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MortgagePoint Magazine

APRIL 2025

CYBERSECURITY CHANGES ARE IMPACTING LENDERS NOW

New regulatory mandates, coupled with recent high-profile cyber incidents, have placed the industry on heightened alert.

EXPERT INSIGHTS

Rick Hill, VP of Industry Technology at the Mortgage Bankers Association and acting President of the Mortgage Industry Standards Maintenance Organization

THE TECH ISSUE

THE INAUGURAL TECH EXCELLENCE AWARDS

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Recognizing the Most Innovative Technology Providers in the Mortgage Industry.

SAFEGUARDING THE FUTURE OF SFR

SAFEGUARD'S JOHN ELSEY, VP OF SINGLE-FAMILY RENTAL, DISCUSSES HOW THE COMPANY IS LEVERAGING ITS NATIONWIDE PROPERTY PRESERVATION VENDOR NETWORK TO SUPPORT THE SFR SECTOR.

PROFILING SOME OF OUR INDUSTRY'S BEST AND BRIGHTEST

For our April edition of *MortgagePoint*, we're putting a focus on some of the companies that set themselves apart with commitments to excellence and service within various corners of the market.

For this month's cover story, "Safeguarding the Future of SFR," Safeguard's John Elsey, VP of Single-Family Rental, discusses how the company is leveraging its nationwide property preservation vendor network to support the SFR sector. Check out our full profile for a look at what Elsey and his team are doing.

This issue, we're also happy to share the recipients of our inaugural *MortgagePoint* Tech Excellence Awards. These awards are a continuation of what we used to do with our predecessor publication, *MReport*, and we're excited to be rolling out awards recognizing several aspects of our industry this year, so stay tuned for more information on what's to come, and in the meantime, flip to our Tech Excellence Awards section to read profiles of this year's 25 recipients.

We've also got a full lineup of feature articles for you this month, including:

- **Cybersecurity Changes Are Impacting Lenders Now**—New regulatory mandates, coupled with recent high-profile cyber incidents, have placed the industry on heightened alert, reinforcing the need for proactive cybersecurity measures, and robust security protocols. George Morales, National Sales Director at Mortgage Cadence, shares the details.
- **Lenders Need to Address Loss Mitigation Costs Amidst a Rise in Non-Performing Loans**—Brian Webster, President of NotaryCam, explains why, with larger economic factors impacting the nation's delinquency rate, servicers must adapt and keep ahead of the costs to service non-performing loans.
- **Sovereign Immunity: From Policy to Practice**—Attorney Reneau J. Longoria delves into several cases involving tribal sovereign immunity as it pertains to the United States Bankruptcy Code.
- **Expert Insights**—Rick Hill, VP of Industry Technology at the Mortgage Bankers Association, and Acting MISMO President

We've got all of this and more awaiting in the pages beyond. Welcome to the April 2025 edition of *MortgagePoint* magazine.

David Wharton
Editor-in-Chief

MortgagePoint Magazine

EDITOR-IN-CHIEF
David Wharton

ART DIRECTOR
Jason Stone

MANAGING DIGITAL EDITOR
Eric C. Peck

REPORTER
Demetria C. Lester

MAGAZINE CONTRIBUTORS
Reneau J. Longoria, Andy Beth Miller, George Morales, Den Shewman, Brian Webster

COPY EDITOR
Brandy Scott

ADVERTISING
214.525.6700

FiveStarGlobal

CORPORATE OFFICERS

PRESIDENT & CFO
Jonathan Hughes

ART DIRECTION
Jordan Funderburk, Jason Stone

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

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FICO ANNOUNCES AVAILABILITY OF NEW LENDER TECHNOLOGY

FICO reports that lenders can now use the FICO Score Mortgage Simulator via Xactus. Mortgage professionals can use the simulator's data to inform better judgments that will provide clients with additional loan options and competitive interest rates.

The FICO Score Mortgage Simulator was developed by FICO's analytics scientists utilizing the FICO Score algorithm. The technology is currently available to lenders via the Xactus360 platform.

"We are proud to be the pioneering partner to bring the FICO Score Mortgage Simulator to the mortgage industry," said Shelley Leonard, President of Xactus. "The FICO Score-based tool is a significant achievement for its precision and reliability. Xactus expects to see rapid adoption of the new tool, and we believe it will provide significant value to mortgage professionals, helping them to better serve their customers."

By using simulated changes in an applicant's credit report data to mimic possible changes to the applicant's FICO Score, the FICO Score Mortgage Simulator allows mortgage experts to test credit event scenarios. The FICO Score is the score that mortgage experts utilize the most, and this special feature allows them to see possible effects of borrower behaviors on the score. In the fiercely competitive mortgage market, more knowledge is crucial to presenting their clients with the best terms.

"The FICO Score Mortgage Simulator is the only tool available to mortgage professionals that leverages the trusted FICO Score algorithm to provide unparalleled accuracy and insight while simulating potential impact consumers' actions can have on their FICO Scores," said Geoff Smith, VP and General Manager of Consumer Scores at FICO. "Ultimately, this tool will allow lenders to better serve their customers as they pursue the dream of homeownership."

RISKEXEC TO INTEGRATE WITH ENCOMPASS BY ICE MORTGAGE

Using the most recent Encompass Partner Connect API architecture from Intercontinental Exchange (ICE) for mortgage technology, RiskExec, Inc. (RiskExec) has announced the successful integration of their HMDA software module with Encompass by ICE Mortgage Technology. Through secure API-enabled technology, this contemporary architecture allows industry players to interact with ICE solutions and offer their services to loan originators and servicers.

Geocoding, rate spread computation, and edit checks are features that enable more successful and efficient loan closings. These features are integrated directly into Encompass' cloud-based platform for the duration of the loan cycle, assisting lenders in locating and adjusting loan-level HMDA data well before final loan decisions are made.

"We are excited to bring our enhanced capabilities supporting ICE's commitment to driving efficiency in the industry and making the path to homeownership as streamlined and accessible as possible," said Dr. Anurag Agarwal, President and Founder of RiskExec.

Three essential features of RiskExec's SaaS compliance automation technology help banks, credit unions, mortgage businesses, and other lenders manage regulatory requirements more affordably:

- **Geocoding and Tract Data Integration:** Now, RiskExec geocodes the Encompass-stored property address and adds the relevant census tract information to the loan file in the Encompass system. This tool, which is seamlessly included into the lending process, guarantees accurate location data for reporting and regulatory needs.
- **Rate Spread Calculation:** In order to reduce errors and save time for mortgage professionals, RiskExec uses the data recorded in Encompass to determine the rate spread for each loan and automatically updates the loan file with this information.
- **HMDA Edit Checks:** Users may now do single-record edit checks on HMDA data from within Encompass thanks to RiskExec. With the help of the integration, users can quickly find and fix any data discrepancies before submission to guarantee compliance with HMDA requirements. The list of necessary edits is divided into three categories: regulatory edit checks, enhanced quality edit checks based on RiskExec's extensive HMDA expertise, and user-created custom edit checks.

"This collaboration underscores our commitment to delivering affordable, innovative compliance solutions that streamline operations and help our clients maintain the highest standards of accuracy and regulatory compliance in mortgage lending," Agarwal said.

CLOUDVIRGA FINALIZES NEW INTEGRATION WITH ICE MORTGAGE TECHNOLOGY

Cloudvirga revealed that it has integrated its Horizon Retail POS system with Intercontinental Exchange's (ICE) most recent API architecture for mortgage technology, Encompass Partner Connect. Through secure API-enabled technology, this contemporary architecture allows industry players to interact with ICE solutions and offer their services to loan originators and servicers. Cloudvirga's connection will improve the process of exporting loans made within Cloudvirga's Horizon Retail POS to lenders via the Encompass platform. These loans will be accessible through the Marketplace in the ICE digital lending platform.

"We're thrilled to be able to offer this enhanced integration by leveraging the latest API framework because this technology raises the bar for seamless, secure and high-performing POS-to-LOS integrations," said Maria Moskver, CEO of Cloudvirga. "This migration underscores our commitment to delivering cutting-edge technology solutions that empower lenders to close loans faster, more securely and with greater confidence."

Cloudvirga is making advancements in three crucial areas by utilizing the updated Encompass API platform:

- Performance: Lenders may now handle loans with previously unheard-of efficiency thanks to the improved integration, which brings about an exponential increase in processing speed.
- Security: The integration, which addresses the changing needs of cybersecurity, is built with best-in-class security methods and guarantees strong protection of critical loan data.
- Maintainability: Future-proofing the integration for years to come, the API-first strategy expedites the creation of new features and speeds up the resolution of possible problems.

An essential step in Cloudvirga's goal to streamline and modernize the mortgage process for both lenders and borrowers is the transition to API-enabled technologies. This accomplishment solidifies Cloudvirga's position as a pioneer in innovation, giving mortgage professionals the resources they need to prosper in a sector that is becoming more and more digital. To offer an even more seamless experience, Cloudvirga can more thoroughly connect with other Encompass features using the most recent API framework.

MISMO LAUNCHES RESOURCE TO FACILITATE ENHANCED DATA EXCHANGE METHODS

The release of the SMART Doc V3 Sample Package has been announced by MISMO. This tool supports the widespread use of SMART Docs outside of the eNote, which is part of MISMO's broader initiative to reform the industry's data sharing practices.

"This new resource represents an important step toward perfecting data security and reliability for the various parties across the industry," MISMO Acting President Rick Hill said.

The following examples were developed for implementers' usage based on the MISMO SMART Doc V3 Verifiable Profile Specification:

- Closing Disclosure
- Closing Protection Letter
- Commitment for Title Insurance
- Request for Tax Transcript (IRS 4506-C)
- Request for Certificate of VA Eligibility (VA Form 26-1880)
- Statement of Credit Denial, Termination, or Change
- Verification of VA Benefits (VA Form 26-8937)

Hill added that loan documents and related data can be guaranteed to be consistent, dependable, and unmodified thanks to the SMART Doc V3 Verifiable Profile specification, which enables document data to travel with the PDF and be automatically checked with the document picture. The sample package's candidate documents were chosen from preexisting MISMO Standard Datasets where document data verification is valuable.

XACTUS REVEALS OPEN API PORTAL

In order to facilitate a quicker and simpler process for partners to connect their own tools or platforms with Xactus360, an Intelligent Verification Platform (IVP), Xactus has announced the launch of its open API gateway.

"Launching our open API portal is a major milestone in Xactus' journey to becoming a true fintech," said James Owens, Chief Technology Officer of Xactus. "We are setting a new industry standard with the most complete, transparent, and developer-friendly API documentation available. This portal is a testament to our commitment to being the easiest partner to integrate with, ensuring our customers have everything they need to seamlessly connect with us."

The open API from Xactus will enable it to grow the mortgage ecosystem, enhance customer satisfaction, cultivate stronger alliances and improved teamwork, and increase scalability. By making its entire suite of APIs available, Xactus is advancing the contemporary mortgage.

VEROS LAUNCHES OPTIMIZED INDEPENDENT THIRD-PARTY TESTED AVM CASCADE

Veros Real Estate Solutions announced the presentation of ValuSTREAM, a new automated valuation model (AVM) cascade solution, to the housing finance sector. Through Acuity and other direct interfaces, VeroSELECT and Valligent are now offering this new option.

Through quarterly independent, third-party AVM testing for thorough due diligence, ValuSTREAM guarantees performance and dependability. To maximize AVM performance, this testing, which is powered by CoreLogic OptiVal, makes use of both purchase and non-purchase data. As a separate AVM testing unit within CoreLogic, OptiVal is vendor agnostic, which means that it uses only actual testing data to determine which AVMs are the best.

"Lenders need valuation solutions that provide transparency and performance they can trust," said Eric Fox, Chief Economist and SVP of Analytics at Veros. "By continuously refining AVM selection at the county level and ensuring the highest standards of data integrity, we are delivering a solution that enhances underwriting efficiency and reduces valuation risks."

Veros' most recent solution offers customized valuation methodologies that correspond with certain corporate goals. ValuSTREAM offers a versatile framework that may meet a range of needs, whether the goal is accuracy, market coverage, or a balanced approach. It is a reliable option for financial organizations managing regulatory obligations because it satisfies compliance criteria as well.

"As the industry-leading AVM cascade solution, CoreLogic's OptiVal is the ideal solution to support ValuSTREAM," said Sage Nichols, SVP, Collateral and Risk Solutions at CoreLogic. "Our unique data, analytics, and cascade management will provide an ideal offering for clients who need a proven, compliant offering to address their lending needs."

> "Lenders need valuation solutions that provide transparency and performance they can trust … We are delivering a solution that enhances underwriting efficiency and reduces valuation risks."
>
> —**Eric Fox**, Chief Economist and SVP of Analytics, Veros

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SNAPDOCS UNVEILS AI-POWERED QUALITY CONTROL TO ENHANCE MORTGAGE CLOSINGS

Quality Control (QC) and Trailing Document Management are two new features that Snapdocs has unveiled. The company's larger plan to automate the intricate closure procedures outside of the eSignature includes these developments.

With Funding QC and Post-Close QC, Snapdocs Quality Control automates two crucial steps in the manual and error-prone file review process for lenders. With 99% accuracy in detecting document problems, the AI-powered solution frees teams from having to go through every page and concentrate solely on issues that have been detected.

"Funding QC is a game-changer. We no longer have to comb through every document manually, and focus only on the minor exceptions," said Chris Lekousis, VP of Operations at Preferred Rate. "The system instantly alerts both us and the settlement agent if an error pops up. Then it's resolved within a minute. We've seen a 50% drop in re-records and the whole process is faster, easier, and more secure."

Up to 70% of closing packages have at least one inaccuracy, which is why the majority of lenders now use specialized teams to hand verify documents after closing. These teams invest hours in finding and fixing errors, which raises operating expenses, delays funding, and makes it more difficult for lenders to adjust to changing market volumes. The procedure is nonetheless prone to mistakes in spite of these efforts, which can result in expensive re-signings, delays in the secondary market, and a bad borrower experience.

The presence and correct execution of crucial-to-fund documents are immediately confirmed by Funding Quality Control. The in-house artificial intelligence (AI) of Snapdocs detects missing dates, notary stamps, and signatures in real time, cutting down on quality control time and guaranteeing that lenders can fix any mistakes and approve funds right away after signing.

With Post-Close Quality Control, Snapdocs guarantees that papers are accurate, present, and properly completed by fusing AI with knowledgeable reviewers. This shortens turnaround times and speeds up delivery to the secondary market. The program is adaptable to the review procedure used by each lender and indexes documents into eFolders.

"The time savings with Snapdocs' Post-Close QC have been remarkable. What once took over 45 minutes per loan with an outsourced team is now complete in under 10 minutes—with more accuracy and consistency," said Stephanie Zinsmeister, EVP of Operations at AnnieMac. "This efficiency has not only improved our throughput but has also empowered our post-close team to focus on strategic initiatives instead of drowning in manual work."

Additionally, the business launched Trailing Document Management, which lets lenders monitor, control, and obtain final documents through the Snapdocs eClosing platform. This feature expedites the delivery of final documents, decreases the need for manual settlement follow-ups, gives real-time status updates on final documents, and automates document pushback to the LOS.

HOMEVISION PARTNERS WITH RESTB.AI PARTNER TO ADVANCE COLLATERAL UNDERWRITING

To improve the real estate valuation process, Home Vision and Restb.ai have launched a new strategic alliance. This partnership will work to improve appraisal accuracy, expedite valuation procedures, and lower expensive revisions for appraisers, lenders, and AMCs by incorporating Restb.ai's artificial intelligence into HomeVision's MIRA (Machine Intelligence Review Assistant) platform.

HomeVision's MIRA platform leverages machine learning, optical character recognition (OCR), and natural language processing (NLP) to identify discrepancies in appraisal reports. With Restb.ai's AI-powered image recognition and property intelligence solutions, MIRA will now provide an enhanced layer of automation, detecting inconsistencies between appraisal data and property imagery and confirming that the condition and quality of subject properties and comparables align. It also complements MIRA's native image models to enhance the detection of issues in images to ensure that appraisal reports maintain the highest quality and compliance standards.

"As the industry continues to leverage automation, accuracy, and efficiency in appraisal reviews, our partnership with Restb.ai accelerates our mission to create a comprehensive collateral underwriting platform where customers have everything, they need in to complete their review," said Charlie Horton, General Manager, Collateral Underwriting at HomeVision. "By integrating Restb.ai's AI capabilities into MIRA, we are helping lenders and AMCs identify critical defects that result in revisions and costly repurchases."

HomeVision is an AI-powered collateral underwriting solution that uses Restb.ai's visual insights to immediately combine and evaluate all pertinent appraisal data, producing a thorough risk assessment and summary report in a matter of minutes.

"At Restb.ai, we are committed to unlocking the full potential of AI for mortgage valuation," said Nathan Brannen, Chief Product Officer at Restb.ai. "Our collaboration with HomeVision is another step forward in empowering the industry with real-time, AI-driven insights that improve decision-making and enhance appraisal quality."

By automating the assessment of property pictures and other images using state-of-the-art AI, HomeVision's integration with Restb.ai adds sophisticated capabilities to the appraisal review process. Among the advantages are:

- **Automated discrepancy detection:** AI identifies inconsistencies between data and imagery to ensure valuations align with market comparables, reducing manual review time.
- **Image validation and compliance:** Flags noncompliant images for revision before submission.
- **Enhanced property condition analysis:** Extracts photo-based condition and quality scores for both the subject and comparable properties to identify potential over/under valuations.
- **Repurchase mitigation:** Automatically identifies issues in photos, such as health and safety, to help reduce lender loan repurchases.

"Our collaboration with HomeVision underscores the transformative power of AI in the mortgage industry," said Tony Pistilli, General Manager of Valuation at Restb.ai. "By integrating our advanced computer vision and AI solutions, we are streamlining the appraisal processes, enabling appraisers, lenders, and AMCs to operate more efficiently while improving accuracy and ensuring compliance."

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WILLIAM PULTE CONFIRMED BY SENATE AS FHFA DIRECTOR

The U.S. Senate has announced the confirmation of **William Pulte** as next Director of the Federal Housing Finance Agency (FHFA). In mid-January, President-Elect Donald Trump announced the nomination of Pulte as FHFA Director after a career in private equity. The Senate Banking, Housing and Urban Affairs Committee voted 15-9 to advance Pulte's nomination to lead the FHFA to the full Senate.

Since 2008, FHFA has also served as conservator of both Fannie Mae and Freddie Mac.

Pulte, grandson of William Pulte, Founder and Chair of U.S. homebuilder PulteGroup, was a member of the Board of Directors of PulteGroup, residential home-construction company based in Atlanta. As of 2023, the company was the third-largest home-construction company in the nation based on the number of homes closed—having built nearly 800,000 homes.

Since 2011, Pulte has served as CEO of Pulte Capital Partners LLC, an investment firm with no affiliation with PulteGroup, focused on investing in housing supply, building products, and related service companies. Pulte also served as CEO and Chair of Carstin Brands LLC, a residential countertop manufacturer, and as a Director of Olon Group, a manufacturer for the cabinet industry. Prior to its sale in May 2016, Pulte built Southern Air & Heat LLC into one of the leading residential heating and air conditioning platforms in the nation. Pulte is a graduate of Northwestern University.

As news of Pulte's confirmation broke, many mortgage and housing industry organizations weighed in.

"The National Mortgage Servicing Association (NMSA) welcomes William Pulte as FHFA Director," said Ed Delgado, Managing Director, MPA and Chairman Emeritus, Five Star Global. "We are eager to support Director Pulte and the Federal Housing Finance Agency (FHFA) in its mission to better the U.S. residential mortgage market."

"On behalf of the National Association of Realtors, I want to extend our sincere congratulations to Bill Pulte on his confirmation as Director of the Federal Housing Finance Agency. His leadership comes at a pivotal time as we face historic housing challenges, including affordability concerns and a nationwide housing shortage," NAR EVP & Chief Advocacy Officer Shannon McGahn said. "FHFA oversees a housing finance system that is uniquely American, but whose reform is long delayed. Fannie Mae and Freddie Mac, collectively the 'GSEs', are the backbone for middle-class homeownership and rentership. It is of the utmost importance that we take a measured and thoughtful approach to any GSE reforms. We are confident that Director Pulte's experience and commitment will help strengthen the housing finance system and support sustainable homeownership for all Americans. We look forward to working with him to ensure a stable, accessible, and thriving housing market for generations to come."

Mortgage Bankers Association (MBA) President and CEO Bob Broeksmit, CMB, said "Our members stand ready to work with Director Pulte and his team, Fannie Mae and Freddie Mac staff, the Federal Home Loan Banks, and other industry stakeholders to increase affordable and sustainable homeownership and rental housing opportunities for all Americans, while ensuring a robust secondary mortgage market for single-family and multifamily lenders of all sizes and business models."

Scott Olson, Executive Director of Community Home Lenders of America (CHLA), said in a statement, "CHLA applauds the confirmation of Bill Pulte to be Director of the FHFA. CHLA appreciates Mr. Pulte's commitment to affordable homeownership. We look forward to working with him on issues like preserving a broad base of GSE lenders, which benefits consumers, and taking Fannie and Freddie out of conservatorship in an orderly way."

The FHFA is an independent agency established by the Housing and Economic Recovery Act of 2008 (HERA), responsible for the effective supervision, regulation, and housing mission oversight of Fannie Mae, Freddie Mac, and the Federal Home Loan Bank System, which includes the 11 Federal Home Loan Banks (FHLBanks) and the Office of Finance (OF). The FHFA's mission is to ensure that Fannie Mae and Freddie Mac (the GSEs) and the FHLBanks fulfill their mission by serving as a reliable source of liquidity and funding for housing finance and community investment.

FHLB DALLAS BOLSTERS ITS AFFORDABLE HOUSING ADVISORY COUNCIL

The Federal Home Loan Bank of Dallas (FHLB Dallas) has appointed **Daniel Boggs** to the FHLB Dallas Affordable Housing Advisory Council (Advisory Council), representing the state of Mississippi. Boggs has served as CEO of the Greater Greenville Housing & Revitalization Association

(GGHRA) since 2012, a nonprofit dedicated to small business and housing revitalization in Greenville, Mississippi.

"I am deeply honored to be appointed to the FHLB Dallas Affordable Housing Advisory Council. Affordable housing is a cornerstone of community development, and I am eager to contribute my experience and insights to support FHLB Dallas in advancing innovative solutions for housing challenges across our region," Boggs said. "This opportunity to collaborate with such a dedicated group is both a privilege and a responsibility that I embrace with enthusiasm."

Prior to leading GGHRA, Boggs spent more than six years working for the Mississippi Development Authority as a Bureau Manager, where he supported the reconstruction and rehabilitation of 2,200 housing units for low- to moderate-income families on the Gulf Coast in the wake of Hurricane Katrina.

"Mr. Boggs brings invaluable experience in affordable housing to the table. His deep understanding of this industry's challenges, combined with his proven ability to craft innovative yet practical solutions at GGHRA, makes him an ideal fit for our Advisory Council," said Greg Hettrick, SVP and Director of Community Investment for FHLB Dallas.

The FHLB Dallas Advisory Council is comprised of 14 representatives from state, community and nonprofit organizations in FHLB Dallas' five-state District. They are appointed by the FHLB Dallas Board of Directors, and advise the Board on affordable housing and economic development issues.

» *Lenders/Servicers*

CENLAR APPOINTS NEWS SVP OF BUSINESS DEVELOPMENT

Cenlar FSB has named **Andrew Pohlmann** SVP of Business Development, responsible for growing Cenlar's market presence with a focus on expanding new business relationships.

Pohlmann comes to Cenlar with more than 30 years of experience leading sales management and business development efforts in the banking and mortgage sector.

"We are thrilled to welcome Andrew to the team. I am confident his considerable expertise will help build even stronger relationships that will deepen our market presence and drive growth," Cenlar SVP, Chief Client Officer Tom Donatacci said.

Prior to joining Cenlar, Pohlmann was Chief Marketing & Sales Enablement Officer at Rate Companies. He was also Head of Consumer Strategy for SunTrust (now Truist). He has held several senior leadership roles at Washington Mutual/Chase, CitiMortgage, and Fifth Third.

PLANET HOME NAMES NEW EVP OF NON-AGENCY SUBSERVICING

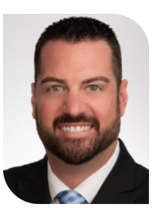
Planet Home Lending has appointed **Kirk Gerling** as EVP of Non-Agency Subservicing. Gerling, a seasoned industry professional with more than two decades of mortgage servicing experience, brings a wealth of knowledge to the role.

"Kirk's extensive expertise in servicing will help us build on the solid reputation we've established in both servicing and subservicing," said Sandy Jarish, President of Mortgage Servicing at Planet Home Lending. "We are thrilled to welcome him to our team, which is dedicated to delivering cost-effective solutions, execution-focused strategies, and industry-leading borrower retention. Our priority remains providing scalable, high-touch services that optimize asset health and enhance portfolio value—especially in the complex commercial loan environments of our expanding non-agency business."

Before joining Planet Home Lending, Gerling served as SVP at Carrington Mortgage Services, Mortgage Lending Division, and previously held the role of EVP of Servicing Operations. He also served as EVP of Performing Servicing at Shellpoint Mortgage Servicing.

"I'm impressed by the level of experience at Planet and its commitment to providing best-in-class service to borrowers and clients," Gerling said. "Servicing is the backbone of the mortgage process—loans will always need to be serviced—and Planet has built a division that's focused on growth and innovation."

EMBRACE HOME LOANS TAPS NEW MANAGER FOR FLORIDA BRANCH



Embrace Home Loans, a national mortgage lender, has hired **Donny Panasis** as Branch Manager of its Viera, Florida office, where he and his team will originate loans for both existing and new construction homes. Panasis will also lead the branch's growth initiatives, including immediately recruiting loan officers and developing relationships with real estate brokerages, homebuilders, and financial advisors.

Panasis previously served as a Loan Originator for The Mortgage Firm and TD Bank. With nearly 10 years of lending experience, he is committed to delivering exceptional service whether working with first-time homebuyers or seasoned homeowners looking to refinance.

"What attracted me to Embrace can be summed up in one word: culture," Panasis said. "The entire Embrace team feels more like a family where everyone supports each other for the common goal—to provide an excellent experience for the client and to do the job better than anyone else in the industry. By combining great technology, affordable rates and terms, industry-leading tools, and supportive culture, Embrace Home Loans is positioned to make sure our clients get the best deal for their specific needs."

Panasis is an active member of the Space Coast Association of Realtors and the Home Builders & Contractors Association. He also serves as a board member of 321Millennials, a philanthropic organization dedicated to giving back to the community.

"We're delighted to welcome Donny to our team," said Jason Will, SVP of Growth and Southeast Regional Executive at Embrace Home Loans. "His commitment to exceptional client service, strong leadership skills, and deep community connections make him the perfect fit. We're confident his expertise will be instrumental in growing our presence in the thriving Space Coast market."

RATE ADDS NEW SOUTHEASTERN MLO

Rate has named **AJ DiCarlo as a** Mortgage Loan Originator serving homebuyers, investors, and homeowners throughout the Florida Panhandle region. A 21-year U.S. Air Force veteran, DiCarlo served as a Special Operations Combat Airspace Manager, demonstrating leadership and precision in high-stakes environments. Now, he brings that same commitment to excellence and service to the mortgage industry, helping individuals and families navigate home financing with confidence.

"The attraction of being a Mortgage Loan Originator was brought on by my undying desire to serve," DiCarlo said. "The joy of assisting first-time homebuyers in living out their dream of purchasing their first home, aiding real estate investors in expanding their real estate portfolio and creating generational wealth, and helping existing homeowners with a refinance to ease some of the burden their current monthly obligations may bring them is what keeps me going."

With deep roots in Fort Walton Beach, DiCarlo understands the unique needs of buyers and homeowners in the Florida Panhandle. Whether guiding first-time buyers, supporting investors in growing their real estate portfolios, or assisting homeowners in refinancing, he is dedicated to providing personalized mortgage solutions.

PENNYMAC NAMES NEW HEAD OF PUBLIC POLICY

PennyMac Financial Services has appointed **Isaac Boltansky** as Managing Director, Head of Public Policy.

Boltansky is a widely respected expert in the financial services and mortgage industry. In this role, he will develop and execute a comprehensive public policy strategy that strengthens the company's relationships with key government and industry stakeholders. This will include engaging with federal and state policymakers, regulatory agencies, and industry associations; monitoring and analyzing legislative and regulatory developments; advocating for policies that align with PennyMac's objectives; and providing thought leadership on key housing finance policy issues. His expertise in navigating complex policy landscapes will be essential in ensuring PennyMac remains at the forefront of the changing mortgage landscape.

"I look forward to leveraging that experience to ensure the organization's financial strength and to position it for strategic growth where it best suits our mission to support NAR's members."

—**Matthew Cenedella**,
CFO, National Association of Realtors

"I am honored to lead PennyMac's public policy efforts at such a pivotal juncture for the industry," Boltansky said. "I look forward to working with an exceptional team to navigate an evolving policy landscape and advance strategies that strengthen the company and help homeowners nationwide."

Boltansky joins PennyMac from BTIG, where he led the firm's policy analysis as Director of Policy Research. At BTIG, Boltansky drove the firm's policy work by leading research efforts, identifying key legislative and regulatory changes and their implications for investors, corporations, and financial markets. His work focused particularly on housing policy, financial services, and tax legislation.

"PennyMac is pleased to welcome Isaac to our strong team of industry professionals. In moments of industry transformation, it is critical to have leaders who understand the ecosystem with the expertise to shape the future of mortgage lending through thoughtful advocacy," said David Spector, Chairman and CEO at PennyMac. "Isaac's established industry ties, policy expertise and strategic insights will reinforce PennyMac's leadership in the mortgage sector."

» *Service Providers*

NAR WELCOMES NEW CFO

The National Association of Realtors (NAR) has named **Matthew Cenedella** as its new Chief Financial Officer (CFO). Cenedella succeeds longtime CFO John Pierpoint, who will retire at the end of March. Cenedella brings extensive financial strategy experience and operational leadership to NAR, having held senior roles across multiple organizations, including top audit firms, major corporations, and global associations.

Most recently, Cenedella served as COO and Treasurer for the Women's Tennis Association (WTA), the principal organizing body of women's professional tennis in the world. At WTA, Cenedella played a pivotal role in strategic planning, financial development, and member relations. He spearheaded growing the association's revenues from $40 million to more than $125 million through the strategic development of owned assets, media, and events. Cenedella also shepherded the founding and growth of WTA's new data division to more than $32 million, and he helped establish WTA Ventures at a valuation of $750 million, making it the first purely commercial women's tennis organization.

"Matthew's versatility and his extensive background in finance, strategic planning and operational leadership roles will be invaluable as we continue to strengthen our financial strategies, propel NAR toward a higher-performing workplace and deliver greater value to our members," NAR CEO Nykia Wright said.

Prior to his COO role at the WTA, Cenedella served as its Chief Administrative Officer, with his oversight extending across key functions including finance, treasury, human resources, compliance, information technology, and onsite operations.

Before joining the WTA in 2010, Cenedella held finance roles at IMG Worldwide, American Greetings, Nestle Waters, Reader's Digest Association, and Deloitte & Touche.

"I am honored to join NAR at such a pivotal time for the real estate industry," Cenedella said. "Throughout my career, I have been fortunate to work across diverse financial landscapes, from corporate enterprises to nonprofit associations, and I look forward to leveraging that experience to ensure the organization's financial strength and to position it for strategic growth where it best suits our mission to support NAR's members."

"Innovation isn't a single initiative—it's a mindset and problem-solving approach that drives every aspect of our business."

—**Ashley Abbondanza**, Chief Innovation Officer, SingleSource Property Solutions

SINGLESOURCE PROPERTY SOLUTIONS PROMOTES INNOVATION OFFICER

SingleSource Property Solutions, a provider of residential property services supporting the U.S. housing industry, has announced that **Ashley Abbondanza** has been promoted to Chief Innovation Officer. In this executive role, Abbondanza will spearhead the company's strategic innovation initiatives, optimize operational workflows, and leverage data to enhance business efficiency.

Abbondanza is a 19-year veteran at SingleSource, where she has extensive experience leading technology and process improvement. She will join the executive team with a focus on integrating innovative solutions that drive competitive advantage while delivering enhanced value to clients.

"Ashley has been a driving force behind our success across multiple product lines," SingleSource CEO Brian Cullen said. "Her leadership and vision will now have an even greater impact as she joins our executive team. Her voice is a welcome addition to the boardroom."

Since joining SingleSource in 2006, Abbondanza has held key roles in valuations, property preservation, inspections and vendor management, shaping operations across the company. In her new role, she will strengthen the connection between project management, software development, and technology adoption, ensuring both SingleSource clients and employees benefit from smarter, more efficient solutions.

"Innovation isn't a single initiative—it's a mindset and problem-solving approach that drives every aspect of our business," Abbondanza said. "My goal is to bridge the gap between business needs and technology, ensuring our teams have the tools and insights to work smarter, not harder."

INDUSTRY VET JOINS FIRSTCLOSE AS CHIEF REVENUE OFFICER

FirstClose has named industry veteran **John Aslanian** as its new Chief Revenue Officer (CRO), where he will lead the company's business development, sales, account management, and the continued evolution of the FirstClose partner ecosystem.

Aslanian has more than 25 years of experience leading sales teams in the mortgage technology/SaaS space. Before joining FirstClose, Aslanian was SVP of Sales for nCino, a mortgage and real estate point of sale platform where he led the sales organization. Aslanian was also Chief Revenue Officer of SimpleNexus prior to its acquisition by nCino. Previously, he was VP of Sales for ICE Mortgage Technology, where he led the mid-market and strategic accounts teams. Earlier in his career, he served as VP of Sales of Del Mar DataTrac, a loan origination system acquired by Ellie Mae (now ICE Mortgage Technology).

"We're thrilled to welcome John to the FirstClose team. His proven track record of leading sales teams, accelerating revenue growth and increasing sales efficiency will be instrumental in expanding our market presence and delivering even greater results to our clients and partners," said Tedd Smith, CEO and Co-Founder of FirstClose. "John's extensive experience in mortgage technology and his proven ability to drive revenue growth make him the perfect fit to lead our sales and business development efforts."

AMTRUST TITLE EXPANDS INTO LONE STAR STATE

AmTrust Title Insurance Company has expanded into Texas with the appointment of industry leader **James Gosdin** as Head of Direct Underwriting. Gosdin previously served as SVP and Chief Underwriting Counsel for Stewart Title Guaranty Company and has underwritten title insurance transactions across the United States, including reinsurance and international title insurance transactions. He is board-certified by the Texas Board of Legal Specialization in Farm and Ranch, Commercial, and Residential Real Estate.

"We are excited to welcome Jim to our team," said Jeffrey Fenster, EVP and Head of North American Specialty Risk for AmTrust Title. "His industry knowledge and experience are unparalleled. He will continue to build on our strong underwriting expertise to provide top-level service to our clients and partners."

Gosdin is a member and past chair of the American Land Title Association (ALTA) Forms Committee and participates in the ALTA/NSPS Land Survey Work Group, the ALTA Native American Lands Work Group and the ALTA State Legislative and Regulatory Action Committee. He is a member of the American Bar Association, the Texas Bar Association, and the Houston Bar Association and a contributor to the Texas Title Standards Joint Editorial Board. In addition, he is a Fellow of the American College of Mortgage Attorneys and a member of the American College of Real Estate Lawyers.

"AmTrust Title continues to build new capabilities within the title industry and expand across the U.S.," Gosdin said. "I'm looking forward to working with the team to support the company's future growth."

KEYLINK NAMES NEW SVP

Planet has hired **Ken Quantie** to lead KeyLink, the title entity in the Planet Family of Companies. As SVP, Quantie will expand KeyLink's residential and commercial title offerings to make them available to external financial services entities by the end of the first quarter.

"My goal is to establish a nationwide title resource known for exceptional service," Quantie said. "As we expand, we will focus on providing the highest level of service while offering innovative products. By creating seamless experiences, KeyLink will ensure clients feel confident and well-supported throughout the title process."

Prior to joining KeyLink, Quantie was the President of UTB Title. He has also held senior positions at Carrington Title Services LLC, SolutionStar Settlement Services, Chronos Title Solutions, Brightline Title, Closings & Escrow, and Selene Title LLC.

"Ken's experience and leadership are exactly what we need to elevate KeyLink in the title industry as a comprehensive title services provider," said Michael Dubeck, CEO and President, Planet Financial Group. "He is the perfect fit for the position because of his passion and collaborative nature. We're confident Ken will play a crucial role in expanding KeyLink's growth and reach across the industry."

THE FAY GROUP ADDS PRESIDENT OF CAPITAL MARKETS GROUP

The Fay Group, a family of companies providing products, services, and strategies in the mortgage and real estate sectors, has appointed **Jason Biegel** President of its Capital Markets Group. With more than three decades of experience in the residential mortgage and financial services industries, Biegel brings a wealth of expertise in structured finance, capital markets, and leadership to the organization.

In his new role, Biegel will oversee key initiatives, including whole loan trading, mortgage servicing rights (MSR) investments, and the growth of The Fay Group's capital markets capabilities. He will also focus on raising capital to support the organization's ambitious growth objectives and expanding its footprint within the residential mortgage industry.

"Jason's deep knowledge of structured finance, capital markets, and residential mortgage servicing, combined with his proven track record of leadership, make him a perfect fit for

The Fay Group," said Ed Fay, CEO of The Fay Group. "We're delighted to welcome him to the team and look forward to his contributions as we continue to grow and innovate within the residential mortgage ecosystem."

Biegel spent 17 years at Bear Stearns, overseeing the trading desk for distressed residential mortgages. He later joined Lone Star Funds to lead U.S. distressed mortgage initiatives, raising and deploying billions of dollars. At Angelo Gordon, he expanded into re-performing and performing loans and managed Arc Home. Most recently, as President of Change Lending LLC, Biegel enhanced the growth of the platform and introduced structured finance initiatives.

"I'm thrilled to join The Fay Group at such an exciting time in its journey," Biegel said. "The organization's commitment to innovation, coupled with its strong leadership and vision, presents a unique opportunity to drive significant value for both investors and stakeholders. I look forward to working with the talented team here to build on The Fay Group's success."

MBA APPOINTS NEW DIRECTOR OF MEMBER RELATIONS

The Mortgage Bankers Association (MBA) has named **Matthew Gallant** as its new Director of Member Relations. In his role, Gallant will manage MBA's portfolio of residential member companies in the Northeast region, overseeing and strengthening member engagement with key leaders and identifying opportunities for MBA to better support their business efforts.

"I am excited to welcome Matt to our member relations team and am confident that he will leverage his passion, strong connections, and extensive knowledge of our industry to enhance our member engagement initiatives," said Laura Hopkins, MBA's VP of Membership.

Gallant has more than 10 years of experience in the mortgage banking industry. Before joining MBA, Gallant served as New Hampshire Housing's Director of Stakeholder Engagement. Prior to that, he was a Vice President, Retail Lending Market Manager at Bank of New Hampshire. In 2023, Gallant was recognized by Catapult New Hampshire and Seacoast Online as a "Seacoast 10 to Watch" award winner.

Gallant has been an active MBA member over the years and has also held the position of New England Mortgage Bankers Conference Chair since 2022. Gallant holds his Certified Mortgage Professional (CMP) designation from New Hampshire Mortgage Bankers and Brokers and his Certified Community Lender (CCL) designation from NAMMBA.

Attorneys

PRYOR CASHMAN WELCOMES NEW BANKRUPTCY AND CREDITORS' RIGHTS PARTNER

Pryor Cashman has named **Joseph A. Shifer** a Partner in the firm's Bankruptcy, Reorganization and Creditors' Rights Group. Shifer comes to Pryor Cashman from Kramer Levin Naftalis & Frankel LLP, where he advised clients on some of the largest restructurings over the last two decades. He is based in New York.

"This is an exciting addition for our group," said Seth H. Lieberman, Chair of Pryor Cashman's Bankruptcy, Reorganization + Creditors' Rights Group and Co-Chair of the Corporate Trust Practice. "I've known Joe for almost 15 years. He brings a record of experience in high-stakes restructurings and a level of strategic insight that will enormously benefit our clients and our firm."

Shifer focuses his practice on bankruptcy, restructuring, and creditors' rights matters, representing various stakeholders in Chapter 11 cases and out-of-court workouts with monetary stakes often reaching into the billions of dollars. He has advised individual creditors, creditors' committees, ad hoc creditor groups, distressed investors, and financial institutions in restructurings across diverse industries such as energy, financial services, shipping, retail, and healthcare. He has represented clients in the closely watched bankruptcies and restructurings of Purdue Pharma, Endo International plc, FirstEnergy Solutions, LATAM Airlines, Constellation Enterprises, Seadrill Ltd., Residential Capital (GMAC Mortgage), and General Maritime Corporation, among many others.

"I am eager to join Pryor Cashman and collaborate with such an outstanding team," Shifer said. "My experience complements the firm's history of work for creditors and other parties in challenging and high-profile bankruptcies and workouts, and I look forward to contributing to its ongoing success."

VELOCITY CONFERENCE PRESENTS SOLUTIONS FOR AN EVOLVING MARKET

By **DAVID WHARTON**

On Monday and Tuesday, February 24-25, The Worthington Renaissance Fort Worth Hotel became home for this year's Velocity event. A FORCE Forum, Velocity 2025 was tailored for professionals in REO and the adjacent markets, including agents and brokers, asset managers, property management, attorneys, and servicers.

The name "Velocity" emerged from the collective efforts and expertise of FORCE members who wanted to share knowledge and strategies for building a business with momentum and power. Seasoned leaders who have not only successfully endured but thrived in recent years curated a day of content and top-notch experts, all designed to empower attendees with the tools needed to propel their businesses forward.

Day one of the event featured an array of educational offerings in the form of Velocity's Class Pass, providing training on hot-button topics such as:

- BPO & Rehab
- From Probate to Profit
- Understanding Title Issues

Instructed by Jim Hastings, President of Hastings Brokerage, and Frederick Golding, Associate Broker at RE/Max Advantage Realty, the "BPO & Rehab" course provided a solid understanding of the BPO-to-Rehab process and why it is essential for REO agents. Not only is this one of the more challenging aspects of preparing a listing for return-to-market, but it is a constantly changing process.

In the "From Probate to Profit" class, Robert Forster from BDF Law Group, offered a greater understanding of the probate process, providing strategies and knowledge to change unfortunate events into opportunities for all parties.

Originally part of the Legal League Default Servicer Certification Level 2, the "Understanding Title Issues" course contained information on key terms, title policy flow, common title issues, resolutions, and key tips. Matthew Podmenik, General Counsel and Managing Partner (Southwest) with McCarthy & Holthus, ran this session.

Day two of the Velocity Conference featured several informative General Sessions on an array of topics.

"Navigating Title Issues and Pitfalls" presented common issues that might tie up listings, as well as exploring solutions for these issues. The panel of experts included Jeff Crisalli Senior Director of EXP Realty; Ryan Bourgeois of BDF Law Group; and Megan Boyd, Partner with McCarthy and Holthus LLP.

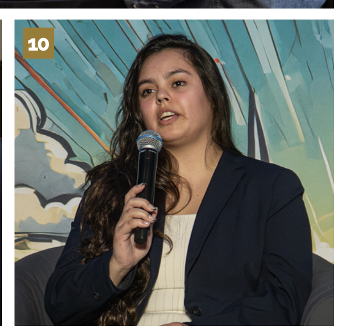
The "Rehab—Not Just for REOs or HGTV" dove into how agents can apply their skills and knowledge to revenue streams beyond the REO market. This course was presented by the trio of Jim Hastings, President of Hastings Brokerage; Frederick Golding, Associate Broker with RE/MAX Advantage Realty; and Keith Stone, Realtor with The Keith Stone Real Estate Group.

In the "Diversify, Strengthen, and Accelerate!" session, panelists shared their tactics on how they transferred their skills from one type of real estate to another. Speakers for this session included Caroline Gim, REO Broker with Expert Real Estate & Investment; Eric Delgado, Co-Founder & Managing Director with Izinga; Rochelle Jones, Principal Owner of Aplomb Real Estate; Ray King, Broker with HOMES R US INC; and Christy "CJ" Pace, Founder and CEO with Pace Probity Asset Management.

In the "First Date, Best Date" session, attendees learned how to start on the right foot with every client in a unique, interactive, choose-your-own-adventure session. Moderator Mark Rebert from Berkshire Hathaway, was joined by asset managers Brynn Amaya, Portfolio Manager with PEMCO Capital; Tara Dugger, Senior Operations Manager with VRM Mortgage Services; and Bob Norrell from Asset Optimization & Solutions. This session provided a live illustration of the "dos and don'ts" of a first assignment with a new client. The players included real-life asset managers and successful agents, living out real-life scenarios and breaking them down for those in attendance.

The final session of the day, "The Path to Becoming a Real Investor," featured seasoned investors discussing how to tune up investing to go from zero to 60 with the tools you already have. Gina Gallutia moderated the conversation with Norris Bishop, Broker with Norris Bishop Realty; and Elsie Gomez, Acquisitions Manager with PEMCO Capital Management; and Fern Vazquez of Founder and COO of Finch & Daisy. The panelists shared pitfalls, successes, and how to use the current market to your advantage and excel in today's marketplace. MP

1. Jim Hastings, President, Hastings Brokerage, Ltd.
2. David Wharton, Editor-in-Chief of MortgagePoint, interviews Christy Pace of Pace Probity Asset Management
3. Keith Stone, Realtor, The Keith Stone Real Estate Group
4. Wharton interviews Eric Delgado of MCM Capital
5. Tara Dugger, Senior Operations Manager, VRM Mortgage Services
6. Norris Bishop of Norris Bishop Realty, LLC; Elsie Gomez of PEMCO Capital Management; and Fernando Vazquez of Finch & Daisy
7. Jeffi Crisalli of eXp Realty and Ryan Bourgeois of BDF Law Group
8. The Five Star Institute's Gina Gallutia interviews Robert Forster of BDF Law Group
9. Megan Boyd of McCarthy Holthus, Cody Anne Yarnes of Rent Right | Home Right, and Matthew Podmenik of McCarthy Holthus
10. Brynn Amaya of PEMCO Capital Management



SAFEGUARDING THE FUTURE OF SFR

Safeguard's John Elsey, VP of Single-Family Rental, discusses how the company is leveraging its nationwide property preservation vendor network to support the SFR sector.

By **DAVID WHARTON**

The single-family rental sector has been a critical part of the American housing ecosystem for decades. While the notion of owning a home is a core tenet of the so-called "American Dream"—even without the iconic white picket fence—the fact remains that many Americans are not in an economic position to buy a home or secure a mortgage even in the best of conditions, much less in a time when inflation is still cooling, mortgage rates remain relatively elevated, and insufficient inventories continue to keep home prices high.

Single-family rental (SFR) offers an alternative, a middle-ground compromise between homeownership and multifamily renting that provides the conveniences and perks of a single-family home while removing some of the economic costs and barriers to entry. That has long positioned the single-family rental segment as a place ripe with opportunities for both investors and companies servicing the sector.

In recent years, factors such as high demand and limited supply have helped single-family rents often stay ahead of the multifamily equivalents. While recent months have seen those trends begin to shift as home construction has ramped up and multifamily development has slowed down, demand for SFR homes is expected to remain strong, with Zillow putting the typical asking rent for single-family homes at $2,189 in a March 2025 Rental Market Report. Year-over-year, according to that same report, rents have increased in 47 of the 50 largest metro areas, and "the median household now dedicates 29.3% of its income to secure a typical rental—up from 26.9% before the pandemic."

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

Stakeholders ranging from large institutions to mom-and-pop investors continue to make SFR a priority, and as long as that remains the case, there will be a need for service providers to perform tasks ranging from due diligence inspections to property scopes and renewal inspections. Safeguard Properties, a staple of the property preservation marketplace for more than three decades, has recently expanded its offerings into the SFR sector. Leading the vanguard of this initiative for Safeguard is John Elsey, Safeguard's VP of Single-Family Rental.

John Elsey graduated from Purdue University with a Bachelor of Science in construction technology. He spent over a decade in the new home industry, where he became a Graduate Master Builder with the NAHB. He entered the SFR industry in 2014 with American Homes 4 Rent, where he was the VP of Home Services, encompassing both occupied maintenance and turn management nationally. He most recently served as the VP of Turns for Mynd Inc. and Roofstock before transitioning to Safeguard Properties.

"The demand for SFR properties, although already strong, increased even more when interest rates began to drastically increase in mid-2022," Elsey explains. "The demand for housing has not abated, but the macro-environment has placed homeownership out of reach for much of the general public. The demand for housing has pushed rental home prices to historic levels."

A Shifting Landscape Breeds Shifting Priorities

Factors such as higher interest rates, inflation, and supply challenges have combined to help cool the overall housing market over the past year, with many existing homeowners remaining "locked in" by low rates acquired during the pandemic and its aftermath.

"The balance of homeownership vs. renting has shifted greatly since 2022," says Elsey, with many American families watching the prospect of homeown-

"The demand for housing has not abated, but the macro-environment has placed homeownership out of reach for much of the general public. The demand for housing has pushed rental home prices to historic levels."

—**John Elsey**, VP of Single-Family Rental, Safeguard

> **"With some of the consolidation happening within the industry, and specifically in the management of the physical asset, it became apparent that Safeguard had a lot to offer. Initial planning began in early 2024 and launched in earnest in Q4 of last year."**
>
> —**John Elsey**,
> VP of Single-Family Rental, Safeguard

ership slip further and further out of reach. "Many current owners are holding off selling their property because they most likely could not increase their living conditions for the same reason," he continues. "There is significant demand growing in anticipation of lower rates. This, of course, has led to higher rental costs due to demand and an increased focus on turning properties quickly to reduce opportunity cost loss."

Elsey further notes that the institutional acquisition of new SFR properties over the previous few years has slowed accordingly, which marked a significant shift from general SFR trends since the global financial crisis (GFC).

Elsey explains, "Institutional investors truly drove the creation of the SFR industry post-GFC. Prior to that, most rental homes were owned by small operators with one to five properties. By the end of 2022, institutional owners amassed approximately 574K homes." While a significant number, Elsey points out that 574,000 represents less than 4% of all single-family rental homes in America. "It is clear that institutional ownership will continue to increase, and specifically when interest rates begin to meaningfully decrease," he adds.

With institutional investors and mom-and-pops both trying to wait out interest rates, Elsey explains that the industry has in the meantime pivoted to focus more on operational costs such as tenant turn and general maintenance. "Many companies focusing on the initial rehab of newly acquired properties have significantly reduced staff, and several have merged to take advantage of technology and capital," says Elsey. He adds that many smaller investors may be currently relying on cash purchases to work around the interest rate challenges, but that this "may cause a property to cash flow negatively."

Staking a Claim in SFR

Founded by industry icon the late Robert Klein in 1990, Safeguard has, over the ensuing 30 years, grown into one of the largest and most recognizable mortgage field services companies in the nation. Their service offerings run the gamut from property inspections and data collection to FHA conveyance and REO services.

"Safeguard recognized the similarities between property preservation and the SFR industry several years ago," Elsey tells *MortgagePoint*. "With some of the consolidation happening within the industry, and specifically in the management of the physical asset, it became apparent that Safeguard had a lot to offer. Initial planning began in early 2024 and launched in earnest in Q4 of last year."

Safeguard's SFR segment leverages overlap between the needs of SFR investors and traditional property preservation clients, filling a need by offering services Safeguard is already well-equipped to manage.

"The services provided on the ground are similar if not identical," says Elsey, "and the ability to capitalize on the volume of both industries allows Safeguard to provide the least costly solution for both."

For its SFR clients, Safeguard offers full-service tenant turn capabilities, including scoping vacant properties and completing approved line items in a timely and cost-efficient manner, and that vendor network is critical to Safeguard's ability to respond swiftly and nimbly across many U.S. regions. Safeguard's SFR offerings include initial rehab, disposition, and disaster recovery services, in addition to basic recurring services such as lawn mowing or snow removal.

One huge advantage Safeguard brings to the table is its nationwide vendor network, built up over the company's more than three decades serving the property preservation space. By taking advantage of this network of thousands of vendors across the country, Elsey says that Safeguard can often respond as soon as the same business day to their client's requests.

Safeguard's SFR offerings are specifically designed to allow the company to act as a Business Partner Organization with its clients. Elsey explains that "having roots in property management, we are acutely aware of the cost control

needed to make rental properties a viable investment vehicle. This enables us to act as a fiduciary for our clients and provide a scope that mirrors their investment philosophy, reducing overall costs to operate a rental property over the lifetime of ownership and increasing their total ROI long term. Once the client has reviewed and approved the budget, we can perform work quickly and efficiently, without undue increases in the cost of service."

Elsey also reveals that, as part of its evolving commitment to better serving clients, Safeguard will also soon begin offering "ala carte" services for all its services.

"The flexibility to request a selected number or all our services means the client can pick and choose to fulfill their needs on either a temporary or permanent basis," Elsey says. "Our ability to both scope properties and perform the needed repairs upon approval will help customers of all portfolio sizes and those who don't have a physical presence in a market."

Safeguard's footprint for these SFR services is also in the process of growing. The company has historically operated primarily in the Midwest and has recently expanded further into the South. Elsey says further expansion plans in the coming months and years will be "based on the needs of the industry."

SFR investors, whether institutional or individual, face several critical operation costs, including controlling construction and maintenance costs when a property transitions between one tenant and the next. These costs can include ensuring timely, cost-effective repairs and also working to minimize the vacancy period between tenants.

"Building partnerships with competent service providers is the most effective way to manage time and cost," Elsey says. "Repetition is the surest path to synergies, and utilizing a partner who is strategically aligned with their needs provides dividends versus trying to manage hundreds of vendors and suppliers to perform the same function."

Elsey explains that Safeguard's nationwide vendor network and vertical integration can help streamline these processes and reduce those turn times, thus driving up investors' ROI.

Beyond the benefits of Safeguard's nationwide vendor network, the company also provides a technological edge via products such as SafeView. Safeguard was an early adopter of technology to manage multiple players in multiple markets. After trials of out of the box technology, it was determined that a home-grown proprietary system was necessary to serve clients' needs. Elsey said that SafeView, "allows for the almost instantaneous importation of work and end-to-end management of vendors and compliance, and it includes built-in quality control mechanisms to ensure completion of jobs in a timely and cost-effective manner."

"Within the SFR realm, technology allows the operator and the service provider to quickly assign, service, and invoice for work that would otherwise require laborious phone calls, texts, and emails," Elsey continues. "Safeguard's proprietary, tech-forward systems allow for almost instantaneous acceptance and assignment of a client's work order to the market-level performers for timely completion."

In addition, Safeguard is able to leverage pre-negotiated labor rates with its vendors, thus reducing turn times by establishing a fair and repeatable price in advance.

> "The institutional SFR industry has become a major provider of the benefits of homeownership without the burden of costly maintenance."
>
> —**John Elsey**, VP of Single-Family Rental, Safeguard

What's Ahead for SFR?

The first few months of 2025 have been turbulent ones, driven by massive changes in Washington, D.C., driven by the returning President Trump, who has prioritized hugely impactful shifts such as a widespread crackdown on immigration and deportation enforcement, downsizing of government agencies, and tariffs levied against numerous other countries, the full economic weight of which remains to be seen. While the dust still needs to settle before it will be apparent what all this will mean long-term for both the housing market and the SFR space, there's no question that these factors will shape the landscape for the remainder of the year, and possibly beyond.

Elsey notes that Trump's tariffs and immigration policies "could lengthen tenant turn times and substantially increase costs of capital items like appliances and mechanical equipment produced outside the U.S. Labor rates may increase as well due to a reduction in the number of workers available to perform the work. These costs would, of course, be passed along to the consumer in the form of higher rental rates."

Elsey also notes that several bills in Congress are designed to "somewhat throttle the SFR industry." Elsey explains that "they cover everything from limiting the number of homes an institution may own to outright bans on institutional ownership of single-family residential properties."

Elsey says he doesn't expect these bills to gain much traction, however, "as they do nothing to increase the number of available homes and could actually make the supply of available homes worse than it is now."

He adds that the creation of Build-to-Rent communities—entire neighborhoods constructed as single-family homes strictly for rent—provides a lower-cost alternative for families to enjoy the benefits of a new home without the hurdle of current high interest rates.

Looking further down the road, Elsey speculates that issues such as tariffs, inflation, and ongoing high interest rates "could lead to stagnant portfolio growth, reduced rent rolls, and higher costs for tenant turns and general maintenance." He adds, "I don't foresee any of these being overly impactful, but they are risks just the same."

In such an uncertain time, SFR investors will rely even more on the stability and responsiveness of partners such as Safeguard.

"The institutional SFR industry has become a major provider of the benefits of homeownership without the burden of costly maintenance," Elsey says. "It also provides flexibility of mobility for work or other life requirements without the undue stress of selling a home to enable it. Safeguard provides the services needed to maintain the earning potential of a portfolio of properties with the same swiftness and professionalism it is renowned for in the preservation industry." MP hubzu

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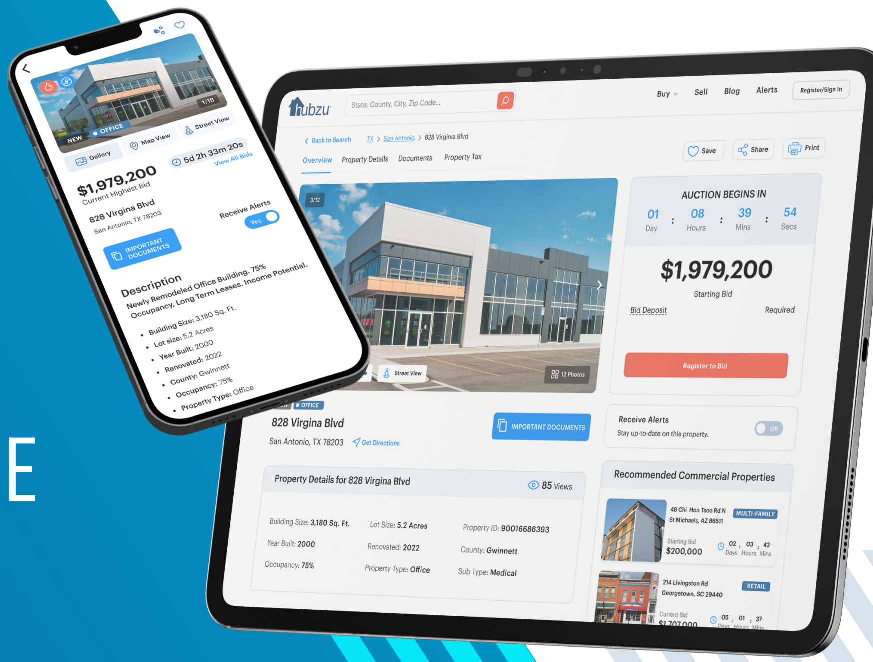

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LENDERS NEED TO ADDRESS LOSS MITIGATION COSTS AMIDST A RISE IN NON-PERFORMING LOANS

With larger economic factors impacting the nation's delinquency rate, servicers must adapt and keep ahead of the costs to service non-performing loans.

By **BRIAN WEBSTER**

With delinquencies at an all-time low, lenders that have retained servicing have enjoyed healthy returns on their portfolios, providing a needed boon to overall profitability as originations stall out in anticipation of further rate cuts.

However, larger economic factors are impacting the delinquency rate, thus jeopardizing this vital revenue stream. Consider the unexpected wallop of Hurricane Helene in western North Carolina, where nearly 600 roads were closed, making repairs and rebuilds impossible and providing the kind of hopelessness that stokes foreclosures as exhausted homeowners walk away without obtaining assistance.

Soon thereafter, Hurricane Milton and the tornadoes it spawned devastated many parts of Florida, some of which had also been severely damaged by Hurricane Helene. Earlier this year, wildfires in Southern California only added to the devastation wrought by severe weather events in the United States, with total economic losses estimated at $50 billion. With insurers pulling out of these two states in particular, there may be little incentive for homeowners to rebuild, thus potentially compounding possible foreclosures.

Of course, natural disasters are but one factor that can influence the delinquency rate. Rising prices on consumer goods will most certainly stretch many existing homeowners economically, and recent data shows that unemployment is on the rise, which is often a leading indicator for delinquencies. Given these unknowns and how expensive distressed servicing can be, lenders must seek ways to drive down the cost of servicing non-performing loans and build a sustainable model should the situation worsen.

BRIAN WEBSTER *is President of NotaryCam, a Stewart-owned company and pioneering provider of remote online notarization technology for real estate and legal transactions. He may be reached by email at brian.webster@notarycom.com.*

The Composition of Loans in Delinquency Is Changing

According to the Mortgage Bankers Association's (MBA) National Delinquency Survey (NDS) for Q4 2024, the delinquency rate for the quarter increased to 3.98%, up six basis points (bps) from Q3 and 10 bps year over year. As Marina Walsh, MBA's VP of Industry Analysis, noted:

"Although mortgage delinquencies rose only 10 basis points in the fourth quarter of 2024 compared to one year ago, the composition of the delinquencies changed. Conventional delinquencies remain near historical lows, but FHA and VA delinquencies are increasing at a faster pace. By the end of the fourth quarter, the spread between the FHA and conventional delinquency rates reached 841 basis points, while the VA and conventional spread was 208 basis points. Government loans are also rolling to later stages of delinquency. Compared to one year ago, the seriously delinquent rate rose 70 basis points for FHA loans and 57 basis points for VA loans, but only two basis points for conventional loans."

It is worth pointing out that the previous significant upward trend in foreclosures began nearly four years before the peak in mid-2009. Thus, the dramatic shifts in delinquencies in the government lending segment combined with rising foreclosure rates could be a harbinger of what is to come.

Given these increases, it is unsurprising that the MBA's Quarterly Mortgage Bankers Performance Report for Q3 2024 showed a reversal in net servicing financial income, which dropped to a loss of $25 per loan versus a gain of $69 per loan in Q2. Increased prepay-

By the end of the fourth quarter, the spread between the FHA and conventional delinquency rates reached 841 basis points, while the VA and conventional spread was 208 basis points.

> **"In a scenario where every day and every dollar holds weight, compressing turnaround times from application to resolution yields immense benefits for both servicers and borrowers."**

ments during Q3 led to impairments in mortgage servicing rights (MSRs) and, thus, reduced servicing profitability.

Technology to the Rescue

While the loss of much-needed servicing revenue would undoubtedly be a bitter pill for lenders to swallow, the cost to service non-performing loans as they work their way through the loss mitigation/foreclosure process would only add insult to injury. As Walsh and MBA's Deputy Chief Economist Joel Kan shared during the MBA Servicing Conference in Dallas, distressed servicing costs reached $2,005 per loan in the first half of 2024. After being artificially deflated during the prior two years due to the rate environment and relief options offered during the pandemic, today's servicing costs for non-performing loans (NPLs) now exceed 2019's costs at $1,960 per loan.

Current economic constraints compel servicers to seek operational efficiencies. The top three contributors to NPL servicing costs are systems, customer service, and loss mitigation. Given the stringent regulatory requirements surrounding distressed servicing, investments in servicing technology and borrower-facing staff are necessary to ensure compliance and, therefore, may be harder to trim or scale back from a cost perspective. However, by integrating eSign and remote online notarization (RON) into loss mitigation procedures, servicers can swiftly deliver electronically streamlined packages for signature while reducing their loss mitigation and, by extension, NPL servicing costs.

Maximizing efficiency becomes paramount in an environment where time translates to money, particularly amid rising interest rates and carrying costs. Presently, an error-free loss mitigation transaction averages a turnaround time of 21 days. However, in practice, such transactions seldom occur without errors. With paper-based processes, rectifying errors entails reprinting and reshipping documents, followed by waiting on the borrower to locate a notary, sign and return the corrected paperwork.

In contrast, leveraging eSign and RON for loan modification transactions allows the borrower to review the documents ahead of the signing. Because the documents can be corrected quickly, the signing can still occur as scheduled, saving the servicer shipping costs and extra carry costs while retaining timelines. Another benefit to borrowers is they can complete the modification documents from anywhere at any time, providing maximum flexibility, quicker closing times, a better overall experience, and tremendous value.

The significance of operational enhancements in reducing turnaround times cannot be overstated, especially given the stringent timelines servicers must adhere to in the loss mitigation process. In a scenario where every day and every dollar holds weight, compressing turnaround times from application to resolution yields immense benefits for both servicers and borrowers.

While lenders have long integrated eSign capabilities across origination stages, extending eSign and RON technologies to loss mitigation processes represents uncharted territory for many servicers. Fortunately, borrowers have readily embraced eSign technology, while Fannie Mae, Freddie Mac, and Ginnie Mae all permit servicers to employ eSign technology for loss mitigation transactions. As the CFPB and FHA underscore the imperative to support vulnerable borrowers, government-sponsored enterprises (GSEs) have facilitated mortgage servicers in providing swift and convenient access to loss mitigation solutions.

The arguments for embracing digital transformation echo those of similar transitions in various sectors: borrowers are accustomed to online transactions, eliminating the need for physical presence, error detection and correction are streamlined, and compliance is bolstered. However, in the face of escalating delinquencies and anticipated surges in loss mitigation transactions, the primary rationale for eSign and RON adoption mirrors that of the assembly line: enhancing process efficiency. MP

SOVEREIGN IMMUNITY: FROM POLICY TO PRACTICE

Attorney Reneau J. Longoria delves into several cases involving tribal sovereign immunity as it pertains to the United States Bankruptcy Code.

By **RENEAU J. LONGORIA**

From *Haaland v. Brackeen*, 599 U.S. 255 (2023) to *Lac du Flambeau Band of Lake Superior Chippewa Indians v. Coughlin*, 599 U.S. 382 (2023) (Lac) and a path forward in the lessons of *Eagle Bear, Inc. v. Independence Bank*, No. CV-22-93-GF-BMM, 2023 WL 8529145, 705 F. Supp. 3d 1141 (D. Mont. Dec. 8, 2023)[1].

The U.S. Supreme Court decision in *Haaland v. Brackeen*[2] upheld the constitutionality of the Indian Child Welfare Act and the sovereignty of Tribes; however, that same year, the U.S. Supreme Court diminished tribal sovereign immunity as it pertains to the U.S. Bankruptcy Code.[3] The practical impact of this struggle, as well as imbedded obstacles to actual sovereignty, is clearly illustrated in the recent decision in *Eagle Bear, Inc. v. Independence Bank*.[4]

The U.S. Supreme Court decision in *Brackeen* upheld and protected tribal sovereignty, while specifically addressing the protection of Native children. At first glance, the June 15, 2023, decision in *Lac*—affirming the First Circuit's decision refusing to apply the principles of sovereign immunity over the U.S. Bankruptcy Code and resolving a split in the circuits—appears to be straightforward statement that the Bankruptcy Code applies to Tribal creditors.

Peeling back the history of the case, as well as the path carved through the heart of the sacred principles of sovereign immunity, reveals the significance of the decision. Eagle Bear highlights how this decision is impacting Indian country, which illustrates deeper, more systemic barriers to true sovereign immunity. The analysis takes us from the courtrooms of Massachusetts, which look out onto the Atlantic Ocean, to the Eagle Bear KOA campground, which sits in the shadow of the Rocky Mountains on the boarder of Glacier Park on lands leased from the Black Feet Indian Nation.

In 2019, in the underlying bankruptcy case in *Lac*, Coughlin, a Massachusetts debtor, obtained and defaulted on an online payday loan from an entity affiliated with, but not directly owned by, Ladu Flambeau Band of Lake Superior Chippewa Indians, a federally recognized Tribe.[5] The debtor filed a motion in the U.S. Bankruptcy Court of Massachusetts alleging "catastrophic" damages from emails and calls attempting to collect on his payday loan following his declaration of bankruptcy.[6]

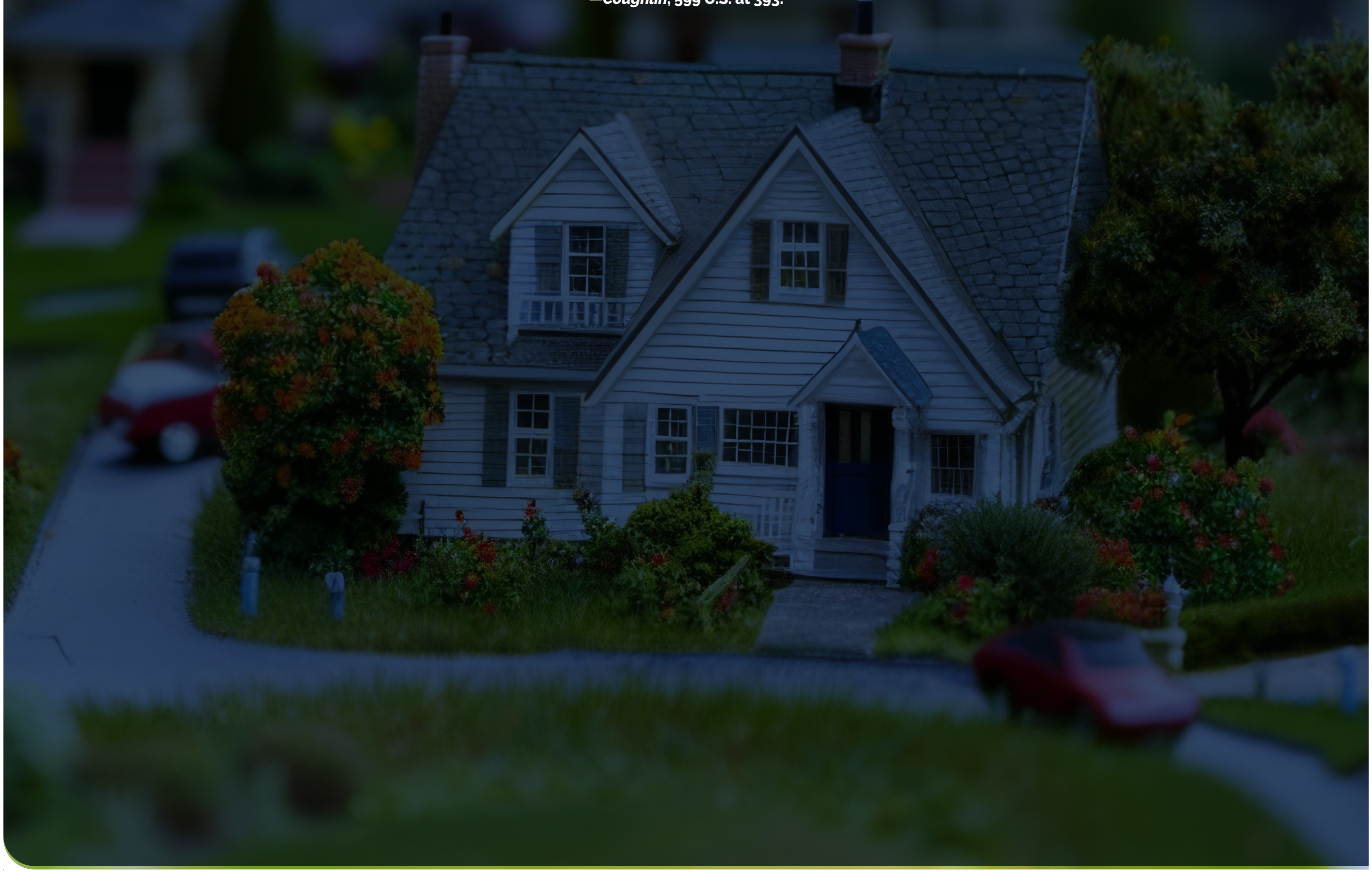
In Coughlin's surreply in response to a motion to dismiss for lack of jurisdiction, he argued for the first time that "the long line of Supreme Court cases finding that Indian tribes are entitled to sovereign immunity subject only to precise congressional limitations should be overruled."[7] That argument would become the tail that wagged the dog of this case as it evolved, even though, as Judge Bailey pointed out, "Coughlin has not stated [overruling precedent that Indian tribes are entitled to sovereign immunity] [as] a basis for that relief."[8]

Citing the sovereignty of the Tribe, Judge Bailey declined to exercise jurisdiction over the dispute, recognizing that "[t]he Tribe is a federally recognized Indian

RENEAU J. LONGORIA ESQ. *is an enrolled member of The Little Shell Tribe of Montana, was born and raised in Montana and has practiced civil and criminal law in Montana, Texas, and New York. For 27 years, Reneau has practiced bankruptcy and default litigation in the Northeast, including Massachusetts, Maine, and New Hampshire. Reneau is the sole owner and Managing Member of Doonan, Graves & Longoria LLC and may be reached by email at rjl@dgandl.com.*

> "The [Bankruptcy] Code unequivocally abrogates the sovereign immunity of all governments, categorically. Tribes are indisputably governments. Therefore, § 106(a) unmistakably abrogates their sovereign immunity too."

—*Coughlin*, 599 U.S. at 393.



tribe and Indian tribes are sovereign nations with a 'direct relationship with the federal government'"[9] and that Coughlin's argument ignored "the special place that Indian tribes occupy in our jurisprudence. Any consideration of the statutory waiver of tribal immunity starts with the 'baseline position [that the Supreme Court has] often held is tribal immunity.'"[10] Thus, Judge Bailey acknowledged that "[a]mbiguities in federal law [are] construed generously in order to comport with … traditional notions of sovereignty and with the federal policy of encouraging tribal independence."[11] As a result, Judge Bailey granted the motions to dismiss. Coughlin appealed.

In 2020, the First Circuit reversed Judge Bailey's dismissal order, thereby aligning itself with the Ninth Circuit in finding that the language in the Bankruptcy Code was sufficient to find that Congress had "clearly" intended to abrogate Tribal sovereign immunity.[12]

The First Circuit reached its holding notwithstanding the lengthy detailed historical analysis of precedent provided by Chief Judge Barron in his dissent.[13] Justice Barron analyzed not only the precedent, but also the legislative language clearly identifying those decision in which certain legislative provisions were not subject to the sovereign immunity of tribes.[14] The fiery debate between the majority and the dissent[15] is uncharacteristic of the First Circuit and illustrates the division of thought within the circuit, and the country as a whole, over these issues.

In June 2023, the United States Supreme Court resolved the First Circuit's division, which permeated circuit courts across the nation, when the Court affirmed the decision in *Coughlin II* opining, "[O]ur analysis of the question whether the Code abrogates the sovereign immunity of federally recognized tribes is remarkably straightforward. The Code unequivocally abrogates the sovereign immunity of all governments, categorically. Tribes are indisputably governments. Therefore, § 106(a) unmistakably abrogates their sovereign immunity too."[16] The Court specifically held that Section 106(a) of the Bankruptcy Code "unequivocally abrogates the sovereign immunity of any and every government that possesses the power to assert such immunity," including federally recognized Indian tribes, for the purposes of myriad sections of the Bankruptcy Code.[17]

The erosion of sovereign immunity all too often happens in ways that are far less publicized but is part of the daily fabric of life as tribes across the United States struggle to govern themselves and bring prosperity and self-sufficiency to their people.

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The sharp contrast in opinions on the issue of tribal sovereignty is reflected throughout the Supreme Court's opinion in *Lac*, in a dialogue that is woven through the footnotes and the text as the arguments are discussed and criticized. What is even more significant, however, is how this opinion has been used across the circuit courts over the past nine months to further erode the historical principles of sovereign immunity, as well as the support for a myriad of other arguments.

The erosion of sovereign immunity all too often happens in ways that are far less publicized but is part of the daily fabric of life as tribes across the United States struggle to govern themselves and bring prosperity and self-sufficiency to their people. One example of this is illustrated in *Eagle Bear*.

In *Eagle Bear*, U.S. District Court Judge Brian Morris took great care to explain the history of not only the formation of Indian trust lands but also the creation of the Bureau of Indian Affairs (BIA) to oversee those lands and contracts relating thereto, which included the lease at issue between the Black Feet Tribe and non-tribal member William Brooke who had a well-documented history of severe delinquency and default that lasted over a decade.[18] Judge Morris explained that the "regulatory structures that insert the BIA into nearly every facet of federally recognized Indian tribes' existence, however, too often hobble tribal self-governance and self-determination. Flawed regulations and inept federal administration trammel tribal interests and disserve the federal trust responsibility."[19]

As a practical matter, this means:

The Blackfeet Nation stands as the lessor, as identified in the campground lease document (Doc. 29-1 at 1), yet it does not administer, monitor, or enforce its lease.[20] The Blackfeet Nation also possesses no statutory or regulatory obligation to compel the BIA to act against a lessee who repeatedly violates the terms of a lease agreement. The BIA possesses the sole authority to administer and enforce the lease, including by collecting rent and ensuring that less ees comply with lease terms.[21] The Blackfeet Nation also bears no statutory or regulatory obligation to compel the BIA to take enforcement action against a delinquent lessee. The Blackfeet Nation depends upon the BIA to perform these duties.[22]

In resolving the controversy, the court determined that the lease with Eagle Bear was terminated in 2008.[23] Recognizing that this determination was not likely to satisfy either the Tribe or Eagle Bear, let alone the lender who held a mortgage of over $500,000.00 on the campground, the court acknowledged that it cannot restore Eagle Bear's nearly a decade of investment, and it cannot compensate the Blackfeet Nation for the erroneous deprivation of nearly a decade's control over its own land. The Court can offer its assessment, however, of the gross failings of the Parties to this case. The Blackfeet Nation unmistakably stands as no idle spectator in this case. Regulations may limit the Blackfeet Nation's role in leasing

Indian trust lands, but the Blackfeet Nation remains the final arbiter. The BIA must defer to a tribe's determination that a lease is in its best interest "to the maximum extent possible."[24]

The protracted litigation entangling Eagle Bear's finances and the Blackfeet Nation's economic development could have been avoided had the BIA properly consulted with the Blackfeet Nation from Eagle Bear's very first violation in 1997 and mandated compliance or enforced termination of the lease. The BIA possessed no authority to require the Blackfeet Nation to accept Eagle Bear's serially late payments or attempted cures.[25] The Blackfeet Nation may have received revenue as BIA collected the rent, interest, and royalties on the Blackfeet Nation's behalf, but the BIA effectively forced the Blackfeet Nation to accept Eagle Bear's violations for close to a decade. A state, municipality, or private party retains a business edge over a tribe when the BIA fails its mandate. Today, when lack of investment can spell a dearth of jobs and sap economic life for a Native nation, byzantine regulations enforced by federal officials who play it by ear threaten to starve tribes of opportunity and the economic fruits of their own land.[26]

The struggle of Maine tribes is another example. Because of the Maine Indian Claims Settlement Act, which stipulates that Maine tribes were bound by state law, Maine tribes did not enjoy federal recognition or sovereign immu-nity. In Maine, "reservations" were treated more like municipalities, not sovereign nations. Thus, unlike the other 570 federally recognized tribes across the United States, who were able to access federal funds during the pandemic and federal emergency management funds following other disasters, Maine tribes were not. Practical implications of this variance are inestimable and include systemic poverty, lack of infrastructure to prosper, and a bar to educational funding and opportunities available to federally recognized tribes.

The impact of the decision in *Lac* clearly extends beyond bankruptcy law, as seen in *Eagle Bear* and in recently enacted legislation in Maine[27] to allow federal recognition for Maine tribes. The court divisions, the legislatures, and the practices of the tribes, the BIA, and those doing business in and with the tribes reflect that this conversation is far from over. **MP**

1. Eagle Bear noticed an appeal to the Ninth Circuit Court of Appeals on December 26, 2023. The U.S. District Court also granted Eagle Bear's motion to stay the termination of the lease pending the appeal upon the posting of a surety bond in the amount of $1,000,000.00. See *Eagle Bear, Inc. v. Indep. Bank*, 2024 WL 97372 (D. Mont. Jan. 9, 2024).
2. *Haaland v. Brackeen*, 599 U.S. 255, 296 (2023).
3. See *Lac du Flambeau Band of Lake Superior Chippewa Indians v. Coughlin*, 599 U.S. 382, 399 (2023).
4. *Eagle Bear v. Indep. Bank*, No. CV-22-93-GF-BMM, 2024 WL 97372 (D. Mont. Jan. 9, 2024).
5. *Coughlin*, 599 U.S. at 385.
6. See id. at 386; see also In re *Coughlin*, 622 B.R. 491, 492–93 (Bankr. D. Mass. 2020) (*Coughlin I*), rev'd, 33 F.4th 600 (1st Cir. 2022) (*Coughlin II*).
7. *Coughlin* I, 622 B.R. at 494 n.1.
8. Id.
9. Id. at 493 (Sotomayor, J., concurring) (quoting Michigan v. Bay Mills Indian Cmty., 572 U.S. 782, 788 (2014)).
10. Id. (quoting Michigan v. Bay Mills Indian Cmty., 572 U.S. 782, 790 (2014)).
11. Id. (quoting White Mtn. Apache Tribe v. Bracker, 448 U.S.136, 143–44 (1980)).
12. See Coughlin II, 33 F.4th at 608.
13. Id. at 612 (Barron, C.J., dissenting).
14. See id. at 612–26.
15. Compare id. at 604–11 n.3–n.13 (Lynch, J., majority opinion), with Id. at 612–24 n.14–n.19 (Barron, C.J., dissenting).
16. *Coughlin*, 599 U.S. at 393.
17. Id. at 388.
18. *Eagle Bear*, 2023 WL 8529145, at *6–7. "The record before the Court clearly shows Eagle Bear's repeated failure to make timely payments to the BIA. Eagle Bear's representative acknowledged the difficulties: "We made mistakes. We were late. We were scrambling. We were making late payments. We were making overpayments. We were making underpayments. Our books were a mess. We were not tracking this stuff as well as we needed to be or should be ... We were making payments late more often than I care as I look back on this whole thing. It was nightmare-ish." (Doc. 29-4 at 24). Notice letters from the BIA to Eagle Bear and the BIA's ledger of Eagle Bear's payments from 1997 through 2014 reveal multiple late payments by Eagle Bear."
19. Id. at *4.
20. Id. at *5; see 25 C.F.R. § 162.108 (2008).
21. *Eagle Bear*, 2023 WL 8529145, at *13; see also *Wapato Heritage, L.L.C. v. United States*, 637 F.3d 1033, 1037 (9th Cir. 2011).
22. *Eagle Bear*, 2023 WL 8529145, at *13; see 25 C.F.R. §§ 162.600–162.623 (2008); see also 25 C.F.R. §§ 162.401–162.474 (2023).
23. *Eagle Bear*, 2023 WL 8529145, at *5.
24. See 25 C.F.R. § 162.107 (2008).
25. See, e.g., *Tuttle v. Jewel*, 168 F. Supp. 3d 299, 312 (D.D.C. 2016).
26. *Eagle Bear*, 2023 WL 8529145, at *24–26.
27. On April 23, 2024, Maine enacted LD 2007 with broad bipartisan support, the third attempt at legislation to allow federal recognition of Maine Tribes.

CYBERSECURITY CHANGES ARE IMPACTING LENDERS NOW

New regulatory mandates, coupled with recent high-profile cyber incidents, have placed the industry on heightened alert, reinforcing the need for proactive cybersecurity measures and robust security protocols.

By **GEORGE MORALES**

Cybersecurity remains a top priority in industry discussions and in the news. Over the past five years, nearly every business conference we have attended has featured at least one session dedicated to this critical topic. It remains highly relevant and shows no signs of diminishing in importance. Cybersecurity was prominently featured on the agendas at both the National Reverse Mortgage Lenders Association (NRMLA) Annual and the American Credit Union Mortgage Association (ACUMA) Conferences, underscoring its continued significance across the industry.

Now, with changes to notification requirements published by HUD in Mortgagee Letter 2024-10, the topic of cybersecurity incidents has become more critical than ever. New regulatory mandates, coupled with recent high-profile cyber incidents, have placed the industry on heightened alert, reinforcing the need for proactive measures and robust security protocols.

What's Changing Now

In Mortgage Letter 2024-10, HUD made significant changes to the reporting requirements for FHA lenders regarding "significant cybersecurity incidents," particularly tightening the timeline for such notifications. While HUD welcomed feedback to inform future updates, these took effect immediately. While only three pages long, the letter had a substantial impact on the industry, prompting lenders to reevaluate their cybersecurity protocols and response strategies.

GEORGE MORALES *is National Sales Director at Mortgage Cadence. He is also Chair of MISMO's Reverse Mortgage Development Workgroup. Connect with George on LinkedIn at www.linkedin.com/in/lbgem/.*

In a letter, Julia R. Gordon, former Assistant Secretary for Housing wrote: "An FHA-approved Mortgagee that has experienced a suspected Cyber Incident must report the Cyber Incident to HUD's FHA Resource Center … and HUD's Security Operations Center … within 12 hours of detection." While this timeline underscores HUD's urgency in addressing cybersecurity, it often takes time for organizations to fully understand the nature and severity of a cybersecurity incident, making compliance with the requirement particularly challenging.

The problem for many lenders lies in the conflicting requirements set by other agencies. While HUD has implemented stricter timelines for reporting significant cybersecurity incidents, other agencies, such as the Office of the National Cyber Director and Ginnie Mae, allow for greater flexibility in the reporting process. Notably, at the recent conversations at the NRMLA HUD Issues Committee meeting, cybersecurity took center stage, highlighting the industry's growing concern and the urgent need for clarity and alignment on these critical requirements.

The concerns are understandable. Recent high-profile cyber incidents have exposed vulnerabilities across the mortgage lending sector, raising alarms about potential data breaches and operational disruptions. As detailed by Matt Kapko in the February 6, 2024, edition of "CyberSecurityDive," some of the largest companies in the industry have fallen victim to cyberattacks, resulting in "delayed closing times on new loans and prevented customers from making payments." Within the last year, we have seen some of the largest companies in our industry falling prey to cybercriminals.

Understanding the New Requirements

The introduction of HUD's new cybersecurity incident reporting standards has raised widespread discussion about operational readiness among lenders, particularly among smaller lenders that lack the resources of larger financial institutions.

Some of the largest companies in the industry have fallen victim to cyberattacks, resulting in "delayed closing times on new loans and prevented customers from making payments."

—**Matt Kapko,** February 6, 2024, edition of "CyberSecurityDive"

Many lenders we have spoken to are working to adapt to the changes, acknowledging a steep learning curve. In its June 26, 2024, response to Mortgage Letter 2024-10, the Mortgage Bankers Association (MBA) detailed that the changes pose significant challenges, especially for organizations with smaller IT staff.

Pete Mills, MBA's SVP Residential Policy and Strategic Industry Engagement, detailed that: "In the initial 12 hours of a cybersecurity incident, lenders are typically just beginning to assess system impacts, may still be actively defending against the intrusion, and might have an impaired ability to communicate with external parties due to compromised systems ... In addition, details about an incident can change quickly during those initial hours."

The difficulties extend beyond compliance with the tighter reporting window; lenders are also grappling with the ambiguity of what constitutes a "Significant Cybersecurity Incident."

Lenders broadly agreed that balancing compliance with operational realities is critical, especially as the industry attempts to balance compliance with practical operational capabilities.

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Defining a Significant Cybersecurity Incident

In its letter, HUD defined a significant incident as follows:

"A Significant Cybersecurity Incident (Cyber Incident) is an event that actually or potentially jeopardizes, without lawful authority, the confidentiality, integrity, or availability of information or an information system; or constitutes a violation or imminent threat of violation of security policies, security procedures, or acceptable use policies and has the potential to directly or indirectly impact the FHA-approved mortgagee's ability to meet its obligations under applicable FHA program requirements."

The MBA expressed concerns about the broadness of this definition, particularly the inclusion of the word "potentially." They noted that under this definition, even minor mishaps, such as a bank employee mistakenly emailing a client's checking account statement to the wrong recipient—could be considered reportable, "even if neither client has a mortgage loan with the bank, let alone an FHA loan."

To address these concerns, the MBA proposed a more precise definition:

"A Significant Cybersecurity Incident (Cyber Incident) is an event that directly or indirectly impacts the FHA-approved mortgagee's ability to meet its obligations under applicable FHA program requirements, and jeopardizes, without lawful authority, the confidentiality, integrity, or availability of information or an information system."

Industry Support for Clarity

At its recent reverse mortgage lender meetings, NRMLA backed the MBA's call for a more uniform reporting framework. Industry participants emphasized that a narrower definition is essential to ensure clarity, consistency, and fairness, while allowing lenders to focus on actual risks, and to ensure that industry players can operate on a level playing field.

Lenders broadly agreed that balancing compliance with operational realities is critical, especially as the industry attempts to balance compliance with practical operational capabilities.

What Comes Next for Lenders?

As the industry adapts to HUD's new cybersecurity requirements, uncertainty lingers. Many lenders have expressed concerns about whether the new regulations could inadvertently expose them to greater risk by overwhelming their reporting systems and stretching their IT resources thin. Lenders are grappling with the challenge of maintaining compliance while safeguarding their operations against ever-evolving cybersecurity threats.

Cybersecurity has always been a moving target for the mortgage industry, and new regulations like HUD's Mortgage Letter 24-10 add another layer of complexity. In our conversations with industry professionals this fall, the sentiment was overwhelmingly positive. Lenders expressed confidence in their ability to navigate the changes, while remaining hopeful that additional clarity and uniformity between regulators could simplify the process.

For our part, we will continue to closely monitor how the sector adapts to the tighter timelines. We stand ready to support lenders as they adjust to these new demands. MP

Rick Hill is VP of Industry Technology at the Mortgage Bankers Association (MBA) and acting President of the Mortgage Industry Standards Maintenance Organization (MISMO). He is responsible for managing MBA's technology initiatives within the real estate finance industry, managing MBA's Technology Committees, and developing technology content for MBA conferences and events.

Before joining MBA, Hill was the Director of Data Strategy at Fannie Mae, where he was responsible for data standards and best practices, data management including the company's data warehouse, and managing the relationship with regulatory agencies relating to information requirements.

He began his career as a Senior Auditor at Deloitte, after earning his BBA in accounting from The College of William and Mary. He is also a Certified Public Accountant.

MortgagePoint had a chance to chat with Rick about his career in the mortgage tech space, artificial intelligence, tends in the marketplace, and MISMO's latest initiatives, the Housing Agency Servicing Group and Servicing Transfers Group.

Q: How did you first get your start in the mortgage space?

Rick Hill: I started my career working as a CPA at Deloitte. One of my first assignments was auditing a lender, and I guess I caught the mortgage bug which eventually led to my employment with Fannie Mae.

Q: What led you to your current role as MISMO President?

Rick Hill: The long story starts in the early 1990s. Fannie Mae was having difficulty replicating information it was providing to regulators—in essence, we could not provide the same file two days in a row because we did not have the proper controls in place.

A senior executive hired a bunch of accountants to get control over the process. That led to my transition from CPA to technology and data. We started building what became Fannie Mae's data warehouse, as well as corporate standards around data. It is what led me to realize that standards, whether they are data, forms, calculations, disclosures, or something else, are critical to an efficient mortgage marketplace.

Q: How did your time as Director of Data Strategy at Fannie Mae prepare you for your current role with MISMO?

Rick Hill: The adage that you learn more from your failures has been true for me. I realized that thinking you were "right" might not be enough, that you needed to be able to influence others. It was a hard thing to learn, because I was so sure I was right on some things, but I failed to make them happen. MISMO serves the entire mortgage ecosystem, from lenders to regulators to investors to the consumer. I learned that you need to be able to collaborate with others in everything you do or MISMO will not be able to successfully serve the industry.

Q: What is the importance of a group like MISMO in today's marketplace?

Rick Hill: Bluetooth is the standard that allows devices to connect easily with one another. MISMO does the same thing for the mortgage industry. Every residential loan utilizes MISMO standards. Every eNote was created using MISMO standards.

As we look to the future, one that will be even more dependent on high quality data to power artificial intelligence (AI), the speed at which we can develop standards will be critical. We will need to invest in MISMO in good years and bad so we can continue to drive efficiencies, while supporting the incredible innovation that is happening.

Q: What are some current trends you are observing in the mortgage tech space?

Rick Hill: eNote adoption is significant–more than 10% of notes registered recently on the MERS Registry were eNotes. eNotes utilize the MISMO SMARTDoc standard. We are very close to the tipping point with these digital transactions. And obviously artificial intelligence. Everyone is trying to determine how to utilize AI in a responsible manner to serve whomever their customer happens to be. I do not see interest in AI abating ... its promise is too real to ignore.

As an example, AI continues to improve in its language translation capabilities—might it soon be able to converse with non-native English speakers in the lending process? MISMO has an AI Workgroup focused on this rapidly evolving technology to determine what we might be able to deliver to enable the use of AI in a responsible manner.

Q: What is the overall comfort level of first-time buyers when relying on mortgage technology? Do you feel that human interaction will always be part of the homebuying process?

Rick Hill: First-time homebuyers who are digital natives will be more comfortable than others, but there are parts of the process where they may want to reach out to a human. The outreach is not based on comfort with technology, but rather, the fact they are going through this for the first time. Buying a home for the first time is a big step, and buyers want help to make sure they do not make a major mistake. So yes, humans will always be available to help with whatever question a first-time homebuyer may have.

Q: Can you describe MISMO's Housing Agency Servicing Group initiative?

Rick Hill: This is a group working within MISMO to lower the costs associated with the servicing of government loans. The plan is to develop standards that can be utilized across the housing agencies (VA, FHA, GNMA, and USDA). Alignment with standards can eliminate distinct and proprietary requirements for each agency, and therefore, reduces costs.

Q: How was the Servicing Transfers Group initiative started? Who will be entrusted to draft the standards and practices they will set forth for the industry?

Rick Hill: Servicing transfers was a topic of conversation for years. Numerous individuals highlighted the difficulties in this space—servicers, service providers, government housing agencies, really anyone involved in servicing has been involved. Even originators are involved, as the first servicing transfer is the loan boarding process. MISMO has a multistage plan to tackle this topic, and anyone interested in this activity is welcome to participate.

Q: What technology do you feel every mortgage professional should have in their skillset in order to thrive in today's marketplace?

Rick Hill: Their brain. Our brain is still the most incredible tool we have, and a mortgage professional whose brain is open to learning how to use the next innovation will always have a job in this industry.

Q: What trends in technology will drive the market in 2025 moving forward?

Rick Hill: Digital, AI, self-serve tools, and MISMO SMART Docs will drive the market moving forward. MP

MortgagePoint

PRESENTS

TECH EXCELLENCE Awards 2025

RECOGNIZING THE BEST IN MORTGAGE TECH

Recognizing the most innovative technology providers in the mortgage industry. *MortgagePoint* Tech Excellence Award highlights companies that have developed cutting-edge solutions, improved operational efficiencies, and enhanced the mortgage process through technology.

These organizations are on the cutting edge of serving the mortgage, real estate, or housing markets, providing technology or software designed to serve those markets. In the pages ahead, we invite you to meet our recipients of *MortgagePoint*'s inaugural Tech Excellence Awards for 2025.

BEST IN TECH

ASPEN GROVE

Aspen Grove is revolutionizing mortgage servicing through seamless technology integration. With almost 30 years of expertise, its innovative, end-to-end Business Process Management (BPM) platform is designed for servicers and subservicers, and includes powerful borrower engagement tools. By standardizing and automating servicing tasks, process breaks are eliminated and daily errors reduced—delivering on its commitment to keeping Mortgage Servicing in Sync.

This servicing orchestration platform is the only solution that consolidates borrower engagement, servicing process management, default servicing, and portfolio management into a single interface. It standardizes workflows while enabling no-code configurability, allowing servicers to tailor processes to their unique needs. By synchronizing third-party applications and closing process gaps, the platform enhances oversight, increases revenue, and optimizes cost control.

Aspen is built for scalability, with highly configurable data-modelling capabilities that harness advanced AI to drive efficiency and continuous innovation. Its intelligent workflow and automation operate within strict investor guidelines, creating a dynamic, adaptive platform that seamlessly supports servicers. Behind the scenes, powerful rules work invisibly to adjust the system in real time—collating essential data, determining the next best action, and automating processes to streamline operations even further.

The result is an ecosystem that simplifies complex backend servicing operations while providing configurable digital front-end solutions for multi-channel borrower engagement—ensuring servicing just flows.

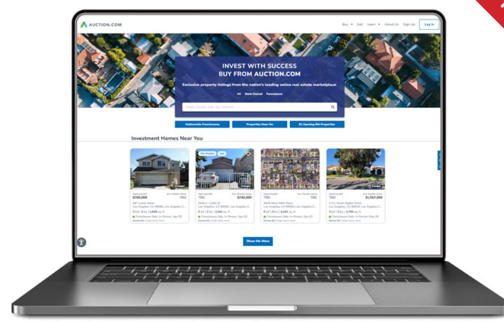
What Sets Aspen Grove Apart:

- A unified platform combining borrower engagement, process management, default servicing, and portfolio management
- Deep mortgage servicing expertise from a team delivering solutions to the industry for almost 30 years
- AI-powered workflow amplifying servicing efficiency with regulatory and investor guardrails built in
- No-code platform that's easy to deploy, configure, and adapt
- Seamless API integrations for all service providers and partners
- By eliminating errors, daily stress, and inefficiencies caused by multiple systems, our clients have experienced a 78% boost in productivity

aspengrove®

aspengrovesolutions.com

BEST IN TECH



AUCTION.COM

Auction.com is transforming the distressed property market through cutting-edge technology, empowering sellers and buyers while enhancing market efficiency. The company leads the digital real estate auction space, delivering superior outcomes for homeowners, communities, and mortgage servicers.

Since its February 2024 launch, Attorney Interact™ has modernized foreclosure data management, onboarding over 1,066 accounts and achieving a 223% surge in status update activity. Remote Bid™ has facilitated over 2,500 property sales and 17,000+ bids since 2020, generating $519 million in winning bids—a 101% year-over-year increase—while enabling $1.7 billion in funding across the platform.

The recently launched SmartSale™ merges traditional home sales with Auction.com's auction platform through multiple selling pathways, including the groundbreaking Offer Path. Sellers receive support from both the Concierge Team and local real estate agents while maintaining control over timelines and pricing.

With over 533,000 properties sold and $66 billion in transactions, Auction.com continues establishing new real estate benchmarks through technological advancement.

What Sets Auction.com Apart:

- **SmartSale**™: Delivers a hybrid selling approach combining full retail market exposure with auction efficiency, protecting homeowner equity through transparent competitive bidding mechanisms not available elsewhere in the industry.
- **Remote Bid™**: Democratizes auction participation by removing geographical barriers, creating a more competitive marketplace that increases seller returns while expanding homeownership opportunities.
- **Attorney Interact™**: Streamlines foreclosure processes through automated workflows and real-time tracking while ensuring compliance with enterprise-grade security protocols.

AUCTION.COM

auction.com

DOCMAGIC, INC.

Since 1987, DocMagic has pioneered technology solutions that advance the mortgage process. We offer proprietary document generation, automated compliance, eSignature, eNotarization, eClosing, and eVault technology.

DocMagic's technology suite eliminates fragmentation and integration challenges that plague cobbled-together workflows. From initial disclosures to final closing and beyond, our end-to-end platform addresses every touchpoint in the mortgage lifecycle with precision, compliance, and efficiency.

What Sets DocMagic Apart:

- Our eForms library of over 300,000 documents includes custom letters, brochures, and industry-regulated forms to meet requirements across all jurisdictions and loan types.
- Our AI-driven automated compliance and suite of eSolutions reduce manual intervention, ensuring accuracy, efficiency, and regulatory adherence.
- We provide seamless connectivity with the MERS® eRegistry, LOS platforms, and secondary market participants for smooth and secure transactions.
- Our customers enjoy time and cost savings across the entire mortgage process, with lender clients saving up to 4.5 hours using paperless eClosings and more than $400 per closed loan.

Driving Innovation

Some of our recent advancements include AI-powered compliance automation and SmartREGISTRY™, which integrates directly with the MERS® eRegistry to simplify and increase eNote adoption. Combined with our Total eClose™ system and SmartSAFE® eVault technology, these innovations accelerate the digital closing process while reducing errors and manual intervention.

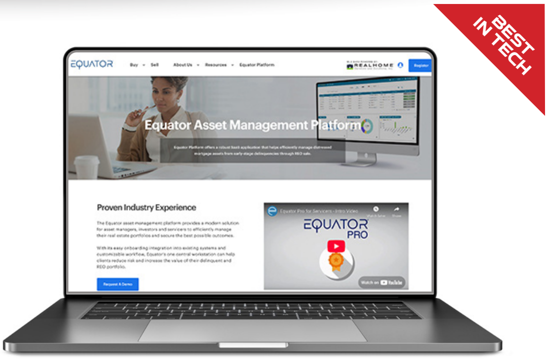
DocMagic's eSolutions empower lenders, settlement service providers, investors, and other stakeholders to achieve faster closings, reduce costs, and deliver superior experiences to borrowers.

Comprehensive Digital Solutions

From document generation and compliance automation to eSignatures, eNotarization, eClosings, and secure eVault technology, our platform creates a seamless digital ecosystem that drives efficiency throughout the entire mortgage lifecycle while maintaining the highest standards of regulatory compliance and data security.

DocMagic

docmagic.com



EQUATOR

Equator is a premier SaaS platform trusted by mortgage servicers, real estate investors, and asset managers to streamline property management, default servicing, and real estate transactions. With a commitment to innovation, Equator has established itself as an industry leader, helping to transform how servicers and investors manage their assets.

At the core of Equator's success is its centralized, automated, and scalable platform. Its robust workflow engine helps eliminate manual inefficiencies, reduce processing times, and enhance compliance—key advantages in today's complex regulatory landscape. By automating critical processes, Equator helps clients improve operational efficiency, make data-driven decisions, and optimize portfolio performance.

What Sets Equator Apart:

- Automates workflows to reduce inefficiencies and processing times
- Manages non-distressed & distressed assets from delinquency to disposition
- Trusted by top mortgage servicers, banks, and government agencies
- Helps investors efficiently manage and optimize asset portfolios
- Marketplace—70+ thousand national network of agents, brokers, attorneys & vendors

Equator's technology is designed to handle the entire lifecycle of non-distressed and distressed assets, from early-stage delinquency through disposition. Its solutions support loss mitigation, foreclosure management, short sales, deed-in-lieu processing, and auction strategies, providing servicers with the flexibility to adapt to changing market conditions.

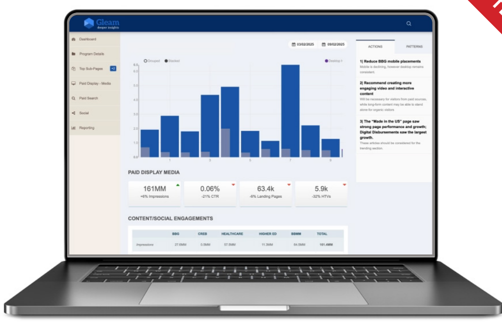
With a track record of facilitating millions of transactions and managing billions in assets, Equator is relied upon by some of the nation's largest mortgage servicers, banks, and government agencies. Its secure, cloud-based infrastructure provides a scalable and reliable platform for organizations and investors managing high-volume transactions.

Equator has always been committed to delivering superior functionality and a robust user experience. That's why the new Equator has been designed to be even more intuitive and efficient. With enhanced usability, advanced data analytics, and real-time reporting, Equator empowers clients with seamless navigation, greater insights, and optimized workflows to maximize efficiency and reduce costs.

Recognized for its innovation and impact, Equator continues to set the standard for mortgage technology. By delivering smarter, efficient solutions, Equator empowers industry professionals to navigate challenges, remain compliant, and drive better outcomes for borrowers and investors alike.

EQUATOR

equator.com



BEST IN TECH

GLEAM INTERACTIVE

It is not only about data—it is about the insights and the IMPACT.

In today's competitive digital landscape, businesses need more than just data to succeed. Gleam is a cloud-based SaaS platform that empowers marketers to turn insights into impactful results. With advanced analytics, peer benchmarking, and conversational AI, Gleam optimizes your marketing spend and delivers higher ROI.

Transforming Marketing With Technology

Gleam uses AI and machine learning to provide real-time campaign optimization, data collection across multiple sources, and peer benchmarking. By comparing your performance to industry standards, Gleam helps identify areas for improvement, refine strategies, and stay ahead of competitors. Our conversational AI also enhances customer engagement by enabling asking questions and insights into your data in a natural language. Whether you're a startup or an established brand, Gleam provides actionable insights to improve your marketing performance. From automated campaign adjustments to customer segmentation, Gleam helps you make the most of every marketing dollar.

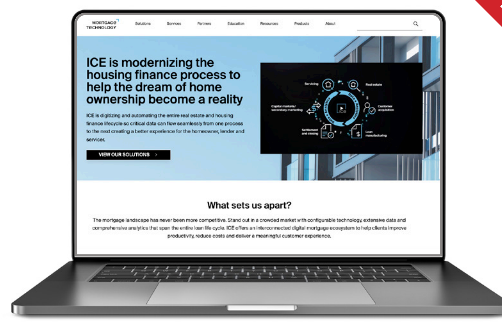
At Gleam, we don't just provide data—we turn it into actionable insights that drive business growth—partner with us to unlock the power of intelligent marketing. Visit gleaminteractive.ai to start optimizing your marketing efforts today!

What Sets Gleam Interactive Apart:

- **Peer Benchmarking:** Compare your performance to industry leaders and identify growth opportunities.
- **AI-Driven Optimization:** Automatically adjust campaigns for maximum impact.
- **Real-Time Analytics:** Make quick, data-driven decisions with up-to-the-minute insights.
- **Conversational AI:** Engage with your data, ask questions, and get insights using natural language and text.
- **Scalable Solutions:** Tailored to businesses of all sizes.
- **Cost-Effective:** Maximize your marketing budget while improving ROI.
- **Integrate Multiple Data Sources:** Unify data, query and build custom dashboard, and ask questions about your data in a natural language.

Gleam deeper insights

gleaminteractive.ai



BEST IN TECH

ICE MORTGAGE TECHNOLOGY

ICE Mortgage Technology and its AI-powered tool, Ask Regi, are revolutionizing operational compliance efficiency in the mortgage industry. Ask Regi, an AI-driven search assistant, is integrated into the AllRegs compliance database, a trusted resource for regulatory information in the mortgage industry. By using advanced conversational AI, it provides accurate, real-time answers to user queries with contextual relevance. Application of AI is applied to nearly one million pages of structured and unstructured content.

Proven Impact

Since its launch, Ask Regi has demonstrated immediate and measurable impact:

- 6.3 times more searches in AllRegs, signaling rapid adoption.
- 72.8% of searches resulted in AI-driven answers, highlighting its precision.
- 32% faster response times, streamlining decision-making.

Solving Industry Challenges

Ask Regi simplifies critical processes across the mortgage lifecycle by delivering direct results, eliminating the need to manually search lengthy rules and guidelines. It helps professionals quickly find laws and regulations and investor requirements. For example, a user can ask, "What exceptions allow for a second FHA mortgage?" Ask Regi delivers a direct response with citations, reducing errors and accelerating workflows in today's highly regulated mortgage environment.

Advancing ICE Mortgage Technology's Mission

Ask Regi exemplifies ICE Mortgage Technology's commitment to digitizing and automating the real estate and housing finance lifecycle. By addressing critical regulatory and compliance challenges, it enables mortgage professionals to make confident, data-driven decisions, improving outcomes for lenders, servicers, and homeowners.

Why Ask Regi Deserves the Award

ICE Mortgage Technology's dedication to innovation and excellence makes it an outstanding candidate for the *MortgagePoint* Tech Excellence Award. Ask Regi addresses the mortgage industry's compliance challenges with measurable improvements in efficiency, accuracy, and user satisfaction solidifying its role as a game-changer in mortgage compliance.

ice

mortgagetech.ice.com/products/allregs

BEST IN TECH

ITWOX INC.

Empowering mid/small BFSI and Startups with ITWox Inc.

In today's fast-paced digital landscape, small/mid-sized financial institutions and startups need cutting-edge technology solutions to stay ahead of the competition. ITWox Inc. is your trusted technology partner, delivering tailored software development, digital transformation, and AI-driven solutions for smaller banks, credit unions, insurance companies, mortgage firms, and startups. With development teams in India and LATAM, ITWox provides cost-effective, high-quality, and scalable solutions to drive efficiency, security, and innovation.

What Sets ITWox Inc. Apart:

- **Domain Expertise:** Deep industry knowledge in banking, insurance, mortgage, and startups
- **Advanced Technology:** AI, UI/CX, cloud, and modern solutions
- **Appetizer - Turnkey App Builder:** Rapidly develop and deploy responsive web applications
- **Global Talent Pool:** Highly skilled professionals across India and LATAM
- **Agile & Scalable Solutions:** Custom development tailored to business needs
- **Cost-Effective and Efficient:** Delivering high ROI with strategic technology investments

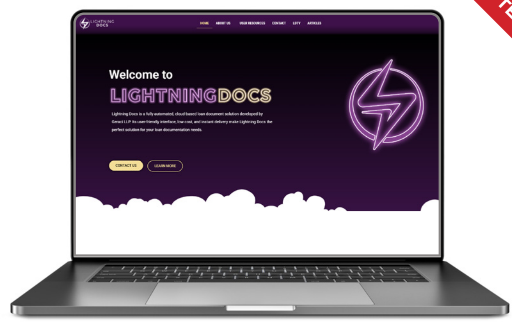
Transforming With Technology

ITWox Inc. specializes in custom, modern software, web/mobile, and APIs. Our expertise in core banking integration, mobile banking apps, and cybersecurity ensures that financial institutions can offer seamless digital experiences while safeguarding customer data. ITWox is a technology enabler for Fintech, Insurtech, Proptech, and other emerging startups by providing custom software development, cloud solutions, and AI/ML integration. To accelerate digital transformation, we offer Appetizer, a turnkey app builder that enables businesses to create responsive web applications effortlessly. Whether you need an intuitive customer portal, a banking dashboard, or an enterprise-grade web app, Appetizer simplifies development with a powerful, flexible, and scalable platform. With our expertise in agile development, DevOps, and microservices architecture, we help startups build scalable, secure, and high-performance applications that drive market disruption.

itwox

itwox.com

BEST IN TECH



LIGHTNING DOCS

Lightning Docs is a fully automated, cloud-based solution that transforms document preparation by delivering state-compliant, attorney-quality, business purpose loan documents instantly. By reducing costs and turnaround times while handling even the most complex transactions, Lightning Docs is redefining efficiency and excellence in the private lending industry.

Unlike conventional mortgages, which rely upon a government-agency standard, business purpose loan documents are not standardized. Business purpose lenders have a few challenging options:

1. Hire a law firm for each transaction and be subject to the time and expense of doing so.
2. Hire a law firm to create template documents but have no real ability to manage or maintain those templates to maintain compliance over time.

Lightning Docs addresses both issues by providing a SaaS solution providing an automated, state-compliant system that delivers attorney-quality documents in minutes. It streamlines even the most complex transactions, reducing preparation time from days to minutes and cutting costs by up to 80%. Serving more than 50% of the top 50 national private lenders, Lightning Docs is redefining industry standards with unparalleled innovation and efficiency.

Since 2021, Lightning Docs has grown:

1. Revenue by 288%
2. Number of users by 339%
3. Total number of loan transactions by 377%
4. Total dollar amount of loan origination by 295%

Lightning Docs has achieved exponential growth and impact, with usage increasing by 61% in 2024 alone. Since its launch in 2018, the platform created over 98,000 loans, representing more than $50 billion in total loan origination. Lightning Docs are the official loan documents of the American Association of Private Lenders, the largest trade association of private lenders and is used by more than 50% of the top 50 national private lenders in the country, showcasing the transformative value we deliver to the private lending industry.

LIGHTNING DOCS

lightningdocs.com

BEST IN TECH

MCS

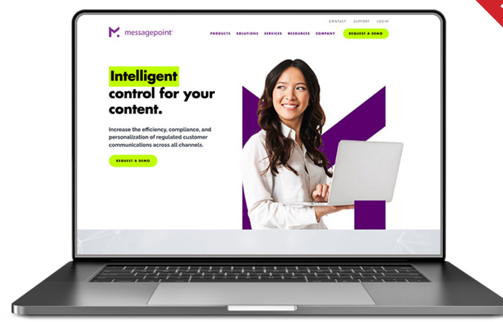
MCS, a national property services company headquartered in Lewisville, Texas, with offices across the country, has been a leader in mortgage services since 1986. MCS has embraced technology as a way of improving how they work with clients and vendors while advancing the mortgage industry as a whole.

Under the guidance of Chief Information Officer Marin Ursu, MCS is using technology to improve client servicing, increase efficiencies, and enhance transparency in a highly regulated environment. The company has developed its own cloud-based software that helps streamline its property preservation services across its commercial, residential, and government property business lines. Highlights include:

- **Touchless Work Orders:** Assigning work orders efficiently has long been a time-consuming process because they are typically received via a centralized feed and processed and assigned by individuals at the property preservation provider to vendors. MCS is using touchless work orders to solve this issue, resulting in significant time savings.
- **AI Applications:** MCS embraced the use of artificial intelligence (AI) for critical issues such as validating property photos, pre-contract measurements, code compliance, and reporting.
- **Robust Cybersecurity:** The company has implemented powerful cybersecurity measures that help safeguard their clients' information and systems—many of these measures are higher than the industry standard.
- **Customized Integration With Client Systems:** MCS integrates its technology and software to work seamlessly with their clients, a critical item that separates the company from competitors.
- **Building "Umbrella App" for Inspectors:** MCS is currently working on integrating existing applications and online tools for property inspectors into one streamlined platform, or "umbrella app," that they hope to launch in the next year.
- **Scorecard Measurement:** MCS also regularly measures its own success and looks for ways to improve their overall quality control through feedback on client scorecards.

MCS MAKING COMMUNITIES SHINE

mcs360.com



BEST IN TECH

MESSAGEPOINT

Messagepoint's AI-powered SaaS solution streamlines the process of creating, updating, and managing critical borrower communications, including loan servicing and loss mitigation letters, compliance communications, and other documents.

Borrower communications play a critical role in the mortgage servicing process, but it can take weeks or even months to make updates and get new communications out the door. This is due to widespread reliance on IT teams or print vendors, leveraging legacy systems that require coding to build and edit borrower communications.

What Sets Messagepoint Apart:

- Messagepoint reduces content change cycles from 8 to 12 weeks down to minutes
- Messagepoint reduces communication templates under management by up to 90%
- Customers report cost reductions of up to 40% of service provider fees by bringing communications management in house
- Customers have reduced the risk of errors and increased their ability to meet tight regulatory deadlines

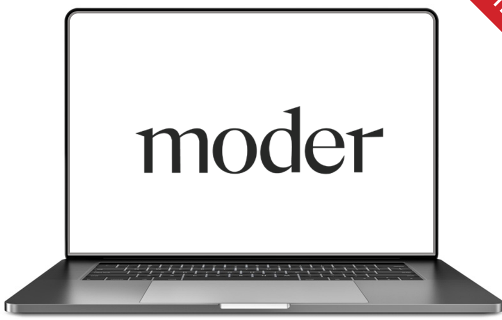
Messagepoint is a cloud-based, no-code platform that modernizes borrower communications management to make it easy for non-technical users to create, edit, and optimize communications in minutes, not months. Through Messagepoint's no-code UI, business users are empowered to quickly and efficiently author communications, edit content, create targeting rules, generate proofs, run tests, and gather approvals, thereby reducing their reliance on IT resources and Print Service providers. Messagepoint also provides advanced content management capabilities that make it easy to make bulk edits and manage complex variations of communications to accommodate different brands, state regulations, product variations, etc. A proprietary AI engine, MARCIE enhances borrower communications by optimizing and translating the content in communications.

Messagepoint's cloud-based system enables mortgage servicers to produce print-ready or web-ready files, giving them complete control over the speed and timing of change cycles, e-presentment, and enabling seamless redirection of print streams during outages.

messagepoint®

messagepoint.com

BEST IN TECH



MODER SOLUTIONS LLC

Established in December 2020 as a subsidiary of Archwell Holdings, Moder is one of the largest mortgage service providers in the U.S. mortgage industry. Headquartered in the United States, we operate global hubs in India, the Philippines, and Latin America. Our team of over 4,500+ professionals collaborate with more than 50 esteemed clients, delivering impactful and transformative solutions.

Moder is revolutionizing the mortgage industry by delivering end-to-end solutions that seamlessly integrate technology, automation, and outsourcing. With deep industry expertise and a digital-first approach, we help mortgage lenders and servicers streamline operations, reduce costs, and enhance customer experience.

Moder provides scalable, compliant, and efficient processes that drive measurable impact, from origination to servicing and title solutions. Our approach blends intelligent automation, data-driven insights, and skilled global talent to optimize workflows, minimize risk, and improve speed-to-market.

By leveraging advanced analytics, AI-driven automation, and a consultative approach, we empower businesses to navigate market complexities, meet evolving borrower expectations, and achieve long-term success. At Moder, we don't just support mortgage operations—we transform them for the future.

Rethink what is possible with Moder.

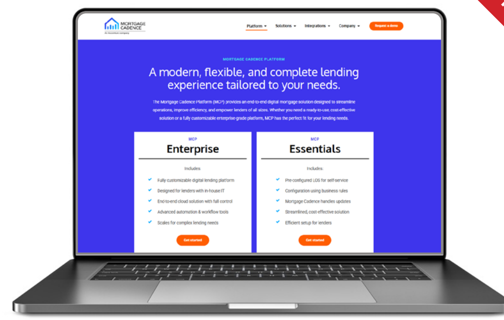
What Sets Moder Solutions Apart:

- **Problem-Solving at Our Core:** We don't just provide services; we solve real challenges. Our expertise in mortgage operations helps clients navigate complexities with practical, results-driven solutions.
- **Low-Cost, Low-Touch Technology for All:** Our affordable and efficient tech-driven models ensure seamless operations with minimal manual intervention, making transformation accessible to all.
- **Scalability Through Outsourcing:** With a flexible, global delivery model, we help businesses scale effortlessly—reducing costs while maintaining high-quality service.
- **Integrated Front, Back, and Digital Office Capabilities:** We combine the front, back, and digital offices, ensuring end-to-end efficiency and a holistic approach to problem-solving.

moder

gomoder.com

BEST IN TECH



MORTGAGE CADENCE,

AN ACCENTURE COMPANY

For 25 years, Mortgage Cadence has been a trusted provider of mission-critical loan origination technology, powering some of the nation's largest lenders with cutting-edge solutions. Now, the next-generation Mortgage Cadence Platform (MCP) continues to redefine industry standards with two distinct solutions—MCP Enterprise and MCP Essentials, launched in March 2025.

Designed to serve lenders of all sizes while providing a single source of record, MCP offers a flexible, end-to-end technology suite that enhances efficiency, scalability, and operational performance. MCP Enterprise supports a fully customizable, cloud-based platform for lenders with in-house IT teams, offering complete control over the loan origination process. In contrast, MCP Essentials delivers a streamlined, pre-configured solution for lenders seeking a faster path to production without the need for extensive configuration or large administrative teams. Mortgage Cadence is delivering one powerful engine through MCP, with two distinct ways to drive your business: MCP Enterprise or MCP Essentials.

Both solutions are built on the same powerful MCP technology and codebase, ensuring seamless scalability as business needs evolve with market conditions and company goals. Enterprise clients have full control over when and how new releases are implemented, while Essentials customers benefit from regularly scheduled updates, ensuring they always have access to the latest innovations without added complexity.

Beyond technology, Mortgage Cadence is committed to delivering exceptional client support. Every lender is assigned a dedicated client success manager who provides personalized guidance, communicates essential platform updates, and helps businesses achieve their strategic goals. This high-touch approach ensures that lenders maximize their investment while remaining agile in a rapidly changing market.

MCP represents a paradigm shift in mortgage technology, enabling lenders to differentiate themselves from competitors, drive operational efficiency, and future-proof their businesses. As the mortgage industry evolves, Mortgage Cadence remains at the forefront—empowering lenders with the tools they need to adapt, scale, and succeed.

MORTGAGE CADENCE

mortgagecadence.com

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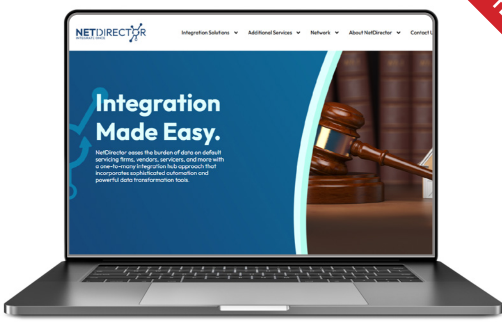

NETDIRECTOR

NetDirector provides data integration, automation, and additional services to the mortgage banking industry. They have made massive strides in improving efficiency and data mobility throughout the default servicing space, especially in the face of suppressed foreclosure levels post-COVID. Attorneys and servicers around the country rely on NetDirector's technology to exchange data across case management systems, publications, title companies, servicer platforms, and more.

NetDirector has recently adapted artificial intelligence into their tech stack, providing automated, machine-learning-powered solutions for text redaction, text extraction, and more. These new technologies ensure data privacy for all participants and ease the road to full compliance for hundreds of customers. One NetDirector customer leveraged a combination of integration and automation services to save around $1 million per year compared to manual processing and diverted their valuable human resources towards critical tasks that required skilled human intervention (full case study available upon request).

As default servicing attorneys (and the vendors that serve them) continue to face record-low foreclosure numbers, efficiency remains top of mind for the industry at large. NetDirector's one-to-many style integration is a key part of long-term efficiency and scalability plans.

What Sets NetDirector Apart:

- Vendor-neutral integration platform provides a customer-workflow-centric integration and data handling approach
- One-to-many, hub-style integration exceeds the flexibility of vendor-to-vendor integrations, and reduces the burden placed on servicers and attorney firms simultaneously
- Fully integrated services such as AI-powered text extraction and redaction, SCRA military searches, PACER searches, and more allow firms to streamline their workflow and conduct a wide variety of actions without human intervention at every appropriate step of a foreclosure
- White-glove customer support, including a dedicated Integration Analyst to function as a single point of contact, ensures NetDirector functions more like a highly specialized extension of your team than "one more technology vendor"

netdirectormortgagebanking.com

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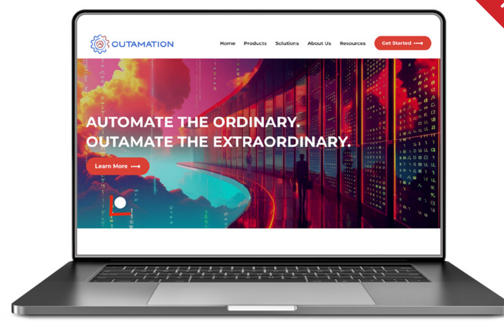

OUTAMATION

Outamation® is a leading provider of automation and AI-driven solutions, helping businesses streamline complex, manual processes across the mortgage industry. With cutting-edge technology and a relentless focus on efficiency, compliance, and customer experience, Outamation is revolutionizing industry workflows while driving measurable business impact. Our commitment to security and regulatory compliance is reinforced by our **ISO and SOC 2 certifications**, ensuring the highest standards of data protection and operational excellence.

Industry Challenge & Our Solution. Loan modification is slow and fragmented, taking 60–90+ days, causing borrower frustration, compliance risks, and inefficiencies. OutamateMods™, powered by Outamation's proprietary tech, streamlines the process with AI-driven automation, seamless data integration, a customizable rules engine, and automated document generation, enabling faster modifications and better borrower outcomes.

Proven Impact With Measurable Success

- **Up to 300% Faster Loan Modification Processing:** Our solutions dramatically cut turnaround times, allowing servicers to better meet borrower needs.
- **100% Client Quality SLA Performance:** Enhanced decision accuracy ensures compliance and risk mitigation, reinforcing servicer confidence.
- **Turnkey Implementation in Days, Not Months:** Cloud-based, API-first architecture enables rapid deployment and seamless system integration.
- **Significant Cost Savings & Risk Reduction:** Industry-leading representation and warranty policies minimize financial exposure while our transactional pricing model optimizes cost efficiency.
- **3x Year-Over-Year Revenue Growth:** Outamation's rapid expansion underscores market demand for our breakthrough solutions.
- **Enhanced Borrower & Client Satisfaction:** As the first to launch the FHA and VASP Programs, our customer-centric approach has delivered measurable improvements in borrower experience and operational confidence.

By combining AI-driven automation with compliance-backed decisioning, OutamateMods™ is setting a new standard for mortgage servicing—empowering lenders to streamline processes, mitigate risk, and drive sustainable growth.

outamation.com

BEST IN TECH

PARADATEC

Paradatec's award-winning AI-Cloud platform transforms the lending lifecycle by automating mortgage data processing with unmatched accuracy. It classifies over 975 document types, extracts more than 9,500 data points, and cross-checks extracted data against other data sources.

What Sets Paradatec Apart:

- Trusted by Top 10 lenders, servicers, and service providers
- Intelligent document and data processing for the lending lifecycle
- Enterprise scale with workflow-specific configurations

Clients can modify and add business rules in Paradatec's Analytics engine, which triggers data evaluation rules based on workflow-specific conditions, for automated system decisioning and supporting data-driven strategies. Paradatec is integrated with multiple LOS, document management systems, servicing platforms, and data warehouses.

The platform supports high-volume enterprise use with multi-queue architecture that supports workflow-specific configurations, business SLA management tools, and distributing results to multiple systems such as systems of record and data warehouses.

Paradatec's AI-Cloud platform employs deterministic AI technology powered by pre-trained libraries and advanced AI models curated for real estate finance. Paradatec's technology provides unique, auditable metadata for each decision—delivering results that are fully explainable, completely transparent, and auditable.

Paradatec's commitment to customer satisfaction is embodied in its robust system reporting, which clients use to track their quantifiable ROI. One large regional bank reduced its average underwriting review time by 75% after implementing Paradatec, accelerating loan approvals while decreasing operational costs and compliance risks.

As a privately owned company, Paradatec has remained at the forefront of mortgage technology innovation through its ability to focus exclusively on customer needs to shape product development. The average Paradatec client has used Paradatec for over four years, and many have been clients for over 13 years—a testament to the company's reliability and ongoing innovation. Paradatec is a member of the Mortgage Bankers Association, MISMO, the California Mortgage Bankers Association, and the American Land Title Association.

paradatec

paradatec.com

BEST IN TECH

PHOENIX BURST

For decades, efforts to modernize the mortgage industry have fallen short—not for lack of ambition, but because regulatory compliance consumes the majority of time, budget, and focus needed to drive real innovation. Phoenix Burst changes that. When regulatory adherence becomes seamless, we free the industry to radically innovate. And this is what will make mortgage modernization possible at last.

What Sets Phoenix Burst Apart:

- GenAI-native mortgage business process fulfillment platform, purpose-built to simplify regulatory compliance and accelerate innovation.
- Unlock your company and your people's full potential by radically simplifying and automating compliance.
- Prepare for an AI future by upskilling your workforce of today with technology of the future.

Phoenix Burst (phoenixburst.ai) is the first-of-its-kind genAI-native mortgage business process fulfillment platform, purpose-built to simplify regulatory compliance and accelerate innovation. Skip the glorified checklists masquerading as "workflow solutions" and instead have the technology actually do the work. Phoenix Burst reimagines compliance entirely—identifying regulatory and policy changes to create clear, actionable compliance change statements, requirements, user stories, acceptance criteria, and test cases with a single click.

Where regulatory updates used to take months to understand and implement, Phoenix Burst delivers plain-language artifacts within hours, eliminating duplicative manual processes and bottlenecks across legal, compliance, and operations teams.

PHOENIXBURST

phoenixoutcomes.com

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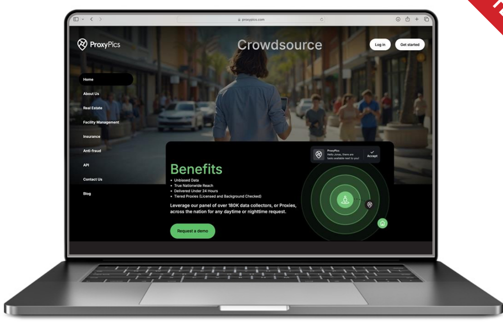

PROXYPICS

ProxyPics is a cutting-edge real estate technology platform transforming property data collection and valuation for the mortgage industry. Using patented technology and a nationwide network of over 180,000 data collectors, ProxyPics delivers real-time, geolocation-verified property insights within hours.

The platform supports mortgage lenders, servicers, and investors with solutions such as PCR+AVM for home equity and portfolio lending, Uniform Property Data (UPD) for first mortgage valuations, and disaster inspections to assess property conditions in FEMA-declared disaster areas.

ProxyPics also offers a fully web-based self-inspection solution, allowing borrowers to complete inspections remotely using their own devices. The self-inspection experience is white-labeled with the client's branding—displaying their logo and colors—to maintain a seamless borrower experience. ProxyPics streamlines lending decisions by providing fast, accurate, and cost-effective property data. For more information, visit www.proxypics.com.

What Sets ProxyPics Apart:

- PCR + AVM: A bundled solution for fast, compliant home equity and portfolio lending decisions.
- UPD: Fully compliant with GSE standards and approved to support the new hybrid appraisal offering using trained, background-checked data collectors.
- ProxyPics Direct: Web-based, borrower-led self-inspection solution with full white-label capability.
- Disaster Inspections: Rapid assessments for FEMA-declared zones to support servicing and insurance reviews.
- View360 + Floor Plans: Immersive visual tools captured via our mobile app-no extra equipment needed.

ProxyPics

ProxyPics.com

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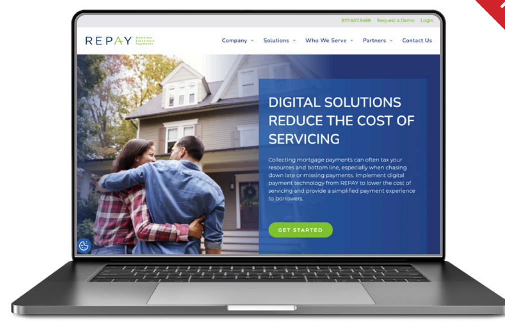

REPAY

Mortgage payment execution management relies heavily on manual intervention, posing challenges like human error and excessive resource investment. Automating these processes helps mortgage servicers save time and money by reducing manual tasks, minimizing errors, and streamlining workflows.

When a borrower sends a paper check with a mismatched coupon amount, the funds are placed in a suspense account, diverting the servicer's attention from other tasks. REPAY's PaymentIQ solution automates payment application to escrow, principal, and other processes, while keeping borrowers informed of their payment status. It can read, react to, and apply paper check payments to the correct accounts, expediting the payment process and simplifying multiple mortgage loan payments. Bankruptcy payment processing, which historically required manual intervention, can instead be automated. REPAY also facilitates seamless data exchange between financial and lender systems, reducing errors and improving efficiency.

PaymentIQ's exception management capabilities handle payment discrepancies by enabling real-time tracking and automated corrections. This automation eliminates error-prone paper processes, delivers faster posting times, and tracks exceptions through audit trails, saving time and resources while reducing errors.

Borrowers now prefer digital payment methods over traditional paper checks. REPAY's digital payment technology transforms mortgage servicing by providing faster, more secure, and convenient options. REPAY's integration with ICE Mortgage Technology allows servicers to also offer debit card payment acceptance, enhancing flexibility and convenience. With REPAY's technology, servicers can offer various payment methods, including ACH and digital wallets, ensuring borrowers can choose the best option, resulting in higher compliance and reduced delinquency rates.

To ensure timely repayment of mortgage loans, lenders can optimize collections with digital technology by making loan repayments easier, more convenient, and fully traceable. Enhancing payment processes with REPAY's technology smooths the remittance experience for consumers and enables greater speed, efficiency, and control of collections for lenders.

REPAY® Realtime Electronic Payments

repay.com

BEST IN TECH

SERVICELINK

ServiceLink's EXOS® Technologies brings to market unparalleled, game-changing innovations that streamline processes and increase efficiency, transparency, and speed while reducing cost margins and improving cycle times throughout the entire mortgage process.

EXOS is the only system in the market that offers a true, end-to-end solution for the entire life of a loan—including real-time scheduling for appraisal and closing appointments and a digitized, automated quality control process. Other key features include modernized valuation solutions and rapid title commitments through machine learning, along with compliant eClosings and asset decisioning using predictive modeling.

Built in-house by a team of engineers and developers, EXOS creates a streamlined digital mortgage experience, with consumer satisfaction and lender, servicer, and investor efficiency at the forefront. By digitizing historically manual touchpoints across the industry, EXOS makes it easy for users to scale their offerings based on ever-changing market trends and continues to evolve with the needs of today's lenders, servicers, and investors.

ServiceLink's EXOS solutions have aided some of the industry's largest lenders and servicers in digitizing and streamlining key milestones in the mortgage process, increasing transparency and, most importantly, creating a positive consumer experience. EXOS is a cutting-edge solution that drives growth, improves cost efficiency, and has made a positive impact on the overall industry.

What Sets ServiceLink Apart:

- ServiceLink leads the way by delivering best-in-class technologies, a full product suite of services, and proven experience, built on a foundation of quality, compliance, and service excellence.
- ServiceLink provides valuation, title and closing, and flood services to mortgage originators; and default valuation, integrated default title services, vendor invoicing, and claims audit services, as well as field services and auction services to mortgage servicers.
- ServiceLink helps clients in the lending industry and beyond achieve their strategic goals, realize greater efficiencies, and better serve their customers.

ServiceLink

servicelink.com

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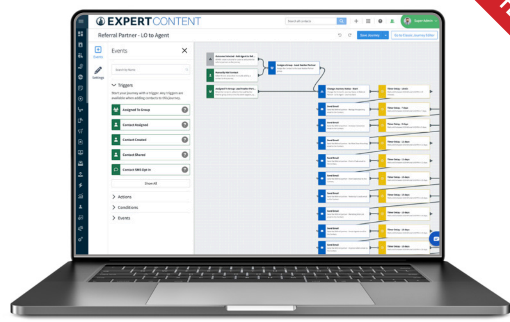


TOTAL EXPERT

As it becomes more complex for lenders to build connections with customers in the digital age, Total Expert is humanizing the customer journey with deeper data insights and intelligent automation capabilities purpose-built for modern lenders.

Its Customer Intelligence product analyzes data from multiple sources to identify key life events and intent signals, helping lenders understand when customers have a mortgage need. Those insights fuel Total Expert's dynamic Journeys that automatically trigger timely, personalized messages across email, text, and other channels—while identifying opportunities for loan officers to reach out directly. Together, these tools help financial institutions connect with customers in more authentic, meaningful ways, providing building blocks to long-term relationships.

Since 2022, over 120 financial institutions have implemented Customer Intelligence, driving $30B+ in loan applications and $19B+ in funded loans. Total Expert also powers over 30% of all U.S. home loan transactions, representing $1T+ in volume.

TheTotal Expert platform ultimately goes beyond simply collecting and housing data—it turns data into actionable insights, enabling lenders to create deeper relationships and position themselves as trusted financial partners for life.

What Sets Total Expert Apart:
Key technologies:

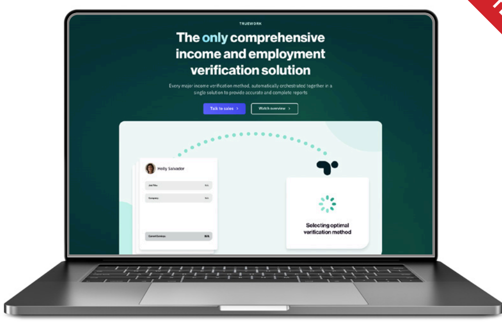
- **Customer Intelligence:** AI-driven insights alert lenders to financial activity, enabling customer engagement at key life moments.
- **Dynamic Journeys:** Blend digital touchpoints with personal outreach to create personalized experiences.
- **Engage SMS:** Real-time, two-way messaging with built-in compliance guardrails.
- **Industry-Leading Compliance:** Purpose built for the complex needs of financial institutions, ensuring all interactions meet regulatory standards.

Proven results:

- **2x+ Retention Rate:** Increases loan retention to over 60%, compared to the 18% industry average.
- **3x Relationship Growth:** Personalized campaigns help lenders cross-sell one new product within the first six months.
- **2x Pipeline Growth:** Drives 100% more conversions and 20% more closed loans than other platforms.

TotalExpert

totalexpert.com



TRUEWORK

Truework is the only all-in-one, automated VOIE platform that fully replaces costly in-house verification waterfalls by orchestrating all major verification methods within our single platform. We focus on delivering a comprehensive, vetted, and accurate verification report for every request, so customers can stop wasting time and money doing it themselves.

The in-house waterfall for the VOIE is inherently broken. The use of subpar data vendors and platforms has led to an acceptance of incomplete and inaccurate data and a reliance on complex in-house systems that result in predominantly manual efforts to complete verifications. The chase for more data has led to a Frankenstein approach of stitching together solutions in hopes of simplifying verifications. This costs mortgage providers way too much time and money, when they could use Truework as the single platform to fulfill their verification needs.

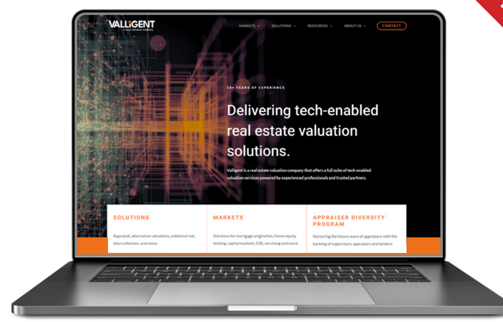
Truework delivers a leading 75% completion rate, helping leading mortgage companies achieve up to 50% cost savings on their verifications process. One top home mortgage lender in the U.S. reduced their total cost of ownership by 20% and saved over 14,000 hours for their loan fulfillment teams by working with Truework to automate verifications for their consumer direct loans.

What Sets Truework Apart:

- The only full-suite verification solution that aggregates and orchestrates every major method in one place, while leveraging machine learning and automation to parse, simplify, and standardize the data so it is immediately usable by lenders.
- Unlike other verification solutions, Truework does not believe in hit rate or coverage rate, because those metrics allow vendors to claim high "success" rates yet still deliver incomplete and inaccurate reports that require additional manual work to correct. Truework believes in completion rate, which we define as a comprehensive, vetted, and accurate verification report that lenders can actually use and doesn't require additional efforts to get right.

truework

truework.com



VALLIGENT

Valligent, a Veros Software company, is transforming real estate finance by blending advanced technology with industry expertise. Offering solutions like automated valuation models, virtual valuations, and traditional appraisals, Valligent meets the evolving needs of the market.

In 2024, Valligent launched the 1004D Virtual Completion Certificate, speeding up verification of appraisal report conditions for construction or repairs. This solution became essential for post-disaster inspections during hurricane season. Using mobile video streaming, Valligent's virtual inspection team guides property contacts through the process, completing 1004D orders in hours.

Valligent also introduced the Virtual Property Valuation Suite, the first of its kind, which includes ValINSPECT Virtual (inspection), ValPRAZE (limited-scope appraisal), Virtual eVAL (evaluation), Virtual ValBPO (broker price opinion), and 1004D Virtual. These solutions improve speed, accuracy, and loan decision-making, especially for rural properties.

Thousands of 1004D Virtual orders were completed in 2024 with an average turnaround of 1.4 days. Virtual inspections cost less than half of the onsite alternatives and accelerate loan closings. A top wholesale lender adopted 1004D Virtual for post-disaster inspections, ensuring operational continuity. Among surveyed property contacts, 95% had a positive experience with virtual inspections, and 71% believe virtual appraisals should become the industry standard.

What Sets Valligent Apart:

- **Nationwide Coverage:** Serving all 50 states and U.S. territories, supported by over 10,000 licensed appraisers and 5,700 real estate professionals.
- **Innovative Technology:** Blending cutting-edge technology with real estate expertise for fast, accurate valuations.
- **Tailored Solutions:** Customizing services for banks, credit unions, lenders, and more.
- **Proven Experience:** 20+ years of reliable, high-quality results.

VALLIGENT
A Veros Software Company

valligent.com

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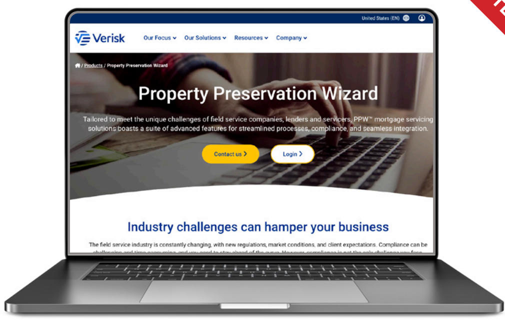

VERISK

Verisk (Nasdaq: VRSK) is a leading global data analytics and technology provider. Its mortgage and real estate solutions empower servicers, field service professionals, and property preservation teams to enhance operational efficiency, ensure compliance, and maximize profitability. Through advanced AI-driven analytics, intelligent workflow automation, and deep industry expertise, Verisk provides end-to-end solutions that streamline property inspections, preservation, and repair management—helping clients navigate complex regulations, optimize vendor performance, and mitigate risk.

What Sets Verisk Apart:

- **Industry Leadership:** Verisk is a leading provider of project cost data, weather insights, and work order management solutions across multiple sectors.
- **AI-Driven Insights:** PPW Insights leverages artificial intelligence and machine learning to provide real-time visibility into profitability and compliance.
- **Weather Intelligence:** PPW Weather combines near-real-time weather data with automated workflows, enabling proactive property risk management and cost reduction.

Verisk's comprehensive ecosystem includes PPW, a market-leading platform powered by AI and machine learning that transforms work-order management with real-time insights into compliance and profitability. PPW allows customers to reduce compliance risks. The industry's leading workflow management platform offers a powerful System Rules engine enabling users to create custom workflows without coding for rapid process automation and improved efficiency. PPW also provides real-time visibility and control at both the enterprise and individual property level and features mobile-optimized workflows—an important consideration for remote and on-the-move workers.

With decades of experience in mortgage servicing and insurance, Verisk combines scientific research, regulatory expertise, and cutting-edge technology to anticipate industry challenges and deliver actionable solutions.

Headquartered in the U.S., Verisk is consistently recognized as a Great Place to Work®, fostering an inclusive culture where innovation thrives. For more on how we're transforming mortgage servicing, visit Verisk.com.

Verisk

verisk.com/products/ppw

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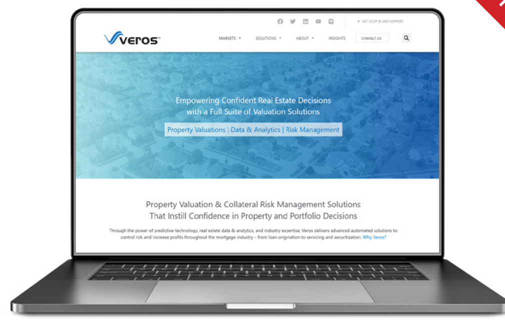

VEROS REAL ESTATE SOLUTIONS (VEROS®)

Veros Real Estate Solutions (Veros®) leverages predictive technology, sophisticated data analytics, and industry expertise to deliver advanced technological solutions that are integral to managing property valuation risk and increasing profits throughout the housing finance industry.

In 2024, Veros partnered with a key government agency to develop iVALUATION, a powerful platform that streamlines Reconsideration of Value (ROV) research and property valuation analysis. Combining an advanced automated valuation model (AVM) with nationwide property data, iVALUATION provides housing finance professionals with fast, precise insights.

What Sets Veros Apart:

- **Trusted by Government & Industry Leaders:** Chosen by GSEs, FHA, and VA to power critical valuation and risk management platforms.
- **Unparalleled Data & Analytics:** Access to 110+ million property records and a robust ecosystem of valuation tools.
- **Industry-Leading Valuation Technology:** Nearly 80% of U.S. appraisals flow through Veros' systems, ensuring broad market coverage.
- **Legacy of Innovation & Reliability:** Veros continues to shape the future of property valuation and housing finance.

Designed for mortgage originators, home equity lenders, appraisal reviewers, and investors, iVALUATION refines property characteristics, improves valuation accuracy, and simplifies comparable sales selection. The platform cross-references MLS data and public records, allowing users to adjust property details and validate valuations with confidence.

Trusted by government entities, iVALUATION is a proven solution that has experienced 200% growth in usage in 2024, with over 5,000 properties evaluated and counting. It is the exclusive platform for processing all Veterans Affairs ROVs, reinforcing compliance and reliability. Additionally, iVALUATION simplifies valuation audits and documentation, improving efficiency and decision-making for housing finance professionals.

By consolidating valuation tools into a single, user-friendly platform, iVALUATION reduces review time, enhances accuracy, and drives confidence in every valuation decision.

Veros®

veros.com

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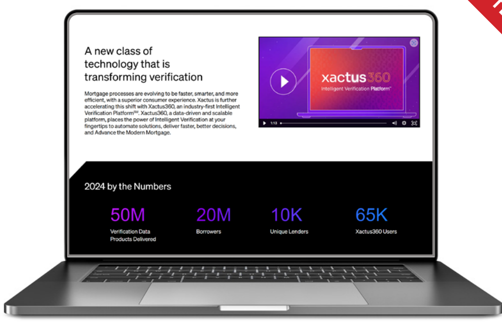

XACTUS

A leader in verification technology, Xactus is revolutionizing the mortgage industry with Intelligent Verification—a new class of technology designed to transform many manual processes into dynamically configurable workflows. Xactus360, its industry-first Intelligent Verification Platform℠, integrates with existing LOS and POS systems to help lenders realize enhanced decisioning and greater efficiency. Xactus is committed to advancing the modern mortgage and leading the charge through innovation.

There are three core areas that Xactus' Intelligent Verification Platform℠, Xactus360, addresses: 1) transforming static, inflexible processes into dynamic workflows; 2) making better loan decisions faster; and 3) reducing data waste.

1. **Embracing Dynamic Workflows:** Frees lenders to focus on more valuable work while scaling flexibly to meet the needs of the marketplace and capture rising volumes. With Xactus360, mortgage lenders can shift their manual waterfall processes toward configurable, dynamic workflows that respond to the specific context lenders may face. By combining data-at-scale, advanced AI technology, and deep domain expertise, clients can customize Xactus360 to deliver a cascade of relevant verification data, eliminating unnecessary data pulls and improving next-best actions.
2. **Making Better Loan Decisions, Faster:** Xactus360 allows clients to evaluate risk, ensure the ability to repay, mitigate losses, and retain customers much more effectively. With our unprecedented reach, domain expertise, and data scale, lenders can access and utilize the right data at the right time to transform their day-to-day verification processes. Intelligent Verification enables them to make superior loan decisions regardless of circumstance, expertise, and experience.
3. **Reduce Waste:** By optimizing their product mix and workflow processes from manual waterfalls to a new approach that is dynamic, configurable to their specific needs, and responsive to context, our clients are significantly reducing verification costs. Xactus360 enables this shift, securely aggregating data from across the mortgage ecosystem, integrating with all major LOS systems, and delivering the right data at the right time to meet client needs cost-effectively. It allows clients to increase efficiency, streamline integrations, reduce waste, and gain a competitive edge.

xactus
Advancing the Modern Mortgage

xactus.com

Lending/Originations

IMBS REVEAL Q4 PRODUCTION LOSSES

According to the recently released Quarterly Mortgage Bankers Performance Report by the Mortgage Bankers Association (MBA), independent mortgage banks (IMBs), and mortgage subsidiaries of chartered banks reported a pre-tax net loss of $40 on each loan they originated in Q4 2024. This is a decrease from the reported net profit of $701 per loan in Q3 2024.

"Net production losses resumed in the fourth quarter of 2024 after two consecutive quarters of modest gains," said Marina Walsh, CMB, MBA's VP of Industry Analysis. "This decrease marks the ninth quarter of net production losses in the past three years, albeit a much smaller loss compared to the fourth quarters of 2022 and 2023."

Key Findings of MBA's Q4 2024 Quarterly Mortgage Bankers Performance Report include:

- In Q4 2024, the average pre-tax production loss was 4 basis points (bps), which was smaller than the 73-basis point loss in the previous year but still lower than the reported profit of 18 bps in Q3. From Q4 2008 to the most recent quarter, the average quarterly pre-tax production profit was 41 basis points.
- In Q4 2024, the average pre-tax production loss was 4 basis points (bps), which was smaller than the 73-basis point loss in the previous year but still lower than the reported profit of 18 bps in Q3. From Q4 2008 to the most recent quarter, the average quarterly pre-tax production profit was 41 basis points.
- Commissions, remuneration, occupancy, equipment, and other production costs and corporate allocations accounted for 344 basis points of the total loan production expenditures in Q4 2024, up from 323 basis points in Q3 2024. Costs per loan went from $10,716 per loan in Q3 2024 to $11,230 per loan in Q4. Loan production costs have averaged $7,628 per loan since Q4 2008.
- By dollar volume, 78% of all originations were purchases. According to the MBA, the purchase share for the entire mortgage market was 62% in Q4 2024.
- The average first mortgage loan balance rose from $361,518 in Q3 to $363,795 in Q4.
- Compared to Q3's loss of $25 per loan, servicing net financial income for Q4 (without annualizing) was $142 per loan. Servicing operational income decreased from $93 per loan in Q3 to $84 per loan in Q4, excluding MSR amortization, gains/losses in the valuation of servicing rights net of hedging gains/losses, and gains/losses on the bulk sale of MSRs.

Compared to 71% in Q3 2024, only 61% of the companies in the report reported pre-tax net financial profits in Q4 2024, including all business lines (production and servicing).

"With the slowing in prepayments in the fourth quarter, net servicing financial income improved and helped the bottom line," Walsh said. "Across both production and servicing operations, 61% of mortgage companies in MBA's sample were profitable, compared to 71% in the previous quarter."

Walsh suggests that while average production costs rose, fourth-quarter production revenues and volume were essentially unchanged from Q3 2024. Q4 most certainly saw the recognition of costs associated with the third-quarter increase in applications. Furthermore, lenders with higher volume benefited from scale, as fixed costs were distributed over a greater volume, and they were able to produce an average production profit in Q4, even though per-loan costs rose for lenders of all sizes. Lenders with smaller production volumes, meanwhile, found it difficult to break even.

CONSUMER SENTIMENT SLIPS AS AMERICANS ADJUST TO MARKET CONDITIONS

Due in major part to customers' growing pessimism about mortgage rates falling in the upcoming year, the Fannie Mae Home Purchase Sentiment Index (HPSI) fell 1.8 points to 71.6 in February. While the percentage of consumers who believe that now is a good time to sell a home fell to 62%, the percentage who believe that now is a good time to buy a home increased slightly to 24% last month.

American consumers' optimism about their financial circumstances, such as household income and fear of job loss, also significantly decreased in February. The HPSI is down 1.2 points from the previous year.

"In February, the HPSI saw its first year-over-year decline in nearly two years, which was mostly due to a shrinking share of consumers expressing optimism about the direction of mortgage rates," said Mark Palim, Fannie Mae SVP and Chief Economist. "This growing pessimism makes sense, as mortgage rates had remained near the 7% threshold for a few months, including when we fielded this survey. The decline in sentiment was further impacted by consumers' growing concerns about their own personal financial situations. While some consumers may be slowly acclimating to the higher mortgage rate environment, the vast majority continue to believe it is a 'bad time' to buy a home—with high home prices cited as the primary sticking point. We continue to expect home sales activity to remain relatively light over our forecast horizon due to the ongoing lack of supply and overall unaffordability."

In February, the Fannie Mae Home Purchase Sentiment Index (HPSI) dropped 1.8 points to 71.6. When compared to the same period last year, the HPSI is down 1.2 points.

Home Purchase Sentiment Index—Americans Weigh In

- **Good/Bad Time to Buy:** The percentage of respondents who say it is a good time to buy a home increased from 22% to 24%, and the percentage who say it is a bad time to buy decreased from 78% to 76%. The net share of those who say it is a good time to buy increased 2 percentage points month over month to negative 53%.
- **Good/Bad Time to Sell:** The percentage of respondents who say it is a good time to sell a home decreased from 63% to 62%, and the percentage who say it's a bad time to sell increased from 36% to 37%. The net share of those who say it is a good time to sell decreased 3 percentage points month over month to 25%.
- **Home Price Expectations:** The percentage of respondents who say home prices will go up in the next 12 months decreased from 43% to 41%, while the percentage who say home prices will go down increased from 22% to 23%. The share that thinks home prices will stay the same increased from 34% to 35%. As a result, the net share of those who say home prices will go up in the next 12 months decreased 2 percentage points month over month to 18%.
- **Mortgage Rate Expectations:** The percentage of respondents who say mortgage rates will go down in the next 12 months decreased from 35% to 30%, while the percentage who expect mortgage rates to go up increased from 32% to 33%. The share that thinks mortgage rates will stay the same increased from 33% to 36%. As a result, the net share of those who say mortgage rates will go down over the next 12 months decreased 6 percentage points month over month to negative 3%.
- **Job Loss Concern:** The percentage of employed respondents who

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>
> —**Mark Palim**,
> Fannie Mae SVP and Chief Economist

say they are not concerned about losing their job in the next 12 months decreased from 78% to 77%, while the percentage who say they are concerned increased from 22% to 23%. As a result, the net share of those who say they are not concerned about losing their job decreased by 1 percentage point month over month to 55%.

- **Household Income:** The percentage of respondents who say their household income is significantly higher than it was 12 months ago increased from 17% to 18%, while the percentage who say their household income is significantly lower increased from 9% to 11%. The percentage who believe their household income is about the same decreased from 73% to 70%. As a result, the net share of those who say their household income is significantly higher than it was 12 months ago decreased 1 percentage point month over month to 7%.

THE IMPORTANCE OF FLOOD INSURANCE EDUCATION

How important is flood insurance? Homebuyers who are looking to purchase in a Special Flood Hazard Area (SFHA) may encounter challenges even after obtaining financing and getting ready to close because they cannot proceed without it. The National Association of Realtors (NAR) analyzes how the NFIP promotes and impacts local and national home sales and economic activity in a new report.

If the property is in an SFHA, lenders will require flood insurance prior to approving the loan. However, flooding is not covered by a typical homeowners insurance policy. This implies that the buyer would have to get flood insurance through the private sector, which does not provide flood insurance in many parts of the United States without the National Flood Insurance Program (NFIP).

If private flood insurance is not available, property transactions and loans may be postponed or canceled nationally in numerous flood zones. In addition to buyers and sellers, this disruption might have repercussions for the economy, associated sectors, and the larger real estate market.

Potential Homebuyers & Sellers Remain Affected by Flood Insurance

Property owners and purchasers are forced to rely on the private insurance market, which does not reliably offer flood protection, in the absence of the National Flood Insurance Program. Since lenders demand flood insurance as part of the mortgage approval process, this poses a serious problem for homebuyers buying in FEMA-designated SFHAs.

Because of this, many buyers in flood zones might have to wait to close their loans until they have obtained flood insurance. If the delay is too long, some contracts may expire, leading buyers to renegotiate or back out of the deal. From the seller's point of view, this leads to more market uncertainty and lengthier listing periods.

According to NAR, the NFIP is necessary for 1,360 home sale closings per day, which translates to about 41,300 impacted monthly transactions across the country.

Florida's housing market will be most impacted, followed by Texas and California; however, the effects will differ per state. Approximately 14,870 Florida home sale closings rely on the NFIP each month. Another 3,590 and 1,680 house sale closings in Texas and California, respectively, are guaranteed by the program.

How Will This Affect the U.S. Economy? Or Will It?

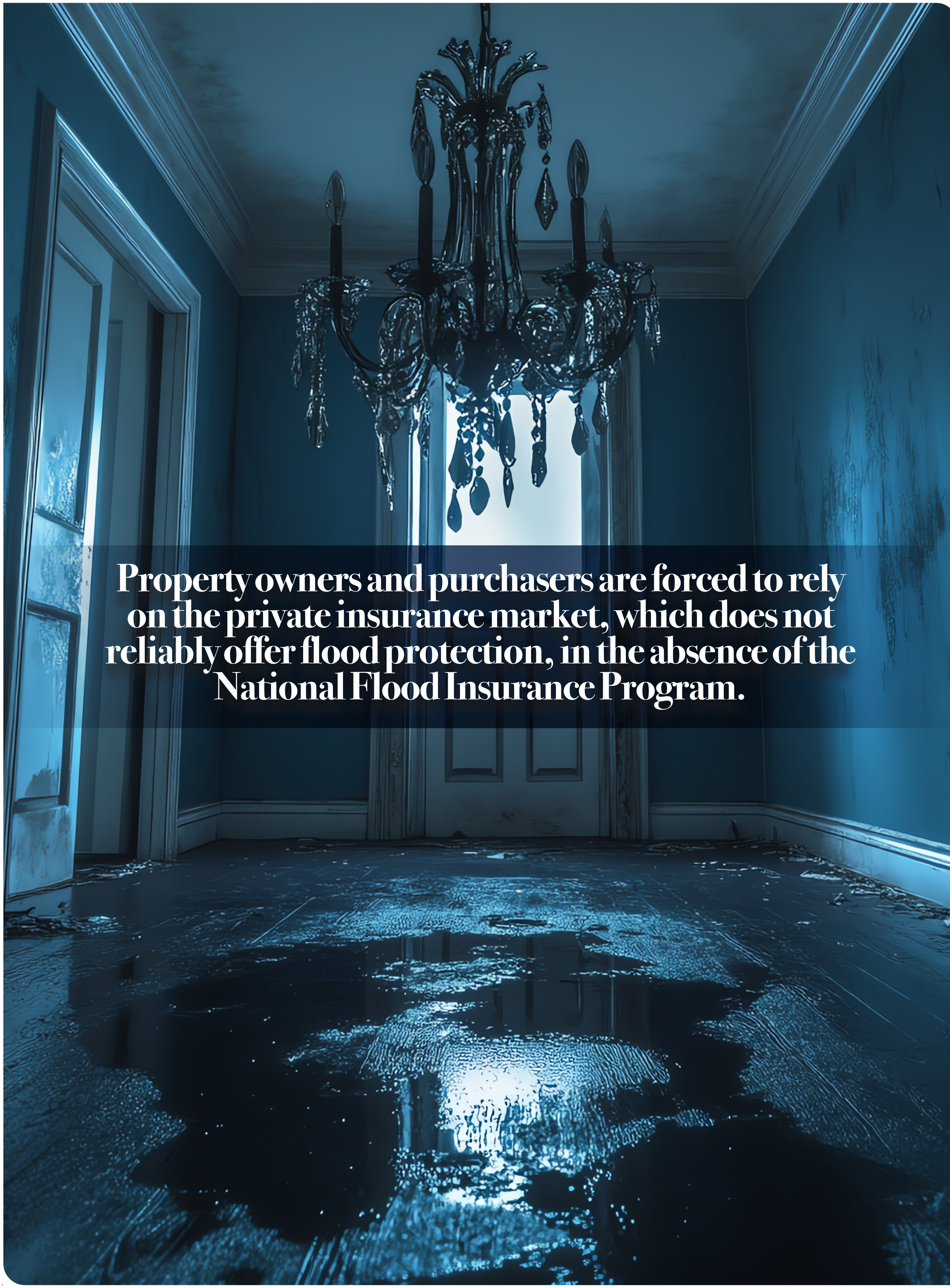
Economic activity is also significantly influenced by the housing market. Beyond its main purpose, the housing industry produces a number of initiatives that boost economic expansion and increase GDP through home sales, renovations, and construction. Although personnel and resources are needed for these activities, they also boost output and provide jobs in a variety of sectors, including manufacturing, retail, and construction.

Additionally, buying a property, especially an older one, usually results in higher consumer spending. To upgrade and customize their living areas, these new homeowners frequently spend money on furniture, appliances, services, and home renovation projects. However, the housing industry has an even greater economic impact. Jobs ranging from architects and builders to interior designers are created by the labor-intensive process of building new homes and remodeling old ones.

In addition, the real estate industry employs a large number of professionals, such as mortgage lenders, brokers, and agents. Therefore, a thriving housing market can have a significant positive impact on people's salaries and unemployment rates.

NAR calculated that, in the absence of the NFIP, overall income losses might amount to $69.7 billion annually after calculating the revenue from each state's home sales. This amount roughly corresponds to Alaska's GDP. The NFIP's economic benefits are broken down by each state in the map below. The states with the biggest annual local income losses without NFIP are Florida ($23.0 billion), California ($5.5 billion), and Texas ($4.9 billion).

Because of the magnitude of these economic impacts, it is essential to guarantee consistent and dependable access to flood insurance, not just for homebuyers and sellers but also for preserving overall market and economic stability.



Property owners and purchasers are forced to rely on the private insurance market, which does not reliably offer flood protection, in the absence of the National Flood Insurance Program.

Servicing

COMMERCIAL & MULTIFAMILY MORTGAGE DEBT CLIMBED BY TRILLIONS IN Q4

The most recent Commercial/Multifamily Mortgage Debt Outstanding quarterly report from the Mortgage Bankers Association (MBA) shows that the amount of outstanding commercial and multifamily mortgage debt at the end of 2024 was $172 billion (3.7%) more than at the end of 2023.

According to MBA's study, the total amount of outstanding mortgage debt increased by 1.1% ($50.7 billion) to $4.79 trillion in Q4 2024. During Q4, multifamily mortgage debt increased by $38.9 billion (1.8%) to $2.16 trillion, and for the whole year, it increased by $111.0 billion (5.4%).

"Commercial and multifamily mortgage debt outstanding increased to almost $4.8 trillion in Q4 of 2024, up 3.7% compared to last year," said Mike Fratantoni, MBA's SVP and Chief Economist. "Multifamily debt now totals almost $2.2 trillion, up 5.4% compared to last year. Life insurance companies had the fastest growth in commercial debt outstanding over the past year, accounting for almost 39% of the annual increase. By contrast, bank holdings increased by just 1% over the year, with this growth accounting for 10.5% of the total increase."

The four main investor groups are life insurance companies, federal agency and government sponsored enterprise (GSE) portfolios, commercial mortgage-backed securities (CMBS), collateralized debt obligation (CDO) and other asset backed securities (ABS) offerings, and banks and thrifts.

"For the tenth consecutive quarter, multifamily debt outstanding increased at a faster rate than the overall CRE market," Fratantoni said. "Almost 56% of the growth in multifamily MDO reflected growth in Agency and GSE portfolios and mortgage-backed securities (MBS)."

Examining U.S. Commercial & Multifamily Mortgage Debt Outstanding

At $1.8 trillion, the biggest portion of commercial/multifamily mortgages (38%) are still held by commercial banks and thrifts. At $1.1 trillion, or 22% of the total, agency and GSE portfolios and MBS are the second-largest holders of commercial and multifamily mortgages. CMBS, CDO, and other ABS issues hold $626 billion (13%), while life insurance companies possess $779 billion (16%).

The largest portion of the total debt outstanding, when considering only multifamily mortgages, agency and GSE portfolios, and MBS, is $1.1 trillion (49% of the total), followed by commercial banks with $629 billion (29%), life insurance companies with $255 billion (12%), state and local governments with $92 billion (4%), and CMBS, CDO, and other ABS issues with $68 billion (3%).

The highest dollar-term growth in commercial/multifamily mortgage debt holdings occurred in Q4 of 2024, with an increase of $31.2 billion (3.0%) in the Agency, GSE, and MBS portfolios. Holdings of life insurance firms rose by $22.7 billion (3%), while those of the federal government increased by $1.2 billion (1.2%), and those of CMBS, CDO, and other ABS issues increased by $6.4 billion (1%). The holdings of commercial banks decreased by $4.5 billion, or a slight decrease of 0.2%.

The highest percentage rise in commercial/multifamily mortgage holdings was 3.0% for agency and GSE portfolios and MBS.

The amount of outstanding multifamily mortgage debt increased by $38.9 billion, or 1.8%, between the third and fourth quarters of 2024. The highest rise in multifamily mortgage debt holdings in monetary terms was $31.2 billion (3.0%) for agency and GSE portfolios and MBS. CMBS, CDO, and other ABS problems boosted their holdings by $282 million (0.4%), while life insurance companies grew their holdings of multifamily mortgage debt by $10.2 billion (4.2%). The assets of state and local governments decreased by $1.6 billion, or 1.7%.

Private pension funds experienced the largest decline in multifamily mortgage holdings (10.9%), while life insurance firms saw the largest gain (4.2%).

Multifamily mortgage debt outstanding increased by $111.0 billion in 2024, or 5.4%. With a 6.2% ($61.8 billion) increase in multifamily mortgage debt holdings, agency and GSE portfolios and MBS experienced the biggest gain in monetary terms. The highest decline in holdings was $419 million (26.4%) for private pension funds.

> "Despite February's monthly decline of loans in forbearance, the estimated number of forbearances and loan workouts increased compared to one year ago."
>
> —**Marina Walsh**, CMB, MBA's VP of Industry Analysis

U.S. FORBEARANCES MODERATE AS LOAN WORKOUTS INCREASE

The overall number of loans now in forbearance fell by 2 basis points from 0.40% of servicers' portfolio volume in the previous month to 0.38% as of February 28, 2025, according to the Mortgage Bankers Association's (MBA) Monthly Loan Monitoring Survey (LMS). MBA estimates that 190,000 homeowners are enrolled in forbearance schemes. Since March 2020, mortgage servicers have granted almost 8.6 million forbearances.

In February 2025, the percentage of Freddie Mac and Fannie Mae loans in forbearance dropped by 2 basis points to 0.15%. The forbearance share for portfolio loans and private-label securities (PLS) dropped 3 basis points to 0.37%, while the forbearance share for Ginnie Mae loans fell 4 basis points to 0.84%.

"Despite February's monthly decline of loans in forbearance, the estimated number of forbearances and loan workouts increased compared to one year ago," said Marina Walsh, CMB, MBA's VP of Industry Analysis. "The year-over-year gain may be attributed to increasing escrow payments for taxes and insurance, inflationary pressures, natural disasters, aging servicing portfolios, and a softening in the labor market. At the same time, the performance of loan workouts and overall servicing portfolios weakened compared to one year ago."

Key Findings of MBA's Loan Monitoring Survey (Feb. 1- 28, 2025)

- Total loans in forbearance decreased by 2 basis points in February 2025 relative to January 2025: from 0.40% to 0.38%.
- By investor type, the share of Ginnie Mae loans in forbearance decreased relative to the prior month from 0.88% to 0.84%.
- The share of Fannie Mae and Freddie Mac loans in forbearance decreased relative to the prior month from 0.17% to 0.15%.
- The share of other loans (e.g., portfolio and PLS loans) in forbearance decreased relative to the prior month from 0.40% to 0.37%.
- Loans in forbearance as a share of servicing portfolio volume (#) as of February 28, 2025:
  - Total: 0.38% (previous month: 0.40%; previous year: 0.22%)
  - Independent Mortgage Banks (IMBs): 0.40% (previous month: 0.43%; previous year: 0.25%)
  - Depositories: 0.38% (previous month: 0.38%; previous year: 0.23%)

American Borrowers Are Facing Forbearance… But Why?

According to the data, an estimated 73.0% of borrowers are in forbearance because of temporary hardships brought on by disability, divorce, death, or job loss. Natural disasters have also put another 24.2% of Americans in forbearance. Due to COVID-19, the

remaining 2.8% of borrowers are still in forbearance.

Approximately 18.2% of all loans in forbearance are in a forbearance extension, while 63.0% of all loans are in the initial forbearance plan stage. Forbearance re-entries, including re-entries with extensions, make up the remaining 18.8%.

In February 2025, the percentage of servicing volume with loan workouts (finished in 2020 or later) was 6.49%, which was up from 6.04% a year earlier and somewhat lower than 6.53% the month before.

As a percentage of servicing portfolio volume (#), the total number of current (not delinquent or in foreclosure) loans serviced was 95.16% in February 2025, down 19 basis points from 95.35% the previous month (on a non-seasonally adjusted basis) and 57 basis points from 95.73% a year earlier.

The five states with the **highest share** of loans that were current as a percent of servicing portfolio:

1. Washington
2. Idaho
3. Alaska
4. Oregon
5. Colorado

The top five states with the **lowest share** of loans that were current as a percent of servicing portfolio:

1. Louisiana
2. Mississippi
3. Indiana
4. West Virginia
5. Alabama

Additionally, the percentage of all completed loan workouts from 2020 onward that were current (repayment plans, loan deferrals/partial claims, loan modifications) rose to 66.36% in February 2025, up 73 basis points from 65.63% the previous month and down 932 basis points from 75.68% a year earlier.

TOTAL BANKRUPTCY FILINGS TICKED UP IN FEBRUARY

According to data from the top source of U.S. bankruptcy file data, Epiq AACER, commercial Chapter 11 bankruptcy filings fell 42% in February 2025, from 826 filings in February 2024 to 481 filings in February 2025.

The associated filings of two sizable commercial Chapter 11 proceedings increased the total from last February. Additionally, because 2024 was a leap year, February 2025 had one fewer working day than the previous year.

Compared to the 2,576 commercial registrations in February 2024, the total number of February commercial filings dropped by 16% to 2,152. In February 2025, small business filings—which are recorded as subchapter V elections under Chapter 11—dropped 12% to 176 from 201 the year before.

"The overall filing volume trend waned in February, primarily due to fewer filing days and a typical trend of filings after tax return season," said Michael Hunter, VP of Epiq AACER. "The availability and increased utilization of home equity has enabled homeowners to leverage that value to temporarily offset higher living costs. I expect a continued trend of increased filings through the spring and summer months primarily due to continued increases in living costs, debt accumulation, relatively flat household income growth, and influences related to regulatory change."

In February 2025, there were 40,260 bankruptcy files overall, up 3% from the 39,034 cases in February 2024. Individual bankruptcy filings rose from 36,458 in February 2024 to 38,108 in February, a 5% increase. In February 2025, 22,899 individual Chapter 7 files were made, which is 8% more than the 21,151 submissions that were made in February 2024. On the other hand, February 2025 saw 15,128 individual Chapter 13 filings, a 1% drop from the 15,247 files in February of the previous year.

"Inflation, elevated interest rates, tighter lending terms, and geopolitical tensions are creating more challenges for distressed consumers and businesses looking to alleviate their growing debt loads," said Amy Quackenboss, ABI Executive Director. "Bankruptcy provides an established process for struggling households and businesses looking to access a financial fresh start."

'EVOLVING MARKET PRESSURES' DRIVING RECENT FORECLOSURE INCREASES

ATTOM has released its February 2025 U.S. Foreclosure Market Report, which shows there were a total of 32,383 U.S. properties with foreclosure filings—default notices, scheduled auctions, or bank repossessions—a total that was up 5% from the prior month, but down 1.7% year over year.

"February's rise in foreclosure filings suggests evolving market pressures," said Rob Barber, CEO at ATTOM. "While some increase may reflect seasonal trends, the uptick in foreclosure starts both month over month and year over year signals potential shifts. We'll continue monitoring how economic factors influence foreclosure activity moving forward."

Lenders repossessed 3,031 U.S. properties through completed foreclosures (REOs) in February 2025, up just under 2% from last month, but down 11% from a year ago—continuing a trend of declining annual REO numbers seen in 12 of the last 13 months.

States that had at least 50 or more REOs and that saw the greatest annual decline in February 2025 included:

- New York (down 49%)
- South Carolina (down 44%)
- New Jersey (down 43%)
- Pennsylvania (down 35%)
- Ohio (down 34%)

Among the 225 metropolitan statistical areas with a population of at least 200,000, that saw the greatest number of REOs included:

- Chicago, Illinois (154 REOs)
- Houston, Texas (101 REOs)
- St. Louis, Missouri (91 REOs)
- Detroit, Michigan (87 REOs)
- Philadelphia, Pennsylvania (78 REOs)

Where Are Foreclosures Most Prevalent?

Nationwide, one in every 4,395 housing units had a foreclosure filing in February 2025. States with the highest foreclosure rates were found in:

- Delaware (one in every 2,278 housing units with a foreclosure filing)
- Illinois (one in every 2,333 housing units)
- Nevada (one in every 2,435 housing units)
- New Jersey (one in every 2,695 housing units)
- South Carolina (one in every 2,816 housing units)

Those major metropolitan statistical areas (MSAs) with a population greater than 200,000, with the highest foreclosure rates in February 2025 were found in:

- Modesto, California (one in every 1,486 housing units with a foreclosure filing)
- Lakeland, Florida (one in every 1,863 housing units)
- Columbia, South Carolina (one in every 2,006 housing units)
- Chicago, Illinois (one in every 2,007 housing units)
- Atlantic City, New Jersey (one in every 2,032 housing units)

Other than Chicago, among the metropolitan areas with a population greater than one million, those with the worst foreclosure rates in February 2025 included:

- Las Vegas, Nevada (one in every 2,044 housing units)
- Riverside, California (one in every 2,166 housing units)
- Philadelphia, Pennsylvania (one in every 2,195 housing units)
- Jacksonville, Florida (one in every 2,445 housing units)
- Foreclosure Starts Increase Monthly

Lenders started the foreclosure process on 22,730 U.S. properties in February 2025, a total that was up 8% from last month and up 1% from a year ago. Those states that had 100 or more foreclosure starts and saw the greatest monthly increase in foreclosures starts in February 2025 included:

- New Jersey (up 78% from last month)
- Colorado (up 58%)
- Iowa (up 57%)
- Georgia (up 42%)
- South Carolina (up 29%)

Among those major MSAs with a population of at least 200,000, those with the greatest number of foreclosure starts in February 2025, included:

- New York, New York (1,387 foreclosure starts)
- Chicago, Illinois (1,367 foreclosure starts)
- Houston, Texas (1,050 foreclosure starts)
- Philadelphia, Pennsylvania (743 foreclosure starts)
- Dallas, Texas (651 foreclosure starts)

Government

HUD DELAYS ENFORCEMENT ON BIDEN ENERGY CODE, CITING AFFORDABILITY CONCERNS

The Trump administration has announced a six-month delay in the implementation of the Biden administration's mandatory energy code. The U.S. Department of Housing & Urban Development (HUD) will wait an additional six months before enforcing the compliance dates for adopting the 2021 International Energy Conservation Code (IECC) and ASHRAE 90.1-2019 as the minimum energy-efficiency standards for certain single-family and multifamily housing programs.

"This six-month pause by HUD is an important step forward to help ease the nation's housing affordability crisis," National Association of Home Builders (NAHB) Chairman Buddy Hughes said. "Compliance with this rule would make it much harder for home builders and multifamily developers to build housing that is available and affordable for American families.

The 2021 IECC includes several changes that impact both energy savings and construction costs for residential construction. NAHB found that compliance with the 2021 IECC can add more than $20,000 to the price of a new home, however, home builders have estimated increased costs of up to $31,000.

"The Community Home Lenders of America (CHLA) applauds HUD's action to delay the compliance date for the pending requirement that new homes financed by FHA single-family loans must meet IIEC energy standards," said Scott Olson, Executive Director of the Community Home Lenders of America (CHLA).

The CHLA is a national nonprofit association that focuses on small- and mid-sized community-based mortgage lenders. The mission of the CHLA is to promote federal mortgage programs, rules, and regulations that treat community mortgage lenders fairly, and reflect the importance that community mortgage lenders play in providing access to credit for borrowers, and in providing borrowers with quality mortgage services and access to loans at a local level.

"CHLA had called for elimination of this federal incursion into local construction standards—a proposal, whose main impact would have been to deny FHA loans for many homebuyers of new homes. Therefore, CHLA calls on FHA to use this delay to take final action to permanently shelve this proposal," Olson added.

HUD AND INTERIOR DEPARTMENT PARTNER ON AFFORDABLE HOUSING INITIATIVE

U.S. Department of Housing & Urban Development (HUD) Secretary Scott Turner and U.S. Department of the Interior (DOI) Secretary Doug Burgum have announced a Joint Task Force on Federal Land for Housing to identify underutilized federal lands suitable for residential development, streamline land transfer processes, and promote policies that increase the availability of affordable housing.

"We need more affordable homes in America, about seven million to be exact," said HUD Secretary Turner in a video posted to YouTube.

The Interior Department oversees more than 500 million acres of federal land, much of it suitable for residential use. Along with HUD, the Interior Department is establishing the new Joint Task Force on Federal Land for Housing to increase housing supply and decrease costs for millions of Americans.

"This partnership will identify underutilized federal land suitable for residential development and streamline the land transfer process," Burgum explained. "It will also promote policies to increase the availability of affordable housing while balancing important environmental and land use considerations."

HUD will be tasked with pinpointing where housing needs are most pressing, and the Interior Department will identify locations that can support homes.

The DOI oversees more than 500 million acres of federal land, much of which is suitable for residential use, HUD Secretary Turner and DOI Secretary Burgum wrote in an op-ed published in the *Wall Street Journal*.

The Joint Task Force on Federal Land for Housing will streamline the regulatory process so building on federal lands is not held up by environmental reviews, transfer protocols and other priorities.

"This is about more than building houses," wrote the Secretaries in the *Wall Street Journal*. "We want to build hope. Overlooked rural and tribal communities will be a focus of this joint agreement. We are going to invest in America's many forgotten communities. As we enter the Golden Age promised by President Trump, this partnership will change how we use public resources. A brighter future, with more affordable housing, is on its way."

> "We need more affordable homes in America, about seven million to be exact."
>
> —**Scott Turner**, Secretary, U.S. Department of Housing & Urban Development

Market Trends

HOMEOWNERS HAVE GAINED NEARLY $300B IN HOME EQUITY

CoreLogic has issued its Homeowner Equity Report (HER) for Q4 of 2024 which found that nationwide, borrower equity increased by $281.9 billion, or 1.7% year over year. CoreLogic's HER shows that U.S. homeowners with mortgages (which account for roughly 61% of all properties) saw home equity increase by about $4,100 between Q4 2023 and Q4 2024, which is less than the gain of $6,000 in Q3 2023. The states that reported the most significant gains in equity included:

- New Jersey ($39,400)
- Connecticut ($36,300)
- Massachusetts ($34,400)

Conversely, CoreLogic found the states reporting the largest losses were:

- Hawaii ($-28,700)
- Florida ($-18,100)
- District of Columbia ($-14,700)

Quarter over quarter, the total number of residential properties with negative equity increased by 9.3% to 1.1 million homes or 2% of all mortgaged properties. While year over year, negative equity increased by 7% from one million homes, or 1.8% of all mortgage properties.

"Housing equity growth slowed in 2024 versus 2020-2023 due to moderating price appreciation, but homeowners maintain substantial equity gains from prior years, preserving their strong financial position," said Dr. Selma Hepp, Chief Economist for CoreLogic.

While home equity is still boosting homeowners' wealth, home price appreciation is leveling off and tempering equity gains for homeowners across the U.S. There are clear regional divisions for equity gains. The Northeast continues to lead the way, with other areas of expanding equity encompassing the upper Midwest as well as California and Nevada. Areas with the largest declines dotted the country, but Florida and Washington, D.C., were notable areas with decreases.

Amassing equity does not necessarily stave off the possibility of being underwater on a mortgage. In Chicago, average year-over-year equity gains were just north of $12,000, but 2.6% of properties reported negative equity. Nevertheless, past years of rapid growth have left many homeowners with a substantial accumulation of equity. This financial padding can serve as a backstop in the event of a relocation or job loss.

Housing equity growth slowed in 2024 versus 2020-2023 due to moderating price appreciation, but homeowners maintain substantial equity gains from prior years, preserving their strong financial position.

Home prices continued to be the major driver of equity shifts and markets with declining prices generally saw fallen equity in 2024. In particular, several Florida markets, including Cape Coral, Sarasota, Lakeland, and Tampa have experienced weakening prices over the past year, which led to Florida's average equity declining by about $18,000 at the end of 2024. Thinking ahead, in light of mass government layoffs in the Washington metro region, it is important to note that borrowers in the tri-state area have accumulated between $261,000 (in Maryland); $287,000 (in Virginia); and $353,000 (in Washington, D.C.), in average home equity which will help as a financial buffer but also provide a downpayment in case of a move.

Underwater mortgages apply to borrowers who owe more on their mortgages than their homes are currently worth. Negative equity peaked at 26% of mortgaged residential properties in Q4 2009 based on CoreLogic equity data analysis, which began in Q3 2009.

The national aggregate value of negative equity was approximately $338 billion at the end of Q4 2024, up quarter over quarter by approximately $12.8 billion or 4% from $326 billion in Q3 2023. Year over year, it was also up by approximately $12.8 billion or 4% from $326 billion in Q3 2023.

CITIES WHERE HOME INSURANCE PREMIUMS ARE SET TO RISE

Home insurance premiums have risen rapidly over the last few years, fueled by the increase in billion-dollar weather disasters. And it's not over yet, says a new analysis from climate risk analysis firm First Street, which predicts that some cities in the most disaster-prone areas will be seeing significant additional premium increases between now and 2055 due to the risk of climate-related disasters.

Per the analysis, the city with the greatest increase in insurance premiums in the next 30 years will be Miami, skyrocketing a whopping 322% from current levels due to the rising risks of hurricanes. That same storm risk will also cause huge insurance premium jumps for Jacksonville (226%), Tampa (213%), and New Orleans (196%), whereas wildfires caused Sacramento to land at the fifth-highest insurance increase (137%).

"Over the next 30 years, we're likely to see more hurricanes move into the mid-Atlantic and move farther northward, and that's going to cause additional increases in cost and insurance in that space," said Jeremy Porter, Head of Climate Implications Research for First Street.

That said, even at current risk levels for weather disasters, Porter notes that many home insurance policies are underpriced relative to risk due to state regulations on rate hikes. That's a dynamic that has driven deep losses for carriers in recent years.

"So taken together, we have sort of the recipe here, where insurance is increasing," he said.

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> "Over the next 30 years, we're likely to see more hurricanes move into the mid-Atlantic and move farther northward, and that's going to cause additional increases in cost and insurance in that space."
>
> —**Jeremy Porter**, Head of Climate Implications Research for First Street

Nationally, First Street estimates that free-market, risk-based pricing would drive a 29.4% increase in average home insurance premiums by 2055. That figure includes an 18.4% correction for current underpricing and an 11% increase from growing climate risks.

Those projections cover only the rising cost of traditional homeowners insurance for wind, hail, and fire damage. They do not include the rising price of flood insurance and are not adjusted for inflation.

Typically, flood insurance is required only for homes in areas that are at a higher risk of flooding. For those homes, flood insurance premiums may also increase steeply in the coming years.

Nationally, flood damages are estimated to increase by an average of 28% by 2055, per First Street's flood model, with flood damages in some areas expected to surge much higher. The worst-hit metros are predicted to be New Orleans (at a staggering 533% increase), Atlantic City (296%), and Fort Lauderdale (122%).

"We're getting to the point to where we can start to understand, at least from a climate component, what the additional cost of insurance is going to be," Porter said.

"There will be other indicators that may also drive up insurance. But if we just isolate the climate component, we're able to understand how much more important climate is going to be in terms of pricing damages into the future," he added.

Why Premiums Are Rising

In recent years, home insurance companies have struggled to keep pace with the mounting losses from major disasters, including hurricanes and wildfires. There were 27 confirmed weather or climate disaster events in 2024 alone, each with losses exceeding $1 billion. That just missed the record high of 28 such events that was set in 2023, according to the National Oceanic and Atmospheric Administration.

As a whole, home insurers have paid out more in claims and expenses than they received in premiums each year since 2020. In 2023, industry losses were 10.5%, the highest in over a decade.

As a result, many carriers have increased their premiums considerably. From 2020 to 2023, premiums have increased by 33%, rising to $2,530 annually on average, according to a recent NBER study. But even those higher premiums don't yet accurately reflect current risk levels due to various regulations in the insurance industry.

CONSUMERS DELAY LIFE PLANS AMID INFLATION PRESSURES

As inflation continues to shape consumer behavior, Americans are adjusting their financial habits, delaying major life plans, and seeking new ways to manage their money. According to the second annual Wells Fargo Money Study, 76% of Americans have cut back on spending, a notable increase from 67% in 2024. The impact is even more pronounced among younger generations, with 82% of Gen Z adults and 79% of millennials reporting reduced spending. Even among teens, 60% say they are spending less in response to economic conditions.

"Consumer behaviors are shifting. The value of the dollar and what it is providing may not be as predictable anymore, which seems to be more pronounced for younger Americans," said Michael Liersch, Head of Advice and Planning at Wells Fargo.

Financial Trade-Offs: Life Plans Put on Hold

With higher prices stretching household budgets, 60% of Americans say they are making tough financial choices, and 55% report delaying major life plans. Among those postponing milestones:

- 74% have delayed travel plans
- 39% have postponed home renovations
- 30% have delayed moving or purchasing a home
- 17% have put off further education
- 14% have delayed marriage
- 13% have postponed retirement

The study underscores the reality that many households are struggling to balance financial goals with the rising cost of living.

Sticker Shock: Prices Far Higher Than Expected

A major driver of these shifting behaviors is continued sticker shock, with 90% of Americans reporting surprise at the cost of common expenses like dining out, event tickets, and even bottled water. Actual prices are often 55% to 200% higher than expected.

- **Dining out:** Expected cost $23, actual cost $40 (74% higher)
- **Gas:** Expected cost $40, actual cost $62 (55% higher)
- **Concert/sporting event tickets:** Expected cost $70, actual cost $150 (114% higher)
- **Bottle of water:** Expected cost $1, actual cost $3 (200% higher)
- **Greeting card:** Expected cost $3, actual cost $6 (100% higher)
- **Video game download/streaming service:** Expected cost $20, actual cost $50 (150% higher)

"Spending is one of the most important factors to staying on track with your goals," Liersch said. "I would encourage people to continue to evaluate their financial choices and align their spending with what matters most to them."

Americans Want to Learn Better Money Management

Despite financial strain, Americans are taking a proactive approach to improving their financial habits. As well as wanting to learn new money behaviors, 86% specifically mention wanting to be more thoughtful and intentional about their spending.

"These insights highlight that Americans are not just winging it. They are being extraordinarily introspective and thoughtful as they navigate their financial priorities and work toward achieving their financial goals," Liersch said.

Even with this growing awareness, 61% of respondents say they need a mental reset to improve their financial outlook. Among the challenges holding them back:

- 48% say habits are hard to change
- 43% struggle to balance short-term needs with long-term goals
- 32% feel they lack financial knowledge
- 29% support multiple dependents
- 15% feel peer pressure influences spending

As Americans work to navigate these challenges, many are increasingly turning to financial advice. The percentage of people seeking outside guidance has risen from 24% last year to 36% this year. Younger generations are even more eager to learn, with 54% of teens, 61% of Gen Z adults, and 46% of millennials actively seeking financial advice.

"Younger generations are innovating and leading the way in so many areas. In this case, they are leading in the desire to learn more about money and make informed financial decisions. And Americans are saying: Now is the time," Liersch said.

Self-Perception and Money: Americans Judge Themselves More Than Others

While most Americans claim not to judge others' financial situations, many are highly self-conscious about their own money matters. The study found that 87% of Americans say they do not care how much money others have, yet 56% keep their financial situation private, with 32% citing fear of judgment.

More than half (53%) said revealing their financial standing would create stress. Many also compare themselves to others, with 47% admitting to feeling envious of wealthier individuals, and 37% saying they fixate on the idea of becoming rich.

"Americans appear comfortable with other people being authentic about their financial situation, which is encouraging to see. So now it's time to look inwardly and overcome our own self-judgment," Liersch said.

Looking Ahead: A Shift Toward Financial Intentionality

Despite financial uncertainty, 86% of Americans say they have a clear picture of their financial goals, and 87% believe now is a good time to save. While inflation continues to impact household budgets, many consumers are actively working to reshape spending habits and align financial decisions with long-term objectives.

As Americans strive to be more intentional with their money, the coming years could see a shift in how financial success is defined—not just by wealth accumulation, but by financial stability and personal fulfillment.

BLACK HOMEOWNERSHIP MAKES GAINS, BUT STILL LAGS BEHIND OTHER COHORTS

Although homeownership rates are rising for Americans of all races, specific challenges still exist for Black Americans. Experts in real estate are stepping in to assist purchasers in overcoming those hurdles.

According to the National Association of Realtors (NAR) 2025 *Snapshot of Race and Home Buying in America*, the Black homeownership rate in the United States saw the largest year-over-year rise among racial groups in 2023, but it still lags well below the white homeownership rate.

"This report provides the housing ecosystem with in-depth information about how racial and ethnic groups approach the housing market," said Jessica Lautz, Deputy Chief Economist and VP of Research for NAR. "It helps industry professionals by providing detailed local information about challenges and success."

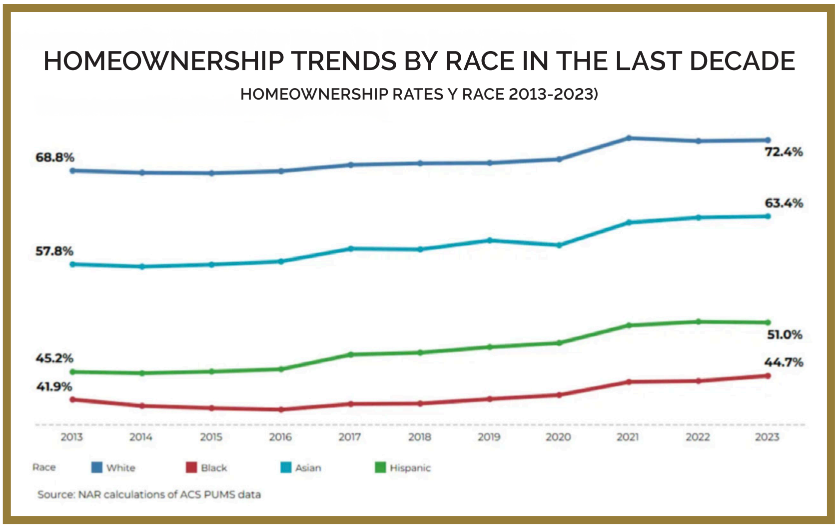
The latest real estate market intelligence study focuses on who is joining the U.S. housing market and how homeownership patterns across various racial and ethnic groups are influenced by affordability, financing accessibility, and demography. It looks into racial group homeownership rates in each of the 50 states and the District of Columbia. The paper also looks at home buyer demographics, reasons for buying, types of properties purchased, and financial profiles, with a particular focus on racial differences, utilizing data from NAR's 2024 Profile of Home Buyers and Sellers.

Significant Racial Disparities in Homeownership Persist Across the U.S.

Black homeownership rates in the Unites States are still significantly lower compared to that of whites (72.4%; +0.1 percentage points), Asians (63.4%; +0.1 percentage points), and Hispanics (51.0%; -0.1 percentage points), even though the Black homeownership rate (44.7%; +0.6 percentage points) saw the largest annual gain of any race in 2023.

The U.S. homeownership rate was higher in 2023 (65.2%) than it was 10 years prior (63.5% in 2013), with over 11.8 million more homeowners, despite persistent affordability issues. Notably, the 2022 year-over-year fall in homeownership was reversed by the 2023 annual rise.

Black Americans (+2.8 percentage points or nearly 1.2 million homeowners), Asian Americans (+5.6 percentage points or 1.6 million homeowners), and white Americans (+3.6 percentage points or 702,200 homeowners) all saw increases in homeownership rates, but Hispanic Americans saw the biggest increase (+5.8 percentage points or 3.5 million homeowners) of any racial group since 2013. The Black-white homeownership rate difference has increased by 28 percentage points since 2013, despite improvements.



"Today's first-time home buyers continue to face housing affordability and credit-access challenges, but the situation nationwide varies when assessing purchasing power," Lautz said. "Buyers have always had to consider total home costs—including utilities, insurance, and commuting expenses—which are especially important when taking the initial steps into ownership."

The 25–40 age range is when one in three Hispanic households is ready to buy a property. There are 21% more young Hispanic households in Hispanic areas than there were ten years ago, and Asian households between the ages of 25 and 40 have grown by 34% since 2013. Over 30% of renters' income is spent on rent. Black renters had more difficulty finding affordable housing than their white counterparts in 46 states.

In roughly 39 states, Black homeowners bear a greater burden of housing expenditures, with housing expenses accounting for over 30% of their income. Compared to white (11%) and Asian (9%) applicants, Black (21%) and Hispanic (17%) applicants had substantially higher mortgage denial rates.

Changes in Homeownership Rates Across the Years

U.S. homes spent an average of $860 annually for home insurance 10 years ago. That amount increased by 53% to $1,310 in 2023. It may come as no surprise to some, but Black homeowners pay the highest rates for homeowners' insurance of any racial group. Black homeowners' insurance costs in 2023 were $1,360, Asian homeowners' costs were $1,330, white homeowners' costs were $1,310, and Hispanic homeowners were $1,300.

White homebuyers (83%) accounted for the biggest share of all buyers, followed by Black buyers (7%), Hispanic buyers (6%), Asian buyers (4%), and other buyers (3%), according to NAR's 2024 Profile of Home Buyers and Sellers. Black Americans make up 49% of first-time homebuyers, followed by Asians (43%), Hispanics (41%), and white people (20%).

"Non-white home buyers are more likely to be first-time buyers, underscoring the importance of changing demographics and the age of local populations, which will increase non-white homeownership over time," Lautz said.

More Black homebuyers than any other demographic used community/government down payment help programs (5%) and 401(k)/pension (11%; down from 17% last year) as sources of down payment. The average down payment was 19% for white buyers and 21% for Asian buyers. Student loan debt was indicated by 23% of Hispanic purchasers (down from 29% last year) and 42% of Black buyers (up from 41% last year). At $30,000 each, Black and white buyers owed the most in college loans.

Customers who were provided a particular loan product were more likely to report prejudice during their transaction if they were Black (47%) or Asian (33%). Some 2% of Hispanic consumers and 5% of Asian and Black consumers reported racial prejudice.

Homeownership Rates Across Racial & Ethnic Groups — Household Trends, Challenges & More

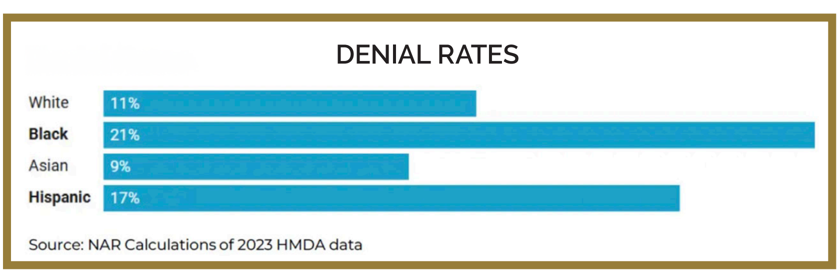
The 2025 Snapshot of Race and Home Buying in America report tracks homeownership rates across racial and ethnic groups, identifying trends and potential challenges nationwide. Here's what NAR's race and homebuying report found:

Black Households:

According to the survey, despite the historic increase in 2023, the Black homeownership rate is still around 45%, which is lower than that of other groups.

Over the 10 years, the number of Black households who own a home has increased by about 1.2 million, or 2.8 percentage points. The report states that although the increasing trend in Black homeownership is commendable, it has not kept up with the growth rates of other racial/ethnic groups.

- **States with highest homeownership rates:** Mississippi (58%), Delaware (56%), and South Carolina (56%)



- **States with lowest homeownership rates:** North Dakota (10%), Montana (20%), and Maine (21%)
- **States with the highest share of renter households that can afford to buy a typical home:** North Dakota (64%), Wyoming (35%), and Kansas (33%)
- **Median household income of recent buyers:** $100,000
- **Median down payment:** 8%
- **Percentage of purchasers who were first-time buyers:** 49%
- **The purchasing power of the average first-time buyer:** $163,080

Hispanic Households:

Hispanic Americans have seen the largest homeownership gains in the last decade, rising from 45.2% in 2013 to 51% in 2023—an increase of 3.5 million households since 2013. The report cites population growth and rising household incomes as accelerating ownership rates among Hispanics.

- **States with highest homeownership rates:** New Mexico (67%), Vermont (66%), and Michigan (63%)
- **States with lowest homeownership rates:** North Dakota (26%), New York (28%), and the District of Columbia (30%)
- **States with the highest share of renter households that can afford to buy a typical home:** Vermont (46%), Missouri (43%), and Kansas (41%)
- **Median household income of recent buyers:** $96,300
- **Median down payment:** 13%
- **Percentage of purchasers who were first-time buyers:** 41%
- **The purchasing power of the average first-time buyer:** $214,100

White Households:

Despite a roughly 3.4 million household reduction in the white population over the past decade, the white homeownership rate has increased. The white homeownership rate did, however, rise by roughly 702,200 households, from 68.8% in 2013 to 72.4% in 2023.

- **States with highest homeownership rates:** Delaware (81%), Mississippi (80%), and South Carolina (80%)
- **States with lowest homeownership rates:** District of Columbia (48%), Hawaii (58%), and California (63%).
- **States with the highest share of renter households that can afford to buy a typical home:** Mississippi (45%), Illinois (38%), and West Virginia (36%)
- **Median household income of recent buyers:** $110,000
- **Median down payment:** 19%
- **Percentage of purchasers who were first-time buyers:** 20%
- **The purchasing power of the average first-time buyer:** $220,770

One positive aspect is that, in 2023 alone, the Black homeownership rate increased by 0.6 percentage points to 44.7%, the biggest year-over-year increase of any racial group. However, that still falls well short of the 72.4% homeownership rate for white people, and the difference has only widened. However, per the survey, housing affordability, access to financing and demographic trends are all variables that continue to affect homeownership rates.

> **"Long-term homeowners tend to have low monthly payments. If they were to move—even using their equity as a down payment—they would have a much higher monthly payment because home prices and interest rates have soared over the last several years."**

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HANGING ONTO HOUSE AND HOME

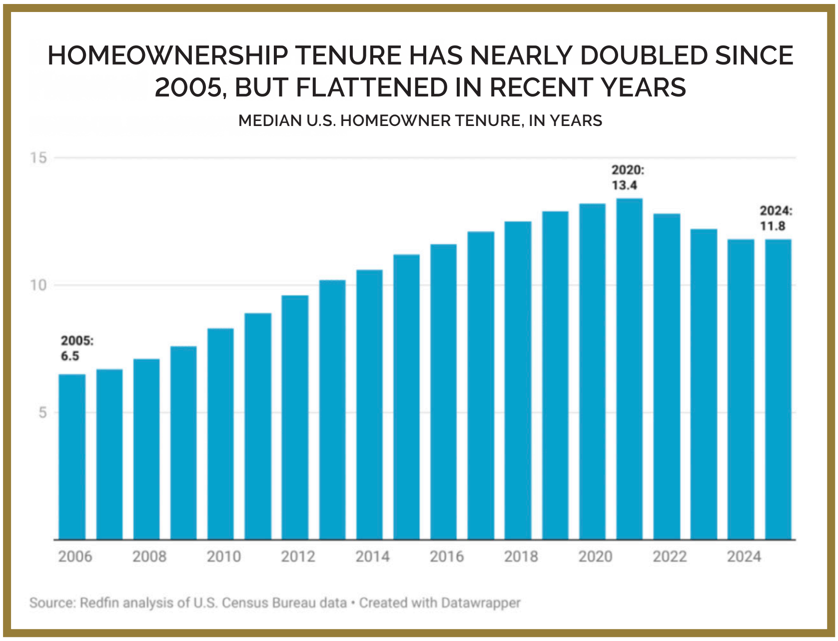
A new study by Redfin has found that the typical U.S. homeowner stays in their house for 11.8 years, but homeowners in California—where Proposition 13 can lock owners into low property-tax rates—are staying put much longer.

In Los Angeles, where homeowners hold onto their houses longer than any other U.S. metro, the median tenure was 19.4 years in 2024—the longest span on record for the area. It's followed closely by San Jose, with a median tenure of 18.3 years. Homeowners in San Francisco, San Diego, and Riverside also stay put longer than the average American.

California is also home to three of the five U.S. metros with the biggest increases in homeowner tenure over the last decade. Providence, Rhode Island, had the biggest uptick, hitting a median tenure of 16.8 years in 2024, up from 10.9 years in 2014. It's followed by Los Angeles, San Jose, New Orleans, and San Francisco.

Lower Taxes Found Appealing in the Golden State

California homeowners tend to



hold onto their houses for a long time because a state tax law incentivizes them to do so. Proposition 13, adopted in 1978, mandates that homeowners pay property taxes of 1% of their home's assessed value, and strictly limits tax increases.

For many Californian homeowners, especially in expensive coastal areas like Los Angeles and San Francisco, it doesn't make financial sense to more than double their property tax rate to buy a similar home in the same area.

Prop 13 is also a factor in homeowner tenure increasing significantly over the last decade. But it's exacerbated by the rapid rise in mortgage rates over the last three years.

Many California homeowners are locked in not just by low property taxes, but by low mortgage rates. Mortgage rates hovered between 3% and 5% from 2010 to the start of 2022, dropping to a record low of under 3% at the height of the pandemic moving frenzy. Since early 2022, mortgage rates have been sitting in the 6%-8% range. Selling a home where you pay a 3% mortgage rate to move and take on a 7% rate would significantly increase a homeowner's monthly payment—and in California, your property tax bill would also jump.

"Long-term homeowners tend to have low monthly payments. If they were to move—even using their equity as a down payment—they would have a much higher monthly payment because home prices and interest rates have soared over the last several years," said Gregory Eubanks, a Redfin Premier Agent in Los Angeles. "Many older homeowners are adding on and creating a multigenerational home, with their kids and grandkids moving onto the property. And even many people who do move hang onto their house and rent it out because low property taxes and low monthly payments make them view it as a financial asset."

California's Proposition 19, which was designed to allow older homeowners to keep relatively low tax rates when they move, went into effect in 2020. It's unclear how effective Prop 19 has been at freeing up housing inventory.

"But it's a problem for young people trying to break into the state's notoriously expensive housing market," Redfin Senior Economist Sheharyar Bokhari said. "Tight inventory only pushes home prices up more and adds to the generational homeownership divide."

The only major metro with a bigger increase in homeowner tenure than Los Angeles is Providence, Rhode Island, where one of the main factors is an aging population. The average Providence homeowner is 54, older than nearly every other major U.S. metro. Older people have typically owned their homes longer than younger people, and they're less likely to move.

Tenure was reported the shortest in Louisville, Kentucky, where the typical homeowner remains in place for eight years, followed by Las Vegas (8.4 years) and Charlotte, North Carolina (8.7 years). One reason for short tenure in those places is that the relative affordability of buying a house encourages moving. The typical home in each of those three metros sells for under $440,000, compared to roughly $900,000 in Los Angeles and $1.5 million in San Jose.

Trends in Tenure

Around the United States, homeowner tenure has flattened out over the last few years. After peaking at 13.4 years in 2020, the average tenure declined to 11.8 years nationwide in 2023 and stayed the same in 2024.

Homeowner tenure declined slightly each year from 2020-2023 mainly because of the pandemic-driven moving frenzy. At the start of the pandemic, record-low mortgage rates and the increasing prevalence of remote work motivated many Americans to move. Tenure remained the same from 2023-2024 because home sales were slow due to high mortgage rates and sale prices.

Still, homeowners are holding onto their houses for nearly twice as long as they were in the early aughts. The typical homeowner stayed put for 6.5 years in 2005, then tenure gradually increased over the next 15 years.

There are several reasons for the increase. The American population has grown older, and older people are less likely than younger people to move. Gen Zer's and millennials typically stay in homes for shorter periods because they're switching jobs and starting families. But baby boomers and older Gen Xers—who are more likely to be homeowners—tend to be settled in with less reason to relocate, and they're

increasingly choosing to age in place. Additionally, they're financially incentivized to stay put; many older Americans own their homes free and clear, and those who do have a mortgage very likely have a lower rate than they would have today.

Long homeowner tenure is an obstacle for first-time buyers all over the country, not just in California, because it contributes to the country's housing shortage and pushes sale prices higher. Housing costs are unlikely to drop significantly unless many people start letting go of their houses.

"While tariffs and inflation continue to be concerns that could dampen buyer and seller confidence, harnessing the seasonal trends in real estate is a proactive way to navigate what's ahead."

SELLERS COULD PROFIT MORE IN 2025 AS COMPETITION SOFTENS

Timing is crucial in a difficult real estate market, and this year, the Realtor.com Best Time to Sell study indicates that the best time for sellers to discover the best balance of market circumstances is between April 13 and April 19. If 2025 follows the seasonal trends of the past few years, sellers who list their property this week may see more buyers in the market, sell their home more quickly, and receive an average of $27,000 more than they would at the beginning of the year.

"Spring is typically a good time to list your home, and at a time when policy changes and economic turning points create questions and uncertainty, it can be helpful to focus on what we do know," said Danielle Hale, Chief Economist at Realtor.com. "Very predictably, homes listed in the spring tend to be priced higher and sell faster than the average week throughout the year. While tariffs and inflation continue to be concerns that could dampen buyer and seller confidence, harnessing the seasonal trends in real estate is a proactive way to navigate what's ahead."

Sellers Can Look Forward to Buying in 2025's "Greatest Time to Sell"

However, when is the best time to sell? Per Realtor.com data, the week of April 13-19 is the best time for sellers to take advantage of the housing market. The market is starting to show positive indicators, even if mortgage rates are still higher than many buyers and sellers would want. Sellers should anticipate good conditions, such as inventory, demand, advantageous competition, and market tempo, throughout the week of April 13.

Key Findings:

Above average prices: Historically, the median listing price of homes listed during this week is 6.7% higher than the beginning of the year and 1.1% more than the average week of the year. The national median listing price during this week might be $4,800 more than the usual week and $27,000 higher than the beginning of the year if 2025 follows the seasonal trends of the past years.

Quicker market pace: Homes typically sell faster during this week due to above-average demand. In the past, properties listed for sale during this week sold around nine days quicker than they would have during a typical week. Due to the conflicting factors of limited inventory and low buyer demand, the market pace did not significantly shift from 2024's prior year. The market pace may intensify as buyers compete for fewer houses if buyer demand increases faster than inventory this spring.

Above-average buyer demand: How many offers a home receives and how soon it sells can be influenced by the amount of people looking at a listing. The seller benefits from more buyers viewing a home, and buyers typically begin the process before sellers do. In the past, each listing has received 17.7% more views this week than it does on average. Many purchasers have stayed out of the market as a result of mortgage rates staying above 6% for more than two years. However, it is expected that buyers will enter the market this spring after two years of high rates, drawn by better inventory and slower price increases in most of the nation.

Demand may increase more quickly and forcefully if mortgage rates decline this spring as well.

Reduced rivalry between sellers: This week would have 13.2% fewer sellers on the market than the usual week of the year, according to a typical inventory trend. From the start of the year until about November, seller activity usually increases.

More for-sale possibilities appear to be available as we enter the selling season of 2025, which can boost buyer demand in both well-supplied and in-demand locations with low inventory levels. Improved affordability circumstances, which will be heavily reliant on declining mortgage rates and increasing availability, will be the key to this year's housing market.

Highlights & Expectations for 2025

By the end of the year, mortgage rates are anticipated to drop to the mid-to-low 6% level. Conditions appear to be improving as we enter the selling season of 2025, with more possibilities for sale. This can boost buyer demand in both well-supplied and in-demand regions with low inventory levels. Better affordability conditions will be key to this year's housing market, and they will be heavily reliant on declining mortgage rates and increasing availability.

Both prices and competition typically peak later. However, sellers should keep in mind that higher competition from other sellers for a comparable number of consumers coincides with peak prices later in the season. In the past, new sellers increased to approximately 1.5 times greater than at the beginning of the year (+46.2%) by the end of June, even though prices had already reached near-peak levels (+7.6% in 2024) compared to the beginning of the year. By entering the market early, homeowners who intend to sell this year can reduce that risk, increase the likelihood of a good closing, and probably negotiate advantageous terms.

Buyer and seller confidence may be impacted by uncertainty. Even though inflation has decreased in recent months, the future is uncertain due to the different economic aims and recommendations of the current administration. In particular, tariffs have the potential to significantly increase the cost of homebuilding in the U.S. and harm the housing market by reducing homebuilding activity and increasing inflation, which maintains high mortgage rates.

However, the market may gain from the administration's indications that they intend to address housing affordability. Buyers and sellers may be reluctant to make any significant changes until the future is a little clearer, but it is too early to tell how these suggestions will turn out, and it is vital to recognize that individual opinions can impact whether policies inspire more or less enthusiasm.

Where Do Buyers & Sellers Stand?

The housing market is still undersupplied, so a seller who lists a well-priced, move-in-ready property is likely to find success, even if the Best Time to List determined that April 13–19 is the ideal week for sellers to list. Listing early in the spring increases a seller's chances of a successful transaction because spring is typically the busiest time of year for real estate activity and buyers are more available earlier rather than later. Remembering that it's a process, sellers should begin the process well in advance of the date they plan to list.

Buyers have noticed an improvement in market circumstances during the past year. Since there are more homes for sale than there were a few years ago, the market pace is a little more controllable, as evidenced by longer days on the market and a higher percentage of homes with price reductions, which shows that many sellers are more flexible. This means that even in the busy spring and summer months, buyers may have a little more wiggle room in the market, which could offer them more time to make a decision, even though they still have to deal with high housing expenses.

Views per listing have historically decreased in the late summer/early fall and then tend to increase for buyers after that. In 2024, there were almost 30% more sellers with actively listed properties than at the start of the year in the fall, giving purchasers greater choices. It is therefore likely that buyers who can continue their property searches will get a little respite in that they will have additional options to pick from in the coming weeks.

WHICH SFR MARKETS ARE YIELDING THE HIGHEST RETURNS?

ATTOM has released its Q1 2025 Single-Family Rental Market report, ranking the best U.S. markets for buying single-family rental properties in 2025. The report analyzed single-family rental returns in 361 U.S. counties with sufficient rental and home-price data. The report shows that the annual three-bedroom gross rental yield (annualized median gross rent income divided by median purchase price) among the 361 counties analyzed is projected to be 7.45% in 2025—down slightly from an average of 7.52% in those same markets during 2024.

Investment returns for landlords have slipped as home prices are rising faster than rents across slightly more than half the country. From 2024-2025, median single-family home prices rose more than median three-bedroom rents in 54% of the markets analyzed. The gaps—usually more than three percentage points—pushed rental yields downward.

"The fallout from rising single-family home values is proving beneficial for long-time landlords, as increasing property prices drive rents higher. However, for new investors entering the rental market, conditions are becoming more challenging nationwide," said Rob Barber, CEO at ATTOM. "Unless home prices stabilize or more properties become available for sale, this trend is likely to persist in the near future."

Over the past year, median single-family home prices have gone up in about two-thirds of the counties with enough data to review, with increases generally ranging up around 10%. At the same time, typical three-bedroom rents have increased in barely more than half of those areas, with gains mostly topping out at roughly 7%.

Where Are the Top Rental Returns Located?

Counties with the highest potential annual gross rental yields on three-bedroom properties for 2025 include:

- Suffolk County, New York, in the New York City metro area (18%)
- Atlantic County, New Jersey, in the Atlantic City area (16.8%)
- Jefferson County, Alabama, in the Birmingham area (13.6%)
- Mobile County, Alabama (12.9%)
- Ector County, Texas, in the Odessa area (12.5%)

Aside from Suffolk County, the highest potential annual three-bedroom gross rental yields in 2025 among counties with a population of at least one million were reported in:

- Wayne County (Detroit), Michigan (10.9%)
- Cuyahoga County (Cleveland), Ohio (10.1%)
- Allegheny County (Pittsburgh), Pennsylvania (9.8%)
- Cook County (Chicago), Illinois (9.2%)

Rental Returns Decrease Nationwide

Potential annual three-bedroom gross rental yields for 2025 have gone down compared to 2024 in 57% of the counties analyzed in the report. The biggest drop-offs were reported in:

- Litchfield County, Connecticut (outside Hartford) (yield down from 17.1% in 2024 to 11.7% in 2025)
- Champaign County, Illinois (down from 12.5% to 9.3%)
- Monroe County (Rochester), New York (down from 12.6% to 9.8%)
- Santa Barbara County, California (down from 10% to 7.4%)
- Mercer County (Trenton), New Jersey (down from 11.8% to 9.8%)

The biggest decreases in potential annual gross rental yields from 2024-2025 among counties with a population of at least one million are in:

- Los Angeles County, California (yield down from 7.1% in 2024 to 6.1% in 2025)
- Palm Beach County (West Palm Beach), FL (down from 7.6% to 6.8%)
- Wayne County (Detroit), Michigan (down from 11.7% to 10.9%)
- Riverside County, California (down from 9.5% to 8.7%)
- Allegheny County (Pittsburgh), Pennsylvania (down from 10.4% to 9.8%)

Lowest Rental Returns in the West

Counties with the lowest potential annual gross returns for 2025 on three-bedroom rentals are:

- Santa Clara County, California, in the San Jose metro area (2.9%)
- San Mateo County, California, in the San Francisco area (3.3%)
- Williamson County, Tennessee, in the Nashville area (3.4%)
- Walton County, FL, in the Crestview-Fort Walton Beach area (3.7%)
- Alameda County, California, in the San Francisco area (3.8%)

Aside from Santa Clara and Alameda counties, the lowest potential annual gross three-bedroom rental yields in 2025 among counties with a population of at least one million are in:

- Honolulu County, Hawaii (4.1%)
- Fairfax County, Virginia in the Washington, D.C., metro area (4.2%)
- Kings County (Brooklyn), New York (4.2%)

Wages Rising Faster Than Rents

Average wages are growing faster than median three-bedroom rents in 69% of the counties analyzed, including:

- Los Angeles County, California
- Cook County (Chicago), Illinois
- Harris County (Houston), Texas
- Maricopa County (Phoenix), Arizona
- San Diego County, California

Median three-bedroom rents are increasing faster than average wages in 31% of the counties measured, including:

- Suffolk County, New York (outside New York City)
- Franklin County (Columbus), Ohio
- Oakland County, Michigan (outside Detroit)
- Hennepin County (Minneapolis), Minnesota
- Cuyahoga County (Cleveland), Ohio

Home Prices Rising Faster Than Rents

Median home prices are going up more than median three-bedroom rents in 196 of the 361 counties analyzed (54%), including:

- Los Angeles County, California
- Cook County (Chicago), Illinois
- Maricopa County (Phoenix), Arizona
- San Diego County, California
- Orange County, California (outside Los Angeles)

Median three-bedroom rent prices are rising faster than median home prices in 165 of the counties analyzed (46%), including:

- Harris County (Houston), Texas
- King County (Seattle), Washington
- Santa Clara County (San Jose), California
- Sacramento County, California
- Philadelphia County, Pennsylvania

Average wages are increasing faster than median home prices in 60 percent of the counties analyzed, including:

- Harris County (Houston), Texas

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HOW IS THE D.C. RENTAL MARKET WEATHERING MASS FEDERAL LAYOFFS?

Rents in the District of Columbia fell during most of 2024 due to an increase in new construction, yet the median rent increased 2.7% year over year to $2,325 in February 2025 after three months of declines, all per a new report from Redfin. It's too early to tell how the expected mass federal layoffs will impact the D.C. market; if a significant number of workers move away, expect rents to drop.

The Washington, D.C., metro area has seen some of the biggest rent increases in the country, even as asking rents have fallen in nine of the past 12 months. The District's median asking rent peaked at $2,463 in July 2023, since falling to between $2,265 and $2,350 in 2024 as apartment construction boomed—a boom now ending, as permits for new apartment buildings are slowing.

Only Time Will Tell

Between return-to-office mandates and job cuts across multiple agencies, the federal workers who make up a significant portion of the District's workforce face ongoing uncertainty.

"The District is always in transition, especially when a new administration takes office, with people moving in and out of the city for both government and private sector work opportunities," Redfin Senior Economist Sheharyar Bokhari said. "Rents will be impacted if laid-off workers move away in droves, but also by workers who want to live closer to where they work, now they are required to be in the office."

Bokhari also noted that the slowing apartment construction will lead to less new supply in the foreseeable future. The District approved permits for 11 apartment units per 1,000 people in 2022, but that number dropped by more than half in 2023 (four per 1,000 people) and half again in 2024 (two per 1,000 people).

Measuring D.C. Area Hot Spots

Looking at the 10 most populous cities surrounding the District, Arlington, Virginia, saw the biggest year-over-year jump in asking rents in February, rising 12.1% to $2,591. They were followed by Bethesda, Maryland (+11.1%), and Alexandria, Virginia (+6.4%).

Arlington County, where Arlington is located, has seen construction slow considerably in the past two years, with county approvals dropping over 90%: from 13 apartment units per 1,000 people in 2021 to just one apartment unit per 1,000 people in 2024.

Montgomery County, where Bethesda is located, saw a relatively big jump in building permit approvals in 2024, even as it's had little apartment construction activity recently. Those new buildings may help meet the demand that is causing rents to rise quickly.

Silver Spring, Maryland posted the biggest year-over-year decline, with the median asking rent falling to $1,695 (a 7.3% drop). Centreville, VA (-5.3%), was next, followed by Rockville, Maryland (-4.3%).

Overall, the median rent in the greater Washington, D.C., metro area (including the District and surrounding counties in Maryland and Virginia) rose 9.2% year over year in February to $2,045.

- Maricopa County (Phoenix), Arizona
- Orange County, California (outside Los Angeles)
- Dallas County, Texas
- Riverside County, California

Median home prices are increasing faster than average wages in 40% of the counties analyzed, including:

- Los Angeles County, California
- Cook County (Chicago), Illinois
- San Diego County, California
- Miami-Dade County, Florida
- Kings County (Brooklyn), New York

Best SFR Growth Markets

The report identified 28 "SFR Growth" counties where average wages grew over the past year and potential 2025 annual gross three-bedroom rental yields exceed 10%. The 28 SFR Growth markets include:

- Wayne County (Detroit), Michigan
- Suffolk County, New York (outside New York City)
- Cuyahoga County (Cleveland), Ohio
- Shelby County (Memphis), TN
- Hidalgo County (McAllen), Texas

MORE RENTERS REJECTING THE AMERICAN DREAM

For generations, attaining homeownership was considered the cornerstone of the American Dream. However, a new survey by Cortland suggests that perception is rapidly changing. Nearly half of American renters (43%) say renting has enhanced their quality of life compared to owning a home. Among these renters, the top reasons cited for their improved lifestyle include affordability (59%), location convenience (51%), and maintenance-free living (49%).

Homeownership No Longer the End Goal

Traditional attitudes toward homeownership as the ultimate life milestone are shifting. Only 32% of renters consider owning a home part of their ideal future. Instead, many renters are opting out due to concerns over maintenance responsibilities (45%) and avoiding mortgage debt (40%).

"The landscape of American living is evolving, and apartment living is no longer just a temporary phase," said Juan Bueno, President of Operations at Cortland. "For many, it's a deliberate choice due to the flexibility and amenities renting offers, in addition to an enhanced experience, community, and freedom from the burdens often associated with traditional homeownership."

Monitoring Generational Shifts

Generational differences further highlight this shift. More than 40% of Gen Z and millennial renters are unsure or doubtful about ever owning a home. Despite this, a strong majority—84% of Gen Z and 81% of millennials—say they are at least somewhat satisfied with renting as an alternative. Even 71% of Gen X and older renters express contentment with their rental lifestyle.

Overcoming the Barriers to Homeownership

Several financial challenges continue to make homeownership out of reach for many renters:

- High housing costs (58%) remain the top barrier.
- Rising living expenses (52%) are another significant concern.
- A lack of savings (46%) prevents many from affording a down payment.

An interesting statistic uncovered by Cortland's study showed those who intend to be lifelong renters have higher expectations for rental properties (53%), and nearly half of all renters (49%) believe renting can meet their needs just as well as homeownership.

Community and Lifestyle Benefits as Primary Drivers

Beyond financial reasons, many renters appreciate the lifestyle benefits that come with renting. A third (34%) of those who feel renting has improved their quality-of-life credit a sense of community as a key factor.

It is also noteworthy that location preferences vary by region. While 42% of renters nationwide would prefer a suburban setting if they were to rent permanently, a majority (38%) of renters in the Northeast favor city living.

Also of interest is that those who have previously owned a home are more likely to say renting has improved their quality of life (52%) than those who have never owned a home (38%).

Ushering in a New Era in Housing Preferences

"This evolution in housing preferences marks a critical moment for the multifamily industry," said Mike Gomes, Chief Experience Officer at Cortland. "As attitudes shift, Cortland continues to leverage data-driven insights to tailor our offerings and improve our service delivery, aiming to go above and beyond expectations to enrich the lives of Americans who choose renting as their housing solution."

As the housing market remains challenging for buyers, renting is increasingly being viewed as a long-term, viable lifestyle choice—one that provides flexibility, financial relief, and an enhanced quality of life.

HOMEBUYERS REVEAL GENERATIONAL TRENDS & PREFERENCES

A new report released from ServiceLink revealed that Gen Z remains eager and ready to buy a home this year. However, high interest rates and home prices could deter them from crossing the finish

"Today's buyers need to be armed with information while demonstrating patience and flexibility, in order to achieve their dream of homeownership."

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line as their tolerance is waning. The annual survey analyzes generational trends among recent and prospective homebuyers, revealing their sentiment about the current housing market and their intentions to purchase, refinance, or leverage home equity this year.

"These findings show that there is still a strong appetite for homeownership, particularly among the youngest generation, despite the ups and downs of today's market," said Dave Steinmetz, President of Origination Services. "Today's buyers need to be armed with information while demonstrating patience and flexibility, in order to achieve their dream of homeownership. For lenders, this provides an opportunity to tap into technology and increase offerings that buyers indicate they want to see. Lenders also should focus on education and increasing transparency to meet the current needs of today's buyers."

While Gen Z Remains Prepared to Purchase, They're Also Ready to Back Out

Compared to 51% of millennials, 49% of Gen X, and 22% of baby boomers, around 67% of Gen Z respondents stated they intended to buy a home this year.

In all, an estimated 47% of respondents stated that they would think about buying a house in 2025. Elevated mortgage loan rates and housing prices may deter purchasers from making a purchase. For those reasons, 43% of respondents stated they thought about purchasing a home in 2024 but ultimately decided against it.

Of all respondents, Gen Z was the most likely to give up on the homebuying process, with 58% reporting that they did so in 2024 and 38% stating that they had failed to make a purchase during the previous four years. According to 41% of all respondents, the current market is favorable for home purchases this year. Among Gen Z, 52% had a positive outlook on the market, compared to only 23% of baby boomers.

An estimated 69% of those surveyed expressed satisfaction with their existing mortgage rate. People who want to buy this year are becoming less tolerant of high prices. According to Gen Z respondents, their average mortgage rate is 5.1%, but they would think about raising it to 5.8%.

Compared to a year ago, when Gen Z respondents were willing to go as high as 6.3%, that number is lower. This year, millennials are also lowering their tolerance, as the study shows the greatest rate they would tolerate is 5.5%, down from 6.2% in 2024.

Generational Homebuying Trends & Buyer Preferences

Two years ago, millennials were the most eager generation to buy a home, but they are gradually reversing their desire. Millennials still want to purchase in 2025 at a rate of 51%, down from 61% two years ago and 59% last year.

Compared to 60% in 2023, just 46% of millennials stated that the market will be favorable for purchases in 2025. In contrast, Gen Xers are expressing a revived desire to own a home in 2025. Compared to 45% in 2024, 25% in 2023, and 12% in 2022, 49% of Gen X respondents stated they intended to purchase this year.

With 82% stating that they would be more inclined to cooperate with a lender that offers appraisal or closing appointment scheduling from a phone or tablet that allows them to choose the precise date and time they prefer, Gen X is also the group most impacted by technology. Furthermore, 77% of Gen Xers who responded stated that they would choose a lender that provided virtual closings.

Some 39% of respondents stated they would like to see more space between homes, and 60% of respondents who intend to buy a home within the next year stated they are searching for a home with greater space—a 17% increase from a year ago.

The largest deterrent to purchasing a home, according to 51% of respondents, is that the house is too tiny. Higher taxes (48%), a lack of privacy or too close-together residences (43%), and a lack of outdoor space (33%), are other major deal-breakers. At 66%, Gen Z is the generation that most want a bigger, more spacious home, followed by millennials at 64%.

Compared to 34% in 2023, 39% of all respondents reported having at least $100,000 in home equity. Compared to 28% in 2024, only one in four respondents stated they intended to take out a home equity loan this year. Ten percent of those surveyed stated that they are not knowledgeable enough about home equity loans to give them any thought.

Many respondents believe that this year would see a decline in mortgage rates, which would enable purchasers to get a better deal. In an effort to obtain a better rate, 60% of respondents stated that they are "likely" or "somewhat likely" to refinance this year. Compared to 57% in 2024, that is a tiny increase.

"economic turning points"

Danielle Hale, Chief Economist at Realtor.com, explained how, although homes posted in the spring are often pricier and sell faster than the average week of the year, spring is generally a good time for sellers to offer their homes at a time when policy and economic changes are increasing concerns and uncertainties for many Americans.

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"generational homeownership divide"

Sheharyar Bokhari, Senior Economist at Redfin, revealed how young Americans attempting to enter expensive states like California's infamously costly housing market have difficulties because of the limited availability, which further drives up property prices and widens the gap between generations in terms of homeownership.

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"buyers rush in"

Orphe Divounguy, Senior Economist at Zillow, revealed that the traditional spring homebuying season has been disrupted in recent years by changes in mortgage rates, and buyers who are just about to qualify for a loan move in and out of the market based on those changes—meaning that when rates drop, more buyers rush in, pushing up prices.

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"evolving market pressures"

Rob Barber, CEO at ATTOM, discussed how the increase in foreclosure filings in February points to changing market conditions, but some rises can be seasonal. He added that the increase in foreclosure starts from month over month and year over year also points to possible changes.

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"plenty of challenges"

Mike Fratantoni, Ph.D., MBA's SVP and Chief Economist, talked about how there are still plenty of challenges in commercial real estate, but there are also signs of stabilization, and given the strong pickup in origination activity at the end of 2024, it appears that at least some borrowers and lenders are ready to move.


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