

# Beyond *the* City Limits

With **rural lending** in the spotlight and some homebuyers trading density for distance, here's how federal lending and liquidity programs are rising to their aid.



In  
This  
Issue:

### Priced for Yesterday

Rising numbers of delistings reveal a widening gap between sellers' memories and buyers' reality.

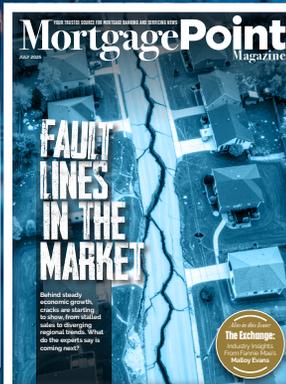
### 5 Takeaways From The Human Multiplier: Where AI Stops and Expert Ops Begin

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### The Rise of the Compliance Generalist: Why Your Next Hire Should Be a Swiss Army Knife

Rising numbers of delistings reveal a widening gap between sellers' memories and buyers' reality.

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# GOODBYE, CITY LIFE

**F**or our first issue of 2026, *MortgagePoint* is turning the spotlight on rural lending and the federal agencies that support it. In our cover story, “Beyond the City Limits,” *MortgagePoint* Senior Editor Lance Murray explores how USDA and Farmer Mac are sustaining homeownership across America’s least dense markets, with insights from representatives of the USDA Rural Mortgage Loans program as well as Zachary Carpenter, President and COO, and Jackson Takach, Chief Economist & VP – Head of Farm & Ranch, both of Farmer Mac.

Also in this issue, writer Phil Britt brings us “Priced for Yesterday.” Rising numbers of delistings reveal a widening gap between sellers’ memories and buyers’ reality. Britt’s piece examines the trend, with commentary from Jeremy Davis, President of Mortgage at Southern Bancorp, Realtor.com Senior Economist Jake Krimmel, and others.

In “The Rise of the Compliance Generalist,” attorney Andrew Collins of Legal League firm Potestivo & Associates, P.C., examines how workplace needs and expectations are changing, and “Why Your Next Hire Should Be a Swiss Army Knife.”

If you missed our December 2025 webinar entitled “The Human Multiplier: Where AI Stops and Expert Ops Begin,” this issue also includes a quick “5 Takeaways” piece breaking down top-level highlights from the discussion between Brian Flaherty, CEO of Global Strategic, and Cade Thompson, Co-President and Chief Growth Officer at Rocktop Technologies. (And you can still watch the full webinar on demand at [thefivestar.com/webinars](http://thefivestar.com/webinars).)

In this month’s Exchange Q&A, Bruce Gehrke, Senior Director of Wealth and Lending Intelligence at J.D. Power provides insights into customer satisfaction and the digital experience within mortgage servicing.

We’ve got all that and more inside this issue. Welcome to 2026, and welcome to the January edition of *MortgagePoint*.



David Wharton  
Editor-in-Chief



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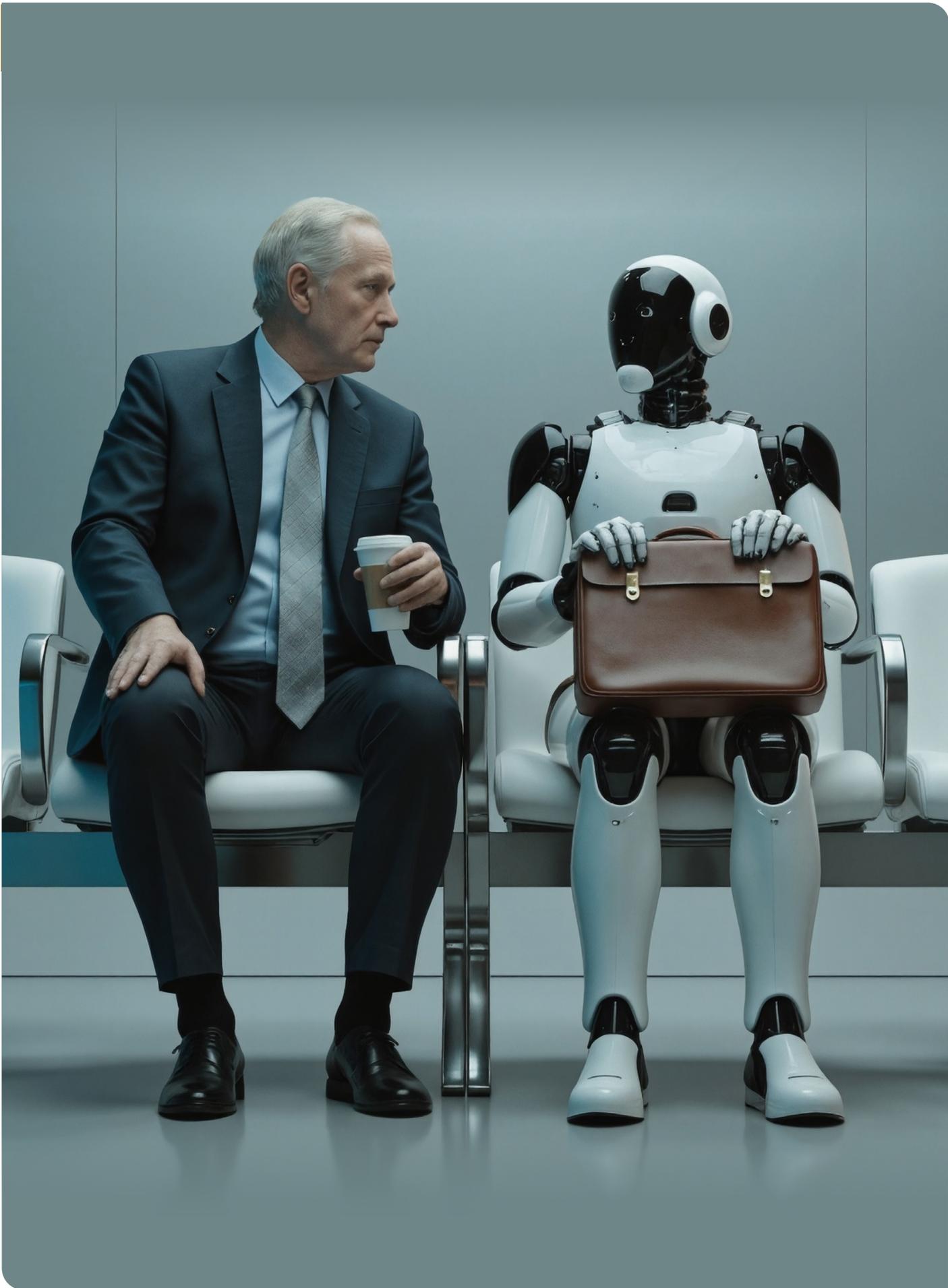


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## UNITED REAL ESTATE LAUNCHES RESIDENTIAL REAL ESTATE INVESTMENT PROGRAM

The United Residential Investment (URES) Program, an offering designed to enable agents to become residential real estate investor-entrepreneurs and create long-term wealth and financial stability, was announced by United Real Estate.

URES, a proprietary platform created by United specifically for its agents, helps agents go from being interested in residential real estate investing to fully utilizing their real estate knowledge to create portfolios of properties.

The program offers mentorship; interactive courses; underwriting models; live deal-making events; workshops; on-demand resources; lending, insurance, and rehab partners; and more.

“Our agents now have a community of like-minded investment-curious agents, experienced agent investor professionals, and the tools to create their own income and wealth-producing portfolios,” said Dan Duffy, CEO of United Real Estate Group. “I can’t think of a single new program launch that I have been more excited about in my thirty years as CEO of global companies than URES. This is an exciting moment for United’s agents.”

The median yearly salary for real estate brokers is slightly over \$58,000, with top performers making significantly more than the median, according to the U.S. Bureau of Labor Statistics. Nonetheless, agents who make residential property investments can greatly increase their cash flow and revenues through passive rental income while accumulating wealth as their properties increase in value and equity.

Within an integrated accountability ecosystem, participants of URES have

access to peer support, deal flow, and mentorship. The program’s goal is to assist agents in achieving success, maintaining it, and creating wealth for future generations for their families and communities.

“United exists for one and only one purpose: to improve the financial trajectory of our agents’ and brokers’ careers and lives,” Duffy said. “We don’t believe any other national firm has ever offered a program like this to its agents. It’s a one-of-a-kind program that presents a massive investment by United and a massive opportunity for our agents to benefit from property appreciation, cash flow, and increased income. Real estate agents are uniquely positioned to succeed because of their insider market knowledge, ability to secure properties before other investors, and, when trained, the ability to recognize high-yield rental opportunities. We are thrilled to bring the URES community to our existing agents and will provide the program to new agents as they join one of our affiliated brokerages across the country.”

## LOANLOGICS ANNOUNCES LOANBEAM'S MIGRATION TO ICE MORTGAGE TECHNOLOGY'S ENCOMPASS PARTNER CONNECT

LoanLogics, a provider of due diligence, audit software, and automation solutions for the mortgage industry, announced that its LoanBeam technology is now integrated with ICE Mortgage Technology’s Encompass Partner Connect (EPC) integration platform.

“Our migration to EPC ensures that LoanBeam clients continue to receive the innovation and reliability they expect,

but now with faster performance, deeper integration, and a broader reach within ICE Mortgage Technology’s ecosystem,” said Dave Parker, CEO of LoanLogics. “It’s not just a move to a new platform, it’s an upgrade that enables lenders to do more, and more efficiently.”

For nearly a decade, LoanBeam has been used by Encompass users to automate income calculation, document validation, and underwriting package preparation. The new EPC integration delivers the same capabilities, rebuilt on an API-driven foundation.

Through EPC, LoanBeam now supports automated income calculations for a variety of income types and investor styles, direct and automated connection to GSE income rep and warranty programs, an improved user experience, and faster, more stable connections through ICE’s scalable, secure cloud infrastructure. The EPC platform also provides simplified migration through ICE’s modern partner infrastructure, faster delivery of new LoanBeam enhancements without dependency on Encompass SDK updates, and future-proof integration that supports the ongoing digitization of loan processing.

For lenders already using LoanBeam within Encompass, the transition to EPC is designed to be seamless. The enhanced API framework allows clients to maintain their existing workflows while unlocking new automation, scalability, and data-sharing capabilities.

“This migration gives our mutual customers the best of both worlds: the trusted accuracy and automation of LoanBeam, now powered by ICE Mortgage Technology’s next-generation platform,” Parker added. “It represents a clear path forward for lenders seeking efficiency, speed, and scalability in their origination workflows.”

“This integration will allow us to take advantage of LoanBeam’s trusted income calculation and document processing and automation natively within ICE Mortgage Technology’s next-gen-

# “Today’s mortgage market demands speed, accuracy, and a seamless borrower journey.”

—JP Kelly, SVP, MeridianLink Mortgage



eration platform, automating some of the most complex and labor-intensive aspects of loan decisioning,” said Nicole Abraham, COO at Synergy.

## ZEITRO INTRODUCES SCENARIO AI FOR MORTGAGE ORIGINATION

**Z**eitro, a mortgage technology company, announced the availability of Scenario AI, an agentic AI designed to help mortgage professionals evaluate borrower eligibility and compare underwriting guidelines.

Scenario AI brings AI-powered loan programs and eligibility evaluation into the professional mortgage origination workflow, querying thousands of programs simultaneously.

“For mortgage professionals, margin pressure is fundamentally an operational challenge,” said Bochen Wang, CEO of Zeitro. “Scenario AI helps mortgage professionals access borrower eligibility and program fit much more easily, reducing time and effort spent during the entire origination process. This release reflects our focus on applying AI in practical ways that support day-to-day origination workflows.”

Already in use by companies such as GMCC, Googain, and Mega Capital,

Scenario AI is now publicly available to mortgage professionals, supporting a streamlined, evidence-based approach to evaluating borrower eligibility and program fit during the origination process.

## MERIDIANLINK ANNOUNCES INTEGRATION WITH OPTIMAL BLUE

**M**eridianLink, a provider of lending and account opening solutions for financial institutions, announced a relationship to integrate with Optimal Blue, an end-to-end capital markets platform. The integration is designed to extend and strengthen the capabilities of MeridianLink® Mortgage, part of the MeridianLink® One platform, and enable lenders to access Optimal Blue’s product, pricing, and eligibility (PPE) capabilities directly within the MeridianLink solution.

“Today’s mortgage market demands speed, accuracy, and a seamless borrower journey,” said JP Kelly, SVP, MeridianLink Mortgage. “Our integration with Optimal Blue represents another step forward in our mission to deliver innovative technology that empowers lenders to compete effectively in a dynamic environment. Going forward, we will give customers the ability to utilize Optimal Blue’s pricing

intelligence seamlessly from MeridianLink Mortgage.”

Through this integration, lenders using MeridianLink Mortgage will be able to access Optimal Blue PPE’s pricing across thousands of products and more than 150 investors in real time. This connectivity is designed to allow users to streamline loan origination, reduce manual entry and potential errors, manage compliance with investor and agency guidelines, and deliver competitive pricing for every borrower scenario within a single workflow.

“Access to proven, accurate product and pricing information is the foundation of every successful mortgage transaction,” said Mike Vough, SVP of Corporate Strategy at Optimal Blue. “Optimal Blue’s integration with MeridianLink will give lenders using these solutions added confidence that they are delivering the most accurate and competitive options to borrowers, which is essential for building trust and driving the best-possible outcomes for lenders and homebuyers alike.”

## GUILD MORTGAGE SELECTS LOANBEAM NQM TO AUTOMATE INCOME ANALYSIS FOR NON-QM LOANS

**L**oanLogics, a provider of due diligence, audit software, and automation solutions for the mortgage industry, announced that Guild Mortgage (Guild) has selected LoanBeam NQM™ to automate income analysis for its non-qualified mortgage (non-QM) loans.

LoanBeam NQM is designed to convert borrower bank statements into structured, validated data, resulting in lower per-loan processing costs and more accurate data validation, ensuring reliable income calculations. The platform’s built-in quality controls, NSF tracking, and audit trails also work to protect the lender pipeline.

“Non-QM mortgages create greater

# THE 2026 FIVE STAR EVENTS

## MARK YOUR CALENDARS!



### LEGAL LEAGUE SPRING SERVICER SUMMIT

March 25-26, 2026 | The Adolphus  
Dallas, Texas

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.



### 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

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!



### FIVE STAR CONFERENCE & EXPO

September 1-3, 2026  
The Omni Hotel | Dallas, Texas

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.

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potential for lender error due to the unconventional financial profiles of borrowers who don't typically meet standard income, employment, or credit criteria," said Dave Parker, CEO of LoanLogics. "LoanBeam NQM helps manage this complexity by combining AI-powered document processing, human verification, and intelligent income calculation to transform income analysis from a labor-intensive manual task into a fast, accurate, and compliant digital process."

"With the non-QM mortgage segment rapidly growing in popularity, we recognized the need for a cutting-edge technology platform that could automate the complicated task of verifying borrower income via a safe, compliant, and efficient workflow," said Erin Watts, VP Product Strategy, Guild Mortgage. "We look forward to utilizing LoanBeam NQM to offer more opportunity to creditworthy borrowers who may not otherwise qualify for a conventional mortgage."

## FIRST AMERICAN DATA & ANALYTICS' REGSDATA® COMPLIANCE SOLUTION NOW INTEGRATED WITH MERIDIANLINK® MORTGAGE LOS

First American Data & Analytics, a national provider of property-centric information, risk management, and valuation solutions, and a division of First American Financial Corporation, announced that its loan-level regulatory compliance tool, RegsData®, is now integrated into the MeridianLink® Mortgage loan origination system (LOS). This integration provides lenders with access to compliance monitoring directly within the MeridianLink LOS environment, helping ensure loans meet regulatory and investor requirements before closing.

"Compliance is a moving target

# "Compliance is a moving target with rules and requirements constantly evolving at the federal, state, and local levels."

—Jennifer Menard, Senior Director of Product Management,  
First American Data & Analytics



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. "With this integration into MeridianLink, we're delivering convenience, speed, and peace of mind that every loan meets the latest requirements before it closes."

RegsData is an interactive solution that compares loan data against current laws, regulations, and investor guidelines. It alerts users to potential compliance violations and fee calculation issues early in the loan process, allowing lenders to correct issues before the loan is originated.

Key benefits of the integration are reported to 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.

"We're excited to expand our long-standing partnership with First American Data & Analytics," said JP Kelly, SVP of Mortgage, 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."



**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](mailto:FORCE@TheFiveStar.com)

**For More Information, Visit [FiveStarFORCE.com](http://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

## » Government

### FHLBANK ATLANTA ANNOUNCES 2026 AFFORDABLE HOUSING ADVISORY COUNCIL

Federal Home Loan Bank of Atlanta (FHLBank Atlanta) has appointed four new members to its Affordable Housing Advisory Council (Council). The Council consists of 15 representatives who serve three-year terms to advise FHLBank Atlanta on community lending and housing finance needs across its district.

New Council members include:



**Jonathan Brown** (FL)—Director of Housing & Economic Development for Palm Beach County. He oversees eight divisions and

approximately \$200 million in program funding, and leads initiatives on workforce housing, small business development, economic mobility, and community revitalization. Brown served as Community Redevelopment Agency manager and Housing & Community Development manager for the City of Fort Lauderdale, where he administered Housing and Urban Development programs, coordinated Community Development Block Grant and HOME Investment Partnerships Program investments, and advanced redevelopment strategies for historically underserved neighborhoods. He holds a bachelor's degree from Eastern Michigan University.



**Wesley Brooks** (GA)—Deputy commissioner for homeownership at the Georgia Department of Community Affairs and deputy executive

director of the Georgia Housing Finance Authority. He leads Georgia's first-time homeownership initiative, Georgia Dream, providing more than \$100 million in financing to Georgians annually. Brooks holds a bachelor's degree in architecture from Hampton University and a master's degree in city and regional planning from Georgia Institute of Technology. He is a U.S. Army veteran with five years of active-duty and 10 years of reserve service, and he continues to serve as an officer in the U.S. Army Corps of Engineers.



**Molly Hilligoss** (MD)—President and CEO of Habitat for Humanity of Wicomico County. Under her leadership, the Habitat affiliate

expanded to support a record number of first-time homebuyers and completed more than 147 major home repairs. She deepened partnerships with the Social Work Department, Salisbury University's AmeriCorps program, and local organizations. With a strong background in marketing and fundraising, she increased ReStore revenue to more than \$640,000 annually, secured large grant awards such as \$6.1 million for rental and utility assistance during COVID-19, and successfully completed a \$1.8 million capital campaign. Hilligoss holds degrees from Penn State University and the University of Maryland.



**Robert Hazelton** (VA)—Founder and CEO of Dominion Due Diligence Group (D3G). He is experienced in housing

preservation, environmental and engineering analysis, energy and sustainability planning, and compliance across HUD-assisted, Low-Income Housing Tax Credits, Rental Assistance Demonstration, and Federal Housing Administration programs. He oversees thousands of affordable housing transactions annually and has supported public housing authorities nationwide in converting and preserving more than 170,000 units. He is a recognized industry expert, frequent national speaker, and advisor to several housing organizations, including Stewards of Affordable Housing for the Future and the National Leased Housing Association. Hazelton previously served two terms on the Council. He has a bachelor's degree from Bucknell University and completed executive studies at the Harvard Kennedy School.

Reappointed Council members include:



**Althea Broughton** (GA)—Partner in the Real Estate Practice of Arnall Golden Gregory LLP. She has held several leadership roles at the firm,

including as the former co-chair of the Real Estate practice and the Affordable Housing industry team, and as the former Hiring Partner. She is a leading practitioner in real estate law, representing developers, owners, and governmental agencies in structuring complex commercial real estate transactions, including affordable

housing and community development. Althea was recently named to The Atlanta 500 for the fifth time and the 2014 National CREW (Commercial Real Estate Women) Impact Award winner for Economic and Community Improvement. She currently serves as the chair of the Board of Directors of the Atlanta Community Food Bank and has been widely recognized by several industry organizations for her service and contributions to affordable housing. Ms. Broughton earned a bachelor's degree from Emory University and a juris doctor from the University of Virginia School of Law.

**Dewayne Alford (SC)**—Currently serves as the Executive Director and Chief Executive Officer (CEO) of the Housing Authority of Rock Hill in Rock Hill, South Carolina. His leadership includes the creation of a nonprofit organization focused on expanding affordable housing opportunities and advancing comprehensive economic development, which has resulted in substantial rehabilitation and preservation of affordable housing within the community. He brings more than 32 years of experience in the affordable housing and community development industry, and he currently serves as a board member of the Carolinas Council of Housing and Redevelopment and Codes Officials and is a former board member of the United Way of York County (SC). Previously, he held several leadership roles with the Virginia Association of Housing and Community Development Officials, including President and board member. His experience includes the use of a broad range of funding sources, including Low-Income Housing Tax Credits, Community Development Block Grant (CDBG), HOME funds, Multifamily Tax-Exempt Bonds, Housing Choice Vouchers, Public Housing Operating funds, Capital Fund Program funds, and the Rental Assistance Demonstration (RAD) program. Alford graduated cum laude from North Carolina A&T University with a bachelor's degree in

accounting. He is a combat veteran of the United States Army.

Reggie O'Shields, President and CEO of FHLBank Atlanta, said, "We appreciate the insights and breadth of experience among this dedicated set of leaders as we fulfill an important part of our mission in advancing affordable housing and community development across the Southeast."

### » Lenders/Serviceers

#### BETTER HOME & FINANCE HOLDING COMPANY WELCOMES BARRY FEIERSTEIN AS COO



Better Home & Finance Holding Company announced the appointment of **Barry Feierstein** as Better's Chief Operating Officer (COO). Feierstein will oversee Better's core Corporate Operations to help drive alignment and efficiency across the organization.

"We're thrilled to have Barry on board as Better's new COO. His background brings a rare combination of entrepreneurial spirit and operational discipline that will strengthen Better's leadership team as we scale the company in 2026," said Vishal Garg, CEO and Founder of Better. "During this pivotal moment of growth, Barry will play a critical role in driving the execution of our strategic business plans by building fast-moving and efficient organization."

Feierstein brings over 30 years of deep experience in leading and scaling operations across private and public companies in residential housing finance, small business lending, student lending, and higher education sectors.

"Throughout my career, I've focused on guiding companies through high-growth transformation. My experience has reinforced the belief that meaningful change is made possible when leadership up and down the or-

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“My experience has reinforced the belief that meaningful change is made possible when leadership up and down the organization is aligned around the same vision.”

—Barry Feierstein,  
Chief Operating Officer, Better Home &  
Finance Holding Company

ganization is aligned around the same vision,” said Barry Feierstein, COO of Better. “I look forward to bringing that mindset to Better as the team scales our AI-powered platform and builds the future of homeownership.”

Feierstein will partner closely with the executive team to support Better’s continued evolution into the nation’s leading AI-native home finance company. In his role, he’ll streamline the organization and translate strategic priorities into clear operational plans that support long-term growth.

Before joining the company, Feierstein served as COO of Hamilton Insurance Agency, an insurance broker and benefits administration provider, from January 2025 until December 2025, where he led a strategic review that culminated in the sale of the company to NFP, a division of AON.

From March 2024 until December 2025, he served as Founding COO of Open Castle, Inc., a global credit facilitation platform, where he will maintain a role as a strategic advisor. Feierstein served as COO of EasyKnock, Inc., a residential real estate finance company, from January 2021 until September 2024, and as a transitional advisor from February 2024 to September 2024. He also served as Chief Business Operating Officer of the University of Phoenix (a business unit of Apollo Education Group) and then as the Chief Commercial Officer of Apollo Education Group. Feierstein previously held positions at SLM Corporation (formerly Sallie Mae, Inc.), an education solutions company, including managing its private credit business and then as its EVP of Sales and Marketing. Early in his career, he spent five years at McKinsey & Company, a management consulting firm.

Feierstein holds a B.A., summa cum laude, from Tufts University and an MBA from Harvard Business School.

## FINANCE OF AMERICA APPOINTS ANGELA TRIBELLI AS CHIEF MARKETING OFFICER



Finance of America (FOA), a provider of home-equity-based financing solutions for modern retirement, announced the appointment of

**Angela Tribelli** as Chief Marketing Officer. Tribelli will report to FOA President Kristen Sieffert and will be based in New York.

In this role, Tribelli will oversee FOA’s brand, communications, and growth marketing strategy, helping scale the company’s reach and sharpen how its solutions are positioned across consumers, advisors, and partners.

“We are building a platform defined by scale, innovation, and a deep responsibility to the fastest-growing demographic in the country, and Angela is the rare leader whose career has been dedicated to helping organizations modernize, transform, and meet consumers where they are,” said Kristen Sieffert, President of FOA. “Her expertise in reshaping brands, architecting digital engagement, and driving growth across some of the world’s most influential media and consumer companies will be invaluable as we advance our mission: educating consumers and advisors on the strategic role home equity can play in retirement and expanding access to responsible solutions that empower more Americans to age in place with confidence.”

Tribelli brings more than 25 years of experience leading high-impact marketing and digital strategy initiatives, with a track record of modernizing brands, scaling audiences, and driving growth in complex, multi-platform businesses.

“Home equity remains one of the most underutilized assets in retirement, and Finance of America is helping change that through education, transparency, and innovation,” said Angela Tribelli, Chief Marketing Officer. “As

Americans rethink how they fund retirement, FOA is uniquely positioned to lead the shift in how home equity is understood and responsibly used. I'm excited to help expand awareness, strengthen trust, and support more households in unlocking the freedom their home equity could provide."

Most recently, Tribelli served as Global Head of Consumer Marketing and Growth at Bloomberg Media, where she led full-funnel growth strategy, performance and product marketing, subscriber engagement, and cross-platform go-to-market execution across Bloomberg's digital and OTT brands. Previously, she was SVP of Performance Marketing at AMC Networks, where she helped launch and rapidly scale AMC+ across distribution partners and direct-to-consumer channels.

Earlier in her career, Tribelli served as Chief Marketing Officer at Food52, guiding brand and growth marketing for the category-defining kitchen and home e-commerce platform, and as Chief Marketing Officer at HarperCollins Publishers, where she oversaw global marketing strategy and digital product development for one of the world's largest consumer book publishers. She also held senior digital leadership roles at NYC & Company, New York City's official marketing, tourism, and partnerships organization.

Tribelli serves on the Board of Trustees at the Brooklyn Children's Museum. She holds a B.A. from Columbia University and an MBA in finance from The Wharton School of the University of Pennsylvania.

## GERSHMAN MORTGAGE PROMOTES FOUR TO OFFICER ROLES



HELMERICH

Gershman Mortgage, an independent mortgage lender focused on on-time closings, announced the promotion of four employees to officer



MOSER



JETT



ORTINAU

roles in recognition of their leadership, performance, and commitment to customer service. **Ben Helmerich** and **Amber Moser** have been named Vice Presidents. **Courtney Jett** and **Matt Ortinau** have been promoted to Assistant Vice President roles.

Helmerich is a residential loan officer at the company's Benton, Kentucky, location and joined Gershman Mortgage in 2021. He is recognized for his strong market knowledge and his commitment to working with borrowers as they navigate buying a home in his area.

Moser is a residential loan officer based in Gershman Mortgage's Northwest Arkansas location and has been with the company since 2022. She has more than five years of industry experience and is known for her dedication to guiding borrowers through the homebuying process.

Jett has been with Gershman Mortgage since 2017 and works in the Compliance department at the company's corporate headquarters. Ortinau joined Gershman Mortgage in 2015 and works in Disclosures at the same location.

"These promotions reflect the dedication each of them brings to Gershman Mortgage," said Adam Mason, President of the Single-Family Division at Gershman Mortgage. "Amber, Ben, Courtney, and Matt live out our core values every day through their honesty, integrity, and commitment to putting customers first. Whether they are working directly with borrowers or supporting the systems and processes that protect them, each plays a critical role in helping families and communities achieve homeownership. We're excited to see their continued impact across the company."

## » Service Providers

### PMSI PROMOTES VETERAN MORTGAGE BANKING EXECUTIVE JEFF CHOI TO COO



PMSI announced the promotion of mortgage banking industry veteran **Jeff Choi** to the position of Chief Operating Officer after serving as SVP of Strategic Operations since 2024. This promotion represents PMSI's ongoing commitment to growth and promoting leaders from within the organization.

Choi has previously distinguished himself at PMSI as SVP of Strategic Operations. He also served as Senior Director for Core Servicing at Lima One Capital and has been a key player at Sierra Pacific Mortgage Company, Rushmore Loan Management Services, and PenFed Credit Union. He holds an MBA from the Cox School of Business at Southern Methodist University.

"PMSI is thrilled to bring Jeff into his new position as Chief Operating Officer," PMSI CEO Daniel Thompson said. "Jeff's outstanding record at multiple leading banking organizations, and his impressive tenure here at PMSI, make him an ideal fit to shape our strategy as we continue to meet the highest standards in investor reporting."

### WESTCOR NAMES CENTRAL AREA MANAGER



Westcor Land Title Insurance Co. promoted **Angela Fling** to SVP and Central Area Manager. In this new role, Fling will oversee Westcor's operations and drive the underwriter's commitment to innovation and excellence in the title insurance industry.

“Angela’s compassionate leadership and deep experience driving results equip her well to take on the greater challenge of pursuing aggressive growth for our company,” said Steve Black, President and COO at Westcor. “I’m confident that she will bring to this expanded role the same strategic vision and passion that has defined her career.”

Fling discovered her passion for the title insurance industry after five years in the oil and gas sector, working for a third-party inspection service company. She transitioned into title insurance in 2003, spending nearly 16 years with a national underwriter before joining Westcor in 2019. Her career has spanned roles in compliance, sales, and management.

Fling most recently served as Westcor’s South Central States Region Manager, overseeing operations across Texas, Arkansas, Oklahoma, Louisiana, and New Mexico. Her primary responsibilities included strategic problem-solving, agent education, customer service, and fostering agency success. She was promoted to that role in 2020 as part of Westcor’s strategic growth initiative.

## STEWART ANNOUNCES MATT ORLANDO AS PRESIDENT OF INFORMATIVE RESEARCH



Stewart Information Services Corporation announced that **Matt Orlando** has been named President of Informative Research (IR), a provider of

credit, consumer, and real estate data and technology services. Orlando will lead IR’s growth strategy and product development as part of Stewart’s vision to create a comprehensive, customer-focused real estate services platform.

“Matt’s leadership and deep industry expertise will accelerate IR’s ability to deliver innovative solutions

that empower lenders and real estate professionals,” said Fred Eppinger, Chief Executive Officer of Stewart. “IR is a critical part of our vision to provide an end-to-end platform that combines data, technology, and services for superior performance and ease of use across the transaction lifecycle.”

Informative Research serves customers nationwide, offering solutions to streamline the loan cycle for lenders and real estate professionals.

“Over the past seven-plus years, Matt has been instrumental in building relationships with IR’s customers to truly understand their needs,” Beth Fowler said, President of Stewart Lender Services. “His ability to combine strategic vision with operational excellence will be instrumental as IR continues to innovate and deliver value to our customers. I’d also like to thank Sean Buckner for his more than 40 years of service and leadership with Informative Research and wish him all the best with his retirement.”

“At IR, we believe efficiency and customization of data and analytics are keys to success in lending,” said Orlando. “Our high-touch, high-tech approach and highly configurable platform empower lenders to optimize consumer data strategies, reduce costs, and deliver the ideal borrower experience. I’m excited to lead IR during this pivotal time in our industry, and into the next chapter as we continue to innovate and help our customers succeed.”

Orlando holds a Juris Doctorate from Saint Louis University School of Law and a bachelor’s in business/finance from the University of Missouri. Orlando has been with IR since 2019 and took over as Chief Experience Officer after Stewart’s acquisition of the company in 2021.

## MISMO ANNOUNCES 2026 BOARD OF DIRECTORS



MISMO®, the real estate finance industry’s standards organization, announced its 2026 Board of Directors, reflecting a strong roster of mortgage industry leaders aligned to address critical issues and trends facing the mortgage industry, including artificial intelligence, digitization, and regulatory complexity.

Incoming 2026 MISMO Board Members include:

- **Matt VanFossen**, CEO, Absolute Home and Mortgage Automation Technologies
- **Courtney Thompson**, EVP Servicing, CMG Financial
- **Jay Kingsley**, President, Cotality
- **Greg McElroy**, Managing Director, COO, Amerihome Mortgage Company
- **David Neylan**, President & COO, Guild Mortgage
- **Leslie Peeler**, EVP & COO, Cenlar FSB
- **Todd McGowan**, President, Lender Division, First American

MISMO also thanked outgoing Board members Sage Nichols, Cotality, and Kurt Johnson, Mr. Cooper, for their leadership and service, noting that their contributions significantly advanced MISMO’s mission and strengthened industry collaboration.

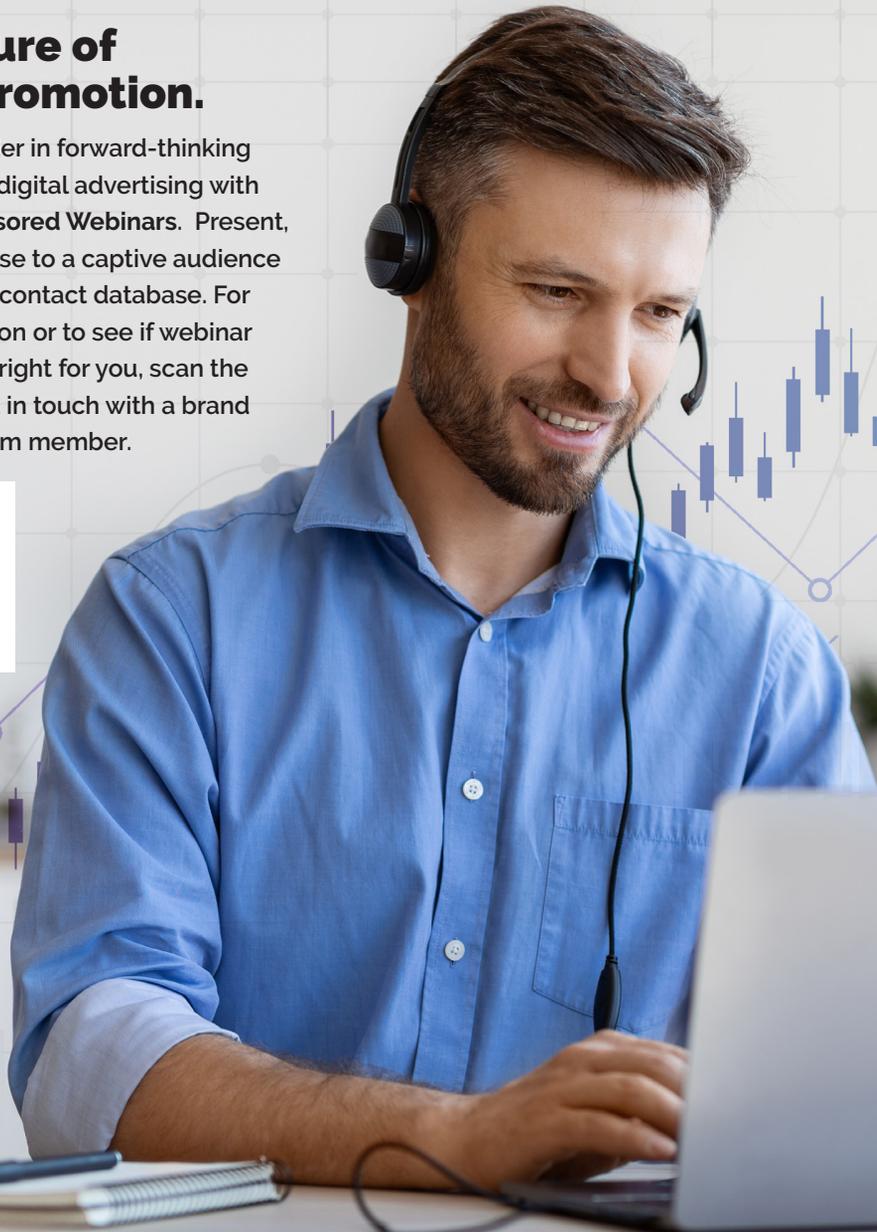


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“MISMO exists by the industry and for the industry, and that model only works because of leaders who step forward to serve,” said Brian Vieaux, MISMO President. “These new Board leaders bring broad expertise across origination, servicing, capital markets, compliance, data, and technology, all of which are critical as MISMO continues to advance standards supporting automation, AI readiness, and interoperability.”

Vieaux added, “Sage Nichols and Kurt Johnson brought dedication, insight, and a deep commitment to advancing industry standards. We are grateful for their lasting contributions and look ahead with confidence as new Board members build on the strong foundation they helped create.”

## ARDÁN, INC. ANNOUNCES KEVIN KOON-KOON AS CHIEF INNOVATION OFFICER



Ardán, Inc. has announced that **Kevin Koon-Koon** is rejoining the organization as Chief Innovation Officer. In this role, Koon-Koon

will lead enterprise technology strategy, software engineering, agent-facing products, and both existing and new technology initiatives.

“Kevin’s leadership will help bring together our technology assets, modernize our platforms, and identify new opportunities where innovation can drive both efficiency and revenue,” said Terry Wright, CEO. “I am confident his enterprise vision provides a strong foundation for the next chapter of our technology evolution.”

Koon-Koon brings more than two decades of experience in title insurance, real estate technology, and enterprise transformation. He is known for building platforms that simplify complex workflows, improve the agent experience, and connect data, automation, and underwriting discipline to

real-world business outcomes. His work bridges strategy and execution, aligning technology with revenue growth and operational efficiency.

Earlier in his career with the Ardán Family of Companies, Koon-Koon played a key role in architecting and launching core technology platforms, including GridBase, a universal API designed to enable seamless collaboration between lenders and title agents. He also led the digital transformation of the Westcor Store, revolutionizing the experience for Westcor Land Title Insurance Company agents by bringing a comprehensive suite of tools, resources, and technology products together on a single, unified digital platform. These initiatives continue to serve as foundational elements of Ardán’s technology ecosystem.

In this role as Chief Innovation Officer, Koon-Koon will build the next generation of technology that supports the Ardán Family of Companies’ underwriting, agent services, and operational growth.

## OPTIMAL BLUE NAMES CHIEF FINANCIAL OFFICER AND CHIEF REVENUE OFFICER



Optimal Blue announced the promotion of **Lanny Rogers III, CPA**, to Chief Financial Officer (CFO) and **Jeremy Moreno** to Chief Revenue Officer (CRO). Their combined experience and long track records of leadership position the company to advance its next stage

of growth and client success with a dedicated financial strategy function and strengthened revenue oversight.

Rogers’ promotion to CFO reflects the company’s continued growth and investment in financial strategy as the

business expands. As CFO, he will guide financial planning, forecasting, capital allocation, and financial diligence on acquisitions, helping ensure the company grows with the discipline, visibility, and long-term thinking required of a market leader.

“As we have continued to experience exponential growth and expansion, Lanny has been central to strengthening the financial nimbleness of our business,” said Joe Tyrrell, CEO of Optimal Blue. “He brings clarity to complex decisions, balances discipline with pragmatism, and understands the financial considerations that shape every part of our operations. He has already been helping steer our financial direction, and this role formalizes his leadership as we continue to scale responsibly to continue bringing new innovation and value to our clients.”

Rogers first joined Optimal Blue in 2017 as an Accounting Manager and advanced to Division Controller in 2022 before being promoted to VP of Accounting in 2023—his most recent role. A certified public accountant with deep expertise in financial operations, forecasting, and organizational governance, he brings a collaborative approach and a steady, practical perspective to financial leadership across the company.

As CRO, Moreno will lead the company’s unified revenue and client retention function, with a focus on aligning ongoing client success, client acquisition, and long-term relationship growth. His leadership brings greater cohesion across the client lifecycle and prepares Optimal Blue to respond to shifting market dynamics with agility and clarity.

“Optimal Blue had a record year in 2025 for both adding new clients and expanding relationships with our existing clients. As we continue to prioritize our current and future clients’ success across all aspects of our business, Jeremy’s leadership in the CRO function creates a unified team dedicated to this essential function,” Tyrrell said. “Jeremy has a track record of focusing on the needs of our clients and driving predictable, long-term growth for

**“He brings clarity to complex decisions, balances discipline with pragmatism, and understands the financial considerations that shape every part of our operations. He has already been helping steer our financial direction, and this role formalizes his leadership as we continue to scale responsibly to continue bringing new innovation and value to our clients.”**

—Joe Tyrrell, CEO, Optimal Blue



Optimal Blue, and he is the right leader to further align our strategies around client retention.”

Moreno has been part of Optimal Blue for more than a decade, most recently serving as vice president of sales, where he led acquisition strategies and supported relationship growth initiatives for lenders and partners nationwide. His experience spans operations, client services, training, and retention, giving him deep insight into how customers use the company’s platform and where they need support as markets evolve.

#### SERVICELINK PROMOTES EXPERIENCED DEFAULT SERVICES LEADER MATT ROGINA



ServiceLink has promoted default mortgage veteran **Matt Rogina** to SVP, Sales Manager.

In this role, Rogina will assist with the management and development of the default sales team and further expand the success of the ServiceLink suite of solutions, which includes auction, field services, valuations, REO asset management, attorney/servicer reporting solutions, title, and closing.

Rogina has been with the Fidelity National Financial family of companies for more than 28 years, during which he has held numerous operational and leadership roles, with the last 15 years dedicated to ServiceLink’s default sales team. His experience extends from foreclosure to client implementations, special assets, and customer and attorney relations.

#### FIRSTCLOSE APPOINTS ALEX SIRPIS AS VP OF SALES



FirstClose, a fintech provider of data and workflow solutions for mortgage and home equity lenders nationwide, announced the appointment of Alex Sirpis as VP of Sales. In this role, Sirpis will lead the company’s sales organization, refine the go-to-market strategy, and drive revenue growth as FirstClose continues expanding its presence with mortgage and home equity lenders across the country.

Based in Alexandria, Virginia, Sirpis will oversee national sales initiatives, mentor and develop a growing team of sales professionals, and work closely with the executive leadership team to deepen relationships with lenders and strategic partners. His focus will include aligning sales execution with FirstClose’s product roadmap and client success goals to further accelerate adoption of the company’s technology platform.

“Alex has spent more than 25 years leading sales organizations at some of the most recognizable brands in mortgage technology,” said Tedd Smith, co-founder and CEO of FirstClose. “He has repeatedly grown production in competitive markets, led dispersed sales teams through major technology rollouts and restructuring efforts, and elevated performance across organizations. We’re excited to bring his experience in enterprise relationship management and sales execution to FirstClose as we continue to scale.”

Sirpis joins FirstClose with a long record of driving revenue growth and improving sales performance at com-

panies undergoing rapid expansion. At nCino, he directed national relationship-management strategies for financial institutions and supported the company's continued growth following its acquisition of SimpleNexus. During his tenure at SimpleNexus, he worked with enterprise lenders to expand the adoption of digital mortgage and home equity technology, helping teams streamline workflows, and increase user engagement.

Before that, Sirpis served as VP of Sales at LoanLogics and spent more than five years at Ellie Mae, where he managed enterprise accounts across the Northeast and helped drive retention and expansion among high-volume lenders. Earlier in his career, he led regional and national sales organizations at CARFAX, Prosperity Home Mortgage/Long & Foster Companies, and Wachovia Bank, where he managed multi-state teams, opened new sales offices, and consistently exceeded production goals. His leadership teams earned multiple President's Club and Circle of Excellence honors during his tenure.

"I've spent my career helping lenders adopt technology that improves the borrower experience and strengthens

operational performance," Sirpis said. "FirstClose is solving real challenges in home equity and mortgage lending, and I'm excited to help scale a platform that gives lenders the speed and efficiency today's market demands."

### » Trade Associations

#### ALEXANDRA BRINTON JOINS MBA AS VP, CHIEF FINANCIAL OFFICER



The Mortgage Bankers Association (MBA) announced that **Alexandra Brinton** has joined the association as VP, Chief Financial

Officer (CFO). Brinton will oversee MBA's managerial accounting and financial operations, including financial reporting, budgeting, forecasting, and risk management.

"I am excited to welcome Alexandra to MBA. Her proven track record of

strengthening associations and organizations through thoughtful, disciplined financial leadership makes her an excellent addition to our team," said Peter J. Grace, MBA's Chief Administrative Officer and SVP of Industry Education and Technology. "She brings a strategic mindset, strong operational rigor, and a collaborative, solutions-oriented approach that will be a real asset to our association as we further strengthen our financial operations in today's market environment."

Brinton, a Certified Public Accountant (CPA), brings more than 20 years of accounting and financial management experience working at various for-profit and nonprofit organizations. She comes to MBA from the American Association of Airport Executives, where she served as Controller. Prior to that, she served as Controller at NCTA – The Internet & Television Association, The Conservation Fund, and at InterAction. Earlier in her career, she served as the Associate Director of Finance at the Eurasia Group.

Brinton holds a Master of Science in taxation and a bachelor's degree in accounting from Florida International University.

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# BEYOND THE CITY LIMITS

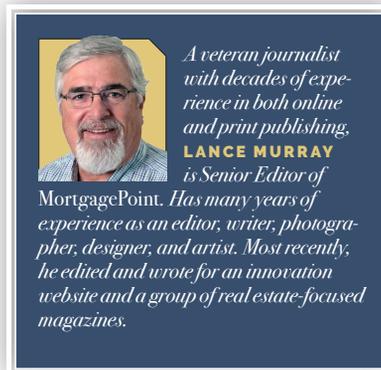
With rural lending in the spotlight and some homebuyers trading density for distance, here's how federal lending and liquidity programs are rising to their aid.

By LANCE MURRAY

Rural America encompasses vast tracts of land, inhabited by a relatively small share of the nation's population, but its role in the U.S. housing market is growing more consequential. As affordability pressures, remote work, and lifestyle shifts push buyers beyond metropolitan cores, demand in rural communities is rising, even as the financing challenges unique to those markets remain acute.

According to the U.S. Census Bureau, roughly 97% of America's landmass is classified as rural, yet fewer than 20% of Americans—about 66 to 67 million people—live there. That imbalance creates both opportunity and friction: while rural markets often offer lower entry prices and space unavailable in cities, they also face limited housing stock, fewer lenders, and underwriting constraints that conventional mortgage channels are not always equipped to address.

Recent data underscores that shift. Realtor.com reports that rural counties have experienced home price growth that has far outpaced many urban centers. From November 2019 to November 2025, median listing prices in rural areas rose more than 70%, compared with just over 30% in metro counties, reversing decades-long trends of population and investment flowing mostly toward cities.



As rural housing demand accelerates, federal housing finance programs are increasingly serving as both stabilizers and enablers of homeownership. For many borrowers, that support begins with the U.S. Department of Agriculture, whose Rural Housing Service provides zero-down mortgage options tailored to low- and moderate-income buyers in eligible communities. But sustaining rural homeownership at scale also requires liquidity beyond origination. This is where Farmer Mac plays a critical, and often less visible, role by supporting lenders and expanding access to credit across agricultural and rural housing markets.

Together, USDA and Farmer Mac form a framework that underpins rural housing finance, ranging from helping

individual families purchase homes to ensuring lenders have the capital and flexibility needed to serve America's least dense markets. To better understand how these programs function in today's high-rate, high-cost environment, *MortgagePoint* spoke with representatives from both agencies about demand trends, affordability challenges, and the future of rural homeownership.

## USDA: The Front Door to Rural Homeownership

To buy their homes, many rural Americans rely on programs from the U.S. Department of Agriculture.

The USDA loan program traces its history to the New Deal's Bankhead-Jones Farm Tenant Act of 1937, which sought to help tenant farmers buy farms. It evolved greatly with the Housing Act of 1949 to provide affordable rural housing after World War II.

It expanded beyond farmers to encompass all low-to-moderate-income rural Americans. Now, it is administered by the Rural Housing Service (RHS) to create thriving rural communities by offering 100% financing for homes in eligible areas.

The Housing Act of 1949 made it a national goal for decent housing for all Americans and led to Title V. That authorized USDA loans and grants for farmers

**While rural markets often offer lower entry prices and space unavailable in cities, they also face limited housing stock, fewer lenders, and underwriting constraints that conventional mortgage channels are not always equipped to address.**



# “Well-built, affordable housing is essential to the vitality of communities in Rural America. Rural Development’s Housing Programs provide financing for families and individuals buying, building, or repairing affordable houses in Rural America.”

—USDA Rural Development



and rural residents to build or repair homes and established the foundation for the modern housing program.

Throughout the years, the agencies evolved and eventually restructured into the USDA’s Rural Development (RD) mission area, with housing programs now under the Rural Housing Service (RHS).

Here are the agency’s key program types:

- **Direct Loans:** These are for very low- to low-income applicants, often with grants for health/safety improvements.
- **Guaranteed Loans:** Backed by the federal government but funded by private lenders, these loans enable low-to-moderate-income families in eligible rural areas to get 100% financing with no down payment.

*MortgagePoint* asked the USDA to explain how it helps rural residents attain the dream of homeownership.

**Q:** Why is the USDA Rural Mortgage Loans program so important to American homebuyers?

Well-built, affordable housing is essential to the vitality of communities in Rural America. Rural Development’s Housing Programs provide financing for families and individuals buying, building, or repairing affordable houses in Rural America.

USDA Rural Development has two main programs to support rural housing:

### **Single-Family Housing Guaranteed Loan Program**

Through the Single-Family Guaranteed Loan Program (SFHGLP), low- and moderate-income borrowers work with approved lenders to purchase a home. The program provides a 90% loan note guarantee to approved lenders to reduce the risk of extending 100% loans to eligible rural homebuyers, which means there is no down payment requirement for those who qualify.

### **Single-Family Housing Direct Program**

Through the Single-Family Housing Direct Loan Program (SFHDLP), USDA offers fixed-interest mortgage loans to low- and very low-income people who cannot get loans elsewhere. Funds may be used to purchase, build, renovate, or repair a home. Applicants may be eligible for 100% financing, and loans are for up to 33 years. Interest rates are below market and determined so that a family pays 22–26% of their income for principal, interest, taxes, and insurance. In some cases, applicants may qualify for payment assistance—a temporary subsidy—to help increase their repayment ability.

**Q:** How many Americans could benefit from the program?

Millions of Americans live in Rural America, and many meet the requirements of our housing programs. A number of factors are considered when determining an applicant’s eligibility. Each program we offer has different requirements. All our rural housing loan

programs have income limits for the area where they wish to buy a house, and they must be willing and able to repay debt.

**Q:** How has demand for USDA loans shifted over the past 12–24 months, especially in the current high-rate environment?

The USDA Rural Development’s Single-Family Housing Guaranteed Loan Program portfolio has \$106 billion in outstanding loan balances serving over 850,000 homes in Rural America.

For many years, USDA Rural Development has had more applicants for the Single-Family Housing Direct Program than it has funds to distribute, and this year is no different. As the average price for a modest home skyrocketed between 2020 and 2024, our funding was more quickly exhausted. We continue to accept applications; however, currently there is a one- to two-year wait for the program.

Alternatively, we encourage borrowers to finance with the Single-Family Housing Guaranteed Loan Program. More details about this program can

be found at [rd.usda.gov/programs-services/single-family-housing-programs/single-family-housing-guaranteed-loan-program](http://rd.usda.gov/programs-services/single-family-housing-programs/single-family-housing-guaranteed-loan-program).

**Q:** Do you see more first-time homebuyers turning to USDA as other affordability pathways narrow?

More than 90% of our borrowers are first-time homebuyers.

**Q:** Which rural markets today are showing the strongest—and weakest—homeownership trends, and why?

The rural markets showing the strongest growth are Louisiana, Puerto Rico, and Guam. The rural markets with slowing trends are Missouri, North Carolina, and Michigan.

**Q:** What demographic or migration trends are influencing rural lending demand right now?

Our programs are available in all 50 states and U.S. territories. The Guaranteed Loan Program is administered at the national level; however, the Direct Loan Program is administered at the state level. Local staff are available at our local office to help answer any housing questions. You can find a local office near you at [rd.usda.gov/about-rd/offices/state-offices](http://rd.usda.gov/about-rd/offices/state-offices).

**Q:** How does the USDA Rural Mortgage Loans program differ from conventional home borrowing and from FHA loans?

There are several differences between our programs and conventional or FHA programs. Rural housing loan programs promote homeownership specifically for Rural America. We also have different eligibility requirements and income limits. We offer 0% down payments and lower guaranteed fees (Guaranteed program) and payment assistance (Direct program).

**Q:** Do today's definitions of "rural" still make sense, given modern commuting patterns and remote work trends?

Rural areas are determined by law and reviewed every five years. For USDA's single-family housing, communities are generally under 20,000 (with some exceptions that allow communities to be grandfathered up to 35,000).

Rural America faces unique challenges, including the lack of adequate housing, access to affordable credit, and availability of housing-related services (such as appraisers, contractors, etc.), often because homes are infrequently built in these more remote areas.

USDA has been making strides in digital modernization. What improvements have lenders felt on the ground?

The Single-Family Housing Guaranteed Loan Program is the only federal housing program with a full-service automated underwriting system known as the Guaranteed Underwriting System (GUS).

**Q:** How effective is USDA's zero-down structure in addressing today's affordability crisis?

The USDA Rural Development zero-down structure for the Guaranteed Loan Program is very effective. It is the only federal loan program for 100% financing of rural properties, making it a premier option for Rural Americans.

**Q:** What role do you believe USDA loans play in helping borrowers build generational wealth in rural areas?

Rural Development loans offer a pathway to homeownership for those who may not otherwise have access to it. Decent, affordable housing helps stabilize Rural America's housing stock, and homeownership helps promote generational wealth-building through home equity for rural borrowers.

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Through our work, we help strengthen the economic framework that supports rural America and enables families, businesses, and entire communities to thrive.”



—Zachary Carpenter,  
President and COO,  
Farmer Mac

**Q:** Are current income limits and eligibility requirements aligned with the real affordability challenges rural families face?

Guaranteed Loan Program borrowers must meet our income-eligibility requirements and cannot exceed 115% of the median household income. Income limits are set by Congressional statute, and Rural Development is required to follow them.

**Q:** What should policymakers understand about the unique economics of building in rural America?

Rural America faces many unique housing challenges, including a lack of builders in these remote areas and increased transportation costs for building materials, both of which can increase the cost of building new homes in rural areas.



#### Farmer Mac Offers Rural Americans More Options

**I**n rural America, life for farmers and others in agriculture can be volatile, unpredictable, and hard.

“The farmer has to be an optimist, or he wouldn't still be a farmer,” American humorist Will Rogers once famously said.

To help keep credit available and affordable in rural America, Farmer Mac—officially the Federal Agricultural Mortgage Corp.—is important because it provides liquidity to rural lenders and gives back cash that allows them to make more loans to farmers, ranchers, rural homeowners, and agribusiness.

To do that, Farmer Mac buys and guarantees agricultural and rural loans, or the securities backed by them.

Farmer Mac supports farmers and ranchers directly by helping to finance:

- Farm and ranch land purchases
- Agricultural equipment and infrastructure
- Operating loans

- Loans for young, beginning, and small farmers

Without Farmer Mac, many of those borrowers likely would face higher interest rates or fewer lending options.

We asked Farmer Mac to answer a few questions to help tell its story. Zachary Carpenter, President and COO, and Jackson Takach, Chief Economist & VP—Head of Farm & Ranch, provided the answers:

**Q:** Why is Farmer Mac so important to Rural America?

**Carpenter:** As a financial services firm and Government-Sponsored Enterprise, Farmer Mac is dedicated to our mission to increase the accessibility of financing to provide vital liquidity for American agriculture and rural infrastructure to help build a vibrant and strong rural America. Through our work, we help strengthen the economic framework that supports rural America and enables families, businesses, and entire communities to thrive.

**Q:** How many Americans benefit each year from Farmer Mac's services?

**Carpenter:** The number varies year by year based on demand for capital in rural America. However, tens of thousands of Americans benefit on average each year through our various lines of business. From the hundreds of rural housing loans we purchase or guarantee on average, to the thousands of farmland mortgages, to the tens of thousands of rural homes that receive electricity from projects we finance or internet through fiber projects we helped capitalize.

**Q:** How has demand for Farmer Mac loans shifted over the past 12–24 months, especially in the current high-rate environment?

**Takach:** Demand for Farmer Mac loans has evolved significantly over the past couple of years. For farm and ranch loans, demand has picked up consider-

ably as elevated input costs and weaker commodity prices have weighed on producer working capital. Meanwhile, demand in other lines of business has remained robust as power and utilities, broadband infrastructure, and renewable energy projects continue to be critical investments across rural America.

**Q:** Do you see more homebuyers turning to Farmer Mac in rural America as other affordability pathways narrow?

**Takach:** There has not been a noticeable shift in rural housing loans or farming homestead loans that Farmer Mac has purchased or committed to purchase over the past several years. However, this program continues to work well for lenders who want to offer homebuyers an alternative financing option when buying a home and property that may not qualify for other secondary market buyers.

**Q:** Which rural markets today are showing the strongest—and weakest—homeownership trends, and why?

**Takach:** There are no discernible trends in our rural home purchasing program. There was a meaningful outflow during the pandemic of residents leaving urban areas and moving to more rural areas. This trend has slowed relative to peak activity. Still, the continued rollout of fiber and enhanced infrastructure across rural America, which Farmer Mac also helps finance, has improved the ability of residents to move to more rural areas of the country and remain connected to friends, family, and economic opportunity.

**Q:** How do Farmer Mac's programs differ from conventional home borrowing and from FHA loans, and how closely do you work with USDA to facilitate homeownership?

**Takach:** Rural housing loans that are purchased by Farmer Mac tend not

to qualify for other secondary market buyers. Fannie Mae, Freddie Mac, and other lenders (primary or secondary) tend to have restrictions on rural properties used primarily for income-producing farming, ranching, or commercial enterprises, or have significant acreage of undeveloped land.

**Q:** What role do you believe Farmer Mac loans play in helping borrowers build generational wealth in rural areas?

**Carpenter:** For several decades, Farmer Mac has worked with lenders across America to provide liquidity for capital and risk management. In doing so, these originators have been able to work directly with borrowers and offer an enhanced set of lending solutions. In thousands of these situations, Farmer Mac has provided a source of capital that has helped both the borrower and lender be successful. Over the decades, Farmer Mac's presence has enhanced the financial success of these borrowers.

**Q:** Beyond farm and ranch land purchases, what other services does Farmer Mac offer?

**Carpenter:** We offer a wide range of solutions to help meet financial institutions' growth, liquidity, risk management, and capital relief needs, as well as unique and competitive products that support their borrowers across diverse markets, including agriculture, agribusiness, broadband infrastructure, power and utilities, and renewable energy.

#### A Complementary Framework

As rural housing demand continues to evolve, the path to sustainable homeownership in America's least dense markets depends on more than a single program or institution. It requires a system that can meet borrowers at the point of purchase while also ensuring lenders have the confidence, capital, and flexibility to serve communities where housing markets function differently than in urban centers.

USDA and Farmer Mac occupy distinct but complementary roles within that system. Together, these two institutions help stabilize rural housing markets, expand access to credit, and support long-term investment in rural communities. As affordability pressures persist and migration patterns continue to shift, their combined efforts will remain central to ensuring that rural homeownership is both attainable and sustainable for the generations that follow. **MP**

★★★★★

“... this program continues to work well for lenders who want to offer homebuyers an alternative financing option when buying a home and property that may not qualify for other secondary market buyers.”



— Jackson Takach,  
Chief Economist &  
VP—Head of Farm &  
Ranch

# PRICED FOR YESTERDAY

Rising numbers of delistings reveal a widening gap between sellers' memories and buyers' reality.

By PHIL BRITT

**D**elistings—when a home is taken off the market without selling—are a normal feature of the housing cycle, often rising during winter months or around the holidays. But in recent months, delistings have surged far beyond their typical seasonal patterns, driven by a widening gap between sellers still anchored to peak-market pricing and buyers recalibrating their offers to today's higher interest rates and affordability constraints.

According to Realtor.com's December 2025 housing trends report, delistings in November jumped nearly 64% year over year and are up about 47.4% year to date. Since June, roughly 6% of all active listings have been pulled every month, marking an unusually high rate outside the winter season and the highest national pace since the metric was introduced.

## What's Driving the Delistings?

A recent Redfin report noted that delistings have been rising since spring 2024, with year-over-year growth peaking at 39% in June 2025. They also surged in 2022, when mortgage rates rose from pandemic-era lows and home-buying demand dropped.

"Delistings aren't new," said Jeremy Davis, President of Mortgage at Southern Bancorp. "What is new is the record levels that we're seeing."



**PHIL BRITT** started covering mortgages and other financial services matters for a suburban Chicago newspaper in the mid-1980s before joining Savings Institutions magazine in 1992. When the publication moved its offices to Washington, D.C., in 1993, he started his own editorial services room and continued to cover mortgages, other financial services subjects, and technology for a variety of websites and publications.

Realtor.com Senior Economist Jake Krimmel agreed, noting that delisting is a normal phenomenon that can happen for many different reasons, regardless of market conditions. "What is different through 2025 is that delisting is very elevated," Krimmel said. "Buyers and sellers are growing further apart on a home's price."

"Sellers seem to be still pricing for a market they remember," Davis added, "which is warranted. It was just a few years ago that we were getting record housing prices throughout the pandemic. But buyers are shopping in the market that exists today, and the market does not care what your neighbor got in 2022."

During a recent interview with CNBC, Asad Khan, Senior Economist at Redfin, explained that sellers seem unwilling to dial down their asking prices, even as bidders dry up. The average

home that was delisted in September was on the market for around 100 days, according to Redfin's analysis.

Another issue, according to Krimmel, is that the inventory of homes for sale had increased for 26 straight months as of December.

Moreover, unlike a few years ago, homebuyers must now contend with higher interest rates and insurance rates, so their offers reflect the current payments market, Davis said.

"This crisis is worsened by the 'golden handcuffs' phenomenon, which results from homeowners that locked in mortgage rates that were sub-3% from 2020 to 2022 and presently face mortgages with interest rates of 6.5-7%," said Sain Rhodes, Customer Success Manager at Clever Offers.

There are many things happening simultaneously, said Nikki Beauchamp, Senior Global Real Estate Advisor and Associate Broker in the New York office of Sotheby's International Realty.

"During the pandemic, prices escalated in many markets. There is the disconnect between those highs and the prices it takes to get something sold now," Beauchamp explained. "If you're pricing at the high end of the market range, [prospective] buyers don't go to see the listing, so the home sits on the market longer. Then you have price reduction after price reduction, then the home gets pulled off the market."

**“This crisis is worsened by the ‘golden handcuffs’ phenomenon, which results from homeowners that locked in mortgage rates that were sub-3% from 2020 to 2022 and presently face mortgages with interest rates of 6.5-7%.”**

—Sain Rhodes, Customer Success Manager, Clever Offers



# “It’s an affordability truth serum. Buyers are hitting their payment ceilings with the increased interest rates that we have sustained for a few years now.”

—Jeremy Davis, President of Mortgage at Southern Bancorp



“It’s an affordability truth serum,” Davis said. “Buyers are hitting their payment ceilings with the increased interest rates that we have sustained for a few years now. There’s been a record increase in homeowners insurance, and the property tax bills are increasing, too. Buyers are getting hit with all these increased costs of homeownership while sellers are anchored to the idea of what their neighbor received for their house in 2022.”

## Regional Differences

The issue is most noticeable in those markets where the pandemic stretched pricing the most, according to Davis.

Redfin reported that at the end of Q3 2025:

- Delistings jumped most in Virginia Beach, VA, where they rose 74.5% year over year. Next, were Washington, D.C. (53.9%); San Jose, California (53.3%); Dallas (52.1%); and Houston (49.6%).
- Delistings declined in only three metros: St. Louis, Missouri (-12.4%); Nassau County, New York (-7.2%); and Chicago (-1%).

- Delistings made up the biggest share of all listings in Miami, where 7.8% of all listings were pulled off the market. Next: Fort Lauderdale, Florida (7.7%); Dallas (7.5%); Philadelphia (7.5%); and West Palm Beach, Florida (7.5%).
- Delistings made up the smallest share of all listings in Pittsburgh (3.4%); Milwaukee (3.5%); Columbus, Ohio (3.6%); Cincinnati (3.7%); and Chicago (4.1%).
- Stale listings (on the market 60+ days without going under contract) were most common in Florida and Texas: Miami (84.6%), Fort Lauderdale (84.6%), Austin (82.8%), West Palm Beach (82%), and San Antonio (81.2%). They were least common in San Jose, California (44.2%); San Francisco (45.9%); Boston (48.9%); Providence, Rhode Island (49.1%); and Milwaukee (49.2%).

Beauchamp added that over-priced starter properties are particularly susceptible to delisting because potential buyers of those homes are already economically stretched.

Even potential move-up buyers are looking more closely at the costs of moving, with many choosing to improve

their current homes “to make them work” so a move is no longer necessary, Beauchamp adds. “That happens more often than people realize.”

## Is a Market Crash Ahead?

“I don’t believe the market is crashing; I think it’s recalibrating,” Davis said. He explained that the market is pushing back against unrealistic expectations created by sellers getting anchored to pandemic-level pricing, while potential buyers are living in today’s reality, which incorporates the fact that, overall, costs have gone up. “It’s not just about the mortgage, taxes, and insurance; it’s also people’s grocery bills, the cost of utilities, etc.”

Those rising costs put a damper on what prospective buyers can afford to pay, while sellers want to squeeze every penny out of their homes. Both are legitimate concerns, Davis points out. When the difference is too large and too persistent, delistings increase.

Some would-be sellers would rather pull their home off the market and rent it out than sell for less money than they want, according to Redfin. Many of them would consider listing their home again when the housing market picks up.

“Rather than having a distressed sale, sellers are just waiting until the market conditions are a little more favorable,” Krimmel said. “Sellers who are delisting have the choice to wait rather than sell at a price that they don’t want to sell at.”

Some who have delisted will put their properties back on the market at a lower price, but others will put their homes on the market at an even more unrealistic price, according to Beauchamp.

“The majority of the delisters come back as shadow inventory,” said Jeff Lichtenstein, CEO and Broker for Palm Beach Gardens, Florida-based Echo Fine Properties, referencing the industry term for properties that are unoccupied or soon to become unoccupied, but which have not yet been put on the market.

“One thing that is going to help the market along is that prices are dropping



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**Demand is alive and well. What is struggling is affordability and expectations. From my perspective, the delistings are just the market clearing its throat and asking for a reality check.”**

—Jeremy Davis, President of Mortgage at Southern Bancorp

more than reported,” Lichtenstein continued. “That is because we are having somewhere between 3-4% inflation. Home values should be rising with inflation, [but they aren’t]. Resales don’t have to adjust like new construction that has to pass along labor and tariff costs to the consumer.”

“When delistings start spiking, the biggest misconception is that demand is dead,” Davis said. “That’s not we are seeing. Demand is alive and well. What is struggling is affordability and expectations. From my perspective, the delistings are just the market clearing its throat and asking for a reality check.”

To minimize the level of delistings, Davis recommends that real estate and mortgage professionals work with buyers and sellers so that they understand the realities of today’s real estate market and the macroeconomic environment (higher costs for groceries, utilities, etc.).

“I tell my team, lead with truth, not temptation,” Davis said. “Buyers don’t need pressure to go harder or higher. They need clarity, and sellers need the same thing, and it’s our job to help them understand the payment, the trade-offs, and the long-term benefit of prioritizing homeownership for the equity that it can build, and the wealth that it can build for their family. If we lead with truth and trust increases, I think conversion will follow.”

“It’s momentum-based pricing versus aspirational-based pricing,” Beauchamp agreed.

“We have to normalize honest conversations with sellers. Price discovery is not failure. It is the market doing its job,” Davis said. “Sellers who delist today may come back stronger when pricing, incentives, or terms reflect current affordability.”

“Rising delistings and the growth of refuge markets capture the push and pull defining today’s housing market,” said Danielle Hale, Chief Economist at Realtor.com. “A number of sellers are retreating after listing if the market doesn’t meet their price expectations, while buyers are strategically redirecting to the metros that remain affordable.

These dynamics reflect how higher rates and years of rapid price growth have rewritten the rules of engagement for both buyers and sellers.”

#### How Long Will the Phenomenon Last?

**K**rimmel suggests that lower interest rates and renewed homebuying interest in the spring and summer should help bring delistings down to more normal levels, but others aren’t so sure the problem will ease that quickly.

“I expect delistings will stay elevated until sellers fully adjust to the affordability reality that we’re in,” Davis said. “If rates ease in 2026, some of the pressure will break, but the bigger issue will take longer. Pricing psychology takes longer to correct. We’ve seen that happen with interest rates in the past year.

Hale agreed, noting in the Realtor.com November Monthly Housing Trends Report, “As we move into 2026, gradual improvements in affordability and more consistent inventory will be key to unlocking a more balanced market.”

Rising delistings are not a sign that buyers have disappeared, but that the housing market is renegotiating its terms. After years of rapid price growth, higher interest rates and rising ownership costs have forced a reset in expectations that sellers are still adjusting to. Until pricing psychology fully catches up with today’s affordability reality, homes will continue to retreat from the market, waiting for conditions that no longer exist or have yet to return. **MP**

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# THE RISE OF THE COMPLIANCE GENERALIST: WHY YOUR NEXT HIRE SHOULD BE A SWISS ARMY KNIFE

By ANDREW COLLINS

In 2020, when the world shut down due to the pandemic, the work environment was forever changed. The light-speed escalation to the hybrid workforce became more prevalent; the streamlining of tasks and responsibilities went from trendy buzzwords to a new way of life; and the days of the singular-role employee went by the wayside. The byproduct of this forced change was the emergence of the “Swiss Army Knife” of an employee.

Before the pandemic, the hiring process was very rigid and uniform within the mortgage and default services industry. A position would open up, and that position would be filled. Promotion was mostly awarded via attrition, and, for better or for worse, everyone would find their niche in their own little box. Unless that employee was a go-getter, that was usually where they would stay, and departments would remain at capacity. This worked well for years, but as with all things, change is inevitable. This time around, the change was quite drastic.

Our firm had to look introspectively, not only keep up with everyone else, but to do what was required to be at the forefront of how the industry—and more importantly, the world—was changing. Where could we capture more returns on our human capital investments? How



**ANDREW COLLINS**

joined Potestivo & Associates, P.C. in February 2014, and he is located in the firm's Rochester,

Michigan, office, where he serves as the firm's Director of Human Resources. Prior to his current role, he was the Office Manager for the Michigan office. He began his career at Potestivo & Associates, P.C. as a Foreclosure Coordinator, learning the full scope of the Illinois foreclosure process. His willingness to learn and grasp new concepts quickly, soon led to a transition to the role of Case Management Assistant. In that role, he was instrumental in the implementation of the firm's updated operating system and was also uniquely situated to gain a working knowledge of each department within the firm. That knowledge ultimately led to his promotion to Office Manager for the Michigan office. As Office Manager, he helped guide the staff through the pandemic, ensuring staff were able to work remotely, and implementing safety measures to maintain a safe work environment.

could we leverage vendor relationships and expertise? Through analytical data and through attending networking events, we found ways to build on current relationships and develop new ones to maximize operational efficiencies within the firm. This allowed the firm to lean on staff and vendor experience while

freeing up time for dynamic employees wanting to develop and build strategies to streamline their departmental processes at the same time.

The other major shift that helped shape the workforce as we know it today was the ease with which the world went from relying on traditional brick-and-mortar office spaces to one where the hybrid employee became the standard. Remote work was previously a perk for management-level employees and above. Now, inquiring about a partially remote schedule is as standard an interview question as the starting salary. It takes a special kind of skillset to be as productive from the home office as from the desk at the headquarters. Growing pains along the way weren't unheard of, but once the staff were able to move past them, the transition from the full-time, in-office expectations to the hybrid schedule became seamless. This transition brought out learning opportunities for everyone. Some people who needed to catch up on the basics from an IT point of view learned them in a hurry. Others found out just how critical time management skills actually were; they weren't just a bullet point on a performance review. Everyone picked up new skills along the way, and they became more well-rounded employees because of it.

“As the world continues to change, so does the role of every employee in the firm.”

—Andrew Collins, Director of Human Resources, Potestivo & Associates, P.C.



After the workforce learned these new skills, those levels became the new benchmark for all incoming employees. The basic computer skills became just as important as industry knowledge in most cases. Many courts held hearings over Zoom and other live-conferencing applications, so the firm found it useful to hold initial interviews utilizing these products as well. This became very beneficial in getting the right hires through the door for us. It identified a good starting point for where the skillset was for the candidate and determined a level of comfort with the technological resources that would be available to them.

Another aspect that came out of streamlining the workforce, beyond just the hybrid nature of the schedule, was

the hybrid nature of each staff member. The new hybrid office created a new hybrid worker, and knowledge gaps weren't as vast as some employees were led to believe when they looked beyond the scope of their day-to-day job. Many sought out cross-training opportunities and took the initiative to find out what happens to the work before and after they complete their piece. Learning the entire process from start to finish became the new norm, and with this understanding of the entire process, departments became teams. Everyone was pulling for each other to succeed, and everyone was willing to give their teammates a hand if the need was there. Due to the dynamic shift in the work and the worker, everyone knew enough

to be able to assist and step in for their coworkers. This made a major difference in working relationships within the firm, as well as how we interacted with our clients. This created incredible lines of communication and allowed partnerships to grow, and our business and the industry are better because of it.

As the world continues to change, so does the role of every employee in the firm. We have seen this in real time within our own firm. People are willing to step up when needed. Gone is the phrase, "That's not my job." Everyone has a role within the company, but now, due to the rise of the need for Swiss Army Knife employees, that role is multifaceted, and the workforce is stronger because of it. **MP**



## The Exchange

Bruce Gehrke

Senior Director of Wealth and Lending Intelligence, J.D. Power

By LANCE MURRAY

>Last year, global business intelligence provider J.D. Power surveyed the mortgage industry about customer satisfaction with their mortgage servicer's digital experience. The study revealed that the industry still has plenty of work to do in providing a satisfactory product to help mortgage applicants and holders meet their needs.

Surprisingly, roughly three out of four lenders did not offer a mobile app.

The J.D. Power survey found that mobile apps scored an average of 704 out of 1,000—a score lower than mortgage servicer websites and wealth/retirement apps.

J.D. Power noted that only 44% of apps provided basic functionality such as availability and a modern look. A paltry 12% of the apps delivered valuable user experiences, such as setting up alerts or directing extra payments toward the principal.

“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, when the study was released. “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.”

The J.D. Power 2025 U.S. Mortgage Origination Satisfaction Study revealed that mortgage lenders have shifted from a transactional, volume-at-all-costs strategy to more consultative, advisory-style customer interactions.

Significantly, the survey noted that greater customer satisfaction ratings, enhanced trust, and higher levels of brand loyalty are the results of that change.

MortgagePoint spoke with Gehrke to find out more about how mobile tech will factor into the future of the mortgage industry.

**Q:** You have said that mobile apps are the future for lending. Could you expand upon that?

**Gehrke:** It's been fairly consistent over the last two years, at least. We see mobile app usage across both sides of the industry: the origination of new loans and the servicing of existing loans. It's one of the lowest-used channels of interaction between customers and mortgage companies. But when we look at the experience, the reported ease of use, the satisfaction

in doing things mobile, they're significantly higher than any of the other channels we've seen. Mortgage apps and interaction have really taken off.

**Q:** If you look at some of the challenges the industry [is facing, mobile apps are] going to be a great tool for that.

**Gehrke:** I know there's some debate back and forth. Some originators think it's a shorter-term transaction; getting a mortgage loan could take two to six

weeks before you close. Consumers are reluctant to download apps for short-term interactions, and that may or may not be a factor here.

I'm certainly not an expert in that, but I do know what we see and what customers are telling J.D. Power. They like it, and they'll use it if it's there. In our servicing study, for two years running, mobile apps have been reported as the easiest way to interact with servicers. There are challenges, but ease and convenience tend to be the factors that really drive adoption at a high level in consumer services. One of the major issues and goals for servicers and originators is to keep those customers with them. Traditionally, the industry has been very transactional. It's just closing that loan, pushing it off. Servicing is a whole different affair. The company servicing the loan is really a bill collector. They're payment collectors making sure debts get paid, and that's the end of the story.

Over the last 10 years, we've seen that relationship change. The servicers are investing and putting time and effort into having a better experience for their customers. They have interaction now with higher interest rates versus lower interest rate borrowers for longer periods of time. There are many opportunities to expand those relationships. What better way to do that than on a mobile app that gives you virtually a 24/7 presence with the consumer?

**Q:** Do you think that the mortgage servicing industry itself has been proactive enough in the technology arena?

**Gehrke:** If you go back to the last couple of years, they've really picked up the pace. Mortgage servicing is a margin business. There are thin margins. It's an economy-of-scale basis. You have a lot of fixed costs, so the more customers you have, the lower the cost per customer. The focus in the industry has been on cost to serve.

If you look at the past year, the consolidation going on, some of the M&A activity focused on locking down and keeping those customers within that firm or in

that group of connected companies. So, recapturing the loyalty of those customers has risen to a higher level and is a more important goal for servicers.

They're investing in technologies that can help them do that: they can make that process smoother and take that relationship beyond being purely a debt collector. It wasn't that long ago that every verbal interaction with a mortgage servicer was kicked off with what we call the "mini-Miranda": "This is an attempt to collect a debt." If you didn't know better, you would think you were talking to a collection agent. You may just have a question about your mortgage payment; you're not behind on anything.

The mentality has changed quite a bit, and the industry has taken a lot of steps to focus on the customer. If you look at some of the results in our digital experience study, the gap between independent mortgage bankers and the big bank servicers—Wells Fargo, Bank of America, Chases, etc.—there's a gap when it comes to digital performance.

I think that obviously reflects the budget that the banks put into their digital capabilities because it touches all their customers and supports their banking business, their credit card business, their auto financing, and their mortgage financing businesses. They have a head start there. For some of the nonbank, independent mortgage bank servicers, or those who are competing against them, it's time to catch up.

**Q:** Your report noted the overall satisfaction score for mortgage servicers. What steps can the industry take to improve that score in the short term?

**Gehrke:** When we look back at the key elements that drive that feeling of satisfaction, the experience, what consumers take away from it, the biggest element of that is trust. It's hard to define in a lot of ways, but in a case like this, it goes back to this concept of being more than a payment processor. This is a difficult challenge because most people don't look to their mortgage servicer

for anything other than collecting a payment. We've been conditioned to think of it that way, so it's difficult to change those perceptions. But servicers who are effective at driving loyalty in their customer base are communicating well.

Rocket Mortgage, which has been at the top of our rank chart for mortgage servicing experience for the last 10 or 11 years running, is, above all else, one of the best communicators in the industry, and that's one of the cores to their success. They know their customers. They know how to speak to their customer, and they speak to them in a way that's different than what you would expect to see in your standard payment processor.

You've also got some challenging situations out there amongst consumers in general. We also survey our own mortgage servicing customers on their financial health, and we see that it has declined each year over the past four years. There are challenges in the home. There are challenges with homeowners. The cost of owning a home has increased quite a bit over the last four years. You have record levels of increases in home insurance premiums. Property taxes have gone up as values have gone up, so we have this locked-in group of homeowners who aren't necessarily earning enough money to buy the house that they're living in today.

Those basic homeowner expenses, along with all the other things you're paying—upkeep, maintenance, utilities—are all going up and up and up. Servicers are in an excellent position to try to help educate people on how best they can navigate that situation and become a bit more advisory. They can work at becoming a partner in homeownership with that servicing customer. It's not an easy task, but these are the kind of things that are worth pursuing when their servicers are looking to recapture that business as that customer either refinances that loan or move on to the next house. The best way to do that is to drive that great experience and make it so the person wants to stay within that company's footprint.

“There are challenges in the home. There are challenges with homeowners. The cost of owning a home has increased quite a bit over the last four years.”

—Bruce Gehrke, Senior Director of Wealth and Lending Intelligence, J.D. Power

**Q:** What is important for people to know about the evolution of technology within the mortgage industry?

**Gehrke:** We're getting interesting feedback on questions about artificial intelligence. Our studies are collecting more data about particulars, but one of the things that certainly impacts digital interaction is artificial intelligence.

It's going to show up more behind the scenes than it is in customer-facing capabilities, but it's already getting there. There are custom lenders already out there who are building AI agents to answer phone calls, to make phone calls, and things of this nature. One of the key elements that I think is interesting is the preference between would I rather interact digitally—either via mobile or the internet—or do a bot-driven phone call? It's a little too early to say which way it goes. We're getting mixed signals on how much consumers really understand what artificial intelligence might mean.

Some of the originators are talking about engagement, basically robo-calling, and we know how that worked. Back when we were inundated with calls, we didn't want the Do Not Call list. You still have the Do Not Call list and things of that nature, and that doesn't necessarily mean a better experience. So, this is a key element that we measure in our servicing study. What is the optimal level of communication? You can over-communicate, and what happens is you start to lose the customer's attention because it's just another meaningless general communication that doesn't impact or interest them. Personalization is the way forward, and the way to truly understand your customer data. There's a ton of it out there, but I don't think anybody is at the point where they're masters of that data or how best to make it actionable within their operation or the ways they interact with customers.

Borrowers definitely want human interaction. They want both pieces, so they want to have everything at the same time. The question is, will the digital part ever get good enough? And that's

**“Both lenders and servicers will have to keep an eye on the future. These are the folks we’re going to be servicing, and their preferences are a little bit different, and they also take very different steps in how they go about choosing lenders.”**

—Bruce Gehrke, Senior Director of Wealth and Lending Intelligence, J.D. Power



part of what they tell us: if the capabilities were better today, they would be very happy with an all-digital experience. And this is another thing from a generational standpoint: that preference is much stronger in younger borrowers who are more digitally native. But those are the folks who are making up more and more of the homebuying population going forward. Both lenders and servicers will have to keep an eye on the future. These are the folks we're going to be servicing, and their preferences are a little bit different, and they also take very different steps in how they go about choosing lenders. They use more investigation, more research. They rely on

trusted referral sources—friends, family, colleagues, people that they know—and less on industry-level referrals such as real estate agents.

But it is a sliding scale of how much that is driving lender choice at the end of the day, and I think some of that is under-reported by borrowers. They don't shop around as much as you would expect because they set the path early, and they react to those folks who make them comfortable and whom they trust. What we're seeing is technology being used to create that early interaction, that ability to connect with consumers before they get to the point where, traditionally, they would reach out to a lender.

In our latest study, we're seeing almost one out of two borrowers interact with lenders before they even talk to real estate agents. I think for those who can figure out how to use technology to follow that pathway of changing perceptions and preferences, that's where you want to be.

I think we've gone beyond the part where you just throw these mass technological improvements in there and say, well, they're going to help me, because that return on those investments is a little shaky. You've got to be more tactical now. It's about trying to create a personalized, trusting, and advisory experience.

Look at what Rocket is doing with Redfin. Look at Zillow; its volume of mortgage lending grew tremendously. They have a lot of access to borrowers through their website. Redfin's websites feed right into the Rocket machine.

The technology has to catch up with digital experiences and other products and services. But at the end of the day, it's the people who make the difference. And that may change going forward. If we're not adapting to these new customers—what drives them, what's important to them, what they're looking for—it puts you at a disadvantage, and it's competitive out there, as volume has shrunk down. The companies that are addressing those needs right now are the ones that are succeeding. **MP**

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*“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](mailto:memberships@thefivestar.com).

# 5 TAKEAWAYS FROM THE HUMAN MULTIPLIER:

## WHERE AI STOPS AND EXPERT OPS BEGIN

As AI reshapes mortgage workflows, a recent *MortgagePoint* webinar cut through the hype to explore how to balance automation, BPO, and human judgment for better outcomes.

By DAVID WHARTON

As artificial intelligence rapidly reshapes mortgage operations, lenders and servicers are grappling with a central question: where does automation truly add value, and where does human expertise remain essential?



FLAHERTY

That question was at the heart of “The Human Multiplier: Where AI Stops and Expert Ops Begin,” a recent Five Star Webinar sponsored by Global Strategic and featuring Brian Flaherty, CEO of Global Strategic, and Cade Thompson, Co-President and Chief Growth Officer at Rocktop Technologies. Moderated by Five Star Institute and *MortgagePoint* Editor-in-Chief David Wharton, the discussion cut through AI hype to focus on practical, real-world applications across origination, servicing, and capital markets.



THOMPSON

Here are the top five takeaways from the conversation.



DAVID WHARTON,

*Editor-in-Chief of MortgagePoint, has 20 years' experience in journalism, having worked for the Five Star Institute since 2017. Wharton has an extensive and diversified portfolio of freelance material, with published contributions in both online and print media publications. He can be reached at David.*

*Wharton@thefivestar.com.*

### 1. BPO Isn't a Trend: It's a Structural Necessity for a Cyclical Industry

While offshoring and outsourcing are often framed as cost-saving tactics, panelists emphasized that Business Process Outsourcing's (BPO) real value lies in its ability to help lenders survive extreme and unpredictable market cycles.

As Thompson explained, outsourcing was never about chasing trends. Rather, it was about scalability and resilience.

“We didn't get into offshoring because it was trendy. We needed scalability, cost efficiency, and resilience.”

Flaherty reinforced that outsourcing has continuously evolved alongside technology and regulation, rather than being displaced by it. “BPO is not new. It's gone through many iterations and a lot of evolution, and we're facing another one right now.”

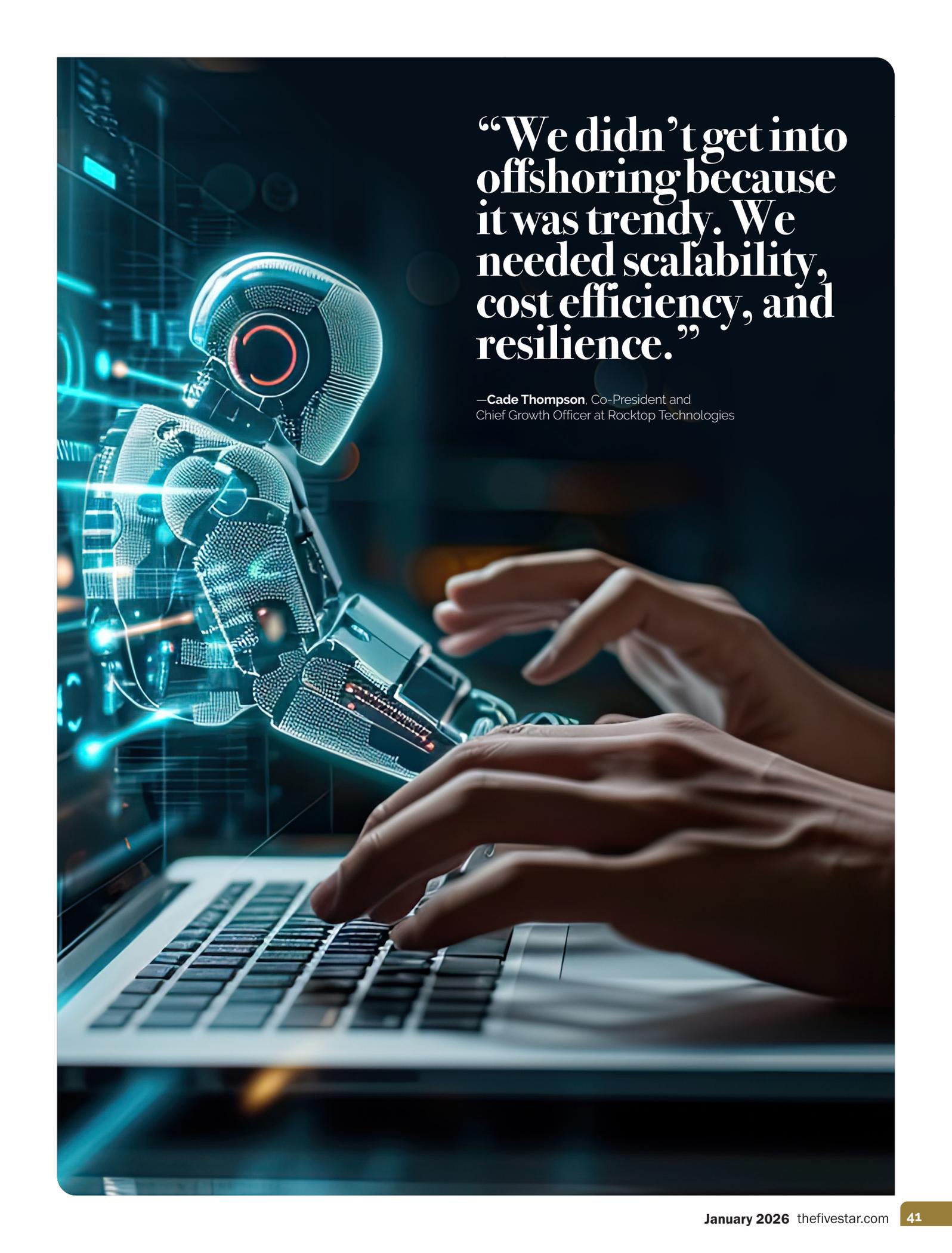
In short, BPO has become embedded in mortgage operations because it absorbs volatility in a way that fixed, onshore staffing models often cannot keep up with.

### 2. AI's Biggest Wins Today: Speed, Consistency, and Pattern Recognition

Despite the excitement around generative AI, Thompson explained that today's most reliable AI use cases are not creative or autonomous. Rather, they are operational.

“AI today is outperforming humans on things like doc classification, data extraction, consistency in mortgage workflows,” Thompson said.

Rather than replacing decision-makers, AI excels at front-loading analysis and reducing friction, performing tasks such as quickly analyzing files, reconciling

A futuristic scene with a glowing blue robot head and hands typing on a laptop keyboard. The robot head is composed of a grid of blue dots and has a red circular light in its eye. The hands are positioned over a laptop keyboard, with the fingers resting on the keys. The background is dark with blue light trails and a grid pattern, suggesting a digital or server environment.

“We didn’t get into offshoring because it was trendy. We needed scalability, cost efficiency, and resilience.”

—Cade Thompson, Co-President and Chief Growth Officer at Rocktop Technologies

“AI today compresses the lower-skill tiers of work. It should shrink the amount of critical tasks that are available to be done by the human element.”

—Brian Flaherty,  
CEO of Global Strategic

ing data, comparing against guidelines, and highlighting anomalies.

Thompson added, “It can do that lower-level work to present information to the universe of humans that can do more critical thinking work.” The panelists stated that this shift allows organizations to move faster while improving data quality, both of which will aid lenders facing tight margins.

### 3. The Myth of “Fix It and Forget It”

Both speakers warned against the idea that AI can simply be deployed and then left unattended. Flaherty put it bluntly, saying, “The misconception is you’re going to fix it and forget it, that ... it’s going to solve for everything, and I can just go sit on the beach and drink Mai Tais while all the work gets done. That’s not the reality.”

AI systems require ongoing governance, fine-tuning, and human oversight, especially when operating within heavily regulated environments such as the mortgage industry.

### 4. Human-in-the-Loop Is a Requirement, Not a Weakness

Rather than being a sign of an immature technology being deployed too soon, both panelists argued that human involvement is fundamental for risk management, compliance, and continuous improvement.

Moreover, Thompson pushed back against the idea that automation should be fully autonomous.

“With risk management, regulatory management, and those types of things, humans are how the models get better,” Thompson said. “It’s [about] finding the edge cases [and] feeding the learning back into it. You’ve got to have that human critical thinking in there to make the tech better.”

Flaherty noted that regulators already require human review in many adjacent industries, and mortgage will be no exception.

“You can automate this, but at this stage, I still want a human.”

### 5. Finding the ‘One Plus One Equals Three’ Model

Rather than viewing AI and BPO as competing forces, both speakers emphasized the combined potential of these two areas. Flaherty described how AI can enhance, rather than replace, outsourced operations.

“We’re using AI to streamline procedure mapping,” he said, to provide “line-of-sight oversight into our own [internal processes].”

Thompson framed the future as presenting an elevation of human roles, rather than their elimination.

“AI today compresses the lower-skill tiers of work. It should shrink the amount of critical tasks that are available to be done by the human element,” he explained.

The result, in theory, is fewer people doing basic, repetitive tasks, leaving more team members free to focus on exceptions, quality assurance, and higher-order decision-making.

“If we can elevate people to a level where they can get value out of their jobs ... by reducing the mundane aspect of it ... it’s a win.”

While neither AI nor BPO alone will define the future of mortgage operations, success will likely come to those who masterfully combine automation, expertise, and human judgment while remaining flexible enough to adapt to ongoing changes in both technology and regulation.

As Flaherty concluded, the goal isn’t to “be slaves to the tech,” but rather “to be masters of the tech to make our lives better.” **MP**



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

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## » Lending/Originations

### NAR REPORT: HIGH MORTGAGE RATES STEER HOMEBUYERS TOWARD ALL-CASH PURCHASES

All-cash home purchases have remained increasingly attractive to buyers with the resources to forgo financing, likely the result of mortgage interest rates remaining elevated since the end of the pandemic.

That's according to a new report from the National Association of Realtors (NAR) that found that for the last three years, more than a quarter of all home sales nationwide involved all-cash buyers who did not require a mortgage.

NAR economists said that's not a coincidence. It said that from 2022 to 2025, mortgage interest rates surged from their pandemic-era record lows, peaking near 8% in fall 2023, before settling into the low to mid 6% range this year.

#### Borrowing Is More Expensive

Those elevated rates have made borrowing more expensive, mostly sidelining first-time and lower-income buyers.

Harrison Polsky, a real estate agent at Douglas Elliman in Dallas, agreed that there is a strong correlation between climbing mortgage rates and cash sales.

"As mortgage rates increased, buyers with access to capital increasingly chose to close with cash or cash-equivalent financing," Polsky told Realtor.com. "It became a bridge strategy. Close as cash to avoid rate and underwriting friction, then revisit permanent financing later through private banks or wealth advisers at more favorable terms."

Existing homeowners have benefited from rising home equity, Realtor.com said, giving them the edge to make cash offers on their next home or a vacation property.

Realtor.com said that as of October, all-cash buyers accounted for 29% of home sales nationwide, up from 27% the year before and 19% five years prior.

These findings mirror a recent

report from Realtor.com showing that roughly one-third (32.8%) of homes sold in the first half of 2025 were paid for in all cash.

Realtor.com Senior Economic Research Analyst Hannah Jones said in the report "Cash Is King: Trends in All-Cash Home Sales," released in October, there are clear advantages to buying with cash, from avoiding high borrowing costs and financing contingencies to closing more rapidly.

Polsky says that choosing to pay all cash removes financial uncertainty and instantly enhances a buyer's credibility with the seller, giving them greater negotiating leverage.

"Put simply, as borrowing becomes more expensive, paying with cash starts to look like a smarter, more competitive choice," Amethyst Marroquin, Research Assistant of Member and Consumer Survey Research at NAR, wrote.

#### Who Are All-Cash Buyers?

What type of properties attract cash buyers, according to NAR?

Based on NAR's Confidence Index covering the last 10 months, cash buyers are typically existing homeowners looking for vacation homes or investors acquiring rental properties.

From January to October 2025, NAR said that 57% of vacation-home buyers and 56% of investment buyers paid all cash.

An analysis of deed data carried out by Realtor.com researchers this fall revealed that institutional investors using limited liability companies and corporate entities were at the forefront of cash purchases.

Conversely, all-cash deals made up only 19% of primary home purchases, with 81% involving financing, NAR's report showed.

NAR said that an overwhelming share of first-time buyers of primary residences—those who plan to live most of the time—continue to rely on home loans: In 2025, 8% of these buyers made all-cash purchases, according to data from NAR's "Profile of Home Buyers and Sellers."

“Put simply, as borrowing becomes more expensive, paying with cash starts to look like a smarter, more competitive choice.”

—Amethyst Marroquin,

Research Assistant of Member and Consumer Survey Research, NAR



Meanwhile, a growing number of repeat primary residence buyers—existing homeowners looking for an upgrade—pay in all cash.

In 2025, one-third of repeat buyers made all-cash offers, down slightly from last year, but up from 10% in 2023.

## FIRST FEDERAL BANK ACQUIRES NOLA LENDING GROUP, FIDELITY BANK'S MORTGAGE DIVISION

**N**OLA Lending Group, the mortgage division of New Orleans-based Fidelity Bank,

is being acquired by Lake City, Florida-based First Federal Bank, the companies jointly announced.

“We are pleased to have reached an agreement with a partner that will continue to allow our talented and dedicated team to focus on delivering exceptional mortgage banking solutions to customers in our core markets,” said Chris Ferris, President and CEO of Fidelity Bank. “Fidelity Bank’s strategic plan for 2026 includes a renewed focus on sound execution of banking, which will support shareholder value.”

The deal is one of the latest acquisitions in the mortgage industry. No financial details were disclosed.

First Federal Bank said it will continue to service loans from existing locations in Georgia, Wisconsin, and Florida. It is a community-based mutual institution and is owned by its cus-

tomers rather than stockholders. First Federal has 27 branches in the Southeast and operations in the Midwest.

### First Federal Will Expand Mortgage Services

Under the terms of the agreement, First Federal Bank will buy NOLA Lending Group’s assets and will continue to serve Fidelity customers from existing locations in Baton Rouge, Bossier City, Lafayette, Lake Charles, Mandeville, Metairie, Uptown New Orleans, New Orleans East, Pensacola (Florida), and McComb and Ridgeland (Mississippi).

With the acquisition, First Federal said it will expand its retail mortgage services.

First Federal said it anticipates that it will retain most NOLA Lending Group employees and looks forward to welcoming the new team members.

“Our mission is to provide mortgages from a financially stable institution that is a great place to work and bank. This acquisition underscores our commitment to the residential mortgage sector. We look forward to serving NOLA Lending Group mortgage customers with the same excellence they have come to expect from their team,” John Medina, President and CEO of First Federal Bank, said in a release.

The acquisition allows First Federal Bank to better serve the customers of both organizations by offering additional technology tools and an expanded product offering, First Federal said.

The platform is anticipated to transition to First Federal Bank within 60 days of closing, First Federal said, and the NOLA Lending Group branding will be retained. First Federal said it will continue to invest in cutting-edge digital solutions coupled with personal service.

“The NOLA Lending team uses largely the same technology as First Federal, which will make the transition simple for employees and customers,” said Doug Brendel, Residential Division President at First Federal.

## MORE HOMEBUYERS TURN TO ARMS AS HIGH MORTGAGE RATES PERSIST

**D**o you remember the 2008 housing crisis and the factors that contributed to it? Adjustable-rate mortgages (ARMs) were a major factor.

According to a report by Investopedia, some homebuyers are turning to ARMs as an option because of high mortgage rates that have overwhelmed them for the past three years.

ARMs offer homebuyers fixed introductory rates that later adjust, typically to a higher rate that reflects current market conditions. ARMs are becoming increasingly popular as mortgage rates remain persistently above 6%.

Those homeowners risk having a larger monthly mortgage payment down the road, but housing industry officials said better lending standards are minimizing the dangers of these loans.

"In the current timeline, these buyers still are at minimal to low risk," Phil Crescenzo Jr., VP of the Southeast Division at Nation One Mortgage Corporation, told Investopedia.

### ARMs Reflect Strain of Higher Interest Rates

The publication said that the rising usage of ARMs reflects the strain that higher interest rates, tight housing supply, and slow growth are putting on family budgets.

Data from the Mortgage Bankers Association show that use of ARMs has increased in the past three years, Investopedia said. Roughly 10% of borrowers in September opted for the loan, compared to 6% of buyers who used ARMs after the 2008 housing crash.

ARMs are being used more in new home purchases. In October, for example, ARMs accounted for a quarter of home purchases, up from 16% in the same month of the prior year.

"In this environment where bor-

# According to a report by Investopedia, some homebuyers are turning to ARMs as an option because of high mortgage rates that have overwhelmed them for the past three years.



rowers are struggling with a lack of affordability, moving to an ARM can result in real savings," said Joel Kan, MBA Deputy Chief Economist.

MBA data showed that when mortgage rates were at their lows in 2021—falling under 3% at times—the usage of ARMs dropped off, too. After mortgage rates rose by more than three percentage points in 2022, at times surging over 7%, borrower demand for adjustable-rate loans responded in kind, Investopedia said.

### Some Borrowers Can Reap Significant Savings

Home buyers can see significant savings using ARMs, Investopedia said.

According to MBA data, a five-year ARM loan in October offered borrowers an initial rate of 5.58%, compared to the 6.37% rate for traditional mortgage loans over the same period. For a \$400,000 loan, Investopedia said the savings in monthly payments could be about \$200 a month.

Investopedia said that one reason more borrowers are using ARMs is that the adjustable-rate loan has become a better value in 2025 as short-term interest rates have declined, providing a more favorable introductory rate, Kan

wrote. "It is not surprising that the ARM share has increased, and we expect it will increase further in 2026."

For ARM borrowers, Investopedia said it's often a matter of timing, as the borrowers might be saddled with higher rates once the introductory period ends.

"If you are a homeowner with this loan, you would watch the market to refinance into a fixed rate and avoid the adjustable period altogether," Crescenzo Jr. said.

If rates are higher when the introductory period expires, he said, the borrower might be hit with higher payments that they can't afford.

That was what set off the housing market meltdown that came to a head in 2008, when borrowers with poor credit ratings saw their adjustable-rate mortgage payments skyrocket. Many couldn't make the payments. That caused a wave of defaults that sent the housing market reeling, Investopedia said.

Kan said lenders now are applying stricter credit standards, including evaluating the borrower's credit rating against the current mortgage rate, not just the introductory rate.

"Most ARM loans now have fixed terms of 5, 7, and 10 years, and borrowers are underwritten to the fully indexed

rate and are significantly less risky than ARM loans originated before 2008,” Kan said. “Additionally, borrowers who qualify for ARMs tend to have better credit profiles.”

## GEN Z VETERANS DRIVE SHARP REBOUND IN VA LOAN ACTIVITY

The VA loan program rebounded sharply in Fiscal Year 2025, reversing the previous year’s slowdown and underscoring the resilience of one of the nation’s most powerful homebuying benefits.

A new analysis from Veterans United Home Loans showed that the VA loan program rebounded nicely in Fiscal Year 2025 by sharply reversing the previous year’s slowdown.

The analysis showed total VA lending rose 26.8% year over year, climbing to 528,343 loans from 416,363 in Fiscal 2024.

Veterans United said that much of the momentum came from a steadier purchase market and a major surge in refinancing. That signaled renewed confidence among veterans and service members navigating a challenging affordability landscape, Veterans United said.

The company said that Generation Z, the largest cohort of military buyers, played a large role in the VA program’s resurgence during the fiscal year ending Sept. 30.

Gen Z was the only age group to post year-over-year purchase gains in Fiscal 2024. They accounted for 38% of VA loan activity in Fiscal 2025. Gen Z Veterans also led all other generations

in purchase growth, outpacing older military borrowers by a wide margin.

### VA Purchase Loans Rose 8.5% YoY

“Gen Z is expanding its footprint faster than any other group of VA buyers,” said Chris Birk, VP of Mortgage Insight at Veterans United Home Loans. “They’re entering the market at a time when affordability is a real challenge, and the VA loan’s hard-earned benefits are helping them compete and succeed. Their growth is reshaping what the next decade of military homebuying will look like.”

VA purchase loans rose 8.5% year over year overall, to 323,835 from 298,327. That total marked a strong turnaround from Fiscal 2024, when purchase volume fell more than 5% from Fiscal 2023.

Veterans United said that as younger buyers continue to gain traction, the VA loan hallmark features, especially its zero-down payment advantage, remain an integral tool for first-time and affordability-constrained borrowers.

Activity remains below historic highs from the pandemic era, but refinancing again became a significant part of the VA lending landscape as borrowers sought opportunities to improve their rate or tap equity, Veterans United said. Total VA refinances rose 73.2% year over year, with cash-out refinances accounting for slightly over a quarter (26.5%) of refi activity.

Veterans United said that the fastest-growing destinations for Gen Z VA buyers included major metros and traditional military hubs across Texas, the Carolinas, and California. Those markets posted growth substantially above the national average for this age group, highlighting where the youngest Veterans and service members are choosing to put down roots.

Generation	FY25	FY24	% Difference
Gen Z	47,802	34,616	38 %
Baby Boomers	46,285	43,272	6.96 %
Millennial	152,513	144,678	5.42 %
Silent & Greatest	5,133	4,993	2.8 %
Gen X	72,102	70,768	1.89 %

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Additionally, in Q3 2025, third-party and foreclosure sales climbed 4.7% to 3,344, while foreclosure starts jumped to 24,802.

September saw a rise in total refinance volume, but overall Q3 activity was lower than that of Q2. Higher mortgage rates in June and July were the main cause of the decline. The average interest rate on a 30-year fixed-rate mortgage dropped to 6.35% in September from 6.59% in August as mortgage rates continued to decline.

After peaking at 82% over the previous three years, cash-out refinances as a percentage of overall refinances fell from 63% in August to 55% in September 2025.

Note: The percentage of the Enterprises' loans that are 30-59 days delinquent remained steady at 0.97% while the 60+ days delinquency rate increased to 0.78% at the end of Q3 of 2025. The Enterprises' serious delinquency rate increased to 0.55% at the end of the quarter. This compares with 4.10% for Federal Housing Administration (FHA) loans, 2.30% for Veterans Affairs (VA) loans, and 4.10% for Federal Housing Administration (FHA) loans.

## Default Servicing

### FHFA Q3 ANALYSIS DISCLOSES FORECLOSURE PREVENTION, REFINANCE TRENDS, & MORE

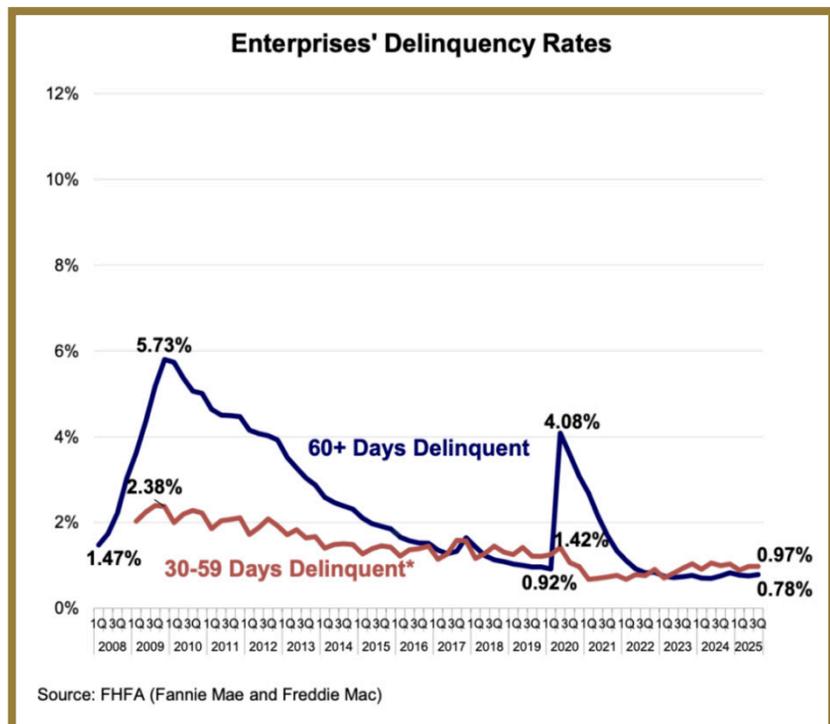
In Q3 2025, the Enterprises conducted 50,096 foreclosure prevention activities, totaling 7,263,900 since conservatorships began in September 2008. Some 6,557,663 of these measures—including 2,809,639 permanent loan modifications—have assisted distressed homeowners in remaining in their residences.

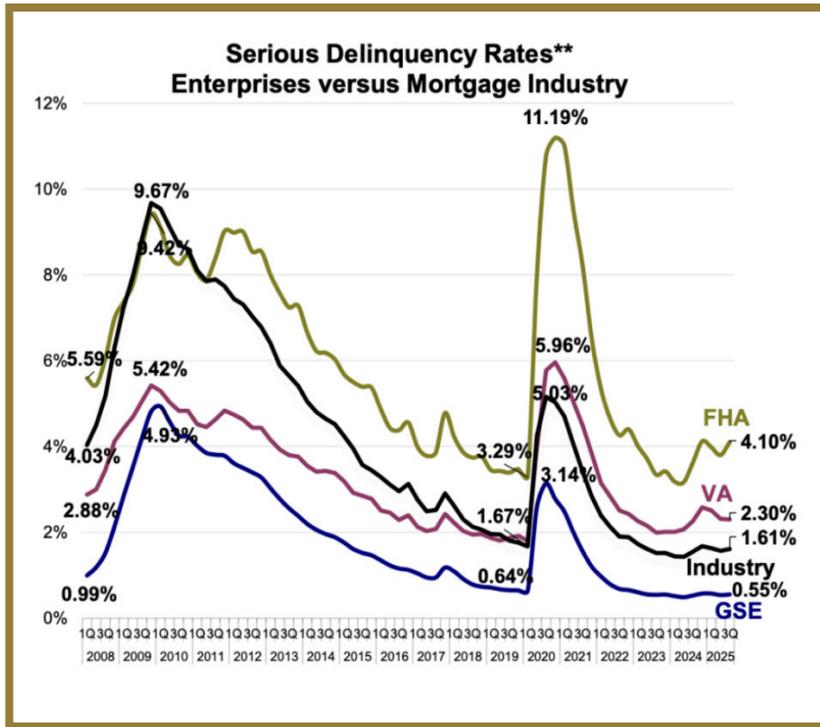
Initiated forbearance plans rose from 22,119 in Q2 2025 to 23,674 in the third. At the conclusion of the quarter, there were 33,360 loans in forbearance, or roughly 0.11% of all loans serviced and 6.2% of all loans that were past due.

#### The Enterprises' Mortgage Performance

In Q3 2025, forbearance was used in 65% of the adjustments. Some 35% of all loan modifications during the quarter were extended-term only. During the quarter, approximately 238 short sales and deeds-in-lieu were finalized, increasing the total to 706,237 since the conservatorships started in September 2008.

By the conclusion of Q3 2025, the 60+ day delinquency rate had risen from 0.76% at the end of Q2 to 0.78%. By the conclusion of Q3 2025, the Enterprises' significant (90 days or more) delinquency rate had risen to 0.55%. This was in contrast to the industry average of 1.61% for all loans, 2.30% for Veterans Affairs (VA) loans, and 4.10% for Federal Housing Administration (FHA) loans.





## FORECLOSURES KEEP RISING NATIONWIDE AS MARKET 'NORMALIZES'

**F**oreclosure filings in November were down 3% from a month earlier and up 21% from a year ago, according to ATTOM.

In its November 2025 U.S. Foreclosure Market Report, ATTOM reported there were a total of 35,651 U.S. properties with foreclosure filings—encompassing default notices, scheduled auctions, or bank repossessions.

“November marks the ninth straight month of year-over-year increases in foreclosure activity, underscoring a trend that has steadily taken shape throughout 2025,” said Rob Barber, CEO of ATTOM. “Foreclosure starts were up 17% from last year, and completed foreclosures rose 26%. While these numbers show continued upward movement, overall volumes remain well below historical highs. The data suggests the market is still normalizing as

some homeowners contend with higher housing costs and shifting economic pressures.”

Nationwide, one in every 3,992 housing units had a foreclosure filing in November.

### Delaware Had Nation's Worst Foreclosure Rate

States with the worst foreclosure rates were:

1. Delaware (one in every 1,924 housing units with a foreclosure filing)
2. South Carolina (one in every 1,973 housing units)
3. Nevada (one in every 2,373 housing units)
4. New Jersey (one in every 2,511 housing units)
5. Florida (one in every 2,565 housing units)

ATTOM declared that among metro areas with populations of 1 million or more, Philadelphia, Pennsylvania, recorded the worst foreclosure rate in November, with one filing for every 1,511 housing units. That increase reflects a temporary spike caused by the resump-

tion of data collection in Philadelphia, which added backlogged records and is expected to normalize in December.

Next were:

- Las Vegas (one in every 2,013 housing units)
- Cleveland (one in every 2,114)
- Orlando, FL (one in every 2,282)
- Tampa, FL (one in every 2,362)

According to the report, Lenders began the foreclosure process on 23,720 properties in November, down 6% from the previous month but up 17% from a year ago.

States with the largest number of foreclosure starts in November 2025 included:

1. Florida (2,819 foreclosure starts)
2. Texas (2,612 foreclosure starts)
3. California (2,090 foreclosure starts)
4. New York (1,146 foreclosure starts)
5. Illinois (1,075 foreclosure starts)

### Several Major Metro Areas Showed Declines

Bucking the national trend, ATTOM said that several large metropolitan areas with populations over 1 million and at least 100 foreclosure starts experienced the largest year-over-year declines in November.

They included:

1. Boston (decrease from 186 in November 2024 to 130 foreclosure starts in November 2025)
2. Miami (decrease from 768 to 607 foreclosure starts)
3. Sacramento, CA (decrease from 185 to 148 foreclosure starts)
4. Riverside, CA (decrease from 462 to 371 foreclosure starts)
5. Denver (decrease from 173 to 145 foreclosure starts)

The report noted that lenders repossessed 3,884 U.S. properties via completed foreclosures (REOs) in November, up 0.3% from October and an increase of 26% from last year.

States that had the most REOs in



**Student loan stress is reshaping the rental landscape, and traditional screening methods simply can't keep up. With delinquencies doubling and credit tiers slipping, property managers must evolve their strategies.”**

—Maitri Johnson,  
EVP of Tenant and Employment  
Screening Business, TransUnion

November 2025 included:

1. Texas (546 REOs)
2. California (314 REOs)
3. Florida (311 REOs)
4. Pennsylvania (291 REOs)
5. Illinois (223 REOs)

The major metro statistical areas (MSAs) with a population greater than 1 million that saw the most REOs in November included:

1. Philadelphia (160 REOs)
2. Chicago (152 REOs)
3. Houston (134 REOs)
4. Dallas (116 REOs)
5. New York, NY (94 REOs)

## STUDENT LOAN DELINQUENCIES AMONG RENTERS DOUBLED IN EARLY 2025

**T**he end of the federal student loan forgiveness program has left millions of borrowers facing monthly payments for the first time in years. According to a recent analysis from TransUnion, it has caused a financial strain that is reshaping the nation's rental market and creating new challenges for property managers who depend on credit-based scoring to assess risk.

TransUnion said the analysis shows that the number of rental applicants 90+ days delinquent on student loans more than doubled in the first half of 2025, up from 15% in January to 32% in May.

### Some Renters Experience Falling Credit Scores

“The influx of applicants struggling with student loan payments could significantly impact property managers,” said Maitri Johnson, EVP of TransUnion's Tenant and Employment

Screening Business. “Applicants who once met screening thresholds are now falling short.”

TransUnion said its report shows that renters with Prime credit scores (661-720)—previously considered low risk—are falling into riskier categories. Consumers across all tiers experienced notable score declines, TransUnion said.

The company said, however, that traditional credit scores predict loan repayment, not rental performance.

They overlook critical indicators such as eviction history and rental payment behavior, TransUnion said. Property managers using purpose-built rental risk models can reduce exposure without shrinking applicant pools, enabling faster, more confident leasing decisions, the report said.

TransUnion's report also warns that financial stress can drive fraud.

It said that renters under financial pressure may falsify documents or misrepresent income. Multifamily-specific fraud detection tools can help verify identities, flag suspicious applications, and prevent costly evictions, TransUnion said.

“Student loan stress is reshaping the rental landscape, and traditional screening methods simply can't keep up,” Johnson said. “With delinquencies doubling and credit tiers slipping, property managers must evolve their strategies.”

A top-down view of a white mug filled with coffee, a silver laptop keyboard, and a pair of black over-ear headphones, all set against a vibrant blue background. The coffee mug is in the upper left, the laptop keyboard is in the upper right, and the headphones are in the lower right.

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## Government

### TRUMP PROMISES 'AGGRESSIVE' HOUSING REFORM IN 2026

Many Americans are locked out of homeownership after years of high borrowing costs and rising prices. In 2026, however, economists say conditions may begin to change, according to a report by CNN.

This year, many economists are optimistic about the housing market, and many anticipate that rising incomes will start to outpace home prices, making homes feel more affordable for many Americans, CNN said.

According to CNN, Redfin has called 2026 "The Great Housing Reset," while Compass has described it as the start of a "new era."

Volumes have been historically low for years, and CNN said that even a small increase in activity would mark a turning point for the housing market. The shift would come as the Trump administration said it intends to prioritize housing affordability this year, although details of those plans remain limited.

The past few years, the housing market has appeared to be stuck, said Mike Simonsen, the Chief Economist at Compass. Fewer homes changed hands, but home prices kept climbing.

### Home Sales Could Tick Upward

"In the next era, we'll have sufficient inventory on the market across the country, allowing sales to increase," Simonsen said, predicting that the number of home sales would finally tick upward in 2026.

That might happen for a number of reasons, but CNN said that government reform probably isn't one of them.

Home prices have exploded since the pandemic, as demand for homes outgrew supply, pricing many Americans out of the market. Between the start of 2020 and the third quarter of 2025, home prices climbed nearly 55% nationwide, according to a recent report from the National Association of Homebuilders.

Beyond the general lack of housing already, CNN said that many sellers are unwilling to give up the ultra-low mortgage rates they locked in years ago and have held off on listing.

"As homeowners adjust to rates above 6%, more may choose to sell in 2026, adding inventory to the market and easing price pressure," Simonsen said.

In 2025, CNN said there were glimmers of affordability, with some states such as Florida, Texas, and California seeing average home prices decline from their peaks.

### One Key Is to Build More Homes

However, Simonsen added that consumers shouldn't expect a sharp nationwide drop in home prices in 2026. He said that prices are more likely to hover near current levels.

"We're forecasting a half a percent increase in home prices next year, which is essentially flat," he said.

Many buyers still may feel priced out next year, and Simonsen said the best way to make homes more affordable long term would be to build more homes.

In terms of homebuilding, Simonsen said, "We are behind."

Mortgage rates have trended lower in the second half of 2025, CNN said.

Simonsen said he expects mortgage rates to stay above 6% in 2026, but that could change.

Falling inflation or a weakening labor market could prompt the Federal Reserve to cut rates more than expected, CNN said. While mortgage rates don't follow the Fed directly, they track the 10-year Treasury yield, which reacts to the Fed's moves.

Jason Waugh, President of Coldwell Banker Affiliates, said consumer confidence is key to the housing market. If the labor market further softens and buyers feel less secure in their jobs, they may be less willing to buy a home, weighing on sales.

"For the majority of folks, buying a house is a 15-year or 30-year commitment," he said. "If you're not confident in your income stream or your income potential, you may pause and not take on larger commitments."

A few years ago, rent prices exploded in many cities, and renters got a little relief in 2025 as rent growth cooled, according to Bank of America.

Rents were flat year over year in October for the first time in three and a half years, according to the bank's internal payments data.

### Rental Demand Could Stay Elevated

Will that relief last? Maybe not, according to CNN.

With many Americans still locked

out of homeownership by high down payments and expensive monthly mortgage payments, Redfin estimates rental demand will stay elevated, even as fewer newly constructed apartments hit the market. Rents could rise by about 2% to 3% year over year by the end of 2026, according to Redfin.

Earlier in December, President Donald Trump teased plans to pursue the “most aggressive housing reform plans” in U.S. history next year, CNN said.

While the White House so far has been quiet about the details, National Economic Council Director Kevin Hassett suggested plans focused on housing regulations during a television appearance.

“There are a lot of things that we can do with regulations to try to help get stuff approved quicker,” he said on Fox Business. “And we can also do things like reward states that make it easier for people to build a new home.”

In a statement to CNN, White House spokesperson Kush Desai said that homeownership was a “top priority for President Trump’s affordability agenda.”

## OUTGOING FED GOVERNOR WEIGHS IN ON 2026 RATE CUTS

**O**utgoing Federal Reserve Governor Stephen Miran said that he is looking for 150 basis points of interest-rate cuts this year to boost the U.S. labor market.

Miran, whose term ends in January, told Bloomberg Television’s Surveillance program that Fed officials had room to reduce rates more, given his view that underlying inflation was likely running at 2.3%.

“I’m looking for about a point and a half of cuts. A lot of that is driven by my view of inflation,” Miran said. “Underlying inflation is running within noise of our target, and that’s a good indication of where overall inflation is going to be going in the medium term.”

### Rate Was Cut at December Meeting

According to Reuters, his comments offered a more precise view of his target for rate cuts this year. Miran told the Fox

Business Channel that “well over 100 basis points of cuts are going to be justified this year.”

Reuters reported that his call for 150 basis points of cuts is in line with the lowest projection for the appropriate funds rate by the end of 2026 among the Fed’s 19 policymakers that was released at the end of December’s rate-setting meeting. That anonymized estimate saw the fed funds rate at 2.00%-to-2.25% as opposed to the current level of 3.50%-to-3.75%. It is also 50 basis points below the next lowest estimate.

NBC News reported that the U.S. economy added just 50,000 jobs in December, capping off the worst year for hiring since 2020, when the COVID-19 pandemic brought the global economy to a halt.

Save for 2020, last year now ranks as the poorest year for job creation since 2009 and the global financial crisis.

Miran is serving at the Fed while on leave from his role as a top economic advisor to President Donald Trump, who repeatedly has pushed the central bank to deliver big rate cuts.



**“For the majority of folks, buying a house is a 15-year or 30-year commitment. If you’re not confident in your income stream or your income potential, you may pause and not take on larger commitments.”**

—Jason Waugh, President of Coldwell Banker Affiliates

## PRESIDENT TRUMP ORDERS \$200B BOND PURCHASE IN BID TO LOWER MORTGAGE RATES

**P**resident Donald Trump announced on social media that he was instructing Fannie Mae and Freddie Mac to buy \$200 billion in mortgage bonds, saying that doing so would drive rates and monthly mortgage payments down.

Trump said he was issuing the order because Fannie Mae and Freddie Mac are flush with cash. FHFA Director Bill Pulte posted on X later that “We are on it. Thanks to President Trump, Fannie and Freddie will be executing.”

In the hours before Trump’s post on Truth Social, Pulte said in an interview on CNBC that he expected Trump

would decide in the next month or two on a possible initial public offering of Fannie and Freddie.

MarketWatch reported, however, that Trump's directive for Fannie Mae and Freddie Mac to buy the mortgage securities seemingly would spell the end to the idea that the agencies would go public again in massive initial public offerings. Trump's social media post implicitly suggested he wants to keep the pair under the conservatorship they've been in since the global financial crisis of 2008-09.

### The Fed Has Bought Mortgage Bonds Before

The Federal Reserve in the past has bought mortgage bonds in an effort to lower rates, as part of the monetary policy known as "quantitative easing," CNBC reported. The executive branch cannot order the independent central bank to initiate those transactions, however.

The Treasury also has purchased mortgage bonds in the past during times of extreme turmoil, such as the housing crisis of 2008 and 2009, CNBC said.

The Fed's quantitative easing typically involves buying multiple types of securities, with larger amounts done in Treasuries to lower long-term Treasury rates, CNBC noted. Mortgage rates usually follow the lead of long-term Treasury rates, rather than mortgage bond yields, the network said.

The 10-year Treasury yield ticked slightly lower after hours amid Trump's comments.

### Trump Announces Other Affordability Initiatives

MarketWatch noted that Trump's social media post came one day after he announced plans to roll out a slate of housing affordability measures ahead of the 2026 elections. Trump also announced that he was planning to work with Congress to ban institutional investors from purchasing single-family homes.

According to MarketWatch, industry analysts agree that the large purchase should lower mortgage rates, but they said it's not the most effective method.

Michelle Parkinson, AD Mortgage SVP of Capital Markets, said the president's order could offer short-term help to homebuyers.

"In the short-term, the increased demand lowers rates, which will help homebuyers afford the high home prices. Long-term, if this is a one-time purchase, rates will adjust back to normal ranges depending on the economic landscape at that time. The administration instructing Fannie and Freddie to buy mortgage bonds is just one initiative in the quest to lower mortgage bonds for a substantial period of time," Parkinson said.

Michael Bright, CEO of the financial services industry group Structured Finance Association, said in an interview that a \$200 billion purchase would "lower rates by a little bit," but that it exposes Fannie and Freddie to serious risks if the market turns.

"It exposes them to the exact same risks that got them blown up in 2008," Bright said.

## POWELL WARNS DOJ SUBPOENAS THREATEN FEDERAL RESERVE INDEPENDENCE

In what he called an "unprecedented action," Federal Reserve Chair Jerome Powell said that the U.S. Justice Department (DOJ) served the Fed with grand jury subpoenas and threatened a criminal indictment related to his testimony before the U.S. Senate.

Powell said he thought the DOJ's action was not as much about his testimony, but more about a difference of opinion on interest rates. In a statement, he said the DOJ's move should be seen in the broader context of the administration's threats and ongoing pressure. Powell's term as chair ends in May.

"The threat of criminal charges is a consequence of the Federal Reserve setting interest rates based on our best assessment of what will serve the public,

rather than following the preferences of the President," Powell said in a recorded video. "This is about whether the Fed will be able to continue to set interest rates based on evidence and economic conditions—or whether instead monetary policy will be directed by political pressure or intimidation."

### Powell Defended His Record

The Chair defended his record, saying he has served both Republican and Democratic administrations and that he has always based his decisions only on the central bank's dual goals of maximum employment and stable prices, as it is charged by Congress.

Yahoo! Finance reported that the subpoenas mark a major escalation in the yearlong struggle between the Trump administration and the Federal Reserve.

"On the face of it, it looks as if the administration and the central bank are now in open war—something Powell and Treasury Secretary Bessent have tried strenuously to avoid," said Krishna Guha, Head of Global Policy and Central Banking Strategy at Evercore ISI. "The severity of the response will shape what happens next, establish whether Fed independence still has a guarantor in the market, and influence whether Bessent or Republicans in Congress seek to broker an off-ramp."

Last year, Trump said he was still considering suing Powell over the central bank's renovation of its headquarters, claiming Powell demonstrated "gross incompetence" in overseeing the project.

In July, during a rare visit to the Fed's headquarters, the president wore a hard hat and toured the construction site alongside Powell, as the two publicly disagreed over the cost of the project's overruns. Trump insisted the price tag had increased to \$3.1 billion—an amount Powell disputed.

Trump told NBC News that the subpoenas have nothing to do with interest rates.

"No. I wouldn't even think of doing it that way. What should pressure him is the fact that rates are far too high. That's the only pressure he's got," Trump said.



“He’s hurt a lot of people,” Trump said. “I think the public is pressuring him.”

A Department of Justice spokesperson said in a statement that Attorney General Pam Bondi “has instructed her U.S. Attorneys to prioritize investigating any abuse of taxpayer dollars,” but did not refer to any specific case.

### The Fed Releases Statement

Here is Powell’s complete statement released by The Fed:

“On Friday, the Department of Justice served the Federal Reserve with grand jury subpoenas, threatening a criminal indictment related to my testimony before the Senate Banking Committee last June. That testimony concerned, in part, a multi-year project to renovate historic Federal Reserve office buildings.

I have deep respect for the rule of law and for accountability in our democracy. No one—certainly not the chair of the Federal Reserve—is above the law. But this unprecedented action should be seen in the broader context of the administration’s threats and ongoing pressure.

This new threat is not about my testimony last June or about the renovation of the Federal Reserve buildings. It is not about Congress’s oversight role; the Fed, through testimony and other public disclosures, made every effort to keep Congress informed about the renovation project. Those are pretexts. The threat of criminal charges is a consequence of the Federal Reserve setting interest rates based on our best assessment of what will serve the public, rather than following the preferences of the President.

This is about whether the Fed will be able to continue to set interest rates based on evidence and economic conditions—or whether instead monetary policy will be directed by political pressure or intimidation.

I have served at the Federal Reserve under four administrations, Republicans and Democrats alike. In every case, I have carried out my duties without political fear or favor, focused solely on our mandate of price stability and maximum employment. Public service

# “Trying to kill the Fed’s independence by criminal investigation is not good for that institution, and maybe even worse for the Justice Department.”

— Lloyd Blankfein, Former CEO, Goldman Sachs



sometimes requires standing firm in the face of threats. I will continue to do the job the Senate confirmed me to do, with integrity and a commitment to serving the American people.

Thank you.”

### Politicians, Business Leaders React

The announcement by Powell drew responses from across the political and business landscape.

Sen. Thom Tillis, the North Carolina Republican, said he would oppose Trump’s nominees for the Fed.

“If there were any remaining doubt about whether advisers within the Trump Administration are actively pushing to end the independence of the Federal Reserve, there should now be none,” Tillis said in a statement.

Fellow Republican Sen. Lisa Murkowski of Alaska said that, “After speaking with Chair Powell this morning, it’s clear the administration’s investigation is nothing more than an attempt at coercion.”

Murkowski added, “If the Department of Justice believes an investigation

into Chair Powell is warranted based on project cost overruns—which are not unusual—then Congress needs to investigate the Department of Justice.” Murkowski said that Tillis is right to block any Federal Reserve chair nominees from the Trump administration.

Former Goldman Sachs CEO Lloyd Blankfein said this “feels like an attempt at murder-suicide.”

“Trying to kill the Fed’s independence by criminal investigation is not good for that institution, and maybe even worse for the Justice Department,” Blankfein wrote on X.

In a CNBC interview, Victoria Greene, the Chief Investment Officer at G Squared Private Wealth, said that her firm is advising its clients to remain relaxed and avoid knee-jerk reactions to headlines.

“See how this plays out. It could be a little bit of a dip buying opportunity, we see multiple 5-10% pullbacks here,” Greene said. “FED independence is something we’re going to have to watch, especially what happens with bond yields.”

## NEW YORK CITY'S NEW MAYOR LAUNCHES HOUSING AFFORDABILITY PUSH

The newly inaugurated mayor of New York City, Zohran Mamdani, got off to a fast start, signing three executive orders he said are designed to tackle the city's housing crisis.

ABC 7 in New York reported that one executive order will revive the Mayor's Office to Protect Tenants, which will function as a central coordinating body to defend tenants' rights, stand up to landlords, and ensure city agencies act swiftly on behalf of renters facing unsafe or illegal conditions.

The station said that Cea Weaver, currently Executive Director of Housing Justice for All and the New York State Tenant Bloc, will head the Mayor's Office to Protect Tenants as executive director.

"Today, on the first day of this new administration, on the day where so many rent payments are due, we will not wait to deliver action. We will stand up on behalf of the tenants of this city," Mamdani said.

### New Task Forces Created

The other two executive orders create task forces related to accelerating housing development.

The LIFT (Land Inventory Fast Track) task force will identify city-owned properties suitable for housing development, ABC7 reported.

The SPEED (Streamlining Procedures to Expedite Equitable Development) task force will identify and remove bureaucratic and permit barriers that increase costs and slow the construction of housing, the station said.

The task forces will be overseen by the deputy mayor for housing and planning.

The new mayor chose to hold the press conference at 85 Clarkson Ave. in Brooklyn, a rent-stabilized building where residents have threatened a rent strike.

### Buildings To Be Auctioned

The building, owned by Pinnacle Realty, is one of 90-plus buildings in bankruptcy proceedings set to be auctioned off to a different landlord who ranks No. 6 on the list of worst landlords in New York City, according to Mamdani.

He said the city will be taking action in the bankruptcy case and will step in to represent the interests of the city and tenants.

Mamdani tasked Steve Banks, newly appointed as counsel to the corporation, to take action.

"It is a very important moment now today for the city of New York to say we are going to be in that proceeding in a way in which the path forward is not simply to address the city's interests—but the city's interests are also bound up with the tenants' interests," Banks said.

## TREASURY SECRETARY: MORE FED RATE CUTS ARE 'ONLY INGREDIENT MISSING' FOR STRONGER ECONOMY

Treasury Secretary Scott Bessent said in a speech that the Trump administration is seeking lower interest rates because they are the key to future economic growth.

In the speech before the Economic Club of Minnesota, Bessent supported President Donald Trump's economic agenda and said easier monetary policy would help pave the way for gains ahead.

"Cutting interest rates will have a tangible impact on the lives of every Minnesotan," Bessent said. "It is the only ingredient missing for even stronger economic growth. Which is why the Fed should not delay."

In the final four months of 2025, the Fed approved three consecutive interest rate cuts, totaling 0.75 percentage points

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and taking its key interest rate down to a range of 3.5%-3.75%.

CNBC reported that the pace of reductions is expected to slow considerably this year, with markets pricing in only two cuts and the most recent projections from Fed officials pointing to just one.

### Fed to Get New Chair This Year

One wild card in that equation, however, is that the central bank will get a new chair this year, a process that Bessent is overseeing.

Current Chair Jerome Powell's term ends in May, and Bessent has reduced the number of candidates to five. National Economic Council leader Kevin Hassett and former Fed Governor Kevin Warsh are the two betting favorites to get the position, CNBC said.

While lower interest rates carry the threat of reigniting inflation, CNBC said that they also could help support a slowing labor market.

“In 2025, the President laid the foundation for robust economic growth with: the historic passage of the One Big Beautiful Bill, trade deals that rewrote decades of global misalignment; and an ambitious deregulation agenda that empowered American entrepreneurs and businesses,” Bessent said. “Now, in 2026, we will reap the rewards of President Trump’s America First agenda.”

## CFPB ISSUES FINAL HPML ASSET EXEMPTION THRESHOLD ADJUSTMENT

**T**he Consumer Finance Protection Bureau (CFPB) has issued a final rule increasing the asset exemption threshold for the Truth in Lending Act requirement to maintain an escrow account for a higher-priced mortgage loan (HPML).

The CFPB said that Regulation Z generally requires creditors to maintain an escrow account for the payment of taxes and insurance on a first-lien HPML. The agency said that there are two creditor-based exemptions to the escrow account requirement.

The original exemption is for creditors with assets below a certain threshold that also meet additional criteria, including extending a first lien loan subject to the Regulation Z ability to repay rule in a rural or underserved area and having a covered loan volume, with affiliates, at or below a certain level. CFPB said the asset threshold is subject to annual adjustment based on inflation.

It said that for purposes of the asset threshold, a creditor’s assets include the assets of any affiliate that regularly extends covered loans. The asset threshold for 2025 was \$2.717 billion, CFPB said.

### Some Creditors Are Exempt

“For certain first-lien higher-priced mortgage loans, the exemption threshold

is adjusted to increase to \$2.785 billion from \$2.717 billion,” CFPB said in a release.

It said creditors with assets of less than \$2.785 billion (including assets of certain affiliates) as of Dec. 31, 2025, are exempt, if other requirements of Regulation Z are met, from establishing escrow accounts for higher-priced mortgage loans in 2026.

CFPB said that this asset limit will apply during a grace period, in certain circumstances, regarding transactions with applications received before April 1, 2027.

The threshold for purposes of the original exemption from the HPML escrow account requirement is one of the criteria that determines whether a creditor will qualify under the ability to repay rule to make loans based on the small creditor portfolio, and small creditor balloon payment, qualified mortgage loan provisions.

For 2026, the \$2.785 billion threshold will be used to determine if a creditor is a small creditor under such provisions.

### Asset Threshold Increased

CFPB said that the Economic Growth, Regulatory Relief, and Consumer Protection Act, adopted in 2018, required it to add an additional exemption from the HPML escrow account requirements for insured depository institutions and insured credit unions.

The asset threshold for 2025 was \$12.179 billion. The final rule increases the asset threshold for 2026 to \$12.485 billion.

As a result, if an insured depository institution or an insured credit union’s assets were \$12.485 billion or less on Dec. 31, 2025, the entity will be exempt from the escrow account requirement for HPMLs in 2026.

## PULTE PULLS BACK ON 50-YEAR MORTGAGE PLAN

**F**ederal Housing Director Bill Pulte said that the Trump administration is moving past its proposal for 50-year mortgages, a widely criticized idea put forward in the ad-

ministration’s broader effort to address housing affordability.

“I think we have other priorities,” Pulte said when asked by reporters if 50-year mortgages are still on the table.

President Donald Trump floated other policy proposals aimed at addressing the cost of home-buying. Trump said he would share more affordability measures during the World Economic Forum in Davos, Switzerland, later this month. The administration said it is drafting an executive order targeted at affordability issues that are weighing on voters’ minds heading into a midterm election year.

Politico said that Pulte’s comment indicates that the 50-year mortgages idea, which was panned by officials in the White House as well as industry experts, won’t be among the actions in Trump’s order. Politico reported that Pulte originally brought the proposal to Trump.

Pulte said the president is reviewing a list of 30 to 50 home-cost solutions from himself and other top administration officials—including Vice President JD Vance, Treasury Secretary Scott Bessent, Housing and Urban Development Secretary Scott Turner, Commerce Secretary Howard Lutnick, and National Economic Council Director Kevin Hassett.

### Freddie, Fannie Are Buying Mortgage Bonds

Pulte said Fannie and Freddie, the government-sponsored mortgage entities which his agency oversees, have started carrying out Trump’s order to buy \$200 billion in mortgage bonds in an effort to lower home loan rates, starting with a \$3 billion buy.

Mortgage bonds are composed of home loans that Fannie and Freddie, as well as private financial institutions, buy and package into securities that are bought and sold by investors.

Fannie and Freddie can buy back those mortgage-backed securities from the public market. The government-controlled entities were bailed out by the Treasury Department and placed under government conservatorship after they faced massive losses from defaulting



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subprime mortgages as a result of the 2008 financial crisis.

Pulte pushed back against concerns that Fannie and Freddie might not be properly insulated against the risks posed by increasing their portfolio of mortgage-backed securities.

“The mortgages that we’re underwriting are not like they were in 2008, and so we feel very confident in our liquidity position,” Pulte said. “I think that Fannie and Freddie have way more liquidity than we know what to do with.”

## FEMA STAFF BRACING FOR DISMISSAL OF 1,000 DISASTER WORKERS

**M**ore staff cuts are on the way at the Federal Emergency Management Agency, according to a report in the *New York Times*.

It reported that supervisors are telling their staff to prepare for the elimination of 1,000 jobs this month as part of changes that Secretary of the Department of Homeland Security Kristi Noem is overseeing at the agency, according to three people with knowledge of the discussions.

The *Times* reported that the cuts would apply to contractual FEMA staff whose assignments—typically lasting for two or four years—expire this month. Those workers, known as FEMA’s Cadre of On-Call Response/Recovery Employees, or CORE, help facilitate disaster recovery and emergency preparedness in communities nationwide and historically have made up nearly 40% of FEMA’s workforce.

The dismissals were confirmed by three FEMA employees, including senior officials and supervisors, all of whom requested anonymity because they were not authorized to speak to the news media.

A FEMA spokesman did not immediately respond to a request for comment, the *Times* said.

“You cannot gut the agency responsible for disaster response and expect it to function at its best when the next hurricane, wildfire, or flood hits.”

—Rafael Lemaitre, former FEMA official

★★★★★

### More Job Cuts May Be Coming Later

The publication said that the dismissals are raising fears among FEMA staff that more job cuts are on the way this year. The *Times* said that a FEMA planning document it obtained detailed potential cuts of more than 11,500 people from a work force of about 23,000. The existence of the document was first reported by the *Washington Post*, according to the *Times*.

FEMA Spokesman Daniel Llargues said the document was “a routine, pre-decisional work force planning exercise,” and that there was no “percentage-based workforce reduction plan.”

The FEMA employees who spoke with the *Times* expressed concern that Noem appears to be deeply involved in workforce changes at FEMA. Federal law

enacted in 2005 after Hurricane Katrina prohibits the homeland security secretary from “significantly” reducing FEMA’s ability to perform its mission of preparing for, responding to, and leading recovery from disasters, the *Times* reported.

Emails sent to senior FEMA officials in recent weeks, and reviewed by the *Times*, show that as of the end of 2025, agency officials no longer could renew CORE workers’ employment without Noem’s approval. A form, reviewed by the *Times*, that is required to be attached to any requests to renew CORE employment includes a space for a signature from the office of the homeland security secretary.

The CORE roles are “term-limited positions that are designed to fluctuate based on disaster activity, operational need, and available funding,” Llargues said.

## FEDERAL JUDGE BLOCKS MAMDANI'S INTERVENTION IN SALE OF NYC RENT-STABILIZED PROPERTIES

New York City Mayor Zohran Mamdani's effort to intervene in the sale of thousands of rent-stabilized rental properties has been blocked by a federal judge.

Mamdani wanted to slow the sale after tenants complained that the seller, Pinnacle Group, had maintained the properties poorly and were worried that the prospective buyer, Summit Properties USA, would have similar issues.

Mamdani's administration tried to intervene on the basis of being a creditor to Pinnacle, which owes the city more than \$12 million in unpaid fines, Gothamist reported.

Bankruptcy Judge David Jones rejected Mamdani's effort, setting back the new mayor's first venture into the city's housing market.

Fox Business said that Jones could approve the sale to Summit soon, but Mamdani's administration said it is looking at options.

"We will continue to fight to ensure any owner of this portfolio makes necessary repairs to bring the buildings

up to code and respects the rent stabilization regulations," Leila Bozorg, the city's deputy mayor for housing, told Gothamist.

The ruling comes after another controversy that bruised Mamdani's housing agenda, namely his hiring of Cea Weaver to lead the Mayor's Office to Protect Tenants. Weaver has said previously that home ownership is a "weapon of white supremacy" and argued that property should be treated as a "collective good."

Referring to that controversy, Weaver said she regretted "some" of her past comments. While she did not specify which statements she regrets, Weaver said she wants to tackle "racial inequalities" while serving New Yorkers.

"But, you know, I do think my decades of experience fighting for more affordable housing sort of stands on its own," Weaver said. "I'm proud to be in this role fighting for stronger tenants' rights. And I think that for many years, people have been locked out of the property market, that has produced systemic and racial inequalities in our system."

The *Times* reported that the 2025 hurricane season in the United States was relatively quiet and that no tropical cyclones or storms made landfall. Still, the *Times* said, recovery from disasters such as the Los Angeles fires last January and Hurricane Helene in 2024 continues to require federal resources, which are moving more slowly to communities or being denied altogether.

According to the *Times*, critics of the Trump administration's approach to disaster response said further cuts to FEMA staffing would put Americans at risk.

"You cannot gut the agency responsible for disaster response and expect it to function at its best when the next hurricane, wildfire, or flood hits," said Rafael Lemaitre, a former FEMA official now serving on the advisory council of an advocacy group called Sabotaging Our Safety.

### Job Cuts via Firings and Early Retirements

FEMA's staffing dropped significant-

ly via firings and early retirements in the first year of the second Trump administration. Briefings on FEMA operations across the country issued each day reveal that FEMA's workforce is more than 20% smaller than it was a year ago, down to 23,000 employees from nearly 29,000.

CORE employees made up 39% of the FEMA workforce as of 2022, according to the Government Accountability Office, and they help FEMA remain nimble and adapt to changing needs associated with disaster relief and long-term disaster recovery, said Ernest Abbott, a Professorial Lecturer in law at George Washington University. He served as FEMA's general counsel under President Bill Clinton.

They allow FEMA to hire employees and move them around without being bound to traditional civil service rules, Abbott said.

"The whole point was to have an agency that had flexibility and could ramp up and down with events," he said.

President Trump and Noem, whose

department oversees FEMA, have said they want to shift more of the responsibility and cost of disaster response and recovery from the federal government to states.

While members of both political parties agree that FEMA needs an overhaul to better help communities, many Republicans don't agree that staffing cuts would help accomplish that. The *Times* reported that a draft spending bill released by the Republican-controlled Senate includes provisions that would bar FEMA from cutting staff needed for key functions, including delivery and review of disaster aid.

Dominik Lett, a policy analyst with the Cato Institute, said that while job cuts could make FEMA leaner, they wouldn't necessarily reduce states' reliance on the agency, or the flow of billions of dollars of disaster aid.

## POWELL'S FUTURE AT THE FED AFTER MAY: MUM'S THE WORD

Some questions are hanging over the Federal Reserve as 2026 gets underway. One of the most important is whether current Chairman Jerome Powell will remain on the Fed when he leaves the chairmanship in May.

CNBC reported that Powell is remaining mum on the subject.

"I'm focused on my remaining time as chair," Powell said at the December press conference. "I haven't got anything new on that to tell you."

CNBC said Powell's future is a question that is being asked on Wall Street as Fed watchers try to game out the makeup of the rate-setting Open Market Committee and whether appointees of President Donald Trump will have control of the Fed's powerful Board of Governors.

It's being asked in the Treasury Department and the White House, CNBC said, where administration officials are trying to figure out how many slots on the board Trump will have to fill in 2026, who might fill them, and when those slots will be available.

CNBC said that the Fed observers it interviewed said they see it as a wrenching decision for Powell that pits the personal against the professional.

### Personal vs. Professional Decision

It may come down to personal vs. professional for Powell.

CNBC said that as a golfer, avid guitar player, and relatively new grandfather, Powell is thought to be ready for civilian life after 13 years at the Fed, including eight as Chair. It said that for much of those eight years as chair, Powell endured withering public criticism from the president, who named him to the post.

Powell also holds deep loyalty to the Fed and concern about its fate under the challenges posed by a president who has virtually eliminated the indepen-

dence of multiple government entities, CNBC reported. Trump repeatedly has pressured the central bank to lower rates and made clear that his nominee needs to agree with him or they "will never be Fed Chairman."

CNBC said that most of those it interviewed said they had no personal knowledge of what Powell would decide, and said they believe Powell likely will leave the Fed when his term as chair ends. None would rule out the possibility that Powell would decide to stay, perhaps even for just a short time. Only former Fed Chair Marriner Eccles stayed on as a governor when his 14-year tenure as chair ended in 1948, CNBC said.

Powell's decision might be dictated by the numbers, CNBC said. Three Trump appointees currently sit on the seven-member board of governors, and, if Powell leaves, that would immediately hand the president the majority of the board. If they voted as a bloc, it could go a long way toward delivering the president his call for ultra-low interest rates.

Of more concern, CNBC said, the Federal Reserve Act appears to give the board's majority the ability to fire individual bank presidents who oppose rate cuts.

There is some doubt about whether the firing could be done without cause, CNBC said, but Powell's continued presence on the board, even in the minority, could help stave off such extreme outcomes.

## WARREN PROBES 'ZOMBIE MORTGAGES' LINKED TO NATIONAL MORTGAGE SETTLEMENT

After the financial crisis of 2008, many loans were forgiven under a \$25 billion national mortgage settlement that targeted foreclosure practices and other mortgage abuses by banks.

Some of those loans—now called zombie loans—reportedly were sold to

debt buyers for pennies on the dollar, even though many of the homeowners received tax notices earlier that showed the debts had been canceled.

U.S. Sen. Elizabeth Warren of Massachusetts is seeking documentation related to those loans, Realtor.com reported.

"These zombie mortgages arise from second mortgages or HELOCs that homeowners believed were canceled in the wake of the Great Financial Crisis," said Joel Berner, Senior Economist at Realtor.com. "The original lenders stopped collecting payment on them, but when they are sold to debt purchasers, they 'come back to life,' and homeowners are faced with bills they didn't expect or even the threat of foreclosure.

Berner said the practice has created new issues for those borrowers.

"This adds uncertainty to the prospect of homeownership, which is already an affordability challenge for many," Berner said.

### Were Consumer Protection Laws Broken?

Realtor.com said that some collection agencies regularly broke consumer protection laws by charging years of back interest on these zombie mortgages for periods when no statements had been issued, according to a report by Bloomberg.

In some cases, homeowners were foreclosed on despite having tax documents showing their loans had been canceled years before.

"I am concerned that banks may have received credit for extinguishing second mortgages in the settlement, when in fact they sold those loans to debt collectors," Warren wrote in her letter to Joseph A. Smith Jr., independent monitor of the 2012 settlement between the Department of Justice, 49 state attorneys general, and the largest mortgage servicers.

Bloomberg reported that it examined more than 5.5 million piggyback mortgages that were issued between 2002 and 2008, and estimated that 600,000 of these old second mortgages remain.

Some financial institutions may have sold uncollectible debts, according to records reviewed by Bloomberg.

“A debt buyer may purchase a portfolio for pennies, then send payoff letters that inflate principal with fees,” Chad D. Cummings of Cummings & Cummings Law in Florida told Realtor.com. “A \$15,000 old second mortgage can become a \$45,000 demand.”

Warren said she is concerned about zombie mortgages, and she wants answers.

“There have been numerous cases of homeowners who had stopped receiving statements on their second mortgage, received tax documents saying their second mortgage was cancelled, or had the loans removed from their credit reports, and then learned that the second mortgage was still active,” Warren wrote in her letter to Smith.

“Companies purchased millions of dollars of these second mortgages—and waited to collect until home prices rose,” Warren wrote. “Now, Americans who thought they were doing everything right learned, in many cases, many years later, that debt collectors seeking to exploit the increase in their home valuations were going to foreclose on their homes.”

### Warren Wants Records on Second Mortgages

Warren has requested that Smith provide records related to the second mortgages that were extinguished under the terms of the National Mortgage Settlement, as well as all communications between Smith and the banks related to the extinguishment of second mortgages by January 7.

“Sen. Warren’s proposal is interesting in that the mortgage enforcement historically belongs to state law, not federal law,” Cummings said. “States control recording systems, foreclosure procedures, statutes of limitation, and lien priority. Federal law touches lending disclosures and debt collection, but it rarely rewrites who owns a lien or how title clears.”

California, Connecticut, and Virginia recently passed laws to address abuses tied to zombie mortgages.

A Massachusetts bill is under review by the state’s judiciary committee, and Maryland lawmakers plan to introduce similar legislation this year, Realtor.com said.

“The bottom line is that zombie mortgages are a huge issue and will get even bigger in 2026 and beyond,” Cummings said. “The only question is whether it makes sense to enforce this federally or at the state level.”

## MINNEAPOLIS FED PRESIDENT SUGGESTS INTEREST RATE CUTS MAY BE PAUSING

**T**he president of the Minneapolis Federal Reserve said in an interview that he thinks the central bank is near the point at which it should stop lowering interest rates.

Neel Kashkari said in the interview that the key calculus now is whether the Fed should be more focused on a slowing labor market or stubbornly high inflation.

“My guess is we’re pretty close to neutral right now,” Kashkari said in a Squawk Box interview. “We just need to get more data to see which is the bigger force. Is it inflation or is it the labor market? And then we can move from a neutral stance, whatever direction is necessary.”

CNBC said that calibrating “neutral” is a key for Fed policymakers, a divided group that decides whether to continue the streak of three consecutive rate cuts implemented in the latter part of 2025.

### How Tight Is Monetary Policy?

Will they hold pat as policymakers watch economic conditions unfold?

The key federal funds rate is currently targeted in a range between 3.5%-3.75%, and according to projections made at the December meeting, that’s roughly half a percentage point from the committee consensus on the neutral rate—one that neither supports nor

restrains growth.

“I think inflation is still too high. And the big question in my mind is, how tight is monetary policy?” Kashkari said. “Over the last couple of years, we kept thinking the economy is going to slow down, and the economy has proven to be far more resilient than I had expected. That tells me, well, monetary policy must not be putting that much downward pressure on the economy.”

CNBC said that Kashkari’s voice carries a little extra weight this year as he is a voting member on the Federal Open Market Committee, which sets benchmark interest rates. Recently, Kashkari has said he would have opposed recent cuts as he worries about inflation, which could be influenced by President Donald Trump’s tariffs.

Even though he expressed concern about the labor market, Kashkari said that the committee’s work is close to being done on cutting.

### Unemployment Has Drifted Higher

The unemployment rate has drifted higher to 4.6% this year, while the Fed’s preferred core inflation measure, most recently, was at 2.8%, CNBC said, albeit according to data whose accuracy has been questioned due to impacts from the government shutdown.

“Inflation risk is one of persistence, that these tariff effects take multiple years to work their way all the way through the system, whereas I do think there’s a risk that the unemployment rate could pop from here,” Kashkari said.

Kashkari said separately that he would be happy if current Chairman Jerome Powell stays on board after his term as chair ends in May. Though he is certain to be replaced as Chair, Powell’s term as governor lasts until January 2028.

“I have no idea whether he stays on. I think he’s done a wonderful job as Chair. None of us are perfect. I think he’s not perfect. I’m not perfect. As a committee, we’re not perfect,” Kashkari said. “But overall, I think he’s done an excellent job, and I would love to see him remain as a colleague for as long as he likes.”



## Market Trends

### MORTGAGE LOCK-IN EFFECT LEAVES HOMEOWNERS TRAPPED AS PAYMENTS JUMP

**P**urchase and refinance activity surged in 2020 and 2021 due to record-low mortgage rates and rising homebuyer demand. During those two years alone, over 25% of all mortgages outstanding since 1995 were either opened or refinanced. In other words, approximately one-fourth of existing mortgages originated in 2020 or 2021 alone.

Both homebuying and refinancing plummeted as mortgage rates started to rise in 2022. Only 22.1% of outstanding mortgages were originated between 2022 and the most current data in August 2025, highlighting how drastically activity decreased after rates increased.

The entire cost of financing a house purchase soared dramatically as mortgage rates and home prices increased. Compared to purchasers originating loans today, current homeowners, many of whom are clinging to the extremely low rates obtained in 2020 and 2021, pay significantly less each month. The “lock-in effect” is based on this growing discrepancy between current and new payments.

Because buying a new home in the same neighborhood would require taking out a far larger mortgage, homeowners nationwide found themselves unwilling or unable to sell. The idea that “I couldn’t afford to buy my home today” became more prevalent, which led to some of the lowest for-sale inventory on record and historically low mobility.

#### Lock-In Effects on U.S. Owners, Buyers Nationwide

While much of the nation has seen a sharp slowdown, the Midwest and Northeast’s affordable areas typically show the least lock-in effects, which has kept home sales activity relatively durable. The increase in monthly payments needed to purchase a typical home is significantly less than the national average, which lessens the financial penalty for moving, even though housing costs have increased in these markets as well. As home purchasers seek refuge in these low-cost metro areas, these inexpensive refuge markets have seen significant demand and comparatively robust sales activity in recent years.

Because home prices and mortgage balances are often lower in these areas, higher mortgage rates result in smaller absolute payment increases, making movement more practical for current homeowners. However, this is just one aspect of the situation. Due to a combination of a less severe COVID-19

pandemic sales boom, fewer refinances (partially because smaller loan balances decreased the incentive to refinance), and more consistent sales activity in the high-rate environment of 2022–2024, many of these metro areas also started the current cycle with higher average outstanding mortgage rates.

When taken as a whole, these factors indicate that a greater proportion of homeowners currently have mortgages at comparatively high rates, which lessens the financial cost of relocation. Consequently, compared to more locked-in markets, metro areas like Pittsburgh, Baltimore, Buffalo, New York, and Detroit have experienced more consistent market activity.

The distribution of outstanding mortgage rates is consistent with the concentration of the least locked-in markets in the Midwest and South. Currently, 80.3% of mortgages in the country have interest rates lower than 6%. That percentage drops to 77.7% in the South and 79.4% in the Midwest.

Since September 2022 was the first time since 2008 that mortgage rates surpassed 6%, most mortgages above this barrier had been issued within the previous three years. Since fewer homeowners in these areas are holding onto 3%–4% rates, these newer loans both lessen the severity of the lock-in effect and reflect a less locked-in owner base. In recent years, there has been less lock-in in these areas, which has allowed more households to relocate in spite of high mortgage rates.

Each relocation resets borrowers to the current, higher rates. Because of this, there are fewer financial consequences for homeowners in more reasonably priced locations when they relocate, which encourages consistent transaction activity and relatively healthier levels of inventory turnover.

As seen in San Antonio, Texas, falling property prices can also mitigate the lock-in impact. For almost two years, the cost of purchasing a home has decreased due to the annual decline in property prices. The difference between what current homeowners pay on their mortgages and what a prospective buyer

Metro	Current Mortgage Holder Median Monthly Payment	Current Mortgage Holder Median Rate	Oct 2025 Est. Monthly Payment	Gap
USA	\$1,291	4.0%	\$2,236	73.2%
Pittsburgh	\$995	4%	\$1,318	32.5%
Baltimore-Columbia-Towson, MD	\$1,505	3.9%	\$2,016	34.0%
Buffalo-Cheektowaga, NY	\$1,046	4.3%	\$1,410	34.8%
Detroit-Warren-Dearborn, MI	\$997	4.1%	\$1,413	41.6%
San Antonio-New Braunfels, TX	\$1,209	4.3%	\$1,734	43.4%
Urban Honolulu, HI	\$2,415	3.8%	\$3,473	43.8%
Toledo, OH	\$798	4.3%	\$1,149	43.9%
Akron, OH	\$874	4.3%	\$1,263	44.5%
Birmingham, AL	\$1,075	4.1%	\$1,581	47.0%
Dayton-Kettering-Beavercreek, OH	\$902	4.4%	\$1,335	48.0%

Metro	Current Mortgage Holder Median Monthly Payment	Current Mortgage Holder Median Rate	Oct 2025 Est. Monthly Payment	Gap
USA	\$1,291	4.0%	\$2,236	73.2%
San Jose-Sunnyvale-Santa Clara, CA	\$2,604	3.8%	\$7,281	179.6%
Los Angeles-Long Beach-Anaheim, CA	\$2,096	3.8%	\$5,792	176.4%
Portland-South Portland, ME	\$1,297	4.0%	\$3,305	154.8%
Oxnard-Thousand Oaks-Ventura, CA	\$2,090	3.8%	\$5,267	151.9%
Bridgeport-Stamford-Danbury, CT	\$1,696	3.9%	\$4,214	148.5%
Boise City, ID	\$1,331	3.9%	\$3,159	137.3%
San Diego-Chula Vista-Carlsbad, CA	\$2,108	3.8%	\$4,886	131.8%
Boston-Cambridge-Newton, MA-NH	\$1,857	3.8%	\$4,216	127.0%
Providence-Warwick, RI-MA	\$1,372	3.8%	\$3,070	123.8%
Salt Lake City-Murray, UT	\$1,393	3.9%	\$3,054	119.2%

would pay now has decreased, with prices now 14% below their mid-2022 peak.

High-priced coastal and rapidly expanding areas have been particularly hard hit by the rise in borrowing costs. Expected mortgage payments for a comparable home purchase have increased by more than 150% in metro areas, including San Jose, Los Angeles, Portland, Maine, and Oxnard, significantly deterring mobility.

The impact of rising rates is exacerbated because buyers in these areas usually rely on bigger mortgage balances due to the already high cost of properties. It is much more difficult for current homeowners to relocate within the same market or for prospective buyers to enter when even small rate hikes result in sharp

increases in monthly payments.

Similarly, compared to 80.3% nationwide, 84.6% and 81.0% of outstanding mortgages in the West and Northeast, respectively, had interest rates below 6%. Home sales in these areas have declined more dramatically over the last three years, which can be explained by the high percentages of low-rate loans.

At the lowest rate levels, the lock-in impact is even more noticeable: nearly one in four mortgages in the West have a rate below 3%, whereas the national average is 20.4%. Since selling would frequently result in more than tripling their monthly housing payment, such clusters of ultra-low rates effectively keep homeowners in place.

Locked-in markets alter the whole housing environment in addition to slowing down home sales. Fewer homeowners decide to list their properties when a big percentage of them have mortgages that are far below current rates, which results in persistently low inventory, decreased mobility, and poorer turnover.

This restricts the possibilities available to first-time purchasers, maintains high prices in spite of declining demand, and slows the process by which households naturally gravitate toward properties that better suit their needs. Additionally, lock-in reduces labor mobility by making it more difficult for employees to move for work or family obligations. These pressures

intensify in the most locked-in markets, exacerbating issues with affordability and prolonging the stagnation of the housing market.

## HOME BUILDERS' MARKET CONFIDENCE STILL IN NEGATIVE TERRITORY

**B**uilder confidence in the market for newly built single-family homes rose slightly in December, but remains well into negative territory, according to the National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index (HMI).

While confidence inched higher to end the year, builders are still contending with rising construction costs, tariffs, and economic uncertainty, and many potential buyers are remaining on the sidelines because of affordability concerns.

NAHB said confidence in the market rose one point to 39 in December. Sentiment levels were below the breakeven point of 50 every month in 2025 and ranged in the high 30s in the final quarter of the year.

### Some 40% of Builders Say They Cut Prices in December

"Market conditions remain challenging with two-thirds of builders reporting they are offering incentives to move buyers off the fence," said NAHB Chairman Buddy Hughes, a home builder and developer from Lexington, North Carolina. "Meanwhile, builders are contending with rising material and labor prices, as tariffs are having serious repercussions on construction costs."

"In positive signs for the market, builders report that future sales expectations have been above the key breakeven level of 50 for the past three months, and the recent easing of monetary policy should help builder loan conditions at the start of 2026," NAHB Chief Economist Robert Dietz said. "However,

builders continue to face supply-side headwinds, as regulatory costs and material prices remain stubbornly high. Rising inventory also has increased competition for newly built homes."

NAHB said that in a further sign of ongoing challenges for the housing market, the latest HMI survey also revealed that 40% of builders reported cutting prices in December. That marked the second consecutive month that the share has been at 40% or higher since May 2020. It was 41% in November, NAHB said. Meanwhile, the average price reduction was 5% in December, down from the 6% rate in November.

NAHB said the use of sales incentives was 67% in December, the highest percentage in the post-COVID-19 period.

The figures are derived from a monthly survey that NAHB has been conducting for more than 40 years.

The NAHB/Wells Fargo HMI gauges builder perceptions of current single-family home sales and sales expectations for the next six months as "good," "fair," or "poor." It also asks builders to rate the traffic of prospective buyers as "high to very high," "average," or "low to very low." NAHB said that scores for each component are then used to calculate a seasonally adjusted index, where any number over 50 indicates that more builders view conditions as good than poor.

The HMI index gauging current sales conditions increased one point to 42, the index measuring future sales rose one point to 52, and the gauge charting traffic of prospective buyers held steady at 26, NAHB said.

According to the index, looking at the three-month moving averages for regional HMI scores, the Northeast fell one point to 47, the Midwest rose two points to 43, the South increased two points to 36, and the West gained four points to 34.

## U.S. HOUSING MARKET HAS MORE SELLERS THAN BUYERS

**T**he U.S. housing market had 529,770 more home sellers than buyers in November, according to a new report from Redfin. That's an estimated 37.2% more sellers, the largest gap in records dating back to 2013, and compares with 35.6% a month earlier and 17% a year earlier.

Redfin, the real estate brokerage powered by Rocket, said it defines a market with over 10% more sellers than buyers as a buyer's market. Redfin said that by that standard, it has been a buyer's market since May 2024.

When sellers outnumber buyers, then buyers typically hold the negotiating power because they have a lot of options to choose from, Redfin said. Of course, it's only a buyer's market for those who can afford to buy, and Redfin said that many Americans have been priced out of the housing market as affordability has eroded.

"A modest improvement in housing affordability could bring some homebuyers off the sidelines in 2026, which could narrow the gap between homebuyers and sellers," Redfin Senior Economist Asad Khan said. "But the housing market is likely to remain in buyer's market territory for the foreseeable future, with sellers cutting prices or offering concessions to lure buyers."

Redfin said that the number of homebuyers in the U.S. housing market dropped 2.5% month over month in November to an estimated 1.43 million. The company said that the figure is the largest monthly decline since April 2025 and the lowest level on record aside from April 2020, when the coronavirus pandemic brought the housing market to a halt.

### Number of Buyers Trends Downward

The number of buyers fell 9.4% year over year.

According to Redfin, sellers have also been retreating, but not as quickly.

# “A modest improvement in housing affordability could bring some homebuyers off the sidelines in 2026, which could narrow the gap between homebuyers and sellers.”

—Asad Khan, Senior Economist, Redfin



The number of sellers in the market fell 1.4% month over month to an estimated 1.95 million, which Redfin said is the largest decline since June 2023 and the lowest level since February. The number of sellers rose 6.2% year over year, Redfin said.

According to Redfin, buyers are backing off because of high housing costs and economic uncertainty. Sellers, many of whom are buyers themselves, are backing off in response to lackluster demand for their homes, Redfin said. Some sellers are delisting after their homes have sat on the market for months with no bites from buyers, while others are choosing not to list at all after seeing their neighbor's house sell for under the asking price.

Redfin said that in Austin, Texas, there were an estimated 114% more

sellers than buyers in November, which was the largest imbalance among the 50 most populous U.S. metropolitan areas. Austin was followed by San Antonio (106%), Nashville (104%), Fort Lauderdale, Florida (102%), and West Palm Beach, Florida (93.6%).

The Sun Belt rose in popularity during the pandemic, when many homebuyers moved in from more expensive parts of the country, driving up housing costs and pricing many locals out of the market. To meet surging demand, Redfin said that homebuilders increased activity, which is one reason there are now a lot more homes for sale than people who want to buy them.

Texas and Florida continue to build more homes than other states, Redfin said.

According to the report, 36 of the 50 most populous metros were buyer's

markets, seven were balanced markets, and seven were seller's markets. The buyer's markets are concentrated in the Sun Belt and on the West Coast, Redfin said, while balanced markets and seller's markets skew more toward the Midwest and East Coast.

## FAIR MARKET RENTS SHOW SIGNIFICANT RISE IN LARGEST METROS

Fair market rentals (FMRs) have jumped significantly since the beginning of the decade, with rates for one-bedroom rentals jumping 40.7% in the 50 largest market areas, according to a Lending Tree study.

Those rentals rose \$457, from \$1,122 in fiscal year 2021 to \$1,578 in fiscal year 2026. In the same period, FMRs on two-bedrooms climbed 37.3%, or \$505, from \$1,353 to \$1,858.

“These rent increases can cause a massive strain on consumers,” Matt Schulz, LendingTree chief consumer finance analyst and author of “Ask Questions, Save Money, Make More: How to Take Control of Your Financial Life,” said in a prepared statement. “If your income is rising at the same time your rent is, maybe that extra expense is no big deal. However, so many Americans' financial wiggle room is tiny, even in the best of times, so having to carve out hundreds of extra dollars to pay rent each month can be a big deal.”

### Where Were the Biggest, Smallest Increases?

FMR for two-bedroom units increased the most in Miami, San Diego, and New York. From fiscal 2021 to fiscal 2026, FMRs in these metros rose by \$885, \$877, and \$857, respectively.

San Francisco saw the smallest FMR increases among major metros. From fiscal 2021 to fiscal 2026, its one-bedroom FMR rose by just \$54 to \$2,977, while two-bedroom FMRs increased by \$51 to \$3,604.

Outside of San Francisco, four metros ranked in the bottom five for FMR increases across one- and two-bedroom units: Birmingham, Alabama, Oklahoma City, San Antonio, Texas, and St. Louis, Missouri. From fiscal 2021 to fiscal 2026, rents in these areas rose between \$264 and \$326.

“The LendingTree data illustrates how rising rents are seriously delaying the path to homeownership, but that’s not the only issue,” said Zach Schofel, Cosign CEO and founder. “When rents climb 40% over just a few years, renters spend more of their income on housing and have less capacity to save for a down payment. What often gets overlooked is that renting is also one of the most important ways people build the payment history that will eventually support a mortgage approval.”

“Housing demand is still strong, and we haven’t built enough homes,” added Seamus Nally, TurboTenant CEO. “For independent landlords, that usually means fewer vacancies and steady interest from quality renters. The fundamentals of the rental market remain solid. At the same time, higher rents have ripple effects. When households are putting more toward rent (along with other rising expenses), it naturally slows their path into homeownership, which keeps more people in the rental pool and tightens the market even further.”

## AUCTION DISPOSITIONS OUTPERFORM TRADITIONAL REO BY RECORD MARGIN

According to Auction.com’s 2025 Disposition Strategy Report (DSR), average REO inventory increased to 897 days for traditional sales compared to just 320 days for REO auctions, while auction-first, earlier dispositions produced a record 43 percentage-point net-proceeds advantage over traditional REO through Q3 2025.

“The time value of money principle—that a dollar today is worth more than a dollar in the future—is key to understanding why earlier dispositions perform better, coming into even sharper focus in a slowing market,” said Jason Allnutt, CEO of Auction.com.

What’s inside the report:

- How days-in-inventory and carrying costs impact net proceeds in a slowing market
- Comparisons across foreclosure, Day 1 REO auction, and traditional REO to inform portfolio strategy
- Examples connecting disposition choices to community outcomes and resale pathways
- Metrics and visuals to inform 2026 planning (net proceeds, timelines, and outcomes)

### Examining Disposition Types, REO Activity, & More

Since 2018, the estimated net proceeds from auction dispositions—bank-owned (REO) and foreclosure auctions combined—have surpassed net proceeds from typical sale of REO dispositions by an average of 31 percentage points.

Due in major part to rising mortgage rates in late 2022 and 2023, which peaked in November 2023, the net profits advantage for auction dispositions grew over the past two years as retail market inventories increased and home price appreciation slowed.

The net profits advantage for auction dispositions was on course to hit a record high of 43 points through Q3 2025, barely surpassing 2022. By deducting the expected costs of renovation, holding, sales, and closing from the sale price of the property and dividing the result by the entire amount owed to the foreclosing party, net proceeds were determined.

Estimated renovation and holding expenses were computed at a rate of 10% per year, prorated for the number of days in REO inventory, for both regular sales and REO auction sales. Foreclosure auction sales are, by definition, free of holding or

renovation expenses. Sales and closing fees are projected to be 5.0% for foreclosure auctions, 1.5% for REO auctions, and a steady 7.5% for regular sales.

Foreclosure auction sales consistently lead the way in earlier dispositions, which often yield better net proceeds and less severe losses than later dispositions. For the past four years, including the third quarter of 2025, estimated net proceeds from foreclosure auctions have continuously registered 20 to 25 percentage points above any REO disposal type. While net proceeds for REO auction dispositions have been trending upward since 2023, traditional REO sales produced higher net proceeds than REO auction dispositions in 2023.

Day 1 REO auction dispositions, which are sales of properties immediately put up for auction after reverting to REO at foreclosure auction, typically produce the second-highest net proceeds on average of any disposition type. This is a subset of all REO auction sales.

The declining retail housing market has a disproportionately negative effect on net proceeds for traditional REO dispositions when seen through the prism of gross price execution as a percentage of total debt.

The gross price execution for traditional REO sales has dropped by 75 percentage points since it peaked at 110.1% in 2023, while the gross price execution for foreclosure auction dispositions has reduced by 6.0% during the same time frame.

Price execution for both disposition methods has been adversely affected by a weakening retail market, although traditional sales have been more severely affected. This is probably because traditional REO transactions are less protected from the fluctuations of the retail housing market. In contrast, within the past two years, gross price execution as a percentage of total debt has actually increased for REO auction dispositions.

### Foreclosure Auction Data & Analysis

Junior lien holders and distressed homeowners have access to the almost \$57,000 average surplus earned by

“Housing demand is still strong, and we haven’t built enough homes.”

—Seamus Nally, CEO, TurboTenant



foreclosure auction sales thus far in 2025, following the payment of any junior liens. Since 2018, the Auction.com platform alone has produced \$2.8 billion in surplus funds from foreclosure auction sales.

Due to the previously indicated limitations on surplus monies after the foreclosure auction, junior lien holders and distressed homeowners were unable to enjoy the average surplus of roughly \$99,000 generated by traditional REO sales over the total debt owed to the foreclosing corporation.

Additionally, the holding and remodeling expenses paid by the investor and mortgage servicer while the property is in REO inventory are not taken into account by the conventional REO sale excess. These expenses reduce any profit from a conventional REO sale.

#### Additional Highlights From the DSR:

- The reason why gross price execution and net revenues for traditional REO dispositions have decreased over the past two years, while those same metrics have increased for REO auction dispositions, can be explained by average days in REO inventory by disposition method.
- Through Q3 2025, the average number of days in REO inventory for traditional REO transactions increased to 897, up 77 days from 2024 and about six months (179 days) from 2023.
- In contrast, the average number of days in inventory for REO auction sales dropped to 320 in 2025, a decrease of 16 days from 2024 and 3 days from 2023. Inventory days for Day 1 REO auctions decreased further.

In addition to lowering holding costs that affect net proceeds, fewer days in inventory frequently leads to a higher gross price execution because of buyer psychology regarding days on market, especially in local areas where property price rise is slowing or declining.

# The new projection is that 420,000 immigrants will annually enter the country over the next decade, compared to the earlier projection of 870,000 annually.



## HOW ARE IMMIGRATION DECLINES IMPACTING HOUSEHOLD AND HOMEOWNER PROJECTIONS?

**H**ousehold and homeowner household projections have dropped due to lower immigration rates, according to a new addendum to an earlier report from the Harvard Joint Center for Housing Studies (JCHS).

The initial report had been based on “middle series household projections,” which uses historical immigration averages from the last 30 years to predict future immigration trends. However, Administration actions have led to much lower immigration levels in the last year, resulting in revised projections by JCHS, the Congressional Budget Office, and others, according to Daniel McCue,

JCHS Senior Research Associate.

“The addendum is meant to provide a fuller sense of the range of possible housing demand outcomes over the next decade that now includes a scenario where immigration levels remain below average,” according to JCHS. “The addendum does not replace the original analysis but supplements it with an alternative projection set reflecting conditions that now appear more likely.”

The addendum is intended to reflect the shifting demographic landscape and give policymakers, practitioners, and researchers a clearer sense of the impacts associated with lower-than-expected immigration, McCue said. “The addendum underscores that the housing outlook for the next decade is more sensitive to immigration trends than some might assume.”

The new projection is that 420,000 immigrants will annually enter the country over the next decade, compared to the earlier projection of 870,000 annually. As a result, projected household growth falls by about one-fifth.

### Breaking Down the Numbers

JCHS added that most of the decline is in younger households and households of color, since immigrants disproportionately fall into these groups. “The low-immigration scenario does, however, lead to slightly higher homeownership rates in 2035 than projected under the middle-series projections, but the higher homeownership rate is due to an outsized reduction in renter household growth in that scenario, rather than to an increase in homeowner household growth.”

New homeowner households will grow at about 586,000 per year, 15% below the previously projected figure.

JCHS has also reduced its projections of renter household growth, with the drop anywhere from 16 to 42%, depending on different scenarios.

Projections for renter household growth fall as well—by 16% to 42%—representing 74,000 to 86,000 fewer renter households per year, depending on the scenario. Switching to the low-immigration projections, renter growth falls from 523,000 to 437,000 households per year under the highest scenario, and from 174,000 to just 100,000 households per year under the lowest scenario. Thus, the reductions further depress what were already historically low estimates of both homeowner and renter household formation through 2035.

## INSURANCE, TAX HIKES PUSH HOMEOWNERSHIP FURTHER OUT OF REACH IN HIGH-RISK AREAS

**H**omeowners nationwide are being strained financially, but there’s a “hidden” cost that is driving up the cost of property taxes and homeowner’s insurance premiums—the growing housing density in high-risk areas. Those costs are expected to rise even faster in 2026, Realtor.com said.

Real estate analytics firm Cotality reports that in the last six years, property taxes have risen 27%, and homeowner’s insurance now accounts for a record 9% of typical total monthly housing costs.

Cotality’s analysis shows that those pressures aren’t easing anytime soon. It projects that average insurance premiums will jump an additional 8% in 2026 and 2027.

“Twelve percent of the residential housing stock is at high risk to a hazard or peril—think about wildfires, winter storms, hail,” Cotality Chief Data and Analytics Officer John Rogers said recently at ResiDay, an annual real estate conference.

Rogers said that figure is equivalent to \$4.3 trillion worth of reconstruction costs, which is the cost to rebuild in the event of a total loss, including materials, labor, and equipment.

### Reconstruction Costs Expected to Rise

Cotality said that the reconstruction figure is projected to increase to 20% by the year 2050, which is equivalent to \$7.2 trillion worth of reconstruction cost.

“Risks from severe weather and climate events are among the factors insurers use to price risk in communities across the country,” Mark Friedlander, Senior Director of Media Relations for the Insurance Information Institute, told Realtor.com. “Consumers in higher-risk communities pay more on average for their property insurance versus those who live in lower-risk areas.”

Joel Berner, Senior Economist at Realtor.com, said that many of those high-risk metro areas already are unaffordable.

“Adding on the high insurance premiums each year can make homeownership completely out of reach for many of their citizens,” he said.

Despite those affordability challenges, Anand Srinivasan, CFA, Head of Research and Development at Cotality, told Realtor.com that “more people are flocking to places with extreme weather conditions, like areas prone to flood or fire, or Florida and Hurricane Alley, which has become more highly populat-



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in-metro counties saw home prices rise just over 30%.

Realtor.com said those numbers were calculated at the listing level across all the counties in the rural and metro categories over the last six years.

### Outlying Areas in the Midwest and South Were Top Performers

A closer look at the numbers, however, shows that some outlying areas—all concentrated in the budget-friendly Midwest and South—outperformed others by significant margins, Realtor.com said.

For example, Realtor.com said that Blackford County, Indiana's fourth-smallest county with a population of under 12,000 people, now ranks first in nonmetro home price growth.

In November 2019, only months before the outbreak of COVID-19, the typical home in Blackford cost just under \$56,000. The previous month, the median asking price in the area was nearly \$156,000. That's a staggering 186% increase from six years ago, Realtor.com said.

Blackford County's housing market remains highly affordable, with the listing price roughly one-third of the U.S. median of \$415,000 in November, according to the latest monthly housing market trends report from Realtor.com.

Lauderdale County in southwestern Tennessee, bordering the Mississippi River, saw the second-largest gain in home prices at almost 160%, with the typical for-sale property there listed for \$215,000 during the previous month, up from just \$83,000 in 2019.

Amanda Crist, a real estate agent at Ragan's Five Rivers Realty & Auction Co. in Dickson, Tennessee, said the primary driver behind soaring home prices in rural parts of the state is a massive influx of newcomers drawn by Tennessee's lack of a state income tax and strong job market.

### During Pandemic Years, Rural Areas Had an Influx of Transplants

"While some new residents have moved to large cities, including Nashville, many others have moved to the surrounding more rural counties either

because of more affordable prices, more square footage, less traffic, more land, or some mixture of these reasons, depending on each specific buyer's needs," she told Realtor.com.

A recent working paper from Harvard University's Joint Center for Housing Studies explained that during the pandemic years, rural areas saw an inflow of transplants from larger, often more costly metros as the rise of remote work allowed them to shop for homes further afield.

"As a result, net domestic migration—an important driver of housing demand—turned positive in nonmetro counties for the first time in at least a decade," the paper's authors, Senior Research Associate Alexander Hermann and Research Analyst Peyton Whitney, wrote.

According to the study, during the three years ahead of the pandemic, rural locations saw a net loss of nearly 78,000 residents, but between 2021 and 2023, that trend made a sharp turnaround, with 540,000 people relocating to rural communities.

A report from the Federal Reserve Bank of New York found that rural workers made less than 85% of urban workers' earnings in August 2025, which was almost the same as in August 2019.

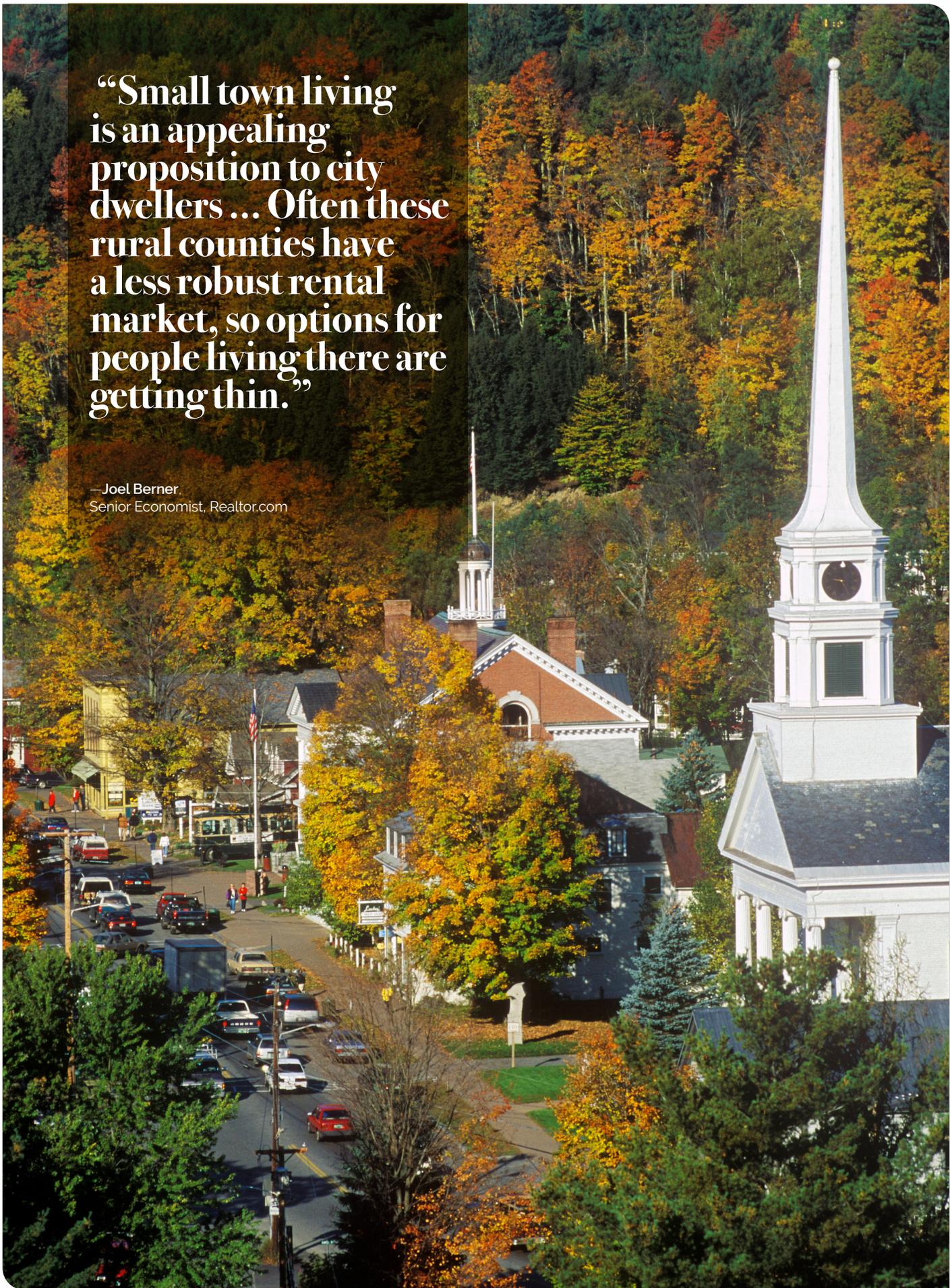
"Small town living is an appealing proposition to city dwellers, many of whom are choosing to leave big cities in favor of these nonmetro counties to buy a home if they have the flexibility to do so, which drives up prices in rural counties at the expense of those already there who may no longer be able to afford a home," Realtor.com Senior Economist Joel Berner says. "Often these rural counties have a less robust rental market, so options for people living there are getting thin."

### Most Rural Counties Have Few Nonprimary Residences

None of the top-ranked rural counties has more than 5% of loans tied to nonprimary residences. The shows that vacation homes are uncommon in these off-the-beaten-path areas with little name recognition, Realtor.com noted.

**“Small town living is an appealing proposition to city dwellers ... Often these rural counties have a less robust rental market, so options for people living there are getting thin.”**

—Joel Berner,  
Senior Economist, Realtor.com



# “Loan size, remaining term, and, most importantly, how long the borrower plans to stay in their home all matter. A rule of thumb is closing costs divided by monthly savings.”

—Jake Krimmel, Senior Economist, Realtor.com



The Joint Center for Housing Studies paper found that rural counties with high shares of vacation and second homes saw housing prices jump nearly 48% from 2020 to 2023 compared with other areas. The Realtor.com analysis showed that even rural counties not catering to tourists have experienced tremendous home appreciation.

“While some of this out-of-metro growth can be explained by vacation destination counties like Valley County, where the median listing price grew 121.3% from \$399,900 to \$884,950, more of the growth comes from truly rural counties with low median prices like these,” Berner said.

## WILL REFINANCING HELP U.S. HOMEOWNER AFFORDABILITY?

According to Senior Economist Jake Krimmel of Realtor.com, refinancing might not be beneficial for the majority of homeowners

who intend to relocate soon.

Knowing whether a move passes a rule known as the “breakeven point,” which examines whether upfront expenditures are outweighed by the savings from a lower rate, is crucial to refinancing, he said.

“Loan size, remaining term, and, most importantly, how long the borrower plans to stay in their home all matter,” Krimmel said, noting that “a rule of thumb is closing costs divided by monthly savings.”

Even though the Federal Reserve lowered interest rates for the third time in a row, this does not guarantee a decrease in mortgage rates. Rates closely follow the yield on the 10-year Treasury but are not directly impacted by the Fed’s interest rate decisions.

Economists anticipate a minor decline in mortgage rates, with rates expected to linger around 6.3% next year, despite regulators’ indication that there might only be one rate cut in the upcoming year as rates approach a neutral level.

According to Krimmel, this drop raises concerns about refinancing, even if it isn’t significant—it is only down from its average of 6.6% in 2025.

## Housing Affordability Crisis Hindering Americans, Will Refis Help?

Homeowners must still pay closing costs on the new loan when refinancing, so it’s crucial that the savings from lower monthly payments eventually exceed those expenses, according to Krimmel.

According to Krimmel, refinancing only makes sense when the new mortgage rate is between 0.5 and 1 percentage points lower than the homeowner’s current rate because it gives sufficient savings to cover the refinancing charges.

Refinancing would cost them money because the majority of homeowners today have mortgage rates that are significantly lower than current market rates. This is what’s usually referred to as the “lock-in” effect. Today, for instance, only those with a mortgage rate of 6.65% or more would reach the breakeven point at which refinancing may be profitable. Only a small percentage of borrowers would profit from refinancing anytime soon, as over 80% of homeowners already have mortgage rates below 6%.

Those who purchased homes within the last two to three years, when interest rates were between 7% and 8%, would

stand to gain the most. They could be more than 1% “in the money,” making refinancing appealing, even with a slight decline in market rates. However, refinancing savings would be more important because these borrowers typically have big loan amounts and want to remain in their houses for at least five more years.

In the meantime, homeowners who are “out of the money” or trapped into low 3% to 4% mortgages are “pretty irrelevant” to any slight rate reductions.

Additionally, homeowners should keep in mind that it’s not just about stated average mortgage rates but also about the rate they can obtain. According to Krimmel, credit, down payments, and shopping around are crucial and can have a greater impact than changes in Fed policy.

## RATE SHOPPING CAN SAVE HOMEBUYERS HUNDREDS A MONTH

**H**omebuyers invest months, sometimes years, into finding the perfect home. But, according to a report by Zillow, many don’t seek quotes from more than one mortgage lender. It’s a mistake that could cost them tens of thousands of dollars over the lifetime of their loans, Zillow said.

Affordability recently reached a three-year best, partly thanks to lower mortgage rates and record-high discounts from home sellers, but many people still are stretched to buy a home.

“In my experience, shopping around for a mortgage is one of the most overlooked opportunities for consumers to improve their financial outcome,” said certified financial planner Mike Casey, founder and President of AE Advisors in Alexandria, Virginia, in an interview on CNBC. “Many borrowers default to the lender recommended by a real estate agent or their existing bank without comparing alternatives.”

According to Zillow, today’s homebuyers must find any advantage possible, and comparing lenders is an effective tool that’s often overlooked. Almost 7 in 10 mortgage shoppers submit only one application, according to Zillow’s Consumer Housing Trends Report.

### Small Differences Can Be Meaningful

Zillow said that even a small difference in mortgage rates can make a meaningful difference.

It can open the door to more homes and continues paying off for years to come. Zillow said that on a typical U.S. home worth about \$360,000, a buyer paying 6.24%—the average 30-year fixed rate in November—would owe roughly \$2,345 each month. At 5.74%—within the typical range for shoppers who compare multiple offers—the payment drops to \$2,253, saving roughly \$1,100 a year.

Zillow noted that in November, savings would have been enough to make 22,000 more homes nationwide affordable to a median-income household.

In higher-cost markets, Zillow said the differences were even more noticeable.

It said that in San Jose, for example, getting the lower rate would save a buyer about \$4,750 a year, and annual savings would exceed \$2,000 in six other expensive metros. When looking at homes on the market in November, Zillow said the potential savings from rate shopping would bring more than 1,200 additional listings within a typical buyer’s budget in Dallas, the most in the country.

Because lenders weigh credit profiles, loan types, and market conditions differently, it means the same borrower can receive materially different offers. In a 2019 analysis, Zillow said it found spreads of from 90 to 130 basis points between the best and worst quotes for borrowers, depending on their credit profile.

It said that a more recent analysis from Freddie Mac showed homebuyers can see rates move 50 basis points either way when receiving quotes from different lenders.

## WHAT DO FORECASTS SUGGEST ABOUT MORTGAGE RATES IN 2026?

**W**ill 2026 be the year that mortgage rates start to ease in a meaningful way? That’s a question many potential homebuyers are asking themselves.

According to a report by Investopedia, mortgage rate forecasts for 2026 point to only modest declines. Most projections, in fact, keep rates in a low 6% range. And even if the Fed cuts rates in 2026, mortgage rates don’t always move along with the Fed rate. They can rise or fall based on other forces.

Investopedia said that buying when the potential homebuyer is financially ready and has found the right home can matter more than perfectly timing mortgage rates.

### Mortgage Rates Can Be Unpredictable

Part of the challenge, Investopedia said, is how unpredictable mortgage rates can be.

Rates are determined via a wide range of forces, from inflation trends and housing data to movements in the bond market. While the Fed’s benchmark rate has a direct impact on savings accounts and credit cards, its influence on mortgage rates is more indirect.

Most forecasts suggest mortgage rates will remain clustered in the lower 6% range throughout the year, Investopedia noted. It compiled its projections from six sources: Fannie Mae, the Mortgage Bankers Association, the National Association of Realtors, the National Association of Home Builders, Wells Fargo, and mortgage analytics firm Curinos.

Investopedia said that waiting for the Fed to act usually isn’t a good homebuying strategy and that with inflation and the labor market sending mixed signals, the Fed’s path forward remains uncertain.

### Fed Policy, Rates Have a Limited Link

More important is the limited link between Fed policy and mortgage rates, Investopedia said. The federal funds rate can influence some of the forces that shape mortgage rates. But it doesn't directly determine them, Investopedia said, and the two can even move in opposite directions.

Investopedia said that's why relying on Fed cuts to lower current mortgage rates is risky. Reductions could help ease rates, but it's far from a sure thing, and mortgage rates could even move higher after the Fed cuts. Should potential homebuyers act in 2026 or wait?

Investopedia said that one risk of waiting is that even modest declines in mortgage rates could bring more buyers into play from the sidelines.

"With expectations for rates to drift lower into 2026, [...] that could drive increased demand and heightened competition for what's available," said Rich Martin, Director of Real Estate Lending Solutions at Curinos.

Martin cautioned against waiting for a "perfect" rate that may never arrive.

"My advice is to buy if you find the right house," he said.

### BUYER'S AGENT COMMISSIONS INCH UP AS SLOWER MARKET SHIFTS LEVERAGE

The average U.S. buyer's agent commission rose modestly in the third quarter of 2025, reaching 2.42%, according to a new Redfin report. That's up from 2.36% a year earlier and almost unchanged from the second quarter's 2.43%, signaling that commissions have largely stabilized after several small increases earlier in the year.

Redfin's analysis uses national data pulled from its own closed transactions and partner-agent deals. The slight rise means today's typical commission is

roughly back to where it stood in early 2024, when the National Association of Realtors first announced a major legal settlement that led to new commission rules.

Those rules officially took effect in August 2024, and Q3 2025 marks their first anniversary. When the changes first rolled out, the average buyer's agent fee briefly dipped to 2.36%. Since then, it has edged back up as a slower housing market has given buyers more leverage in negotiations.

### Commission Levels Relatively Steady

Chicago-based Redfin Premier agent Beth Behling said the new rules didn't meaningfully change commission patterns in her area.

"If demand were high and homes were selling fast, I think we would see more sellers offering a lower commission to buyer's agents," she said. "But now the market is much slower, and buyers have negotiating power over sellers. If anything, buyers can ask for a higher commission for their agents knowing they may be the only offer on the table."

Commission levels were relatively steady across price tiers in Q3. Homes under \$500,000 continued to carry the highest buyer agent fees, averaging 2.52% (flat from the prior quarter but up from 2.45% a year earlier). This remains the strongest level since late 2023.

For mid-priced homes between \$500,000 and \$999,999, the average fee slipped slightly to 2.32%, nearly identical to both last quarter and last year. At the high end, million-dollar-plus homes saw buyer's agent commissions hold near 2.22%, just a touch above the second quarter but slightly lower than a year earlier.

With sales still slow and buyers holding more negotiating power, buyer's agent fees appear likely to remain steady heading further into 2026.



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—Beth Behling, Redfin Premier agent





**In Altadena, there's a real push around the idea that the community is not for sale. People who plan to stay are encouraging others not to sell because of how much it could change the neighborhood—but for some residents, selling is the only option that makes financial sense.”**

—Sylva Khayalian, Redfin Premier Real Estate Agent

## VACANT LOTS SURGE AFTER L.A. WILDFIRES AS INVESTORS SCOOP UP LAND

**T**he January 2025 wildfires that devastated areas of Los Angeles and created wide swaths of vacant lots have become an investment boon.

Real estate investors are buying roughly 40% of the land being sold in areas impacted by the wildfires, according to a new report from Redfin, the real estate brokerage powered by Rocket.

In the 90272 ZIP code (Pacific Palisades), investors purchased 48 of the 119 lots (40.3%) that sold in the third quarter. That compares with zero lot purchases a year earlier, from both investors and other buyers.

Redfin reported that in the 91001 ZIP code (Altadena), investors bought 27 of the 61 lots (44.3%) that sold. That also compares with zero lot purchases a year earlier from investors and other buyers, Redfin said.

And in the 90265 ZIP code (Malibu), investors bought 19 of the 43 lots that sold (44.2%). The study said that's more than double the 21.4% share of a year earlier.

### Many Investors Making Lowball Offers

“In Altadena, there's a real push around the idea that the community is not for sale,” Redfin Premier Real Estate Agent Sylva Khayalian said. “People who plan to stay are encouraging others not to sell because of how much it could change the neighborhood—but for some residents, selling is the only option that makes financial sense.”

Redfin said that many of the homes that burned down in Altadena were built in the 1940s or 1950s.

Khayalian said that many investors are making lowball offers for the lots, with plans to flip the land into new homes.

Some owners are rejecting those low offers, but others are signing on the

dotted line because they're desperate to sell, Khayalian said.

Redfin said that many of the residents who plan to sell are elderly or were underinsured when their home burned down, so they don't have enough money to rebuild. Regardless, the rebuilding process has been painstaking for many residents, who have been waiting nearly a year for necessary permits.

Khayalian said that she has seen more builders break ground in the past few weeks.

Many of the homeowners who lost their homes are living in nearby rentals, while others have left town, Redfin said.

### Renting While Deciding to Rebuild

In the more affluent Pacific Palisades neighborhood, some people whose homes burned have bought another home to live in while they decide whether to rebuild, Redfin Premier Real Estate Agent Justin Vold said. One of his clients bought a \$3.75 million home near Santa Monica and plans to work with a well-known architect to rebuild the house that burned in Pacific Palisades.

Another client whose Malibu home was destroyed by the fires recently bought a \$4.68 million Pacific Palisades house that didn't burn in the fires but faces landslide risk.

Vold said he expects to see more buyers enter the market as insurance stops covering temporary rentals for people whose homes burned down and as more residents give up on the idea of rebuilding.

If more people decide against rebuilding, Redfin said that the pileup of vacant lots on the market will grow.

Redfin said that it's not uncommon for investors to buy and develop land after natural disasters.

In all three ZIP codes Redfin looked at, there are far more listings—of both vacant lots and single-family homes—than sales.

### Listings for Vacant Lots Rise

In Pacific Palisades, Redfin said that there were 309 lot listings during the three months ending November 30, up

from just seven a year earlier. In Altadena, lot listings jumped to 225 from two over the same period, and in Malibu, they rose to 214 from 125, Redfin said.

“There are so many lots sitting on the market that sellers are starting to cut prices to attract offers,” Khayalian said. “Many of the lots that are selling in Altadena are in the \$500,000 to \$600,000 range. If there was still a home on them, they might sell for \$1 million or more.”

Redfin said that the typical lot that sold in Altadena during the three months ending Nov. 30 went for \$510,000, while the typical lot that sold in Pacific Palisades went for \$1.6 million.

In Malibu, the typical lot that sold went for \$1.3 million.

## TREASURY YIELD CURVE STEEPENS AS LONG-TERM YIELDS RISE AFTER FED CUTS

**T**he 30-year Treasury yield has risen 19 basis points since September 16, and the Fed cut interest rates by 75 basis points in 2025. The Effective Federal Funds rate (EFFR), which the Fed targets with its policy rates, had dropped by 75 basis points by mid-December.

According to Wolf Street, the spread between the 30-year Treasury yield and the EFFR has reached 120 basis points. Since October 2023, the 30-year yield has breached the 5% line several times.

The 30-year Treasury yield reacts to bond-market issues, and Wolf Street said that, as expectations of future inflation and expectations of supply of new bonds that have to be absorbed, it is not overly influenced by the Fed's short-term policy rates.

However, Wolf Street said, the short-term yields react to the Fed's current and expected future policy rates, and those yields have dropped roughly along with the Fed's rate cuts. With long-term yields rising and short-term yields

falling, Wolf Street said the yield curve steepened sharply over this period and has almost uninverted.

Treasury yields from one month to six months are right at or a little above 3.60%, with the one-month yield at 3.66% and the 6-month yield at 3.59% in mid-December.

The yield curve sharply steepened since Sept. 16, just before the Fed's first rate cut, Wolf Street reported.

### Yield Still Inverted

The yield curve is still inverted in the three-month through three-year range, with those yields being lower than the one-month yield. However, it has become shallow and almost straightened out from the deep trench it had formed previously.

The shallow sag in the middle indicates that the bond market has walked back expectations of rate cuts next year, Wolf Street said.

According to Wolf Street, the bond market faces a problem. It said that the Fed cut rates three times in 2025 while inflation accelerated.

CPI inflation, when last measured, was 3%, which was the September reading. Wolf Street said that the only reason it wasn't higher was the outlier plunge in Owners Equivalent of Rent (OER), the largest CPI component, weighing 26% in overall CPI, 33% in core CPI, and 44% in core services CPI.

Something went awry, Wolf Street said, but CPI was cobbled together by hastily recalled staff during the shutdown.

Cutting interest rates in this inflationary environment can spook the bond market, Wolf Street reported. The market is already worried about the onslaught of new supply of Treasury securities to fund the ballooning government deficits. And the market fears a lackadaisical Fed when inflation is out of the bottle.

Inflation destroys the purchasing power of long-term bonds, Wolf Street said, and the yield must be high enough to compensate investors for the destruction of purchasing power and the other risks investors are taking.

“Cutting interest rates in this inflationary environment can spook the bond market. The market is already worried about the onslaught of new supply of Treasury securities to fund the ballooning government deficits. And the market fears a lackadaisical Fed when inflation is out of the bottle.”

—Wolf Street

## “more affordability breathing room”

**Mark Fleming**, Chief Economist at First American, discussed how, as the U.S. housing market adjusts to a “new normal” for mortgage rates and a limited affordability environment, home price growth has stabilized in the low single digits, and wage growth is outpacing house price growth.



## “inventory growth beginning to stall”

**Lawrence Yun**, Chief Economist at NAR, revealed that due to reduced mortgage rates experienced this autumn, existing-home sales rose for the third consecutive month. However, inventory gains are starting to slow, and homeowners are not in a rush to list their properties in the winter because distressed property sales are at all-time lows, and housing wealth is at an all-time high.



## “would-be sellers sitting tight”

**Josh Felder**, a Redfin Premier agent in San Francisco, explained that some would-be home sellers are holding off because the market remains flat, in part, because the United States is about to enter its typical seasonal slowdown, and also because potential buyers and sellers are keeping an eye on the stock market, rates, and tariffs for the upcoming year.



## “American Dream becoming a lot tougher”

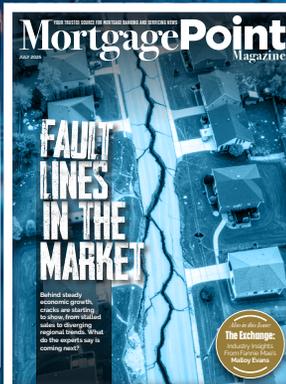
**Chen Zhao**, Head of Economics Research at Redfin, explained how homeownership has become increasingly unachievable. The American Dream—to the extent that it entails purchasing a home and having a family—has become much more difficult, with this trend being the tale of “those who entered the market early versus those who did not.”



## “premiums rising dramatically”

**John Rogers**, Chief Data and Analytics Officer at Cotality, described how the average homeowner insurance premium is expected to rise 8% in 2026, followed by another 8% increase in 2027, and that premiums have been rising dramatically over the last few years—with insurance now accounting for 9% of the typical U.S. homeowner’s payment, representing the highest average on record of a person’s outlay in terms of principal, interest, property tax, and insurance premiums.

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