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MortgagePoint Magazine

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AUGUST 2024

The Burden of Proof

MortgagePoint profiles Bron, Inc., a company that has carved out a unique niche with a focus on crucial but often-overlooked tasks such as managing registrations, utilities, and HOA verifications.

ALSO IN THIS ISSUE:

FEATURE STORY

THE BEST SOLUTION IS NOT ALWAYS THE SHINY NEW TOY

While it can be debated as to how much default and foreclosure activity lies ahead, default servicers must carefully examine their tech systems to keep ahead of the curve.

FEATURE STORY

DRIVING GROWTH: LEVERAGING HOME EQUITY TO EXPAND LOAN OFFICER OPPORTUNITIES

In a tight market, LOs seeking to diversify their offerings are turning to home equity products to expand their role and become a financial guide for life.

COUNSEL'S CORNER

FACING THE FORECLOSURE AND BANKRUPTCY CHALLENGES OF TODAY

Robert S. Kahane, a foreclosure and bankruptcy attorney with more than 30 years under his belt, discusses current compliance issues related to loan servicing process enhancements.

EXPERT INSIGHTS

TONY JULIANELLE, CEO OF REAL ATLAS ESTATE

discusses current market trends and the forces that will shape the landscape in the industry.

CARVING OUT A NICHE

Welcome to the August 2024 issue of *MortgagePoint*.

This month, we were invited to get an inside look at the leaders and team of Bron Inc. Kevin Hamilton, CEO of Bron, founded the company while working at a mortgage servicer. It was there where he got his first municipal violation and fine on a property, which opened his eyes to an often-overlooked aspect of compliance. Hamilton began forming his executive team, rounded out by Todd Imwold, Bron's COO and Eric Moore, Bron's Chief Information Officer. Read the full story on Bron's rise and expansion to meet the compliance needs of its clientele in this month's cover story, "The Burden of Proof."

In a tight market, many LOs are finding the need to diversify their product offerings. In "Driving Growth: Leveraging Home Equity to Expand Loan Officer Opportunities," Dan Catinella of Total Expert describes ways that home equity offerings can expand the role of the LO to become a financial guide to consumers for life.

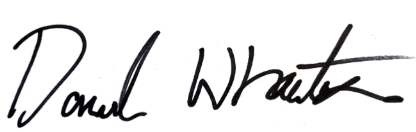
Also this month, as default servicers continue to examine their tech systems to remain ahead of the curve, Jimmy Lewis and Sridhar Loganathan of TrueFocus Automation explain how to optimize your current tech solutions to realize their untapped capabilities. In "The Best Solution Is Not Always the Shiny New Toy," they explain that rather overhauling an entire technology infrastructure, default servicers can achieve meaningful modernization by addressing the biggest weaknesses in their operational workflows with their current tech stack.

With more than 25 years of industry experience, Tony Julianelle, CEO of Real Atlas Estate, has experienced market highs and lows, growing his property management firm throughout. In this month's "Expert Insights" column, we get to better know Tony, how he got his start, and what it takes to make it in today's marketplace.

Also sharing his experience with *MortgagePoint* this month is Robert S. Kahane, a foreclosure and bankruptcy attorney with more than 30 years to discuss current compliance issues related to loan servicing process enhancements. In this month's "Counsel's Corner," Kahane, Founder and Managing Shareholder of Sunrise, Florida-based Kahane & Associates PA, discusses current trends in the foreclosure and bankruptcy space, and major legal cases that could have a significant impact on the industry.

Also, don't forget to register for the upcoming Five Star Conference 2024, set for September 24-26 at the Omni Dallas Hotel. The event attracts leading subject-matter experts, exhibitors, and thousands of professionals representing mortgage servicers, lenders, federal government agencies, financial services law firms, service providers, investors, and real estate organizations from across the nation working towards the common goal of a stronger and united mortgage industry. Visit FiveStarConference.com for more information.

Thank you again for your continued support, and for your daily fix of the latest in the mortgage industry, visit www.TheMortgagePoint.com.



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CLEAR CAPITAL PARTNERS WITH DARK MATTER TECHNOLOGIES

Clear Capital, a real estate valuation technology company, has partnered with Dark Matter Technologies, a mortgage technology company backed by loan origination software and leadership. Through this partnership, mortgage lenders and servicers using the Exchange℠ Service Network, an API marketplace that connects more than 16,000 service providers with the Empower loan origination system (LOS) and other systems of record, will have access to a broad range of Clear Capital products and services. This includes ClearAVM, Clear Capital's automated valuation model (AVM).

The Exchange Service Network allows mortgage lenders and servicers to order Clear Capital's products without leaving the Empower LOS or rekeying manual loan data. In addition to ClearAVM, the Exchange Service Network also supports ordering of Clear Capital's Collateral Desktop Analysis (CDA®), Broker Price Opinion (BPO), Property Condition Inspection (PCI), and Appraisals.

"Our aim is to streamline the delivery of products so that our clients have what they need, when they need it," said Rich Gagliano, CEO of Dark Matter Technologies. "That's why we created a single marketplace that facilitates connections with tens of thousands of mortgage solution providers, and it's why we are happy to partner with companies like Clear Capital who make lenders' and servicers' jobs easier."

"Our partnership with Dark Matter Technologies is all about helping lenders and servicers make more confident decisions through our robust property data analytics and product suite, which offer them the complete picture," said Kenon Chen, EVP of Strategy and Growth, Clear Capital. "We want to ensure lenders and servicers have all the tools they need to execute with precision and accuracy while driving efficiencies. We're excited to deliver this through the Exchange Service Network from Dark Matter Technologies."

VICE CAPITAL MARKETS LAUNCHES INTEGRATION WITH FANNIE MAE MISSION SCORE API

Vice Capital Markets, a mortgage hedge advisory firm for independent lenders, banks, and credit unions, has announced it has integrated the Fannie Mae Mission Score application programming interface (API) into its trading portal, allowing current clients to take advantage of pricing and best execution decisions to improve gain-on-sale.

"By utilizing current integrations with Fannie Mae and making minimal updates to current procedures, our development team was able to deliver our clients instant access to FNMA's Mission Index API," Vice Capital CIO Shawn Ansley said. "The API integration gives our clients the peace of mind that the Mission Index value we are using to evaluate best execution on their loans is 100% accurate and incorporates all the required data components to accurately score each individual loan."

"The Mission Score API and Mission Score product grids are Fannie Mae's latest solutions intended to support affordable homeownership opportunities and promote mission-based financing to qualified borrowers," said Pete Skarnulis, VP, Single-Family Business Account Management Solutions at Fannie Mae. "Through close partnership and collaboration with our industry partners, we're able to introduce innovative solutions to the market at scale, helping to promote positive change across the mortgage industry."

CHEVRON FEDERAL CREDIT UNION SELECTS BLUE SAGE DIGITAL LENDING PLATFORM

Chevron Federal Credit Union (Chevron FCU), a credit union based in Concord, California, has successfully implemented Blue Sage Solutions' fully cloud-based Digital Lending Platform. This milestone enables the Chevron FCU and Spectrum Credit Union to streamline the home financing experience for its members while enhancing efficiency through its entire loan origination process. In addition to leveraging all components of the Blue Sage LOS platform, the credit union implemented Blue Sage's LION Consumer POS, ensuring members can check rates, apply, and get approved for mortgages from any device.

A credit union with more than 135,000 members nationwide managing $4.8 billion in assets, Chevron FCU selected the Blue Sage platform for its modern API-first technology, user-friendly interface, and best-in-class integrations with some of the industry's leading service providers, including Docutech, ComplianceEase, and Optimal Blue. In addition to the platform's enterprise-grade security, the credit union valued Blue Sage's seamless ordering of preliminary title reports, accurate fee calculations, and ensuring compliant and saleable loans throughout the process—from quote to close.

"It is very important to us to provide our members with an exceptional experience, especially when obtaining home financing," said Mike Long, SVP and Chief Lending Officer for Chevron FCU. "After extensive research, it was clear that Blue Sage's innovative, cloud-based digital technology was the superior choice. We're confident that Blue Sage offers everything we need in a mortgage technology partner to originate loans more efficiently, and still provide the best member experience."

The Blue Sage Digital Lending Platform is a 100% browser-based platform that delivers advanced automation, task-based workflows, and an intuitive user interface, delivering the most advanced loan processing from application to closing in the market. The API-based technology enables credit unions, regional banks, and independent mortgage bankers to scale their mortgage operations effortlessly, regardless of channel.

"In today's complex housing environment, many credit unions are striving to

> "Mortgage escrow is inherently complex, and the technology lift to handle the many moving parts is significant."
>
> —**Tim Bowler**, President, ICE Mortgage Technology

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reduce friction in the mortgage process while giving members a seamless lending experience," said Carmine Cacciavillani, Founder and President of Blue Sage Solutions. "We're thrilled to provide Chevron FCU with our comprehensive, cloud-based technology, built in-house by an experienced team, which delivers on both fronts. We look forward to a long and productive partnership."

ICE INTRODUCES INTELLIGENT, CONVERSATIONAL INTERFACE

Intercontinental Exchange, Inc. (ICE), a global provider of technology and data, has officially introduced the MSP Digital Experience (MSP DX). MSP DX is a new conversational interface for working in MSP, ICE's mortgage loan servicing system.

MSP DX is a new way of interacting with the full power of the MSP servicing system. It is designed to streamline workflows, increase efficiencies, and ease the training of servicing team members. ICE launched this new interface with escrow, historically one of the most costly aspects of mortgage servicing. This functionality was previewed at ICE Experience 2024 and received positive reviews from leaders in the mortgage servicing industry.

"Mortgage escrow is inherently complex, and the technology lift to handle the many moving parts is significant," said Tim Bowler, President of ICE Mortgage Technology. "But with the introduction of MSP DX, we are helping servicers manage the escrow process more efficiently. This will enhance workflow management for servicers and improve the household experience."

MSP DX gives end users the sort of conversational interaction they have come to expect in other aspects of their lives. Rather than sorting through multiple screens or reaching out to different departments for information, servicing professionals can now ask the system for what they need using everyday language.

"MSP DX represents a significant leap forward for the industry and serves up what users need, when they need it," Bowler said. "It automates routine tasks so users can focus on more strategic and meaningful work. While we started with escrow, we will continue to make further investments to enhance workflow and flatten learning curves throughout the mortgage servicing process.

FIZBER INTEGRATES WITH TITLEGENIUS BY RADIAN TO HELP SUPPORT FSBO COMMUNITY

Radian Group Inc. has announced that FIZBER has teamed up with Radian Settlement Services to provide its user base of for sale by owner (FSBO) home sellers with access to Radian's innovative digital title and home closing platform, titlegenius by Radian.

The integration with titlegenius by Radian empowers FIZBER users with end-to-end title and closing services backed by real-time updates, exceptional support, and competitive rates. Through the platform, users will also have access to educational resources and individualized support throughout their title transactions.

"Selling a home on your own can be daunting and complex, and we are proud to be able to provide a way to make the title and closing process easier and more efficient," said Mary Dickerson, Radian's Senior Executive VP, Chief People and Operating Officer. "Whether it is your first time selling a home or you have been through many closings, titlegenius by Radian helps make the process straightforward, fast, and efficient."

The titlegenius by Radian platform provides a simple, transparent, and secure way to order title and closing services online. In addition to allowing users to instantly generate title insurance quotes at mytitlegenius.com, the platform combines Radian Settlement Service's national title and settlement services footprint with proprietary technology to offer:

» A frictionless path to closing, with a seamless digital experience;

- Title coverage at a lower cost, with competitive rates and no junk fees. Users have the potential to save up to 25%1 on average on closing costs in comparison to other providers;
- Educational resources to help users understand the title insurance and settlement process;
- Exceptional support delivered by the knowledgeable Radian Settlement Services team; and
- Real-time status updates as each stage of the closing process are completed.

"We're thrilled to collaborate with Radian Settlement Services to bring our home sellers access to the innovative titlegenius platform that offers a less stressful closing process," said PJ Mitchell, President of FIZBER.com. "This integration enables our users to close on their home sales with confidence knowing they are supported every step of the way by Radian's experienced team."

PRECISELY EXPANDS WILDFIRE RISK CAPABILITIES FOR ANALYSIS AND PREVENTION

Precisely has announced expanded capabilities for its Wildfire Risk product. With access to additional Wildfire Risk Extreme modeling and data, customers can accurately assess critical risk factors, including environmental conditions, for rapidly spreading urban fires across the United States. Wildfire Risk, part of the Precisely portfolio of data products, now provides a highly comprehensive and contextual view of wildfire severity and frequency in densely populated areas—enabling customers to make more confident decisions for planning and prevention.

The latest scientific research shows that the risk of extreme wildfires has doubled in the past 20 years. In the first six months of 2024 alone, nearly 20,000 wildfires burned over 2 million acres across the United States—an increasing threat that is particularly concerning in urban areas. In line with this, recent studies indicate that the property value exposed to wildfire risk during a typical mortgage period is projected to more than double by 2025, reaching over $11 billion per year and impacting approximately 3.3 million households in the United States.

"Urban conflagrations represent unique challenges, requiring tailored solutions that go beyond traditional risk analysis and planning," said Dan Adams, SVP and General Manager for Data Enrichment at Precisely. "With the threat of wildfires ever-increasing, we're humbled to be a trusted partner for customers responsible for protecting people, properties, and land across the United States."

Unlike traditional wildfire datasets, Wildfire Risk combines new Wildfire Risk Extreme data with representations of landscapes that reflect the true characteristics of a given location. The tool considers the impact of different variables such as the presence of vegetation or that of varying topography, including hills and valleys, which results in much more accurate and interpretable wildfire behavior analysis.

It also evaluates the effects of significant weather events, including high temperatures, low humidity, and strong winds, critical factors in devastating wildfires such as the 2023 Lahaina fire in Hawaii. A team of experienced fire scientists with real-world wildfire expertise developed the product, guaranteeing customers a realistic and comprehensive view of potential risks.

The powerful combination of Wildfire Risk and Wildfire Risk Extreme data provides insights that are essential across a wide variety of industries, including:

- **Insurance:** insurers can more easily identify underestimated property risks for accurate policy pricing and service

“To help ensure a competitive advantage in successfully securing grant allocations, it’s crucial to make confident wildfire protection decisions based on trustworthy data.”

—**Justin Merino**, Managing Director, Morongo Basin Fire Safe Council

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provision and compare the likelihood of risk under both typical and extreme conditions

- **Telecommunications:** providers can better understand the potential impact of wildfires on cell tower placements
- **Public Sector:** organizations and government agencies can safeguard communities and land from wildfire threats and risk of urban conflagration

Fire safety departments located in San Bernardino County, California, already rely on wildfire risk data from Precisely to strengthen local protection plans and, ultimately, help manage risk to property and citizens in an area that has seen a growing threat of wildfires in recent years.

“To help ensure a competitive advantage in successfully securing grant allocations, it’s crucial to make confident wildfire protection decisions based on trustworthy data,” said Justin Merino, Managing Director at Morongo Basin Fire Safe Council. “The bottom line is, if we fail to secure grants, that loss of funding could mean life or death for our community and property loss.”

INDECOMM EXPANDS PORTFOLIO OF BOTGENIUS WITH NEW TITLE AND APPRAISAL REVIEW BOTS

Indecomm has unveiled the expansion of its BotGenius portfolio with the addition of two new innovative bots designed to accelerate and simplify title and appraisal review processes in the mortgage origination process. The new bots eliminate the manual steps required to review title and appraisal documents, drastically increasing efficiency in loan setup and processing operations, and allowing mortgage associates to focus on higher-value tasks.

“Loan set-up and processing operations are burdened by highly manual, repetitive real estate document reviews,” said Narayan Bharadwaj, SVP of Automation. “Powered by our award-winning Intelligent Data Extractor (IDX), we unlock data from documents and use that data to automate complex and manual mortgage operations. BotGenius title review and appraisal review bots were developed integrating IDX to deliver automation and unparalleled efficiency.”

Whether reviewing title-related documents or appraisal valuations, the bot taps into IDX, working behind the scenes to gather information from the source document, subsequently comparing the information against LOS data—or other source data—and running process-specific rules. Once this is complete, the bot then prioritizes and creates conditions in the LOS for the user in a consistent and organized way, generating communication both to the borrower and to the processing staff.

“Indecomm remains dedicated to addressing the mortgage industry’s critical challenge: lender vulnerability to market fluctuations and rapid volume changes,” said Indecomm CEO, Rajan Nair. “Our latest BotGenius innovations exemplify how lenders can harness automation to boost productivity and scale effectively in any mortgage environment.”

Title reviews and appraisal reviews can typically be lengthy, manual, document-intensive “stare and compare” processes. Heavy reliance on human reviews creates more operational risk in both high-volume and low-volume markets. Leveraging BotGenius powered by IDX, reliance on manual intervention in the initial document review process is nonexistent. Instead, the mortgage associate is given a highly focused list of findings and anomalies identified by the bot.

CANDOR TECHNOLOGY REVOLUTIONIZES MORTGAGE PREQUALIFICATION PROCESS WITH AI-POWERED PREQUAL TOOL

Candor Technology has announced the release of its groundbreaking PreQual product, a patented borrower prequalification service that leverages artificial intelligence to deliver instant results and borrower insights across conventional and FHA loans. Traditional prequalification processes are often time-consuming and cumbersome, leading to delays and inefficiencies in the mortgage lending workflow. With Candor's PreQual tool, loan officers can streamline prequal or full conditional credit approval processes and provide borrowers with near-instant decisions, transforming the mortgage lending experience for all parties involved.

Key features and benefits of Candor's PreQual product include:

» **Smooth Integration:** Effortlessly blend with existing workflows, loan origination systems, and point-of-sale platforms.

» **Instantaneous Results:** In less than a minute, lenders obtain:
- Initial eligibility decisions
- A dynamic borrower-needs list
- FHA manual downgrade notifications when applicable

» **Rapid Underwriting Analysis:** Within 30 minutes of submitting borrower documentation or digital verifications, lenders can obtain:
- Full credit approval
- Income calculations and asset verifications
- Approval letters
- Step-by-step processor guidance

» **Enhanced Efficiency:** Loan officers no longer need to wait for a loan to be processed or reviewed by underwriting.
- Reducing borrower walk-aways by 15%-18%
- Shortening LO response times
- Enabling LO to serve more qualified borrowers

» **Superior Borrower Experience:** Borrowers receive near-instant decisions, eliminating the long hours of waiting for feedback and reducing their apprehension and uncertainty about the homebuying process.

"We are thrilled to introduce Candor's PreQual product to the mortgage lending industry," said Mark Hinshaw, CEO at Candor Technology. "By harnessing the power of AI, we are empowering lenders to make faster, more informed decisions while providing borrowers with a seamless and stress-free experience."

OPTIMAL BLUE LAUNCHES NEW GENERATIVE AI ASSISTANT CAPABILITIES

Optimal Blue has announced the delivery of generative AI capabilities centered on helping lenders maximize profitability on every loan transaction. Through direct engagement with its thousands of clients, the company has begun delivering generative AI capabilities built for secondary-market-specific use cases and purposefully designed to solve the real-world challenges that mortgage lenders face. The company's launch of AI assistants has initiated with the release of three new AI capabilities in Optimal Blue's CompassEdge hedging and loan trading platform.

"Optimal Blue's priority is to continuously maximize profitability for lenders on every single loan, and generative AI affords us infinite opportunities to do so," said Joe Tyrrell, CEO of Optimal Blue. "We deploy an intentional approach to developing and delivering AI assistants with machine learning capabilities that are based on actual opportunities and challenges lenders are facing. At a time when there is so much noise in the industry with companies claiming to have AI, at Optimal Blue, we are delivering true AI with the sole purpose to increase profitability for lenders, so all of these generative AI capabilities are being provided to our clients at no additional cost. We believe that core innovation shouldn't represent incremental cost, but rather should be what you expect out of your partner."

Seever Sulaiman, Chief Technology Officer at Optimal Blue, who has led the development and adoption of the company's AI framework, added, "We've established a foundation for implementing AI capabilities across the entire organization. Our engineering team has been trained in utilizing AI tools internally to enhance productivity. This has, in turn, positioned us to deliver AI capabilities and other value-add innovation to our clients even faster."

As part of its directed focus on AI, Optimal Blue has channeled its decades of experience and expertise to launch three new AI-powered assistants on its CompassEdge platform. These capabilities—a Profitability Assistant designed for chief financial officers (CFOs), a Projections Assistant designed for capital markets leaders, and a Trade Assistant designed for leaders of a lender's trading desk—all help lenders reduce manual processes associated with profitability attribution, calculating projections, and optimizing trade selection.

"Secondary teams are responsible for maximizing pipeline profitability and communicating results to their executive teams, but doing so is fraught with time-consuming analyses, complex calculations, and inevitable human bias," said Mike Vough, VP of Hedging and Trading Products at Optimal Blue. "We built the AI-powered assistants in CompassEdge with these pain points in mind so our clients can benefit from more accuracy and less manual work, all in favor of more basis points and greater profitability. We estimate that these assistants can help save a secondary marketing manager up to 30 hours a month in some instances—valuable time that can instead be channeled toward more strategic work."

The first new capability in CompassEdge, Profitability Assistant, uses generative AI to write a succinct summary of the top drivers that caused a gain or loss of profitability in a pipeline, including new locks, fallout, loan sales, bulk AOT, and more. Designed specifically for CFOs and other members of a lender's executive team, these summaries promote greater transparency between secondary and the C-suite.

Another new capability, Projections Assistant, uses AI to predict the real-time impact of various factors on the risk profile of a hedged mortgage pipeline, including originations, fallout, loan sales, and more. Otherwise requiring a seasoned capital markets professional, Projections Assistant automates the consumption of Optimal Blue's extensive data sets and completes complex calculations to deliver extremely granular projections for position management.

Finally, Trade Assistant uses AI to reduce the guesswork that goes into the selection of a hedge, a process that would otherwise require an experienced capital markets professional. With one click, the tool suggests a combination of sells, buys, rolls, and swaps to maximize effectiveness in alignment with a lender's hedge policy, while minimizing transaction cost.

HOUSECANARY LAUNCHES CANARYAI, AN AI-POWERED REAL ESTATE ASSISTANT

HouseCanary, Inc. recently announced the beta launch of CanaryAI, a conversational AI tool designed to chat with anyone who may have questions about the real estate space and enable them to quickly and easily query HouseCanary's industry-leading data and analytics platform to answer their toughest real estate questions.

Historically, navigating the complexities of the $40 trillion U.S. real estate market has been dependent on aggregating disparate data sources, including public record data, county assessor data, AVMs, market forecasts, historical home sale data, rental yields, and comparable property data. Gaining access to and compiling this data can be challenging, costly, and time-consuming. Even with access to the data, finding the resources required to process and integrate it into daily operations can prove difficult, if not impossible.

CanaryAI solves these challenges by bringing together the most comprehensive, accurate, and up-to-date information on more than 136 million U.S. residential properties with a conversational chatbot that enables anyone to ask questions easily and get the answers they need quickly.

"Having spent decades in the real estate industry, I have first-hand experience spending hundreds of hours trying to gather data and analyze it to eventually come to informed decisions," said Jeremy Sicklick, Co-Founder and CEO of HouseCanary. "With CanaryAI, we believe that we have created a completely new paradigm for how real estate professionals search for and find answers to any real estate question they may have. We're thrilled to be partnering in this launch with some of the top technology companies in the world, which have enthusiastically supported our unique approach to solving this challenge on behalf of our customers."

For the first time in real estate, anyone can input a question, refine their query, and obtain an actionable answer in seconds. At launch, CanaryAI can assist in identifying properties that meet specific investment criteria, pinpoint comparable properties, analyze, and compare market trends, among other tasks.

"At HouseCanary, we recognize that there is much more to be done to open up access to analytics and insights in our industry. Our goal is to put the information real estate professionals need at their fingertips," said Ketan Bhalla, SVP of Product. "CanaryAI is a one-stop shop product that will help our customers become more efficient and ultimately usher in a future where every real estate question is answered instantaneously."

HouseCanary is launching CanaryAI in beta with a waitlist to join, which will transition into a premium offering later in the year. HouseCanary intends to continuously innovate on CanaryAI, incorporating new data sets and expanding the queries it can support based on customer feedback and needs.

> "Lenders have many choices when it comes to verifying income and employment information, from in-house or consumer-provided options to working with external companies."
>
> —**Joel Rickman**, SVP, Verification Services, Equifax Workforce Solutions

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EQUIFAX INTRODUCES MORTGAGE VERIFICATION SOLUTION

Equifax has launched a new solution, All Employers Within 90 Days, in support of its commitment to providing an extensive set of verification solutions for the mortgage industry.

Powered by The Work Number, All Employers Within 90 Days allows credentialed lenders to verify a borrower's income and employment information from the previous 90 days. Developed in response to customer feedback, the new solution—which provides a narrow verification period—may be particularly useful for situations when a borrower has been employed at the same job for a long period and therefore employment records beyond 90 days are not needed.

"Lenders have many choices when it comes to verifying income and employment information, from in-house or consumer-provided options to working with external companies," said Joel Rickman, SVP, Verification Services, Equifax Workforce Solutions. "At Equifax, we offer a variety of tailored verification solutions that were developed specifically with mortgage lenders in mind. By offering different types and levels of data at various price points, many lenders are able to find an Equifax solution that meets their specific requirements."

In addition to launching All Employers Within 90 Days, Equifax has introduced modifications to its existing All Employers Within 12 Months and All Employers Within 24 Months offerings. Those modifications support lenders with a smoother billing process for those services, resulting in more aligned processing.

With these enhancements and modifications, lenders can choose the solutions they need and the time frame that is most effective for both the borrower and the lender, helping provide a faster time to close and more lender flexibility. Each solution also benefits from the industry-leading security capabilities of Equifax, helping ensure that both borrowers and lenders can be confident their information is protected.

"In today's mortgage market, our customers need solutions that drive speed and reduce fallout," said Chris Mock, VP of Mortgage Verification Services at Equifax Workforce Solutions. "Lenders that utilize automated mortgage verification solutions can better provide the type of fast and seamless purchase process that homebuyers have come to expect. And with the variety of solutions available from Equifax, lenders can choose just the records they need to lend confidently."

Through The Work Number database, Equifax is the industry-leading commercial source of consolidated employment information in the United States. This data can help credentialed verifiers with a permissible purpose—such as mortgage lenders—instantly verify potential borrowers' employment and income, enabling a streamlined mortgage process.

NATIONAL ASSOCIATION OF REALTORS ANNOUNCES PARTNERSHIP WITH RENTREDI

The National Association of Realtors has announced RentRedi as a new partner with NAR Realtor Benefits. RentRedi offers an award-winning, comprehensive property management platform that simplifies the renting process for landlords and renters by automating and streamlining processes.

As part of the agreement, NAR members can receive an exclusive six-month RentRedi subscription for $1, plus the opportunity to lock in a 50% discount on service renewals every six months.

"This partnership with RentRedi enhances our members' ability to manage properties with efficiency and ease," said Rhonny Barragan, NAR VP of Strategic Alliances. "We are committed to providing our members with essential tools that support their professional growth and operational success."

Once signed up and subscribed, RentRedi users can start collecting rent, listing units, screening tenants, signing leases, managing repairs, signing up for accounting, and more.

"As an industry leader, it's important for RentRedi to align with other best-in-class industry leaders such as NAR," said Ryan Barone, CEO and Co-Founder of RentRedi. "Working alongside NAR opens the door to many collaborative initiatives, including positioning RentRedi as the go-to property management tool for real estate agents and their clients."

TRANSUNION AND ASURINT TO DELIVER RESIDENT SCREENING SOLUTION TO MULTIFAMILY PROPERTY MANAGERS

Per a recent TransUnion report, multifamily property managers face a daunting task when it comes to screening applicants. They need to conduct thorough criminal background checks in a timely manner while observing increasingly stringent consumer privacy regulations. To address this challenge, TransUnion has announced its collaboration with Asurint to provide a compliance-focused solution for criminal background screening.

TransUnion's TruVision Resident Screening solution now comprises the breadth and depth of Asurint's criminal background reporting—with coast-to-coast automated coverage across the United States. In addition, Asurint's engine automatically applies federal, state, and local filters designed to address consumer protection and housing regulations to equip property managers with quality data.

"Multifamily operators need to trust that their resident screening reports are up to date," said Maitri Johnson, SVP and head of TransUnion's tenant and employment screening business. "TransUnion's collaboration with Asurint, allows us to deliver that service to help property managers make informed decisions, while also focusing on consumers' rights."

The collaboration also allows TransUnion to deliver background reports with unparalleled speed. Most reports without background hits come back within minutes, while those requiring additional vetting are usually returned on the same day. The turnaround time becomes more impressive considering the depth of coverage, which includes backgrounds on applicant aliases, sanctions and abuse registries, and more.

"Asurint's collaboration with TransUnion sets a new standard in tenant background screening using solutions already proven in the pre-employment and public health space," said Alla Schay, CEO at Asurint. "By using our combined solutions, multifamily operators can feel good that they are receiving industry-leading criminal information in a timely manner."

TALK'UMENTS INTEGRATES WITH NCINO'S MORTGAGE SUITE TO PROVIDE DIGITAL MULTILANGUAGE RESOURCES TO MULTILINGUAL BORROWERS

Talk'uments, a digital language and limited English proficiency (LEP) technology provider, announced an integration with nCino, Inc. that offers multilanguage resources to users of nCino's Mortgage Suite, an end-to-end digital mortgage solution that goes beyond typical point-of-sale (POS) capabilities to provide borrowers a seamless, single login experience from home search to the final closing. This is Talk'uments' first integration into a POS solution in the financial services industry.

Mortgage lenders using nCino will now be able to offer their LEP loan applicants additional transactional clarity during the mortgage application process, a longstanding challenge in the industry. A Savanta Research study found that only one in five homebuyers understand all the documents they are required to sign at closing and the Consumer Financial Protection Bureau estimates that more than 26 million people in the United States have limited proficiency in English. By deploying Talk'uments functionality, users of nCino will now be able to make use of critical mortgage resources and educational materials in multiple languages including Spanish, Vietnamese, Korean, and Mandarin, among others.

LEP borrowers face unique challenges in learning about and accessing financial products. The integration between nCino and Talk'uments can help lenders address the ever-evolving requirements pertaining to LEP borrowers and further enables these borrowers to better understand key mortgage-related terminology and documentation. LEP borrowers using nCino's Mortgage Suite can now access dual language explanatory information relating to a Loan Estimate, Closing Disclosures, and booklets such as Your Home Loan Toolkit, the Consumer Handbook on Adjustable-Rate Mortgages, and the Home Equity Line of Credit booklet.

nCino's Mortgage Suite helps financial institutions capture more leads, streamline the customer journey, enhance stakeholder collaboration, and execute origination and closing processes with improved efficiency. The integration with Talk'uments expands on nCino's native support for Spanish-language purchase and refinance loans.

"At nCino, we want to make it better and easier for borrowers and lenders to work together," said Ben Miller, Executive VP of U.S. Mortgage for nCino. "We are proud to continue pioneering transformation in the financial services industry with the addition of Talk'uments to our Mortgage Solution, using multilanguage tools to help our customers and their applicants understand, access, and trust the process and overcome a key challenge in buying a home."

"We anticipate the mortgage origination market will soon begin to rebound, but it will likely remain highly competitive, especially with regard to purchase loans, for some time," said George Baker, CEO and Founder of Talk'uments. "Lenders are already moving quickly to better understand and market to a number of emerging markets, including LEP borrowers, but it all starts with staying compliant and offering products in the terms and language potential customers can easily understand."

Movers & Shakers

Government

HUD APPOINTS FIVE TO MANUFACTURED HOUSING CONSENSUS COMMITTEE

The U.S. Department of Housing & Urban Development (HUD) has announced the appointment of five new members to serve on its Manufactured Housing Consensus Committee (MHCC), a Federal Advisory Committee.

The following members have been added to the MHCC:

- **David Kruczek**, Consumer;
- **Tim Sheahan**, National Manufactured Homeowners Association;
- **Sean Roberts**, Villa Homes;
- **Kaye Lawlis**, Kentucky Housing Corporation; and
- **Randy Sauders**, RADCO.

"With today's appointments, we support the manufactured housing expertise offered to HUD by the Manufactured Housing Consensus Committee as well as a broad diversity of viewpoints and experience," Assistant Secretary for Housing Julia Gordon said. "We look forward to welcoming the new members at the next Committee meeting this fall."

The MHCC is a statutory Federal Advisory Committee body charged with providing recommendations to the Secretary on the revision and interpretation of HUD's manufactured home construction and safety standards and related procedural and enforcement regulations. The MHCC also developed the first set of model installation standards for the manufactured housing industry. By regulation, HUD has included the MHCC in the process of revising the Manufactured Home Model Installation Standards, Installation Program Regulations, and Dispute Resolution Program regulations. MHCC meeting topics can cover the full scope of building standards.

The MHCC was established by the Manufactured Housing Improvement Act of 2000, which amended the National Manufactured Housing Construction and Safety Standards Act of 1974.

The Act required the establishment of the MHCC to:

- Provide periodic recommendations to the Secretary to adopt, revise, and interpret the manufactured housing construction and safety standards;
- Provide periodic recommendations to the Secretary to adopt, revise, and interpret the procedural and enforcement manufactured housing regulations;
- Be organized and conduct its business in a manner that guarantees a fair opportunity for the expression and consideration of various positions and for public participation; and
- Be deemed to be an advisory committee not composed of Federal employees.

The Act authorizes the Secretary to appoint a total of 22 members to the MHCC. Twenty-one members have voting rights; the 22nd member represents the Secretary and is a non-voting position. Service on the MHCC is voluntary. Travel and per diem for meetings is provided in accordance with federal travel policy pursuant to 5 U.S.C. 5703.

Lenders/Servicers

FLAGSTAR WELCOMES NINE NEW EXECS

Flagstar Bank, the bank subsidiary of New York Community Bancorp (NYCB), has announced the appointment of nine seasoned leaders to its leadership team, effective immediately. These additions further enhance the company's oversight of core businesses and client-focused operations, bringing a blend of financial, commercial, private banking, IT, credit, and regulatory pedigree to the organization.

Joining the leadership team and reporting to Joseph M. Otting, Chairman, President, and CEO of NYCB and of its bank subsidiary, Flagstar Bank, are the following:

Richard Raffetto, SEVP, President of Commercial and Private Banking: Raffetto joins Flagstar Bank with more than 30 years of experience in the banking industry, and more than 20 years serving in executive leadership positions and building commercial, corporate, and private banking teams. From 2020 to 2024, Rich served as President and Director of City National Bank, the U.S. commercial and private banking subsidiary of Royal Bank of Canada. He most recently led their commercial lines of business and products, including its leasing, treasury management, payments, and capital markets units. Prior to that, he spent approximately 13 years at U.S. Bank in senior roles in its commercial and corporate banking organization, and 14 years at BNY Mellon in its corporate banking client management unit.

Kris Gagnon, SEVP, Chief Credit Officer: Gagnon brings more than 35 years of banking leadership experience to the team having spent 30 years at Bank of America in various senior leadership roles, including as Enterprise Credit Risk Executive, Chief Risk Officer of the Global Corporate and Commercial Bank, and Chief Credit Officer for the Commercial Banking, Leasing and Global Treasury Services Division. Following those roles, Kris served as Chief Credit Officer at Banc of California and CIT Bank (formerly known as OneWest Bank).

Adam Feit, EVP, and Head of Specialized Industries Banking and Capital Markets: Feit brings more than 20 years of experience covering and advising clients, structuring and underwriting deals, and leading teams in global corporate and investment banking, capital markets, mid-cap banking, middle market banking, and business banking. In this role, he will lead the client coverage and expansion efforts across industry verticals and capital markets products. Most recently, he served as Managing Director and Head of Specialized Industries at U.S. Bank (formerly MUFG Union Bank). Prior to his time with U.S. Bank, he worked at Bank of America Merrill Lynch as an SVP in Global Commercial Banking and VP in Global Corporate and Investment Banking. Adam will report to Rich Raffetto, President of Commercial and Private Banking.

William Fitzgerald, EVP, Head of Workout-Commercial: Fitzgerald brings more than 30 years of experience as a senior banking executive with expertise in commercial real estate, loan management, asset management, and financial restructuring and recovery. Most recently, he served as SVP, Head of Commercial Real Estate Resolution at First Citizens Bank, where he established and built the commercial real estate restructuring group to manage the non-owner-occupied classified real estate across the bank. His prior roles include SVP, Head of Problem Loan Management at First Citizens Bank, and Managing Director, Regional Head Special Asset Management at Rabobank North America Wholesale. Earlier in his career, he was with ABN AMRO Bank as Group SVP with global restructuring responsibilities. He will report to Chief Credit Officer Kris Gagnon.

Don Howard, EVP, Director of Regulatory Governance, Risk & Controls: Howard brings more than 30 years' experience as a senior executive, consultant, regulator, and Board Member with experience in global risk management, credit, compliance, and strategy. Most recently, he served as Managing Director, Compliance Global Transformation Lead at Citibank, where he led all Federal Reserve and Office of the Comptroller of the Currency (OCC) work focused on Governance, Risk and Compliance. Prior roles include Chief Compliance Officer at USAA, and Chief Risk Officer at S&P Global. Earlier in his career, he spent more than 15 years at Bank of America as Managing Director, Structured Credit Product, Portfolio Management.

Sydney Menefee, EVP, Senior Director, Strategic Financial & Capital Management: Menefee brings 20-plus years of experience as an executive leader in the financial services industry with expertise in complex bank regulation, accounting, and financial reporting matters. In this role, Sydney will focus on the bank's strategic, capital, and financial planning functions. Most recently, she was a partner at Crowe LLP, a public accounting, consulting, and technology firm. Prior roles include Senior Deputy Comptroller for Midsize and Community Bank Supervision, Deputy Comptroller and Chief Accountant, and National Bank Examiner at the Office of the Comptroller of the Currency. Sydney will report to Chief Financial Officer, Craig Gifford.

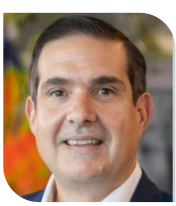
Robert Phelps, EVP, Special Advisor to the CEO: Phelps is a former OCC executive, where he held several senior leadership roles in bank supervision. In this role, Bob will support the continued enhancement of Flagstar's IT capabilities working closely with existing IT leadership. During his 30-year tenure with the OCC, his roles included Chair of the National Risk Committee, Deputy Comptroller of Supervision Risk Management, and leading the creation of the Supervision System and Analytics Support Division. Bob provided oversight of the OCC's supervisory data and systems upgrade. He also served as the OCC's Director for Critical Infrastructure Policy, overseeing development of a cybersecurity supervisory policy and coordination with other financial regulators. Bob is a retired U.S. Navy Commander and served in several major operations. He supports the Naval Academy as a Blue and Gold Officer. He is also a certified coach, supporting leaders to achieve more professionally and personally.

Bryan Hubbard, SVP, Senior Regulatory Program Manager: Hubbard brings more than 30 years of experience in providing strategic counsel to CEOs and senior federal officials focusing on media relations, regulatory affairs, policy, and reputation. At Flagstar, Bryan will focus on enhancing regulatory relationships, communication, and remediation efforts. Most recently, he served as the Deputy Comptroller for Public Affairs at the OCC where he led strategic communication and public affairs for the agency overseeing a $15 trillion federal banking system. His service at the OCC spanned four presidential administrations, periods of growth, recession, and crisis. Prior roles include serving in senior positions in the Defense Finance and Accounting Service, as an officer in the U.S. Air Force, and in the private sector.

Tom Lyons, SVP, Director of Finance Business Risk & Controls: Lyons brings 30 years of experience in finance, risk, IT, operations, compliance, and audit disciplines across industries. In this role, Tom will lead the Bank's Finance Risk Management function, including data, operational, and financial exposures. Most recently, Tom served as U.S. Bank's SVP of Operations' Financial and Data Risks. Tom also held Finance Chief Risk Officer and Senior Risk Officer roles at U.S. Bank, having led its SOX (Sarbanes-Oxley) program for 14 years. Tom will report to Chief Financial Officer, Craig Gifford.

"Driving progress, growth, and long-term stakeholder value requires a vision and the right leadership team to execute against that plan," Otting said. "Welcoming these new senior leaders, who possess specialized and unique skill sets, underscores our commitment to excellence and the strategic transformation currently underway. Their collective wealth of experience will be instrumental in enhancing our focus on exceptional service, operational efficiency, and positioning the company for sustainable growth."

FORMER MR. COOPER CFO JOINS SAGENT



Sagent has appointed bank and nonbank finance executive **Jaime Gow** as Chief Financial Officer. Previously, Gow served as CFO of mortgage servicer Mr. Cooper and as Head of Banking Finance at First Horizon Bank. Gow will work out of Sagent's largest U.S. tech hub in Dallas, Texas.

"Jaime has led at companies ranging from de novo banks, to leading regional banks, to industry leaders such as Mr. Cooper," Sagent CEO Geno Paluso said. "Jaime knows every detail that mortgage servicers need to win, and he'll make Sagent a stronger-than-ever strategic partner to our customers and prospects."

As Sagent CFO, Gow will oversee financial operations; lead strategic planning and dealmaking with customers; ensure long-term investment in Sagent's Dara, LoanServ, CARE, Tempo, LoanBoard, and DataScape platforms; and help accelerate Sagent's profitable market share growth in America's $14 trillion mortgage servicing sector.

"Cost and operational efficiency are the keys to success in mortgage servicing, and no other software platform in today's market brings more efficiencies than Sagent," Gow said. "Sagent's new Dara platform can lower servicer operational costs across all mortgage servicing areas (like boarding, cash processing, escrows, call center, loss mitigation, and claims), and a big part of my job is to help our customers and prospects find and maximize these efficiencies in their own operations."

Launched in February 2024, Dara by Sagent is a platform that powers the entire mortgage servicing ecosystem—Core, Consumer, Default, Loan Movement, Data, and AI—in a single root system. Dara by Sagent addresses the top five priorities for servicers: lower cost, real-time compliance, world-class consumer experience, open-API ecosystem, and unified data/user experience.

"Jaime's finance and accounting skills are second to none, as is his innate ability to just get things done," Sagent Executive Chairman Chris Marshall said. "Prior to his leadership role at Mr. Cooper, Jaime joined Capital Bank as chief accounting officer during its early de novo stage, where they acquired and integrated eight banks, completed an IPO, and sold Capital Bank to First Horizon National Corporation for $2.2 billion.

WELLS FARGO GROWS WITH TWO NEW TECH SPECIALISTS

Wells Fargo & Company has announced that **Bridget Engle** has been named Senior EVP and Head of Technology, reporting to Wells Fargo CEO Charlie Scharf and joining the company's Operating Committee.

Engle will be responsible for all technology across the company and brings more than 30 years of experience managing large, global technology organizations in complex financial institutions. She joins Wells Fargo from BNY, where she served as SEVP and CIO from 2017 until earlier this year. Prior to her role at BNY, she served in several roles at Bank of America, including as CIO of Consumer Banking, as well as CIO of Global Banking and Markets, and in various roles at several other financial institutions earlier in her career.

"Bridget is a proven technology leader with deep experience leading large-scale technology transformations across multiple global financial institutions," Scharf said. "We have made great progress under Tracy's leadership and Bridget's experience will be invaluable as we continue to modernize our platforms and invest in, scale, and increase innovation across the company."

Wells Fargo also announced that **Tracy Kerrins** will serve as the Head of Consumer Technology and will lead a new Generative AI team, which will be responsible for driving the adoption of Generative AI across Wells Fargo, reporting to Engle.

"Generative AI can help us transform our businesses, improve our customer and client experiences, and enhance the way we work," Scharf added. "Our new Generative AI team will work closely with our data and technology platform management teams, as well as each business, on identifying and delivering on the potential of Generative AI responsibly. We are fortunate to have someone with Tracy's background in our company who is ready to take on this new role and lead our Consumer Technology team."

CENLAR WELCOMES NEW EVP/COO

Ewing, New Jersey-based mortgage subservicer Cenlar FSB has announced that **Leslie Peeler** has been appointed EVP and COO.

"With more than 20 years of experience transforming organizational productivity, efficiency, and profitability, Leslie is an exceptional leader who will help drive the long-term success of Cenlar," Cenlar President and CEO David Schneider said. "I am confident that her considerable talent and professional track record aligns with our priorities as she has successfully led large, transformative initiatives—experience that will be invaluable as we continue to build a stronger, more resilient organization."

Peeler will serve in a critical leadership role, tasked with establishing the vision and agenda for Cenlar's servicing operations. Importantly, she will develop and deliver on Cenlar's strategic priorities, helping the mortgage subservicer further its partnership with our clients while enhancing, automating, and digitizing processes, building new capabilities, and driving collaboration within the business.

Prior to joining Cenlar, Leslie was a Senior Partner at IBM, where she was responsible for spearheading business process outsourcing for the Americas and drove IBM's AI strategy for more than 100 clients with nearly 14,000 onshore/offshore matrixed full-time employees. She also led Promontory Financial Group, a global risk and compliance consulting and managed services business for IBM. Prior to joining IBM, Leslie held leadership roles at Fannie Mae, where she was responsible for the performance of its $3 trillion active loan portfolio. She started her career with GMAC Mortgage, where she held leadership roles in loan servicing and capital markets.

"I am excited to join Cenlar and work alongside this stellar leadership team and talented group of mortgage servicing professionals," Peeler said. "Together with my colleagues, I look forward to delivering excellent value and reliable service for our clients while creating the best experience for their homeowners."

Servicing loans in 50 states and its U.S. territories, Cenlar's client base includes banks, credit unions, and mortgage bankers.

WATERSTONE MORTGAGE TAPS NEW HEAD OF ACCOUNTING

Pewaukee, Wisconsin-based national mortgage lender Waterstone Mortgage Corporation has named **Jim Harper** as the company's new VP of Accounting & Finance, bringing more than 25 years of experience in the financial services industry to the position. Founded in 2000, the company is a wholly-owned subsidiary of WaterStone Bank SSB, which, in turn, is a wholly-owned subsidiary of Waterstone Financial Inc., and currently lends in 48 states.

Throughout his career, Harper has held several senior leadership positions, including SVP–Corporate Controller and CFO.

"We are confident that Jim's extensive experience and deep understanding of the financial landscape will be an invaluable asset to our organization," Waterstone Mortgage CFO Paul Garrigues, CPA said. "We are pleased to welcome Jim to our team as he embarks on this exciting new journey with us."

Harper will lead the accounting and funding teams for Waterstone, focusing on ensuring efficient operations, while delivering accurate and timely financial reporting. He will also provide reliable and actionable financial data to the executive leadership team.

"I am very excited to join Waterstone Mortgage," Harper said. "They have a dedicated team that consistently puts the borrower first. Waterstone Mortgage's leadership manages the business well by anticipating the many changes within the industry and creating innovative solutions and strategies to adapt seamlessly."

As a retail-only lender, Waterstone Mortgage focuses primarily on purchase loans and offers a variety of home loan programs, including conventional, FHA, VA, and USDA loans; along with several no- and low-down-payment options and many specialty programs for medical professionals, first-time homebuyers, and more.

Waterstone has been named to the *Milwaukee Journal Sentinel*'s "Top Workplaces" list; the *Milwaukee Business Journal*'s "Best Places to Work" list; and *MReport*'s "Top 25 Companies to Work For" among other accolades. The company is also a four-time recipient of the ICE Mortgage Technology Innovation Award.

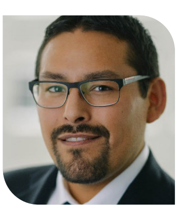
SERVICELINK EXPANDS ITS DEFAULT DIVISION

ServiceLink has named **Yancy Riggs**, VP, National Sales Executive, to its Default Division. In his new role, Riggs will be responsible for driving client growth and new business development for default solutions. He is an accomplished and respected mortgage banking professional with more than 20 years of industry experience.

Riggs joins ServiceLink after a stint at Covius (RealtyBid), where he was responsible for all facets of revenue generating activities. He previously held leadership roles at CoreLogic, Black Knight Financial, and Equifax.

He possesses a solid understanding of topical issues surrounding his customer base and has a thorough understanding of applicable sales techniques and strategies to develop and improve customer satisfaction and loyalty. Riggs, whose mission is to help his clients achieve their strategic goals, realize greater success and better serve their customers, has a reputation for building long lasting customer relations through a relentless commitment to innovation, quality, and customer satisfaction.

SUNRISE BANKS ADDS IT VETERAN AS NEW CIO



St. Paul, Minnesota-based Sunrise Banks has introduced **Jon Sandoval** as its new Chief Information Officer.

Prior to joining Sunrise Banks, Sandoval spent more than a decade at Federal Home Loan Bank of Des Moines (FHLB) in Des Moines, Iowa. He began his career at FHLB in 2013 as an enterprise architect and worked his way up to his most recent role of VP/Director of Information Technology. Sandoval also worked in IT roles at Aviva Investors in Des Moines, Iowa, and London, UK, and Hewlett Packard in Corvallis, Oregon. Sandoval earned his MBA from Northwest Missouri State University and his bachelor's degree in computer science from Oregon State University.

"Jon brings a wealth of experience from the IT, banking, and financial services sector to our organization," said David Reiling, President/CEO of Sunrise Banks. "We look forward to the impact he will have here as we work to grow our presence, promote our mission and values, and provide the best experience possible for our employees, customers, and communities."

With locations in Minneapolis/St. Paul, Minnesota, and Sioux Falls, South Dakota, Sunrise Banks is certified by the U.S. Treasury as a Community Development Financial Institution (CDFI), a designation earned by approximately 100 banks nationwide. Sunrise Banks is also a member of the Global Alliance for Banking on Values and a certified B Corp for its demonstrated commitment to transparent corporate governance and positive community impact.

"I am very excited to join the incredible team at Sunrise Banks," Sandoval said. "I was drawn to this organization for its dedication to working with customers and communities in a trusted, innovative, and socially responsible way. This is an incredible opportunity, and I can't wait to get started."

NFM LENDING EXPANDS IN THE PACIFIC NORTHWEST

NFM Lending has opened a new branch in Seattle, to be led by Branch Manager **Petros Christophilis**. The new NFM Lending branch will offer conventional, FHA, VA, USDA, jumbo, and many other loan options to fit borrower's needs.

"I am thrilled to join the NFM Lending family, a decision inspired by the company's exceptional culture, dedication to outstanding customer service, and the comprehensive range of loan programs offered," Christophilis said. "I feel like I have truly found a new home here and am excited to begin this next chapter of my career with such a reputable and well-rounded company."

The new NFM branch's goal is to continue to provide the same commitment and dedication to borrowers, ranging from first-time homebuyers to seasoned buyers looking for their next home, a second home, or investment properties.

"We are very excited to announce the addition of Petros to the NFM family," NFM Founder/CEO David Silverman said. "Petros is one of the very top originators in Washington State in both production and professionalism. His work ethic and experience level are at the top of the game, and we look forward to working with Petros to increase his presence in the region and help as many families as possible realize their dream of home ownership and lower payments."

» *Service Providers*

INCENTER PROMOTES NEW HEAD OF NATIONAL SALES

Incenter Lender Services has promoted **Shelley Duffy** to EVP, National Sales, responsible for all aspects of Incenter's expanding Enterprise Business Development team.

"Since Shelley joined us two years ago as Senior Vice President, National Sales, she has made a tremendous impact on Incenter and its customers," said Tom Piercy, Incenter's President-National Enterprise Business Development. "Her extensive industry relationships, problem-solving orientation, and commitment to follow-through make her an indispensable partner in our clients' success."

Duffy has more than 15 years of senior-level experience in the housing finance industry. She was previously SVP, Enterprise Sales with Computershare Loan Services, which she joined after serving as Senior Relationship Manager, Enterprise Sales with Radian.

"I am thrilled to have the opportunity to help our clients strengthen their market positioning despite today's challenges," Duffy said. "Incenter has a wonderful Enterprise Business Development team who have repeatedly proven themselves

as strategic partners to lenders, servicers and investors. They are enthusiastic about the potential of our current and future solutions to accelerate the industry's momentum."

CANDOR TECHNOLOGY NAMES NEW CTO

Candor Technology, a platform that uses artificial intelligence (AI) technology to automate loan underwriting and quality control (QC) for mortgage lenders, has appointed **Eric Rawlings** as its new CTO. Rawlings brings a wealth of experience and a proven track record of driving technological excellence across diverse industries.

"Eric's strategic mindset, technical acumen, and commitment to excellence align perfectly with our company's mission," Candor Technology CEO Mark Hinshaw said. "We look forward to his leadership in driving innovation and delivering exceptional solutions to our clients."

Rawlings is an IT leader with over two decades of experience, particularly in disaster recovery, governance, risk management, and compliance (GRC), among other technical skills. His expertise lies in leveraging technology to transform businesses, enhance scalability, and ensure robust security. Having held senior positions in technology management and information security, Rawlings has been pivotal in developing and managing financial services technology platforms. His strategic leadership has successfully guided technology teams across various sectors, including financial services, retail, healthcare, customer service, e-commerce, and the Department of Defense (DoD). Rawlings' vision and direction have been fundamental in evolving start-up organizations into world-class industry leaders, demonstrating his ability to optimize operations and spearhead innovation in a dynamic technological landscape.

As CTO, Rawlings plans to leverage cutting-edge technologies to drive innovation within Candor. He believes that technology should be an enabler, empowering businesses to achieve their strategic goals. With his experience in rapidly growing digital businesses, Rawlings will focus on scaling Candor's technology infrastructure while maintaining agility. He aims to create a robust foundation for future growth. Rawlings also recognizes the critical importance of cybersecurity, and under his leadership, Candor will continue to prioritize security measures and compliance with industry standards.

NEW VP OF SALES JOINS DOWN PAYMENT RESOURCE

Twenty-year mortgage industry veteran **Brad Cardwell** has joined Down Payment Resource (DPR) as VP of Sales and Business Development. DPR's tech solutions connects homebuyers with homebuyer assistance programs.

In his new role, Cardwell will lead DPR's enterprise sales, growing both its sales team and partner network, with the goal of making more housing professionals and consumers aware of the availability and benefits of DPA for a range of homebuying expenses and property types.

"We are very excited to have someone of Brad's stature and experience join DPR to extend our sales efforts at a very critical time for our company," DPR Founder and CEO Rob Chrane said. "In the midst of an ongoing affordability crisis, we're seeing more program providers and more down payment assistance options than ever and it's our mission to get DPA into the hands of more homebuyers through their lender or real estate professional. There's never been a time when DPA is more important, and we're looking to Brad to help us spread the word."

Cardwell began his mortgage career as a loan officer and team leader at Embrace Home Loans, where he worked for 19 years, most recently as VP of Innovation for Revenue and Sales Enablement. In this position, he launched the Sales Enablement Product Owner role, providing oversight of sales and marketing operations, including crafting go-to-market strategies and managing its technology stack to elevate organizational productivity. As the bridge between the executive team and sales, he led improvements in systems and processes, mitigating risks for loan officers, and attaining a 3.5-day reduction in Embrace's lead-to-close timeline. He also previously served on the Executive Advisory Board of nCino (formerly SimpleNexus, an nCino Company), providing feedback for the product and roadmap.

"I'm especially grateful for this opportunity to contribute to a company that is truly making a difference," Cardwell said. "DPR is at the forefront of helping homebuyers access down payment assistance programs making homeownership more attainable for many. I'm inspired by their mission and can't wait to dive in and collaborate with such an innovative and dedicated team."

MOBILITY MARKET INTELLIGENCE ADDS AI SPECIALIST

Mobility Market Intelligence (MMI), a provider of data intelligence and market insight tools for the mortgage and real estate industries, has announced that **Dan Jones**, a seasoned data and artificial intelligence (AI) strategist, has joined the company as Chief Data Officer.

"Dan's experience and understanding of our mission as an organization cannot be overstated. His addition to the team underscores MMI's dedication to attracting top talent," MMI Founder and CEO Ben Teerlink said. "We're looking forward to building greater efficiencies, insights, and heightened data intelligence into MMI at the enterprise and individual level."

Jones joins MMI after a 17-year tenure at Rocket Companies, where he rose from Business Intelligence Engineer to SVP and Head of Data Intelligence at Rocket Mortgage and Rocket Central. He played a leading role in establishing Rocket's BI and data science capabilities, operationalizing AI initiatives and driving revenue growth through data-driven strategies. Jones led the creation of Rocket's multi-petabyte data platform, which Rocket has publicly reported as powering more than 3.7 billion

AI-generated decisions annually and supporting billions in closing volume from data-driven lead generation, contributing to Rocket's 90%+ client retention rate.

"I am excited to bring my skillset to MMI and am truly impressed by what MMI has built thus far," Jones said. "I look forward to building upon their expansive big data platform and infusing new insights and AI capabilities into their products. MMI's data assets, expanding set of experiences, and connected capabilities are primed to become even more insightful, personalized, and actionable for its users."

WFG NATIONAL TITLE EXPANDS IN NORTH TEXAS

WFG National Title Insurance Company (WFG), a Portland-based, full-service provider of title insurance and real estate settlement services for commercial and residential transactions nationwide, has appointed 18-year industry veteran **Bette Rivera-LeMay** as SVP, Sales and Strategic Growth for the company's North Texas Operations. In her new role, Rivera-LeMay will be responsible for recruiting and hiring new sales and escrow personnel and leadership roles for the company's North Texas region, as well as training and managing the region's sales team members and generating additional revenue opportunities for the North Texas division. Rivera-LeMay will also be responsible for expanding the company's footprint in the North Texas market by opening new office locations.

"Bette Rivera-LeMay's appointment as SVP of Sales and Strategic Growth marks an exciting chapter for WFG's North Texas team," said David Sallean, EVP of National Commercial Title Services and Division President, North Texas. "Her exceptional leadership skills, industry experience, and visionary approach to strategic growth uniquely position her to drive significant results in our North Texas operations. We are confident that Bette's dedication to client satisfaction and her innovative mindset will elevate our presence in the region and foster unprecedented opportunities for expansion."

> "I'm thrilled to be joining the WFG National Title family of industry leaders, where I'm surrounded by like-minded people who are forward-thinking, dedicated, and just as obsessed with the client experience as I am,"
>
> —**Bette Rivera-LeMay,** SVP, Sales and Strategic Growth, WFG National Title Insurance Company

Rivera-LeMay began her real estate career more than 18 years ago in new home sales, after which she became a Texas Licensed Realtor in the Dallas-Ft. Worth area. In 2017, she transitioned into title insurance sales, where her passion for the industry and her entrepreneurial skills enabled her to quickly ascend to a leadership role. Rivera-LeMay's depth of knowledge and experience in various segments of the real estate industry has been a tremendous advantage for both her title industry colleagues and her clients.

In 2018, Rivera-Lemay joined a national title company as North Texas Sales Manager, with a focus on team building and revenue growth. During her tenure with the company, she created a metrics-based sales platform and a culture of servant leadership. Rivera-LeMay's ability to recruit industry talent, inspire and develop her teams have earned her both statewide and national recognition.

"I'm thrilled to be joining the WFG National Title family of industry leaders, where I'm surrounded by like-minded people who are forward-thinking, dedicated, and just as obsessed with the client experience as I am," Rivera-LeMay said. "I am ready to expand WFG's North Texas footprint and looking forward to bringing an unmatched experience and incredible tools and resources to our North Texas market!"

» *Attorneys*

SCHNEIDERMAN & SHERMAN NAMES NEW ASSOCIATE ATTORNEY

Schneiderman & Sherman P.C. (SSPC) has added Associate Attorney **Indra Pandiyaraj** to its team of experienced, dedicated professionals. Pandiyaraj brings to the firm a wealth of real estate and legal experience, along with a unique international perspective.

Headquartered in Farmington Hills,

Michigan, Schneiderman & Sherman was founded in 1996 and is a member of the Legal League.

Pandiyaraj will play a crucial part in managing a caseload of complex litigation matters, while overseeing the firm's attorney group to ensure efficient case distribution and workload management. Her responsibilities will include providing strategic advice and counsel to both clients and staff on litigation-related issues.

"We are thrilled to have Indra join our team and are confident her experience in high-volume, sensitive real estate litigation along with her expertise in areas of practice efficiency, will be a great benefit to our firm" said Neil Sherman, Managing Partner at Schneiderman & Sherman.

Prior to joining Schneiderman & Sherman, Pandiyaraj served as an Associate Attorney at Soble Law PLC, in Farmington Hills, Michigan, where she independently managed a diverse caseload of complex real estate and financial disputes.

Her commitment to public service and community advocacy is additionally reflected in her tenure at Lakeshore Legal Aid in Detroit, where she held the role of Supervising Attorney for the Detroit Eviction Team, ensuring high-quality legal representation for her clients.

Pandiyaraj graduated in the top 2% of her class from one of India's most prestigious law schools, TamilNadu Dr. Ambedkar Law University, earning an Honors Law degree. Upon her relocation to the United States, she embarked on furthering her legal career, obtaining an LLM in Corporate & Finance Law from Wayne State University in 2018.

STERN & EISENBERG APPOINTS NEW COO

Warrington, Pennsylvania-based full-service law firm Stern & Eisenberg has announced the appointment of **Patrick O'Brien** to the role of COO, bringing more than 27 years of industry expertise and leadership in the mortgage default industry to his new role.

"I am excited to have Patrick as our Chief Operating Officer," said Steven Eisenberg Esq., Founding Shareholder at Stern & Eisenberg. "He is the strategic leader I have wanted to enable Stern & Eisenberg to grow our ability to assist our clients with their everyday legal needs while also allowing our attorneys to focus on providing creative legal solutions when needed. Patrick will continue to be an important team member involved in the success of Stern & Eisenberg."

O'Brien has developed a strong reputation and fostered life-long industry relationships with servicers, investors, banks, and financial industry partners and will focus on providing transparency across Stern & Eisenberg's multistate footprint for all team members and clients.

"Change is constant in the mortgage default space and being adaptable while always working toward a shared vision is the key to success," O'Brien said. "The firm has history of proven success, and I am looking forward to contributing to future successes."

Stern & Eisenberg provides legal representation in a variety of matters throughout the firm's footprint, with a focus on creditors' rights, including representation of secured creditors in connection with residential and commercial foreclosures, bankruptcy and bankruptcy litigation, REO and post-foreclosure conveyancing, loss mitigation/loan modifications, evictions, as well as other general practice areas including, but not limited to, real estate and business law; commercial and corporate litigation, real estate closings, estate planning and administration throughout the firm's larger footprint.

Stern & Eisenberg's multistate footprint for GSE matters includes New York, New Jersey, Pennsylvania, Delaware, and West Virginia. The firm also has attorneys licensed in additional states, including, Maryland, Virginia, and Washington, D.C.

TOP FINANCIAL SERVICES ENFORCEMENT ATTORNEY JOINS KATTEN

Katten has announced that **Matthew Kluchenek** has joined its Financial Markets Litigation and Enforcement practice as a Partner based in Chicago, bolstering the firm's enforcement practice. Kluchenek is a seasoned derivatives lawyer, having served as an Associate General Counsel at the world's leading derivatives marketplace, and as the General Counsel and Chief Compliance Officer at one of the world's largest trading firms before focusing on matters of financial enforcement and regulation as a Partner at AmLaw 25 law firms.

"Matt's broad-based experience in the futures and derivatives industry is an ideal fit for our group. He has unique skills that build on our ability to manage litigation and regulatory risks across all products and regulators in the financial markets," Katten Financial Markets Litigation and Enforcement Chair Christian Kemnitz said. "We're excited about his arrival as he adds top-tier talent to the skills and resources we can deploy for our clients."

Kluchenek joins a group of more than 30 Katten attorneys dedicated to resolving litigation and enforcement disputes for financial firms, enhancing its long-standing experience in the derivatives markets.

"I am thrilled to join a firm that offers clients unprecedented depth and breadth in the trading and financial market spaces," Kluchenek said. "I am looking forward to providing opportunities to my clients to tap into an industry-leading team."

Kluchenek helps clients with investigations and enforcement actions by the Commodity Futures Trading Commission (CFTC), the Securities and Exchange Commission (SEC), the Department of Justice (DOJ), and other government agencies regarding an array of matters. These include disruptive trading, manipulation, noncompetitive trading, supervisory failures and fraud related to derivatives, and cryptocurrency market participants, sell and buy side, as well as a growing number of other matters.

Further, Kluchenek is an adjunct professor at the Northwestern University Pritzker School of Law, where he teaches Derivatives Law and Practice.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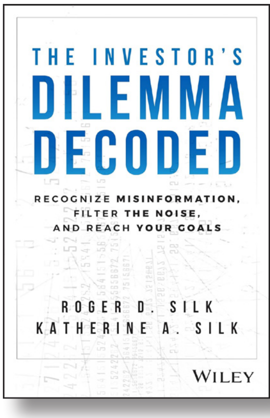
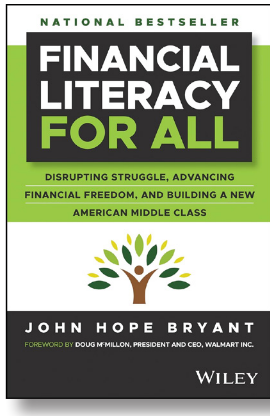


The Investor's Dilemma Decoded: Recognize Misinformation, Filter the Noise, and Reach Your Goals

By ROBERT D. SILK & KATHERINE A. SILK

The Investor's Dilemma Decoded by Roger Silk and Katherine Silk offers a refreshingly clear guide to personal investing. Addressing the chaos and misinformation often plaguing the investment world, the Silks replace opinion with fact. Roger, with a Ph.D. in applied economics from Stanford, and Katherine, holding an MA in history and a BA in economics from Stanford, provide a robust framework for making informed decisions. From the basics of valuing a dollar over time to debunking common myths about commodity investing, the book covers essential concepts often overlooked. Whether you manage your investments or consult a professional, this book equips you with the knowledge to make sound financial choices. The Silks' meticulous explanations make complex topics accessible, fostering smarter investing for all.



Financial Literacy for All: Disrupting Struggle, Advancing Financial Freedom, and Building a New American Middle Class

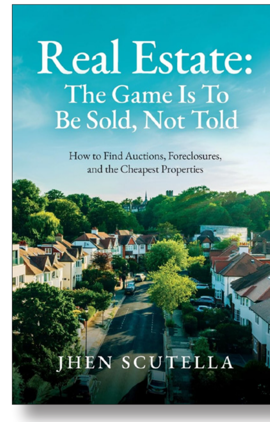
By JOHN HOPE BRYANT

John Hope Bryant, former Vice-Chairman of the U.S. President's Advisory Council on Financial Literacy, offers a crucial guide in *Financial Literacy for All*. Aimed at everyday Americans, Bryant's book simplifies personal finance, making it accessible and engaging. With a foreword by Walmart CEO Doug McMillon, the book covers wealth creation, financial mindset, and practical money management. Bryant addresses key topics like the real value of cryptocurrencies and the fundamentals of responsible long-term investing. He also explores the relationship between work, money, and time, providing clear advice on when and how to work. Ideal for professionals, blue-collar workers, and families, this book is essential for anyone seeking a secure financial future.

REO Deal Flow: Become an REO Listing Broker & Create Real Estate Deal Flow

By MICHAEL R. LINTON

REO Deal Flow: Become an REO Listing Broker and Create Real Estate Deal Flow by Michael Linton is a must-read for anyone aspiring to master the REO market. This comprehensive guide offers valuable insights and practical strategies for building a successful career as an REO listing broker. Linton begins with an introduction to the REO market, explaining its fundamentals, unique opportunities, and challenges. He then outlines the steps to becoming an REO listing broker, emphasizing licensing, certifications, and relationship-building with asset managers. The book also covers effective marketing strategies, navigating the listing process, enhancing client relationships, and leveraging technology. It concludes with strategies for building a resilient and adaptable business, ensuring long-term success in the volatile REO market.



Real Estate: The Game Is to Be Sold, Not Told

By JHEN SCUTELLA

Jhen Scutella has written a groundbreaking guide for real estate enthusiasts aiming for success. Scutella, a self-made real estate guru, narrates his transformation from incarceration to property triumph, providing a roadmap for navigating auctions, foreclosures, and affordable properties. This comprehensive self-help book demystifies the real estate market, detailing sales processes and statutes. Scutella offers actionable strategies, from securing distressed properties to navigating tax sales, complete with website lists and screenshots. More than a guide, this book is an invitation to financial freedom, revealing auction dynamics and wealth-building tactics. Whether you're a novice or seasoned investor, Scutella's proven techniques will help you succeed in the real estate game.

THE LEGAL LEAGUE ALL-STAR LINEUP

Raising the Bar for Financial Services Law Firms. Acting as the voice of advocacy for its member firms, the Legal League is dedicated to strengthening the mortgage servicing community.

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LEGAL LEAGUE

Industry Update

POINT MORTGAGE EXPANDS ITS FOOTPRINT INTO WISCONSIN

Point Mortgage, licensed in 32 states, has announced its expansion into Wisconsin. This strategic move enables Point Mortgage to offer its suite of mortgage solutions to homebuyers and homeowners across the state.

Point Mortgage provides various loan products, including conventional, FHA, VA, USDA, and jumbo loans.

"We are thrilled to bring Point Mortgage to Wisconsin," said Peter Mendiola, President and CEO at Point Mortgage. "Our expansion into this vibrant market reflects our dedication to helping more families achieve their homeownership dreams. We are confident that our competitive rates, diverse loan options, and exceptional customer service will make a positive impact on the Wisconsin housing market."

As part of the Point Mortgage Wisconsin launch strategy, veteran mortgage sales leader, loan officer, and Wisconsin native Kristen Ambos will lead the effort as the new Chief Production Officer for the Point Mortgage Midwest Division. Ambos comes to Point Mortgage with over 20 years of mortgage experience and is ranked in the top 1% of loan originators in the nation.

"I'm extremely excited to join the Point Mortgage team," Ambos said. "This challenging real estate market requires a company that is nimble and creative to serve every client." Ambos added, "I am motivated to lead and grow Point Mortgage's Midwest Division quickly and strategically."

Point Mortgage's expansion into Wisconsin underscores the company's commitment to growth and excellence in the mortgage industry. A strong emphasis on growth in the Midwest began in 2023 when Mike Prodehl, President and CEO of Coldwell Banker Real Estate Group, and the Prodehl Family became Point Mortgage shareholders. Coldwell Banker Real Estate Group operates in Wisconsin, Illinois, Indiana, and Michigan identifying Point Mortgage as its primary mortgage partner.

GUARANTEED RATE ANNOUNCES REBRAND TO "RATE" TO STREAMLINE CUSTOMER EXPERIENCE AND CEMENT FINTECH LEADERSHIP

Guaranteed Rate, a financial services provider in the mortgage industry, has announced a major rebranding initiative. Effective immediately, the company will be known simply as "Rate." This change reflects the company's commitment to innovation, simplicity, and a seamless customer experience in the fintech and mortgage industries.

"Rate's rebrand is more than just a name change; it represents a new era of growth and innovation. The company remains dedicated to delivering high-quality service and leveraging cutting-edge technology to improve the mortgage experience for all," said Victor Ciardelli, CEO of Rate. "This transition to 'Rate' marks a significant milestone in our company's evolution. For over two decades, we've been at the forefront of technological advancements in the mortgage industry. Our new name is a natural progression that aligns with our mission to simplify and modernize the mortgage process for our customers and partners."

As "Rate," the company will continue to expand its range of financial products and services, including reverse mortgages, home equity, personal lending, and homeowners' insurance. This expansion is part of Rate's strategy to integrate technology across comprehensive financial solutions that meet the evolving needs of its customers.

> "Last year, we officially opened the doors to our home equity department in order to better serve our members who want to access the equity in their homes."
>
> —**Jacqueline Montanez**, Residential Lending Manager, Neighborhood Credit Union

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NEIGHBORHOOD CREDIT UNION PARTNERS WITH FIRSTCLOSE TO SUPPORT HOME EQUITY GROWTH

FirstClose, Inc., a fintech provider of data and workflow solutions for mortgage and home equity lenders nationwide, has announced that Neighborhood Credit Union is using its FirstClose Equity solution's settlement services ordering platform to streamline its home equity lending operations.

Headquartered in Dallas, Texas, Neighborhood Credit Union has 14 branches throughout Texas serving more than 50,000 members. Last year, the credit union launched its home equity lending department and in just 12 months has originated over $1.3 million in home equity transactions. For this relatively new product category, home equity is quickly gaining traction as a reliable contributor to their total mortgage business.

By using FirstClose's settlement services ordering technology, Neighborhood Credit Union has been able to significantly reduce turn times and increase loan officer productivity while providing exceptional member experience. The integration with MeridianLink Consumer has shifted processors' time from heavy administrative tasks to building member relationships by reviewing only items requiring attention.

"Last year, we officially opened the doors to our home equity department in order to better serve our members who want to access the equity in their homes. FirstClose has been our home equity ordering platform since day one, and it's been a complete game-changer," said Jacqueline Montanez, Residential Lending Manager at Neighborhood Credit Union. "It's become our one-stop-shop for everything home equity and has been able to help us expedite our origination process and provide a seamless, end-to-end experience for our members."

FirstClose Equity is a home equity origination solution that reduces operational touchpoints and improves the overall customer experience for borrowers, processors, and underwriters. Automated workflows, including the ordering of settlement services, enable lenders to complete the application through closing process in five to 10 days, versus the industry average of 45 to 60 days.

"We're excited to be powering Neighborhood Credit Union's new home equity business," said Tedd Smith, CEO at FirstClose. "Our Equity solution will help Neighborhood Credit Union reduce costs and increase efficiency by providing one-click access to order all the necessary property information and services needed to originate home equity loans and HELOCs."

RITHM CAPITAL CORP. COMPLETES ACQUISITION OF COMPUTERSHARE MORTGAGE SERVICES INC.

Rithm Capital Corp. has completed its previously announced acquisition of Computershare Mortgage Services Inc. and certain affiliated companies, including Specialized Loan Servicing LLC (SLS). Immediately following the closing of the acquisition, SLS merged into Newrez LLC (Newrez).

Transaction highlights:

- Adds approximately $149 billion in unpaid principal balance of servicing, adding $104 billion third-party and other servicing to Newrez portfolio
- Adds new third-party clients and increases existing client wallet share, significantly expanding Newrez's subservicing and special servicing businesses
- Adds co-issue MSR acquisition capabilities to Newrez originations platform
- Provides Newrez added operating leverage through additional scale

"This milestone marks another chapter in our history of strategic acquisitions to build a leading mortgage banking franchise—a core strategy of Rithm's growth as we scale and diversify as an alternative asset manager," said Michael Nierenberg, Chairman, CEO and President of Rithm Capital.

"SLS will further expand our robust subservicing business and brings with it a great reputation in the market—the team and Newrez share a commitment to delivering a best-in-class experience to both clients and homeowners," said Baron Silverstein, President of Newrez. "The power of the combined platform will strengthen Newrez's positioning in the market."

FINANCE OF AMERICA UNIFIES FAR, AAG UNDER SINGLE BRAND

Finance of America Reverse LLC (Finance of America or the Company), a provider of home equity-based financing solutions for modern retirement, has announced plans to consolidate its American Advisors Group (AAG) and Finance of America Reverse (FAR) brands under the single brand name, Finance of America. The change is generally expected to take effect in Q3 2024 and will remain subject to regulatory considerations in certain jurisdictions.

Kristen Sieffert, President of Finance of America, said, "This is another key moment in our evolution and the result of ongoing collaboration among our teams to optimize our operational platform. We see this as the precursor to our plan to break the reverse mortgage adoption barrier and make home equity a core component of a modern retirement."

Chris Moschner, Chief Marketing Officer of Finance of America, said, "Focusing our resources on a single Finance of America brand increases our marketing efficacy and enables us to create a recognizable and powerful brand in the market. We are preparing for an exciting path forward over the months and years ahead, and this is a necessary first step on that journey."

The announcement is the first phase of a longer-term brand strategy that will culminate with an official launch of the new brand platform and messaging slated to go live in early 2025.

PRETIUM COMPLETES ACQUISITION OF BH MANAGEMENT SERVICES

Pretium, an investment firm with over $50 billion in assets under management, has announced that it has completed its acquisition of BH Management Services (BH), one of the nation's biggest property management platforms in multifamily, student, and single-family housing.

The addition of BH to Pretium creates one of the most robust residential ecosystems in the United States, with more than 7,200 employees, over 210,000 homes managed, and approximately 700,000 residents and homeowners served annually. Pretium's portfolio now includes investments spanning single-family, multifamily, student, affordable, and build-to-rent housing communities.

"The addition of BH enhances Pretium's residential ecosystem, enabling us to deploy capital across all major residential asset classes in both debt and equity," said Jonathan Pruzan, President of Pretium. "This transaction creates additional opportunities for our investors and will drive more investment in residential real estate, contributing to a healthier housing economy and increased housing options for families across the country."

"Combining BH's multifamily portfolio with Pretium's residential platform will help us execute on our shared vision to build better communities," said Joanna Zabriskie, CEO of BH. "As an operating company of Pretium, the BH team is positioned to sustain and grow our leadership in multifamily and deliver on our important mission of creating spaces where people live and thrive."

As a Pretium operating company, BH will continue to be led by CEO Joanna Zabriskie and the current management team, with its headquarters remaining in Des Moines, Iowa.

HOMES FOR HEROES FOUNDATION COMMITS $150,000 PLEDGE TOWARDS NATIONAL CENTER FOR HEALTHY VETERANS

The Homes for Heroes Foundation, dedicated to supporting veterans and their families, has pledged $150,000 over three years to aid the expansion of the National Center for Healthy Veterans.

The Homes for Heroes Foundation's contribution will support the construction of 25 tiny homes and a community center as part of the "Village II" project, fostering rehabilitation and renewal for at-risk veterans.

The National Center for Healthy Veterans offers transformative programs at Valor Farm in Altavista, Virginia. This pledge reflects the Foundation's commitment to empowering veterans through immersive, rural rehabilitation.

The Foundation's grant will be presented to the National Center for Healthy Veterans at Valor Farms located in Altavista, Virginia. The presentation will be made by Homes for Heroes Foundation Director Jay Flynn, local Homes for Heroes Real Estate Specialist Angie Holt, and Homes for Heroes Mortgage Specialist Melanie Thompson.

"We are honored to support the National Center for Healthy Veterans in their mission of returning Healthy Veterans to America," said Jay Flynn, Director of the Homes for Heroes Foundation. "Through this pledge, we aim to provide essential resources allowing our Veterans to have the opportunity to thrive."

The $150,000 pledge will be disbursed in three annual installments from 2024 through 2026, ensuring sustained support for critical programs.

CARRINGTON MORTGAGE SERVICES INTRODUCES INDIVIDUAL TAXPAYER IDENTIFICATION LOANS

Carrington Mortgage Services, LLC (CMS), a privately held nonbank lender, offers a slate of loan offerings and services directly to consumers, investors, mortgage brokers, and mortgage bankers nationwide. To add to its diverse lending offerings and to better ensure homeowners, brokers, and sellers have all the options they need, CMS is introducing Individual Taxpayer Identification Loans (ITIN) for its retail, wholesale, and correspondent lending customers.

Although conventional loans require a Social Security number (SSN) for loan approval, CMS' ITIN loans offer mortgage financing options for non-U.S. citizens who live and pay taxes in the United States. Instead of a SSN, homebuyers provide their ITIN in addition to their income verification documents. Although the Internal Revenue Service cannot provide an exact figure of the number of ITINs currently in circulation, the market spans more than 21 million underbanked customers, according to research by the Filene Research Institute. The Filene report also states there were over 3 million ITIN applications between 2019 and 2021. The Mortgage Bankers Association doesn't track data for ITIN loans, but the Urban Institute estimates that 5,000 to 6,000 ITIN mortgages were made in 2023.

Although historically, borrowers seeking ITIN loans have sometimes been vulnerable to excessive interest rate loans, the ITIN loans offered by Carrington provide access to homeownership at fair interest rates for mortgages and normal terms. The product demonstrates the unique benefits of The Carrington Companies' position as an asset manager—giving homeowners, brokers, and sellers access to the company's respectable liquidity—as well as Carrington's dedication to continually innovate as market conditions evolve.

"The inclusion of ITIN loans in our diverse mix of products for homebuyers gives creditworthy, tax-paying customers a unique opportunity to realize their dream of homeownership," said Greg Austin, EVP, Lending for CMS. "Our ITIN program demonstrates Carrington's commitment to the unique financial needs of non-U.S. citizens and residents who contribute to our communities and our country's economy."

Diverse Solutions for Today's Homebuyers

Without question, homeowners and mortgage professionals are demanding,

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> "We are honored to support the National Center for Healthy Veterans in their mission of returning Healthy Veterans to America."
>
> —**Jay Flynn**, Director, Homes for Heroes Foundation

now more than ever, what Carrington has brought to the mortgage marketplace from the very beginning: a variety of loan products based on current technology, operations transparency, and dedicated training and support systems for loan originators. In addition to Carrington's comprehensive suite of non-QM offerings, FHA, VA, USDA, and conforming Conventional products, the company also offers ProcessIQ℠, where approved CMS Wholesale brokers have the option of having Carrington process the loan as part of its underwriting. When enrolled brokers submit loans, they can request that the Carrington ProcessIQ team handle all nonlicensable aspects of the processing, working directly with the borrower. In December 2022, CMS' Second Lien program began providing a welcome source of liquidity to existing CMS servicing customers. In July 2023, CMS expanded its offerings to include 40-year loans and temporary buydowns. In March 2024, CMS introduced a Closed-End Fixed-Rate Second Lien product for its wholesale and correspondent lending customers.

"Homeownership is a cornerstone of the American Dream, regardless of your economic bracket, citizenship status, or where you live," said Samuel Bjelac, SVP, National Sales, Third-Party Origination for CMS. "Although qualifying for a home without a Social Security number can be challenging, it doesn't have to be. At Carrington, we can help people all over America open the door to homeownership with our ITIN loan."

ARRIVE HOME LAUNCHES EARNED EQUITY PROGRAM

National affordable housing provider Arrive Home has announced the launch of its Earned Equity Program. As part of Arrive Home's continued mission to expand access to homeownership for underserved borrowers, the new Earned Equity Program helps more consumers achieve their homeownership goals through a long-term purchase contract.

"We are absolutely thrilled to bring the Earned Equity Program to market and are very excited by the interest it is getting from our correspondent lender partners."

—**Tai Christensen,** President, Arrive Home

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Designed to assist consumers who do not qualify for a trapditional mortgage, the Earned Equity Program enables program participants to enter a long-term purchase contract with monthly payments controlled by an automatically renewing 10-year lease agreement. This enables them to use and enjoy the home as their own, with the intention of eventually buying or assuming the property. At any time during the term of the purchase contract, the participant may buy the home at a price that was fixed when the contract was signed. During the 10-year term, the customer has time to improve their credit rating and eliminate other obstacles preventing them from qualifying for a home, eventually buying the property outright using a traditional mortgage loan.

"We are absolutely thrilled to bring the Earned Equity Program to market and are very excited by the interest it is getting from our correspondent lender partners," Arrive Home President Tai Christensen said. "This program is a major step forward for Arrive Home in our efforts to facilitate responsible homeownership, broadening our offerings beyond down payment assistance and solidifying our position as a leader in affordable housing solutions."

Arrive Home launched in 2022 with a mission to provide alternative credit solutions to borrowers who do not fit the traditional credit mold.

"The Earned Equity Program has the potential to help a large segment of consumers who are responsible and want to own a home, but lack credit solutions in today's financing industry that can help make this dream a reality," Arrive Home CEO Matt Pettit said. "At Arrive Home, our goal has always been to bring real innovation to the market to expand access to homeownership. The launch of the Earned Equity Program is a huge part of this equation, and we are thrilled to introduce it to the market."

LOANDEPOT'S NEW ACCESSONE+ PROGRAM PROVIDES FIRST-TIME HOMEBUYERS WITH DOWN PAYMENT ASSISTANCE

loanDepot, Inc. (LDI or Company), a provider of home lending solutions that enables customers to achieve the dream of homeownership, has introduced its new AccessONE+ program, intended to remove barriers and make homeownership more accessible for aspiring homebuyers in underserved communities.

AccessOne+ offers up to $9,000 in down payment and closing cost assistance to first-time homebuyers who live in one of 21 eligible census tracts in metropolitan areas, for the purchase of a home anywhere in the United States. It requires only 1% down and homebuyers with nontraditional credit histories are eligible to apply.

"Today's first-time homebuyers are grappling with traditional down payment requirements, high interest rates, and rising home prices creating inequities and barriers that are holding back underserved communities," LDI Mortgage President Jeff Walsh said. "As we continue to unlock access to sustainable homeownership for our customers, AccessONE+ provides loanDepot with another tool to help more families achieve the American Dream of homeownership."

The 21 eligible census tracts are:

- Atlanta-Sandy Springs-Roswell, Georgia
- Houston-Pasadena-The Woodlands, Texas
- Philadelphia-Camden-Wilmington, PA-NJ-DE-MD
- Baltimore-Columbia-Towson, Maryland
- McAllen-Edinburg-Mission, Texas
- Phoenix-Mesa-Chandler, Arizona
- Brownsville-Harlingen, Texas
- Memphis, TN-MS-AR
- Riverside-San Bernardino-Ontario, California
- Chicago-Naperville-Elgin, IL-IN-WI
- Miami-Fort Lauderdale-West Palm Beach, Florida
- San Antonio-New Braunfels, Texas
- Cleveland, Ohio
- New York-Newark-Jersey City, New York/Jersey
- St. Louis, MO-IL
- Dallas-Fort Worth-Arlington, Texas
- Oklahoma City, Oklahoma
- Tampa-St. Petersburg-Clearwater, Florida
- Detroit-Warren-Dearborn, Michigan
- Orlando-Kissimmee-Sanford, Florida
- Washington-Arlington-Alexandria, DC-VA-MD-WV

With the addition of AccessONE+, loanDepot adds to one of the mortgage industry's largest roster of products aimed at increasing home affordability. This is complemented by the Company's holistic suite of digital tools designed to support first-time homebuyers through every stage of the homeownership journey.

ARC HOME UNVEILS NEW BRAND IDENTITY

Arc Home, a non-QM and non-agency lender, has announced a significant corporate rebranding to underscore its commitment to streamlined and efficient mortgage solutions. With a fresh logo, vibrant new color scheme, and a clear tagline—Non-QM Made Simple—Arc Home intends to strengthen its industry presence and service offerings.

"Since stepping into my role last October, I've witnessed the tremendous potential for growth and innovation within our company," said Brian Devlin, President and CEO of Arc Home. "Our new brand identity is a testament to this potential—ushering in a new era for Arc Home with enhanced products and cutting-edge technology tailored to our brokers and correspondent lenders."

Gerard McGeever, EVP of Marketing at Arc Home, added, "This rebrand isn't just about aesthetic changes. It's about making a promise to our team, our partners, and the entire mortgage community that we are dedicated to making the non-QM process as straightforward and accessible as possible. We are here to support our partners, grow together, and continue setting standards of excellence in the industry."

Arc Home looks forward to this exciting new chapter, confident that the rebrand will enhance its leadership position in the non-QM lending space. This rebrand marks the beginning of many strategic initiatives; designed to streamline processes and enhance success in non-QM lending. As the industry continues to evolve, Arc Home remains committed to adapting and offering its partners comprehensive and practical solutions.

OLD REPUBLIC TITLE AND CERTIFID WORK TO COMBAT MORTGAGE PAYOFF FRAUD

CertifID, a wire fraud protection company, has announced a new strategic agreement with Old Republic Title to prevent mortgage payoff fraud in the title industry.

Fraud has become an increasing source of loss in the real estate sector, reaching $446 million in a recent FBI public service announcement. About 17% of title companies have sent money to an incorrect account due to fraud, and 49% of those organizations have done so more than once, according to a study by the American Land Title Association (ALTA). Additionally, less than half of title companies have adopted the industry best practice of using a wire verification service.

Mortgage payoffs have become the largest source of loss for title and real estate law firms, due to their large transaction size at $247,000 in median loss, a complex lender landscape, and lack of consistent use of technology. The new package offered by Old Republic Title and CertifID is designed to address this significant source of loss risk.

"Old Republic Title continues to focus on innovation to enable the success of our direct and agency operations," said Carolyn Monroe, President and CEO of Old Republic National Title Holding Company. "We are excited to leverage the comprehensive approach to fraud prevention that CertifID provides, inclusive of software, insurance, and recovery and support services, to help prevent fraud and create the best experiences for our agents and customers, and all parties involved in real estate transactions."

"CertifID applauds the leadership by Old Republic Title to invest in solutions that can reduce risk while enabling efficiency in their direct and agency operations," said Tyler Adams, CEO of CertifID. "We look forward to working together to truly solve the issue of payoff fraud seen across the industry."

THE BURDEN OF PROOF

MortgagePoint profiles Bron, Inc., a company that has carved out a unique niche with a focus on crucial but often-overlooked tasks such as managing registrations, utilities, and HOA verifications.

By DAVID WHARTON

In any line of business, there is always competition for the required services and problems that must be solved. One key way to differentiate oneself and find a path to success is to seek out a niche where those needs are not being addressed, where the work is complex or tedious or highly technical—the sorts of roles not every company is equipped to fill or wishes to expend resources on, but which still need to be done. These areas allow a company to rise to the occasion and fill a specific niche.

It's in one of these areas that Bron, Inc. has found its lane.

Founded in 2013 with a focus on compliance-related issues and processes, Bron now focuses on several core business lines:

» **Vacant, Foreclosure, Rental & REO Registrations:** Utilizing its extensive database of municipal data, Bron works to indemnify clients against any fines, penalties, and late fees that could accrue for their properties.

» **Utility Activations, Disconnects & Account Maintenance:** Bron handles utility activations/deactivations, coordinates with property preservation vendors, maintains accounts and payments, verifies utility balances, and ensures no late fees will be assessed.

» **HOA Verifications/Super Lien Protection:** Determine if a given property is subject to an HOA, confirm the status of HOA payments, and handle communication to prevent HOA foreclosures.

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Kevin Hamilton, CEO of Bron, told *MortgagePoint*, "Our specialty is focusing on the things that other people don't do, or don't do well. For the people that are our competitors, this is only a small portion of their revenue. Registrations, utilities—that's everything to us, and we back our product. We have clients that have been with us over 11 years, and in the 11 years that they've been with us, they've never had a fine, fee, late charge—nothing in 11 years with loans under our care."

Todd Imwold, Bron's COO, added, "A lot of companies do [registrations], but that's our specialty. Utilities: many companies do them, but that's one of our specialties. You've got the clients, you've got the municipalities, you've got utility companies—it may take a lot of conversations to get something resolved. That's the space we want to work in."

Find A Need, Fill a Need

In its current form, Bron owes its origins to Kevin Hamilton seeing an opportunity to address a need that he didn't believe was getting the attention it deserved. Prior to 2013, Hamilton had worked at several large national mortgage servicers.

While in this role, Hamilton got his first municipal violation and fine on a property, which he says opened his eyes to this sometimes-overlooked aspect of compliance. "I took the fine, I threw it in my drawer, and I said, 'This wasn't us.' Then I got a second one and thought, 'Maybe this is something I need to look into.'" As he navigated through trying to figure out where the breakdown had occurred and how to prevent future instances, he began to understand that while this was a comparatively small area of risk in 2013, it had the potential to become much more problematic as the number of municipal ordinances continued to increase in the years following the 2008-2009 housing crash.

"The first thing that happens with defaults is people stop paying their prop-

Bron Inc.'s Kevin Hamilton, Eric Moore, and Todd Imwold

erty taxes," Hamilton said. "That segues into the biggest challenge we have, too, which is the volatility of these municipalities. The rules they come up with, how they enforce them, and what you need, are ever-changing. Even with our database, we must stay on top of it, keep up with it, and make the rules according to it. At the end of the day, the burden of proof is always on us."

Most companies don't want to handle these issues internally, Hamilton explained, because it's a time-consuming and expensive process. "It's millions of dollars to build a database," explained Hamilton—and building it is just the first step. It also must be maintained and kept current.

Hamilton assembled a business proposal to build out a business unit to handle these issues of registrations and utilities, but he was met with minimal interest. Believing he had the makings of something important, he reached out to his colleague **Eric Moore, now Bron's Chief Information Officer.** At the time, Moore was "one of the top REO producers in Southern California." Hamilton called Moore up and asked, "Hey, do you know anything about this?" Through their discussions, the two developed a process and decided there was a potential business here, because, as Hamilton noted, "people need this."

Hamilton predicted that as default rates increased, it could create even more opportunities for municipalities to levy fines. "They've become tougher," Hamilton explained. "There are more rules regarding the ordinances and registrations, and nobody was taking responsibility [for these processes]."

Hamilton's concerns proved prescient: he notes that when they began Bron in 2013, only a fraction of the municipal ordinances that Bron's database now tracks were on the books. Hamilton estimates that during that decade, the number increased from 40 to over 3,000 ordinances across the 33,000 municipalities the company tracks. To make matters more complicated, existing ordinances may be revised over time. It's a complex, ever-changing web that has to be closely monitored to ensure a servicer's compliance—and that was a niche Hamilton, Imwold, and Moore believed they could fill.

At the time they began formulating their business plan and approach, it was an uphill battle simply because access to that information wasn't always easy to get.

> "It's millions of dollars to build a database. and building it is just the first step. It also must be maintained and kept current."
>
> —**Kevin Hamilton**, CEO, Bron

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"It was hard to get a straight line on," Moore said. "You couldn't just go into Google and say, 'foreclosure ordinance' [and find what you were looking for for a given municipality]. Sometimes it was listed under something else. We had plenty of times where we would call a municipality about an ordinance they signed, and they would have no idea what we were talking about."

Hamilton nodded in agreement, recalling one specific instance. "Six or eight months after we started, Eric found an ordinance with Lake Elsinore [in Southern California]. We could not find a single person in all of Lake Elsinore County [who knew about it]. We called everybody and nobody knew about it. It's like, 'Well, I'm reading about it in the City Council notes. I know it exists.'"

Hamilton explained that Bron's paying customers are the company's clients, but in a way, the municipalities involved are also another tier of their customer base.

"Our clients pay us to take care of the municipalities. We have a team that is focused on customer service for the municipalities we get our updates from, and we have to check every municipality, every year." These processes include everything from conducting web searches and research to actively calling municipalities directly. "We know who to call, we know their phone numbers, we know the snail mail, we know their email, and if it ever comes up, we're ready and proactive on that," Hamilton said.

Bron's systems also have a setup to flag any property in a municipality that is not already in their database, so the team can follow up to get more information about the lay of the local land.

"It's an automatic trigger," Moore explained. "We very rarely come across a municipality we haven't seen, but when we do, that's the first trigger: check this for ordinances."

Hamilton notes that, although the team leans on technology and automation where it makes sense, some of what Bron does will always necessitate direct outreach and the so-called "human touch." The repercussions of not getting it right leave liability not only financially but reputationally. "There's still a lot of handholding," he said. "You're never going to get out of the calls to the municipalities. There's nothing that's going to get us out of calling utility companies or HOAs. It's manual. It's labor intensive."

Take Care of Your People and They Will Take Care of Your Clients

That philosophy also extends to other aspects of how Hamilton and his executives structure and run their business, as well as how they recruit and nurture talent within the company.

The company is divided into four primary departments, as well as an IT team that mostly operates out of California:

» Registration
» Utilities
» De-registration
» Homeowners' associations

For the team of processors who are on the front lines making those calls, updating the database, and serving as Bron's

> "I don't want to wait until the end of the year [to pay employees more]. If you've picked up six or seven skills for us, you're more valuable to us, and we should share that with you."
>
> —**Todd Imwold**, COO, Bron

★ ★ ★ ★ ★

public face to the clients and municipalities with which the company deals, Imwold says there is an overall focus on instilling a sense of personal ownership and commitment into these teams.

"Our goal is to take the processor and make them process owners," Imwold explained. "You've got to make the phone calls, but if it's a simple case of 'if you get this answer, you always do this'—that's the stuff we're looking to automate. We want to create tools that can capture the data we need from the municipality. What did they tell us? Enter it into the system, so then it's easy for the next person to know exactly what that conversation was or to automate the next steps." Bron also has a strong focus on cross-training team members to understand how every aspect of the business works, which also increases opportunities for employees to move both up and laterally throughout Bron's structure.

Imwold said, "We don't want the 'big company' [mentality] that thinks, 'This is what I do. It's my box.' We spend a lot of time trying to find folks who are comfortable with change. We're going to train you in the basics, but we need you to be able to move around."

As part of this commitment to making every member of their team's skillsets as broad as possible, Imwold noted that the company does not utilize the common structure of annual reviews with an associated pay bump. Bron does do annual and semiannual reviews, but they are primarily designed to allow for feedback and communication rather than being an anchor for salary increases.

Instead, the company had designed a "Road to Mastery" that lays out a plan for how employees can move through training that will teach them various aspects of the business and open doors for future advancement within the company. As employees add to their skillsets, requisite pay increases are part of the incentive to pursue that training.

"As you gain skillsets, you should get paid more," Imwold explained. "As you become more valuable to Bron, we want to share in the rewards."

The Road to Mastery tracks employees' progress and notes when they are potentially ready to move to a new role or department.

"We've all worked at companies where the process is, 'Okay, here's your review, here's your 1%, 2%, 3%," Imwold said. "But I don't want to wait until the end of the year [to pay employees more]. If you've picked up six or seven skills for us, you're more valuable to us, and we should share that with you."

In addition to the formal Road to Mastery, Bron also offers other associate development plans that can offer team members further education, such as that available through the Five Star Academy or even access to MBA programs.

Hamilton cites Bron's IT team as an example of this "grow from within" philosophy, noting that most of the IT team were initially processors who learned and expanded their skills.

"They understand our business. They know how to do the job. They know what people on the floor are doing," Hamilton said.

Imwold added, "I feel very comfortable saying you can go anywhere on our floor and find that the employees care. They come to work every day wanting to do a good job, wanting to do right by the clients, and they understand why we do it."

Hamilton also noted that Bron is proud that, during the turmoil of the COVID-19 pandemic, the company did not lay off any team members.

"We've always protected our associates," Hamilton said. "We lost money, but we didn't lay anybody off. We knew the pandemic wouldn't last forever, so why let people go? We've spent a lot of money investing in our people."

Moore added, "I think another thing that makes it exciting for our team members is when they see a lot of the high-end positions, and they know that these are people that started just where they're at. So many people have grown and moved departments through there, so they know that we put our money where our mouth is. Everything is available for you to grab,"

Hamilton said, "We take care of our associates. Our associates take care of the clients. I think you see that in our numbers, in our below-market turnover. Most of our leadership team leads and above have been here for more than three years."

Bron also sponsors several charitable initiatives, with a particular commitment to helping support residents of Haiti. That relationship dates back to when Hamilton was deployed to Haiti with the U.S. Army as part of the UN Mission, "Uphold Democracy." While serving there, Hamilton met Carmen Neihaus, principal of Sonlight Academy in Port de Paix Haiti. The school offers "a student-centered, college-preparatory program enriched by a challenging and

The students of Sonlight Academy express their thanks for Bron's donations.

comprehensive curriculum that encourages each student from Pre-Kindergarten through Grade 12 to strive for excellence in mind, body, and human spirit."

"I grew up very poor, but when I got to Haiti, I saw poverty like I had never seen before," Hamilton recalls. "While there, my job was to interact with the local population, NGOs, and key communicators. I met Carmen and the rest of the staff at the academy, which was founded by Carmen's parents. They really cared about the people there and wanted to give back where they could make a difference. With Bron, we were giving to charities to veterans, Soroptimist clubs, and animal shelters. In so doing, we saw most of what we gave going to overhead and very little reaching those in need. Carmen remembered me from my time in Haiti, and we felt like what we could contribute would help make a difference to people who really needed it the most."

To date, Bron associates have given more than $90,000 to the Haitian school and has donated more than $200,000 to a program designed to provide schooling and testing for Haitian students living in poverty. Hamilton said that many of these students have gone on to attend major universities.

Bron also provided the school with a generator that could power it and provide excess electrical power that the school could sell to its neighbors to pay for more diesel fuel.

The Proof Is in the Product

Hamilton said that, in his evaluation, many of the municipalities have only gotten more diligent in their oversight over the years, and those fines for noncompliance can add up quickly.

"Municipalities have gotten much stricter," Hamilton said. "Why? Because the fines are huge."

"Everyone felt the pain from the meltdown in '08," Imwold noted. "Constituents are looking at the cities and the counties to say, 'How are you going to prevent these problems in the future?'"

Even staying on top of compliance doesn't prevent every issue, however. The Bron team noted that, in some cases, the municipalities may genuinely not fully understand the foreclosure process or the waterfall of steps that dictate what Bron can do and when they or their servicer clients can do it. For example, they often get calls to mow a property that may be in foreclosure. Legally, however, Bron can't enter or maintain the property until it's gone through the REO or foreclosure process.

"It takes time to explain it to them, and most of the time we can work through that, but it's really about our training with our staff," Imwold explained. "You have to know your audience, where they're coming from, and who you're talking to. The city just wants to get that grass cut, and we have to explain to them, 'Your constituent still lives there. We can't enter the property. If that changes, we will let you know.'"

"At the end of the day, registrations, if done properly, are a very good tool for the municipality to get things done on a property," Imwold said. "The key is learning, what are their expectations? And then communicating back to them [about the situation and what Bron can or can't do to remedy it]. We've built our system so that as soon as a property goes into REO, we let them know. And guess what? Now stuff can happen. We can fix that fence. We can get those things done. It's just communicating expectations with the municipality of what can happen."

Hamilton summarized, "I always tell my clients, if you want to know how we do, just call a municipality. Ask them how Bron does." MP

"So many people have grown and moved departments through there, so they know that we put our money where our mouth is. Everything is available for you to grab."

—**Eric Moore**, Chief Information Officer, Bron

ADDRESSING LIEN PRIORITY BETWEEN A MORTGAGE AND A HOMEOWNER'S ASSOCIATION'S "SUPER LIEN"—THE NORTH DAKOTA SUPREME COURT'S CLARIFICATION IN *GOULD*

By **THOMAS C. DYER**

THOMAS C. DYER *is an Associate Attorney at the Pennsylvania office of Hladik, Onorato & Federman, LLP. Dyer is a recent graduate of Widener Commonwealth Law School, where he graduated Magna Cum Laude. During his time in law school, Dyer was a member of the Widener Commonwealth Law Review, where he served on the executive board as the Executive Managing Editor. Dyer earned certificates of achievement in his Property and Bankruptcy courses. Dyer also had the privilege of externing in the chambers of the Honorable Henry W. Van Eck in the United States Bankruptcy Court for the Middle District of Pennsylvania for two semesters. Through his coursework, he obtained a Business Advising Certificate upon graduation. Prior to law school, Dyer earned his B.S. in Business Administration from Saint Joseph's University. There, he graduated Cum Laude with a major in marketing. In his free time, Dyer enjoys watching Philadelphia sports as well as playing basketball.*

Across the country, numerous states have passed uniform community housing statutes that create liens for homeowner's associations against units in their communities for unpaid assessments. These liens are typically automatically enforceable upon failure to pay an assessment. Once enforceable, the liens can obtain "super priority" status over other lien holders. The super priority lien of an association has been the source of much litigation, across multiple jurisdictions, between associations and mortgage holders. Recently, the North Dakota Supreme Court provided an interesting clarification and analysis on these competing interests when an association attempted to circumvent the recording requirements necessary for perfection in *Indus. Comm'n v. Gould*, 2024 ND 32 (2024).

In *Gould*, the North Dakota Supreme Court was confronted with an appeal regarding a trial court's order granting summary judgment to the North Dakota Housing Finance Agency (NDHFA) on the issue of priority over the association's lien and NDHFA's right to foreclose.

Factually, a group of entities known as "Fendee" built a housing development that included a homeowner's association. The governing documents for the association were recorded in 2013. Of importance in this matter, pursuant to the governing documents, monthly assessment payments were due on the tenth of each month. Carrine *Gould* purchased the home in question through a loan and mortgage with Guaranteed Rate, Inc., on or about August 30, 2019. Said mortgage was recorded on or about September 5, 2019. On September 6, 2019, Guaranteed Rate, Inc. assigned the mortgage to NDIC, which was acting on behalf of NDFHA. During the purchase financing process, Fendee charged *Gould* a monthly assessment on August 31, 2019, but as previously stated, that assessment did not become due until September 10, 2019.

In January 2021, *Gould* failed to make payments on the property and subsequently defaulted on the note. In September 2021, Fendee recorded its lien against *Gould* for unpaid association assessments, fines, penalties, interest, and legal fees. NDFHA initiated foreclosure on the property in January 2022 due to the 2021 default. *Gould* then passed away in January 2023, causing Fendee to amend its lien for additional costs in February 2023.

Both parties moved for summary judgment at the trial level, and the court determined NDFHA had the right to foreclose due to Fendee's liens being subordinate to NDFHA's mortgage. Fendee appealed on the premise that the association's lien was superior due to its super priority status without debt owed, as provided in the association's governing documents.

In its analysis, the court relied upon the language in Fendee's recorded governing documents to render a decision. Specifically, a provision of the governing documents stated that the recording of the declaration constitutes record notice and immediate perfection of the association's lien. The provision further waived any further recording requirements for individual lien claims for unpaid assessments, meaning the association's lien was immediately and automatically perfected against all units and unit owners. Another section of Fendee's declaration went on to say that "[t]hese Restrictive Covenants shall be superior and senior to any lien hereafter placed upon any portion of the Subject Property, including the lien of any mortgage or deed of trust."

In reviewing this language, the court

held that despite the terms of the declaration, Fendee's claim of a "super lien" fails. Interestingly, the court's reasoning was an association lien, perfected or not, could not have existed until September 10, 2019, at the earliest because that is when the first assessment payment was due. Therefore, since the mortgage was recorded and assigned prior to September 10, 2019, the mortgage had priority over the association lien under the first in time, first in right priority standard. Following this reasoning, the court inserted a short paragraph, hinting that NDHFA's lien was superior because Fendee's lien was not perfected until 2021 and 2023 when it recorded its notice of lien, but there was minimal analysis on this concept. Seemingly holding that despite language in the recorded governing documents attempting to automatically create a perfected lien for ongoing assessments, the association's lien was not perfected until the individual claim was properly recorded. Thus, since the mortgage was recorded and perfected in 2019, prior to the 2021 and 2023 perfection date of the association's lien against *Gould*, the lien of NDFHA was superior and NDFHA had the right to foreclose as the senior lien.

While this is a singular North Dakota case analyzing specific language from an individual community association, it highlights a continuing issue and the arguments being made by community associations nationwide to try and obtain senior priority status over mortgage holders.

As shown in *Gould*, the battle for lien priority between community associations and mortgage companies is ongoing as associations continue to employ creative ways to achieve a super lien priority status. The *Gould* decision illustrates the importance of immediately recording the mortgage and perfecting the lien when lending for the purchase of a property in a community association development. Had the association in *Gould* been able to record and perfect its lien when it became eligible on September 10, 2019, prior to NDFHA's perfection of its mortgage lien, NDFHA could have potentially lost its senior priority status, having huge ramifications on its foreclosure. It will be interesting to monitor what actions community associations take in response to this decision, as there is ambiguity in what an association can preemptively do to achieve super priority status. As community association law continues to progress and evolve, it is important to keep an eye on its impact with mortgages and the intricacies of this powerful "super priority" status given to an association's lien. MP

THE BEST SOLUTION IS NOT ALWAYS THE SHINY NEW TOY

While it can be debated as to how much default and foreclosure activity lies ahead, default servicers must carefully examine their tech systems to keep ahead of the curve.

By **JIMMY LEWIS & SRIDHAR LOGANATHAN**

After years of record low default and foreclosure volume, any significant new default servicing volume could be called "a spike." But with a number of COVID-19-era assistance programs coming to an end, and the continued presence of challenging consumer financial pressures, it appears default servicers will soon be managing increased demand.

In fact, some already are, with ATTOM's January 2024 U.S. Foreclosure Market Report reporting that there were more than 30,000 foreclosure filings in January. That's up 10% from the previous month, and 5% year over year.

A stubbornly high cost of living and other sustained financial challenges also suggest that homeowners will be under pressure for the short-term future. Redfin recently reported that monthly mortgage payments in 2024 are roughly $250 higher than they were in 2023.

While it can be debated as to how much default and foreclosure activity lies ahead, there is no doubt that default servicers, long accustomed to lean operations and low volumes, are now confronted with a potential pivot. As is the case with any market rebound, firms could quickly be faced with inadequate resources to manage any level of order surge, resulting in slower turnaround times, lapses in customer service or worse.

On the other hand, although the indicators are there, it is not set in stone that 2024 will be a year of massive foreclosure volume.


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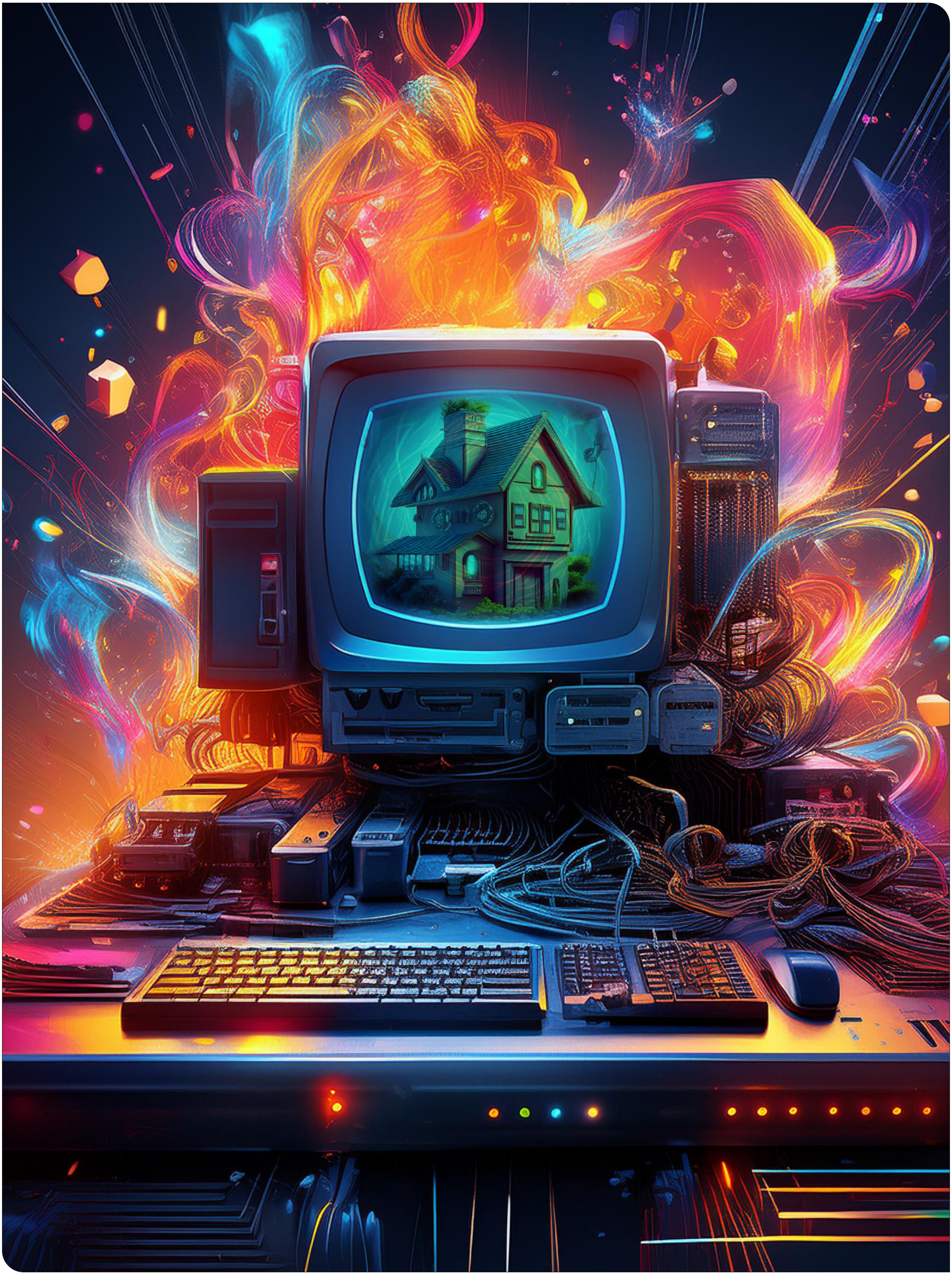
What's a servicer to do? Gamble on uncertain revenues and invest in modern technology to manage the anticipated volume? Or, hold steady, stay lean, and risk being overwhelmed by a spike in volume?

The options of chasing expensive technology or risking operational challenges by standing pat are not the only choices for default servicers. As the mortgage origination industry has recently learned, the best technology is not always the latest, flashiest, and most expensive. It is not always expensive to audit one's existing operation and craft a strategic plan that possibly includes upgrading technology in affordable stages. And it is entirely possible for servicers to update their operations now, making them more scalable and flexible, without necessarily breaking the bank.

Start by Evaluating What You Already Have

One of the most effective approaches to modernization is to take a critical look at your existing systems. Most servicing companies likely already have capable technology platforms, although they may not be making optimal use of them. Conversely, they may have a tech stack that has overlapping or redundant functions and capabilities. That said, with a comprehensive and objective evaluation, servicers can take the first steps toward preparing fully for any spike in order volume.

Any effective audit should start with a careful review of existing platforms and other elements of one's tech stack. There is a good chance some of the solutions that have been earmarked for certain, specific functions may have additional features or modules that can be activated to address new requirements or expand a firm's scope of automation. With the help of their technology providers, default servicers seeking to optimize their automation can then train their teams to utilize these untapped capabilities, essentially



As default servicers prepare for the anticipated spike in default, the imperative to modernize operations has never been greater. However, in the rush to adapt to changing circumstances, it is essential to remember that the best technology is not always the newest or most expensive.

adding efficiency to their operations without the major investment that many modern technologies require.

Where they are available, updating legacy systems with modern interfaces and integrations is another effective way to improve the impact of one's existing tech stack. The bottom line? Servicers should not start any effort to upgrade their operations by assuming they cannot get more out of the technologies they are already using. That said, there are other reasonably priced forms of technology out there that can help fill the "gaps" in one's tech architecture.

Attacking the "Gaps" in Your Tech Stack

Rather than overhauling their entire technology infrastructure for something that's simply newer, default servicers can achieve meaningful modernization by strategically addressing the biggest weaknesses in their operational workflows. This targeted approach allows servicers to allocate resources where they will have the most impact, without incurring unnecessary expenses.

Once they have identified their biggest weaknesses, servicers can then leverage "in between" technologies such as Robotic Process Automation (RPA) to fill gaps or address major chokepoints in their workflows. These intermediate solutions offer a pragmatic approach to modernization by targeting specific pain points without the need for a comprehensive overhaul. Additionally, RPA solutions are often less expensive than larger operating platforms, and can be used to optimize existing technology.

For example, RPA can automate repetitive tasks and routine processes, especially where critical elements of a tech stack are not integrated, freeing up human resources to focus on more complex and value-added activities. By deploying bots to handle data entry, document processing, or system reconciliations, servicers can increase throughput and reduce errors with minimal disruption to existing operations.

Beyond RPA, servicers can also target limited core technology upgrades where they have the most impact on the operation. For example, upgrading the customer relationship management (CRM) platform alone can provide significant benefits in terms of scalability, automation, and data management. By focusing on these foundational elements, servicers can build a solid technological foundation that can adapt to changing needs and growing volumes.

As default servicers prepare for the anticipated spike in default, the imperative to modernize operations has never been greater. However, in the rush to adapt to changing circumstances, it is essential to remember that the best technology is not always the newest or most expensive.

By strategically evaluating and updating existing systems, investing in key components of the tech stack, and leveraging "in between" technologies like RPA to fill gaps in workflows, default servicers can upgrade their scalability and flexibility without engaging in massive technology debt spending. In doing so, they can position themselves not only to optimally manage spiking order volume, but also to thrive in a new default servicing world that will demand scalability and the capability to pivot with quickly changing conditions. MP

Schneiderman & Sherman, PC

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"Pairing what made our law firm great 30 years ago with the technology of today and tomorrow to maintain our place in an ever-changing industry."

DRIVING GROWTH: LEVERAGING HOME EQUITY TO EXPAND LOAN OFFICER OPPORTUNITIES

In a tight market, LOs seeking to diversify their offerings are turning to home equity products to expand their role and become a financial guide for life.

By **DAN CATINELLA**

At their best, Loan Officers (LOs) should act as financial guides to their customers, helping them see and help surface opportunities that they did not know existed. To serve this role, LOs need to have a deep understanding of various products in the market, as well as the state of market conditions themselves. Essentially, the idea is to proactively connect the customer to the right opportunity at the right time on their financial journey.

The year 2021 brought historic lows to mortgage rates, with the average 30-year, fixed-rate mortgage (FRM) bottoming out in January at an all-time low of 2.65%, before bumping back up to the high single digits just a few years later.

The upshot was that many customers who thought they were buying starter homes are now realizing that the rates they locked in will never be seen again. With 80% of mortgage-holding Americans locked in at a rate of under 5%, homeowners are often finding themselves in golden handcuffs: in a home they are not quite happy with, but unwilling to leave.

This is a good time for LOs to key in on how their customers can leverage home equity to make the improvements they want to their home—or reach any other financial goal they want. There is a measurable appetite for these loans as well as online searches for home equity lines of credit (HELOCs) went up by 305% in 2023, according to BankRate.

Some customers (and by extension LOs) can be a bit skittish about tapping into their homeownership stake to achieve other goals. Again, the best approach here for LOs is to make sure they really have a handle on what home equity can do in general, and more importantly, what it can offer your customers. So, consider this your primer on home equity use cases: covering five of the most likely ways customers may want to use their equity: Reverse mortgage, cash-out refinancing, mortgage insurance removal, annual home equity check-up, and home equity products like HELOCs, and home equity loans.

DAN CATINELLA *is the Chief Lending Officer at Total Expert. With more than 20 years of experience in mortgage technology, Catinella is a seasoned technology executive focused on driving digital transformation through all channels of lending. In an ever-changing digital landscape, he keeps a constant pulse on the next innovation that could change the way business is conducted. As Chief Lending Officer, Dan identifies and develops high-impact innovation strategies that align with the company's business goals and growth priorities.*

The Power of Reverse Mortgages for Seniors

Reverse mortgages can be a great way to help seniors improve the quality of life in their sunset years. With a reverse mortgage, which a customer typically will not qualify for until they are older than 62, a lending institution gives a set monthly amount to their customer that they can live on. Once the customer moves, or passes on, the house gets sold and the monthly amount gets repaid from the proceeds of the sale. This injects a sometimes-much-needed boost of cash to help with anything from medical expenses to unchecked items on the bucket list.

Although a reverse mortgage can narrow the inheritance left behind to children and other loved ones, they can ultimately help seniors live a more flexible lifestyle—especially amid the rising concerns related to the high costs of inflation. Exploring these options can open pathways to access cash, supplement retirement income, and flexibility in fund usage.

Consolidating High-Interest Debt With Cash-Out Refinancing

Cash-out refinance is pretty much what it sounds like. It allows homeowners to access the equity they have built up in their homes by refinancing their mortgage for more than they owe and pocketing the difference.

Every period of life calls for different expenses—whether it be paying for a wedding, hospital bills from a newborn, college, or retirement—and each can come with a hefty price tag, which can be even more difficult for clients to navigate. But what can help them is at least knowing their options—which can all start with leveraging the untapped potential of home equity options.

Let us say you bought a home in 2021 for $280,000. You put 20% down, leaving you with a mortgage of $224,000. With a cash out refinance, you would be able to replace your old mortgage with a new one in an amount greater than $224,000—this is usually possible because property value appreciates over time, and you are also paying down the unpaid principal balance with each payment. The $224,000 of the new mortgage would pay off the old one—and the difference would be yours in cash.

This is a good option for customers wanting to consolidate high-interest debt or finance home improvements. But LOs should ensure that they educate their customers on potential downsides too: obviously, it entails taking on a greater debt load and putting their home up as collateral, which may not be the best choice for all customers.

Building Client Trust

This one is just an unqualified win. As home equity grows, homeowners are often eligible to remove private mortgage insurance (PMI) from their mortgage payments—but it is not a widely known point and customers are not often aware of when they become eligible and how to apply for removal.

LOs looking to build some credibility and trust with their clients can proactively let their clients know when they are eligible to remove their PMI. This often saves them hundreds of dollars and leads to a better relationship between the LO and their customer.

The "Home Equity Credit Card"

Home equity products comprise home equity lines of credit (HELOCs) and home equity loans. The former amounts to a credit card tied to your customer's home equity. Not literally, of course—but it functions in much the same way—a replenishable loan that your customer can borrow from and pay back as needed, and usually with a much better rate than they would get from a credit card company.

Home equity loans are more straightforward. It is much the same principle, but instead of a revolving amount of credit they simply get the loaned money as a lump sum.

These are good options for cash-poor customers that still want to make essential renovations—particularly those who bought during times of low-interest and want to protect their investment through home improvements that they cannot currently afford.

Preventive Financial Care of the Annual Home Equity Check-Up

This last one is more of a recommendation than a product you can offer. Just as preventive healthcare is the best healthcare, so is preventive financial care the best. LOs should be inviting their customers into their office at regular intervals to do a "home equity checkup"—letting clients know how much equity they have, what they can do with it, and all the previous advantages and disadvantages we've gone over in this article.

Becoming a Financial Guide

Every period of life calls for different expenses—whether it be paying for a wedding, hospital bills from a newborn, college, or retirement—and each can come with a hefty price tag, which can be even more difficult for clients to navigate. But what can help them is at least knowing their options—which can all start with leveraging the untapped potential of home equity options.

And that is exactly where LOs can guide the conversation and educate clients—acting not just as a LO, but a long-term advisor for clients and the financial guide to be right by their side at every turn and every milestone. All LOs can do, and all they should do, is be prepared to put the options in front of their customers—as clearly and transparently as possible—and from there, let them decide what best fits their financial goals and life's objectives. MP

FACING THE FORECLOSURE AND BANKRUPTCY CHALLENGES OF TODAY

MortgagePoint had the opportunity to sit down with Robert S. Kahane, a foreclosure and bankruptcy attorney with more than 30 years under his belt, to discuss current compliance issues related to loan servicing process enhancements.

By **ERIC C. PECK**

Kahane & Associates PA is a full-service law firm based in Sunrise, Florida, that represents secured and unsecured creditors and provides a full range of legal services essential to the mortgage banking industry, from foreclosure and bankruptcy representation to litigation, evictions, collections, loss mitigation, and REO closings.

A member of the Legal League, a professional association of financial services law firms, Kahane & Associates reaches beyond the traditional legal advisor role by incorporating a business-minded approach to its practice. The Kahane & Associates team is dedicated to finding innovative ways to assist its clients in significantly reducing the costs of default servicing. The primary goal of the firm is to provide clients with the highest quality legal representation and the finest in personal service in the industry.

MortgagePoint had a chance to catch up with Robert S. Kahane Esq., the firm's Founder and Managing Partner, to discuss recent trends in the foreclosure and bankruptcy space. Kahane has more than 30 years of experience representing institutional mortgage lenders and servicers and is a recognized authority and frequent speaker on legal and compliance issues related to loan servicing process enhancements. Kahane is a member of the Florida Bar, Washington, D.C. Bar, and the Real Estate Property Sections of the Florida Bar.

MortgagePoint *Managing Digital Editor* **ERIC C. PECK** *has 25-plus years' experience covering the mortgage industry. He graduated from the New York Institute of Technology, where he received his B.A. in communication arts/media. After graduating, he began his professional career in New York City with* Videography Magazine *before landing in the mortgage finance space. Peck has edited three published books, and has served as Copy Editor for Entrepreneur.com.*

Q: What are the biggest challenges of interacting with borrowers who are undergoing bankruptcy or foreclosure proceedings?

Robert S. Kahane: Interacting with borrowers in bankruptcy or facing foreclosure presents several challenges. Notably, there's often significant emotional distress involved, as these situations directly impact individuals and families. Also, navigating the complex legal and financial landscape requires sensitivity and expertise to ensure compliance with legal requirements while also exploring options for resolution that benefit both parties.

Effective communication is crucial, but can be hindered by stress and uncertainty on the part of borrowers. Balancing the need to protect the lender's interests with the obligation to treat borrowers fairly requires a delicate approach to negotiations and legal proceedings. Fostering strong communication and transparency with borrowers are essential to effectively navigating the default and collection landscape. By integrating these practices, we not only mitigate operational, regulatory, and reputational risks for our clients, but also enhance loss mitigation resolutions, ultimately driving sustainable business growth because the goals of our clients are consistently achieved.

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

Robert S. Kahane: I began my career in consumer finance litigation shortly after graduating from law school. Initially drawn to the intricate intersection of real estate law and financial regulations, I found my niche representing lenders, servicers, and debt buyers in matters related to lending, collections, and compliance. Early experiences and successes handling secured and unsecured collection matters and navigating bankruptcy proceedings solidified my commitment to this specialized field. The dynamic nature of consumer finance law initially attracted me, given my background and

"Balancing the need to protect the lender's interests with the obligation to treat borrowers fairly requires a delicate approach to negotiations and legal proceedings."

—**Robert S. Kahane**, Founder and Managing Partner, Kahane & Associates PA degree in economics. It offers a blend of regulatory challenges, finance complex litigation, and opportunities to advocate for clients facing significant financial implications. As a legal and business strategist, I saw an opportunity to address an unmet need, helping clients navigate the evolving regulatory landscape in an area critical to lenders, servicers, investors, and debt buyers.

Q: What are the trends you see at play in the bankruptcy sector right now?

Robert S. Kahane: The post-COVID-19 inflationary cycle, driven largely by increased medical costs, credit card debt, and housing-related costs, has caused an uptick in consumer bankruptcy filings, particularly Chapter 7 filings.

Court-referred loss mitigation mediations, as well as cramdowns and lien strips, are declining in number due to the general appreciation of property values in Florida. Sub Chapter V (Chapter 11) filings have been on an upswing since COVID-19, especially for debtors with multiple real estate assets though the eligibility limits were recently decreased due to a "sunset" provision effective June 21, 2024, which may impact on this trend.

Lastly, there has been a noticeable trend towards more borrower-friendly interpretations of bankruptcy laws, emphasizing consumer protections and avenues for debt restructuring. Courts are increasingly scrutinizing lender and servicer practices, particularly concerning foreclosure proceedings, which necessitates a proactive approach to compliance and litigation strategy.

Q: How has your firm navigated opportunities to evolve and streamline processes in the current marketplace?

Robert S. Kahane: Leveraging and deploying state-of-the-art technology has been a cornerstone of the firm's business philosophy. Technology serves as a critical tool to enhance efficiencies, service, and performance, while minimizing operational, reputational, and regulatory risk.

The firm's proprietary case management system is singularly the most comprehensive, scalable default case management platform available. Additionally, we continuously invest in professional development to ensure our team remains at the forefront of legal developments and best practices.

The industry tenure of the firm's attorneys and staff is truly unrivaled, with the firm's 11 attorneys averaging 24 years of practice and paralegals averaging 21 years of industry experience. No other firm in Florida can come close to the technology our firm deploys and experience level of the firm's team that took Kahane & Associates more than 20 years to build.

Q: What tools do you feel any legal expert needs to survive and thrive in today's marketplace?

Robert S. Kahane: Adaptability is crucial in today's consumer finance litigation landscape. A strong foundation in both legal expertise and industry knowledge is essential. Additionally, leveraging technology to enhance efficiency and maintain compliance, while delivering exceptional client service is non-negotiable. Effective communication skills and a proactive approach to problem-solving are also key to navigating the complexities of the consumer finance industry.

Q: What advice would you give to any legal professionals looking to break into the foreclosure compliance space today?

Robert S. Kahane: I would advise aspiring professionals to gain a solid understanding of both the legal frameworks and industry practices governing mortgage lending and foreclosure. Building relationships with key stakeholders, such as lenders, regulators, and consumer advocacy groups, can provide invaluable insights. Our firm leverages and deploys state-of-the-art technology to navigate opportunities and challenges. Our business philosophy is based on the premise that strategic investments in talent and technology are the cornerstones of success for our clients and our firm.

Q: Are there any current major legal cases that could have a significant impact on the industry?

Robert S. Kahane: Several pending cases are poised to impact mortgage banking law if the lender/servicer does not prevail, particularly those addressing the interpretation of consumer protection statutes and lender liability in foreclosure proceedings. These cases could potentially impact industry standards and influence future regulatory developments.

Q: What benefits of Legal League membership would you highlight as reasons to join?

Robert S. Kahane: Membership in Legal League provides unparalleled networking opportunities with industry peers, access to innovative resources on regulatory compliance, and participation in thought leadership forums that shape industry practices. It is a vital platform for staying informed, influencing policy, and enhancing professional development in the mortgage banking sector.

Q: What would you chalk up as your greatest professional accomplishment to date?

Robert S. Kahane: My greatest professional accomplishment has been successfully leading significant operational process management changes for the firm's national, regional, and Florida-based representative clients. These changes not only safeguarded client interests, but also minimized risk, while effecting notable efficiencies which afforded our clients the opportunity to realize significant reductions in the servicing and holding costs of their respective default portfolios. In addition, I am proud of our firm's consistent and ongoing investment in professional development, training, and cutting-edge technology. The ROI is exciting and fulfilling as our lawyers are truly best-of-class in the industry. MP

With more than a quarter-century of industry experience, Tony Julianelle, CEO of Atlas Real Estate has seen market highs and lows, growing his property management throughout. Tony recently sat down with *MortgagePoint* to discuss current market trends and the forces that will shape the landscape in the industry.

By ERIC C. PECK

Tony Julianelle, CEO of Atlas Real Estate has more than 25 years of executive leadership experience in the finance and real estate industry. Atlas Real Estate is a full-service real estate company specializing in property management, institutional acquisitions, and buy/sell brokerage. Before joining Atlas, he was a senior leader at a top four bank, overseeing cross-functional teams in the United States and overseas. He leads the overall strategy and direction of Atlas, while maintaining a commitment to the firm's values and culture.

Since its inception in 2013, the company has made a commitment to Uplift Humanity Through Real Estate. With offices in 10 states nationwide, Atlas has $2.5 billion in real estate assets under management, and manages more than 6,000 residential units.

MortgagePoint recently had the opportunity to speak with Tony to discuss how he got his start, the state of the mortgage finance space, and what it takes to make it in an up and down marketplace.

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

Tony Julianelle: I started in 1998 as a Loan Originator for what became Wells Fargo Home Mortgage. I was able to be a part of the rise of the company to becoming one of the largest originators and servicers in the nation. and played many roles during my time there, culminating in a senior leadership role overseeing production across a large geographic region. I spent more than 20 years in mortgage origination and leadership, and I loved it.

Q: What initially attracted you to the mortgage finance space?

Tony Julianelle: No one dreams of being a Loan Officer when they are a kid! I was originally attracted to the business because of the entrepreneurial spirit that allowed you to run it like you owned it—a lot of that changed after the great financial crisis and the increased regulation that followed—most of it being necessary and good.

What kept me in the business was the opportunities I had to make a tangible difference in people's lives. I still have a note from a borrower I did a loan for in my first year, where, during the loan application, we called into his company and enrolled him in their matching 401(k). Years later, he mailed me a copy of his statement with a note on it about what a difference it had made. I have been invited to weddings, birthdays, and even Thanksgiving dinners a few times. Being a part of a family, and making a house a home, is pretty remarkable.

Q: In the current market, what do you see as possible market corrections to alleviate the affordability crisis?

Tony Julianelle: Unfortunately, there is a market reality at play that will not be overcome by an outside force … it's the reality of supply and demand. As long as the U.S. housing market is under-supplied by over a million homes, demand will outpace supply and prices will continue to climb. Even in this environment—with interest rates at 25-year highs—values have not seen any meaningful depreciation, and in most markets, have continued to climb, albeit, at a slower pace. Of course, if the United States were to experience a prolonged recession or a spike in unemployment, that may create downward pressure on pricing, but market fundamentals do not currently point toward this.

Q: What suggestions do you have for renters who are on the outside of the home buying market looking in?

Tony Julianelle: A few things. First, decide what's important to you. If you want to own a home, you can, but it will take sacrifices. I'm a big believer in home ownership and real estate ownership as a path to wealth accumulation. But, you probably should not be looking for a dream house. You should be looking for something you can buy and rent rooms to roommates, or even better, a multi-unit property where you can get FHA (Federal Housing Administration) financing as an owner-occupant with a low down payment, live in one unit, and rent the others out. You will also likely need to drive a less expensive car, live with last year's clothes, and cook a lot of meals at home.

There are a lot of programs to help first-time homebuyers, so do your

research. One thing we are doing for our residents is called Project Uplift. If you rent a single-family home that we own and operate for four years, at the end of those four years, you may have access to enough money to make up a down-payment on a new home. It's part of our commitment to home ownership and to partnering with our residents for their flourishing.

And, keep in mind that while a 7% interest rate may seem high, your interest rate is 100% when you are renting.

Q: What course do you feel rates will take for the remainder of 2024?

Tony Julianelle: Right now, it seems the market has priced in a rate cut in September as fairly certain ... but that still feels optimistic to me. We need to see a little more data on inflation cooling and of course, the election will play a crucial role in economic policy through the rest of 2024. We try to keep it simple in our organization and make decisions about what is true now, not what we hope will be true at some point in the future.

Q: Do you see a shift in housing policies come November based on the outcome of the Presidential Elections?

Tony Julianelle: This seems unlikely. If there is a divided government, which seems likely one way or another, then typically the status quo carries on. There is a lot of bluster in an election year, like the recent proposal to cap rent increases in some circumstances through federal legislation. I do not see this getting any traction in reality. I would like to see some additional incentives around home ownership in the tax code, and I see this as the most likely outcome.

Q: What tools do you feel a mortgage professional needs in order to survive and thrive in today's marketplace?

Tony Julianelle: Mortgage tools have become commodities—easy to get, and everyone has them. The key to success in the mortgage business is just two things—get up each day, and do the same things over and over again. Consistent execution of whatever your plan is will drive results. And, always say what you mean and do what you say. Never make a promise you cannot actually cause to occur. Your reputation is all you have, so treat it like your most valuable asset.

Q: What advice would you give to anyone looking to break into the mortgage finance industry today?

Tony Julianelle: Start out on the fulfillment side of the business. The best loan originators I have seen in my career are not just salespeople ... they know the process in and out because they have done it. Get a job as a processor, move up to a closer, and then, if you can, do some underwriting. Commit a year or two to this before you make the leap to originating loans. Become a student of the business, and actually know what you are doing. You cannot afford not to. And, find a great mentor ... my early mentors made all of the difference for me. MP

Lending/Originations

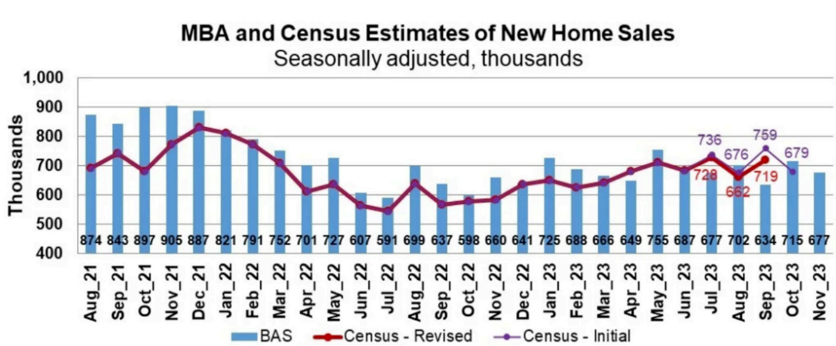
JUMPING IN JUNE: NEW HOME PURCHASE MORTGAGE APPLICATION DATA

According to data from the Mortgage Bankers Association's (MBA) Builder Application Survey (BAS) for June 2024, the number of mortgage applications for the purchase of new homes increased by 0.7% from the previous year. The number of applications fell by 16% from May 2024. This change does not include any adjustment for typical seasonal patterns

"Applications for new home purchases slowed in June, consistent with broader declines in single-family construction and new building permits as well as typical seasonal patterns," said Joel Kan, MBA's VP and Deputy Chief Economist. "The average loan size edged lower for the second consecutive month, and the share of FHA (Federal Housing Administration) applications increased to 28.7%, as first-time buyers continue to account for a growing share of demand for newly built homes."

New Home Sales Slow Despite Uptick in New Mortgage Applications

As a reliable predictor of the U.S. Census Bureau's New Residential Sales report, MBA projects that, in June 2024, new single-family home sales will be operating at a seasonally adjusted annual rate of 626,000 units. The BAS' mortgage application data is used to estimate new house sales, together with several characteristics and market coverage assumptions.



"MBA's estimate of new home sales showed a monthly decline to a pace of 626,000 units—the slowest in four months," Kan said. "Mortgage rates dipped below 7% in June but that did little to spur purchase activity."

Seasonally adjusted, the June estimate is 10.8% lower than the May pace of 702,000 units. MBA projects that June 2024 saw 52,000 new home sales on an unadjusted basis, a 17.5% drop from May's 63,000 new home sales.

Conventional loans accounted for 60.8% of loan applications by product type, followed by FHA loans (287.7%), RHS/USDA loans (0.3%), and VA loans (10.2%). Between May and June, the mean loan amount for newly constructed homes dropped from $400,150 to $399,879.

MORTGAGE LENDERS REVEAL TOP PRIORITIES FOR 2024

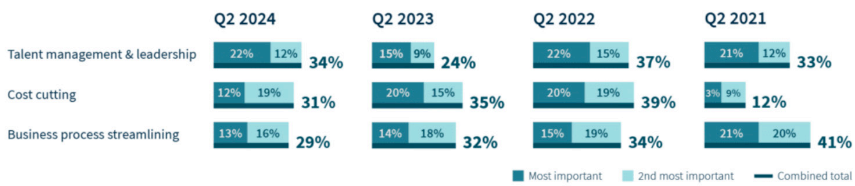
In the most recent Fannie Mae Mortgage Lender Sentiment Survey (MLSS), mortgage lenders listed "cost-cutting" and "talent management and leadership" as their two top business objectives for 2024. Lenders had stated last year that lowering costs was their top goal.

According to the most recent MLSS, almost two-thirds of respondents said they planned to reduce staff in 2023; however, very few said they expected this trend to remain until 2024. Lenders have differing opinions on how interest rates might change in the future. A third does not expect a jump in refinance activity in the near future, whereas nearly three out of five forecast a refinance boom in 2025.

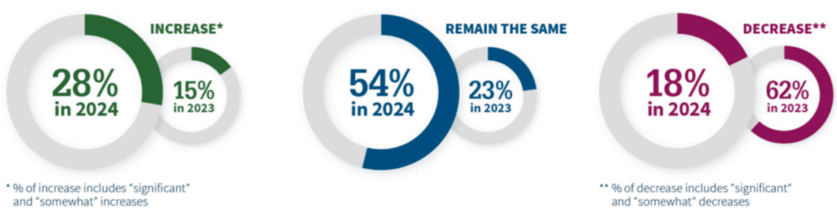
Fannie Mae polled more than 200 senior mortgage executives through the MLSS to gain a better understanding of the top business goals of lenders for the next year and how they might vary from previous years in light of market developments.

Lenders listed cost-cutting and talent management as their main goals for

Top business priorities for lenders



Changes in mortgage origination business workforce size



2024, as was previously mentioned. Since 2022, reducing costs has been one of the top three goals; however, talent management has risen to the top after coming in second the previous two years. For the first time since 2017, "business process streamlining" was once again ranked among the top three priorities, while "consumer-facing technology" fell out of the top three.

Lenders' opinions on the U.S. economy have greatly improved over the previous year. According to our most recent study, a majority of lenders still believe that the U.S. economy will enter a recession over the next two years, although the number is much lower (66% in 2024 compared to 93% in 2023). Lenders still see the two largest threats to industry growth—a short supply of housing and rising mortgage rates—as they did last year.

Lender forecasts were also inconsistent when it came to the possibility of a short-term refinance boom. While 33% of respondents indicated they don't see any such boom in the near future, over 60% said they anticipated a refinance boom in 2025. Compared to mortgage banks, depository institutions were much less likely to predict a refinance boom in the near future.

Regarding labor management, about two-thirds of lenders polled stated that they would be cutting staff in 2023. Lenders portrayed a somewhat more positive image for 2024, with 54% stating that they expected no changes, 18% anticipating reductions, and 28% anticipating staff additions. Remarkably, mortgage banks reported expecting a labor force rise in 2024 more frequently than depository institutions did.

Some lenders made remarks about the challenges of attracting and keeping highly qualified employees, as well as the retiring workforce, in relation to talent management and leadership. A lot of people mentioned how crucial great leadership is for navigating market downturns.

Mortgage origination volumes decreased dramatically over the past few years as interest rates rose, especially when contrasted to their historically high levels during the epidemic. This resulted in reduced profit margins for lenders and layoffs in the mortgage sector as a whole. In actuality, job growth in the mortgage sector is at its lowest point since 2014. Mortgage lenders have already had net output losses for eight straight quarters on average, including the first quarter of 2024. Since Q2 2020, the average origination cost per loan has been rising rapidly, with staff making up the majority of lender expenses.

Staff sizes seem to be returning to normal following job cuts in 2023 and a general decrease in lenders' uncertainty on the state of the economy and the mortgage market trajectory. Numerous companies continue to prioritize talent management, and a few announced intentions to grow their workforce this year. After the historically high quantities of mortgage purchases and refinancing during that era, mortgage activity most likely reached a post-pandemic floor.

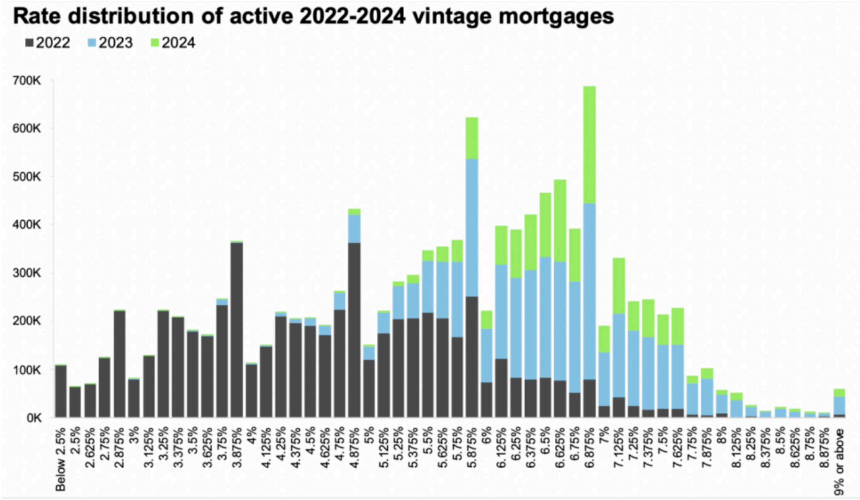
Because of this, Fannie Mae believes that certain mortgage lenders are currently gearing themselves to handle an increase in mortgage originations in the event that the housing market's gradual recovery lasts through the remainder of this year and into 2025.

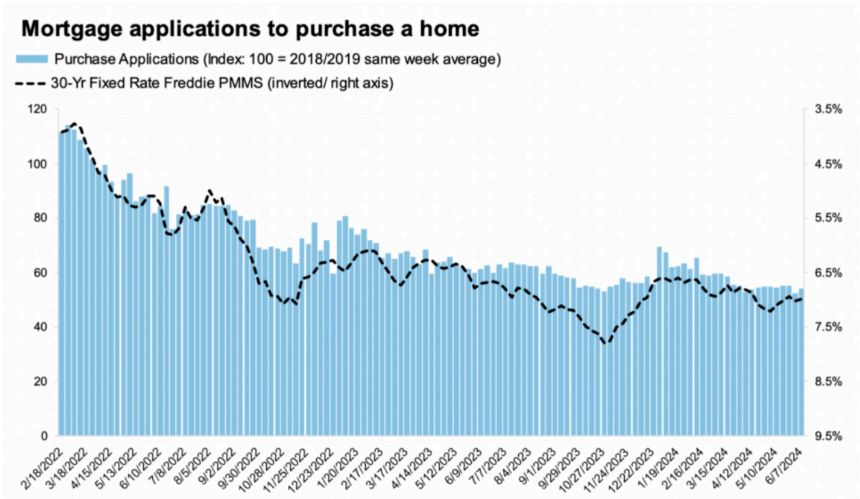
IS A REFI SURGE ON THE HORIZON?

Intercontinental Exchange, Inc. (ICE) has published its July 2024 ICE Mortgage Monitor Report, examining the dynamics of the active mortgage market's gradual shift toward higher average rates. Although there is still a significant bias in the market toward lower-rate mortgages, Andy Walden, VP of Research and Analysis at ICE, points out that this is shifting.

"As of May, 24% of homeowners with mortgages now have a current interest rate of 5% or higher," Walden said. "As recently as two years ago an astonishing nine of every 10 mortgage holders were below that threshold. All in, there are 5.8M fewer sub-5% mortgages in the market today than there were at this time in 2022. This has been a slow-moving change, as borrowers with lower rates have sold their homes or, to a smaller degree, refinanced to withdraw equity.

Walden added, "The entire market is acutely aware of how elevated rates have been constraining origination volumes. But seen from another angle, the same dynamic is also serving to gradually enlarge the population of folks with high-rate mortgages who are actively waiting for the moment a refinance makes sense. This would benefit both a growing number of homeowners and lenders."





Mortgage Origination & Refi Activity: 2022-2024

Approximately four million first lien mortgages originated since 2022 had 30-year rates above 6.5%, with 1.9 million having rates of 7% or above, according to the research. In the 7–7.225 percentile range, there are, on average, about 240,000 active mortgages; nevertheless, there is a discernible peak of 690,000 loans with rates just below 7%.

"The concentration of active loans just below 7% has more to do with borrower psychology than concrete savings," Walden said. "There's clearly something appealing in today's market for a homeowner to see a 6-handle in front of their mortgage rate. From a rate/term refinance lending perspective, this group is worth watching as they represent a potential tipping point for a return to more meaningful, albeit historically modest, refi volumes."

Refi volumes are still far below historical levels for the time being. Having said that, there have been some noticeable changes in the refinancing landscape of late. Take the recent increase in the VA market share, which, according to ICE origination statistics, went from less than 10% of rate/term refis a year ago to more than 30% in recent weeks.

The rise in VA refinance share seems to be due, in large part, to streamline refinances. A before-and-after analysis of ICE McDash +Property data shows that some veterans, particularly those who had taken out mortgages within the previous year, took advantage of the streamlined refinancing program to lower their interest rate by more than a full percentage point, for an average monthly savings of $230 among April originations.

HIGHLIGHTING LOAN ACTIVITY ON 30-YEAR FIXED RATE MORTGAGES

The average rate offered on these loans is far lower than that of their FHA and conforming mortgage counterparts, and the ICE U.S. VA 30-year fixed rate mortgage index is down over a full percentage point from its peak in late October. With the retention of FHA and VA refinances tripling from 15% in Q4 to 46% in Q1, VA refinances also contributed to the servicing retention rate in Q1 reaching its best level in 18 months.

However, the average borrower had to pay more for their loan balance in order to fund closing fees and/or buy down their rate, so those reduced payments came at a price. In addition to the rapid turnaround, the exceptionally high prepay speeds have the potential to harm investors in assets secured by VA loans.

The recent VA loan activity confirms the results of the recently published 2024 ICE Borrower Insights Survey, which indicated that, with a 20-point difference between the lowest mortgage rate and the next most popular choice, obtaining the lowest mortgage rate was the most important factor when selecting a lender. However, borrowers usually don't weigh many possibilities even though they desire the lowest rate.

Actually, when choosing a loan, some 84% of borrowers questioned looked at either one (36%) or two (48%) options. This demonstrates how crucial it is for lenders to remain aware of their consumers' needs and initiate contact as soon as a favorable refinancing opportunity presents itself, as does the effective proactive retention of FHA/VA borrowers in Q1.

Default Servicing

COMMERCIAL FORECLOSURES JUMP NEARLY 50%

ATTOM has released its updated monthly report on U.S. Commercial Foreclosures, revealing a continued increase in commercial foreclosures over the years, from a low of 141 in May 2020, to the current figure of 647 in June 2024.

Since January 2014, ATTOM has been analyzing data, a period marked by the nation's emergence from economic uncertainty, with commercial foreclosures numbering 740 nationwide. Over the following years, ATTOM monitored fluctuations, observing a peak in October 2014 with 889 commercial foreclosures, indicating ongoing market corrections.

Despite challenges like the COVID-19 pandemic and evolving economic policies, the market demonstrated remarkable adaptability, as initial pandemic-related foreclosures were followed by stabilization as businesses adjusted to new realities.

Launching an Upward Trend

In June 2020, the U.S. observed the onset of a consistent upward trend in commercial foreclosures following an almost seven-year phase of continuous declines. June 2020 marked the first rise, from a notable low of 141 in May 2020, that persisted with steady increases through June 2024. By June 2024, commercial foreclosures had increased to 647, reflecting a 219% year-over-year increase compared to the 2020 low.

Regionally, in June 2024, California reported the highest number of commercial foreclosures for the month, at 214, a 10% decrease month overmmonth, but a 289% increase year over year. This marks California's first monthly decline following a notable rise in commercial foreclosures over the past seven months, which began in November 2023. During this period, cases exceeded 100 and continued to escalate.

Following California, Texas, New York, New Jersey, and Florida all reported the highest number of commercial foreclosures in June 2024. While these states experienced decreases this quarter, they exhibited significant fluctuations over the past decade, with each state showing a continuous overall increase.

- Texas reported a total of 70 commercial foreclosures in June 2024, a 1% decrease month over month, and a 100% increase year over year.
- New York reported an 8% decrease in June 2024 month over month, and a 21% decrease in commercial foreclosures year over year.
- New Jersey saw a 35% decrease month over month in June, and a 34% increase year over year.
- Florida reported a 45% decrease month over month in June, and a 10% increase year over year.

The State of Office Space

The office space market has been one in flux ever since the pandemic gave rise to remote work situations. According to Commercial Edge's national office report, office utilization has plateaued, while values have fallen. Office defaults and delinquencies are on the rise in 2024, and hundreds of billions in office loans are set to mature over the next few years. The report found that more than $260 billion in office loans have recently matured or are maturing by the end of 2026. This represents 30% of all office loans, covering 12,000-plus properties. However, the risk posed by maturing loans is not distributed equally across markets.

Among top markets, Atlanta has the highest concentration of maturing loans, with 48.3% of its office loan volume either having recently matured or due to mature through the end of 2026—followed by Denver (41.8%), Nashville (41.7%), Chicago (40.7%), and the Twin Cities (39.2%), making them the only top markets crossing a 35% threshold.

For larger industrial spaces, Commercial Edge's national office report that national in-place rents for industrial spaces averaged $8.00 per square foot in May 2024, an increase of four cents month over month, and up 7.5% year over year.

Regionally, it was California's Inland Empire that reported the highest industrial rent growth once again, with in-place rents increasing by an average of 12.6% over the last 12 months—followed by Los Angeles (11.6%), Miami (11.4%), and New Jersey (9.6%).

Commercial Edge found that Phoenix was the fastest-growing industrial market not adjacent to a shipping port, with an 8.7% rent growth year over year. The Phoenix metro has been a booming industrial market in recent years, driven mostly by its population growth and proximity to key ports. The Phoenix region offers a compelling alternative for companies seeking a less crowded option than Southern California for their industrial spaces.

A Ripple Effect

The reverberation of commercial foreclosures can do great damage to a financial ecosystem, and as a recent Marketplace article notes, small banks are bearing the brunt of the rise in commercial foreclosures. The article noted that KeyCorp, Comerica, and Ally all reported that their net income fell in Q1, as did larger banks like U.S. Bancorp and Citizens Financial, with the one thing weighing on the sector being commercial real estate. These banks have a great deal of CRE (Commercial Real Estate) loans on their books, loans that may continue to mount should the rate of commercial real estate foreclosure turn upward.

2023 UNDERWRITING LOSSES MIRROR 2022 TRENDS

The main national trade organization for commercial, home, and auto insurers, The American Property Casualty Insurance Association (APCIA) and Verisk have released a statement regarding the insurance industry's projected $21.1 billion in full-year 2023 losses. Important financial metrics for private U.S. property/casualty insurers show that underwriting losses in 2023 resembled those in a challenging 2022.

Net income is at its lowest point in over a decade, despite the industry's expected net underwriting loss of $21.1 billion being less than the $24.8 billion recorded the year before. It dropped to $35.7 billion in 2023 from $44 billion the year before, a 19% reduction.

Earned premiums grew by 9.9% in 2023, but incurred losses and loss adjustment costs increased by 10.1%. A key indicator of insurer profitability, the combined ratio scarcely moved from 102.4% in 2022 to 101.6 % in 2023.

Based on about 96.9% of all business underwritten by private property/casualty insurers in the United States, these results have been calculated.

"Insurers experienced a second straight year of net underwriting losses with over $21 billion in red ink in 2023 following nearly $25 billion in 2022," said Robert Gordon, SVP of Policy, Research, and International at APCIA. "While overall industry surplus—representing the supply capacity for insurance coverage—modestly increased in 2023 thanks to investment gains, it has still not recovered from the $72 billion contraction in 2022 and fell to a five-year low relative to premium revenue. Homeowners and auto insurance performed particularly poorly: in both 2022 and 2023, loss ratios exceeded levels not seen in more than 20 prior years. As insured losses skyrocket, many policyholders in the United States face rising insurance costs and availability challenges, which is why the insurance industry is analyzing these issues and advocating for solutions. However, the market won't fully stabilize until insurers can close the gap between losses and rates."

The policyholders' surplus increased to $1,014.8 billion in 2023 from $950.8 billion in Q3; however, the insurers' rate of return on average policyholders' surplus, which is a critical factor in total profitability, fell to 3.6% in 2023 from 4.4% in 2022.

Premiums and combined ratios both saw year-over-year increases in the fourth quarter, which can be attributed to a significant drop in cat occurrences.

In Q4 of 2023, the industry's net income increased to $18.8 billion, up from $10.6 billion in the same period of 2022.

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>
> —**Robert Gordon**, SVP of Policy, Research, and International, APCIA

Additional data:

» While the first half of the year experienced record-breaking catastrophe activity, activity in the second half was below-average, most notably in Q4. Catastrophe losses for Q4 of 2023 were the lowest quarterly cat losses since 2015 and the fewest quarterly catastrophe events since 2016. Net written premiums increased by $17.9 billion in Q4 of 2023, representing a growth of 9.7% compared to the previous year.

» Net underwriting gains rose to $9.7 billion in Q4 of 2023, rebounding from $3.7 billion in losses reported in the same quarter one year earlier.
» The combined ratio improved from 103.0% in Q4 of 2022 to 96.8% in the same period this year.

"Despite only one U.S. landfalling hurricane in 2023, we saw elevated catastrophe activity. Severe convective storms were a key driver of underwriting results for the year, particularly in homeowners," said Saurabh Khemka, Co-President of Underwriting Solutions at Verisk. "On the premium side, the hard market and steady exposure growth have eased some of the pressures in commercial lines. However, even with another year of double-digit rate increases, rate adequacy continues to be a major challenge for personal auto driven by inflation, supply chain shortages, and labor shortages."

HOME PRICE GROWTH MAY SOON STALL

According to new Redfin research, a buyer on a $3,000 monthly budget may purchase a $447,750 house with a 6.85% mortgage rate, which is the daily average as of July 11. Since mortgage rates peaked five months ago in April, when they could have purchased a $425,500 property at an average rate of 7.5%, the buyer's purchasing power has increased by $22,500.

With the stock of properties for sale increasing and mortgage rates at their lowest point since March in Thursday's inflation report, buyers have a great opportunity before competition heats up.

An alternative measure of affordability is the monthly mortgage payment of $2,647 at the current 6.85% rate on the average U.S. home, which is approximately $400,000 in cost. That is less than $200 from $2,814 at a 7.5% interest rate.

Mortgage rates dropped due to the most recent CPI (Consumer Price Index) data, which increased the likelihood that the Fed will lower interest rates by September and revealed that inflation is declining faster than anticipated.

Mortgage rates are probably going to keep going down a little bit ahead of the anticipated interest rate decreases, but it's unlikely that they'll go below 6% before the year is over.

Sale prices are still at record highs and overall housing expenditures are historically high, despite mortgage rates dropping. It is unlikely that prices will decrease significantly very soon.

"Now is a good time—at least compared to the recent past—for serious house hunters to get under contract on a home," said Daryl Fairweather, Chief Economist at Redfin. "The combination of declining mortgage rates, rising supply, and a lot of inventory growing stale means buyers have a window where they have more purchasing power than earlier in the year and more homes to choose from. But it's hard to say how long the window will last."

More Good News for Buyers: More Homes to Shop Around

Growing inventory is encouraging for purchasers as well: The number of properties for sale is almost at its highest point since late 2020, with new listings up 7% year over year.

A growing number of homeowners, many of whom are tied into extremely low mortgage rates, are listing more properties on the market because they are fed up with waiting for rates to plummet before doing so. For almost two years, rates have been at twice the levels seen before the epidemic, and homeowners are accepting that they could have to wait a few years if they hold off on selling and moving into their next property until rates fall to 3% or 4%. The current small decline in rates may encourage more potential sellers to come off the sidelines.

Additionally, homes are being listed for longer than normal. Compared to 50% two years prior, over 60% of properties advertised in May had been on the market for at least 30 days without entering into a deal. Compared to 28% two years prior, 40% of the residences on the market had been listed for at least two months without receiving a contract.

Many of the less desirable homes on the market are struggling to find a buyer as a result of the increase in homes for

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>
> —**Daryl Fairweather**, Chief Economist, Redfin

sale and the fact that many listings are becoming stale. In certain areas, this allows purchasers to purchase a property for less than the asking price and bargain for additional cost savings, such as assistance with home repairs or closing costs.

Declining rates should bring many homebuyers back to the market soon, which means competition would tick up and home prices would increase even faster than they already are," Fairweather said. "It's also possible rates drop further in 2025, which would make monthly costs decline more and increase competition even more. One thing is for sure: lower rates will lead to more home sales."

During the four weeks ending July 7, the median price of a home sold in the U.S. reached an all-time high of $397,482, up 4.7% year over year—the largest gain in over four months. This is supported by a recent analysis from the tech-driven real estate company Redfin (redfin.com). The median sale price has risen to a new all-time high for the ninth week in a row.

Home Sale Prices Soar

Despite the fact that rising mortgage rates are discouraging people from buying homes, sale prices have stayed stubbornly high; pending house sales are down 3.5% year over year and mortgage-purchase applications are down 13%. This is partially due to historically low inventories, which drives up costs and decreases sales. Additionally, a contributing factor is that final transaction prices are a lagging signal, reflecting agreements reached a month or more ago between buyers and sellers.

There are indications that the price increase may shortly slow down. For the first time since 2020, when the pandemic's beginning almost completely shut down the housing market, the average house is selling for 0.4% less than what it was listed for at the beginning of July. Furthermore, only 32% of properties are selling for more than the asking price, which is the lowest percentage at this time of year since 2020 and a decrease from 36% a year earlier.

Inventory is increasing year over year even if it is still historically low, which is another indication that price rise may slow down in the upcoming months. The number of properties for sale has increased by 18.3% overall and by 7.3% for new listings, with the majority of them becoming stale: Over 60% of properties are on the market for at least a month without a contract being signed. Part of the reason for the increase in home sales is that mortgage rates have been at double pandemic-era lows for almost two years, and sellers are fed up with waiting for rates to go down before buying a new property.

"Homes are sitting longer than they usually do this time of year, which has led to some—but not all—homes selling for a little bit less," said Julie Zubiate, a Redfin Premier Agent in the Bay Area. "The longer rates stay high; the pickier buyers are getting. Buyers will jump ship or try to negotiate the price down with any sort of tiny problem; sellers should take the time to prep, price and promote their homes correctly to find the right buyer. That being said, there is one segment of the market that is still moving fast, with homes going over asking price with multiple offers: Move-in ready homes with big backyards located in desirable school districts."


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New POSSIBILITIES.
New HOME.
OMNI HOTEL

Government

FEMA AND HUD COLLABORATE ON DISASTER RECOVERY SOLUTIONS

The Federal Emergency Management Agency (FEMA), in partnership with the U.S. Department of Urban Housing & Development (HUD), have published the Pre-Disaster Housing Planning Initiative Report to promote collaborative approaches to disaster housing recovery challenges and bolster state planning for housing recovery before disasters occur.

This joint effort helps build local capacity and ensures states, Tribal Nations and territories adopt a proactive approach to housing recovery. The initiative was created to assist families and communities recover effectively from disasters, and help states move from short-term sheltering programs to more sustainable housing solutions.

"One of the most heartbreaking consequences of disasters is when an individual's home is damaged or destroyed, leaving individuals concerned about where their family is going to live," FEMA Administrator Deanne Criswell said. "Securing post-disaster housing is a major challenge for communities as they begin recovery. FEMA and HUD are partnering together to help communities identify and understand housing gaps before disasters strike to be better positioned to face these challenges head on and help survivors jumpstart their recovery."

Disasters tend to exacerbate existing housing challenges like limited housing stock, rising rents, and increased costs to vulnerable populations. Planning around existing housing shortfalls before disasters can help communities recover more quickly during emergencies and ensure more resilient outcomes.

"I've traveled throughout the country to witness the aftermath of natural disasters and the devastating impact on communities, including my hometown," HUD Acting Secretary Adrianne Todman said. "This partnership with FEMA is important to ensure that when another disaster strikes, recovery can occur quickly, and people receive the help they need."

Through the Pre-Disaster Housing Initiative (PDHI), technical assistance was provided to four states—Louisiana, Montana, New Jersey, and Washington—over the course of 2023. Each state began the Initiative by convening working groups to discuss the issues they face related to housing and housing recovery.

Louisiana used the Initiative to revise its 2019 Disaster Housing Strategy, focusing on identifying and clearly defining transitions between agencies during the housing response and recovery phases. Additionally, the State working group discussed developing instate educational efforts to increase the public's and local housing agencies' knowledge of state and federal resources. In addition to ongoing recovery efforts still underway following Hurricanes Laura, Delta, and Ida. The state of Louisiana remains committed to revising their plan and continues to work toward finalizing the Disaster Housing Strategy following their November working group meeting.

The state of Montana used the Initiative to update its Disaster Housing Strategy Framework. To identify what areas of the Framework needed additional input, the State working group conducted a gap analysis, and these findings were then used to develop an updated strategy that included a framework and guidance for continued and future planning/development. Although stakeholder input and review were not complete by the end of the Initiative, Montana emergency management and housing partners have continued to engage their Disaster Housing Working Group in reviewing the Strategy, creating a subgroup, and developing a project plan for finalizing the Strategy, and addressing findings from the gap analysis.

And the state of New Jersey used the Initiative to create a Housing Recovery Support Function (RSF) Annex to complement the State's existing Emergency Support Function (ESF) plans, which focused on short-term and sheltering actions with limited detail for long-term housing recovery operations. The working group focused on defining roles and responsibilities in the RSF, developing a concept of operations for housing recovery, identifying state and federal housing recovery resources, and defining preparedness activities such as training, exercising, and updating the plan. The State is also scheduling quarterly meetings with state, FEMA, and HUD leaders to discuss strategies for furthering New Jersey's housing recovery preparedness.

Washington used the Initiative to revise their existing RSF plan for housing. In addition to revising their Housing RSF, the state working group formed a Disaster Housing Committee to carry on

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>
> —**Adrianne Todman**, HUD Acting Secretary

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their collaborative housing work after the Initiative ended.

The Latest Challenge

Hurricane Beryl, the second named storm of the 2024 season, recenty made its final landfall over coastal Texas. The storm traveled more than 4,000 miles since the National Hurricane Center (NHC) named it as a tropical storm in the central Atlantic Ocean. According to the NHC, Hurricane Beryl made landfall over Matagorda, Texas as a Category 1 cyclone with maximum sustained wind speeds of 80 miles per hour. After landfall, Hurricane Beryl turned north and north-northeast while maintaining hurricane strength hours after landfall, as weather stations across the Houston area recorded hurricane-force wind gusts.

FEMA announced that federal disaster assistance is available to the state of Texas to supplement recovery efforts in the areas affected by Hurricane Beryl from July 5-9, 2024. Benjamin Abbott has been named Federal Coordinating Officer for federal recovery operations in the affected areas. Additional designations may be made at a later date if requested by the state and warranted by the results of further assessments.

CoreLogic's Hazard HQ Command Central estimates that total insured wind and storm surge losses in Texas will be between $700 million and $1.5 billion. This is an initial estimate that may be updated when more data becomes available. The estimated losses include damage to residential, commercial, industrial, and agricultural properties, including damage to contents and business interruption. The estimate includes a demand surge. The losses do not include damage to offshore exposure. The estimated flood losses do not include losses to the National Flood Insurance Program (NFIP).

VA ISSUES GRANTS IN THE FIGHT AGAINST HOMELESSNESS

The U.S. Department of Veterans Affairs (VA) has awarded $26.8 million in legal services grants to a total of 108 public and nonprofit organizations, all with the goal of increasing access to legal services for eligible U.S. veterans experiencing or at risk for homelessness.

The VA home loan program, which recently celebrated its 80th anniversary, has provided more than 28 million loans to veterans to date. Last year alone, veterans obtained 400,000-plus homes loans through this program.

These grant funds made available as part of VA's Legal Services for Homeless Veterans and Veterans At-Risk for Homelessness Grant Program, more than double the total dollars and mark a 37% increase in grantees over last year's inaugural grant cycle.

"Every veteran deserves access to safe, affordable, and permanent housing, and we know that legal support is among the most needed services by Veterans experiencing or at risk for homelessness," VA Secretary Denis McDonough said. "Through these grants, we are working hard to ensure veterans' unique civil legal needs are met and drive towards our ultimate goal of ending homelessness for all veterans and their families."

Legal Services Provided

This grant program is enabled by the Johnny Isakson and David P. Roe, M.D., Veterans Health Care and Benefits Improvement Act of 2020 and ensures at least 10% of funding supports the provision of legal services for women veterans. Individual grant awards are up to $300,000 for a 14-month grant cycle starting Aug. 1, 2024.

Grant recipients will deliver a variety of legal services to veterans, including:

» Providing representation in landlord-tenant disputes to prevent eviction.

» Assisting with court proceedings for child support, custody, or estate planning.

» Helping veterans obtain benefits like disability compensation.

» Defending veterans in criminal cases that can prolong or increase their risk of homelessness, such as outstanding warrants, fines, and driver's license revocation.

» Upgrading characterization of discharges or dismissals of former members of the Armed Forces.

Legal services are one way VA is working to eliminate veteran homelessness and meet the goal of placing at least 41,000 veterans experiencing homelessness into permanent housing this year.

Building Upon Recent Initiatives

Due to the VA's efforts, the number of veterans experiencing homelessness has fallen by nearly 5% since early 2020, and by more than 52% since 2010.

The VA recently announced in Circular 26-24-14 that eligible veterans, active-duty servicemembers, and surviving spouses who use VA-guaranteed home loan benefits can pay for certain real estate buyer-broker fees when purchasing a home. Through issuance of Circular 26-24-14 veterans will have the ability to remain competitive and not at a disadvantage in homebuying market due to changes that may result from a recent class-action settlement involving the National Association of Realtors (NAR), slated to take effect later this summer.

Under previous VA policies, veterans using the home loan benefit were prohibited from compensating their professional representative directly. This policy put VA buyers at a disadvantage in situations where offers of compensation are not offered from a seller, potentially forcing them to forego professional representation, choose a different loan product, or be forced to exit the home buying market entirely. The new VA regulations are effective August 10, 2024.

In another action, the U.S. Department of Housing and Urban Development (HUD) and the VA jointly announced the availability of $78 million in HUD-Veterans Affairs Supportive Housing (HUD-VASH) vouchers to Public Housing Agencies (PHAs) across the country, for more than 7,000 vouchers. Through the HUD-VASH program, HUD and VA's mission is to end homelessness by assisting veterans and their families in obtaining permanent and sustainable housing with access to quality healthcare and supportive services, and to ensure that homelessness is otherwise prevented.

The HUD-VASH program combines HUD's Housing Choice Voucher (HCV) rental assistance for homeless veterans with case management and clinical services provided by the VA. VA provides these services for participating veterans at VA medical centers (VAMCs), community-based outreach clinics (CBOCs), through VA contractors, or through other VA designated entities.

The VA also recently issued guidance to encourage mortgage servicers to implement a targeted moratorium on foreclosures for veterans with VA-guaranteed loans through December 31, 2024. This new, targeted foreclosure moratorium will help ensure that U.S. veterans and their families are able to stay in their homes while mortgage servicers implement the Veterans Affairs Servicing Purchase (VASP) program—a new, last-resort tool for qualified veterans experiencing severe financial hardship. Through VASP, VA will purchase qualified veterans' modified loans from their loan servicers and then place them in the VA-owned portfolio as direct loans—making the loans more affordable for veterans. The VASP program officially launched May 31, and the nation's mortgage servicers must have it fully implemented by October 1, 2024.

HUD REMOVES LANGUAGE BARRIERS TO FHA MORTGAGES

The U.S. Department of Housing & Urban Development (HUD), through the Federal Housing Administration (FHA), is making available translated versions of 19 single-family

> "We continue to work to remove language access barriers for borrowers with FHA-insured mortgages. We believe it's critical for borrowers to understand the options for purchasing a home and for accessing assistance if an existing borrower has difficulty in making their mortgage payments."
>
> —**Julia Gordon,** Federal Housing Commissioner

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mortgage documents used in the servicing of FHA-insured mortgages. These documents will be available in Chinese, Korean, Spanish, Tagalog, and Vietnamese. The educational resources are accessible from FHA's language access web page and will assist lenders, servicers, housing counselors, and other FHA program participants in explaining information related to FHA-insured mortgages to those with limited English proficiency prior to the execution of these documents in English, as required by law.

"At HUD, we are working to ensure that homeownership is accessible to everyone who wants it—particularly for first-time homebuyers. To do that, we must make sure everyone has access to information about our programs. This common-sense action will help families achieve their dream of owning a home," HUD Acting Secretary Adrianne Todman said. "Today, we are taking a crucial step towards a more inclusive, diverse, and equitable generation of homeowners."

Opening More Paths to Homeownership

This new set of translations augments the 40 previously published translated mortgage origination documents and homeownership education resources already available to consumers. Together, these translated documents will remove language access barriers for FHA consumers whose preferred language is not English.

"We continue to work to remove language access barriers for borrowers with FHA-insured mortgages. We believe it's critical for borrowers to understand the options for purchasing a home and for accessing assistance if an existing borrower has difficulty in making their mortgage payments," Federal Housing Commissioner Julia Gordon said. "With almost 60 mortgage documents translated into multiple languages, we now have a comprehensive collection of translated tools and resources for our program partners to use to more effectively reach those whose first language is not English."

The following HUD document are now available in Chinese, Korean, Spanish, Tagalog, and Vietnamese from FHA's language access web page:

Mortgage Servicing

- Borrower's Consent to Voluntary Termination of FHA Mortgage Insurance
- FHA-HAMP Partial Claim Promissory Note and Partial Claim Subordinate Mortgage
- Notice to Homeowner: Release of Personal Liability for Assumptions
- Notice to Occupant of Pending Acquisition
- Payoff Procedure Disclosure
- Pre-Foreclosure Sale Addendum
- Prepayment Disclosure Statements
- Annual Payment Supplement Disclosure
- Final Payment Supplement Disclosure
- Payment Supplement Agreement Rider
- Payment Supplement Promissory Note & Payment Supplement Security Instrument
- Property Disposition Program (Lead-Based Paint Disclosure Addendum to Contract)
- Sales Contract Property Disposition Program
- Information Sheet Pre-Foreclosure Sale Procedure
- Sales Contract Review Pre-Foreclosure Sale Program

Claims and Disposition

- Exclusive Listing Period Purchase Addendum for Individual Owner-Occupant Buyers
- HUD Earnest Money Forfeiture and Return Policy
- FHA Good Neighbor Next Door Program Note

Latest HUD Action to Expand Homeownership

U.S. Vice President Kamala Harris and HUD Acting Secretary Todman recently announced that the Biden administration has awarded $85 million in grant funding for the Pathways to Removing Obstacles to Housing (PRO Housing) program, aimed at identifying and removing barriers to affordable housing production and preservation, and lowering housing costs.

PRO Housing provides grant funding to communities actively taking steps and demonstrating progress in addressing needless local housing barriers to housing production. Winners of the PRO Housing competition will update state and local housing plans, revise land use policies, streamline the permitting process for housing construction, and take other actions to create more housing-forward communities. Grants will also be used to preserve existing affordable housing units, provide development subsidies to create new affordable units, and increase access to homeownership.

Market Trends

Q2 HOME PRICE HIKES TIGHTENS AFFORDABILITY

In 99% of the counties in the country with sufficient data for analysis, median-priced single-family homes and condominiums remained less affordable in the second quarter of 2024 compared to historical norms, according to ATTOM's second-quarter 2024 U.S. Home Affordability Report.

The most recent trend followed a pattern that began in early 2022 and has continued to this day where owning a home nationwide has historically required a sizable amount of salaries due to high residential mortgage rates and persistently high property prices.

The survey also reveals that in the second quarter, significant costs associated with median-priced residences accounted for 35.1% of the average national wage, which is higher than the standard lending guideline of 28% and represents the highest level since 2007.

The historical and present measurements both showed quarterly and annual declines after a small uptick from late 2023 to early 2024. The changes occurred during the spring purchasing season, when the national median home price surged to a record high of $360,000 while mortgage rates stayed at roughly 7%. As a result, the rising cost of homeownership exceeded recent improvements in salaries.

Therefore, compared to the first quarter of this year and the second quarter of last year, the proportion of average wages required nationwide for normal mortgage payments, property taxes, and insurance increased by around three percentage points.

"The latest affordability data presents a clear challenge for home buyers," said Rob Barber, CEO for ATTOM. "While home prices are increasing and mortgage rates remain relatively high, these factors are making homes less affordable. It's common for these trends to intensify during the Spring buying season when buyer demand increases. However, the trends this year are particularly challenging for house hunters, more so than at any point since the housing market boom began in 2012. As the 2024 buying season progresses into the Summer, we will continue to monitor the data closely."

Throughout the months of April through June, the national median home price increased by 4.7% annually and 7.3% quarterly. The average 30-year house mortgage rate, which ended the quarter at roughly 6.9%, or more than twice where they stood in 2021, further hurt buyers during the second quarter.

Following a modest decline in the previous two quarters, these variables contributed to an approximately 10% increase in house ownership expenses in the second quarter of 2024.

In order to determine affordability for average wage earners, the report calculated the monthly income required to cover the major costs of home ownership, such as property taxes, insurance, and mortgage payments, on a median-priced single-family home. This calculation was based on the assumption of a 20% down payment and a maximum "front-end" debt-to-income ratio of 28%. The annualized average weekly wage data from the U.S. Bureau of Labor Statistics was then compared to that required income.

In 582 of the 589 counties examined in the second quarter of 2024, the median cost of home ownership was lower than it had ever been. Compared to 579 of the same counties in the first quarter of this year and 577 in the second quarter of last year, that figure was just marginally higher. However, it was over fifteen times higher than the early 2021 figure.

Meanwhile, the portion of average local wages consumed by major home-ownership expenses on typical homes was considered unaffordable during Q2 of 2024 in about 80% of the 589 counties in the report, based on the 28% guideline. Counties with the largest populations that were unaffordable in the second quarter were Los Angeles County; Cook County (Chicago); Maricopa County (Phoenix), Arizona; San Diego County; and Orange County, California (outside Los Angeles).

The most populous of the 115 counties with affordable levels of major expenses on median-priced homes during the second quarter of 2024 were Harris County (Houston), Texas; Wayne County (Detroit), Michigan; Philadelphia County, Pennsylvania; Cuyahoga County (Cleveland), Ohio, and Allegheny County (Pittsburgh), Pennsylvania.

National Median Home Price Jumps Quarterly

In the second quarter of 2024, the national median price for single-family homes and condos skyrocketed to $360,000, a whole $15,000 higher than the previous peak of $345,000 set in the spring of 2022. The most recent amount was higher than $335,500 in 2024's first quarter and $344,000 in the previous year's second quarter.

In 514, or 87.3%, of the 589 counties in the study, median house prices increased from the first to the second quarter of this year. They showed a similar trend annually, rising in 441, or 74.9% of those markets.

Among the 47 counties in the report with a population of at least 1 million, the biggest year-over-year increases in median prices during the second quarter of 2024 were in Orange County, California (outside Los Angeles) (up 16.2%); Alameda County (Oakland), California (up 12%); King County (Seattle), Washington (up 11.3%); Santa Clara County (San Jose), California (up 9.8%) and Nassau County, New York (outside New York City) (up 8.9%).

Counties with a population of at least one million where median prices remained down the most from the second quarter of 2023 to the same period this year were Honolulu County, Hawaii (down 3.8%); Tarrant County (Forth Worth), Texas (down 1.5%); Oakland County, Michigan (outside Detroit) (down 1.4%); Hennepin County (Minneapolis), Minnesota (down 1.1%) and Fulton County (Atlanta), Georgia (down 1%).

Home Prices Growing Faster Than Wages

In 293 (49.7%) of the 589 counties examined in the analysis, year-over-year price changes during the second quarter of 2024 exceeded changes in weekly annualized salaries. This is because home values are generally rising annually throughout the United States. This pattern, coupled with rising property taxes and mortgage rates, made affordability worse.

The latest group of counties where prices increased more than wages annually included Los Angeles County, California; Cook County, (Chicago), Illinois; Maricopa County (Phoenix), Arizona; San Diego County, California, and Orange County, California (outside Los Angeles).

Conversely, in 296 of the counties studied (50.3%), year-over-year changes in average annualized wages outpaced price variations during the second quarter of 2024. Harris County (Houston), Texas; Dallas County, Texas; Queens County, New York; Tarrant County (Fort Worth), Texas; and Bexar County (San Antonio), Texas, were the most recent counties where wages grew faster than prices.

MORE RETIREES ARE FOCUSING ON MORTGAGE PAY-OFFS

According to Nationwide's Ninth Annual Advisor Authority study, powered by the Nationwide Retirement Institute, nearly one-third (31%) of retirees expect to be less secure in their retirement than their parents and grandparents were.

As the transition to life after retirement demands crucial shifts, including the prioritization of financial commitments, short-term financial obligations like basic living expenses, and long-term debt continues to weigh on retirees, with 26% of retired investors continuing to pay off their mortgage, and 25% still paying down credit card debt.

This feeling of uncertainty among retirees is compounded by the fact that everyday financial obligations remain a concern, as more than one in five (22%) of retired investors polled by Nationwide are concerned about affording their monthly financial commitments.

A Change in Plans

Retiring investors have been adjusting their priorities to make ends meet in the wake of economic constraints. And while most American savers dream of a retirement of leisure and travel, nearly four in ten (39%) retired investors are spending less on entertainment to meet financial commitments in today's economic environment, and more than one-third (34%) are taking fewer trips or vacations.

To compensate further, 22% of retired investors are drawing more funds from retirement accounts, intensifying the traditional decumulation stage.

"The picture of life after retirement has changed for many people as economic stressors continue to weigh on retired investors," said Mike Morrone, VP of Nationwide Annuity Business Development. "Now is the time for advisors and financial professionals to check in with their clients and help them remain calm,

"The picture of life after retirement has changed for many people as economic stressors continue to weigh on retired investors."

—**Mike Morrone**, VP of Nationwide Annuity Business Development

nimble and informed in the face of continued economic headwinds, ensuring the plan they have in place continues to position them for a secure retirement."

Proper Preparation

Nationwide found that in order to account for financial headwinds, retirees are bolstering their plans, as 63% of the retired investors polled have a strategy in place to protect their assets against market risk, up from 54% last summer.

However, these retirement plans look radically different from the plans of generations past. Some retirees (12%) are abandoning the 70%-80% spending rule (i.e., ensuring they have 70-80% of their pre-retirement income per year in retirement) and 11% are casting aside the 4% rule (i.e., withdrawing 4% of their retirement portfolio each year when retired).

Retired investors are also initiating conversations about legacy planning and wealth transfer with their heirs. Nearly one-third (32%) of retirees are discussing wishes for end of life (long-term care expenses, funeral preferences, etc.), and 34% are discussing financial details of their estate with heirs.

Advisors are supplying their clients with the guidance needed to help achieve financial security in retirement, counseling their retired clients on how to generate guaranteed income (23%), prioritizing wants vs. needs (21%), and supplementing income out of necessity (16%).

Advisors are also helping investors plan for lingering financial commitments, such as mortgage repayments, which more than a third (34%) of advisors say their clients are planning to continue paying in retirement.

With the Great Wealth Transfer underway, advisors are helping clients—and their heirs—prepare. More than half (59%) of advisors say their clients are confirming beneficiary designations to prepare their heirs for the transfer and management of wealth. Another 54% say their clients are reviewing or creating estate planning documents, and 44% are building financial confidence and knowledge.

"Advisors are recognizing and acknowledging investors' desire to avoid making the wrong moves in retirement," Morrone said. "They can help clients feel more confident about their retirement plans by understanding their goals and anxieties and helping them protect their savings and plan for income they won't outlive by reinforcing the value of different retirement solutions and products, like annuities."

The Price of Payoffs?

A recent article from Bankrate examined the topic of mortgage payoffs, focusing on the benefits of paying off your mortgage early, such as gaining peace of mind and other considerations for an early mortgage payoff. The Bankrate study asked:

- Will other investments beat paying off a mortgage early?
- Will all your cash be tied up in the mortgage?
- How will you use the money if you don't pay off your mortgage early?
- How much do you value peace of mind?

Bankrate stressed that if paid off your mortgage early, to ensure that you are productive with the extra funds by putting that money to good use and earn better returns by:

- Investing in the stock market to increase earning potential.
- Increasing retirement savings by making higher contributions.
- Funding education by contributing to an education savings plan.
- Building (or adding to) an emergency fund.
- Paying off high-interest credit cards, personal loans, or student loan debt to save on interest.

RENTAL COMPETITION TIGHTENS AS MORE MULTIFAMILY INVENTORY HITS THE MARKET

According to a new Redfin study, less than half—roughly 47%—of newly built apartments that were finished in Q4 were rented within three months. This is the lowest seasonally adjusted percentage ever recorded, excluding Q1 of 2020 when the pandemic's start completely shut down the housing market. It was 60% a year earlier.

Because there are so many new apartments available, building owners are in competition with one another to attract tenants, which is causing the rental period for existing flats to extend. The fourth quarter saw the completion of 90,260 new units, which is the second-highest total in records going back to 2012. The greatest amount was recorded in Q2 of 2023.

The rental vacancy rate has been steady at 6.6% over the last three quarters. Though it's important to note that the vacancy rate is no longer rising as it was during the epidemic, that is the highest level since 2021.

Apartment developers have put a stop to the number of projects they are initiating; multifamily building starts are below their 10-year historical average. However, because so many construction projects were started during the pandemic moving frenzy and are only now coming to an end, completions are still close to their record high.

Small Units See the Largest Rent Drops

The most recent quarter for which Redfin has asking rent data broken down by number of bedrooms was the first quarter, when the median asking rent for newly constructed studio apartments decreased by 20.9% year over year. In the meantime, there was a 1.2% decrease in new two-bedroom apartments and an 11.9% loss in new one-bedroom flats.

New Apartments Are Filling Up at Slowest Pace Since 2020

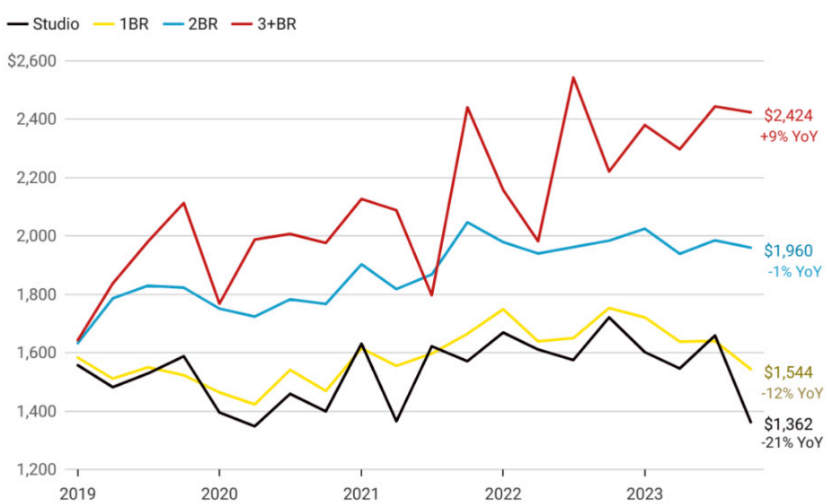
Share of apartments rented within three months of completion (seasonally adjusted)

Note: Units in buildings with 5+ units; most recent data point covers apartments that were completed in Q4 2023 and either rented or not rented in Q1 2024

Source: Redfin analysis of U.S. Census Bureau data • Created with Datawrapper

Small Newly Built Apartments See Rent Prices Fall Fastest

Median asking rent of newly built apartments, by number of bedrooms



Note: Units in buildings with 5+ units; most recent data point covers median asking rents in Q1 2024 for apartments that were completed in Q4 2023.

Source: Redfin analysis of U.S. Census Bureau data • Created with Datawrapper

However, the median asking rent for brand-new three-plus-bedroom apartments increased by 9.1%, suggesting that these units are in high demand.

Since there is a growing supply of small apartments in America, rent declines in this area of the market have probably been the greatest. In contrast to the 22.2% increase for one-bedroom apartments, the 2.3% increase for two-bedroom apartments, and the 0.9% reduction for three-plus-bedroom apartments, the number of finished studio apartments increased by 32.6% during Q4 of last year. In the United States, the majority of apartment developers steer clear of targeting families in favor of accommodating singles.

Building Owners Limited When Increasing Rent Prices

The amount that rent rates can increase is being restrained by this backlog of new apartments. However, demand from tenants who are unable to afford to buy a property of their own is maintaining rents close to record high levels.

A separate Redfin report indicated that the median asking rent for an apartment in the U.S. increased by 0.8% annually in May 2024, reaching its highest point since October 2022. The median priced apartment today requires a tenant to make $66,120, which is $11,408 more than what we think the average renter in the U.S. makes. However, the affordability of rentals varies significantly throughout markets.

"If you're looking for a rental and you've noticed a lot of new apartments popping up in your neighborhood, it may mean you have room to negotiate on price or ask for concessions like discounted parking or a free month's rent," said Sheharyar Bokhari, Senior Economist at Redfin. "But if you live in an area where the supply of new apartments is limited, deals may be harder to come by. Building more housing is a tried-and-true way to ease the housing affordability crisis, and with rent and home prices at historic highs, local and federal leaders should continue to encourage more construction."

PRICE GROWTH BEGINS TO MODERATE IN ONCE-HOT PANDEMIC BOOMTOWNS

Over the past few years, the most popular housing markets in the United States have experienced significant changes, showing a pattern of ongoing development and evolution, according to CoreLogic's May Home Price Insights report.

Per CoreLogic's research, South Dakota—home to the historical Mount Rushmore—is the state with the second-fastest rate of appreciation, and Camden, New

Jersey is among the top metro areas for appreciation in March 2024.

However, just a year ago, things were very different. The leading groups in March 2023 were Miami and Florida. On the other hand, Idaho was the state that was appreciating the slowest at the time, while Austin, Texas, was the bottom metro. The latter two sites seem quite chilly presently, but three years ago they were heralded as the country's new real estate hot spots, leading the nation in gains during the pandemic. Pandemic boomtown real estate markets, however, continue to seem robust going forward, even despite the abrupt reverse.

"Home prices increased again this March beyond the typical seasonal uptick, despite mortgage rates reaching this year's high and the affordability crunch continuing to keep many prospective buyers on the sidelines," said Dr. Selma Hepp, Chief Economist for CoreLogic. "Even with the long-anticipated break in for-sale inventory, the surging cost of homeownership, further fueled by rising insurance and tax expenses, is holding potential home sales back, as is evident in the slow rise in sales compared with last year. These price pressures reflect the overall supply-and-demand mismatch, as well as continued interest from households with larger budgets."

Phoenix and Salt Lake City Show Major Price Gains During the Pandemic

Four strong markets in 2020, 2021, and 2022 were Austin, Texas; Boise, Idaho; Phoenix; and Salt Lake City, according to the CoreLogic Home Price Index. Boise saw the biggest increase over that time, rising to 230% of its starting value in May 2022 before beginning to decline. Nevertheless, as of February 2024, the capital of Idaho's prices had more than doubled over the previous five years.

Like Boise, the other three metro areas peaked in the middle of 2022 before beginning to decline. There is some variance in 2023 activity, though. For the first eleven months of the year, Phoenix actually reported aggressive price rises of more than 5%, Salt Lake City was essentially unchanged, and Austin saw the biggest price decrease of any major metro in the nation for the year, at 6%.

Despite being perceived as unexpected travel destinations during the epidemic, evidence indicates that Salt Lake City and Boise were among the county's fastest-appreciating cities in the years preceding the 2020–2022 price bubble. Phoenix was another such metropolis.

In CoreLogic's analysis, Austin, Texas, is the only metro that might be considered an anomaly. The capital of Texas saw a sharp increase in value between 2020 and 2022, going from being in the bottom third of the top 100 in 2018. Since then, all four metro areas have quickly fallen into the bottom 10, where they now are, except Phoenix, which is starting to rise.

Rapid market slowdowns, however, need to be seen in a larger perspective. Since prices reflect what an individual or household is willing to pay to live in a particular location, overall price rankings serve as a rough indicator of the relative demand for a given market. In other words, if one location starts to cost more than another, it is usually acceptable to assume that an underlying factor has changed, making that location a more desired neighborhood, or vice versa.

Despite the volatile price growth, Austin, Texas, and Salt Lake City continue to rank among the 30th to 40th most expensive cities in the United Sstaes to live in. However, Phoenix and Boise, saw increases in their rankings that moved them up to the same tier as Austin and Salt Lake City from among the 40th to 50th most expensive cities in the nation. This is an alternate viewpoint, according to which metro areas that saw booms and/or crashes valued until they attained a level that matched their current level of buyer appeal.

Northeastern States Lead for Annual Home Price Growth in March

Home price growth was above 5% in March. These gains are expected to persist in that broad range for most of the upcoming 12 months. As more people move to the suburbs of large cities and employment centers, as well as to places where household incomes are comparatively higher and can support the higher cost of homeownership, the Northeastern states continue to record the greatest gains in the country.

Further, the Northeast continues to lag the states in terms of inventory gains, such as Florida and Texas. This pattern exacerbates supply-and-demand fundamentals and increases pressure on housing prices in the Northeast. Consequently, home price increase is currently slowing in locations where there has been a greater influx of new listings.

Examining appreciation at the metro level reflects regional patterns. In 2024, the top 10 fastest-appreciating U.S. housing markets to date include:

- Camden, New Jersey
- Hartford, Connecticut
- Syracuse, New York
- Worcester, Massachusetts
- Newark, New Jersey
- Allentown, Pennsylvania
- Rochester, New York
- Miami, Florida
- Anaheim, California
- San Jose, California

States like Idaho, Washington, and Utah, where some Americans moved to avoid the worst of the pandemic, are currently the ones that are farthest from their price peaks.

Top Markets at Risk of Home Price Decline

According to the CoreLogic Market Risk Indicator (MRI), which provides a monthly assessment of the state of the nation's housing markets overall, Palm Bay-Melbourne-Titusville, Florida, is at a very high risk of experiencing a decrease in home values over the course of the next year (70%-plus chance).

Price reductions are also extremely likely to occur in:

- Atlanta-Sandy Spring-Roswell, Georgia
- Spokane-Spokane Valley, Washington
- Deltona-Daytona Beach-Ormond Beach, Florida
- Greenville-Anderson-Mauldin, South Carolina

Homeowners in the Top Four Metros Still Have Plentiful Equity

The majority of the gains made during the epidemic have been retained,

> "As more people move to the suburbs of large cities and employment centers, as well as to places where household incomes are comparatively higher and can support the higher cost of homeownership, the Northeastern states continue to record the greatest gains in the country."

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with only minor equity adjustments as a consequence of recent slowdowns. According to CoreLogic's Q4 2023 Homeowner Equity Insights data, homeowners in all four locations increased their equity by more than $150,000 between 2019 and 2022, and they all still have more than $100,000 in equity.

In the end, it would be an exaggeration to suggest that epidemic boomtowns have witnessed anything like a price crash, even though they have had abrupt and severe slowdowns in appreciation over the previous 18 months. Furthermore, because of their rapid population increase, these marketplaces were popular before the epidemic, indicating that they had solid fundamentals for long-term price rise.

MULTIFAMILY BUILDING PERMITS STALL DESPITE STEADY APARTMENT DEMAND

So far this year, permits have been received by builders to build 13 multifamily housing units for every 10,000 residents in the United States; this is a roughly 30% decrease from the average of 18 for the same periods in 2021-2023. That's according to a new report from Redfin.

The study is based on a Redfin examination of data from the United States Census Bureau that covers the first five months of 2024 and the same periods in 2021-2023 for building permits for multifamily units in buildings with five or more units. While the metro sections below cover the 79 U.S. metros with populations of at least 750,000, national data encompass the whole country.

The decline in multifamily building permits is not due to a lack of demand, but rather a decrease in the number of home builders pursuing these permits.

Two reasons builders are seeking fewer permits are: Elevated interest rates have made it more expensive to borrow money for construction projects, and there's already a near-record number of new multifamily units hitting the market due to a building boom in recent years, making it difficult for some property owners to find tenants. Less than half (47%) of new apartments that were completed at the end of last year were rented within three months—the lowest share since 2020.

The number of multifamily units completed is still at record highs, despite the fact that multifamily building permits and starts have drastically decreased and are below their 10-year historical norm. The reason for this is that many of the projects that were started during the pandemic are just now being completed.

The amount that rent prices in the United States can rise is limited because of the glut of newly constructed apartments, which puts landlords in many locations in competition with one another for renters. Although they are currently at their highest point since 2022, asking rents have increased by less than 1% from a year ago—a far cry from the 18% spike observed during the pandemic.

"Prospective renters should be aware that now may be a better time to sign a lease than later," said Sheharyar Bokhari, Senior Economist at Redfin. "Property owners might start jacking up rents again once all of the new apartments hitting the market fill up with tenants and there's no longer so much supply, which could be the case in a year or two."

Where Is Multifamily Housing Booming?

In Cape Coral, Florida, builders

got permits to construct 27 multifamily units per 10,000 people this year—the highest level among the 79 metros Redfin analyzed. Next came Austin, Texas (21); Greensboro, North Carolina (20); North Port, Florida (18); Omaha, Nebraska (17); Nashville, Tennessee (15); Tampa, Florida (14); Orlando, Florida (13); Dallas, Texas (13); and Columbus, Ohio (12).

The Sun Belt, which saw a spike in popularity during the epidemic and subsequent building boom, is home to many of these metropolises. Four of the ten metro areas mentioned above are in Florida.

Florida is the hub of the house insurance issue and is at great risk for storms, flooding, and sea level rise. However, developers continue to construct because there is still a market for their products—partially because of the flood of displaced residents during the pandemic. As homeowners in Florida continue to rebuild following Hurricane Ian in late 2022, permits may also be increasing there.

California has the two metro areas with the lowest number of multifamily permits per 10,000 residents. During the first five months of the year, zero permits were issued in Stockton, California. Bakersfield, California (0); Providence, Rhode Island (0); El Paso, Texas (1); Baton Rouge, Louisiana (1); Cleveland, Ohio (1); Fresno, California (1); Detroit, Michigan (1); Dayton, Ohio (1); and New Orleans, Louisiana (1), are the next cities in order of precedence.

Multifamily Construction Slowed in Most Areas Since the Pandemic

Since the pandemic, multifamily development permits have decreased in most metro areas; despite being the second-largest permitter in the United States, Austin has witnessed the highest loss. As previously noted, this year there were 21 permits issued to builders per 10,000 residents in the Texas capital—a decrease from the average of 40 in 2021–2023. The second-biggest decrease was in Jacksonville, Florida (five permits per 10,000 people in 2024 compared to 23 permits per 10,000 people in 2021-2023). Boise, Idaho (4 vs. 17); Colorado Springs, Colorado (7 vs. 24); and Raleigh, North Carolina (9 vs. 21), followed.

Due in part to the fact that many people have been priced out, the aforementioned housing markets have lost some of their recent surge in popularity that occurred during the pandemic.

Conversely, 25 metro areas are allowing more permits than they did during the pandemic. Greensboro saw the most rise among the metro areas Redfin examined, with builders obtaining 20 multifamily permits for every 10,000 residents this year, compared to an average of just four in 2021-2023. Cape Coral, Florida (27 vs. 16); Omaha, Nebraska (17 vs. 10); Columbus, Ohio (12 vs. 7); and Tampa, Florida (14 vs. 9,) completed the top five.

MEDIAN RENT DECLINES YOY, HOVERING JUST BELOW 2022 PEAK

According to Realtor.com's most recent rental report, in June, median rent continued to fall, but nationwide rents are sitting just below 2022 levels, with rents also declining in all size categories.

In June, rents decreased once more, with particularly significant drops in the South due to an increase in newly constructed apartments, per a Realtor.com Rental Report that was published recently. For the 11th consecutive month, the median asking rent for 0–2-bedroom units decreased by -0.4% ($7) from June of previous year to $1,743, which is -0.6% ($11) less than its peak from August 2022. Nevertheless, compared to 2019's pre-pandemic values, several locations have seen rent increases of up to 40%; Tampa, Florida, has had the biggest increase over the previous five years.

The top 10 markets experiencing the fastest price growth versus pre-pandemic rents include:

- » Tampa-St. Petersburg-Clearwater, Florida (+39.5%)
- » Miami-Fort Lauderdale-Pompano Beach, Florida (+39.2%)
- » Indianapolis-Carmel-Anderson, Indiana (+37.5%)

- Pittsburgh, Pennsylvania (+37.4%)
- Sacramento-Roseville-Folsom, California (+35.8%)
- Virginia Beach-Norfolk-Newport News, Virginia-North Carolina (+32.5%)
- New York-Newark-Jersey City, New York-New Jersey-Pennsylvania (+31.3%)
- Cleveland-Elyria, Ohio (+30.6%)
- Raleigh-Cary, North Carolina (29.8%)
- Birmingham-Hoover, Alabama (+29.3%)

"Rents have been steadily falling for almost a year, though the pace of the decline has slowed," said Danielle Hale, Chief Economist at Realtor.com. "But rental costs have risen significantly since before the pandemic and inflation has further strained renters' budgets, underscoring the need for more supply to meet demand and to keep renters from contributing an increasing percentage of their incomes to housing costs."

In June, the median asking rent for 0–2-bedroom apartments in the top 50 metro regions were $305, which is 21.2% more than it was in June of 2019, prior to the pandemic's impact on the housing market. Though it is not nearly as much as the total consumer price trend of +22.6% over the same period, the median price-per-square-foot of for-sale home listings increased by 52.6% over the five years ending in June 2024.

The South accounted for half of the 10 markets where rent increases as a percentage from June 2019 to June 2024 were highest, with Tampa (39.5%) and Miami (39.2%) leading the way. For instance, in Tampa, the median asking rent in June was $1,752, which was $496 more than it was before the outbreak. That works out to be around 8.6% of the gross monthly income of an average Tampa household. Indianapolis saw the largest gain in the Midwest, rising 37.5% to $1,353. Sacramento, California led the West with a 35.8% increase in median rent to $2,007, while Pittsburgh witnessed the greatest percentage increase in the Northeast at 37.4% to $1,484.

June saw a mixed bag of trends for rentals in the area. The South saw the largest year-over-year drops, with Austin, (-9.5%), San Antonio (-8.2%), and Nashville (-8.1%) leading the way. There have been significant increases in the number of new rental properties in such localities. The Midwest experienced a rise in rent overall; Indianapolis (+4.4%), Milwaukee (+3.7%), and Minneapolis (+3.7%) saw the highest increases. West Coast major cities with declining rents year over year were Los Angeles (-1.9%) and San Francisco (-4.2%). While this was going on, rental rates began to rise in major Northeastern coastal cities like New York (+0.6%), albeit more slowly than previously.

Units of All Sizes Saw Rents Decline

All size groups saw a decrease in median asking rents, with smaller units experiencing greater drops. Year over year, the median rent for studios decreased by 1.2% to $1,463. That is 17.6% greater than it was five years ago, but it is -2.0% lower than its peak from October 2022. The one-bedroom unit median rent decreased by 1.1% to $1,618—the 13th consecutive year of declines. Even so, that is a 19.5% increase from five years prior. Additionally, although it was a lesser decrease than in May, the median rent for two-bedroom apartments dropped by -0.3% to $1,939 for the 12th consecutive month of yearly reductions. With a 23% growth rate over the previous five years, these larger units had the highest growth rate.

"... rental costs have risen significantly since before the pandemic and inflation has further strained renters' budgets, underscoring the need for more supply to meet demand and to keep renters from contributing an increasing percentage of their incomes to housing costs."

—**Danielle Hale**, Chief Economist, Realtor.com

FINAL THOUGHTS

In this month's final thoughts, experts from TD Bank, Lending Tree, the American Bankruptcy Institute, CoreLogic, and Fannie Mae examine and explain the importance of staying positive about homeownership, how homebuying can save renters money, the result of rising bankruptcies and their effect on American households, increasing financial pressure, the state of price growth, and what it means for potential buyers in the coming months and year.

"challenges impacting homeownership"

Steve Kaminski, Head of U.S. Residential Lending for TD Bank, discussing how, even though many of the obstacles to homeownership are making some homeowners nervous about the state of the market, younger generations are staying positive in searching for a home that suits their wants, needs, and budgets.

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"intimidatingly expensive"

Jamie Cattanach, Personal Finance Writer for LendingTree, said that while renting—in lieu of homeowning—has its pluses and minuses, and purchasing a home may seem costly and expensive, it could save homebuyers a significant amount of money in the long run.

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"growing economic strain"

Amy Quackenboss, Executive Director of the American Bankruptcy Institute, detailed how the ongoing rise in bankruptcies is indicative of increasing financial pressure on both American households and small corporations.

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"notable inventory increases"

Dr. Selma Hepp, Chief Economist for CoreLogic, revealed that markets with significant gains in inventory, such as those in Florida and Texas, are still experiencing an annual slowdown, bringing prices down from levels seen last year.

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"a modest uptick in optimism"

Mark Palim, VP and Deputy Chief Economist at Fannie Mae, discussing how, despite a slight increase in homebuyer confidence over both homebuying and home-selling conditions, the primary driver influencing consumer housing sentiment remains concerns about affordability.

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