements can be problematic. The Stoop said that organizations with concentrated risk, such as mortgage assets, are subject to higher levels of instability, while diversification of mortgage assets across the broader banking and financial system would have been considerably more stable.

Those specialized mortgage institutions were vulnerable, however, as large losses could rapidly escalate into a crisis.

The Enduring 'American Mortgage'

Layton also detailed how, after World War II, the standard U.S. mortgage became what is now known internationally as the “American mortgage.” The Stoop says that this type of mortgage is notable for its long-term repayment period, which, at first, was set at 15 years but in the 1960s was standardized at 30 years and by a fixed interest rate for the same time period. Borrowers could make prepayments at any time for any reason without penalty.

That is an extremely borrower-friendly structure that grew out of a government agency that did not need to worry about liquidity or interest rate risk.

However, when this same structure became standard for private sector lenders after World War II, the resulting liquidity and interest rate risk became quite problematic, The Stoop said.

“Simply put, at that time, no lender funded by deposits or the debt markets had access to funds to match the liquidity or interest rate risk profile of a balance sheet dominated by American-style mortgages. Instead, those institutions would be short-funded, creating a tremendous concentration of interest rate and liquidity risk, a source of potential major financial instability.”

Part 2 of the series will look at F&F's undue concentration of mortgage credit risk and how that risk was on a path to substantial containment that started in 2013, but because of a combination of intended and unintended consequences, began to head in the wrong direction around 2020.

GEN Z AND MILLENNIALS GAIN GROUND IN HOMEOWNERSHIP AS MARKET SHIFTS

Even though everyone comes at various times, homeownership unites generations, according to new data from First American. In light of this, experts looked at the generational composition of this year's homeownership table and how the seating chart is changing using the most recent 2025 Current Population Survey microdata. It was discovered that the housing market is changing, with younger generations quickly gaining seats while elderly homeowners continue to hold the majority of them.

Home purchases are rarely made in a vacuum. Usually, life's pivotal events—marriage, having children, changing careers, or just the need for additional space—are what cause it. When aspiration turns into action, it is determined by economic factors like supply, affordability, and mortgage rates, but life itself is nearly always the initial spark.

In their late 20s or early 30s, baby boomers and Gen Xers frequently bought homes since they were married, had children, and established careers earlier in life. In contrast, millennials and Gen Z have spent more time in school and developing their jobs. They also confront substantial financial challenges and a limited supply of property, which has caused them to postpone marriage, kids, and, consequently, their first home purchase.

Approximately half of Gen Xers and boomers owned a home by the age of 30. Gen Z seems to be following the same path as millennials, who didn't reach that milestone until they were 33.

Millennials, the largest and most educated generation in U.S. history and once branded “forever renters,” are rapidly buying homes in their 30s and reaching parity with Gen X by their early 40s, proving the dream of homeown-

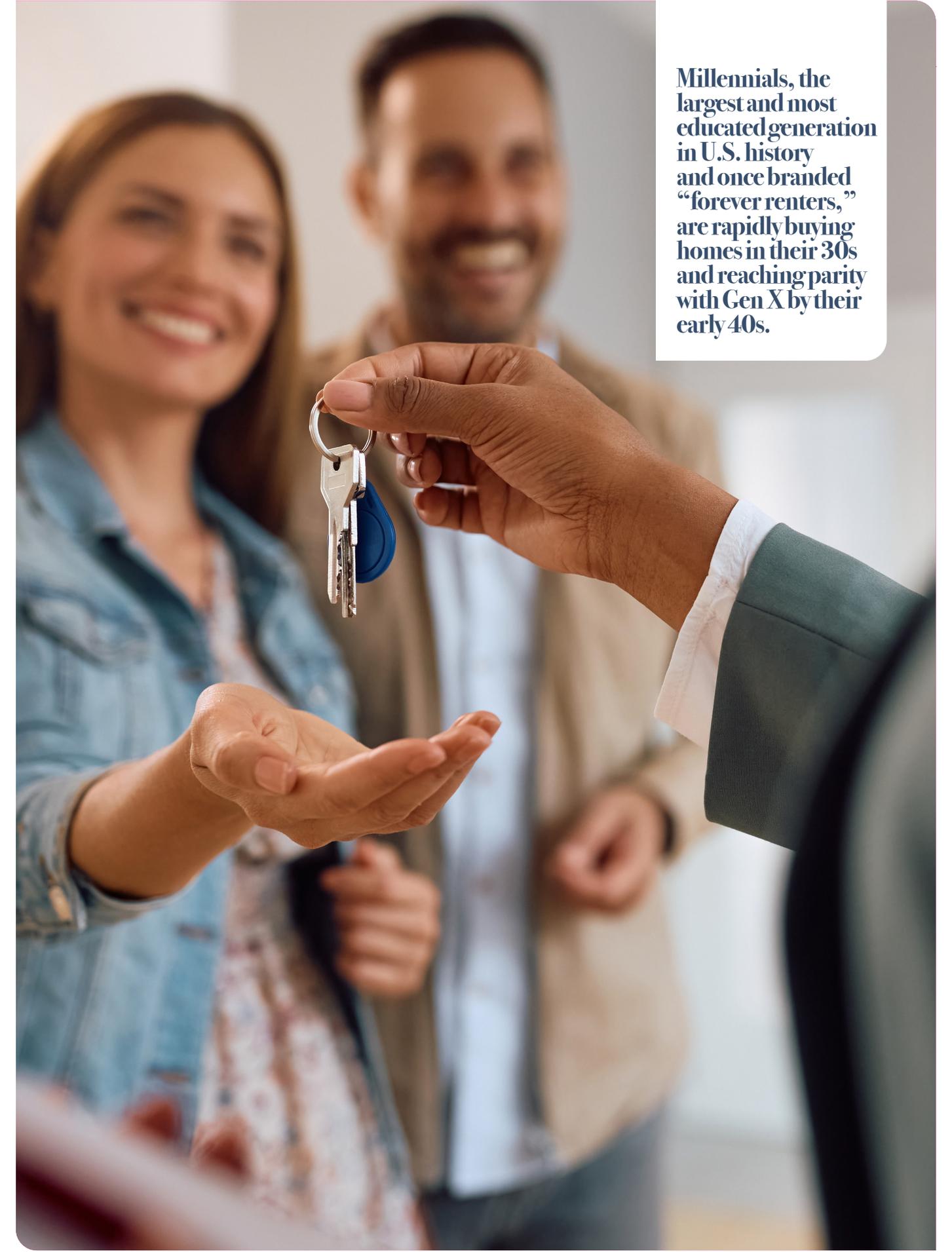
ership wasn't dashed, just delayed.

Due to pay increases, flexible remote work schedules, and cheap borrowing prices during the epidemic, Gen Z—the newest generation at the homeownership table—was able to purchase homes earlier than earlier generations. By the age of 28, Gen Z is 1.7 percentage points ahead of millennials, and their early-20s ownership rate surpasses that of previous cohorts. This early strength indicates that their ownership curve may be on par with, or possibly surpass, that of millennials in their early 30s for a generation still in their 20s.

Not to be overlooked, Gen X, the “middle child” of the housing market, is also hitting new benchmarks. The gap between Gen Xers and boomers, who began in their 40s and 50s during the Great Financial Crisis, is closing as the oldest Gen Xers reach their 60s. They are only behind 1.7 percentage points, and the gap is less every year.

Boomers, whose ownership rates stay high well into their 70s, may provide millennials and Gen Z with one last generational boost. Aging in place has reduced turnover, but as more boomers reach their 80s, senior-living transitions and life-stage movements will progressively bring back well-located homes to the market, providing a demographic supply tailwind that could hasten the path to homeownership for younger purchasers.

Homeownership has long stood for more than just real estate; it also symbolizes family, relationships, and life-changing events. Millennials and Gen Z remind us that although the path to homeownership may take longer to achieve, the destination is still the same, even though boomers and Gen X may have become homeowners earlier. As Gen Z completes its 20s and millennials enter their late 30s and early 40s, the forecast provides a strong foundation for younger generations to catch up, with affordability increasing, inventory loosening, and buyer activity gradually gaining speed into 2026.

A close-up photograph of a hand in a dark green suit jacket holding a set of keys with a blue fob. In the background, a young man and woman are smiling and looking towards the camera. The woman is wearing a blue denim jacket, and the man is wearing a light-colored blazer. The scene is brightly lit, suggesting an indoor setting like a home or office.

Millennials, the largest and most educated generation in U.S. history and once branded “forever renters,” are rapidly buying homes in their 30s and reaching parity with Gen X by their early 40s.

STUDY: MORTGAGE SATISFACTION JUMPS AS ORIGINATORS EMBRACE HIGH-TOUCH, HYBRID SERVICE

After a four-year decline, new mortgage origination volumes are now on the rise once more, and lenders have radically altered their customer service practices. The most recent J.D. Power 2025 U.S. Mortgage Origination Satisfaction Study indicates that mortgage lenders have shifted from a transactional, volume-at-all-costs strategy to more consultative, advisory-style customer interactions. Significantly, greater customer satisfaction ratings, enhanced trust, and higher levels of brand loyalty are the results of this change.

“Mortgage lenders have come to recognize that the more educated their customers are about the details of their mortgage products, the more loyal and lucrative their relationships become,” said Bruce Gehrke, Senior Director of wealth and lending intelligence at J.D. Power. “The highest-ranked lenders in today’s market aren’t just those with the best rates; they’re the ones that have perfected hybrid engagement. By blending high-touch advisor relationships with intelligent digital infrastructure, leading lenders are transforming what used to be a transactional, document-focused ordeal into a consultative partnership.”

Key Findings:

- **Overall satisfaction increases dramatically:** On a 1,000-point scale, overall customer happiness with mortgage lenders is 760, up 33 points from a year ago, when it was declining. Mortgage lenders have made tremendous progress in the last year in terms of consumer communication, dependability, and accountability, as well as the use of cutting-edge technologies to interact with clients.

- **Lenders utilize an advisory-style approach to foster client loyalty:** 79% of consumers give mortgage lenders high marks for offering helpful counsel or direction, up from 76% in 2024, 70% in 2023, and 69% in 2022. Furthermore, clients of mortgage lenders who score highly for providing helpful advice are 2.3 times more likely to state that they “definitely will” select the same lender for subsequent loans.
- **Higher satisfaction is a result of early engagement:** When lenders engage with clients early in the home-buying process, before they begin actively looking, overall satisfaction is 32 points higher than when engagement starts later in the process. When lenders initially interact during the mortgage application process, satisfaction falls by 64 points.
- **Borrowers receptive to AI’s participation in the lending process:** Thirty-one percent of consumers say they are “partially comfortable” with their lenders employing AI in the mortgage origination process, while slightly more than half (54%) say they are “completely comfortable.” Customers, however, also want to know how the technology is being utilized; according to 71% of respondents, it is “very important” that their lenders let them know when AI is being used.

Overall, Citi ranks highest in mortgage origination satisfaction, with a score of 802. Bank of America (792) ranks second, and Citizens (787) ranks third.

Note: The U.S. Mortgage Origination Satisfaction Study measures overall customer satisfaction based on performance in six factors:

1. Communication
2. Digital channels
3. Level of trust
4. Loan offering meets my needs
5. Made it easy to do business with
6. People

The 2025 study was fielded from September 2024 through September

2025 and is based on responses from 10,067 customers who originated a new mortgage or refinanced within the past 12 months.

PROSPECTIVE HOMEBUYERS WAITING FOR LOWER RATES

According to a recent Redfin study, U.S. pending home sales were down 0.3% from a year earlier during the four weeks ending November 9. This is a slight decrease, but the first in four months.

The selling of homes that remain on the market for a longer period: the median time it takes for a home to enter a contract is 49 days, which is the longest it has been since 2019.

House hunters are hesitant because costs are high and the economy is uncertain:

- The weekly average mortgage rate rose to 6.22% after dropping to a year-low of 6.17% a week earlier, after the Fed indicated it may not cut interest rates in December.
- The median home-sale price increased 2.4% year over year, the biggest jump in six months.
- Many would-be buyers are wary of purchasing a home while the U.S. economy feels unstable. More than 20% of Americans are delaying a major purchase like a home or car due to the government shutdown, and another 15% have canceled a major purchase altogether, per a recent Redfin survey.

With hundreds of thousands more sellers than buyers in the market countrywide, the selling side is doing better. To draw in buyers, Redfin brokers advise sellers to set a reasonable price for their property from the outset. Similar to the rise Redfin has witnessed over the past month, new property listings are up 3.4% year over year.

“House hunters are sensitive to rates and prices; many are waiting for one or both to drop before buying.”

—W.J. Eulberg, Redfin Premier agent



Additionally, agents say that some prospective buyers are holding off on making a move until mortgage rates fall below 6%.

“House hunters are sensitive to rates and prices; many are waiting for one or both to drop before buying,” said W.J. Eulberg, a Redfin Premier agent in Milwaukee. “But that’s not always a great strategy. If mortgage rates come down significantly, there will be more bidding wars. And if prices drop, it will probably be because the economy has weakened and people are losing their jobs. For people who can afford a home now, they may consider jumping into the market while competition is low and many sellers are willing to negotiate on price or offer concessions like funds to cover closing costs.”

MOST METRO AREAS SAW HOME-PRICE GAINS IN Q3 DESPITE SLUGGISH SALES

Home prices climbed across much of the country in Q3 of 2025, with an estimated 77% of metro markets (176 out of 230) posting year over year (YoY) gains, according to the National Association of Realtors’ (NAR) latest quarterly report. That’s up slightly from 75% in the previous quarter, showing continued, if uneven, price growth despite sluggish sales.

Nationally, the average cost for an existing single-family home reached \$426,800, up 1.7% from a year earlier,

matching the annual growth rate from the second quarter. Although fewer markets saw double-digit increases (4%, compared with 5% last quarter), values remained elevated in many regions.

Regional trends reflected ongoing differences in supply and demand. Prices jumped 6% in the Northeast to a median of \$540,100 and rose 4.2% in the Midwest to \$331,100. The South, where new home construction has been strongest, saw only a 0.5% increase to \$372,800, while the West dipped slightly, down 0.1% to \$633,900.

“Home sales have struggled to gain traction, but prices continue to rise, contributing to record-high housing wealth,” said Lawrence Yun, Chief Economist for NAR. He noted that the tight supply in the Northeast and affordability in the Midwest helped drive their stronger appreciation. Yun added that modest price drops in the South are likely temporary, calling them “a second-chance opportunity for those previously priced out of the market.”

Top 10 Large Markets With the Biggest YoY Median Price Increases

1. Trenton, NJ (+9.9%)
2. Lansing-East Lansing, MI (+9.8%)
3. Nassau County-Suffolk County, NY (+9.4%)
4. New Haven-Milford, CT (+9.0%)
5. New York-Jersey City-White Plains, NY-NJ (+8.1%)
6. Manchester-Nashua, NH (+8.0%)
7. St. Louis, MO-IL (+7.9%)
8. Bridgeport-Stamford-Norwalk, CT (+7.8%)

9. Toledo, OH (+7.7%)
10. Cleveland-Elyria, OH (+7.7%)

Among large metros, Trenton, New Jersey, led price gains with a 9.9% increase, followed by Lansing-East Lansing, Michigan (+9.8%), and Nassau County-Suffolk County, New York (+9.4%). Other strong performers included New Haven, Connecticut (+9.0%), and New York-Jersey City-White Plains (+8.1%).

At the high end, San Jose, California, remained the nation’s most expensive market with a median price of just over \$1.9 million, trailed by Anaheim (\$1.4 million) and San Francisco (just over \$1.3 million).

Top 10 Most Expensive Markets

1. San Jose-Sunnyvale-Santa Clara, CA (\$1,915,000; +0.8%)
2. Anaheim-Santa Ana-Irvine, CA (\$1,400,000; +0.1%)
3. San Francisco-Oakland-Hayward, CA (\$1,315,000; +0.5%)
4. Urban Honolulu, HI (\$1,127,900; -0.9%)
5. Salinas, CA (\$1,019,900; +6.3%)
6. San Diego-Carlsbad, CA (\$1,009,500; 0.0%)
7. Los Angeles-Long Beach-Glendale, CA (\$954,100; +0.7%)
8. Oxnard-Thousand Oaks-Ventura, CA (\$935,700; -1.2%)
9. San Luis Obispo-Paso Robles, CA (\$931,800; -1.9%)
10. Bridgeport-Stamford-Norwalk, CT (\$844,900; +7.8%)

Affordability saw a slight reprieve but remains strained. The monthly mortgage payment on a typical home with 20% down was \$2,187, a 2.8% drop from the prior quarter but still 2.1% higher than a year ago. Families spent 24.8% of their income on mortgage costs, down from 25.6% last quarter.

For first-time buyers, a typical starter home priced at \$362,800 required a \$2,146 monthly payment with 10% down, eating up 37.4% of income. That’s a modest improvement from the previous quarter, but still a steep climb for many trying to enter the market.

WALL STREET BANKS ASSESS FALLOUT FROM SITUSAMC HACK

Wall Street Banks are trying to determine the extent to which the banks were affected after hackers stole data from a company they used for real-estate loans and mortgages.

The banks are trying to determine what was taken and which banks were affected, Yahoo Finance reported.

New York-based SitusAMC said that account records and legal agreements related to some of its 1,500 clients had been affected by the hack.

“The incident is now contained, and our services are fully operational,” SitusAMC said in a statement. “No encrypting malware was involved.”

SitusAMC said it discovered unauthorized access to its systems on Nov. 12 and said that within a few days it warned customers that they could be affected.

JPMorgan Chase and Citi were among customers that were sent a broad batch of notifications to customers by SitusAMC that their data might be affected by the hack.

The company said it was not clear immediately which of its clients had their information accessed by the hackers and said the investigation is ongoing.

Yahoo Finance said that spokespeople for JPMorgan Chase and Citi declined to comment.

The Federal Bureau of Investigation is investigating the hack, but it was not immediately clear who was responsible for it.

“While we are working closely with affected organizations and our partners to understand the extent of potential impact to banking services,” FBI Director Kash Patel said in a statement. “We remain committed to identifying those responsible and safeguarding the security of our critical infrastructure.”

ZILLOW REMOVES CLIMATE DATA FROM LISTINGS SITE

Last year, real listings site Zillow began displaying the risks from extreme weather for more than 1 million home sale listings on its site. No longer, the company said.

Zillow, the nation’s biggest listings site, quietly removed that feature recently, the *New York Times* reported.

The website previously published climate risk ratings using data from the risk-modeling company First Street, whose scores sought to quantify each home’s risk from wildfires, wind, floods, extreme heat, and poor air quality.

The *Times* said that real estate agents complained the ratings hurt sales. Some homeowners protested the scores but found out there was no way to challenge the ratings, according to *The Times*.

Zillow stopped displaying the scores in November after complaints from the California Regional Multiple Listing Service, which operates a private database funded by real estate brokers and agents, *The Times* said. Zillow relies on that listing service and others around the country for its real estate data.

California Listings Service Raised Flood Risk Accuracy Concerns

The California service is one of the largest in the nation and it raised concerns about the accuracy of First Street’s flood risk models, *The Times* reported.

“Displaying the probability of a specific home flooding this year or within the next five years can have a significant impact on the perceived desirability of that property,” said Art Carter, California Regional Multiple Listing Service’s chief executive officer.

California, in particular, is known for its weather extremes.

In mid-November, for example, California was soaked by two Pacific storms in just a few days’ time, Weather.com reported. The first was accompanied by an atmospheric river that triggered flash flooding, rockslides and some debris

flows in the Los Angeles Basin and other locations.

The website said while atmospheric rivers can be beneficial—with lower elevation rainfall to suppress wildfire risk and mountain snow to build up snowpack that refills reservoirs in the spring and summer—they also can be dangerous, with heavy rainfall that triggers flooding, rockslides, and debris flows off areas recently burned by wildfires.

Zillow spokeswoman Claire Carroll said in a statement that the company is still committed to providing consumers with information that helps them make informed decisions. Real estate listings on Zillow now display hyperlinks to First Street’s website where users can view climate risk scores for a specific property.

Predicting where fires, floods, and other disasters pose and increased risk is a tricky proposition, particularly as the planet warms making some houses more vulnerable—and might sell for less. In fact, First Street’s models have shown that millions more properties are at risk of flooding than government estimates have suggested.

Redfin, Realtor.com, Homes.com and other real estate websites display similar First Street data alongside ratings for factors such as walkability, public transportation, and school quality, *The Times* reported.

SMALL INVESTORS DOMINATE AS INVESTOR PURCHASES HOLD STEADY

Investor activity stayed steady through mid-2025. In the second quarter, investors bought about 11% of all homes sold, roughly the same as last year, according to Realtor.com. Overall home sales dropped about 4%, but investor purchases slipped only 3%, giving investors a slightly bigger piece of the market.

At the same time, investor sales slowed. They sold around 216,000 homes in the first half of the year, down

The biggest change this year is who's buying. Small investors, such as local buyers adding a few rental properties, made up about 63% of investor purchases, the highest share in nearly two decades.



just over 4% from 2024. That means investors still bought more homes than they sold (about 21,000 more in Q2), showing continued confidence in the rental market.

The biggest change this year is who's buying. Small investors, such as local buyers adding a few rental properties, made up about 63% of investor purchases, the highest share in nearly two decades. Large investors, including corporations, pulled back and accounted for only about one-fifth of investor purchases.

Investors Compete With First-Time Homebuyers

Investor activity is the strongest in lower-cost markets. States such as Missouri (18.9%), Mississippi (17.1%), and Nevada (15.4%) saw the highest share of homes bought by investors. Among major cities, Memphis, St. Louis, and Oklahoma City led the pack. This is explained by the fact that these markets offer cheaper homes and steady demand from renters.

In the Midwest, investors bought properties far below local median prices in cities such as Detroit, Cleveland, and Milwaukee, aiming for solid rental

income. In contrast, investors in Los Angeles, New York, and San Francisco paid premiums for homes, betting on long-term value growth and high rents.

Nationally, the typical investor home cost \$287,000, about \$80,000 less than the median U.S. sale price. That means investors are mostly competing in the same affordable price range as many first-time buyers.

With mortgage rates still high and rent demand remaining steady, investors (especially smaller ones) are likely to stay active heading into 2026, keeping competition strong in lower-cost housing markets in particular.

BAYVIEW ASSET MANAGEMENT CLOSES GUILD HOLDINGS ACQUISITION

Guild Holdings Co. (NYSE: GHL), Guild Mortgage Co. and Bayview Asset Management LLC, jointly announced that

Bayview MSR Opportunity Master Fund LP, a fund managed by Bayview, completed its all-cash acquisition of GHL that was first announced in June. The transaction was an all-cash deal valued at approximately \$1.3 billion in aggregate equity value.

Guild will operate as a privately held independent entity of the MSR Fund that also owns Lakeview Loan Servicing LLC, a leading mortgage servicer. Shares of Guild Holding Co.'s publicly traded common stock ceased trading and were delisted from the NYSE in connection with the completion of the acquisition.

"Joining Bayview's platform strengthens Guild's commitment to grow our national brand, and it creates one of the strongest and most compelling mortgage origination and servicing ecosystems in the nation," Guild CEO Terry Schmidt said. "The Guild leadership team is excited to bring our expertise in distributed retail origination, retained servicing, and the customer-for-life business model to the MSR Fund. This relationship will further enhance our mission to deliver the promise of homeownership in communities across the country while fueling innovation and long-term growth."

Founded in 1960, in San Diego, California-based Guild Mortgage Co. is a nationally recognized independent mortgage lender that provides residential mortgage products and local in-house origination and servicing.

Guild Holdings said it employs a relationship-based loan sourcing strategy to help people achieve home ownership in neighborhoods and communities across 49 states and the District of Columbia.

Coral Gables, Florida-based Bayview is a global investment management firm with roughly \$36.1 billion in assets under management as of Sept. 30. Bayview focuses on investments in residential, commercial, and consumer credit, including whole loans, asset backed securities, mortgage servicing rights, and other credit-related assets.

“major constraints persist”

Dr. Lisa Sturtevant, Chief Economist at Bright MLS, elaborated on pending home sales activity, which increased between September and October, and noted that even though reduced rates have attracted more homebuyers this fall, the housing market is still severely limited, with home sales activity likely to remain sluggish until the end of 2025.



“one step closer to balance”

Odeta Kushi, Deputy Chief Economist at First American, explained that housing demand, supply, and mortgage rates were more balanced in the years before 2020, which provided a fair baseline for what a “normal housing market” looked like. However, she added that as more homeowners list, more buyers will have opportunities to purchase—offering more room for optimism in 2026.



“buyer regret trending down”

Laura Eddy, VP of Research and Insights at Realtor.com, discussed how the U.S. housing market has shifted from a fast-paced sellers' market to one that gives buyers more breathing room, resulting in a downward trend of homebuyer regret as today's buyers are generally more qualified, taking extra time to weigh their options and make confident decisions.



“renewed pressure on households”

Joe Wadford, Economist at the Bank of America Institute, revealed that inflation and cost increases are picking back up again, ultimately placing some increased financial pressure on U.S. households as the gap between wages and expenses has continued to widen.



“a tale of two markets”

Nicholas Godec, CFA, CAIA, CIPM, Head of Fixed Income Tradables & Commodities at S&P Dow Jones Indices, detailed how regional performance within the U.S. housing market differs in popular metros compared to smaller cities, as national home price growth slowed to its weakest performance since mid-2023 in September.



FIND YOUR TEAM

The Five Star Global Career Center

Connecting Talent with Opportunity. jobs.thefivestar.com



YOUR TRUSTED PARTNER FOR MORTGAGE AND TITLE INSURANCE.

We offer simple and affordable MI and Title insurance solutions at competitive prices, as well as full-service title underwriting, curative and closing services.

[Learn more at essent.us.](https://essent.us)

Mortgage Insurance provided by Essent Guaranty, Inc.
Title Insurance provided by Essent Title Insurance, Inc.

© 2025 Essent US Holdings, Inc., All rights reserved. | essent.us

ESSENT.US
FOLLOW US ON 

