

NOVEMBER 2025

UNDER PRESSURE

With rates easing and affordability still out of reach for millions, housing enters 2026 in slow motion, testing the patience, adaptability, and strategy of every market participant.

Also in this Issue:

How Tough Conversations Help Loan Officers Reach Their Full Potential

Delivering constructive feedback with empathy can turn independence into impact.

New Growth Ahead: Tapping into Home Equity and Non-QM Synergies

Lenders are finding growth at the intersection of flexibility and borrower need.



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**HONORING THE WOMEN
SHAPING THE FUTURE
OF HOUSING**

MortgagePoint shares insights from the 2025 Women in Housing Leadership Award recipients.

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HEADING INTO THE “YEAR OF THE RESET?”

As we enter the closing months of 2025, this edition of *MortgagePoint* is packed with content looking back at the year coming to a close and ahead to the next one.

For this month's cover story, we spoke to a panel of economists and subject-matter experts about this year's trends and what they expect for 2026. With rates easing and affordability still out of reach for millions, housing enters 2026 in slow motion, testing the patience, adaptability, and strategy of every market participant. The experts featured in this issue agree: the coming year will test resilience as much as strategy. It's a time for measured optimism, careful risk management, and long-term thinking. Check out the cover story for insights from experts representing Cotality, CJ Patrick Company, the Council of Federal Home Loan Banks, First American Financial Corporation, and the Mortgage Bankers Association.

Here's what else you can find inside this November edition:

- Freedom Mortgage CEO Stanley Middleman discusses why 2026 could bring renewed opportunity, how AI could upend interest rates, and why complacency may be the mortgage industry's biggest risk.
- *MortgagePoint* shares insights from the 2025 Women in Housing Leadership Award recipients to discuss their proudest achievements, mentors who inspired them, and advice for the next generation of industry leaders.
- “How Tough Conversations Help Loan Officers Reach Their Full Potential” by Franco Terango, CEO of Certainty Home Lending.
- “New Growth Ahead: Tapping into Home Equity and Non-QM Synergies” by Tom Davis, Chief Sales Officer of Deephaven Mortgage.
- “Bankruptcy, Bots & Bias: AI's Emerging Role in Chapter 13 Management” by Alexander T. Dowding, Esq. of Kass Shuler, P.A.

Welcome to the November edition of *MortgagePoint* magazine.



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FICO INTRODUCES DIRECT LICENSE PROGRAM FOR MORTGAGE LENDING

A significant change in how FICO Scores are provided to the mortgage sector has been disclosed by FICO. Tri-merge resellers can now compute and provide FICO Scores to their clients directly, removing the need for the three national credit bureaus, thanks to the introduction of the FICO Mortgage Direct License Program. For mortgage lenders, mortgage brokers, and other industry participants, this change is designed to lead to increased price transparency and instant cost reductions. Businesses can keep using the credit bureaus if they want to do so.

FICO is launching two alternative pricing structures to give industry participants more options and flexibility. Based on successful mortgage funding, FICO's new performance model highlights the importance of the FICO Score in facilitating mortgage liquidity and lowering lender expenses. The FICO Score royalty charge will be \$4.95 per score under the new performance model, which is 50% less than the average fees per score paid to tri-merge resellers. This decrease is the result of doing away with credit bureau markups.

When a loan with a FICO score is closed, a funded loan charge of \$33 per borrower per score will be applied, acknowledging the downstream value of the FICO Score for investors, rating agencies, mortgage insurers, GSEs, and other market players. The financed loan fee allows for widespread adoption by participants in the originating market by replacing fees previously associated with the re-issue of FICO Scores.

Strengthening Lender Power

As an alternative, lenders can decide to stick with the current per-score only

pricing structure, which keeps the average price that credit bureaus used to charge for the FICO Score at \$10 per score, which is maintained for the tri-merge resellers. This model is intended to show that lenders will not see an increase in their per-score fees.

Tri-merge resellers are empowered by the FICO direct licensing scheme to maximize credit costs for both borrowers and lenders. The direct license program lowers the cost of FICO Scores to the mortgage sector and improves cost transparency by simplifying distribution.

"Today marks a turning point in how credit scores are delivered and priced across the mortgage industry," said Will Lansing, CEO of FICO. "Direct licensing of the FICO Score brings transparency, competition, and cost-efficiency to the mortgage lending process. This change eliminates unnecessary mark-ups on the FICO Score and puts pricing model choice in the hands of those who use FICO Scores to drive mortgage decisions."

Additionally, FICO will provide the three national credit bureaus with the same terms for both FICO mortgage score pricing models; however, FICO has no control over whatever markups the bureaus may apply in respective channels.

PHH MORTGAGE INTRODUCES NON-QM PRODUCT LINE

Onity Group Inc.'s subsidiary, PHH Mortgage, has declared that it anticipates launching a new line of proprietary non-qualified mortgage (non-QM) products called FlexIQ. For both delegated and non-delegated loans, the product suite will be accessible via the company's correspondent lending channel.

"We designed FlexIQ with our clients' needs in mind, offering them an easier, streamlined process and a flexible product suite to meet the growing

demand for non-QM products," said Rich Bradfield, EVP and Chief Growth Officer. "We are excited to launch FlexIQ, which underscores our commitment to being a trusted partner by continuing to provide value-added products to our clients and the customers they serve."

FlexIQ offers flexible underwriting and intelligent mortgage solutions in the following three product categories:

- **Full Documentation (Full Doc):** Designed for borrowers who are seeking loan limits above traditional Agency standards.
- **Alternative Documentation (Alt Doc):** Designed for nontraditional income profiles for borrowers who require alternative methods to document their income.
- **Debt Service Coverage Ratio (DSCR):** Designed for real estate investors who are seeking to qualify based on rental income compared to monthly housing expenses.

"FlexIQ is our new proprietary product with a service-first approach that includes a single standard for underwriting across multiple product types, a dedicated support desk, and necessary training, as well as other helpful resources," added Andy Peach, EVP and Chief Lending Officer. "We anticipate that FlexIQ will serve as a cornerstone in expanding our non-agency product offerings to help our clients grow their business."

LOANCARE ADDS NEW FEATURES TO IMPROVE ITS DIGITAL RETENTION PLATFORM

Two new additions to LoanCare's range of digital retention solutions will help clients obtain vital information on loan payoffs and provide them with more customer refinance signals.

Paid in Full Monitoring is a subscription service available through LoanCare Analytics, a platform that provides on-demand access to insights throughout the servicing spectrum and speeds up portfolio assessments. In particular, Paid in Full Monitoring offers an examination of loans that have been paid in full (PIF), along with the cause, such as a refinance or property sale.

“Paid in Full Monitoring helps lenders protect their portfolios by uncovering opportunities to better calibrate their retention strategies. They can understand potential drivers of loan retention and runoff,” said Dave Worral, President of LoanCare. “Similarly, knowing which homeowners are most likely to act once interest rates drop is a strategic advantage for clients defending their portfolios.”

In addition to providing a stratification of retained loans by interest rate, month of payback, and state, the service keeps track of where the loans have gone and whether they have refinanced away from the client. Payoff results can highlight previously undiscovered opportunities and substantial competitive dangers. Gaining retention intelligence is incredibly effective with this new level of understanding.

With the second improvement, RateTrak, homeowners can utilize an interactive slider tool to specify a target interest rate or a lower monthly payment amount that they would like to reach if interest rates drop. RateTrak gives customers the opportunity to proactively contact homeowners who are open and prepared to investigate refinance options by allowing them to self-select to be notified when rates decline. In the fourth quarter, the LoanCare Homeowner Portal will make the new tool accessible.

“These new features are just the latest innovative enhancements to LoanCare’s Digital Retention Platform,” Warrell said. “We’re committed to helping our clients continually optimize portfolio performance—and we do so without ever competing for their customer relationship. That’s what makes subservicing truly feel like their own.”

The newest products in LoanCare’s industry-leading range of digital retention solutions, Paid in Full Monitoring and RateTrak, provide data and analytics to assist customers in taking advantage of opportunities and lowering risk. Private-labeling customer-facing communications can help customers maintain brand awareness throughout the servicing process. This includes self-serve digital experiences via a special Refinance Center in the Homeowner Portal and My LoanCare Go app, which functions as a knowledge base with suggested goods, tailored online ads, and other communications centered around benefits.

DOSSDOCS INTEGRATES WITH DOCUSIGN TO ASSIST LENDERS IN MEETING DEADLINES FASTER

Docusign has announced its integration with DossDocs, a platform developed by the mortgage law company Doss Law. Through this agreement, lenders can provide timely, early disclosure papers dependably and efficiently without incurring additional fees.

The guidelines are unambiguous for California Department of Real Estate (DRE) licensees. After receiving a loan application, users have three business days to provide an Early Disclosure Package, which includes a Mortgage Loan Disclosure Statement. That procedure is now quicker, simpler, and more secure thanks to DossDocs.

Early disclosure documents are now automatically transmitted through Docusign as part of any document order, thanks to this new integration. Lenders can keep an eye on each stage of the signing process from their own dashboard by just entering their Docusign login once. There is no complicated setup; it is integrated right into the DossDocs platform, and it is free of charge.

Docusign envelopes are much more likely to be opened and signed by borrowers than printouts, scans, or faxes. The industry standard for safe, accepted e-signatures is Docusign. Reliable instruments are important when legal deadlines are involved.

“No other doc platform offers this,” said Aletha Nelson, VP of DossDocs. “We’ve seen how painful this part of the process is for lenders, especially under DRE rules. This makes early disclosures easier for lenders to send and allows borrowers to respond quickly, so deadlines aren’t missed.”

One of the most time-sensitive aspects of the lending process now has an integrated solution for lenders. Lenders are in charge, and early disclosures are distributed swiftly and securely.

SIEMENS ENHANCES ITS DIGITAL BUSINESS OPTIMIZER TOOL WITH A NATURAL HAZARD RISK MITIGATION FEATURE

With the introduction of the new natural hazard risk mitigation tool, Siemens is further enhancing the functionality of its free online Digital Business Optimizer (DBO) platform. The functionality, which was created in partnership with academic institutions, enables U.S. companies to evaluate and compare how resilient their buildings and facilities are to more than 20 different location-specific natural disasters, including hurricanes, earthquakes, floods, and wildfires.

In order to provide crucial insights for risk and resilience strategies, the tool makes use of reliable sources, including the Federal Emergency Management Agency’s National Risk Index, which tracks the risks of natural hazards in the United States, and adaptation measures that describe climate-resilient planning techniques.



Key Factors:

- The new capability enables analysis of dozens of natural hazards and offers more than 100 adaptation strategies.
- Feature strengthens site resilience, operational continuity, and competitiveness for businesses.
- Expanded capabilities for residential properties bring the tool's energy performance and natural hazard intel to the residential housing sector.

The DBO tool determines the most important risks at each site by utilizing ROI analysis and existing facility data, including location, building type, size, and annual energy consumption. A library of more than 100 tested adaptation techniques is also used to create customized mitigation plans.

These include putting up flood barriers, using heat-reflective window film to lower interior temperatures, strengthening roofs against snow loads, and putting in solar panels with battery storage for energy independence. In the face of ongoing environmental changes and a fast-evolving risk landscape, this comprehensive, data-driven approach helps firms secure operations, defend assets, and build resilience.

DBO TOOL BRINGS RESILIENCE AND EFFICIENCY PLANNING TO RESIDENTS

Residential properties are now supported by the DBO platform. The platform offers customized insights into energy performance, emissions, and exposure to natural hazards for single-family, multifamily, and manufactured housing by utilizing reliable datasets that are already integrated into the platform, as well as the recently added ResStock dataset from NREL, a national laboratory of the U.S. Department of Energy. In addition to potential chances

for cost savings and energy efficiency, users are provided with a comprehensive overview of the energy performance of their property as of right now.

"We at Siemens are constantly asking ourselves how we can expand our data-driven tool to help U.S. businesses remain resilient, efficient, and competitive," said Anthony Casciano, President and CEO of Siemens Financial Services, Inc. "That's why the natural hazard mitigation feature was created. In today's changing risk landscape, the cost of inaction is too great. This feature helps businesses protect shareholder value, business continuity, and competitiveness. In a similar way, cybersecurity is just as critical, so we are currently developing an assessment that helps companies safeguard data and remain resilient in the face of today's many challenges."

VICTOR CIARDELLI AND RATE RELEASE SPANISH-LANGUAGE MOBILE APP

Rate and CEO Victor Ciardelli has announced the introduction of the Rate App in Spanish to better serve the mortgage industry. The publication is the most recent development of Rate's acclaimed Language Access Program. It expands upon a significant accomplishment: since the program's inception in 2022, more than 20,000 digital mortgage applications from Spanish-speaking clients have been submitted.

With the help of the mobile app, Spanish-speaking users may use their phones to look for homes, apply for a mortgage, monitor the progress of their loans, chat with bilingual specialists, and access educational materials—all in Spanish. The announcement reaffirms Rate's overarching goal of providing the Spanish-speaking population with an exceptional customer experience and eliminating language as a barrier to homeownership.

"We've already seen what's possible when we invest in Spanish-language

technology: our Latino salesforce has tripled, our funded loan volume in Latino communities has doubled as a percentage of the company's total book of business, and we've far exceeded expectations with 20,000+ digital applications in Spanish," Ciardelli said. "Now with the Rate App in Spanish, we're giving Spanish-speaking buyers the same high-performance mobile experience that's helped millions of homeowners, because language should never be what holds someone back."

The company's larger Contigo 100% philosophy—an unwavering dedication to serving Spanish-speaking homebuyers with every product, person, and procedure—is expanded by the Rate App in Spanish. Rate's whole solution—application, interface, communications, service, loan disclosures, and now mobile—is in-language, in contrast to rival lenders who use partial or translated techniques.

"This launch demonstrates what equity in action looks like. It's not a translation—it's a fully in-language journey designed to honor and empower the Spanish-speaking community at every step of homeownership," said Arlyn Kalinski, SVP, Fair & Equitable Lending Strategies at Rate. "Spanish-speaking buyers are mobile-first, ambitious, and driving the future of U.S. homeownership. With the Rate App in Spanish, we're not just meeting them where they are—we're giving them the same seamless, high-performance tools as any other customer."

A nationwide Spanish-language go-to-market effort that started in July and spread throughout 25 major U.S. metro regions with digital advertisements targeted at both professionals and consumers is supporting the app launch. As part of this larger campaign to reach the 60 million Latinos in the United States—one of the most potent economic engines in housing today—Rate anticipates generating over 30 million impressions.

Additional highlights of Rate's Language Access Program now include:

- Digital Mortgage Application in Spanish
- Customer Service and Loan Officers fluent in Spanish

“We’ve already seen what’s possible when we invest in Spanish-language technology: our Latino salesforce has tripled, our funded loan volume in Latino communities has doubled as a percentage of the company’s total book of business, and we’ve far exceeded expectations with 20,000+ digital applications in Spanish.”

—Victor Ciardelli, CEO, Rate



- Loan Disclosures and Servicing in Spanish
- Same Day Mortgage in Spanish
- Marketing, advertising, and negotiation are available in Spanish across all 50 states

Through innovative, inclusive innovation, the Language Access Program has emerged as a national model for how fintech may increase equal access to credit.

VESTA AND SNAPDOCS COLLABORATE ON INTEGRATED DIGITAL CLOSING EXPERIENCE

Vesta, a next-generation mortgage loan origination system (LOS), and Snapdocs’ eClosing platform have recently integrated. This

integration allows mutual customers to handle the entire closing process directly within the Vesta LOS, standardizing workflows, cutting down on manual tasks, and speeding closings from origination to final signature.

“Our partnership with Snapdocs reinforces Vesta’s commitment to equipping lenders with a flexible, API-driven platform that streamlines every stage of the loan origination process,” said Mike Yu, Co-Founder and CEO of Vesta. “By integrating Snapdocs’ digital closing infrastructure directly into Vesta, we’re enabling lenders to drive greater efficiency and reduce manual processes.”

Lenders can initiate and oversee the complete closing process through Vesta with this integration, including sending and receiving documents, getting borrower signatures, handling redraws, and monitoring real-time progress reports. When loan terms change, the integration also allows redraws, preserving accuracy without requiring further work. Borrowers gain from a quicker, clearer

process in the interim.

“Closing a mortgage is a complex, fragmented process that can create risk, inefficiency, and a poor borrower experience,” said Michael Sachdev, CEO of Snapdocs. “By integrating Vesta with our digital closing infrastructure—including advanced eClose capabilities, CD Balancing, automated Funding and Post-Close Quality Control, and an eVault—we eliminate that friction. This partnership underscores our commitment to helping lenders build a modern, connected technology stack, and together with Vesta, we’re setting a new standard for how closings should operate.”

By “inverting control” and assisting users with the loan process, Vesta’s cutting-edge LOS lowers the operating expenses for lenders. Vesta helps decrease human labor through data-driven tasks, validations, and native automations, resulting in quicker closing times, better loan quality, and more efficiency.

ATTOM ANNOUNCES TRANSPARENT OWNER

The debut of Transparent Owner, a new data product from ATTOM that pinpoints the real share of people who own residential real estate in the United States, has been announced.

To identify and link beneficial ownership across assets and regions, Transparent Owner uses patented identity resolution techniques that integrate machine learning, public record data, and sophisticated linking logic. The dataset offers a more lucid and actionable picture of who truly possesses a property by allocating standardized Owner IDs and addressing discrepancies in names’ appearance in public filings.

“Property ownership has gotten more complex, and public records do not always tell the full story,” said Todd Teta, Chief Product and Technology Officer at ATTOM. “Transparent Owner helps our clients cut through that complexity and see the real picture, whether

they are vetting a deal, analyzing portfolios, or building compliance checks.”

Transparent Owner Highlights:

- **Owner name standardization:** Normalizes thousands of variations in how individuals, LLCs, and trusts are recorded across jurisdictions.
- **Entity matching:** Resolves owner identities across counties and legal entities using geographic, linguistic, and behavioral signals.
- **Unique Owner IDs:** Assigns a consistent, persistent identifier to each owner, regardless of how their name appears in different records.
- **Mailing address linkage:** Connects resolved owner identities to verified mailing addresses, where available, for outreach and validation.
- **Owner classification:** Categorizes owners into types such as Person, Investor, Lender, Company, Education, or Government, based on ownership patterns and scale.

Snowflake is now offering Transparent Owner as a licensed dataset. Through shared identifiers, it easily connects with other ATTOM data products, giving clients a more comprehensive view of residential ownership and investment activity.

ENHANCEMENTS TO BLUE SAGE SOLUTIONS' LION CONSUMER POS

An extensive update to Blue Sage Solutions' LION Consumer Point of Sale (POS) technology has recently been announced. The new platform streamlines the mortgage application process for both applicants and lenders by fusing sophisticated technical capabilities with borrower-centric improvements.

A number of significant upgrades have been included in this most recent

“AI is enabling us to reimagine the loan journey end to end, from smarter document checks to proactive borrower guidance. By unifying intelligent automation with human expertise, nCino is giving lenders a true competitive advantage while making homeownership faster, easier, and more accessible.”

—Casey Williams, General Manager, Mortgage at nCino

★★★★★

edition to enhance system speed, accessibility, and user experience. A redesigned welcome message upon login, interactive guided tours, enhanced consent procedures, AI-driven knowledge-based support, and the option to shop for mortgage insurance from within the platform are just a few of the more user-friendly features that borrowers will now enjoy.

These capabilities expedite the application process overall and offer real-time transparency into their loan progress. To ensure continuous platform optimization, new feedback mechanisms now allow applicants to exchange thoughts during the process.

Additionally, in order to provide faster load times, improved security, and

increased stability, the upgrade is also constructed using an upgraded current tech stack that includes the newest Angular and Google Firebase platforms. With more flexibility over platform parameters, lenders can now effortlessly manage features, modify settings, and personalize the user experience to suit their unique business objectives.

New Enhancements Help Assist Lenders

Co-browsing and application support for loan officers (LOs) are two of the new features. LOs can use this tool to view their leads, track the status of their applications, identify any missing items, and, with just one click, access the

borrower's application to finish entering their information and submit it on their behalf. It guarantees that borrowers receive direct assistance at crucial points in the lending process, in addition to streamlining it. Loan officers will also be able to begin new applications, enter preliminary borrower data, and then smoothly transfer the file to the borrower for completion and submission.

Runtime diagnostics offer real-time performance monitoring to promptly address possible problems, while improved permission agreement flows and password security settings further reinforce data protection.

"This LION platform update reflects our commitment to making the mortgage process more accessible, intuitive, and transparent for all borrowers, regardless of their financial profile," said Carmine Cacciavillani, CEO of Blue Sage Solutions. "By leveraging advanced technology and a user-centric design approach, we're enabling lenders to deliver a more engaging, borrower-friendly experience."

Scalability is a feature of the LION Consumer POS platform. LION offers an adaptable, dependable experience that satisfies the requirements of businesses of all kinds, whether it is assisting small lenders or major industrial institutions. LION use is still increasing, according to Blue Sage, as lenders look for cutting-edge, user-friendly ways to interact with customers and raise loan conversion rates. In Q4 2025, both new and current Blue Sage clients will be able to access the LION platform update.

NCINO ANNOUNCES DEVELOPMENT OF NEW SKILLS FOR AI IN MORTGAGE LENDING

A new wave of AI advancements aimed at mortgages has been announced by nCino, Inc. These improvements are intended to speed up loan origination, minimize underwrit-

ing touchpoints, and provide more responsive borrower journeys. By further integrating AI into the nCino Mortgage Suite, these developments expand upon the company's spring release of Mortgage Advisor and Document Validation, which aims to improve loan quality and loan officer productivity.

"Innovation in mortgage lending is about more than digitization; it's about fundamentally changing how lenders and borrowers experience the process," said Casey Williams, General Manager of Mortgage at nCino. "AI is enabling us to reimagine the loan journey end to end, from smarter document checks to proactive borrower guidance. By unifying intelligent automation with human expertise, nCino is giving lenders a true competitive advantage while making homeownership faster, easier, and more accessible."

The newest capabilities added to the nCino Mortgage Solution are:

- **AUS Smart Tasks:** One of the most complex parts of origination is now simplified with AI that interprets automated underwriting findings into a plain-language summary and clear next steps. Loan officers can act on suggested tasks one-by-one or use templates to automate handling of common conditions, driving faster borrower feedback, cleaner files, and greater pipeline capacity.
- **Refi Opportunity Analyzer:** Created to help lenders capture more revenue from their existing portfolios, this tool continuously scans closed loans against real-time pricing data to identify prime refinance candidates. Prioritized borrower lists with savings projections and readiness indicators give loan officers targeted opportunities to re-engage past customers and strengthen relationships.

"Borrowers expect quick feedback, and loan officers need to focus on high-value work rather than chasing documents or repeating tasks," said Tyler Prows, Director of Product Management for US Mortgage at nCino. "These new capabilities let AI handle the

background work, whether that's catching a missing bank statement page or suggesting the next step after AUS. That means cleaner files, quicker answers for borrowers, and more capacity for loan officers to focus on relationships and revenue."

Additionally, nCino has extended two features that were first made available in May to provide lenders and borrowers with greater influence and better outcomes:

- **Mortgage Advisor:** Initially launched to support borrowers during post-application document validation, Mortgage Advisor now starts at the very first step. Embedded in the nCino Mortgage mobile app, it offers 24/7, multilingual guidance from application through closing, reducing application abandonment and ensuring greater borrower satisfaction.
- **Doc Validation:** First designed to ensure borrowers submitted the right document type, Doc Validation now builds on that foundation with full document intelligence. The solution validates names, page counts, expiration dates, and more, catching errors instantly to reduce costly back-and-forth, shorten processing time, and deliver cleaner files to underwriting.

Operational efficiency is the main factor driving the transformation of mortgage origination by AI-powered solutions; according to Fannie Mae, some 73% of lenders that have implemented AI say that increasing operational efficiency is their top goal. Strong efficiency in handling borrower questions and document collecting and validation has been observed by lenders; these results not only boost revenue growth but also improve customer relations and competitive positioning.

» Movers & Shakers

» Government

FANNIE MAE RESHAPES EXECUTIVE TEAM: PETER AKWABOAH TO SERVE AS ACTING CEO



Fannie Mae has announced new leadership roles for three key existing leaders at the GSE.

“We are pleased to announce new

leadership roles for three key senior executives, including **Peter Akwaboah**, Fannie Mae’s current Chief Operating Officer, who has been appointed to the additional role of Acting CEO of Fannie Mae,” said William J. Pulte, Fannie Mae Chairman of the Board.

“Peter’s deep operating background, as the former Morgan Stanley COO of Global Technology, makes him the perfect fit for the Acting CEO position while the Board conducts its search for a permanent CEO. With the addition of Peter as Acting CEO and John Roscoe and Brandon Hamara as Co-Presidents, we now have a deep bench of three experienced leaders at the very top of Fannie Mae. This means a safer, sounder Fannie Mae, all while growing our great *Fortune 25* Company,” Pulte continued.

“At Fannie Mae, we are building a deep, focused, and operationally experienced leadership team, at the top, to lead the company to increased safety and soundness and accelerated profitability,” said Michael Stucky, Fannie Mae Vice Chairman of the Board.

Peter Akwaboah has over 30 years of financial services leadership experience in operations, technology, and innovation at Morgan Stanley, Royal Bank of Scotland, Deutsche Bank, KPMG, and IBM. Peter will continue to oversee Fannie Mae’s COO division and

partner with Fannie Mae executives Brandon Hamara and John Roscoe.

“Serving as President and CEO of Fannie Mae has been the privilege of a lifetime. Together, we have made Fannie Mae stronger than ever. I will be eternally grateful to the entire Fannie Mae family, our many partners, and Director Pulte for the opportunity to lead this incredible organization that helps millions of American homeowners and renters access their American Dream,” said Priscilla Almodovar, outgoing President and CEO.

“We appreciate Priscilla Almodovar for her years of service to Fannie Mae, and we wish her great success in her next endeavor,” said William J. Pulte, Chairman of Fannie Mae.

All leadership roles are effective immediately.

FANNIE MAE ANNOUNCES NEW ROLES FOR TWO LONG-TIME INDUSTRY VETERANS



In a new release, it was announced that two seasoned Fannie Mae employees have been promoted to head the General Counsel’s office and the Single-Family business.



“We are pleased to announce the promotion of Fannie Mae seasoned veterans **Jake Williamson** to

Acting Head of Single-Family and **Tom Klein** to Acting General Counsel,” said William J. Pulte, Fannie Mae Chairman of the Board. “These highly respected leaders will help lead the company to increased safety and soundness and accelerated profitability.”

Chairman Pulte continued: “Jake brings nearly two decades of leadership experience within Fannie Mae’s Single-Family business, where he has played a key role across servicing, risk management, operations, and analytics. As a current Deputy General Counsel, Tom’s legal responsibilities include corporate tax strategy, mortgage products, and the capital markets portfolio—all of which are critical to the business.”

» Lenders/Serviceers

ANNOUNCES KEY SENIOR LEADERSHIP CHANGES



Bank of America announced key senior leadership changes as the country’s second-largest bank by asset size looks to strengthen its global capabilities and enhance support for clients, shareholders, and communities.



Brian Moynihan, CEO and Chairman for Bank of America,

named **Dean Athanasia** and **Jim DeMare** as Co-Presidents and appointed Alastair Borthwick as EVP and Chief Financial Officer (CFO).

Athanasia and DeMare will oversee the company’s eight lines of business, driving enterprise-wide initiatives to enhance long-term growth, returns, and operational excellence, the company said. The existing business heads will continue in their roles.

Borthwick, who has served as CFO for four years and expanded his responsibilities during that time, will continue to focus on financial strategy, investor relations, and global positioning.

“Over the last 15 years, Dean and Jim have each served as leaders, strate-

gists, and stewards of growth,” Moynihan said in the release. “Together, they have nearly 60 years of experience in financial services across every client segment, market, function, and industry. They have designed and driven out full transformations of the businesses under their direct leadership to focus on our clients and their needs; align resources, capabilities, and intensity; compete and gain market share; and deliver long-term, industry-leading results.”

In his continuing role as CFO, Borthwick will advise the company’s financial strategy, capital deployment, and global real estate portfolio. During his tenure, he’s helped strengthen the company’s balance sheet and enabled the return of \$7.3 billion to shareholders in the second quarter through dividends and share repurchases.

With these leadership changes, Moynihan said he believes Bank of America is positioned to further enhance its capabilities worldwide while maintaining continuity in its management structure.

PLANET FINANCIAL ADDS NEW SVP OF NON-AGENCY SALES



Meriden, Connecticut-based Planet Financial Group has appointed **Rob Parsley** as its new SVP of Non-Agency Sales. Coming into the role

with 30-plus years of industry experience, Parsley has guided organizations through changing markets by developing growth strategies, building strong teams, and deepening client relationships.

“Rob’s proven ability to bring innovative products to market will be instrumental as Planet continues to broaden its non-agency capabilities,” Planet CEO and President Michael Dubeck said. “His track record of driving results aligns with our vision for growth in this space.”

Most recently, Parsley served in senior leadership roles at Lima One Capital, where he played a key role in expanding the company’s presence in the residential investment property finance sector. His career also includes leadership roles at a number of companies, including Carrington Mortgage Services, Citadel Servicing Corp., and EquiFirst Corporation.

“I’m excited to join Planet at such a pivotal moment,” Parsley said. “Planet’s platform, culture, and vision present an incredible opportunity. I look forward to contributing to the company’s continued success and to supporting our partners and clients.”

Parsley’s addition is the latest to Planet’s Non-Agency Lending team, as the company also recently named Tim Fisher as SVP, Non-Agency Lending. Before joining Planet, Fisher held leadership roles at Deephaven Mortgage and SG Capital Partners. Earlier in his career, he was a VP at Goldman Sachs’ RMBS Structured Products Group and worked at Morgan Stanley during the formative years of the non-agency market.

CLICK N’ CLOSE APPOINTS IAN KIMBALL AS PRESIDENT



Mortgage industry veteran **Ian Kimball** is the new President of mortgage lender Click n’ Close.

Kimball has more than 25 years of leadership experience spanning strategy, operations, sales, technology, compliance, and finance. He most recently served as Executive Director of Strategy at Service First Mortgage, where he modernized enterprise technology and led companywide initiatives to drive scalability and profitability.

He previously held senior leadership roles at Caliber Home Loans, Bank of America Home Loans, and Wells Fargo Home Mortgage, and is a two-time FHFA Tech Sprint winner



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Reporting to CEO Jeff Bode, Kimball will lead strategic growth initiatives, operational execution, and market expansion.

“Ian’s proven ability to scale organizations, modernize operations, and forge strong partnerships will be instrumental as Click n’ Close enters its next phase of growth,” Bode says in a release. “His forward-thinking leadership and deep industry knowledge are exactly what we need to continue delivering innovative solutions to our partners and borrowers.”

ONITY GROUP ANNOUNCES APPOINTMENT OF ROBERT WELBORN TO BOARD OF DIRECTORS



Onity Group Inc. announced the appointment of **Robert S. Welborn** to its Board of Directors, effective October 1, 2025.

“We are very pleased to welcome Robert to the Onity Board,” said Glen A. Messina, Chair, President, and CEO of Onity. “Robert brings deep domain knowledge and extensive experience in driving business insights, growth, and transformation through the application of data science and analytics across various industries, including at Meta, General Motors, and USAA. His expertise will be invaluable as we continue to pursue our technology innovation agenda to deliver unparalleled performance and value for our customers while navigating an ever-evolving industry landscape. I look forward to working alongside Robert and our dedicated Board to continue executing on our strategic initiatives and maximizing value for our shareholders.”

In addition, DeForest B. Soaries Jr. has notified the Board that he has decided not to stand for re-election at

“Planet was one of the first lenders to bring VA renovation lending to market ... That means veterans don’t have to settle for a less-than-perfect house. They can buy a home in the location they want, even if it needs work or is difficult to insure.”

—John Adams, Retail Renovation Leader, Planet Home Lending



Onity’s 2026 Annual Meeting of Shareholders scheduled for May 20, 2026. Dr. Soaries will continue to serve on the Board until that time.

“On behalf of the Board, I want to thank DeForest for his countless contributions to Onity since joining the Board in 2015, and for his leadership and guidance throughout the evolution of our Company,” Messina said. “We are deeply grateful for DeForest’s dedication, partnership, and unwavering commitment to our Company and shareholders. We wish him all the best in the future.”

Welborn has served as a Director of NOV Inc., an equipment and technology provider to the global energy industry, since 2021. From 2020 through 2024, Mr. Welborn served in leadership positions at Meta Inc., most recently as the Head of Data Science and prior to that as Head of Programs Data Science, Small Business Group. Before joining Meta Inc., he held various positions within General Motors Company between 2018 and 2020, including Global Chief Data and Analytics Officer. Between 2009 and 2017, Welborn served in several positions of increasing responsibility at USAA, including Chief Data Scientist. Welborn holds a Bachelor of Science in engineering from Texas A&M University and a Master of Business Administration from the University of California, San Diego.

PLANET HOME LENDING WELCOMES JOHN ADAMS AS RETAIL RENOVATION LEADER



Planet Home Lending, a national mortgage lender and servicer, has appointed **John Adams** as Retail Renovation Leader, expanding its

renovation expertise at a time when borrowers, MLOs, and real estate agents are seeking solutions to unlock more housing opportunities.

Adams, a recognized thought leader in renovation lending, will focus on training and supporting Planet’s Distributed Retail loan originators and educating real estate agents nationwide. He will also spearhead efforts to show homebuyers, including veterans and first-time homeowners, how renovation loans can transform properties once considered out of reach.

“Planet was one of the first lenders to bring VA renovation lending to market—and remains one of the only companies offering it at scale,” Adams said. “That means veterans don’t have to settle for a less-than-perfect house. They can buy a home in the location they want, even if it needs work or is difficult to insure.”

Adams' passion for renovation stems from years of guiding MLOs, agents, and borrowers through complex transactions. Renovation loans, he explained, don't just repair roofs or furnaces; they keep deals alive when traditional financing might fall apart. They also help buyers consider properties that might otherwise linger on the market. Homes with deferred maintenance or outdated finishes often sell at a discount or attract fewer offers. With a renovation loan, buyers can purchase those homes and then add the modern finishes, updated layouts, or expanded spaces they want.

"There's intrinsic value in making a house your own instead of going with the previous homeowner's choices and waiting to do renovations," Adams added. "Millennials and Gen Z buyers, veterans, and families caring for loved ones don't want to wait years to remodel—they want a house that reflects

their taste, in the right neighborhood, today. Renovation lending makes that possible while building long-term generational wealth."

In his new role, Adams will deliver live and on-demand training for MLOs and real estate agents, creating a repeatable playbook that helps retail loan officers grow their markets. He will also collaborate with Planet's marketing team to drive education and lead generation, ensuring agents and borrowers understand how renovation programs can solve common challenges.

"John wakes up every day thinking about how property builds wealth, and he has shown hundreds of people how to overcome their fears of renovation lending," said Matt Payan, SVP National Production, Distributed Retail at Planet. "His expertise, energy, and innovative approach are a perfect fit for Planet's entrepreneurial culture and our commitment to supporting custom-

ers throughout their homeownership journey."

Adams is also the author of *House Hacking: Using Renovation Loans For A Better Way To Buy A Home*, an Amazon No. 1 bestseller. He donates a portion of the book's proceeds to K9s For Warriors, reflecting his dedication to giving back to the military community.

"I chose Planet because it has the scale, talent, and resources to move the adoption of renovation loans forward," Adams said. "Planet understands what it takes to bring clarity to renovation lending. We have the subject matter experts, the systems, and the drive to connect every dot for our customers and partners."

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AMERICAN PACIFIC MORTGAGE CEO TO STEP DOWN



LOWMAN

American Pacific Mortgage (APM) has announced that Chairman and former President and Chief Executive Officer **Bill Lowman** will retire.

“Words cannot express how impactful Bill’s leadership, guidance, and commitment have been to this company for more than 20 years,”

said Ned Payant, current CEO of APM. “He has been instrumental in shaping APM’s foundation and long-term success. Along with everyone in the APM family, I am deeply grateful for his vision and tenacity over the years.”

Lowman will remain on APM’s Board of Directors, continuing to provide insight and guidance to the company he helped build.

As part of this transition, Payant will move into the role of Chairman of the Board, continuing his long-standing leadership and oversight of APM’s strategic direction.

Stepping into the role of APM’s new CEO is **Dustin Sheppard**, who has already proved to be a dynamic and respected leader within APM. Over the past several years, as President, Sheppard has been instrumental in driving operational excellence, advancing strategic initiatives, and strengthening APM’s culture of ownership and collaboration.

Dustin is an exceptional leader surrounded by an equally strong and experienced leadership team,” Payant said. “He embodies the core values of APM and has earned the trust and confidence of our employee-owners and partners alike. I have no doubt he will continue to lead this company forward with the same commitment to excellence and vision that have defined APM for more than 25 years.

Founded in 1996, APM is a national, independently owned and operated retail mortgage lender based in Roseville, California. APM is 49% employee-owned through an employee stock ownership plan (ESOP), an ownership culture that fosters accountability, collaboration, and a shared commitment to customer success. Licensed in 49 states, APM employs more than 2,700 people and operates over 300 branches nationwide, many of which do business under their own DBA names.

» Service Providers

FORMER CFPB ACTING DIRECTOR MICK MULVANEY JOINS SOLO AS ADVISORY BOARD CHAIRMAN



SOLO, a New York-based data transfer infrastructure fintech, has appointed former Acting Director of the Consumer Financial Protection Bureau (CFPB) **Mick Mulvaney** as Chairman of its advisory board.

Founded in 2022 by Georgina Merhom, SOLO operates a data-sharing platform that enables customers to authorize financial information exchange across institutions with a single click. The company aims to eliminate what it calls the “patchwork of fragmented solutions” that require consumers to repeatedly verify their identity with each new financial provider.

Mulvaney is joining to help the start-up achieve its future growth targets, including reaching over 300 million profiles within its network over the next three years. The company projects it will have 100 million end customers in its network by the end of 2025.

Mulvaney has vast public and private sector experience. He served in the House of Representatives from 2011 to 2017 before becoming Director of the Office of Management and Budget (OMB) from February 2017 to March

2020. During that period, he also spent a year as Acting Director of the CFPB.

He later served as U.S. President Donald Trump’s Chief of Staff, overseeing the 4,000-person Executive Office of the President.

Currently Co-Chair of global consulting firm Actum and an advisory board member at London-based family office Clementy Asset Management, Mulvaney joins SOLO during what the company describes as a “pivotal moment for the financial services industry.”

Founder and CEO Georgina Merhom says, “Director Mulvaney’s conviction in SOLO stems from our shared belief that the infrastructure of consumer data is falling apart and that the future depends on collaboration and incentive alignment that puts financial institutions and consumers on the same side.”

Commenting on his appointment, Mulvaney says that SOLO’s technology and protocol will “enable the future of real open banking, where individual data is comprehensive and portable, and institutions are compensated for validating financial information”, adding that SOLO’s network “reflects the world we live in now, not the one we are leaving behind.”

CONSOLIDATED ANALYTICS WELCOMES STEFAN PAMPULOV AS SVP OF PRODUCT INNOVATION AND SALES



Stefan Pampulov, brings over 20 years of experience driving fintech innovation and product development in the residential real estate industry.

Most recently, he served as Chief Product and Data Officer at Bosscat Home Services and Technologies, where he focused on enhancing consumer experiences, digital home service delivery, and AI-driven solutions.



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"I believe that DEI fosters a culture of belonging and empowerment that allows all individuals to feel valued, respected and supported in the workplace. Joining AMDC provides a platform to advocate for more inclusive and equitable workplaces, and for the industry to recognize and value the unique contributions of all individuals. I believe that education, understanding, and empathy are the keys to fostering inclusive environments which will strengthen our industry as a whole."

—**Ashley Shepherd**, Head of Marketing, Safeguard Properties, AMDC Advisory Council Member

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Before that, Pampulov was VP of Product Development and Innovation at Black Knight (now part of Intercontinental Exchange – ICE). He also co-founded Collateral Analytics, later acquired by Black Knight in 2020, where he served as Chief Product and Operations Officer for over a decade.

Throughout his career, Pampulov has led the creation of transformative marketplace technologies using predictive analytics and advanced data applications that empower consumers, lenders, and real estate professionals alike.

» Industry Groups

MBA ANNOUNCES RETIREMENT OF COO MARCIA DAVIES



The Mortgage Bankers Association (MBA) announced that **Marcia M. Davies**, MBA's Chief Operating Officer (COO) and founder of mPower,

MBA's networking platform for women in the real estate finance industry, will retire on December 31, 2025.

Davies joined the MBA in 2011 as Chief of Staff to past President and CEO David H. Stevens, and SVP of Conferences and Meetings. In 2014, she was promoted to COO.

"For well over a decade, MBA and its members have benefited tremendously from Marcia's vision and passion for the mission and the people of the real estate finance industry," MBA's President and CEO Bob Broeksmit, CMB said. "Her most vital contribution to MBA was her leadership in restoring financial stability to the association. Her legacy in the industry will be the founding and development of mPower, enhancing the ability of thousands of women in our industry to strengthen their networks, conduct more business, and experience personal and professional growth. I have been blessed to have her leading by my side for the past seven years."

“For well over a decade, MBA and its members have benefited tremendously from Marcia’s vision and passion for the mission and the people of the real estate finance industry.”

—**Marcia M. Davies**, Chief Operating Officer, Mortgage Bankers Association



As COO, Davies has been responsible for ensuring cross-organizational alignment and facilitating the implementation of MBA's strategic initiatives, as well as maintaining oversight of key organizational priorities. She is also the lead strategist for MBA's external activities, providing leadership, guidance, and overall management to the public affairs and marketing divisions. In addition, she provides strategic direction and management of MBA's Conferences, Membership, Education, Information Technology, and Office Services divisions and is a past board member of MBA's Opens Doors Foundation.

In 2016, Davies founded mPower (MBA Promoting Opportunities for Women to Extend their Reach). Under her leadership, mPower has grown into an engaged community of more than

26,000 industry members, providing best-in-class conference and webinar programming, networking events, and online opportunities to promote the advancement of women in the mortgage industry.

Previously, Davies worked at the U.S. Department of Housing and Urban Development (HUD) as Senior Advisor to the Assistant Secretary for Housing and Federal Housing Commissioner. She directed HUD's industry relations program to strengthen relationships, garner support, streamline communications, and resolve policy and regulatory issues. Before joining HUD, Marcia spent 21 years at Freddie Mac, where she held a variety of senior management positions in communications, customer outreach, marketing, servicer relations, and policy.

MBA ELECTS CHRISTINE CHANDLER AS 2026 CHAIR



Christine Chandler, EVP and COO of M&T Realty Capital Corporation (RCC), was sworn in as 2026 chair of the Mortgage Bankers Association

(MBA) during the association's 2025 Annual Convention and Expo in Las Vegas.

"Throughout my career, I have witnessed the significant impact of MBA's advocacy, research, and education in strengthening the real estate finance industry and the communities it serves," Chandler said. "It is a distinct honor to represent our industry as MBA's 2026 Chair. I look forward to working with Chair-Elect Owen Lee, Vice Chair John Hedlund, and our member leaders to cultivate the next generation of industry professionals, advance policies that expand housing affordability and accessibility, and further increase member engagement in MBA's advocacy efforts."

Chandler has been with M&T since 1991 and has more than 30 years of experience in commercial real estate finance. Since 2018, she has been COO and has overseen credit, asset management, compliance, technology, and transformation.

Chandler is a voting member of MBA's Board of Directors, has served as 2023 Chair of MBA's Commercial Real Estate/Multifamily Finance Board of Governors (COMBOG), and previously served as Chair of MBA's Audit Committee.

In addition to Chandler being named chair of the association, Owen Lee, CEO at Success Mortgage Partners Inc. (SMP), and John Hedlund, Vice Chairman of ICE Mortgage Technology, were sworn in as Chair-Elect and Vice Chair of the association.

Lee co-founded SMP, located in Plymouth, Michigan, with his father, Vincent, in 2002 and currently serves as CEO. Under his leadership, SMP has closed billions of dollars of mortgage

loans yearly since 2016, is licensed in 42 states, and has more than 600 employees. Lee is also Managing Member of Title Partners LLC, a full-service title insurance and escrow services agency. Lee serves on MBA's Board of Directors, was previously Co-Chair of its Independent Mortgage Bankers Executive Council, and was the 2023-2024 Chairman of MORPAC (MBA's Political Action Committee), where he was a successful political fundraiser, helping to advance the association's top legislative priorities. Lee is also a member of the Board of Directors of The Mortgage Collaborative's Technology Fund, a venture capital investment group specializing in the mortgage technology space. He also sits on the Board of Directors of TrAI ned, a mortgage technology firm in Pittsburgh.

Hedlund has served as a board member for several organizations, including as a member of MBA's Board of Directors, Board Chairman of MISMO, Chairman of MBA's Residential Board of Governors (RESBOG), board member and past Chairman of the California Mortgage Bankers Association, and advisory board member for Automated Mortgage Systems and FundingShield LLC. Hedlund has served in senior leadership positions in the mortgage divisions at several large financial institutions during his career. He also co-founded and served as Managing Director and COO at AmeriHome Mortgage Company, where, under his leadership, AmeriHome quickly grew to become the second-largest correspondent lender in the country. He helped lead the company's sale to Western Alliance Bank in 2021, where he was a member of the leadership and executive team until 2024. He also founded and led Adanac Advisors Group, a boutique advisory and consulting firm.

» *In Memoriam*

REMEMBERING JOHN BELL III, FORMERLY OF VA LOAN GUARANTY SERVICE



John E. Bell III, a longtime industry veteran who spent many years working at the VA and serving as Executive Director for VA's Loan

Guaranty Service, has passed away.

Margarita Devlin, VA Principal Deputy Under Secretary for Benefits, said of Bell in a statement:

"John Bell was a talented and trusted leader with nearly 15 years of service to the Department of Veterans Affairs. He will be deeply missed by his VA colleagues as well as countless Veterans he served and helped over the years. We grieve for his friends and loved ones during this difficult time."

Tim Rood, Founder and CEO of Impact Capitol and formerly of SitusAMC, the Collingwood Group, and Fannie Mae, shared news of Bell's passing via his LinkedIn page, saying in a post:

"I wanted to make sure that folks knew that John Bell III, most recently Executive Director for VA Loan Guaranty Service, has passed away following an extended illness. He will be sorely missed by anyone who knew him or worked with him. John was a tremendous guy with a big heart who loved delivering VA Home Loan Benefits to his fellow Veterans. RIP, Brother."

Ed Delgado, AMP, Managing Director, Mortgage Policy Advisors; Chairman Emeritus, Five Star Global, told *MortgagePoint*:

"The mortgage industry mourns the loss of John E. Bell III, a respected veteran and dedicated leader who spent more than a decade ensuring his fellow service members and veterans could achieve the dream of homeownership. John's legacy is one of innovation, diligence, and deep commitment to

the economic opportunity and well-being of the veteran community. Our thoughts are with his family, friends, and colleagues during this difficult time.”

A Life of Service

John E. Bell III began serving as Executive Director, Loan Guaranty Service, on June 21, 2022. There, he was responsible for delivering VA Home Loan Benefits to his fellow veterans. Bell had extensive mortgage industry experience, having served in leadership roles with nationwide lenders for over 20 years before starting his career with VA in 2010. Bell worked to ensure that VA home loan benefits were the product of choice for veterans, and that Loan Guaranty was the VA program of choice. As Deputy Director, Bell was instrumental in VA Loan Guaranty Service’s fast response during the COVID-19 pandemic through frequent communications and the issuance of guidance that ensured that home loan benefits continued to be delivered to veterans without delay and reassured industry partners during that critical time.

As Assistant Director, Loan Policy & Valuation, Bell initiated Loan Guaranty’s transformation to better align with the fast-paced mortgage industry. Bell improved customer experience by automating Certificate of Eligibility (COE) functionality and implementing a nationwide phone system with subject matter experts answering calls in less than 60 seconds, advocating for Veterans when it matters most.

Serving as the Chief of Staff, Office of Economic Opportunity, Bell engineered a redesign of the organizational structure, providing data to improve decision making, and created a task force to establish business intelligence capabilities within the Veterans Benefits Administration.

Bell had left his Loan Guaranty Service role at VA in August, announcing his departure in a LinkedIn post that ran down a long list of accomplishments he was proud of from his time at the organization. At that same time, Bell was appointed to the role of Deputy Executive Director of the Office

of Mission Support (OMS). There, his top priorities included supporting the Veterans Administration (VA) and VBA Central Offices and 56 Regional Offices that serve Veterans across the nation in six major areas: Acquisition, Administration, Facilities, Information Access and Privacy, Operations, Safety, Security, and Preparedness, and the Executive Management Office staff.

Bell began his career in mortgage finance while attending Lambuth University in Jackson, Tennessee. He also served in the U.S. Navy during Operation Restore Hope and the Gulf War.

REMEMBERING DR. CHERYL TRAVIS-JOHNSON OF VRM MORTGAGE SERVICES



Dr. Cheryl Travis-Johnson, EVP and COO of VRM Mortgage Services, passed away in late October.

Cheryl was a dedicated industry veteran with over 30 years of service. Since joining VRM in 2008, she was instrumental in shaping the organization’s vision and impact. Her exceptional leadership helped position VRM as a trusted and innovative partner in delivering mortgage services that strengthen communities nationwide. Beyond her operational excellence, Cheryl was a tireless champion for expanding homeownership opportunities and creating pathways for financial empowerment across underrepresented communities.

“I’ve known Cheryl for over 25 years ago,” shared Keith Murray, President and CEO of VRM Mortgage Services. “I’ve had the extraordinary privilege of collaborating and witnessing her lead VRM with unwavering integrity and commitment, all while staying anchored in her faith. She is an icon whose contributions will long be remembered for thoughtful intent and improving the lives of others.”

A Lifelong Industry Leader

Before joining VRM, Dr. Travis-Johnson served as Director of REO Sales Operations for Freddie Mac, where she received Freddie Mac’s Premier Achievement Award on multiple occasions. Throughout her career, she held senior leadership roles in originations, branch operations, auditing, loan servicing, and REO sales for industry-leading financial institutions. She was widely recognized for her superior client operations management, innovative problem-solving, and ability to drive results even during the most challenging market conditions.

Dr. Travis-Johnson received her BA in administration and legal processes with an emphasis in economics from Mills College, an MBA from Walden University, and a Doctorate of Business Administration with a concentration in leadership from Walden University in 2018.

Her passion for financial empowerment extended beyond her professional achievements. Cheryl led financial literacy sessions for women through her church, helping individuals build confidence and create pathways to financial stability. Her impact was both systemic and deeply personal. She didn’t just transform organizations; she transformed lives.

Cheryl’s passing leaves an immeasurable void within VRM and throughout the partnerships and communities she served with such dedication. VRM Mortgage Services will continue to honor Cheryl’s legacy through our commitment to innovation, inclusion, and community impact.

Dr. Travis-Johnson was recently honored as a finalist for the Laurie A. Maggiano Legacy Award, part of the 2025 Women in Housing Leadership Awards.



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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.

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

2.

Communication

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

3.

Education

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

4.

Exposure

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

5.

Inclusion

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

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

For More Information, Visit FiveStarFORCE.com.

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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



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UNDER PRESSURE

With rates easing and affordability still out of reach for millions, housing enters 2026 in slow motion, testing the patience, adaptability, and strategy of every market participant.

By DAVID WHARTON

For the U.S. housing market, the story of 2025 has been one of tension and transition. Prices have cooled, rates have steadied, and the panic of the pandemic boom has given way to a long, grinding recalibration. In this month's MortgagePoint cover feature, a panel of economists and subject-matter experts reveal that, while the worst may be behind us, structural challenges remain deeply entrenched: supply shortages, affordability constraints, and escalating costs are reshaping the landscape for homebuyers, lenders, and policymakers alike.

Housing's next chapter begins not with a boom or bust, but a reset. As the market heads into 2026, the forces that once drove rapid appreciation and record refinancing have given way to patience, pragmatism, and recalibration. The experts featured in this issue agree: the coming year will test resilience as much as strategy. It's a time for measured optimism, careful risk management, and long-term thinking.



MOLLY BOESEL

Senior Principal Economist, Cotality

Q: From your vantage point at Cotality, what are the top three structural challenges you see for the U.S. housing market heading into 2026?



BOESEL: As we look toward 2026, we see three primary structural challenges that are deeply interconnected and will continue to

dominate the market dynamic: the supply shortfall, affordability constraints, and rising non-mortgage costs.

We're dealing with a long-term supply deficit stemming from underbuilding new homes since the Great Financial Crisis. Compounding that is the 'mortgage-rate lock-in' effect; existing homeowners are staying put to keep their low rates. The combination of not enough new homes and low turnover of the existing stock keeps inventory tight and prices elevated. Affordability constraints are a direct result of the supply issue, which keeps prices high. High home prices, when coupled with mortgage rates generally in the 6% and higher range, have pushed monthly payments well beyond the reach of many potential buyers. The final structural challenge is how other expenses are undermining affordability. We're seeing affordability stressed not just by the mortgage, but by increases in non-mortgage costs, particularly property taxes and insurance premiums. It limits demand for new buyers and poses a genuine risk for existing homeowners, especially those on a fixed income. If those costs can't be absorbed, it can ultimately lead to delinquency.

“High home prices, when coupled with mortgage rates generally in the 6% and higher range, have pushed monthly payments well beyond the reach of many potential buyers.”

—Molly Boesel,
Senior Principal Economist,
Cotality





While the pandemic-era surges in single-family rent growth have stabilized and will continue to normalize toward pre-pandemic averages, demand will remain robust.”

—Molly Boesel,
Senior Principal Economist, Cotality

These three issues—supply, the resulting affordability crunch, and the rising cost to simply own and maintain a home—are the structural headwinds that will largely define the housing market for 2026.

Q: You've done work on the single-family rental market. How do you view the market evolving in 2026 in relation to homeownership? Does it become a more significant part of the ecosystem?

BOESEL: The single-family rental (SFR) market should remain a significant, structural component of the housing ecosystem in 2026. This growth is primarily driven by the nation's ongoing affordability crisis, as high home prices and mortgage rates keep a large pool of would-be buyers out of homeownership. These households often seek the size and quality of a single-family dwelling but are forced to be renters by necessity. While the pandemic-era surges in single-family rent growth have stabilized and will continue to normalize toward pre-pandemic averages, demand will remain robust. Consequently, the SFR segment is increasingly functioning as a long-term housing solution, rather than a temporary stop before buying. For investors, this translates into sustained demand and a solid, long-term asset class.

Q: What do you see as the biggest barrier for Gen Z and younger homebuyers when it comes to meaningfully approaching homebuying in 2026, and might the obstacle shift from "can't afford" to something else?

BOESEL: Affordability remains the primary barrier for Gen Z as they consider entering the housing market in 2026. Home prices remain high, and high rents continue to erode their ability to save for a down payment, which makes the path to homeownership more difficult. However, Gen Z

has shown a willingness to relocate to more affordable markets when prices in high-demand areas are out of reach. It is also important to recognize that while entry-level home prices may appear accessible, they can obscure the true cost of ownership. Expenses such as maintenance and homeowners' insurance often become the next financial hurdle once the purchase is complete.

Q: If you were advising our readers (mortgage professionals) for strategic focus in 2026, what key metric(s) would you tell them to watch and why?

BOESEL: For mortgage professionals in 2026, the strategic pivot is simple: shift your risk focus to escrow shock. The real pressure point is no longer high debt, but the sudden liquidity strain caused by surging insurance and property tax costs. Our research clearly shows delinquency spikes are concentrated in areas with the sharpest rises in non-mortgage costs. Owners with large amounts of home equity would be able to use some of their equity to absorb increases in payments, but those who bought more recently, and those who used low-down-payment loans, may be at a higher risk for delinquency.

JOHN COMEAU

Policy Economist, Council of Federal Home Loan Banks

Q: From a policy perspective, what are the most underappreciated regulatory or legislative issues that could impact the housing and mortgage markets in 2026 (e.g., GSE reform, affordable-housing tax credits, servicing regulation)?



COMEAU: Home prices, property taxes, rents, and insurance premiums are all near record highs, while mortgage

rates have hovered between 6% and 7% since late 2022—roughly double the 3% range of 2020–2021. As we enter 2026, affordability challenges will remain front and center, driven by a shortage of housing supply. Federal housing policy levers have traditionally focused on the demand side rather than on supply. The omnibus economic and housing package passed by Congress in 2025 expanded Low-Income Housing Tax Credit (LIHTC) allocations, established a middle-income housing tax credit, and sought to streamline permitting and incentivize infill development, all beginning in 2026. All of these measures are intended to positively impact the supply side of the equation. In 2026, I will be watching to see the impact of the changes—especially LIHTC, as the other two will have longer implementation timelines—on the nation’s housing supply.

I will also be watching the property insurance market. Wildfires, hurricanes, and other extreme weather events have driven premiums and loss rates higher, causing insurers to withdraw from high-risk geographies despite rate hikes. In 2025, discussion of capping insurance premium increases has increased among state legislators and regulators. While well-intentioned, the measures

could backfire if insurers are prevented from recouping losses, resulting in further retrenchment by private carriers and greater reliance on state-backed insurance pools such as California’s FAIR Plan and Florida’s Citizens Property Insurance Corporation. This would shift risk from experienced insurers to states with less capacity to manage catastrophic exposures—an underappreciated negative risk factor for housing markets and mortgage credit in 2026.

Q: Considering the role of the Federal Home Loan Banks in supporting housing and community lending, how do you see the flow of credit in 2026? Will constraints tighten, loosen, or stay about the same? What drives that outcome?

COMEAU: The Federal Home Loan Banks were established to ensure a reliable supply of liquidity to their members in all economic conditions. For 93 years, the FHLBanks have executed this mission, bolstering the financial institutions—large and small—that keep local communities moving forward. The reliability of FHLBank liquidity fosters confidence among depositors, resilience among lenders, and stability across the financial system. As of September 30, 2025, the FHLBanks were supporting affordable housing finance and community investment with \$693.5 billion in advances and an on-balance-sheet mortgage portfolio [Acquired Member Asset (AMA) program] exceeding \$77 billion, together providing critical liquidity to member institutions. Through the first nine months of 2025, the FHLBanks have committed \$480 million to their Affordable Housing Programs and an additional \$349 million to voluntary initiatives designed to expand housing affordability, strengthen small businesses, and increase the resilience of the housing stock across the System’s 11 districts.

After pausing for the first eight months of the year, the Federal Reserve cut interest rates in September and October 2025. There has been a

“Wildfires, hurricanes, and other extreme weather events have driven premiums and loss rates higher, causing insurers to withdraw from high-risk geographies despite rate hikes.”

—John Comeau, Policy Economist, Council of Federal Home Loan Banks

U-shaped yield curve for all of 2025. If the Federal Reserve's actions in late 2025 and continuing into 2026 normalize the yield curve, that would be a positive for FHLBank members, and community lenders more broadly, and increase the availability of credit. That said, the Fed has been shrinking its balance sheet since mid-2022—quantitative tightening (QT)—and has signaled this will continue until December 1, 2025, further draining banking system reserves and offsetting some of the interest rate easing.

Stablecoins also pose a threat to bank deposits: increased adoption could divert deposits from traditional depositories, further tightening bank sector liquidity, especially at smaller institutions.

In this environment, the FHLBanks' countercyclical liquidity is especially important: through advances, AMA mortgage purchases, and letters of credit, the System will continue ensuring that community lenders have liquidity to meet the needs of the households, the small businesses, and the communities they serve.

Q: How important do you view income-based policy levers (e.g., first-time-buyer assistance, down-payment support, rental subsidies) as the market shifts in 2026?

COMEAU: Income-based policy levers—such as first-time-buyer assistance, down-payment support, and rental subsidies—are important today and will continue to be critical tools in 2026. The Harvard Joint Center for Housing Studies (JCHS) 2025 State of the Nation's Housing report noted that home prices in early 2025 had risen 60% since 2019, and the median existing single-family home sales price in 2024 was \$412,500, a new high. The median 2024 home price was five times the median household income, far above the traditional affordable price-to-income ratio threshold of 3:1.

In 2026, a combination of factors will continue to pose challenges for first-generation and first-time buyers: elevated home prices, rising insurance premiums

and property taxes, and interest rates on 30-year fixed-rate mortgages that, while down from their peak, remain well above the ~4% average that prevailed for more than a decade from 2009 to early 2022. In this environment, closing-cost assistance, down-payment grants, and interest-rate buydowns are key tools for expanding access to homeownership and creating opportunities for families to build generational wealth.

The FHLBanks will continue to play a vital role in unlocking new pathways to homeownership and housing affordability. Through their Affordable Housing Program (AHP) and voluntary funding initiatives, the FHLBanks provide grants that help bridge the affordability gap for homeownership—including first-time homebuyer grants, down payment assistance grants, home rehabilitation grants, and various other programs. Likewise, low-interest CICA (Community Investment Cash Advance) and CIP (Community Investment Program) advances and competitive AHP grants for affordable rental housing developers support the expansion of affordable rental housing supply—another pillar for affordable housing access.

There is no silver bullet to solve the housing affordability crisis, but the FHLBanks—working through their 6,400 member institutions and housing-partner networks across the country—will remain an integral part of the solution. By expanding access to funding, lowering barriers to entry, and helping increase housing supply, the FHLBanks help their members strengthen communities and bolster depositor and borrower confidence in uncertain economic times.

Q: How do you assess the risk that a slower housing market could create secondary ripple effects (e.g., on community banks, housing-related credit, regional economies) in 2026?

COMEAU: In 2025, housing starts, home sales, and mortgage originations have held steady at low levels—roughly

1.3 million annual starts and 4 million existing-home sales—and 2026 will begin in a similar fashion. Mortgage volumes will likely remain muted, though refinancing could increase if interest rates move lower.

Home prices have flattened. The S&P CoreLogic Case-Shiller National Home Price Index (HPI) dipped below 2% year-over-year in June 2025, after having been elevated for nearly two years. Slower HPI appreciation is a mixed bag: it limits wealth gains by homeowners but increases affordability for prospective homeowners when HPI appreciation is below the growth in wages. Homebuyers lost significant ground from 2020 to 2023 as HPI growth outpaced wage growth. Nationally, prices are stable, but the national average masks a bifurcation in markets: HPI gains are continuing in some metros (Buffalo, NY; Rochester, NY) while declining in others (Cape Coral, FL; North Port, FL).

Meanwhile, the Federal Reserve is expected to continue to cut rates several more times over the next 12 months, helping normalize the yield curve, which has been U-shaped in 2025. A normal yield curve means healthy lending margins and increased capacity for community lenders to extend mortgage credit. If liquidity becomes tight, the FHLBanks will be there with counter-cyclical liquidity to ensure members have the funding they need to ensure homes are built, families find footing, and communities are positioned to prosper.

Q: If you single out one critical housing market dynamic to watch in 2026, what would it be and why?

COMEAU: As we entered the fall of 2025, Mark Zandi at Moody's Analytics reported that 49.2% of consumer spending was from the top 10% of income earners, the highest share going back to 1989. That concentration of spending reflects strong wealth effects among high-income households fueled by recent highs in the stock market, cryptocurrencies, and gold. A market

downturn could quickly reverse those wealth effects, leading to a pullback in consumption and tightening credit conditions that would ripple through housing and mortgage markets. The timing of any such correction is inherently difficult to predict—Alan Greenspan’s 1996 warning about “irrational exuberance” came years before the eventual dotcom bust—but the warning signs are familiar. Today, with financial markets priced to perfection, inflation sticky, and the Federal Reserve contending with stagflation-like pressures, the economic backdrop is increasingly uneven: spending is being driven by those at the top, while lower-income households are struggling to keep pace. That imbalance makes the economy—and its feedback loop with housing—the most important dynamic to watch in 2026.

MARK FLEMING

SVP, Decision Science and Chief Economist, First American Financial Corporation

Q: How do you expect affordability to evolve in 2026, and which factors (prices, rates, income) will drive most of the change?



FLEMING: Affordability will gradually continue to improve as mortgage rates decline modestly, and, more

importantly, as household income growth outpaces slow house price appreciation, and even declining house prices in some markets.

Q: You’ve written about why the housing market recovery may be “less reliant” on Fed rate cuts than many believe. Could you expand on that? What other dynamics are more important for 2026 than simply waiting for rate cuts?

FLEMING: Mortgage rates are not expected to fall nearly enough to meaningfully unlock the millions of homeowners currently rate-locked in. Life events, such as marriage, expanding families, job changes, and divorce, will spur the housing market’s recovery next year. Housing turnover still happens because life happens. Life events always have and always will drive sales activity. We can’t rely on mortgage rates to save the day and spur large increases in sales activity as has often happened in the past, but we can rely on life events

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and steadily improving affordability to slowly grow the market over time.

Q: In markets where you are seeing price declines or stagnation, what patterns stand out? How should lenders interpret those signals for 2026?

FLEMING: First, there is a strong geographic pattern. Price growth is slowest or even declining in markets in the Sunbelt and West, particularly markets in Florida, Texas, and California. In many cases, these markets are correcting for an unprecedented pandemic-driven surge in prices. So, while these markets are declining from recent house price peaks, they are far from wiping out all price growth gained in the pandemic. For lenders, the canary in the coal mine is negative equity, which significantly increases the risk of foreclosure in the event of delinquency. More recent buyers, who bought at the top of the market with little down and missed the benefit of the pandemic price surge, are the most at risk of being in negative equity. Lenders will be closely monitoring mortgages for negative equity risk.

Q: One major structural challenge is the “lock-in effect.” How big a drag is that on 2026 transaction volumes, and what might tip it into loosening?

It’s been a drag ever since the Fed quickly raised interest rates. Because we don’t believe mortgage rates will drop dramatically, the rate lock-in effect will remain a headwind, holding back transaction volume in 2026. However, it’s a headwind that is slowly weakening as life events spur home sales and slowly but steadily erode the number of homeowners who are rate locked.

Q: With the home-buying market perhaps entering a “two-tier” state (those who can afford vs. those who cannot), what role do you see for non-traditional housing models in 2026?

“Non-traditional paths to homeownership are likely to gain popularity given the affordability strain so many first-time homebuyers are feeling.”

—Mark Fleming

SVP, Decision Science and Chief Economist, First American Financial Corporation

★★★★★

FLEMING: Non-traditional paths to homeownership are likely to gain popularity given the affordability strain so many first-time homebuyers are feeling. But it is unlikely that they will become any significant share of ownership types. So, they will amount to a growing, but not large, role in helping people achieve homeownership.

Q: From your vantage point, what is the biggest upside risk in the housing market for 2026 and the biggest downside risk?

FLEMING: The most significant downside risk is a reacceleration of house price appreciation and/or a significant increase in mortgage rates. Either would worsen affordability. However, to finish on a positive note, the biggest upside risk is continued household income growth, or even accelerating household income growth, as some of the AI-based productivity gains accrue to workers, causing affordability to improve even faster than we currently expect.

MICHAEL FRATANTONI

Chief Economist, SVP, Research and Industry Technology, Mortgage Bankers Association

Q: For 2026, what is your base case for originations volume (purchase vs. refinance), and what are the key variables that could tilt the outcome?



FRATANTONI: We’re looking for 8% growth in single-family origination volume, and that’s the case whether you look at that on a dollar basis

or a unit basis. Some of our members are a little more focused on the dollar number, which we think is going to get to about \$2.2 trillion. Some are paid based on how many loans they’re doing, so that unit forecast is also really important. We’re looking for about 5.8 million loans to be done. If you look at that on a dollar basis, it looks close to average over the past decade or so, but if you look at it on a unit basis, it highlights that it’s still a relatively slow market. We are expecting home sales to increase about 5% in 2026, both for new and existing, compared to where we were in 2025. So, it is still a relatively subdued housing market, but we’ve been getting better each year.

If you look at 2023, it was dead calm, hardly any activity at all, and each year has gotten a little bit better. The lock-in effect is still having an impact. You have a lot of owners out there with very low rates on their mortgages, and that is a friction that’s keeping them less likely to list their homes, so we’re not seeing as many move-up buyers as you would typically see. But we keep highlighting that there are still a lot of millennials out there. There are almost 50 million people between 30 and 40 in this country, and most of them are still renting, but they are getting to the peak first-time homebuyer age, so we expect, over the next couple of years, that’s going to

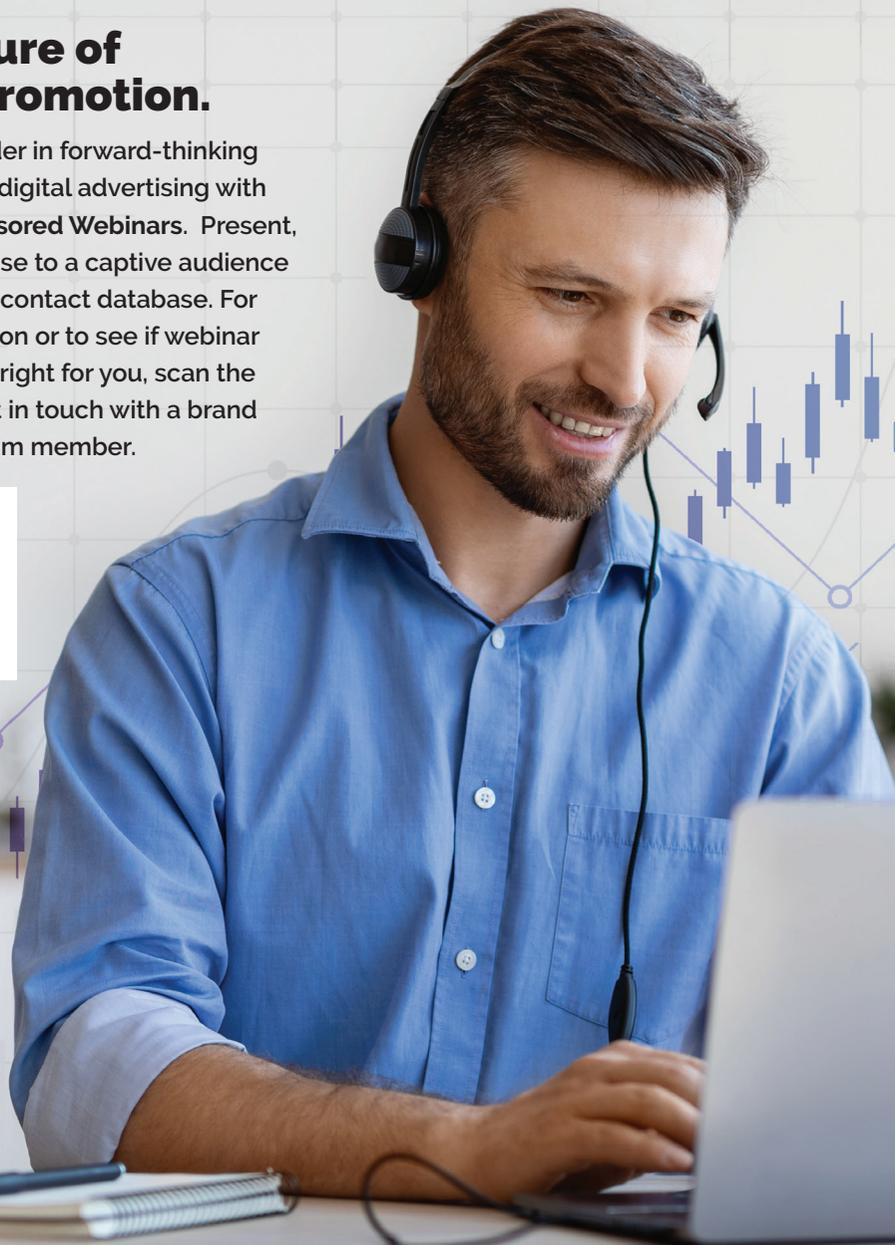


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Last year or two years ago, if someone lost their job and they decided they needed to move, they could list their home and it would be sold before the ink was dry. That is not the case anymore.”

—**Michael Fratantoni**,
Chief Economist, SVP, Research and
Industry Technology, Mortgage Bankers
Association

keep putting some additional first-time homebuyers into the mix.

You asked about the main drivers that could lead us higher or lower than that. At our annual conference, we always include a slide that says, “What if mortgage rates are a percentage point higher or lower than in our baseline forecast?” In our baseline forecast, if mortgage rates are, call it six and a quarter right now, over the next couple of years, that’s about where we think they’re going to be, on average.

Obviously, you have moments where, as we’ve had in the past couple of weeks, investors are more focused on weaker economic growth, a weaker job market, hoping for more aggressive cuts from the Fed, and we’ll be at the lower end of a range—maybe we get close to six. There’ll be other times where folks are more concerned about inflation. Maybe the Fed’s not going to cut as aggressively as hoped. The biggest concern on the high side is the deficit, the debt, and the massive amounts of Treasury issuance over the next couple of years to finance that, and that’ll push us to the high end of a range. But our baseline is that mortgage rates are about where they’re going to be in terms of long-term fixed rates. We have highlighted that in our application data. About 10% of borrowers now are taking out an ARM, and we expect that’s likely to go higher because we do expect the Fed to cut a few more times.

So, with short rates coming down, even with long rates staying up, the benefit that a borrower gets going into an ARM is going to increase. We think that’ll be one way borrowers find some additional affordability over the second half of this year. We’ve seen weeks where ARM rates are a full percentage point below a fixed rate, so that’s our baseline. If we were to get much weaker growth or the job market doing more poorly than is in our baseline, you could get a lower rate path. The origination forecast is much more sensitive to rates dropping a point than rates increasing a point. So, if we get to the low fives, we

see a big bump in origination activity in 2026. So rather than that 2.2 in our baseline, we get up to 2.8 in our estimate. If rates were to be much lower, on the other hand, if rates were to be a full percentage point higher, how do you get there? Inflation goes the wrong way. The Fed stops cutting and Treasury issues like crazy, then we’re below 2 trillion for 2026. I think that’s the reasonable range of outcomes, and we’re reasonably confident that we’re going to stay close to our baseline, because neither of those extremes is likely.

Q: Do you anticipate another rate drop from the Fed in December, or do you think they’re going to hold steady?

FRATANTONI: We have penciled in one more in December and then one in the first quarter of 2026. Some market measures would say maybe two in 2026, but I think what you heard from Chairman Powell at the press conference this week is some real ambivalence among some in the committee. You got one dissent, and just listening to the speeches, I think there’s more bubbling beneath the surface. It’s going to be harder for them to cut much more, but the weakness in the job market is real. It’s tough to see because we don’t have the data right now with the shutdown, but everything is indicating that these next couple of quarters, we’re going to see the unemployment rate go up.

Q: Do you see any factors likely to provide some relief on the lock-in effect in 2026?

FRATANTONI: We’ve already seen the lock-in effect begin to fade in 2025, and what I’ve been pointing to is the increase in existing home inventory. It’s up about 30% compared to last year. It’s still relatively low, but it’s moving up. A lot of that is life events: people continue to get married, have kids, get new jobs, all these things. They feel bad about leaving the low mortgage rate behind, but at some point, they do. I think

when you get mortgage industry folks together, it can be a bit disconnected to my ears. The industry folks will be like, well, I'll just keep that home and rent it out. That's a higher-income professional way of looking at the world. I think most people sell the home when they don't want to take that risk.

Q: Given the sustained elevated mortgage-rate environment, what is the risk to credit quality or delinquency trends in 2026? Are there segments you're watching closely?

FRATANTONI: The last data point we had was August, which was 4.3% for unemployment. We see that getting up to 4.7% by early next year—not awful, but more than what we've seen. The one thing to highlight there is, back in 2023, we were at 3.4%, so it's more the change than the level that's worth paying attention to. We're moving up quickly. People are getting jobs very, very quickly. Now we're at a place where hiring is very, very low. You're beginning to see some more layoffs, and so the leverage in the job market has moved towards the employer, and you're seeing wage growth slow. In terms of mortgage impact, one of the tightest correlations we see is between the unemployment rate and the delinquency rate.

What's really changed is with respect to the housing market. Last year or two years ago, if someone lost their job and they decided they needed to move, they could list their home and it would be sold before the ink was dry. That is not the case anymore. Things are lingering on the market, particularly in Sunbelt markets. I think we're going to see what would've been short-term delinquencies leading to a home sale previously; they're going to progress into deeper delinquencies. Foreclosure rates have been extraordinarily low for the past couple of years. They're probably going to go a little bit higher.

In the more normal world, whatever that was, the foreclosure process was one source of housing supply. It just hasn't

been in recent years, and I think that'll be more of the picture in 2026. We will be in a somewhat weaker job market, delinquencies will go longer, foreclosures will increase, and we'll see some of those distressed properties hit the market.

RICK SHARGA

Founder & CEO, CJ Patrick Company

Q: How would you characterize the housing market heading into 2026: correction, stabilization, or early recovery?



SHARGA: I believe that we're in the third year of a five-year "reset" period, as the market slowly adjusts to higher

prices and higher mortgage rates. We've never before had a period where home prices rose by over 40%, followed by mortgage interest rates doubling, and that one-two punch decimated affordability, especially for first-time buyers. Existing home sales fell from over six million in 2021 to five million in 2022, four million in 2023 and 2024, and are on pace to finish the year at about the same number this year. Inventory levels are rising, days on market increasing, and home price appreciation slowing down—and reversing course, in some markets—as wages grow. We can probably expect another year of lackluster sales and price growth in 2026, but the market should begin to recover as we move closer to 2027.

Q: With affordability still strained and inventory tight, do you see transaction volumes improving next year or remaining near historic lows?

SHARGA: I think 2026 sales volume will be modestly better than 2025, but not much more than that. Barring

anything extraordinary happening in the economy—either positive or negative—we'll likely have at least one more year where existing home sales will be challenged to go much higher than four million units, and where home price appreciation will continue to slow down in most markets, and go negative in some parts of the country. Inventory will continue to increase, though, at least partly due to the pace of sales slowing down, and some older homeowners deciding it's time to downsize.

Q: What do the latest foreclosure and delinquency trends suggest about borrower health going into 2026?

SHARGA: Mortgage delinquency rates continue to stay below historical averages and are close to the lowest they've ever been. There's a combination of factors at play here: the unemployment rate is still very low (and there's a strong correlation between unemployment rates and mortgage delinquency rates); borrower credit quality has been excellent; millions of homeowners refinanced into lower interest rate loans, and so may be paying less every month today than when they first bought their house; and there's a massive amount of homeowner equity—well over \$34 trillion—that distressed homeowners can tap into if they need it. Mortgage servicers have also been extraordinarily helpful to borrowers who find themselves in temporary financial distress, which has kept delinquencies from rolling into foreclosure. And overall foreclosure activity, which was up about 17% from a year ago, according to ATTOM's Q3 2025 Foreclosure Report, is still running about 30% below 2019 levels, which weren't all that high in the first place.

That said, there are some red flags. Consumer debt is at an all-time high of \$18.4 trillion according to the NY Fed, and delinquencies on that debt have risen for nine of the past 10 quarters. Serious delinquency rates (90+ days past due) on credit cards, auto loans, and student loans are all now higher than they were prior to COVID. Rapidly rising



Jobs, jobs, and jobs. We have a very unusual labor market today: no one is hiring, and no one is firing”

—Rick Sharga,
Founder & CEO, CJ Patrick Company

homeowners’ insurance premiums and property taxes are making it difficult for some homeowners to stay current on their monthly payments. While mortgage delinquencies remain low, serious delinquency rates on mortgage loans have risen for four consecutive quarters, suggesting that borrowers who do become delinquent are having a harder time getting back on track. The FHA, whose loan portfolio accounts for over 50% of seriously delinquent mortgages, has tightened up its loss mitigation protocols, and we can expect a higher percentage of those past-due loans to become foreclosures in the months ahead. Context here is important: FHA loans only account for about 15% of all mortgages, and only about 4% of those are seriously delinquent. So, we’ll see more foreclosure activity, but not in a huge way by any means.

Q: Which macroeconomic indicators are you watching most closely right now as signals for housing direction?

SHARGA: Jobs, jobs, and jobs. We have a very unusual labor market today: no one is hiring, and no one is firing (although we’ve seen more layoffs announced recently). A strong jobs market is the No. 1 predictor of a strong housing market. More job creation generally means higher wages and more housing demand. A weaker job market, with higher unemployment, generally means more delinquencies and foreclosures, and fewer home sales.

There’s also demographics to consider. In 2024, almost five million young adults turned 35 in America, and we’ll likely see similar results when 2025 numbers are compiled. Normally, these young adults would be looking to buy homes, but they have opted to rent instead due to poor affordability. Most of the research suggests that the majority of these young adults still want to become homeowners and are just waiting for market conditions to improve. That should provide at least a bit of a tailwind for the housing market in the next few years.

Q: How active do you expect institutional and individual investors to be in the single-family rental and distressed property space next year?

SHARGA: Investors own 20% of the single-family homes in the country and accounted for 33% of all home purchases in the second quarter of 2025, so it’s almost a certainty that they’ll continue to play a large role in the housing market—especially the single-family rental market. But there’s a huge misperception about who these investors are: 91% of the investor-owned homes are held by mom-and-pop investors who hold 10 or fewer properties. The largest institutional investors—those who own over 1,000 units—account for less than 2% of investor-owned homes. And this cohort of large investors have been net sellers of homes for the last six consecutive quarters. This doesn’t mean that they’re getting out of the single-family rental space, though; a lot of the larger players are redeploying their capital into build-to-rent communities. This means that they’re no longer competing with small investors or traditional homebuyers for existing homes, and it means that they’re actually adding much-needed rental inventory to the market. I think you’ll continue to see all those trends—small investors buying and holding more properties, and larger investors selling existing homes and building new rental communities—through 2026.

Q: What data signals or leading indicators are most useful today for spotting early shifts in market momentum?

SHARGA: Pending home sales from the NAR and purchase loan applications from the MBA are usually very useful tools in terms of predicting near-term shifts in market momentum. Today’s market is incredibly rate-sensitive, so following rising or falling mortgage rates can be an early indicator as well, and to anticipate the direction of those changing rates, it helps to follow yields on

U.S. 10-year Treasury bonds. Contract cancellations and withdrawn listings are both running higher than usual right now, suggesting some market weakness; watching those numbers might provide insights into further weakening or improvement.

More broadly, there are demographic trends like population migration, job growth, and wage growth that can factor into regional or local market momentum—markets with population growth, job growth, and wage growth tend to have relatively strong housing markets, both for owner-occupants and for rental property owners.

Q: From your perspective, what's the biggest blind spot the housing and mortgage industries have as they plan for 2026?

SHARGA: Broadly speaking, I think there's a lot of uncertainty about the economy: whether it will continue to outperform economists' forecasts, or crumble under the weight of mounting consumer debt and the country's \$37 trillion national debt—the latter of which could cause bond yields to rise, taking mortgage rates higher with them. And the jury is still out on the ultimate impact of the Trump Administration's tariff and immigration policies and their impact on the overall economy.

Closer to ground level, I don't think either the mortgage industry or the real estate market has really come to grips with the growing problem of rising insurance premiums across the country. Will soaring premiums make it impossible for current homeowners to afford their homes? Will those higher costs mean lower home values so buyers can afford the properties? What happens when a homeowner or buyer finds out that homeowners' insurance isn't available? And are higher deductibles and being under-insured (two ways homeowners are trying to keep premiums from rising too much) going to result in more borrowers simply walking away from a property in the event of

a catastrophic event, leaving the lender with a huge loss? This problem is going to get worse before it gets better, and it's probably going to require cooperation between the mortgage and insurance industries, along with local and state governments and federal agencies.

Q: Are there policy or regulatory decisions on the horizon that could meaningfully alter the housing or mortgage outlook next year?

SHARGA: The elephant in the room is whether Fannie Mae and Freddie Mac will be released from conservatorship. If they are—and if the release isn't done thoughtfully and carefully—this could lead to massive market disruption, since they're responsible for such an enormous share of all mortgages. Even if done correctly, it seems likely that mortgage rates will probably go up after a release, which will hardly improve the affordability challenges that are a major headwind today.

The Administration has been talking about making government lands and vacant or under-utilized government buildings available for the development of affordable housing, and has discussed working with state and local governments to provide incentives to developers to build more affordable homes as well. Either of those initiatives would help fill the void of entry-level homes for the millions of young adults who are currently unable to find a home they can afford to buy.

Q: Based on your decades of market analysis, what's the one key lesson from past cycles that industry leaders should keep front of mind in 2026?

SHARGA: There are no "quick fixes." Market recovery simply takes time—almost always more time than anyone in the industry would like. We're seeing signs that we might be in the early stages of a recovery: the number of homeowners with below-market mortgage

rates has declined for two consecutive years; inventory of homes for sale is now above pre-pandemic levels in 15-20 states; home price appreciation has slowed down to below the rate of inflation—meaning that homes are actually less expensive this year than last in inflation-adjusted dollars; and demographic trends should be very positive over at least the next few years.

However, while all that is true, there's nothing in the data to suggest an overnight return to sales volume hitting five or six million units—in all probability, we'll be looking at relatively flat sales volume entering 2026, before beginning a gradual recovery late in the year and in 2027. The industry should plan accordingly, rather than hoping for rapid growth, and ultimately being disappointed. **MP**

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HOW TOUGH CONVERSATIONS HELP LOAN OFFICERS REACH THEIR FULL POTENTIAL

Delivering constructive feedback with empathy can turn independence into impact.

By **FRANCO TERANGO**

Anyone who's leading top-producing loan officers knows the balancing act. LOs are the heartbeat of the business—they bring in the revenue, build the relationships, and keep the wheels turning. But they're also fiercely independent, and that independence, while a strength, can make them blind to areas that are holding them back.

Here's the truth: the conversations we avoid are usually the ones that matter most. And when we approach them with the right intent—not to criticize but to elevate—we unlock growth for both the individual and the company.

Your Personal Brand Matters More Than You Think

Too many LOs underestimate how their image impacts their business. From LinkedIn profiles to voicemail greetings, every touchpoint tells a client or referral partner something about you. A sloppy email may seem small, but to a nervous borrower, it signals a lack of attention to detail. A polished LinkedIn presence? That's credibility when an agent is deciding where to send their next deal.

The key is not nitpicking but showing how a sharper image translates into business wins. The difficult but



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constructive conversation about this reminds the originator that it's really not about ego—it's about opportunity.

Growth Requires Continuous Learning

This industry moves fast. Guidelines shift, tech evolves, clients change. But too often, seasoned LOs rely on what's worked for decades. That's dangerous ground. The message here can't be "You're behind." Instead, it should be "The best in every profession keep sharpening their skills." After all, lawyers, doctors, and engineers all do it. Why should mortgages be any different? The pros who thrive in the long term are those who embrace learning as a competitive edge.

Communication: Your Style Might Not Fit Every Client

What works with a savvy investor might overwhelm a first-time buyer. What builds trust with a younger couple might not land with a retiree. By no means are you asking the LO to change who they are. If anything, you're suggesting they add range. Great communicators read the room and adjust. That's not being fake. It's being effective.

Technology Isn't Optional

The "I don't need that tech, I build relationships" mindset misses the mark. Technology doesn't replace relationships. It supports them.

Automating the admin side frees the LO to spend more time face-to-face with clients. Better systems prevent things from slipping through the cracks. Show an LO how tech makes their day easier, and the resistance usually fades.

Use the Team You've Got

Too many LOs still operate like one-person shops. Chasing down documents, designing their own flyers, and juggling tasks, the excellent support staff are ready to handle. That time and energy are pulled away from revenue-producing work.

For many LOs, running their pipeline off memory and gut feel might work. Until it doesn't.



The conversation isn't "hand things off because you're doing it wrong." It's "hand things off so you can do more of what you're great at."

Your Referral Network Can't Be on Cruise Control

Relationships with agents and referral partners are like any other relationship in that they need consistent attention. Additionally, what worked five years ago won't necessarily work today. Markets shift, needs evolve, and competitors emerge. The conversation in this scenario isn't about criticizing what exists; it's about future-proofing the business. It's also about staying visible, staying valuable, and constantly widening the circle.

Pipeline Management: Instinct Only Takes You So Far

For many LOs, running their pipeline off memory and gut feel might work.

Until it doesn't. As volume grows, or markets tighten, those "mental systems" start breaking down. Structured pipeline management doesn't have to mean a loss of the LO's freedom. Rather, it helps create reliability, allowing the LO to continue scaling without losing control.

How to Have These Conversations

The way you deliver tough feedback matters just as much as the content itself. Start from a place of genuine care. People can spot an agenda a mile away, and it always gets the conversation started on the wrong foot. Next, tie feedback to outcomes they care about, such as growth, referrals, or client experience.

Be specific. "Improve your communication" means nothing. Instead, provide real-world examples and suggest alternative approaches. These could include offering tools and resources beyond simple critique.

Finally, it's imperative to respect your LO's independence. Without that, an originator is little more than an order-taker. The best managers opt to coach, rather than dictate.

Play the Long Game

Change doesn't happen overnight, and it doesn't have to. These conversations aim to plant seeds that ultimately lead to self-driven improvement. Almost universally, the very best leaders and top producers want to excel. Our job is to help them see how they can up their game even more.

Remember, avoiding hard conversations does originators and LOs no favor. They're not likely to improve and get the best out of themselves without external insights. So have those conversations, but be sure to do so with intent, care, and clarity. In so doing, you're helping not only the LO but the entire organization. **MP**

The 2025 Five Star Conference & Expo

★★★★★

HONORING THE WOMEN SHAPING THE FUTURE OF HOUSING

MortgagePoint shares insights from the 2025 Women in Housing Leadership Award recipients to discuss their proudest achievements, mentors who inspired them, and advice for the next generation of industry leaders.

By DAVID WHARTON

Each year during the Five Star Conference, the Women in Housing Leadership Awards spotlight the vision, resilience, and innovation of women making a lasting impact across the mortgage and housing industries. These leaders exemplify excellence in their professions while championing collaboration, mentorship, and inclusion throughout the industry.

The 2025 honorees represent a cross-section of housing finance, from servicing and compliance to government and community leadership. In the following conversations, this year's recipients share the lessons that shaped their careers, the mentors who guided them, and the wisdom they hope to pass along to women following in their footsteps.

Rising Star Executive Award

ERIN KINKIN

VP of Transaction Management,
Lakeview Loan Servicing

Q: What are your proudest career achievements thus far?



It's always hard for me to identify my achievements because I genuinely feel like I am doing what I love and what I am supposed

to do. But if I think about what matters most in the contributions I make, I always come back to the people I get to work with. I'm very much a people person. I get so much joy serving my team and building relationships with the partners we collaborate with every day. The industry itself is complex, and the outcomes are important, but it's the human side that truly drives me and has in every role I have occupied over the years. I'm extremely proud of what our team achieves together. Our team at Lakeview manages large MSR transactions, and it's not easy, but that's what makes it so rewarding. We know what's at stake, and we care deeply about getting it right. But because of the trust and commitment we share, and the friendships built, nothing is impossible.

Q: Are there any women who have served as career mentors for you, and what did you learn from them?

Absolutely. I've been fortunate to have countless mentors throughout my career, some formal, many informal. I truly believe mentorship is everywhere if you pay attention, remain open to learning, and listen. There are several outstanding women who continue to inspire me. First is my aunt, Darlene DiMarco. Darlene first introduced me to the industry. She is a fearless leader with determination, kindness, and an incredible work ethic. Nancy Irurzun, a precious friend and former colleague, encouraged me to pivot from originations into loss mitigation and servicing in 2009, a move that changed the trajectory of my career. Nancy is a constant source of valuable advice. Etienne Jouard, my current manager, leads with quiet confidence and strong moral character, setting an example I strive to follow. And Sara Niemann-Davis has been a constant source of support, offering wisdom, solidarity, and a safe space to think out loud.

Each of these women has inspired, guided, and shaped me in countless invaluable ways. They are examples of





Always ask questions. This changed my career. For years, I held back, worried that asking might reveal what I didn't know. But when I began to speak up, it opened the door for others to do the same.”

—Erin Kinkin VP of Transaction Management, Lakeview Loan Servicing

resilience, leadership, and the power of showing up for others. Their influence continues to guide me, and I'm deeply grateful for their friendships.

Q: What is the most critical piece of advice you would give to women beginning their careers in this industry?

Start where you are. Don't wait until you feel completely ready, qualified, or certain before acting. Do the job in front of you and do it to the best of your ability. Remember that everyone's role matters. What counts is doing the work well and taking pride in your contributions.

Always ask questions. This changed my career. For years, I held back, worried that asking might reveal what I didn't know. But when I began to speak up, it opened the door for others to do the same. The result was better conversations, earlier identification of potential issues, and stronger collaboration across teams. This also means creating a safe environment for your team to ask questions and share ideas.

Find opportunities to teach others. The best way to deepen your own understanding is to share what you know. Teaching reinforces your knowledge and builds connection and trust. Here is where you find growth individually and as a team.

These three principles have guided me throughout my career. Our industry is ever-changing. It's dynamic, fast-paced, and full of opportunity. You don't have to know everything to belong here. What matters most is your willingness to learn, build relationships, and a commitment to showing up with integrity. The rest comes with time, experience, and the support of those around you.

Mortgage Visionary Award

SHAYNA ARRINGTON

Chief Risk Officer, Servbank

Q: What are your proudest career achievements thus far?



Over the past few years, I've played a critical role in the private acquisition of a bank, transitioned a non-bank IMB servicing division into a depository, worked through three legal name changes, and helped secure approval to convert a state-chartered bank into a national association. I'm proud of the evolution of what is now Servbank, N.A., and what we are building to be in the future. I'm also proud of the women's leadership forum I founded at my previous institution and carried over to the bank I'm at now. This has been a bright spot in my career journey where I've benefited from professional development among my peers and helped to turn friction into friendships over time.

Q: Are there any women who have served as career mentors for you, and what did you learn from them?

Yes, absolutely. There are so many fabulous female leaders in this industry who constantly inspire me to level up. Some of those women I know personally, and many I don't but admire from afar. Personally, I want to shout out Joy Hadley, previously an executive at HUD and now a Servbank Board Member. Joy was my first boss at my first job out of law school, and she showed me what a smart, powerful female leader could look like, pushed me to think harder

and bigger, and demonstrated how to challenge others in a respectful way. I also want to shout out Nanci Weissgold, Partner at Alson & Bird. Nanci and I met through the MBA, and she quickly became a friend, a cheerleader, a sounding board, and a confidant. It has been critically important to me to foster genuine friendships with women I look up to and respect, like Joy and Nanci. These women help create a sense of community where we can all learn from each other and build each other up as we grow.

Q: What is the most critical piece of advice you would give to women beginning their careers in this industry?

Create genuine connections. Push outside your comfort zone, meet and befriend others in the industry, and nurture those relationships over time. We are all stronger when we work together to lift each other up.

Public Sector Champion Award

CRISTI RICHEY

VP Business Account Management Solutions, Fannie Mae

Q: What are your proudest career achievements thus far?



I'm incredibly proud to have worked alongside colleagues at Fannie Mae and amazing industry partners to solve complex challenges such as: 1) creating mortgage servicing standards and effective loss

mitigation solutions during crises like the Great Recession, global pandemic, and natural disasters; 2) promoting fair servicing practices to ensure all borrowers understand their options; and 3) transforming the industry through the deployment of GenAI capabilities—an “in-flight” transformation I’m deeply passionate about. These efforts reflect a commitment to innovation and resilience in housing finance, and I’m honored to have contributed to meaningful change across the mortgage servicing landscape.

Q: Are there any women who have served as career mentors for you, and what did you learn from them?

I have been fortunate to have mentors (both men and women) who have guided me in a meaningful way in my career. An example that continues to stand out is when a mentor helped me during a time of high stress. When I faced numerous deliverables at the same time, she taught me to categorize them into two buckets: glass and rubber. Then let the rubber go—it will bounce and not break. Focus on the glass and pick up the rubber later!

Q: What is the most critical piece of advice you would give to women beginning their careers in this industry?

I continue to learn and be reminded that humans are emotional beings, and this will absolutely show up at work. Knowing this, I try to live by the following principles and would share this with anyone just beginning their career: 1) don't assume ill intent and take time to truly listen to other perspectives; 2) trust yourself and promote yourself; 3) build a strong network with people from all walks of life; and 4) set boundaries that create health and stability.

Industry Partner Impact Award

MIRIAM MOORE

Division President of Default Services, ServiceLink

Q: What are your proudest career achievements thus far?



One of my proudest career achievements was co-founding the Women Executives in Business (WEB). WEB is a network

dedicated to supporting women executives in the Servicing industry, creating mentorship and networking opportunities. What I love most is that it's not just a group of women coming together periodically. It's really a movement. Over the years, we've grown from small gatherings at industry events to dynamic, impactful weekend retreats where women are encouraged, challenged, and supported. Through these events and our time together, I've had the privilege of watching WEB attendees advance in their careers and reach new levels of leadership in their respective organizations. It's gratifying to know that I've contributed to building a platform for women to grow and build authentic connections in what has historically been a male-dominated industry.

Q: Are there any women who have served as career mentors for you, and what did you learn from them?

Although the industry is slowly changing, when I was coming up through the ranks, there unfortunately weren't very many strong women professionals to mentor me. I was often the only woman in a room full of male exec-

utives. I learned a lot from that season in my life, and I recognized there was such a need for more female mentorship in the industry, which is why I co-founded WEB. I wanted to create that space for other women to learn, grow, and connect. That said, the most impactful mentor in my life as I grew my career was my mother. She set the example of someone strong, confident, and assertive. She was a Cuban immigrant, and she taught me the value of a strong work ethic, which, together with her other traits, helped to shape me to be the woman and professional that I am today.

Q: What is the most critical piece of advice you would give to women beginning their careers in this industry?

I think it's important for women early in their careers to realize that only focusing on their work to demonstrate their worth is not enough. They need to devote time to building relationships with both men and women to be successful. Industry events, like The Five Star, are a great opportunity to do that. Making connections and building their network is a key skill for women looking to excel and seize new opportunities. I'd also share with them the importance of remaining teachable and eager to learn. The servicing industry is complex, yet rewarding, so positioning themselves to connect with other leaders and glean from their experience is a must.

Laurie A. Maggiano Legacy Award

JENNIFER STOCKETT

Senior Advisor, External Affairs, Consumer Financial Protection Bureau

Q: What are your proudest career achievements thus far?



I'd have to go back to the 1980s when I was the only woman at Bear Stearns trading on Wall Street. I learned a lot. I felt accepted, to a point.

That was a very important part of starting my career in the financial industry, and it helped open lots of doors when I decided to leave New York.

The other proudest career achievement was working for the federal government on the HAMP program. It was something that helped me understand really what homeownership was all about and what losing that might mean. In Southern California, I went to all the events. All the servicers were in these huge convention rooms, trying to help people who would come in with boxes of paperwork. The team, the GSEs, and the servicers were helping us together, and it really made a huge difference in keeping the economy on track.

Q: Are there any women who have served as career mentors for you, and what did you learn from them?

When I worked at the FDIC, I was there to help manage the closing of banks and the assets that we took over. Every week, I had to report to the board, and Sheila Bair was the chairman at the

time, and they made me sit right across from her. So here I am, new to the job, but getting my feet wet. And Sheila comes across the table, slams her hand down, and says, "Jennifer, this number doesn't make sense." And the number she was referring to, I got from Legal. But I told her, "I'll have an answer for you first thing in the morning."

And we got it all straightened out, but what it taught me was how she expected people to give her information. Because she was on the line every day. She had to be out there speaking with reporters, and she needed answers quickly. I didn't have the right answer for her, and she laid me out. But I learned something from that. I needed to be better prepared. I needed to know that the Legal team was giving me the right information. So, Sheila Bair may not have known she was mentoring people, but we sure did learn fast.

The other one is someone from Fannie Mae, Jeff Hayward. He retired not too long ago, but he recruited me. I was Chief of Staff for the Vice Chairman, and he recruited me to help with some projects that were to help low-income families get mortgages. We were having our performance review, and he said, "I have some advice for you. You need to learn how to turn the other cheek." That was really helpful for me because I was leading teams, and I needed to do more listening to people, to have them more involved, instead of just taking it up to leadership. So, I learned a lot from him.

Q: What is the most critical piece of advice you would give to women beginning their careers in this industry?

Especially in today's world, it's getting a work-life balance. Women and men are juggling the same things. When I was working, it was mostly the women who took care of the family, but even sharing with your partner or spouse or significant other, balancing that and not putting 100% of yourself into your career. Mental and physical health are important, and that's the work-life balance. **MP**

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"Bonial & Associates, P.C., delivers quality legal services with an emphasis on demonstrable subject matter expertise, domain knowledge, and the highest levels of compliance and professional responsibility."





In an industry often defined by persistence, precision, and people skills, few embody all three quite like En-Chia “Anna” Lin, Principal and President of Roach & Lin, P.C.

Over nearly two decades, Anna has climbed every rung of the firm—from part-time intern to managing attorney to majority shareholder—all while guiding clients through some of the most complex foreclosure cases in New York’s notoriously challenging legal landscape.

Anna is admitted to the bars of New York, New Jersey, and the U.S. District Courts for the Eastern and Southern Districts of New York. In addition, Anna is fluent in Chinese, Taiwanese, and conversational Spanish. As a graduate of The Johns Hopkins University (B.A., Economics) and St. John’s University School of Law (J.D.), she has become a respected voice in foreclosure, litigation, loss mitigation, and real estate law, as well as a role model for women and minority professionals navigating the legal and mortgage default sectors.

In this conversation, Anna reflects on her journey from law student to firm principal, the lessons she learned from her mentor, and the three values that guide her leadership: gratitude, authenticity, and hard work.

Q: You worked your way up through the ranks to your current position. Could you talk a little bit about how you reached your current role with the firm?

I started working for Peter Roach in 2005 as a part-time law student. During that time, I brought in several new bank clients through my personal connections. Peter famously asked, “Who is this Anna? Why is this young law student getting me bank clients?”

I didn’t think of it as anything special at the time. I just believed in the firm and in Peter. I wanted to recommend him to friends who owned or worked with banks.

After I worked through my law school years, when I graduated, he didn’t have

an attorney position for me, so I went out and became a litigator down in the Wall Street area. I worked in litigation, defending elevator companies.

Peter called me up a year and a half later and said, “I remembered you, and I remembered your work ethic. Why don’t you come back and work for me?” Long story short, I came back to work for him as an associate attorney. He taught me everything I needed to know about foreclosure, because my experience was limited at the time. While working with Peter, I took every possible opportunity to learn from him.

Peter was a professor at St. John’s Law School, and he taught foreclosures for 35 years. I had the perfect professor

and tutor by my side every single day. I was an associate, then I became the managing attorney for his foreclosure department, which was very small at that time. It helped me progress because I was able to “start small” in terms of managing the team.

As I was learning, Peter came and asked, “Anna, would you like to be a contract partner for me?” I initially responded with “No.” He said, “What? You might be the only attorney in the world who would turn down a partnership.” I replied, “I don’t need for you to give me a title for me to be loyal—I truly believe in the firm and am so grateful for you.” At that time, I didn’t believe that I deserved that title because I didn’t know what it meant to be a partner.

Peter started teaching me the business aspects of running a law firm, which prompted me to start looking at foreclosures in a different light. As a partner, my understanding of this job continued to evolve. I started going to conferences where I made connections and relationships with clients, both existing and new, and I loved it! I always emphasized the importance of being responsive, and as the years went on, clients would reach out to me, which resulted in gaining a lot of trust amongst the clients. I was thrilled to see the results—our firm started to grow!

In 2018, I became the majority shareholder and the president of the firm. Our firm became a state-certified, minority-owned law firm and a woman-owned law firm.

Q: Can you also talk about the benefits and challenges of the approach to having a single-state footprint?

One of the challenges of being a single-state firm is that when the industry shifts or banks and lenders decide to downsize the size of their networks of law firms, single-state firms may be at a disadvantage. While I believe this may be true nationally, New York is one of the most difficult states in which to complete a foreclosure. I do believe that

“Our office puts a tremendous emphasis on being responsive. We have an internal rule that staff must respond to clients within 24 business hours, up to a maximum of 48 business hours, only if there’s a valid reason.”

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focusing on providing legal services in an extraordinarily challenging state such as New York has many benefits to our clients.

When you have a team that is dedicated to focusing on all of the nuances of New York law, it translates to excellent performance and work product. At my firm, we not only teach our staff how to do certain aspects of their job, but we also want them to fully understand “why.”

Many times, we tell them to read case law—and this doesn’t only apply to our attorneys. Even paralegals and legal assistants are taught here as if it were a law firm setting. I think the benefit for our clients is that we know the rules inside and out.

Peter always teaches his staff when handling a file, “Imagine this is your own money—if settlement is not possible, how could you get your money back as soon as possible?” We’re taught to zealously represent our clients, and where there is no settlement possible, to process the file by focusing on getting their money back as quickly and efficiently as possible. We are, of course, also taught to work with homeowners to ensure the best result in loss mitigation efforts.

Q: As the one who supervises day-to-day operations, how do you balance managing client expectations while implementing your conditioned legal knowledge?

As I mentioned, when no settlement is possible after exhausting all loss mitigation efforts, our goal is to get our clients’ money back as soon as possible and as efficiently as possible. For us to do that, we have to know the law inside out and always think “outside the box” so we can expedite a foreclosure action.

To meet our clients’ expectations, we must know the law very well and use our experience to say, “We’ve done this in this other case,” or “we’ve tried this before,” or “we know what the title insurance company is looking for,” so that we are always aware of all options.

Q: You are fluent in Chinese, Taiwanese, and conversational Spanish. How does this multilingual ability enhance client relationships, particularly in one of the biggest and busiest cities in the world (New York)?

I’m very grateful to be able to have a different cultural background, a different linguistic background. It helps me understand people in different ways.

Multilingual ability helps, for example, when I’m pitching an idea to a Chinese-speaking bank, and they want to feel comfortable working with somebody who may understand their culture and background. However, our work product

must always be excellent and top-notch.

As for languages, it can help when you’re meeting with different personnel or executives that might have similar backgrounds, or on the other hand, they might appreciate the fact that you are influenced by a variety of cultures. That, I think, is a great conversation piece.

I love that I can encourage and motivate people of all backgrounds because I want them to come out of their shells. I want them to be empowered. That’s a big thing for me. You have to work hard, and if you don’t, somebody will come and take that place. It will not matter that you are multilingual, a minority, or female—if you don’t work hard, you don’t earn that place.

Q: How do you foster strong working relationships?

Communication is key. Our office puts a tremendous emphasis on being responsive. We have an internal rule that staff must respond to clients within 24 business hours, up to a maximum of 48 business hours, only if there’s a valid reason.

Q: What are the biggest lessons you have learned during your career?

Be grateful. I am so grateful for every opportunity that I receive, and for every friendship that I’ve developed in this industry and in this field. Be genuine. Be a good person. Just being a good human goes such a long way. Again, I’m just so thankful—every opportunity, every person I speak with, I don’t take it for granted.

I did a panel for St. John’s Law School where 500 students were there, and the topic was on race and leadership, amongst other things. I shared that I’ve been very blessed in my life—I’ve wanted to be an attorney since seventh grade. Because of my background, I feel that I can motivate people. Performance and work speak for themselves. If I can motivate somebody, then that’s my biggest source of happiness. **MP**

NEW GROWTH AHEAD: TAPPING INTO HOME EQUITY AND NON-QM SYNERGIES

With second-lien volumes at 17-year highs and non-QM sales projected to hit \$100 billion, lenders are finding growth at the intersection of flexibility and borrower need.

By TOM DAVIS

If you ask mortgage leaders about industry growth areas for 2025, they are likely to mention at least two: home equity products (HELOCs and HELOANS) and non-QM. Home equity lending is surging. According to the June 2025 ICE Mortgage Monitor, second-lien equity withdrawals recently reached almost \$25 billion, “the largest first quarter volume in 17 years.” Non-QM lending, too, is on a roll. Not only was this the fastest-growing mortgage segment last year, but in 2025, non-QM sales volume should reach \$100 billion.

For mortgage executives and loan officers looking to capitalize on every pocket of opportunity, the growth of these individual segments and the synergies between them is noteworthy. Just like with first liens, some borrowers cannot qualify for an agency home equity product. For example, there are 15 million self-employed individuals in the United States, many of whom would benefit from an alternative non-QM home equity loan. So would many of the real estate investors who encompass about 30% of single-family home purchases today.

It’s the combination of the two segments, however, that is attracting attention. The non-QM industry has built an infrastructure based on flexibil-



ity and personalization. Not only has it expanded its home equity and HELOC offerings, but it’s also done so in creative ways to help loan officers tailor their solutions for the borrowers who require them. Wholesalers have also stepped up their training to help mortgage brokers and loan officers achieve mastery of this product line.

The Trends Driving Home Equity Demand

There are many reasons that non-QM borrowers and agency borrowers are currently gravitating toward second liens and HELOCs.

The desire to make home improvements is one major catalyst. The average U.S. home is 40 to 50 years old, and many properties could use repairs or up-

dates. Home equity loans and HELOCs are a vital source of funding for these projects.

Real estate portfolio expansion is another driver. During the last mortgage boom, when origination volume reached \$4 trillion and interest rates were ultra-low, a wave of business-purpose borrowers opted for cash-out refinancing of their income properties. This involved refinancing an existing mortgage and simultaneously cashing out some of the equity to buy more properties or finish renovations. If these same investors were to complete a cash-out refi now, they would forfeit the attractive interest rates they previously locked in. Taking out a smaller, closed-end second mortgage or HELOC enables them to convert equity into cash without sacrificing these rates on their original mortgages.

Then there is the ability to pay down other debt, such as the nearly \$1.2 trillion Americans owe on their credit cards. A home equity loan or HELOC can help some borrowers eliminate or reduce that debt.

Empowering Borrowers to Access Non-QM Alternatives

These trends and more underlie the demand for home equity loans or HELOCs among potential non-QM loan



The desire to make home improvements is one major catalyst. The average U.S. home is 40 to 50 years old, and many properties could use repairs or updates.



Consider the more than 17 million real estate investors who manage approximately 49.5 million housing units (U.S. Census). Many of these investors could also be potential second-lien candidates.”

candidates. The opportunities are vast enough for enterprising loan officers to build trusted relationships with these borrowers before their competitors do.

Consider the self-employed borrowers mentioned above. Often, when they apply for an agency mortgage, their tax strategies underrepresent their earnings. This prevents them either from qualifying altogether or from borrowing as much as they want and can repay. As with primary mortgages, non-QM lenders use alternative formulas to calculate these individuals' incomes. For instance, they review 12-24 months of bank statements, one-year's profit and loss statements, and borrowers' 1099s. This methodology provides a full picture of their ability to handle the home equity loan or HELOC they desire.

Also, consider the more than 17 million real estate investors who manage approximately 49.5 million housing units (U.S. Census). Many of these investors could also be potential second-lien candidates. In competitive markets, they could have time-sensitive funding needs, from portfolio expansion to renovating in time for “back to college” rental season. Non-QM home equity products have evolved to accommodate their sense of urgency. For instance, lenders can qualify many investors based on a DSCR (debt service coverage ratio) formula that keeps the approval process streamlined.

Matching the Right Non-QM Home Equity Products With the Right Borrowers

These non-QM solutions are not “one size fits all.” It's not uncommon for a non-QM closed-end second mortgage, for instance, to provide as much as \$750,000 in cash—well beyond the smaller amounts loan officers might think about to help borrowers finance a new kitchen in a modest home. They also apply to a wide range of properties—such as single-family residences, townhomes, two- to four-unit rentals, and non-warrantable condos. That increases the number of situations that could make

them a helpful option for borrowers.

Non-QM candidates' goals are wide in range. For example, a self-employed borrower who has begun to invest in income properties might want to scoop up a second rental before her competition does. A closed-end second lien would give her cash for the down payment, and she might qualify based on either her bank statements or her DSCR income. In a tight market, the DSCR option might be preferable for a quick closing.

Another self-employed individual might have business growth on her mind and might benefit from the cash to pay rent on an outside office. A third entrepreneur might be putting twins through college and could anticipate a shortfall he could make up for using private student loans and some second-lien funds.

The Power of Product Mastery

Wholesale non-QM lenders focus on helping the mortgage brokers and loan officers who represent their products to master all the nuances. That empowers them to network with confidence—educating their referral partners and an expanded base of potential non-QM home equity candidates.

It's all a matter of telling underserved borrowers, “I see you,” and then becoming their go-to non-QM home equity/HELOC expert. **MP**



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Stanley C. Middleman

CEO, Freedom Mortgage

SIDEBAR WITH STAN 'WAKE UP AND GET BACK TO WORK'

Freedom Mortgage CEO Stan Middleman discusses why 2026 could bring renewed opportunity, how AI could upend interest rates, and why complacency may be the mortgage industry's biggest risk.

Few executives in housing finance have witnessed as many market cycles as Stan C. Middleman, President and CEO of Freedom Mortgage Corporation. Since founding the company in 1990, Middleman has guided Freedom Mortgage to become one of the nation's largest nonbank lenders and servicers, while also serving on the boards of the MBA, Fannie Mae, Freddie Mac, and others.

When we spoke earlier this year, Middleman described 2025 as a "wait-and-see" period marked by limited movement in rates or volume. As the year closes, his outlook has proven prescient, but his focus has already shifted to what's ahead. In this conversation, he discusses how AI could reshape employment and interest rates, why affordability pressures may persist, and what lenders should watch as the market positions for a new cycle.

Q: Back in March, you described 2025 as a wait-and-see kind of year. As we close it out, what surprised you most about how the housing and mortgage markets actually performed? Did any trends play out differently than you expected?

Middleman: No, the reality is it played out exactly as we anticipated. There wasn't much movement one way or the other, and we expected interest rates to be lower at the end of the year, to set up a slight improvement for next year.

Q: You predicted earlier this year that rates will remain relatively stable through 2025. How do you see the Fed's current stance shaping early 2026, and what kind of mortgage rate

environment should lenders and borrowers brace for?

Middleman: Interest rates have stayed fairly stable. They're marginally lower, as we would have anticipated.

Recently, when Amazon announced large layoffs, it gave me some pause. If, in fact, this is the first of the layoffs that are related to AI and the vast improvements that have started to take root in that area—the increase in unemployment would result in lower interest rates. I would suspect interest rates to be somewhat lower next year.

More moved from the short end than the long end. There are some balancing factors along the inflationary front that'll keep the long end somewhat more stable than the short end. However, all bets are off if unemployment rises dramatically as a result of the progress in AI.

The deflationary impact of technology on the economy cannot be overstated. It's harder to predict when it hits, and it'll be substantial when it does. We could see, again, somewhat of a reformation with the interest rate environment, if in fact AI results in a larger dose of unemployment than expected. And if that is the case, we can expect somewhat lower interest rates. I don't know that interest rates are going to return to 2020 or 2021 levels, but I do believe that the short end can be as much as 75 or 100 basis points lower through the course of the year next year. I think unemployment could moderate, and all that would produce a larger mortgage volume for the year: perhaps two and three-quarters trillion dollars, perhaps even approaching 3 if we really get a big impact from the increase in unemployment.

Whether or not that occurs, and how long it takes to occur, and when the impact of all that is felt, is a whole other story. If I would be forced to make a bet, I would say we would probably be at \$2.5 trillion as an industry in mortgage originations, a slight improvement over this year.

Q: Homeownership affordability has remained one of the biggest headlines this year. Do you think 2026 will bring meaningful relief, or has

affordability entered a new normal that the industry and consumers will need to adapt to?

Middleman: Well, according to Warren Buffett in the newspaper recently, interest rates will not get low enough to increase affordability. One of the things that is true is that, as interest rates go lower, prices rise. They will, in my opinion, offset one another, even though there may be an opportunity to have lower interest rates to buy a home. It doesn't mean the price is going to be the same. The two pieces—the interest rate and the price of the home—come into play. There's no reason to believe that we are going to have a sudden oversupply of housing, driving housing prices down.

Property prices will rise, and affordability will not change. Or, in fact, it may get a little worse.

Q: In September, you noted that data and AI were improving the speed and quality of servicing. What's your outlook on how technology will redefine borrower relationships in the next few years?

Middleman: It could have an enormous impact. The speed at which data moves, access to that data, and the ability to communicate the meaning of that data all should improve dramatically in 2026. All that can have a big impact on the normal service in question.

So, what has been a somewhat tedious process to get rather mundane information should be easier and more effective, and I think that we'll be able to communicate that information to the greater satisfaction of the customer.

Exceptions will still be exceptions, and the problems that fall in the exception bucket will become more and more readily defined, but even they will improve as we wind through the year and into the following year. I'm very optimistic about the customer experience and our ability to provide outstanding service to the consumer.

Q: With 2026 shaping up to be another politically charged

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Property prices will rise, and affordability will not change. Or, in fact, it may get a little worse.”

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year, how do you think potential policy shifts, whether on housing, regulation, or fiscal policy, could impact the mortgage market and consumer confidence?

Middleman: The deregulation that has come out of this administration has bolstered the industry, as well as other industries. We should have a couple more years of that. Whether or not the current administration is able to control all the houses of Congress and manage legislation is a horse of a different color. I'm not sure what that outcome is going to look like, but the more control a single party has, the more of their agenda they're able to put forward. If they can continue the control of the two houses of Congress, the likelihood of continued deregulation and pro-business environment should continue.

Q: You've talked before about staying in the middle of the fairway and avoiding overexposure to risk. As we head into what could be a transitional economic period, where do you see the biggest risk and opportunities for lenders?

Middleman: I don't think this is a year that the risk will be in the forefront, but I think the seeds of malcontent will be planted this year.

The issues that'll arise in future years will be created in a more meaningful way this year. This means that products like CLOs, second mortgages, and non-QM—products which are subject to the private securitization market—are more likely to start to face a bout of lack of liquidity as we enter the second half of 2027 and into 2028.

I have some concerns about the broader market liquidity around some of these products that are dependent upon private-label securitization.

Q: Non-bank lenders like Freedom Mortgage have continued to grow their footprint. How do you see the competitive landscape evolving in 2026 and beyond?

Middleman: That depends a little bit on the progress the administration makes in the areas of supporting the banks. If the banks remain on the trail they are on, I think you'll see more scale in the non-banks, and you'll see leaders in the non-bank sector start to emerge in scaled operations. The changes in technology and the ease of regulatory environment should lead itself to the development of scale, and I would expect the largest scaled competitors to be the most successful.

Q: If you had to sum up one key lesson for the mortgage industry from 2025, what would it be?

Middleman: Wake up, we have to pay attention! We have been pressing the snooze alarm for a while.

I think we're going to have some lower interest rates and some activities. There's going to be opportunities to do business over the next year—I believe as much as a 20% increase over volumes in 2025. So, I would say that the alarm went off, and it's time to wake up and get back to work. **MP**

BANKRUPTCY, BOTS & BIAS: AI'S EMERGING ROLE IN CHAPTER 13 MANAGEMENT

As artificial intelligence becomes more common in bankruptcy law, its promise of efficiency comes with new ethical and procedural risks that courts and practitioners can't afford to ignore.

By **ALEXANDER T. DOWDING, ESQ.**

Artificial Intelligence (AI) has experienced a sharp uptick in use in today's practice of law, and modern-day bankruptcy practice is certainly not immune to the impacts of AI. It seems to be common knowledge these days that AI tools can do research in minutes that once may have taken hours to complete. Though practitioners are also learning that AI has the potential to make up (or "hallucinate") cases that don't exist, and AI can even provide quotes from holdings that are not even tangentially related to the case it cited. Such general pros and cons, however, are perhaps an issue for another article. Instead, in this article, I will focus on how AI can both be of use and cause for concern in bankruptcy proceedings.

Notably, when used in bankruptcy practice, AI has the potential to provide tools that both increase efficiency and aid with tasks, such as the automation of client intake, the analysis of data, and the generation of schedules of assets and liabilities. AI could even be used to predict likely outcomes of cases. However, with the implementation of AI into the practice of bankruptcy comes the risk of introducing certain socioeconomic, geographic, and behavioral biases, especially in circumstances where the AI



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proceedings involving his clients. He obtained his Bachelor of Science in criminology from Florida State University in 2010, as well as his Juris Doctorate from St. Thomas University College of Law in 2013. Dowding has practiced bankruptcy law since his time in law school, where he participated in the Dade Legal Aid internship, assisting in the representation of low-income individuals. After graduation, Dowding promptly entered the field of consumer bankruptcy, representing debtors in both Chapter 7 and Chapter 13 bankruptcy filings. Dowding now represents creditors in Chapter 7, 11, and 13 bankruptcies. He is a member of the Tampa Bay Bankruptcy Bar Association, Florida Bar, and licensed to practice in the entire state and all Federal District Courts of Florida. In his free time, he enjoys time with his family, scuba diving, and watching his favorite football teams.

work product is left unchecked, without any legitimate oversight or independent analysis.

Prior to joining the team at Kass Shuler, P.A., I spent the majority of the past decade honing my craft through my representation of debtors in consumer bankruptcies. In my prior practice, I

fully stood on the idea that I personally needed to review every line of every document a client provided. While a few hundred pages of bank statements would undeniably take time to review, I knew that a careful review meant that I was able to ensure there were no surprises in the case and that my client didn't "forget" he paid back his mom \$5,000 a few months ago. In my current practice as a creditor's rights attorney, the shoe is now on the other foot, as I represent various business entities to protect their interests within bankruptcy proceedings. However, my principles have not changed, and I continue to stand by the importance of having a full and detailed knowledge and understanding of the records my clients are relying on in support of their positions. But while my principles haven't changed, technology undeniably has, and AI now provides the ability to review hundreds, if not thousands, of pages of documents in mere minutes.

Indeed, AI can handle tasks that once would have taken hours and cost clients both time and money. For example, AI can be tasked with looking for and identifying suspicious transactions, creating summaries of the information being provided, and even going as far as drawing conclusions on personal or

When used in bankruptcy practice, AI has the potential to provide tools that both increase efficiency and aid with tasks, such as the automation of client intake, the analysis of data, and the generation of schedules of assets and liabilities.





With an “all-knowing” bot built on potentially biased data and logic comes the need for careful attorney oversight and a healthy dose of suspicion.”

corporate behavior, based on a review of those documents. AI not only can review documents and provide alerts regarding certain types of transactions, but AI can then curate those results even further so as to narrow the results to exclude superfluous or unwanted data, such as may be the case when I wish to eliminate regular expenses and activity from transactions being identified.

But with great power comes great responsibility. Or, more on the nose, with an “all-knowing” bot built on potentially biased data and logic comes the need for careful attorney oversight and a healthy dose of suspicion. For instance, I could ask an AI bot to review the documents and alert me to certain types of transactions that may produce a large amount of results, so I could then ask that only certain amounts be flagged and regular expenses and activity be excluded. These prompts could create a very specific list of transactions for one group of people, while ignoring problematic monthly transactions for lower-income debtors, thereby unintentionally creating a bias in favor of higher earners.

In the abstract, the above scenario sounds a bit like word soup; but let’s look at a more detailed example: Let’s say a debtor, Alex, typically runs out of money before receiving his paycheck so his roommate, Kyle, is responsible for buying the groceries, paying the bills, paying for meals, and even making Alex’s car payment every month. Once Alex’s paycheck arrives, he then transfers the money owed to Kyle directly to Kyle’s bank account. The transaction history is apparent from a simple review of the financial statements themselves, but, since this is a recurring trend, an AI bot is less likely to see anything wrong with the activity, and therefore would not alert an attorney to the significant issue. The oversight could ultimately lead to Alex (being a lower-income client) being put into a class that is much more likely to have his discharge challenged or one that would require him to pay additional funds to the bankruptcy trustee.

AI systems can also assist attorneys in screening for eligibility for Chapter 13 versus Chapter 7 bankruptcies, but should we let them? The eligibility for Chapter 7 bankruptcy, which is determined using an analysis called the means test (which is, in essence, an income threshold with a large grey area for individual circumstances such as family size, amount of secured debt, charitable contributions, child support, etc.), which can raise the amount a person is permitted to earn and still be able to qualify for Chapter 7. Performing a means test accurately can take time, and a filed means test will undergo significant scrutiny from creditors and various trustees, including Chapter 13 Trustees and the United States Trustee. To put it simply, this analysis cannot be wrong. However, because AI knowledge is based on historical data that has been provided to it, such as prior cases filed and its analysis of that data, AI can and frequently does draw incorrect conclusions based on irrelevant variables. AI may analyze data, such as ZIP codes, historical income, debt profiles, and asset types, and while these information points are seemingly neutral, the data is used in an analysis of socioeconomic status, inherently leading to biased outcomes for debtors with lower incomes or those residing in economically disadvantaged neighborhoods.

As referenced earlier in this article, AI tools can also be used by debtors, creditors, or trustees to predict success in a case. However, AI trained on historical filing data may inherit problematic patterns and conclusions that could be harmful if allowed to permeate through every task the AI bot performs. AI Models that look at ZIP codes, consider a debtor’s self-employment status, and evaluate items such as income brackets, car ownership status, or utility arrears, may unknowingly find a correlation with financial instability, thereby leading an AI bot to recommend the wrong chapter of bankruptcy. Additionally, if low-income debtors have historically had higher dismissal rates or lower

discharge success, predictive models may unfairly assign those debtors worse odds. Furthermore, even in instances where race is not a determining factor within a model, other inputs can function as proxies for socioeconomic disadvantage, which could cause greater harm to individuals of certain races. The adage that “correlation is not causation” applies here, but the AI models may not identify such a distinction.

To add additional challenges and pitfalls to the use of AI, the “black box” nature of many AI systems can make it difficult to spot bias. While AI tools can often produce information such as risk scores or predictions about whether a case will be dismissed, the bots don’t sufficiently explain what factors led to the conclusions reached. These decisions cannot be tracked step by step, almost as though they were made inside a box we cannot see within, leading to the term “black box.” That means an unsuspecting or less careful attorney might rely on the AI output without realizing it’s based on biased data. This kind of bias is hard to detect and harder to challenge, which can lead to unfair outcomes and undermine confidence in the system.

To help prevent bias when using AI in Chapter 13 bankruptcy cases, there are a few important steps attorneys and courts should take. First, it’s important to be transparent. Everyone involved should know when AI tools are being used, whether it’s to draft documents, make predictions, or shape legal strategies. This should be clearly stated in court filings so there’s no confusion about what influenced the case. Next, AI tools should be easy to understand. If a model makes a prediction, it should also explain what factors led to that result. That way, lawyers can double-check the reasoning and make sure it actually fits the legal facts. Regular checks for bias are also crucial. Even if the tool doesn’t use sensitive personal information, it can still treat people differently based

on where they live or how much they earn. That’s why developers and users should test how often the tool makes mistakes and whether those mistakes fall more heavily on certain groups. Attorneys also have to carefully review and verify anything the AI generates, especially legal arguments or case citations, since they are still responsible for what gets filed. Finally, if AI-generated analysis is presented in court, it should be held to the same standards as expert testimony. That means it needs to be reliable, relevant, and backed by solid evidence. These steps help make sure AI supports fair and informed decision-making instead of reinforcing unfair outcomes.

In short, while AI has the potential to drastically improve Chapter 13 practice, such as by speeding up client intake, helping with document drafting, and offering useful predictions, if these tools aren’t carefully designed, regularly checked, and properly monitored, they can end up reinforcing unfair patterns and perpetuating biases. Without proper oversight, AI could end up making the system less fair instead of more efficient. **MP**

FUN FACT: One of the paragraphs in this article was entirely written by AI. Can you tell which one? ¹

Editor’s Note: This piece first appeared in the Q3 2025 edition of Legal League Quarterly.

¹ It was the paragraph providing advice on how to prevent AI bias.



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PROTECTING VACANT REO PROPERTIES FROM LISTING SCAMS

Why Every Broker Should Set Up Google Alerts Immediately

By MICHAEL KREIN

When you're managing hundreds of vacant REO properties across the country, the risk of online fraud is very real—and growing rapidly again. Rental and “for sale” scams have exploded on Facebook Marketplace, Craigslist, and even on seemingly legitimate real estate sites. It may no longer be a hot topic in the media, but that doesn't mean the problem has gone away. If anything, we are seeing it on the increase.

Scammers copy MLS photos, property descriptions, and addresses, then repost the home for rent or sale at an attractive price. Unsuspecting consumers send deposits, move-in money, or personal information—all before discovering the listing was fake.

The damage isn't limited to consumers. These scams cause chaos for brokers and servicers, with angry tenants showing up at locked doors, resulting in police calls, negative online reviews, and unnecessary liability headaches.

That's why **NRBA members make digital property monitoring a standard part of our intake process.** It's one of many ways we safeguard client assets, and it's something every serious REO broker should do automatically.

Why Listing Scams Are So Common

Vacant REO homes are perfect targets.

- They're often unoccupied for months or even years.



The nation's largest and most successful REO broker for many years, MICHAEL KREIN

has personally listed and sold over 25,000 single-family residential units over the course of his career. Krein was also the owner of numerous multi-office brokerage companies, both independent and franchised, including owning regions for national brands. He also serves as President of the National REO Brokers Association (NRBA), CEO of RIO Software Solutions, provider of RIO Genesis Software, and Managing Partner for House Karma, a digital ecosystem created to facilitate affordable homeownership and revitalize neighborhoods.

- Exterior signs—no curtains, no furniture—make it obvious the property is empty.
- Scammers easily copy listing photos and repost them elsewhere.
- They even use AI to write enticing descriptions and syndicate their fake ads.

They know desperate renters or bargain hunters are quick to jump on what looks like a great deal. Some scammers even meet prospects at the property, pretend to be landlords, collect deposits—and then vanish.

These crimes are so widespread that many police departments now have dedicated real estate fraud units. But

prevention still begins with the listing broker—the first line of defense.

The NRBA Standard: Monitor Every Listing from Day One

At the NRBA, we teach that protecting an asset isn't just about securing the doors; it's about **securing the digital footprint**, too.

Every NRBA broker knows: the moment you get an assignment, you set up a **Google Alert** for that property address. It takes less than one minute and can prevent months of problems later.

Google Alerts automatically notify the broker whenever that address appears online, whether in a Craigslist ad, a Facebook Marketplace post, or a rental listing elsewhere.

That early warning often stops a scam before it starts.

How to Set Up Google Alerts (Step-by-Step)

1. Go to [google.com/alerts](https://www.google.com/alerts).
2. Enter the property address in **quotation marks** to search for exact matches. Example:
 - “1234 Beach Drive, Miramar Beach, FL 32550”
 - “1234 Beach Dr Miramar Beach”
3. Add keyword variations to catch scams:
 - “1234 Beach Dr” rent OR rental OR lease
 - 1234 Beach Drive” for sale OR listed



OR Zillow OR Realtor.com OR Redfin

- “1234 Beach Dr” site: facebook.com

4. Click “Show options” and set:

- How often: As it happens
- Sources: Automatic or Web + Discussions
- Region: United States
- How many: All results
- Deliver to: Your email

Repeat this for every new assignment and label them for easy tracking.

Real-World Security: Talking to the Neighbors

Digital protection is only half the job. NRBA members also make personal contact with the neighbors around each property.

When we take on a new listing, one of the first things we do is introduce ourselves to the surrounding homeowners. We let them know who we are, what’s going on with the property, and most importantly, that no one should be moving in.

We ask them to call us immediately if they see anyone entering the property, advertising it, or acting suspiciously.

This simple outreach is one of the most effective forms of protection we have. Many of our members have caught squatters, fake tenants, and scam “landlords” before serious damage occurred—simply because a vigilant neighbor picked up the phone.

It also reassures the neighborhood that the property is being professionally managed, which helps maintain community stability and public trust in the lender or servicer.

This also has the added benefit of cutting down on code enforcement and HOA complaints (fines) if the neighbors know they can call us instead to handle the issue.

“Technology is great,” as one NRBA Master Broker put it, “but nothing replaces a handshake with the next-door neighbor. That’s where real asset protection starts.”

Layered Protection: The NRBA Way

Setting up Google Alerts and talking with neighbors are just two layers in the NRBA’s comprehensive protection system. Our members also:

- Save property addresses on Zillow, Realtor.com, and Craigslist to catch duplicate listings.
- Use Social-Searcher.com to monitor Facebook and X (Twitter) posts.
- Run Google Lens image searches to catch stolen photos.
- Report suspicious listings immediately to the platform, local police, and asset managers.

Together, these simple, disciplined steps form a protective shield around every property we manage.

Why It Matters

Every REO veteran has a story: a family moves into a vacant house believing they rented it legitimately—only to find out it was a scam. Then come the police, the media, and a PR nightmare for everyone involved.

It’s completely avoidable. Two minutes of setup and some local relationship-building can prevent months of cleanup.

Postscript for Asset Managers

Asset managers can and should do this too.

Setting up a Google Alert for each property under management takes less than 30 seconds—and provides a simple extra layer of visibility.

Not only will it alert you if a property is being fraudulently advertised or reposted, but it will also show when and how your broker is actively marketing the home.

It’s a great way to see how quickly your listing is being promoted across platforms, verify activity, and stay ahead of potential issues.

NRBA members welcome that transparency. We take pride in our marketing, responsiveness, and performance, and we don’t mind our clients

watching. In fact, we encourage it.

Because when you work with NRBA brokers, you’re partnering with professionals who have nothing to hide and everything to protect.

NRBA Brokers: Setting the Gold Standard in Property Protection

At the National REO Brokers Association (NRBA), our members uphold the highest professional and ethical standards in property preservation and asset management.

We don’t just market and sell—we protect, monitor, and defend the properties entrusted to us.

Setting up alerts, building community awareness, and staying one step ahead of scammers are what define true expertise in this business.

That’s why lenders, servicers, and asset managers trust NRBA brokers—because we don’t just manage listings; we safeguard investments.

Final Takeaway

Scammers are smarter, faster, and everywhere. But NRBA brokers are smarter still.

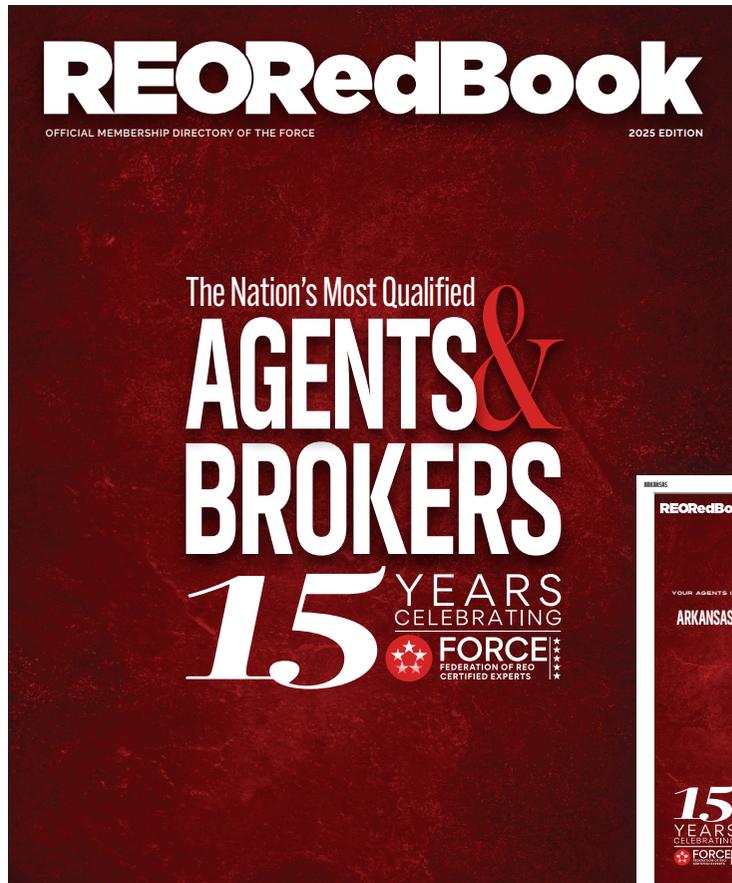
If you’re managing REO assets, make digital and neighborhood monitoring a permanent part of your process.

And if you’re a lender or servicer—make sure your brokers are NRBA members.

Because real protection starts long before the first showing—and continues long after the lockbox goes on the door. **MP**

REORedBook

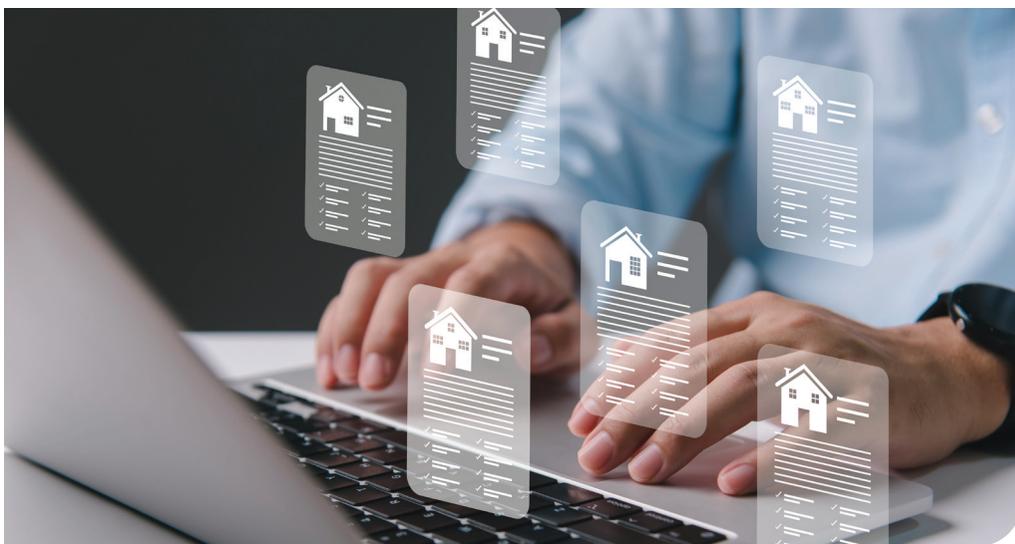
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S&P CASE-SHILLER INDEX SHOWS WEAKEST HOME PRICE GAINS IN OVER TWO YEARS

The August 2025 results for the S&P Cotality Case-Shiller Indices were issued today by the S&P Dow Jones Indices (S&P DJI).

“August’s data shows U.S. home prices continuing to slow, with the National Index up just 1.5% year over year,” said Nicholas Godec, CFA, CAIA, CIPM, Head of Fixed Income Tradables & Commodities at S&P Dow Jones Indices. “This marks the weakest annual gain in over two years and falls well below the 3% inflation rate. For the fourth straight month, home values have lost ground to inflation, meaning homeowners are seeing their real wealth decline even as nominal prices inch higher.”

Godec continued: “The National Index rose 1.5% over the past year, with most of that gain coming in the recent six months (up 1.5%) while the prior six months were essentially flat. The 20-City Composite gained 1.6% annually and the 10-City rose 2.1%, both continuing their deceleration from earlier in the year.”

Year-Over-Year Trends, Metro Data & More

After a 1.6% increase the month before, the S&P Cotality Case-Shiller U.S. National Home Price NSA Index, which accounts for all nine U.S. census divisions, recorded a 1.5% annual gain for August.

After rising 2.3% the month before, the 10-City Composite saw an annual increase of 2.1%. After rising 1.8% the month before, the 20-City Composite saw a 1.6% year-over-year increase.

With a 6.1% increase in August, New York once again recorded the largest annual gain out of the 20 cities. Chicago and Cleveland came in second and third, with annual gains of 5.9% and 4.7%, respectively. With a 3.3% decline, Tampa had the lowest return.

“New York again led all metros with a 6.1% annual gain, followed by Chicago at 5.9% and Cleveland at 4.7%. These Midwest and Northeast markets, which saw modest gains during the pandemic, continue to outperform,” Godec said. “At the other end, Tampa fell 3.3% year over year, Phoenix dropped 1.7%, and Miami declined 1.7%. Several Western markets also posted losses: San Francisco fell 1.5%, Denver dropped 0.7%, and San Diego declined 0.7%. Seattle turned slightly negative at -0.1%. Monthly data for August was weak across the board. Nineteen of 20 cities saw price declines before seasonal adjustment, with only Chicago posting a gain. The National Index fell 0.3% for the month, while both the 10-City and 20-City Composites dropped 0.6%. After seasonal adjustment, all three indices remained negative, suggesting weakness beyond normal seasonal patterns. Phoenix fell 0.9% in August alone, while Los Angeles, Portland, and Denver each dropped between 0.7% and 1.0%.”

In August, the pre-seasonally adjusted U.S. National, 10-City Composite, and 20-City Composite indexes all showed negative month-over-month changes, with the U.S. national index showing a

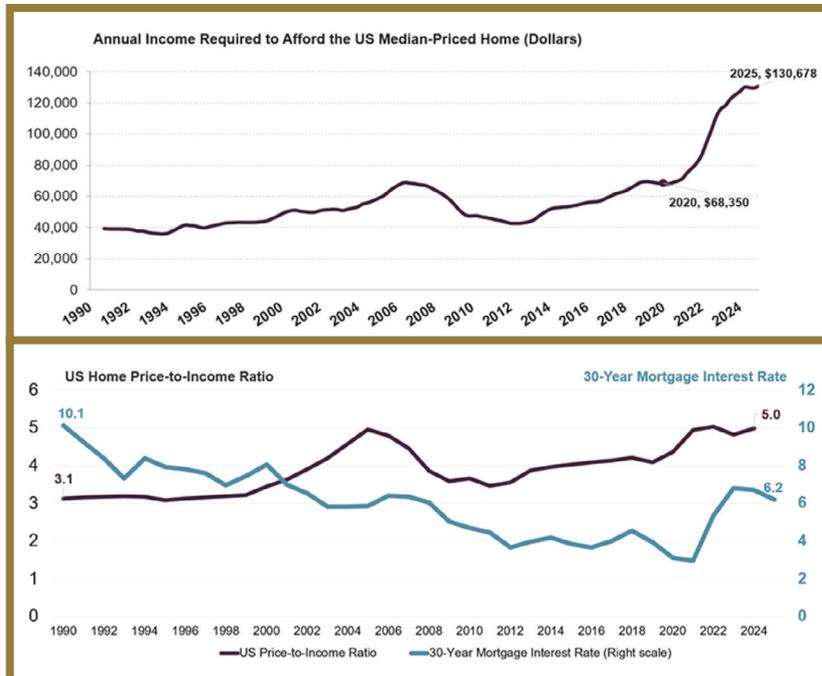
decline of -0.3% and the 10-City and 20-City Composite indexes showing declines of -0.6%. All three indicators showed a 0.2% month-over-month gain following seasonal adjustment.

“Mortgage rates remaining above 6.5% continue to weigh on buyer demand, even during what should be the busy summer season,” Godec said. “The combination of high financing costs and prices that remain near record highs has limited transaction activity. Markets that experienced the sharpest pandemic-era gains are now seeing the largest corrections, while more affordable metros with stable local economies are holding up better. Looking ahead, the housing market appears to be finding a new equilibrium after the pandemic boom. With price growth running at half the rate of inflation and several major markets in decline, the rapid appreciation of recent years has clearly ended. This adjustment may ultimately lead to a more sustainable market, but for now, homeowners are watching their real equity erode while buyers face the dual challenge of elevated prices and high borrowing costs.”

Additional Supporting Data—National

August 2025 saw a 1.5% yearly gain in the S&P Cotality Case-Shiller U.S. National Home Price NSA Index, which accounts for all nine U.S. census divisions. Year-over-year growth of 2.1% and 1.6% was reported by the 10-City and 20-City Composites, respectively.

“According to today’s S&P Cotality Case-Shiller Home Price Index, home price growth continued to slow in August,” Lisa Sturtevant, Chief Economist at Bright MLS. “The U.S. National Index rose by 1.5% year over year, the slowest pace of annual home price appreciation since July 2023. According to the index, home price growth has slowed for seven consecutive months. As home prices cool and mortgage rates come down, home shoppers are finding some improvement in affordability. According to the National Association of Realtors, the median price of an existing home was \$432,700 in June when mortgage rates averaged 6.82%.



Assuming a 10% down payment and average property taxes and homeowners' insurance, the median payment would have been \$3,096."

"In September, the median price was down seasonally to \$415,200. At a 6.2% interest rate, a buyer now has a median monthly payment of \$2,824, a savings of \$271 per month," Sturtevant said. "That average \$271 per month savings could be enough to bring some buyers into the market. But growing economic uncertainty is keeping others on the sidelines. The Mortgage Bankers Association has reported that lower rates have led to a big increase in refinance activity, but purchase applications have been muted. In a recent survey of real estate agents in the Mid-Atlantic, financial concerns are leading more buyers to back out of deals this fall. Multiple offers are less common, and buyers are asking for more concessions."

Sturtevant continued: "Conditions are very different depending on what market you are looking at. Some of the highest-cost markets, including New York and Boston, are still seeing healthy price gains because these regions have strong local economies and high-wage jobs, along with still-limited inventory. It will be important to watch local economic conditions, including unemployment

rates, job growth, big employer layoffs or hiring freezes, to help gauge which markets are likely to see cooler prices in the fourth quarter."

DESPITE FALLING MORTGAGE RATES, HOME PRICES KEEPING BUYERS SIDELINED

The average 30-year mortgage rate now hovers at around 6.2%, just over half a percentage point lower than the 6.8% average recorded earlier this year. Despite this, homebuying activity remains stuck near three-decade lows, presenting a clear sign that it's not just interest rates, but also sky-high home prices, that continue to block millions of Americans from entering the housing market.

As detailed in a post from Harvard University's Joint Center for Housing Studies, mortgage costs have more than doubled since 2020, leaving many would-be buyers unable to afford even modest homes. For example, the typical first-time home purchaser with a small down payment now faces a monthly mortgage bill

of roughly \$2,500, compared to just \$1,200 five years ago. To qualify for such a loan, a household would need to earn more than \$130,000 a year, nearly twice the income required in 2020.

While today's mortgage rates may feel high compared to the ultra-low levels seen during the pandemic, they are not extreme by historical standards. Home prices, however, are another story. Nationally, prices have surged about 50% since 2020, pushing the median home to a record five times the median household income. This is a level not seen before in U.S. housing history.

Even a full percentage-point drop in rates would only reduce monthly mortgage payments by about as much as a 10% decline in home prices. To return affordability to 2020 levels, rates would have to fall close to zero (clearly, an unrealistic scenario, especially since rising property taxes and insurance costs would still keep total payments higher than before).

The bottom line is that lower interest rates alone can't solve the affordability crisis. The only sustainable path forward will likely come from slowing home price growth and expanding the supply of more modestly priced housing. That means boosting construction of smaller homes, condos, and manufactured housing, which are all categories that have fallen far below historical building levels since 2010.

While the recent rate decline is a welcome sign for aspiring buyers, experts warn that true relief won't come until more affordable homes are built, giving middle-income families a fighting chance to achieve homeownership once again.

GROWING DIVIDE AMONG CONSUMERS PERSISTS AS CREDIT RISK TAKES A TURN

Recent trends in consumer credit risk point to a widening gap amongst American consumers, with some exhibiting greater financial resilience and others dealing with more

difficult circumstances. TransUnion's recently published Q3 2025 Credit Industry Data Report (CIIR) provides this data and details how these changes are impacting lending practices in important credit markets.

The percentage of people in the lowest risk super prime credit risk tier has steadily increased, from 37.1% in Q3 2019 to 40.9% in Q3 2025, according to recent trends in consumer credit risk distribution. As the credit market as a whole grew, the proportion of super prime borrowers rose, and there are currently over 16 million more super prime borrowers overall than there were in 2019.

This growing trend is indicative of top-tier customers' ongoing financial security. In the meantime, following significant drops in 2020 and 2021, when many consumers were able to pay off debt and lower credit account delinquencies during a period of lower spending and pandemic-related relief programs, the subprime category has progressively recovered to pre-pandemic levels.

"We are seeing a divergence in consumer credit risk, with more individuals moving toward either end of the credit risk spectrum," said Jason Laky, EVP and Head of Financial Services for TransUnion. "While super prime has steadily grown since the pandemic, subprime has returned to pre-pandemic levels—leaving the middle tiers increasingly thinner. This shift suggests that while many consumers are navigating the current economic climate well, others may be facing financial strain."

Super Prime Consumer Share Continues to Rise as Subprime Returns to Pre-Pandemic Levels

Recent action in the credit card and auto lending sectors clearly reflects the shift toward super prime and subprime categories. These two tiers saw the largest year-over-year growth in both new account originations and total balances, exceeding all others by a wide margin. The need for customized risk strategies throughout the credit range is shown by this disparity in credit behavior,

which also shows changing consumer dynamics.

"As consumers increasingly shift toward the extremes of the credit risk spectrum, it's no surprise we're seeing the sharpest growth in credit card and auto activity within those tiers," said Michele Raneri, VP and Head of U.S. Research and Consulting at TransUnion. "To navigate these changes effectively, lenders should leverage advanced tools—like access to trended data—to better assess evolving risk profiles."

Q3 2025 CIIR Credit Card Summary

- Credit card origination volumes—reported one quarter in arrears—increased for the third consecutive quarter, rising 9% YoY to 20.5 million in Q2 2025. This represented the largest YoY increase in two years. This expansion was driven by growth in the super prime and subprime segments.
- Average new account credit lines decreased by 1.6% YoY. Lower credit lines were seen across all risk tiers, led by subprime, which saw new lines 5.0% lower YoY.
- Consumer-level delinquencies saw another YoY decline, with 90+ DPD rates falling to 2.37%, down 7 basis points YoY. Delinquency improvements were also seen when examining 30+ DPD and 60+ DPD rates, pointing to an overall strengthening of consumer credit health and more responsible payment behavior, along with better-quality originations driven by adjustments in underwriting standards.

"The credit card industry continued its steady expansion in Q3 2025, with origination volumes from Q2 rising for the third consecutive quarter, driven by consistent growth in both super prime and subprime segments," said Paul Siegfried, SVP of Credit Card Business Leader at TransUnion. Total new account credit lines also increased, while lenders managed risk through smaller credit limits. Encouragingly, delinquency rates continued to improve,

signaling healthier consumer credit behavior and reinforcing the impact of more disciplined and consistent lending practices."

Q3 2025 CIIR Mortgage Loan Summary

- Mortgage originations ticked up 8.8% year over year in Q2 2025. This growth was mainly driven by growth in rate and term refi, up 101% YoY, and cash-out refinances increasing 23% over the same period.
- Mortgage delinquencies edged up in Q3 2025, with the consumer-level 60+ DPD rate increasing to 1.36%, up from 1.24% one year prior. FHA loans continued to make up the largest share of these delinquencies, although VA loans saw the greatest YoY increase, up 35% YoY.
- The home equity market saw YoY growth for the fifth consecutive quarter, rising 14% in Q2 2025. While Gen X and baby boomers still account for the highest shares of home equity originations, Gen Z saw the most significant YoY growth, up 28% and 23% for HELOCs and HELOANs, respectively.

"The housing finance landscape continues to evolve, shaped by shifting demographics and an increasingly dynamic monetary policy environment," said Satyan Merchant, SVP of Automotive and Mortgage Business Leader at TransUnion. "As interest rates begin to ease, mortgage activity is showing signs of recovery, supported by improving affordability conditions. We remain closely attuned to the potential for further rate reductions should the Federal Reserve proceed with additional cuts. At the same time, rising delinquency rates—particularly within certain borrower segments—underscore the importance of maintaining a vigilant and proactive approach to risk monitoring and portfolio management."





»» Default Servicing

MORTGAGE PERFORMANCE REMAINS STRONG AS FHA FORECLOSURES EDGE HIGHER

The September 2025 ICE First Look on mortgage delinquency, foreclosure, and prepayment trends was published by ICE Mortgage Technology, a division of Intercontinental Exchange, Inc.

According to the data, both delinquencies and foreclosure activity are still below long-term averages, indicating that overall mortgage performance is still historically excellent. Although there are certain changes occurring within the government-backed loan categories, these patterns mostly reflect the stabilization of market conditions rather than widespread decline.

Key Findings:

- FHA loans saw a 44-bps rise in non-current rates, while other loan types improved.
- Foreclosure starts hit 103,000 in Q3, up 23% over the same period YoY.
- FHA loans now account for 38% of all active foreclosures nationwide.
- Overall foreclosure volume remains historically low, with Q3 foreclosure sales at half of 2019 levels.

Trends, Statistics & Increasing Resolution Efficiency

Although the percentage of loans in active foreclosure increased somewhat from the previous year (18%), the total volume of foreclosures is still at an all-time low, with Q3 foreclosure sales (21,000) being about half of 2019 levels.

Most of the increase may be attributed to FHA loans, which account for 80% of the increase in active foreclosures, 38% of active foreclosures, and about half of the annual increase in foreclosure starts. The rest is mostly due to VA foreclosure activity picking back up after the halt last year.

“The mortgage market remains remarkably resilient, with mortgage performance continuing to hold up well,” said Andy Walden, Head of Mortgage and Housing Market Research at ICE. “Delinquency rates improved in September, and even as we see increases in activity among FHA loans, we’re largely returning to more typical levels following several years of artificially low foreclosure volumes.”

Top Five States by Non-Concurrent Percentage:

1. Louisiana (7.91%)
2. Mississippi (7.83%)
3. Alabama (5.86%)
4. Indiana (5.55%)
5. Arkansas (5.54%)

Bottom Five States by Non-Concurrent Percentage:

1. Hawaii (2.20%)
2. Colorado (2.16%)
3. Montana (2.13%)
4. Washington (2.05%)
5. Idaho (2.03%)

Top Five States by 90+ Days Delinquent Percentage:

1. Mississippi (2.07%)
2. Louisiana (1.94%)
3. Alabama (1.51%)
4. Arkansas (1.41%)
5. Indiana (1.30%)

More Delinquency Data, Borrower Trends & Rate Changes

The following are additional, important conclusions from this month’s findings:

Delinquencies remain well below pre-pandemic norms: In September, the national delinquency rate dropped 2 basis points (bps) to 3.42%, which was 6 bps lower than the same period the previous year and 58 bps lower than its pre-pandemic level from September 2019.

Strength across delinquency bands in September: Since the great majority of borrowers continue to make their mortgage payments on time, both early-stage (30-day) and late-stage (90+ day) delinquencies improved month over month.

Non-current rates improved for most investors: GSE (-3 bps), VA (-4 bps), and portfolio-held loans (-17 bps) all saw a year-over-year decrease in the non-current rate (delinquencies plus active foreclosures). The significant exception was FHA loans, which increased 44 basis points from the previous year.

Foreclosure activity is returning to normal ranges: In Q3 2025, 103,000 foreclosures were started, which is 23% more than in the same period the previous year but 18% less than in Q3 2019 before the pandemic.

Prepayments are edging higher: As interest rates started to decline in August, repayments increased by 8 basis points in September to a single month mortality (SMM) rate of 0.74%, a 15% rise over the previous year.

Note: Totals are extrapolated based on ICE’s loan-level database of mortgage assets. All whole numbers are rounded to the nearest thousand, except foreclosure starts and sales, which are rounded to the nearest hundred.

DISTRESSED PROPERTY VOLUME CLIMBS AS INVESTOR DEMAND SOFTENS

The nation's distressed property market saw notable movement in Q3 2025, with foreclosure and REO auction activity hitting multi-quarter highs even as buyer engagement showed signs of cooling, according to the latest Auction Market Dispatch report from Auction.com.

Foreclosure auction volume rose 31% year over year and 4% from the previous quarter, reaching the highest level in more than two years. REO auction volume also climbed, up 15% annually and 1% quarter to quarter, marking continued growth in distressed-property supply.

Investor Engagement Weakens

Despite the increase in available inventory, investor participation slowed. The foreclosure auction sales rate fell 12% year over year and 2% quarter over quarter, the lowest level in nearly three years.

Average buyer bids at foreclosure auctions dropped to 55.7% of after-repair value (ARV), down slightly from 56.5% in Q2. On the REO side, bids averaged 53.6% of ARV, the lowest in 29 quarters.

Auction.com survey data indicate that some investors are tempering offers or pausing activity amid expectations of softening property values and higher renovation costs.

Foreclosure Activity Rising Across Loan Types

Foreclosure volume increased across loan categories, with VA-insured loans seeing a 500% year-over-year surge. Texas posted a 66% annual increase in foreclosure auctions, among the sharpest state-level gains.

Vacant properties now make up 54% of all REO auction volume, the highest share since late 2021—a sign that more inventory is remaining on the market longer.

Pricing Adjustments Take Hold

Seller pricing trends also moved lower. The credit bid-to-ARV ratio—which reflects the minimum price set by lenders—declined by more than 100 basis points from the prior quarter for foreclosure auctions, and roughly 225 basis points year over year for REO auctions.

These adjustments point to sellers aligning expectations with moderating investor demand and competitive pressures in the auction marketplace.

Economic Backdrop Adds Pressure

Auction.com analysts linked the shifting auction dynamics to broader macroeconomic conditions, including a 4.3% unemployment rate in August, a manufacturing index below 50, and a 57% probability of recession.

Existing-home sales remained muted at an annualized rate of 4 million units in August, while the median sale price stood at \$422,600. Thirty-year fixed mortgage rates averaged 6.35% in September, keeping financing costs elevated for both buyers and investors.

Bottom Line

The Q3 2025 data highlights a market in transition: more distressed inventory entering the pipeline, but with weaker investor participation and tightening pricing margins. As foreclosure activity continues to climb and bidding activity eases, the report suggests the distressed housing sector may be entering a new phase—defined by greater supply, lower competition, and more selective buying strategies.

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Foreclosure volume increased across loan categories, with VA-insured loans seeing a 500% year-over-year surge. Texas posted a 66% annual increase in foreclosure auctions, among the sharpest state-level gains.

FHFA DETAILS HOUSING GOAL PERFORMANCE, MORTGAGE ACQUISITIONS

The Federal Housing Finance Agency's (FHFA) Annual Housing Report outlines the Enterprises' 2024 affordable housing initiatives and complies with the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as amended (Safety and Soundness Act) reporting requirements. The report includes the findings of FHFA's assessments and ratings of the Enterprises' 2024 Duty to Serve performance, as well as the agency's final analysis of the Enterprises' performance toward the housing targets for 2024.

What Are Housing Goals?

Under the Safety and Soundness Act, U.S. Federal Housing must set yearly housing targets for single-family and multifamily mortgages that Freddie Mac and Fannie Mae buy. The Enterprises have "an affirmative obligation to facilitate the financing of affordable housing for low- and moderate-income families in a manner consistent with their overall public purposes, while maintaining a strong financial condition and a reasonable economic return." The housing goals are one indicator of how well the Enterprises are fulfilling their public purposes.

For residential mortgage lending, the Enterprises have persisted in promoting a steady and liquid national market. By rule, U.S. Federal Housing sets annual housing targets for the Enterprises and assesses their performance annually in relation to the housing targets.

Single-Family Goals and Subgoals

1. Low-income home purchase goal for home purchase mortgages to families with incomes no greater than 80% of the area median income (AMI);
2. Very low-income home purchase goal for home purchase mortgages



Government

BESSENT SAYS HOUSING MARKET IN 'RECESSION,' URGES FED TO ACT FASTER ON RATES

Treasury Secretary Scott Bessent said in a recent interview that some sectors of the economy are in a recession or at risk of one.

The housing sector is among the areas of the economy experiencing softness now, Bessent noted in an interview on CNN's State of the Union. "If the Fed brings down mortgage rates," Bessent suggested, "they can end this housing recession."

Though not directly impacted by Fed rate cuts, mortgage rates have dropped over the past few months, but the overall housing market remains weak.

Bessent said that the Trump administration worked to lower the deficit-to-gross-domestic-product ratio from 6.4% to 5.9% through government spending cuts, which should help to push down inflation. But he complained the central bank is not moving fast enough to bring down interest rates, he said.

"If we are contracting spending, then I would think inflation would be dropping," he said. "If inflation is dropping, then the Fed should be cutting rates."

Fears of a Larger Recession?

He further cautioned that a failure to further cut rates could lead to a general recession.

The Fed cut interest rates by 25 basis points, the second such monthly cut. Though an additional cut was expected by many at the Fed's December meeting (there is no scheduled meeting in November), Powell cautioned that such a cut is not a foregone conclusion during his remarks.

The tech sector has largely propped up other sectors of the economy this year.

"The tech sector has been the key driver of recent U.S. growth, with surging stock prices and heavy investment in equipment and software," wrote Oxford Economics' lead economist, Adam Slater, in a note shared with *Fortune*. "But this leaves the United States vulnerable if tech suffers a downturn—without tech investment, U.S. GDP would have barely grown in H1 2025, and business investment would have actually declined."

Oxford Economics modeled two scenarios off the back of a tech downturn, an environment where investment slows and stock prices fall in tandem. The first, a U.S.-centered downturn with modest international spillover, would see domestic GDP growth fall to 0.8% in 2026, which Slater writes is "flirting with recession." The ripple effects would also snag the global economy, slowing it from the predicted growth of 2.5% in 2026 to 2%.

The Enterprises have “an affirmative obligation to facilitate the financing of affordable housing for low- and moderate-income families in a manner consistent with their overall public purposes, while maintaining a strong financial condition and a reasonable economic return.”



to families with incomes no greater than 50% of AMI;

3. Low-income areas home purchase goal for mortgages to families with incomes no greater than 100% of AMI living in a federally declared disaster area, as well as mortgages that meet the criteria for the following subgoals:
 - **Minority census tracts subgoal:** For home purchase mortgages to families with incomes no greater than 100% of AMI in minority census tracts (census tracts that have a minority population of at least 30% and a median income of less than 100% of AMI);
 - **Low-income census tracts subgoal:** For mortgages to families in low-income census tracts (census

tracts where the median income is no greater than 80% of AMI) that are not minority census tracts, and to borrowers with incomes greater than 100% of AMI in low-income census tracts that are also minority census tracts.

Multifamily Goal and Subgoals

1. Low-income multifamily goal for rental units in multifamily properties affordable to families with incomes no greater than 80% of AMI;
2. Very low-income multifamily subgoal for rental units in multifamily properties affordable to families with incomes no greater than 50% of AMI;
3. Small multifamily low-income subgoal for rental units in multifamily properties with between 5 and 50 units, affordable to families with incomes no greater than 80% of AMI.

Housing Goal Performance—National

The 2024 single-family housing target levels are represented as a percentage of each Enterprise’s mortgage purchases on single-family owner-occupied homes. For purchase loans and refinance loans, the U.S. Federal Housing Administration set distinct single-family goals.

An enterprise reaches a goal for the 2024 single-family housing goals if it meets or surpasses at least one of the following:

- The specific benchmark levels established in the Agency’s final rule published on December 28, 2021, or
- The “market level,” which is defined as the share of conventional, conforming mortgage originations that qualified for the goal based on the Agency’s analysis of Home Mortgage Disclosure Act (HMDA) data.

Note: While the market level computation acts as a year-end analysis, the benchmark level acts as a future objective for which the enterprises can make plans.

Additionally, according to the report, an estimated \$326 billion worth of single-family mortgages were acquired by Fannie Mae and \$346 billion by Freddie Mac in 2024.

U.S. Federal Housing established a multifamily mortgage acquisition cap of \$70 billion for each Enterprise on November 14, 2023, for a total of \$140 billion in 2024. According to the criteria in Appendix A of the Conservatorship Scorecard, the Agency mandated that at least 50% of each Enterprise’s multifamily loan purchases be mission-driven in order to guarantee an emphasis on affordable housing and neglected markets. Loans categorized as supporting workforce housing properties were not subject to the volume cap in 2024. Every other mission-driven loan was still capped at a certain amount.

Multifamily loans considered to be mission-driven under the Scorecard for 2024 included:

- Subsidized affordable housing

- Preservation loans at workforce housing properties
- Manufactured housing communities that receive credit under the Duty to Serve regulation
- Green loans that finance energy or water improvements
- Affordable units with unsubsidized/market rents (including conventional housing, small multifamily properties of between 5 and 50 units, and seniors housing)
- Affordable units in properties in rural areas

Additional Highlights—National

The Enterprises exceeded the requirement that 50% of their business be mission-driven in 2024 by actively managing their multifamily loan acquisition production to stay below the \$70 billion cap for each Enterprise. The total amount of multifamily loans acquired by Fannie Mae at the end of the year was \$55.1 billion. According to Appendix A of the Conservatorship Scorecard, mission-driven acquisitions accounted for \$34.8 billion (63%) of the total. The total amount of multifamily loans acquired by Freddie Mac at the end of the year was \$65.1 billion. According to Appendix A of the Conservatorship Scorecard, mission-driven acquisitions accounted for \$42.2 billion (65%) of the total.

Both businesses surpassed their loan acquisition goal for manufactured home communities (MHC) with certain pad lease protections in 2024. By financing 122 MHC properties, totaling 19,908 units and \$0.943 billion in mission-adjusted unpaid principal balance (UPB), Fannie Mae surpassed its revised goal of \$0.8–\$1.0 billion in UPB. MHC loans were acquired by Freddie Mac on 31,024 pads. Its revised goal of 17,100 pads was surpassed.

Fannie Mae fell short of its baseline of 8,196 loans and target of 9,500 loans by acquiring 4,792 loans backed by manufactured housing titled as real property. Freddie Mac surpassed its baseline of 6,247 loans and target of 6,300 loans by acquiring 8,478 loans secured by manu-

factured housing titled as real property.

In 2024, both businesses backed the Section 8 program of the Department of Housing and Urban Development (HUD). 21,241 units were supported by 171 loans that Fannie Mae acquired to finance Section 8 projects. Freddie Mac exceeded its initial aim of 27,300 units and its revised target of 22,600 units by supporting 28,009 Section 8 apartments through its loan purchases.

Note: The report provides data on how single-family loans are distributed by sex, race/ethnicity, and median income per census tract. Along with details on mortgage payment options (such as fixed-rate or adjustable-rate mortgages), loan-to-value ratios, and credit scores, the report also breaks out the single-family mortgage product types that each Enterprise has purchased.

SENATE HEARING EXPOSES TENSIONS OVER HUD LAYOFFS AND HOUSING ACCESS

A recent Senate Banking Committee hearing spotlighted growing concern over the Department of Housing and Urban Development's (HUD) workforce reductions and their potential effect on housing access. The session, as reported by Scotsman Guide on October 31, 2025, featured testimony from nominees Frank Cassidy and Joseph Gormley, who have been tapped to lead the Federal Housing Administration (FHA) and Ginnie Mae, respectively.

Scrutiny of HUD Workforce Reductions

During the hearing, Senator Tina Smith (D-Minn.) questioned Cassidy about HUD's October reduction-in-force that cut more than 400 positions, including employees from the Office of Housing Counseling. Smith said the layoffs represented "a huge impact." Cassidy responded that he could not discuss

the matter due to ongoing litigation but emphasized that "housing is very much a local issue," adding that HUD works with "local leaders on the ground, nonprofits [who] understand the issues that work in their jurisdiction," according to Scotsman Guide.

Cassidy and Gormley Emphasize Leadership Continuity

Cassidy, currently serving as Principal Deputy Assistant Secretary overseeing the FHA's approximately \$1.75 trillion mortgage-insurance portfolio, outlined his background in multifamily, senior-housing, and healthcare financing. Gormley, nominated to lead Ginnie Mae, pledged in his statement to "draw on all his experience ... to ensure the organization fulfills its mission of providing low-cost financing and ultimately making the American Dream of homeownership more accessible and affordable for the American people." Following his remarks, senators did not ask Gormley any direct questions (Scotsman Guide).

Industry Groups Call for Swift Confirmation

Industry leaders voiced public support for both nominees. Steve Irwin, president of the National Reverse Lenders Association, wrote that the two positions "form the backbone of the federal housing finance architecture that supports the financial well-being of millions of older Americans." Buddy Hughes, chair of the National Association of Home Builders, described Cassidy's real-estate-finance experience as "strong" and called Gormley "the ideal candidate to lead Ginnie Mae and maintain confidence and liquidity in the secondary mortgage market," Scotsman Guide reported.

Policy Implications for Housing Access

The hearing underscored how HUD's staffing changes intersect with the agency's housing-access mission. While litigation prevents discussion of the layoffs' details, senators made clear that the department's reduced workforce has raised congressional concern about



capacity. The confirmation of Cassidy and Gormley will likely determine near-term stability at two major federal housing-finance agencies and shape HUD's ability to carry out its programs.

FANNIE MAE'S PROFITS CLIMB, FREDDIE MAC'S FALL IN DIVERGENT Q3 RESULTS

Fannie Mae and Freddie Mac had diverging results for the third quarter, the GSEs reported.

Fannie Mae earned \$3.9 billion for the third quarter of 2025, compared with \$3.3 billion for the second quarter of 2025. Net revenues remained stable; the increase in net income from the previous quarter was driven primarily by reductions in the provision for credit losses and non-interest expense, partially offset by lower fair value gains. The company's net worth increased to \$105.5 billion as of September 30.

Freddie Mac reported net income of \$2.8 billion for the third quarter of 2025, down 11% from the third quarter of 2024, primarily driven by a credit reserve build in the current period compared to a credit reserve release in the prior year period.

Net revenues were \$5.7 billion for the third quarter, down 2% year over year, primarily driven by lower non-interest income, partially offset by higher net interest income. Net interest income for the third quarter was \$5.5 billion, up 9% year over year, primarily driven by continued mortgage portfolio growth and lower funding costs, partially offset by lower yields on short-term investments.

Non-interest income was \$0.3 billion, down 66% year over year, primarily driven by Single-Family Provision for credit losses, which was \$0.2 billion for the third quarter of 2025, primarily driven by a credit reserve build in Single-Family attributable to new acquisitions. The benefit for credit losses of \$0.2 billion for the third quarter of 2024 was driven by a

“Fannie Mae is operating with greater business focus than ever. Trimming \$173 million in administrative expenses since the first quarter of 2025, we have grown our net worth to over \$105 billion.”

—William J. Pulte, Chairman, Fannie Mae



credit reserve release in Single-Family as a result of lower mortgage interest rates and a credit reserve release in Multifamily due to enhancements in the credit estimation process.

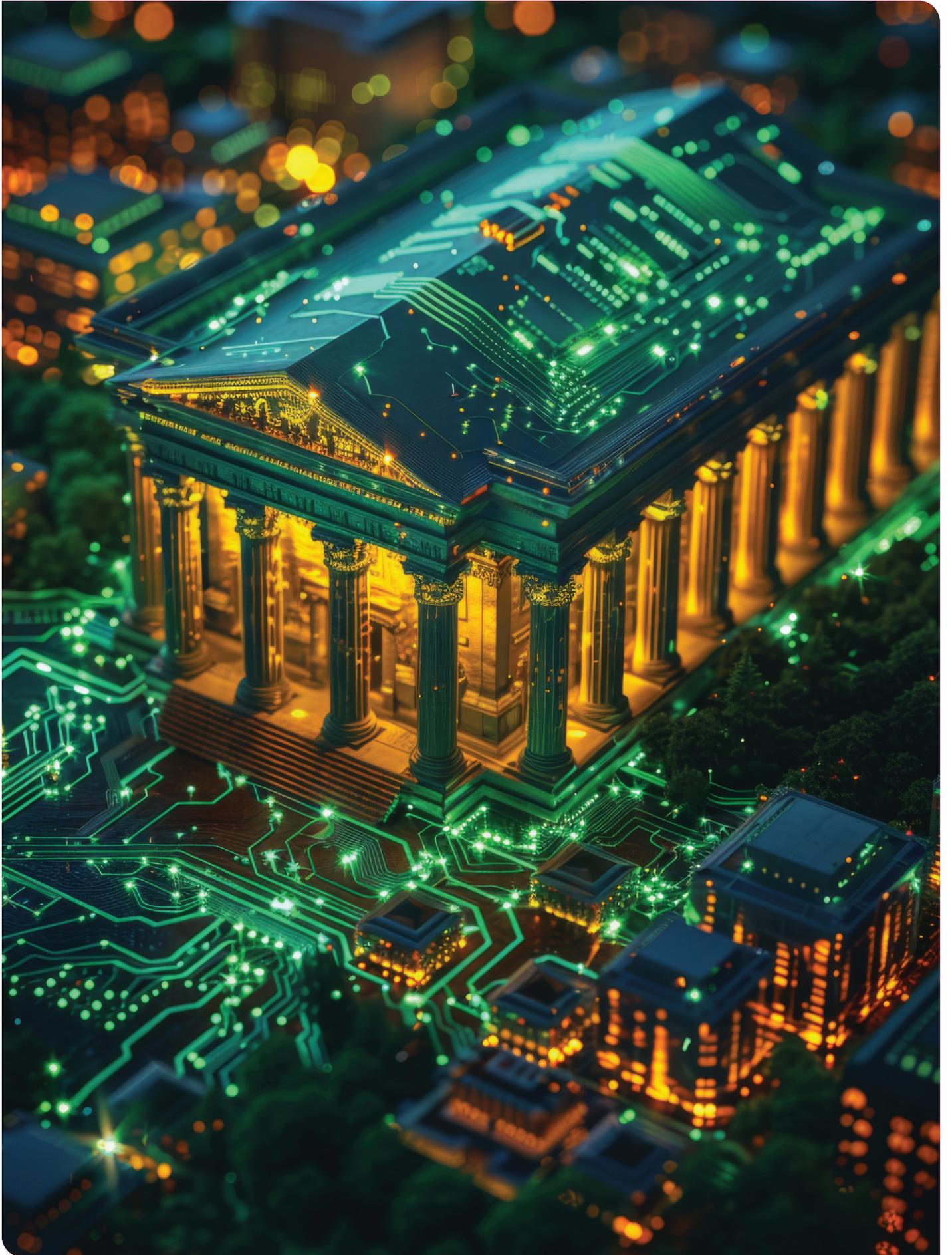
“Fannie Mae is operating with greater business focus than ever. Trimming \$173 million in administrative expenses since the first quarter of 2025, we have grown our net worth to over \$105 billion,” said William J. Pulte, Fannie Mae Chairman, in a prepared statement. “Fannie Mae’s strong leadership team continues to perform at a high level, with earnings up \$542 million from the second quarter to \$3.9 billion this quarter while reliably meeting the housing needs of borrowers and renters across the United States.”

The outlook for Fannie Mae is promising, according to Timothy D’Agostino, equity research analyst for B. Riley Securities. “We forecast EPS, before senior preferred adjustments, of \$2.50, \$2.70, and \$2.85 for 2025, 2026, and 2027, respectively. The key drivers to our forecast include portfolio growth of -0.8%, 3.5%, and 3.8% in 2025, 2026, and 2027, respectively, and delinquency rates remaining stable at about 0.5% in 2025, 2026, and 2027.” Freddie Mac cited the following highlights:

- New business activity increased year over year, primarily driven by a larger multifamily originations market, coupled with the execution of Multifamily’s competitive strategies. Sixty-seven percent of the eligible multifamily rental units financed in the third quarter of 2025 were affordable to low-income families.
- The Multifamily delinquency rate increased to 0.51% on September 30, 2025, from 0.39% on September 30, 2024, primarily driven by an increase in delinquent floating rate loans and small balance loans.

FEDERAL COURT HALTS CFPB'S OPEN BANKING RULE AMID DATA SECURITY CONCERNS

The U.S. District Court for the Eastern District of Kentucky issued an injunction halting the implementation of the Consumer Protec-



tion Financial Bureau's (CFPB) Personal Financial Data Rights Rule, which the agency said is designed to give consumers more control over their financial data.

The injunction cited the ongoing debates about data access and security.

"The plaintiffs raise a reasonable argument that the CFPB failed to address a key issue: How data providers are expected to comply with the Rule when the 'consensus standards' may not yet exist," said Judge Danny Reeves in issuing the injunction.

Among those debating changes in what is commonly known as the open banking rule were Cynthia Lummis (R-WY), Chair of the Senate Banking Subcommittee on Digital Assets Chair, who had asked for open banking, and the Bank Policy Institute (BPI), which wanted to see the status quo, arguing that the proposed change put sensitive consumer financial data at risk and exceeded the CFPB's legal authority.

"The court's decision ensures banks won't waste resources preparing for a rule being rewritten," said BPI, the Kentucky Bankers Association, and Forcht Bank, in a joint statement following the ruling. Sen. Lummis cited the following as benefits of the CFPB open banking rule:

- It enables access to financial services for rural communities via phones and computers. These tools make it easier to build credit with alternative scoring models that use transaction or banking data to prove the ability to pay.
- Open banking supports small businesses and agricultural operations with better cash flow and credit access. Ranchers, farmers, and mom-and-pop shops across Wyoming often rely on seasonal or irregular income. Fintech tools can provide more flexible payment, financing, and invoicing options that align with that cash flow (e.g., verifying income in real time, dynamic credit), but only if consumers have control over their data to use these tools.
- It provides access to third-party tools that increase options so they

can compare financial products like loans, credit cards, and savings, leading to the best possible transaction terms.

- Open banking helps automate payments, reduce travel and postage, avoid late fees, and enhance budgeting and fraud detection.

With the injunction, banks are temporarily relieved from upgrading their digital platforms to comply with the halted regulation.

CHICAGO HOUSING AUTHORITY SUES HUD OVER NEW FUNDING RESTRICTIONS

The Chicago Housing Authority (CHA) is suing the U.S. Department of Housing and Urban Development (HUD), seeking immediate intervention from the court regarding new conditions HUD has placed on the CHA's federal funding.

As part of the annual application to receive continued federal operating subsidies for public housing units, HUD is, for the first time, requiring Public Housing Authorities to certify that federal funds will not be used to fund or promote "diversity, equity, and inclusion mandates, policies, or programs," gender ideology, elective abortions, and immigration-related policies.

Earlier this year, HUD cancelled \$4 million in contracts promoting DEI, saying that the cuts were part of the department's larger \$260 million review of all contract expenditures.

The terminated contracts were intended for "DEI culture transformation," including outward mindset training and diversity and inclusion research subscription services.

Policy Shifts at HUD

"It is inexcusable the American taxpayer was footing the bill for the promo-

tion of DEI propaganda. Not only was this costing millions of taxpayer dollars but it was also wasting valuable time that should have been used to better serve individuals and families in rural, tribal, and urban communities. DEI is dead at HUD," Secretary Scott Turner said when the action was taken.

According to CHA, the HUD certifications cite several recent Executive Orders but provide no additional information or clarification on these requirements beyond the language in the application. The deadline for CHA to submit the signed application is Oct. 21, 2025.

"CHA is seeking a temporary restraining order to lift the mandatory certification requirement from the application in advance of the forthcoming deadline, so that the agency can focus on its vision of quality affordable housing where everyone feels welcome," the agency said in a press release.

At issue is the federal Operating Subsidy Grants that the agency was expecting to receive in December. The grants of \$185 million were to account for more than 13% of CHA's proposed fiscal 2026 operating budget. But the agency expects HUD to impose these certifications across additional federal funds and programs, which could implicate more than \$1 billion in federal funding for CHA.

GOVERNMENT SHUTDOWN FORCES HUD LAYOFFS, DELAYING KEY HOUSING SERVICES

According to reporting by *Atlanta News First* and a recent court filing, more than 4,000 federal employees have been laid off as a result of the ongoing government shutdown, including 442 people from the Department of Housing and Urban Development (HUD). The move, part of

broader staff cuts ordered by the Trump administration, has raised concerns about how it could affect essential housing programs and the broader housing market.

For HUD, these layoffs hit at the heart of day-to-day operations. With fewer staff, critical work like processing housing assistance, overseeing public housing, managing grants, and enforcing fair housing rules will likely slow down. Local governments and non-profits that rely on HUD funding could see project delays or stalled approvals, creating uncertainty for developers, lenders, and communities counting on those resources, according to the National Association of Homebuyers, which recently put out a blog post titled, “How the Government Shutdown Will Affect Housing.”

The timing is particularly tough for low-income families and renters, who depend most on HUD’s programs. Any disruption in services—even short-term—can mean postponed repairs, delayed rental assistance, or fewer resources for housing stability.

Housing experts say the situation underscores how much the nation’s housing ecosystem depends on steady federal support. When that support falters, the effects ripple quickly, from federal offices all the way down to neighborhood housing projects.

Though homeowners already in the process of applying for a mortgage may experience delays, they should not see a total disruption in the process.

“If you’re expecting to close in a week or a month, there could be some slight delay, but I think for most people, it’s probably going to be a blip more than a real deal killer,” Bankrate’s Jeff Ostrowski said.

Meanwhile, labor unions are pushing back, arguing HUD’s layoffs were illegal and improperly handled. Their legal challenge could determine whether some of these workers are reinstated—and how future shutdowns handle federal housing staff.



CFPB SHUTDOWN PLAN SPARKS LEGAL BATTLES AND INDUSTRY UNCERTAINTY

The White House is moving forward with plans to dismantle the Consumer Financial Protection Bureau (CFPB), according to Budget Director Russell Vought, who said that the process is already underway and could conclude “within the next two or three months.”

As reported by CUtoday, Vought made the comments during an appearance on The Charlie Kirk Show, signaling what could become one of the most consequential regulatory shifts for the mortgage and financial industries in more than a decade.

According to Vought, only “a handful” of employees remain at the CFPB’s Washington headquarters as operations are scaled down. He described the move as part of a broader effort to reduce what he and other Republican leaders see as excessive regulatory oversight.

“All they want to do is weaponize the tools of financial laws against basically small mom-and-pop lenders and other small financial institutions,” said Russell Vought, White House Budget Director.

Legal Challenges Underway

The plan faces immediate legal resistance. CFPB labor unions and consumer advocacy groups have filed lawsuits arguing that the administration lacks the authority to dismiss most agency staff or dissolve the bureau outright.

Separately, a federal judge has issued a temporary order blocking broader layoff plans tied to the ongoing government shutdown, calling the move politically motivated and raising questions about its legality.

Created in 2011 after the financial crisis, the CFPB has been central to enforcing consumer protection laws across mortgage lending, servicing, and credit markets. Its potential closure would

“Americans have gotten more than \$21 billion back in their bank accounts after being cheated and scammed by big corporations, thanks to the CFPB.”

—Sen. Elizabeth Warren

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reshape the regulatory environment mortgage professionals have operated under for more than a decade.

Industry reaction remains mixed. Supporters of the shutdown say the bureau’s rules have imposed costly compliance burdens, particularly for smaller lenders and credit unions. Critics counter that removing the CFPB could weaken consumer safeguards and inject uncertainty into lending practices.

“Americans have gotten more than \$21 billion back in their bank accounts after being cheated and scammed by big corporations, thanks to the CFPB. But Trump and his Administration love grifters and scammers. So they’re trying to kill the agency holding them accountable,” said Sen. Elizabeth Warren on X.

“We are seeing so many draconian cuts to health care and other critical services. Our economy is slowing down, with higher unemployment and higher prices. It says a lot that we’re able to find the money to bail out Argentina but we can’t help people who are in real need at home,” said Rohit Chopra, Former Director, CFPB.

If the shutdown proceeds, questions remain over where current CFPB responsibilities—such as TRID, loan officer compensation, fair lending, and servicing standards—will be reassigned. No formal guidance has yet been issued by the Administration.

The development follows recent staff reductions at the U.S. Department of Housing and Urban Development (HUD), signaling broader shifts in federal housing and finance oversight.

FHFA OUTLINES FIVE-YEAR PLAN TO STRENGTHEN OVERSIGHT AND EFFICIENCY

Responsible oversight of Fannie Mae and Freddie Mac, ensuring the safety and soundness of the Federal Home Loan Bank system, and

efficient management of U.S. federal housing operations are among the goals laid out by the Federal Housing Finance Agency in its new five-year strategic plan for U.S. housing.

To ensure the safety and soundness of the GSEs, FHFA will conduct risk-focused supervision and examination work, including:

- Ensuring regulated entity compliance with applicable laws and regulations and adherence to financial standards;
- Developing and administering supervisory tests, as appropriate;
- Monitoring emerging risks, industry trends, supervisory standards, and macroeconomic market conditions to inform risk assessments and adjust supervisory approaches, when appropriate

Management of the GSEs will include:

- Communication of annual objectives, expectations, and priorities to the boards and management
- Monitoring of boards and board-level committees
- Assessment of performance against FHFA priorities and objectives

Also critical in the responsible oversight of the GSEs will be identifying and combating fraud and misconduct and reducing unnecessary regulatory burdens, the proposed strategic plan said.

Ensuring Safety and Soundness

Many of the safety and soundness guidelines overlap those of responsible oversight, with risk-based supervision and combating fraud two of the main objectives.

Other safety and soundness objectives include ensuring that the FHLBanks fulfill their statutory responsibilities and encouraging efforts to expand housing supply to meet national demand.

To efficiently manage operations, FHFA plans to:

- Develop and strengthen internal controls and risk management to ensure compliance and sound operational resilience;
- Produce financial statements that demonstrate a commitment to compliance, transparency, and accountability;
- Execute an employee performance management system that drives a high-performance, high-accountability culture;
- Comply with Executive Orders and other related guidance promoting accountability, cost effectiveness, and operational efficiency.

“This focus on ‘efficiency’ could be a very positive for multi-family projects,” said Rick Porras, CFO of Neology Group, a Miami, FL-based real estate development firm. “Currently, timelines for having projects approved and funded can take upwards of nine months from the start of the application process to final approval. Traditional lenders can do the entire process in as little as two months. Many developers simply do not have the time to invest in this long process. Aside from the extended timeline, receiving approval could even delay the project’s ground-breaking, which would be a deal breaker for most developers.”

POWELL: FED COULD SOON SLOW BALANCE SHEET RUNOFF

Federal Reserve Chair Jerome Powell told the National Association for Business Economics conference in Philadelphia that the Fed is getting closer to reducing the more than \$6 trillion of securities it holds on its balance sheet.

“Our long-stated plan is to stop balance sheet runoff when reserves are somewhat above the level we judge consistent with ample reserve condition,” Powell said. “We may approach that point

in coming months, and we are closely monitoring a wide range of indicators to inform this decision.’

Shifting Market Conditions?

Some signs have begun to emerge that liquidity conditions are gradually tightening, including a general firming of repo rates along with more noticeable but temporary pressures on selected dates, Powell added. “The Committee’s plans lay out a deliberately cautious approach to avoid the kind of money market strains experienced in September 2019. Moreover, the tools of our implementation framework, including the standing repo facility and the discount window, will help contain funding pressures and keep the federal funds rate within our target range through this transition to lower reserve levels.”

However, normalizing the size of the balance sheet doesn’t mean the Fed will be looking to return to pre-pandemic levels, according to Powell.

“In the longer run, the size of our balance sheet is determined by the public’s demand for our liabilities rather than our pandemic-related asset purchases. Non-reserve liabilities currently stand about \$1.1 trillion higher than just prior to the pandemic, thus requiring that our securities holdings be equally higher. Demand for reserves has risen as well, in part reflecting the growth of the banking system and the overall economy.”

Powell was mum on the issue of interest rates.

The next U.S. Federal Reserve interest rate meeting will be held on October 28–29. The CME FedWatch Tool predicts the rate will be cut 25 basis points at the meeting, with another, similar cut expected in December.



Market Trends

GOLDMAN SACHS: IS A GROWING 'FINANCIAL VORTEX' IN OUR MIDST?

The recurring theme in recent years has been that many people cannot afford to become homeowners in America, according to a new Realtor.com study. Young individuals are finding it difficult to save the money necessary to begin their house journey, while older people feel priced out of the market due to rising housing costs, insurance barriers, and inflation that isn't slowing down.

Does this end look imminent? Time will tell, but according to a recent Goldman Sachs survey, over three-quarters of American workers—from Gen Z to Gen X—struggle to save for retirement, and around four out of ten are living paycheck to paycheck. By 2033, over half of all workers may be living paycheck to paycheck if nothing changes.

In light of this, Goldman Sachs experts suggested in their study that financial advisors should modify their approach appropriately, particularly with regard to retirement savings. Additionally, this may require you to save far more money than you had anticipated if you are a homeowner.

'Financial Vortex' May Be Approaching Sooner Than Americans Think

According to the 2025 Goldman Sachs Asset Management Retirement Survey & Insights report, "New Economics of

Retirement," Americans of all ages are finding it challenging to accomplish certain life goals, such as saving enough for retirement or purchasing a home, as a result of what they refer to as the current "financial vortex."

The cost of homeownership as a percentage of income, for example, increased from 33% to 51% between 2000 and 2025, according to the report. This startling statistic amply illustrates how prices have escalated.

"The cost of major life events is taking up a larger percentage of household income, a trend that affects workers at the lowest level of income as well as the highest," said Greg Wilson, Head of Retirement and Co-Head of Americas Third-Party Wealth with Goldman Sachs.

However, the cost of homeownership isn't the only rising figure. Health care has increased from 10% to 16%, rent has increased from 21% to 29%, and the expense of private college has increased by an astounding 65% to 85%. Retirement savings are now more difficult than ever due to rising costs. The most common explanation given by survey participants for why their capacity to save was impacted was monthly financial obligations.

Overall, the cost of homeownership has increased by 26% in the last five years, and seniors who have reached retirement are feeling the strain.

Seniors, Social Security & Strained Finances

According to a June 2025 study by The Senior Citizens League, nearly three-quarters of all seniors depend on Social Security for at least half of their

income, and nearly 22 million seniors are anticipated to live solely on Social Security. Only 10 states presently allow seniors to use the benefit alone to cover their housing costs, according to a recent Realtor.com analysis—and only if their mortgage has already been paid off.

As a result, having enough money for retirement is essential, and according to the survey, people who have already begun planning feel safer.

According to the survey, pensioners who participated in a customized plan had 27% greater retirement savings than those who did not, while those who had access to an employer-sponsored plan boasted a 29% higher savings-to-income ratio.

If one owns their home, retirement planning entails identifying and tailoring objectives to cover housing expenses.

Although life expectancy has grown, many people base their retirement plans on the average life expectancy or the longevity of elder family members. The average lifespan for retirees in 2000 was 17.5 years. That figure increased to 19.2 years by 2023, and estimates indicate that by 2033–2043 it may have reached 20–21 years.

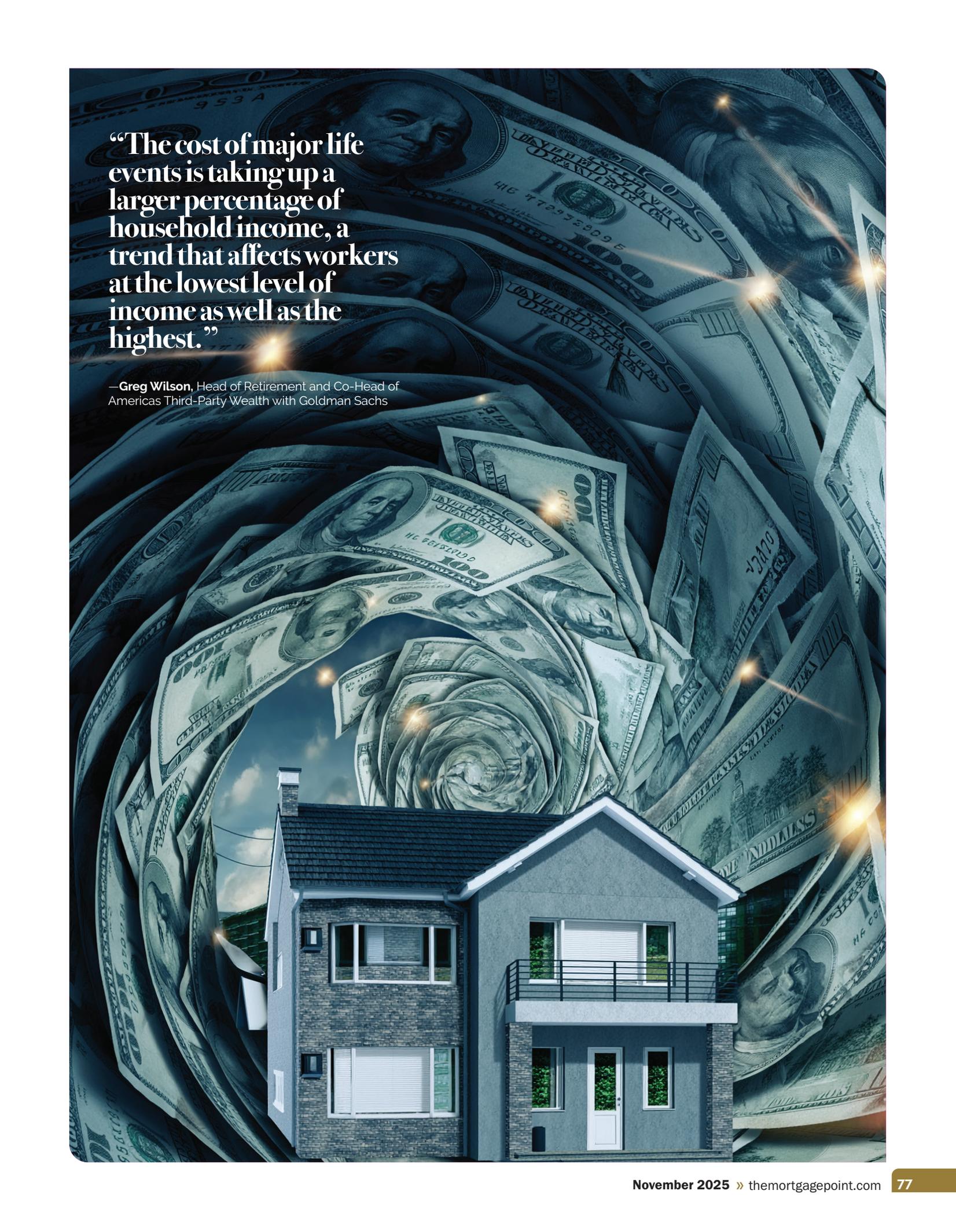
Further, according to data from the U.S. Bureau of Labor Statistics, from 2000 to 2023, the spending of those 65 and older increased by almost 3.6% annually. This implies that previous retirement benchmarks might not be sufficient anymore.

The "4% rule," for instance, has governed retirement for many years. However, its creator subsequently criticized it for being out of date and changed the rate at which pensioners consume their money to 4.7%. According to the Sachs report, 58% of respondents expressed fear that they would outlive their savings.

Some Experts Say Now Is the Time to Start Saving for Retirement

For many Americans, the goal is to save more money. However, considering the current situation, how is that possible? According to the study, 401(k) plans help employees save regularly, so Sachs suggests making them more widely available.

Approximately 75% of Americans currently have access to a plan that is



“The cost of major life events is taking up a larger percentage of household income, a trend that affects workers at the lowest level of income as well as the highest.”

—**Greg Wilson**, Head of Retirement and Co-Head of Americas Third-Party Wealth with Goldman Sachs

sponsored by their employer. However, many investors have lost sight of their 401(k) funds due to job changes, roll-overs, or lack of portability, resulting in \$2.1 trillion sitting dormant in accounts with an average value of \$66,691, according to a recent analysis by Capitalize and the Center for Retirement Research at Boston College.

On the other hand, you might be able to make ends meet with the money that many citizens currently possess.

In order to assist in removing financial and technical obstacles and make retirement saving simpler for more employees, Sachs also suggests innovative options, including state “auto-IRAs” and pooled company plans.

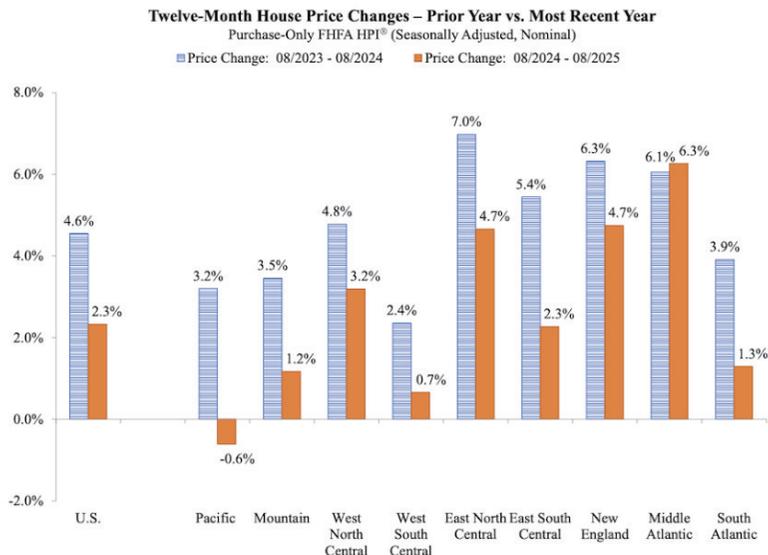
Additionally, parents may also have options available to them at this time to help them get started. Early-savings accounts, sometimes known as “Trump Accounts,” were established by a new tax law to assist employers or parents in setting aside money for a child’s future. Compounding growth can be enormous if used to launch a portfolio early.

A \$500 annual contribution from age 1 to age 20 may increase to around \$21,000 by age 21. This may grow to around \$340,000 by age 65 if invested until retirement, which is about 14% higher than if someone starts saving at age 21.

FHFA HOUSE PRICE INDEX REVEALS RECENT CHANGES IN MARKET TRENDS

According to the U.S. Federal Housing Finance Agency’s (FHFA) seasonally adjusted monthly House Price Index (FHFA HPI), home prices in the U.S. increased by 0.4% in August. The price of homes increased by 2.3% between August 2024 and August 2025. The July price drop of 0.1% that had been previously reported was changed to 0.0%.

Seasonally adjusted monthly variations in housing prices for the



Source: FHFA

	U.S.	Pacific	Mountain	West North Central	West South Central	East North Central	East South Central	New England	Middle Atlantic	South Atlantic
1-Month Change:	0.4%	-0.8%	0.7%	0.3%	-0.2%	0.6%	0.5%	0.7%	1.2%	0.7%
Jul 25 - Aug 25	0.0%	0.4%	-0.1%	-0.1%	0.1%	0.3%	-0.5%	0.1%	-0.9%	-0.1%
Jun 25 - Jul 25	(Previous Estimate)	-0.1%	0.2%	-0.2%	-0.2%	0.2%	-0.8%	-0.1%	-1.2%	0.0%
May 25 - Jun 25	-0.2%	-0.2%	-0.3%	0.4%	0.0%	0.0%	-0.6%	-0.7%	0.8%	-0.7%
(Previous Estimate)	-0.2%	-0.1%	-0.3%	0.4%	0.1%	-0.2%	-0.5%	-0.8%	0.8%	-0.7%
Apr 25 - May 25	0.0%	-0.4%	0.4%	0.2%	0.3%	-0.1%	0.2%	0.9%	-0.8%	-0.1%
(Previous Estimate)	-0.1%	-0.5%	0.4%	0.2%	0.3%	-0.1%	0.2%	0.9%	-0.9%	-0.1%
Mar 25 - Apr 25	-0.3%	-0.3%	-1.0%	0.2%	-1.2%	0.3%	0.7%	-0.5%	1.1%	-1.1%
(Previous Estimate)	-0.3%	-0.3%	-1.0%	0.2%	-1.2%	0.2%	0.7%	-0.6%	1.1%	-1.1%
Feb 25 - Mar 25	0.1%	-0.6%	-0.6%	-0.4%	0.1%	0.0%	1.0%	-0.1%	0.4%	0.6%
(Previous Estimate)	0.1%	-0.6%	-0.6%	-0.3%	0.1%	0.1%	0.8%	-0.1%	0.4%	0.5%
12-Month Change:	2.3%	-0.6%	1.2%	3.2%	0.7%	4.7%	2.3%	4.7%	6.3%	1.3%
Aug 24 - Aug 25										

nine census divisions varied from -0.8% in the Pacific division to +1.2% in the Middle Atlantic division. In the Pacific division, the 12-month changes were -0.6%, whereas in the Middle Atlantic division, they were +6.3%.

Top 10 Metro Area Rankings per the FHFA HPI

1. Rochester, NY (YoY change: 10.3%)
2. Hartford-West Hartford-East Hartford, CT (9.4%)
3. New York-Jersey City-White Plains, NY-NJ (7.9%)
4. Lakewood-New Brunswick, NJ (7.7%)
5. Buffalo-Cheektowaga, NY (7.5%)
6. Elgin, IL (7.5%)
7. Albany-Schenectady-Troy, NY (7.3%)
8. Nassau County-Suffolk County, NY (7.1%)
9. Columbia, SC (6.8%)
10. Newark, NJ (6.5%)

More About the FHFA House Price Indices

The FHFA HPI is an extensive set of publicly accessible house price indices that track changes in the value of single-family homes using data from more than 400 American localities and all 50 states dating back to the mid-1970s.

In addition to providing information on changes in home prices at the national, census division, state, county, metro area, ZIP code, and census tract levels, it takes into account tens of millions of home transactions. FHFA analyzes data on home price transactions using a completely transparent methodology built on a weighted, repeat-sales statistical technique.

Note: FHFA releases HPI data and reports quarterly and monthly. The flagship FHFA HPI uses seasonally adjusted, purchase-only data from Fannie Mae and Freddie Mac.



“more power over mortgage rates”

Matt Schulz, Chief Consumer Finance Analyst at LendingTree, explained that despite not having any control over when rates rise or fall or when the Fed acts, consumers have far more control over mortgage rates than they may think, which is why it's so important to compare prices when shopping for the best rates.



“a shift that could help”

Sam Williamson, Senior Economist at First American, discussed how inflation edged higher in September, just as the Federal Reserve lowered interest rates again in an effort to support a cooling labor market, and despite the uptick, the Fed is still expected to prioritize addressing growing signs of labor market softness over further progress against inflation and cut rates.



“second-strongest pace of the year”

Lawrence Yun, Chief Economist for the National Association of Realtors, detailed how contract signings matched the second-strongest pace of the year; however, signings have yet to fully reach the level needed for a healthy market despite mortgage rates reaching a one-year low in September, as record-high stock markets and growing housing wealth were not enough to offset a likely softening job market.



“market remains remarkably resilient”

Andy Walden, Head of Mortgage and Housing Market Research at ICE Mortgage Technology, revealed that the mortgage market remains remarkably resilient, with mortgage performance continuing to hold up well and delinquency rates improving in September, and even with increases in activity among FHA loans, the market is largely returning to more typical levels following several years of artificially low foreclosure volumes.



“continuously low vacancy rates”

Rob Barber, CEO of ATTOM, revealed how the nation's consistently low vacancy rates, which have remained stable for almost four years, indicate that the demand for houses has not been slowed by record-high prices. Barber further described how this activity is encouraging local housing markets, in addition to the declining number of abandoned foreclosures.



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