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MortgagePoint

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FROM THE White House **TO**
Main Street America

As the November elections near, what ripple effects will the next Administration have on the housing industry? *MortgagePoint* gathered a panel of experts to dig deeper into the impact of the Presidential Elections and potential changes in the White House.

MortgagePoint Magazine



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THE POLITICAL WINDS ARE BLOWING

As the clock ticks down toward this year's contentious and unpredictable Election Day, one thing we can be certain of is that the headwinds and regulation faced by the mortgage industry over the next four years could be very different depending on which party takes power next year. With that in mind, this month's *MortgagePoint* gathered several industry experts to weigh in on the impact of the upcoming Presidential Elections on our industry and on the larger American housing landscape. Read this month's cover story beginning on page 36 to peel back the curtain and learn more.

Following our cover story, Dave Howard of ServiceLink explains how manufactured housing can offer additional options for the next generation of homeowners in his article, "Exploring Opportunities in Manufactured Housing," beginning on page 44.

On page 48, *MortgagePoint* resurrects a former staple of our predecessor, *DS News*, by bringing back our Counsel's Corner column. In this inaugural installment, Legal League Chair Stephen M. Hladik details a recent Amicus Curiae filed on whether a "first" mortgage on a property could be divested by a foreclosure and the legal ramifications of this for the servicing industry. Read his insights in "A Tale of Two Mortgages."

And as the nation struggles with a shortage in housing inventory, *MortgagePoint* had a chance to chat with Brian Cullen of SingleSource Property Solutions to discuss the nation's hidden housing inventory and how to access it in our "Expert Insights" column beginning on page 50.

Members of our Editorial Advisory Board offer their diverse insights on an array of hot-button topics shaping the industry landscape this month in our "EAB Outlook" on page 54.

Next, we look at a good cause supported by many of our industry's organizations with a profile of this year's Ruth Cheatham Foundation Annual Gala for Teen Cancer Survivors. The Foundation offers scholarships to cancer survivors to help further their college education, and we had a chance to chat with Ruth Cheatham Foundation Executive Director and Co-Founder Lindsay Whittemore to discuss the importance of financial contributions, awareness, and advocacy for the cause, and why industry involvement is crucial to the success of the Foundation.

All this and much more can be found in the pages ahead in this month's issue of *MortgagePoint*. And do not forget to mark your calendars for this coming September 24-26 as the Five Star 2024 Conference & Expo will be held at its new location, the Omni Dallas Hotel. Visit FivestarConference.com for detailed information on speakers, education and networking opportunities, and a packed agenda.



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TO MAIN STREET

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MILLIONS OF U.S. HOMEOWNERS
REMAIN 'HOUSE POOR'U.S. ASKING RENTS HIT HIGHEST
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WATERFALLCALC HELPING MORTGAGE SERVICERS BEAT FHA DEADLINE FOR PAYMENT SUPPLEMENT AGREEMENT

WaterfallCalc, a provider of guidance and loss mitigation technology for mortgage servicers, announced it has released the FHA Payment Supplement Agreement (PSA) documentation and automated claim process ahead of the January 2025 deadline imposed by the U.S. Department of Housing and Urban Development.

The PSA program is a new loss mitigation requirement designed to help struggling FHA borrowers by combining a partial FHA claim to bring loans current with a monthly principal reduction to decrease monthly payments for a three-year period.

Donna Schmidt, Founder of DLS Servicing and WaterfallCalc, a provider of automated loss mitigation technology that helps servicers quickly and accurately evaluate any default scenario, said both companies have all the legal documents and waterfall calculations servicers need to begin offering borrowers relief under the PSA immediately.

“The PSA program is both innovative and smart, but creates multiple challenges for mortgage servicers,” Schmidt said. “For example, most servicing systems are not set up to handle the PSA’s three-year payment plan. But if a servicer can find an adequate workaround, the fact that WaterfallCalc has the calculations, documents, and FHA claim filing ready to go, can mean that our clients are well ahead of the game.”

The PSA program is intended to help FHA borrowers reduce their mortgage payments by 25% without a loan modification. Because roughly 85% of all mortgage loans have interest rates under 6%, and current interest rates are over 7%, a loan modification would not help most FHA borrowers. The PSA enables mortgage servicers to make a claim to the FHA for a lump sum payment, part of which is used

to buy down the borrower’s principal over a three-year period.

While servicers aren’t required to implement the PSA until January 1, 2025, Schmidt said there are several benefits to implementing the program now. Borrowers can keep their low interest rates and reduce their payments, so they receive immediate financial relief. Additionally, servicers are better positioned to retain the borrower’s loan and reduce their runoff rate, should interest rates drop.

The PSA also uses fewer partial claim funds (up to 60% less) to help servicers meet the 25% payment reduction goal, which helps make more funds available later if the borrower needs additional assistance. If the target 25% reduced payment isn’t possible, the borrower can be offered a partial claim or a recovery loan modification, whichever can reinstate the loan with the lowest possible payment.

Mortgage servicers that work with DLS Servicing can implement the PSA in as little as two days, Schmidt said. In addition to helping servicers implement the PSA program, DLS Servicing provides advice, training, and practical strategies for navigating the complexities of the PSA, as well as handling the new waterfall’s unique accounting and reporting requirements.

“Essex prides itself on being a leading servicer of GNMA loans, and our partnership with WaterfallCalc has been a key factor in this success,” Nathan Sans, Chief Servicing Officer at Essex Mortgage—a WaterfallCalc client—stated. “Donna and her team’s exceptional expertise and commitment ensure that we can provide top-tier support to our borrowers. By swiftly implementing innovative programs like the FHA PSA, we are better equipped to assist borrowers facing financial hardships, ultimately helping them retain their homes and achieve financial stability.

“We have a long track record of being the first out of the gate when new loss mitigation requirements are handed down,” Schmidt said. “Being able to implement the PSA program today means our clients can stay compliant and reduce their losses while struggling borrowers receive the assistance they need to keep their homes—which has been our primary mission since day one.

FIGURE TECHNOLOGY SOLUTIONS ANNOUNCES FIGURE CONNECT TO DRIVE EFFICIENCY AND TRANSPARENCY ACROSS CAPITAL MARKETS

Figure Technology Solutions, a technology platform streamlining the private credit and housing markets, has announced the launch of Figure Connect, a first-of-its-kind blockchain-based multi-seller, multi-buyer marketplace of private credit loans.

Figure Connect brings Figure’s capital markets buyer universe directly to Figure’s loan origination partners. With Figure Connect, originators can receive forward commitments from buyers, lock active bids, control loan pricing to balance profitability and volume, and deliver pools of loans into those commitments. This functionality is facilitated with common, standardized sale terms and documentation. Figure believes its loan origination partners now have unparalleled control over their business with committed liquidity, transparency, and informed loan pricing management—all integrated within Figure’s loan ecosystem.

Leveraging the power of the Provenance Blockchain, a distributed, proof-of-stake blockchain, Figure Connect is designed to drive efficiencies for loan buyers and sellers and reduce an often months-long settlement process into days. Figure Connect helps disintermediate the loan delivery process, standardizing key characteristics of loan pools and sale terms, and creating greater price certainty ahead of the initial loan origination.

Ultimately, Figure believes this engenders market liquidity by adding certainty of funding to loan originators and collateral composition to loan buyers.

“Figure Connect marks another transformative step towards creating the first highly liquid private capital marketplace for loans, as we now offer unique certainty

“Historically, buyers have had unlimited access to agents without ever needing to compensate them for their time. The National Association of Realtors’ settlement of the commission lawsuits mandates that buyers now sign a contract to compensate their agents directly before touring homes.”

—Tushar Garg, Co-Founder and CEO, Flyhomes



of funding to loan originators and standardization to loan buyers,” said Michael Tannenbaum, CEO of Figure.

“Figure Connect displaces legacy lending infrastructure and processes, without the burden of multiple intermediary parties at the end user’s expense, and lays the foundation for a permanently liquid marketplace,” added Mike Cagney, Executive Chairman of Figure.

Figure Connect’s initial partners include The Loan Store, Movement Mortgage, Bayview Asset Management, and Saluda Grade. The Figure Connect marketplace is now available to all other participants in Figure’s lending ecosystem.

“We are thrilled to be one of the first partners to have access to this pioneering marketplace, which we expect will ensure liquidity, optimize pricing, and provide unrivaled transparency, significantly benefiting our business. Figure continues to offer us more and more reasons to work with them,” said Phil Shoemaker, CEO of The Loan Store.

FLYHOMES LAUNCHES WORLD’S FIRST AI-POWERED HOME SEARCH PORTAL

Flyhomes has announced that it has acquired assets from real estate AI startup, ZeroDown, and launched the world’s first purpose-built AI home search portal. Developed over the last two years, “Flyhomes AI” is a proprietary technology that brings the first true conversational real estate search and research to the market, dramatically expanding the amount of information home shoppers can access online. The technology integration was overseen by ZeroDown Co-Founders, Laks Srini and Abhijeet Dwivedi, who joined Flyhomes as CTO and Chief Growth Officer, respectively. Srini and Dwivedi previously served as Co-founder/CTO and as COO at SaaS HR platform, Zenefits.

“Historically, buyers have had unlimited access to agents without ever needing to compensate them for their time. The National Association of Realtors’ settlement of the commission lawsuits mandates that buyers now sign a contract to compensate their agents directly before touring homes,” said Tushar Garg, Co-Founder and CEO of Flyhomes. “The new rule, which goes into effect August 17, is the most significant change to real estate in over 100 years and will fundamentally change the buyer-agent dynamic. This barrier of signing a contract upfront will cause many buyers to delay the timeline in which they engage a buyer’s agent, limiting their access to critical information. This will create massive friction in the market, and luckily AI is reaching technical maturity at just the right time to be the solution to this problem. This confluence of events has us confident that the winner of the ‘portal wars’ is going to be the one with the best technology and deepest insights for consumers.”

Currently active in 28 states and Washington, D.C., with more on the way, the new Flyhomes portal covers 75% of the U.S. population. The technological centerpiece is an AI-powered search and research engine trained on nearly 1,000 data points from dozens of different sources. This dataset allows consumers to ask many of the questions they would ask a local real estate agent. They can get nuanced responses to open-ended questions like, “Is this home a good deal compared to others in the neighborhood,” or specific responses to pointed questions like, “How is T-Mobile’s coverage in this home?”

“The past two years have shown us that consumers are ready to embrace AI. They’re talking to ChatGPT like a person and entrusting their lives to driverless cars. Real estate has remained largely untouched by AI, and what has been launched to date has largely been vaporware or failed to live up to the hype. The commission lawsuits are going to rapidly accelerate the need for information that can’t be ascertained from generic filters, photos, or drone videos,” said Laks Srini, CTO of Flyhomes. “Existing home search portals were built nearly 20 years ago and were designed to provide just enough information to generate a customer lead. We’ve taken a different approach, building a portal unlike anything else on

the market, one that lets consumers have a conversation as though they're talking to a local real estate agent. A prospective buyer can use Flyhomes AI to go as deep in the shopping journey as they'd like, all on their own time and without any sales pressure."

"There's a common misperception that AI is here to replace people and jobs. That's not how we see it at Flyhomes, and not how we see it playing out in real estate," said Abhijeet Dwivedi, Chief Growth Officer of Flyhomes. "Buyer's agents are still going to play an important role in the transaction, but you can't ignore that the buyer-agent relationship is going to change after August 17. No one knows exactly how buyers and agents will work together in this new world, but we do know consumers will need access to information and that agents will be under pressure to demonstrate value like never before. That's why we designed Flyhomes AI for a dual application, serving the needs of consumers and also giving agents a powerful tool to unlock data and resources they can use to better serve their clients."

With the new Flyhomes search and research portal, both consumers and agents will have access to dozens of unique datasets from sources like the US Census, FEMA, and the USGS, as well as records from states, counties, cities, and even local fire departments. Each data set has been carefully parsed, categorized, and layered over the data provided by the multiple listing services (MLS) to create a complete picture for buyers.

BATCHSERVICE INTEGRATES TITLEGENIUS BY RADIAN TO HELP EMPOWER ITS REAL ESTATE INVESTOR COMMUNITY

Radian Group Inc. has announced that the real estate data and technology company BatchService has teamed up with Radian Settlement Services to provide BatchService's community of real estate investors and other



customers with access to its innovative digital title and home closing platform, titlegenius.

BatchService users can now leverage a transparent, secure, and streamlined solution that provides end-to-end services with real-time updates, support, and access to title services. The offering includes both a feature-rich, easy-to-use digital interface as well as on-demand access to knowledgeable in-market escrow officers, who stand ready to provide individualized support to users at every stage of the process.

"BatchService's terrific community of real estate professionals deserve access to a seamless, transparent, and cost-effective title and closing services solution, so they can help reduce inefficiencies and spend more time on what truly moves the needle for their businesses," said Mary Dickerson, Radian's Chief People and Operating Officer. "It has been a pleasure for us to get to work with BatchService and its customers, and we are delighted to have the opportunity to add value to users' workflows."

The titlegenius by Radian platform provides a simple, transparent, and secure way to order title insurance and closing services online, delivering value

for investors, homebuyers, and real estate professionals. In addition to offering direct title insurance quotes at mytitlegenius.com, the titlegenius by Radian platform combines Radian's national title and settlement services footprint with proprietary technology to provide:

- » Title coverage with competitive rates and no junk fees. Investors have the potential to save up to 25% on average on closing costs in comparison to other providers.
- » Acquisition and securitization capabilities for real estate investors' portfolios.
- » The ability to manage closings for all transactions in one place, with real-time status updates as each stage of the closing process is completed.

"We're pleased to collaborate with Radian in offering the titlegenius product to our robust community of real estate investors and agents," said Preston Zeller, Chief Growth Officer of BatchService. "Their tech-forward approach and savings potential through the title process aligns well with our values and customers' needs."

REPUBLIC BANK CHOOSES SNAPDOCS TO ACCELERATE DIGITAL MORTGAGE CLOSING STRATEGY

Snapdocs, a digital closing provider, has partnered with Republic Bank & Trust Company to accelerate its eClosing adoption offerings.

Republic Bank's eClosing goal is to increase productivity and efficiency across its entire loan portfolio, including its growing home-equity line-of-credit (HELOC) business. The bank selected Snapdocs for its expertise in driving eClosing adoption at scale, ease of use, flexibility to support all loan and closing types, and integration with Byte, the company's loan origination system. Republic Bank is confident the Snapdocs eClosing platform will deliver faster closing times, fewer errors, and significant cost savings.

"We are continuously innovating to streamline our operations, manage costs effectively, and consistently deliver an exceptional customer experience," said Tim Poole, SVP and Director of Loan Operations at Republic Bank. "Snapdocs is the perfect partner, guiding us through every step to accomplish these goals. With the Snapdocs eClosing platform, we gain an intuitive solution backed by a team of experts who will be instrumental in helping us scale digital closings."

Republic Bank will use the Snapdocs platform to scale hybrid closings and wet transactions before launching fully digitized closings. By ensuring a seamless, secure flow of data through Byte, the Snapdocs eClosing platform will enable Republic Bank to initiate digital closings and view real-time loan status updates directly from their loan origination system.

"We look forward to providing the technology, support, and partner network Republic Bank needs to digitize closings and help borrowers reach their financial goals," said Michael Sachdev, CEO of Snapdocs. "We're confident that our deep expertise in supporting the HELOC closing process will give Republic Bank a competitive advantage."

"Lenders today must support both operational efficiency and excellent customer experiences."

—Rich Gagliano, CEO, Dark Matter Technologies



TRUEWORK ANNOUNCES INTEGRATION WITH THE EMPOWER LOAN ORIGINATION SYSTEM

Truework, a platform for income and employment verification, has its new integration capabilities with the Exchange network of mortgage-specific service providers available to customers of the Empower loan origination system (LOS) by Dark Matter Technologies. With this integration, mortgage lenders can access the Truework platform and verify U.S. employees' income and employment directly within the Empower LOS.

Lenders have been migrating to Truework for its 75% completion rates and use of multi-method verifications to seamlessly orchestrate income requests for any

borrower. Now, Empower customers can access this advantage directly within their Empower LOS.

Lenders like Ross Mortgage and Lake Michigan Credit Union have already started the enablement process for Truework inside their Dark Matter instance. This new approach lets Empower LOS users take advantage of more efficient underwriting processes, cost savings, and transparency. Processors can view real-time updates on every verification request directly within the Empower LOS, enabling faster processing times and improving the borrower experience.

With this integration, mortgage lenders using Empower can make the income verification process more predictable and deliver a seamless mortgage journey to more borrowers.

"Customers of the Empower LOS can now deliver a better experience for borrowers while taking advantage of maximum timesaving and cost-reduction ben-

efits with Truework's all-in-one platform," said Ryan Sandler, CEO and Co-Founder of Truework. "This integration gives processors using the Empower LOS access to an automated one-stop-shop for all of their income and employment verification needs, along with full transparency and status updates for each request."

By using Truework's high-coverage network first, lenders won't have to rely on a mix of costly and time-intensive legacy verification providers for income data. The Empower LOS users can now verify income for most borrowers without needing to submit the same request across multiple providers.

"Lenders today must support both operational efficiency and excellent customer experiences. The integration between Truework and the Empower LOS will allow mortgage lenders to seamlessly automate income and employment verification, giving them the ability to reduce manual work, increase turnaround times, and keep borrowers engaged in the application process," said Rich Gagliano, CEO at Dark Matter Technologies.

HOMEOWNERS CAN NOW USE REDFIN TO REDESIGN THEIR HOME PHOTOS

Redfin, a technology-powered real estate company, has launched several enhancements to Redfin Redesign, its AI-powered home design tool. Previously available on select home listings, any homeowner can now upload a photo of their home and use Redfin Redesign to see how it would look with different design and decor choices. Powered by Roomvo, a leading room visualization platform, Redfin Redesign can now be used by both home buyers and sellers to envision the potential in a home.

In addition, Redfin Redesign now offers the option to explore popular design styles, going beyond the basic floor, countertop, and wall treatments and providing generative AI-powered recommendations for light renovations, furniture, and decor. With just one click, consumers can now

completely transform a rustic bedroom into a Mediterranean oasis or a dated kitchen into a modern dream.

"Now Redfin Redesign can be used at any stage in your homeownership journey, whether you're buying, selling, or just looking to refresh your space," said Ariel Dos Santos, Redfin's SVP of Product and Design. "It's never been easier to imagine the possibilities in a real estate listing or get new design ideas that are tailored to your home. Redfin Redesign is also a useful tool for agents who are helping their customers plan for renovations or getting ready to stage a home for sale.

Homeowner Photo Uploads

To try Redfin Redesign, homeowners can visit their home's public address page on Redfin, click "Redesign" and follow the directions to claim their home. Then, they will be prompted to upload their images to redesign. This feature is currently available on Redfin.com on desktop and mobile web and is coming soon to the iOS app.

"I talk about Redfin Redesign in each of my listing consults because my sellers love to see the creative ways we help them find buyers," Maryland Redfin Premier Agent Bryan Kerrigan said. "Now that homeowners can upload their own photos, Redfin Redesign is an even more valuable tool. We can take a picture while sitting in their living room and talk through my recommendations for renovations, paint colors, and staging in real-time. This helps me provide incredible value to my customers by making the listing process more seamless."

One-Click Design Styles

To style an entire room, users can select an eligible listing on Redfin and click the "Redesign" button on the first listing photo. From there, users can pick a room from the gallery of interior photos. Under the "Choose style" tab, users can choose from a variety of popular design styles, including modern, rustic, industrial, Scandinavian, eclectic, Mediterranean, Victorian, shabby chic, and more. With each click, Redfin Redesign will completely renovate the room, from the walls to the decor, in that style.

For a more customizable experience, users can still use the "Pick products" tab



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

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“Rocket Mortgage is committed to transforming every experience with AI, making the historically tedious process of applying for a mortgage easier than ever.”

—Andrew Colunga, VP of Digital Product Management, Rocket Mortgage



to select from a variety of flooring, countertop, and wall treatments to create a style that is all their own.

“We are excited to deepen our partnership with Redfin as we empower homeowners to bring their dream spaces to life,” said Pawel Rajszel, CEO of Roomvo. “Now, both homeowners and homebuyers can go to Redfin to redesign homes with ease using Roomvo’s proprietary AI designer and choose from a robust catalog of products. We’ve already seen remarkable engagement with Roomvo on the Redfin platform, demonstrating the importance of room visualization in the future of homebuying.”

Now Available on More Than 210,000 For-Sale Listings

Redfin has partnered with five additional multiple listing services (MLSs) to

activate Redfin Redesign on listings in the Midwest, central Texas, and the Bay Area. The improved feature is now available on Redfin.com and iPhone for all active Redfin listings, select listings that were recently sold by a Redfin agent, and eligible listings on Bright MLS, MRED, NorthstarMLS, Realcomp, Central Texas MLS, and BAREIS MLS. In total, Redfin Redesign is available for more than 210,000 for-sale listings across the United States and to any U.S. homeowner who has claimed their home on Redfin.

Originally launched in December 2023, Redfin Redesign is part of Redfin’s ongoing effort to modernize the home search and make the buying and selling process easier. Redfin was the first national brokerage to offer 3D walkthroughs on its listings to help consumers virtually tour a home, and is now using AI to enhance listing photos,

which are the most popular feature on Redfin’s home detail pages. The company also recently launched Ask Redfin, an AI-powered virtual assistant to help buyers quickly find information about for-sale homes, which is now available for all U.S. iPhone app users nationwide.

To make Redfin Redesign available for more listings, Redfin continues to explore partnerships with additional MLSs and brokerages who see how this tool can help agents market their listings to Redfin’s audience of 49 million monthly users.

INSTABASE HELPS ROCKET MORTGAGE ENHANCE LOAN APPROVALS AND CLIENT EXPERIENCE THROUGH AI

Instabase, an applied artificial intelligence (AI) solution for unstructured data, has announced a partnership with Rocket Mortgage, a retail mortgage lender, which is a part of parent company Rocket Companies. The partnership helps Rocket Mortgage facilitate data extraction and automation from the 1.5 million documents the lender receives each month.

“We’re thrilled to partner with Rocket Mortgage that is constantly challenging the status quo for something as important as homeownership,” said Clemens Mewald, Head of Product for Instabase. “We are proud to offer cutting-edge AI solutions to our partners that can be applied to improve efficiencies, like extracting data to save hours of time for mortgage loan officers and underwriters.”

The mortgage process is historically lengthy, complex, and not conducive to automation. Traditional automation tools could not solve these problems because they struggle to maintain high variability and accuracy, especially when deciphering unstructured data trapped in complicated documents—a common occurrence in the mortgage industry.

Rocket Mortgage has transformed the journey by creating automation-friendly workflows that enable plug-and-play AI solutions to further optimize processes.

Rocket Mortgage is utilizing the Instabase platform to help automate the extraction of critical data elements to expedite the lending process. This technology, and several others pioneered by Rocket, has resulted in closing loans 2.5 times faster than the industry average.

“Rocket Mortgage is committed to transforming every experience with AI, making the historically tedious process of applying for a mortgage easier than ever,” said Andrew Colunga, VP of Digital Product Management for Rocket Mortgage. “With Instabase and several other proprietary AI and automation processes integrated into our technology ecosystem, we have shaved several days off the amount of time it takes our clients to close on a home purchase, decreasing turn times by 25% and getting them the keys to their new home faster.”

Instabase is one of Rocket Mortgage’s many partners who, along with its internally built systems, have enabled team members, partners, and clients to experience the power of a homebuying process fueled by AI.

OPTIMAL BLUE LAUNCHES COMPETITIVE DATA LICENSE TO HELP LENDERS OPTIMIZE MARGINS WITH COMPETITIVE LOAN PRICING DATA

Optimal Blue has announced the release of Competitive Data License, a collection of key national mortgage pricing data that enables lenders to price products competitively, operate more profitably, and react swiftly to changing market conditions.

Competitive Data License draws upon direct-source loan data from the Optimal Blue PPE, which is used to price and lock over 35% of loans in the United States. The data solution provides lenders with extensive insight into markups, loan-level price adjustments (LLPAs), servicing-released premiums (SRP), concessions, loan officer compensation, base price, and PAR rate. The offering’s data set allows for granular benchmarking at various levels—from organization-wide to individual loan officers—enabling lenders to identify areas for improve-

ment, replicate successful strategies, and maintain a competitive edge.

“We often hear from our lenders how difficult it is to make informed pricing decisions given the lack of visibility into detailed market data,” said Brennan O’Connell, Director of Data Solutions at Optimal Blue. “Competitive Data License ensures that our PPE customers have full transparency into the granular pricing components needed for a full price trace from buy-side to sell-side—giving Optimal Blue clients a strategic advantage in benchmarking their entire pricing strategy.”

Competitive Data License highlights which locks were completed by the lender using the data set while also offering additional details, such as which loan officer locked the loan. Lenders have the flexibility to feed the raw data from Competitive Data License into their business intelligence platforms to assess their performance relative to competitors and adjust pricing strategies—such as repricing or hedging optimization—based on market shifts.

Competitive Data License is available exclusively to Optimal Blue PPE users, and those currently using Market Data License for competitive analytics will be upgraded automatically to the more robust Competitive Data License data set. Market Data License will remain available to lenders not using the Optimal Blue PPE.

INTRODUCING

MortgagePoint Magazine

THE INDUSTRY’S MOST VALUED PUBLICATIONS JOINING FORCES

The Five Star Institute’s premier trade publications, *DS News* and *MReport*, have joined forces to become *MortgagePoint*. This new publication brings you the same exclusive news, features, interviews, and commentary you’ve come to expect from Five Star—now taken to the next level and all in one place. *MortgagePoint* is your one-stop shop for coverage of the full spectrum of mortgage, from originations to default. Scan the QR code to sign up and learn more.



Movers & Shakers

» Government

FHFA ANNOUNCES STAFFING UPDATE



The Federal Housing Finance Agency (FHFA) has announced that **Antonio White** has been named Director of the

Office of Congressional Affairs and Communications (OCAC).

OCAC is responsible for the FHFA's public and media relations strategy, stakeholder relations, internal communications, and content management oversight of the FHFA public website, which provides a wide range of information to external stakeholders. OCAC is also responsible for working with members of Congress to respond to inquiries and provide information on the programs and operations of FHFA and its regulated entities. OCAC analyzes legislation, tracks statutory changes, and prepares FHFA officials to testify before Congress.

"Antonio brings an immense depth of experience in communications, corporate and civic outreach, and stakeholder engagement that will be a valuable asset to the FHFA leadership team," FHFA Director Sandra L. Thompson said. "His strategic guidance will be essential as we continue to promote equitable access to affordable and sustainable housing in a safe and sound manner."

White's public affairs experience spans two presidential administrations, philanthropy, and the financial services sector. He served in senior advisory roles at the U.S. Department of the Treasury during both the Obama and Biden administrations, including most recently as Treasury's Deputy Assistant Secretary for Community Engagement, where he advised Secretary Yellen and her senior staff on stakeholder communications

and directed Treasury's external affairs strategy during the pandemic recovery. He also held senior communications and government affairs roles at the Gates Foundation and Bank of America, respectively. A native of Cleveland, Ohio, he earned a B.A. from Miami University, and an M.A. from Morgan State University. He is a recipient of the Treasury Department's Distinguished Service Award and was recognized by *Fortune* on its "2022 Top 40 Under 40" list.

» Service Providers

SERVICELINK BRINGS ABOARD NEW NATIONAL SALES EXEC



ServiceLink has named **Nate Johnson** as its new VP, National Sales Executive, in its Origination Division, responsible

for driving client growth strategy for origination products.

Johnson brings decades of experience within the industry to his new role and has been a catalyst in generating more than \$1 billion in closings as a business leader. His experience ranges across sales, operations, capital markets, servicing, and technology in the mortgage finance space.

Johnson, who has a proven track record of creating and cultivating senior relationships to create solutions and grow revenue, comes to ServiceLink from Sutherland, an international fulfillment and digital transformation company, where he served as the Global Head of Mortgage. Prior to that, he served as an Executive SVP at Coforge, where he led the mortgage division and helped create digital transformation within five of the top 10 U.S. banks. He has also held leadership roles and served as an

individual revenue contributor at WNS North America, Capgemini, Recovery Management International, along with roles at various other mortgage lending institutions.

NYCB PRESIDENT/CEO NAMED EXECUTIVE CHAIRMAN



New York Community Bancorp (NYCB), the parent company of Flagstar Bank, has announced that its Board of Directors appointed President

and CEO **Joseph M. Otting**, to the additional role of Executive Chairman of the Board of both the company and the bank. Otting's appointment will better facilitate his ability, alongside the new senior executive leadership team, to continue to improve all aspects of the company's operations, and execute on its strategic initiatives.

In conjunction with Otting's appointment, Alessandro P. DiNello will step down from his role as Non-Executive Chairman of the company and the bank. He will continue to serve as a Board Director and a Senior Advisor to the CEO, where his banking knowledge will support Otting and the rest of the senior executive leadership team as they continue to turn the bank around following the March 2024 capital raise.

Otting has had a long, distinguished career in banking, including having served as CEO of OneWest Bank from 2010-2015, as the 31st Comptroller of the Currency (OCC) from 2017-2020, and as Acting Director of the Federal Housing Finance Agency (FHFA) in 2018. He was named President and CEO of the company on April 1, 2024.

Flagstar Bank operates 419 branches, including strong footholds in the Northeast and Midwest and exposure to high-growth markets in the Southeast and West Coast. Flagstar Mortgage operates nationally through a wholesale network of approximately 3,000 third-party mortgage originators. In addition, the bank has approximately 100 private banking teams located in more than 10 cities in

“We have a phenomenal team, a phenomenal platform, and an exciting opportunity to take our existing operational excellence to the next level.”

—Viviana Abarca, Managing Director of Mortgage Lending Operations, loanDepot Inc.



the metropolitan New York City region, and on the West Coast, which serve the needs of high-net worth individuals and their businesses.

LOANDEPOT PROMOTES MANAGING DIRECTOR OF MORTGAGE LENDING OPS



loanDepot Inc. has promoted **Viviana Abarca** to the position of Managing Director of Mortgage Lending Operations,

reporting directly to loanDepot President and CEO Frank Martell, and she will join the company's Executive Committee.

Abarca's promotion is in line with

the company's previously announced Vision 2025 strategic plan, which focuses on transforming the origination business to drive purchase money transactions with an expanded emphasis on purpose driven lending. Second, investing in profitable growth-generating initiatives and critical business operating platforms and processes to support operating leverage and best-in-class quality and delivery. Third, aggressively right sizing our cost structure to address current and future projected market conditions. And fourth, optimizing and simplifying our organizational structure.

“Building a world-class operations team is an integral part of our Vision 2025 strategic plan,” Martell said. “I cannot think of anyone better than Viviana to take our operational capabilities to the next level in the coming years to

support accelerated growth and durable stakeholder value creation. Viviana is a consummate professional with an exceptional ability to achieve challenging objectives in all business cycles. As we advance our Vision 2025 plan, under Viviana's leadership in lending operations, we will continue to invest in automation to drive operating leverage, develop new customer-facing tools and functionality, and implement operational and structural changes to optimize and streamline our operations and position loanDepot for long-term success.”

Abarca is a seasoned mortgage professional who, over the past 11 years, has held a series of leadership positions with increasing responsibility at loanDepot. She most recently served as EVP of Lending Operations. In her new role, Abarca will be responsible for leading loanDepot's loan processing, underwriting, and closing operations.

“We have a phenomenal team, a phenomenal platform, and an exciting opportunity to take our existing operational excellence to the next level,” Abarca added. “We will continue to strive to exceed the expectations of our customers and deliver a best-in-class experience to our origination partners. This is critical work that will support the growth and success of loanDepot as we pivot into the next cycle.”

CARRINGTON ANNOUNCES NEW CIO



After 17 years of service to The Carrington Companies in various information technology (IT) and data management

roles, **Brett Wilbur** has been promoted to EVP, Chief Information Officer, reporting directly to Andrew Taffet, CEO of The Carrington Companies. In his new role, Wilbur assumes the diverse responsibilities of overseeing all aspects of the IT organization and providing leadership as Carrington continues to optimize its existing infrastructure and systems and move forward with new initiatives as technology advances.

Wilbur succeeds previous CIO Brent Rasmussen, who will retire in early July after 13 years of service to Carrington.

"I am thrilled to announce the promotion of Brett Wilbur to Chief Information Officer," Taffet said. "During the past 17 years, I have had the privilege of working alongside Brett and witnessed his unwavering dedication, thought process and technical ability. His understanding of Carrington's vision and goals, along with his commitment to technical excellence, make him a perfect fit for the role. I also want to take a moment to acknowledge the outstanding contributions of our former CIO, Brent Rasmussen, whose leadership and vision have set a strong foundation for the IT team. I am confident that under Brett's guidance, we will build on Brent's legacy."

Wilbur joined Carrington in November 2006 as Associate Director for Carrington Capital Management (CCM). He says his role has grown dramatically in the years since Carrington began as a traditional asset manager, with the company acquiring a mortgage servicer, then embarking on mortgage lending and real estate. The company now has large, complex, regulated systems operating across multiple divisions.

Wilbur maintains he has kept pace by architecting data and application solutions that are utilized by multiple divisions—all accompanied by a significant increase in teamwork and collaboration with associates throughout the enterprise. Wilbur emphasizes that The Carrington Companies are well-positioned from an IT standpoint and is quick to credit former CIO Rasmussen with creating a solid IT foundation and building an eminently capable team of professionals.

"The Carrington IT organization has a very solid team," Wilbur said. "I am looking forward to continuing to optimize our existing infrastructure and embarking on new initiatives to ensure Carrington always stays in step with the rapid changes in technology."

EMBRACE HOME LOANS PROMOTES NEW HEAD OF BUILDER SERVICES



Embrace Home Loans has announced that **Greg Dalgarno** has been promoted from Sales Manager to Director of Builder Services.

Based in Timonium, Maryland, Dalgarno will focus on growing Embrace's new construction home lending business throughout the East Coast by forming partnerships with homebuilders and recruiting loan officers who specialize in new home construction. Dalgarno expects to hire 15 to 20 new loan officers over the next year.

"Greg has been instrumental in expanding our relationships with homebuilders by understanding their needs and presenting customized solutions," said Jason Will, SVP of Market Growth at Embrace Home Loans. "Greg also has vast experience working with homebuilders of all sizes, which is important today because many small and mid-size private builders must compete with national, publicly traded builders with tremendous resources."

Dalgarno has more than 20 years of mortgage industry experience. Prior to joining Embrace, he was a top-producing Originator and Sales Manager at Guaranteed Rate and Wells Fargo, where he worked closely with homebuilders and helped both companies increase their overall sales.

"I'm looking forward to expanding Embrace's footprint all along the East Coast, from Maine to Florida," Dalgarno said. "Embrace has always been a strong advocate for new construction. Over the past few years, we've been growing that business and will continue to do so."

Embrace is seeing more interest in new home construction loans today due to the lack of inventory on the market, Dalgarno said. He estimates Embrace has expanded its builder business by about 30% over the past year alone. Embrace Home Loans is developing a "builder-designated" certification for current and new loan officers. Loan officers from

Embrace Home Loans can earn their certification through a combination of in-house training and real-world experience working with homebuilders.

"With a shortage of existing homes available, buyers are more inclined to consider building their own home," Dalgarno said. "We've also come up with some special programs and incentives that builders can offer to homebuyers, including discounted forward commitments. These commitments allow a builder to lock a block of funds at a below market interest rate, then pass the rate through to the buyers. Often, the rate can be a full percentage point—or even more—below market rates."

PLANET HOME LENDING EXPANDS SOUTHEAST PRESENCE



National mortgage lender and servicer Planet Home Lending has hired **Tom Reber** as Area Sales Manager in Jacksonville, Florida.

Reber brings a wealth of experience and a vision for growth in key markets, aiming to expand the company's presence in Daytona Beach, Jacksonville, Tallahassee, and Savannah, Georgia.

Reber's Jacksonville team will include Mortgage Loan Originators Allen Lewis and Jeromy Peters and Loan Officer Assistants Nicole Crabtree and Priscilla DeMasi.

With 30 years of experience in retail mortgage banking, Reber is renowned for his ability to drive excellence and build strong teams.

"I am excited to join Planet Home Lending and lead our expansion in North Florida and Southern Georgia," Reber said. "Our comprehensive home loan product lineup includes unique offerings, like Cash 4 Homes and Purchase EDGE, helping people win home purchase bidding wars brought on by limited inventory, high interest rates, and competition from investors making cash home purchase offers."

"Reber's extensive experience and strategic vision make him a valuable

addition to the Planet Home Lending team,” said Michael Dubeck, CEO and President of Planet Financial Group, parent of Planet Home Lending. “Homeownership is a pathway to generational wealth in America. At Planet, ‘We’ll get you home’ is more than a motto—it’s our commitment to support and strengthen those we serve. By fostering connections and providing comprehensive support, Tom and his team will create happy homeowners who know they are cared for during the most important financial moments of their lives.”

DOVENMUEHLE MORTGAGE STRENGTHENS ITS LEADERSHIP TEAM



Krogh

Residential mortgage subservicer Dovenmuehle Mortgage Inc. has announced two promotions within its business development team, as Anna Krogh has been named SVP and Director of Business Development, and Chris



Torres

Torres has been named VP of Business Development and Manager of the Western Region.

“Dovenmuehle continues to enjoy strong industry interest in our mortgage subservicing offerings, and that demand is in no small part due to Anna and Chris’ ongoing efforts,” Dovenmuehle SVP of Business Development David Allison said. “Anna and Chris have been extremely valuable additions to our business development team, and we are confident in their ability to lead this effort going forward as I transition into an advisory role.”

Krogh joined Dovenmuehle in 2022 from Associated Bank in Chicago and has become a key leader in the company’s national business development efforts. A frequent guest speaker at industry events, Krogh has successfully developed numerous new client relationships for Dovenmuehle.

Torres joined Dovenmuehle in 2021 as part of the technology research and

development team in San Francisco before transitioning to the business development team in 2022 and has done an excellent job cultivating new client relationships and representing DMI nationally at various industry trade shows, conferences, and panel presentations.

Founded in 1844, Dovenmuehle subservices portfolio loans and loans sold to Fannie Mae, Freddie Mac, Ginnie Mae, and the Federal Home Loan Bank with servicing retained.

NFM LENDING PROMOTES NEW EVP AND CHIEF LEGAL OFFICER



NFM Lending and its family of lenders has announced the promotion of LaTasha Waddy to EVP and Chief Legal Officer. Waddy has

been integral to the NFM Lending team since 2012, previously serving as General Counsel and Chief Compliance Officer.

In her tenure at NFM Lending, Waddy’s expertise and commitment have made her a critical member of the executive team, where she has played a pivotal role in guiding the company through complex legal and compliance landscapes.

“I am excited to announce that LaTasha Waddy has been promoted to Chief Legal Officer and Executive Vice President of the NFM Family of Lenders,” NFM Lending Founder and CEO David Silverman said. “As those at NFM and many throughout the industry know, LaTasha has been much more than a lawyer for our organization. She is a thoughtful leader, coach, mentor, businesswoman, and phenomenal teammate. Her understanding of every department and the inner workings of our ever-changing industry is unparalleled. We are excited to see her take on new and more impactful responsibilities that will benefit not just NFM Lending but our entire industry.”

As EVP and Chief Legal Officer, Waddy will continue to oversee the company’s legal and compliance functions while taking on additional responsibilities to enhance NFM Lending’s strategic initiatives further.

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"I am honored to take on this new role and grateful for the opportunity to continue contributing to NFM Lending's growth and success," Waddy said. "I look forward to working with our exceptional team to navigate the challenges and opportunities ahead."

» Service Providers

OPTIMAL BLUE ADDS NEW CEO



Optimal Blue has named **Joe Tyrrell** as its new CEO, succeeding Interim CEO Scott Smith of Optimal Blue's parent company,

Constellation Software Inc.

Tyrrell brings more than 25 years of experience in the mortgage, finance, and technology industries to Optimal Blue. This includes serving as President of ICE Mortgage Technology, as well as in various leadership roles at Ellie Mae, including Chief Operating Officer, prior to its acquisition in 2020. Most recently, Tyrrell served as the CEO of Medallia, a customer and employee experience company.

"I have always been attracted to companies that make their clients' success their top priority, and that is especially true with Optimal Blue, the clear market leader in secondary marketing technology," Tyrrell said. "For the past year-and-a-half, I have been delivering innovation and real generative AI capabilities to the largest and most trusted consumer, health care, hospitality, financial services, and technology brands in the world, and I am excited to now bring those capabilities to Optimal Blue's lenders and partners in an industry that I love."

Smith will continue his role within Constellation Software, where he serves as President of Andromeda, the portfolio in which Optimal Blue operates. In addition to overseeing the CEO transition, Smith will continue supporting the success of the Optimal Blue business through his position.

"It was a priority to identify the right leader to support our investment in Op-

timal Blue and the long-term success of the business," Smith said. "We've found that and more with Joe Tyrrell, who is passionate about client relationships and innovation—two tenets that have been core to Optimal Blue's culture throughout its decades as a market leader. Joe's extensive experience in this industry affords him a fundamental understanding of the needs and challenges lenders face and ways innovative technology and real-time data can solve them. Along with the other leaders within the Andromeda portfolio of Constellation Software, I look forward to continuing to support the success of Optimal Blue under Joe's leadership."

MMI APPOINTS NEW CFO



Mobility Market Intelligence (MMI), a provider of data intelligence and market insight tools for the mortgage and real estate industries,

has named **Ron Ross** as its new CFO.

"Ron was our first choice when thinking about who would be the best fit as CFO. With MMI's rapid growth comes a specific set of challenges that Ron's unique experience and natural strategic ability can help us solve," MMI Founder and CEO Ben Teerlink said. "We look forward to leveraging his expertise to streamline our internal systems and processes and his contributions to enhance the innovative ways we serve both enterprise and individual MMI users."

Ross recently held the positions of President and COO at Everee Inc., a full-service payroll company that he founded. There, he built and led multiple teams, including payment operations, tax operations, customer success and support. While managing these departments, he also oversaw the product, engineering, finance, and accounting teams, with a focus on expanding the company's innovative product offering and managing its growth.

"Throughout my career, I've strategically selected organizations that I believe align with macro trends. Given the Federal Reserve's forecast for lower

rates and pent up demand in the housing market, the power of MMI's product is undeniable," Ross said. "I'm proud to have a hand in bringing the benefits of big data analytics and customer relationship management tools to the mortgage industry. MMI has built an impressive track record, and I'm looking forward to contributing to its success."

Prior to founding Everee, Ross served in C-level positions for several companies, including Teem Technologies, Ecoscraps, and SkullCandy.

XACTUS WELCOMES FORMER SAGENT CFO



Xactus has announced that **Joseph Peterson** has been named CFO, overseeing the company's financial operations,

including managing the strategic direction of Xactus' accounting and finance functions, developing policies, procedures, and financial controls, overseeing financial systems, ensuring the accuracy of internal and external reporting, identifying investment opportunities, securing funding, and managing risk.

"We are excited to have Joe join our leadership team. His proven track record and strong strategic financial acumen will help guide our company as we continue to advance the modern mortgage. Joe's contributions will be crucial to successfully executing our financial plan as we reach new heights of growth and innovation," said Shelley Leonard, President of Xactus.

Peterson brings more than 30 years of financial experience to his position. He most recently served as EVP and CFO at Sagent Lending Technologies, one of the most important technology platforms in the mortgage industry. At Sagent, he helped the company achieve 40%-plus revenue growth and was integrally involved in launching a new mortgage servicing platform.

Peterson was previously EVP and CFO for National Response Corporation where he led global finance, human resources,

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and technology for the 2,000-employee public company. He also spent time in several CFO roles in mid-sized, private equity-backed fintech businesses, and more than 13 years with American Express in senior financial leadership roles including his last role as CFO for the global technology organization.

“Becoming the CFO of Xactus represents a unique opportunity for me to join the market leader with its proprietary technology platform, cutting-edge data and verification products, seasoned team of experts, innovation-driven culture, and a client base that is 6,500 strong,” Peterson said. “I look forward to playing a meaningful role in enhancing Xactus’ financial and transactional systems and processes to further advance the modern mortgage.”

FLOIFY ADDS NEW HEAD OF SALES



Floify has announced the appointment of **Jason Mapes** as its new Head of Sales. Mapes, who previously served as

Director of Sales for nCino’s Mortgage Suite, brings a wealth of experience to spearhead Floify’s national sales initiatives.

Mapes’s 23 years of experience in the mortgage industry include roles in loan origination, branch management, and sales at various organizations, including nCino, Ellie Mae (now ICE Mortgage Technology), Unify, and Lenders One.

“Jason is a talented sales executive, and we are excited for him to bring the exceptional capabilities of Floify Lender Edition and Floify Broker Edition to a new user-ship,” said Sofia Rossato, Floify’s President and General Manager. “His expert-level knowledge of the POS market perfectly positions him to hit the ground running and open new opportunities for Floify.”

Mapes joins Floify during a pivotal period of growth as the company introduces new integrations and expands product functionality. In December 2023, Floify launched Broker Edition, a one-stop lending platform for mortgage brokers. In

March 2024, Floify released Lender Edition to help lenders support a best-in-class borrower experience while streamlining production and controlling costs.

“I’m pleased to join the Floify team and introduce our top-tier POS solutions to a new universe of lenders and brokers who would greatly benefit from their functionality,” Mapes said. “I look forward to working shoulder to shoulder with Floify’s committed team to simplify home lending for mortgage professionals and consumers alike.”

EQUIFAX BOLSTERS ITS BOARD OF DIRECTORS



Equifax has announced that **Barbara Larson**, former CFO for Workday, has been elected to its Board of Directors.

“I’m energized to welcome Barbara as a new independent director on our board,” said Mark W. Begor, CEO of Equifax. “Her more than two decades of financial leadership and extensive experience in both human capital management and enterprise technology will be a tremendous asset to Equifax as we execute against our EFX2026 strategic priorities—continuing to grow our non-mortgage business through Equifax Cloud-based new product and EFX.AI innovation.”

Larson will serve on the Board’s Audit Committee, and with the new appointment, the Equifax Board now consists of 10 Directors, including nine independent Directors.

“Barbara is a strong business leader and seasoned finance professional,” said Mark L. Feidler, Non-Executive Chairman of Equifax. “I am pleased to welcome her to the Equifax board of directors and am confident that her background will be invaluable to the board in its continued oversight of the company’s strategic growth.”

Larson most recently served as CFO at Workday, a provider of solutions to help organizations manage their people and money. Under her financial leadership, the company consistently beat quarterly guidance and issued their first

investment grade debt offering. During her near-decade-long tenure with Workday, Larson held several leadership positions across the company’s finance and product organizations, including SVP of Accounting, Tax, and Treasury, as well as General Manager of Workday Financial Management, where she oversaw Workday Financial Management applications.

“The new Equifax has expanded well beyond a traditional credit bureau—growing into a leading global data, analytics, and technology company,” Larson added. “I look forward to working with the board of directors to help guide the company’s strategic priorities as it continues its growth worldwide.”

Prior to joining Workday, Larson held various leadership roles in corporate finance spanning more than 20 years at VMware, TIBCO, and Symantec.

RENT. NAMES NEW PREZ



Rent., a marketing platform for the multifamily rental industry, has announced that **Damon Joshua** has joined the company

as President. Rent. is operated by Rent Group Inc., a subsidiary of Redfin Corporation.

With more than 25 years of sales leadership experience, Joshua will bring his strategic vision to guide Rent.’s roadmap as it continues to meet the needs of the rapidly changing multifamily industry. He will direct Rent.’s overall strategy and operations and grow the business by ensuring Rent. remains the most innovative platform for the multifamily industry to market properties, connect with quality renters and fill vacancies.

“I’m thrilled to be joining such a talented and hungry Rent. team and have the opportunity to build upon Rent.’s tremendous marketplace, products, and technology,” Joshua said. “I believe the market is ripe with opportunities to grow the company by continuing to drive value and efficiency for the multifamily industry and improve the renter experience.”

Joshua will work closely with prod-

“Damon’s long history of leading high-growth organizations that serve businesses both large and small has prepared him well for working with the multifamily industry.”

—Glenn Kelman, CEO, Redfin



uct, engineering, and marketing leaders to expand upon Rent’s solutions for the multifamily industry and grow its network of rental brands, which include Rent.com and Apartment Guide.

“Damon’s long history of leading high-growth organizations that serve businesses both large and small has prepared him well for working with the multifamily industry,” Redfin CEO Glenn Kelman said. “His everyone-sweeps-the-floors work ethic and customer-first values make him a perfect fit for Redfin too. He’s strategic and thoughtful, but he’s also a competitive monster. We couldn’t have hired a better executive to take our rentals marketplace to the next level.”

Before joining Rent., Joshua was an SVP at MarketSource, where he led a global team of more than 1,500 sales professionals, recruiters, trainers, and technologists and was responsible for billions of dollars in revenue. Prior to his time at MarketSource, he led sales organizations at Vertafore, Cisco, Verizon, and UPS. His experience across different industries will bring an innovative perspective to Rent’s growth and product strategy, and his expertise in mobilizing sales teams and building rich partnerships will deliver great experiences for Rent. Customers.

MORTGAGE CADENCE WELCOMES NEW HEAD OF SALES TEAM



Mortgage Cadence, a subsidiary of Accenture, has announced that **Jeff Mattice** has joined the company as Head of Sales. Mat-

tice has spent his decades-long career in the mortgage and real estate industries, focused on various data and analytics solutions and SaaS offerings.

“It’s a very important time in the industry for lenders to be connected with the right technology solutions that will actually benefit them,” Mattice said. “I look forward to leading this team as we bring the Mortgage Cadence Platform (MCP) to the lenders who want to be ahead of the curve.”

Mattice has held business development positions at industry leaders like ICE Mortgage Technology, Black Knight, and Attom Data Solutions, as well as Tipalti, Xome, and Quantarium.

“As we continue to bring MCP and its benefits to the industry, Jeff and his team

are a critical part of that,” said Pedro Garcia, CEO of Mortgage Cadence. “He has an impressive track record with some of our industry’s biggest players, and we look forward to what our sales team will accomplish with him at the helm.”

SMARTRENT NAMES LOANDEPOT CEO TO BOARD OF DIRECTORS



SmartRent Inc., a provider of smart communities and smart operations solutions for the rental housing industry, has

announced the addition of **Frank Martell**, President and CEO of loanDepot, to its Board of Directors. He will serve on the Board’s Audit and Nominating and Corporate Governance Committees.

Martell brings more than 30 years of executive leadership experience, along with a data-driven, digital-first perspective to support the accelerated adoption of SmartRent’s smart home and property technology solutions. At loanDepot, Martell led the development of the

company's Vision 2025 strategic program, focused on navigating the impact of the current historic downturn in the residential property market, while retooling key operational capabilities to generate durable long-term value creation.

Prior to loanDepot, Martell spent more than a decade at CoreLogic, serving as CFO, COO, and eventually, CEO. During his tenure, he was instrumental in transforming CoreLogic into a global leader in residential property data, analytics, and digital platforms.

"We are honored to welcome Frank to SmartRent's Board of Directors and Audit and Nominating and Corporate Governance Committees," SmartRent CEO Lucas Haldeman said. "Frank's perspective and notable real estate and data analytics expertise are invaluable, and he will play a key role as we continue to scale our business and serve the smart technology needs of the rental housing industry. We look forward to working closely together to advance our strategic priorities and further capture the compelling opportunity ahead for SmartRent."

SmartRent utilized the assistance of an independent board search firm to recruit Martell. SmartRent powers more than 3,800 connected communities nationwide, with 750,000 smart homes and businesses and two million connected devices deployed.

WFG NATIONAL TITLE ANNOUNCES SOUTHWEST EXPANSION



WFG National Title Insurance Company (WFG), a provider of title insurance and real estate settlement services for commercial and residential transactions nationwide, has appointed 40-plus-year industry veteran **Dan Hassen** as SVP and Southwest Regional Manager for the company's Agency Operations.

Hassen will be responsible for ensuring that WFG's Southwest region aligns with and supports the company's agency division business objectives, growing

WFG's title agent base within the region, and helping the region's title agents leverage resources.

"WFG is committed to delivering an exceptional customer experience for our agents, their clients, and the consumers we collectively serve," said Gene Rebadow, WFG EVP, Agency Operations. "This means empowering our agents with the knowledge, resources, and tools they need to differentiate themselves and succeed in any market. Dan is incredibly knowledgeable, well-respected, and extremely passionate about supporting the needs of our agents, as well as elevating the experience for all transaction participants. I can't think of anyone better-suited or more qualified to lead these key areas for our Southwest region."

Hassen started in the title industry more than 40 years ago while still in high school and continued working for title companies through his college years. Through a progression of executive-level positions with national title insurance companies and agencies, including establishing international operations for a national underwriter, Hassen has gained both a solid understanding of the pressures that agents face daily and the ability to look beyond commonplace business ideas to focus on innovative solutions.

"I am deeply honored and genuinely excited to be part of a company that not only recognizes the evolving needs of our title agents but actively engages in addressing these needs through innovation and supportive collaboration," Hassen said. "WFG's new Agent 2.0 program underscores the company's commitment to reach beyond traditional boundaries and build meaningful, proactive partnerships. This initiative not only highlights WFG's dedication to its agents' growth and success but also signals a significant leap forward in how we conceive and execute support in our industry. It's a remarkable time to be with WFG, and I look forward to contributing to and being part of this transformative journey."

MYCUMORTGAGE WELCOMES NEW PRESIDENT



MyCUmortgage, a Credit Union Service Organization (CUSO) and wholly-owned by Wright-Patt Credit Union (WPCU), has

named **Ben Rempe** President of the mortgage services provider. Rempe will lead the mortgage CUSO, which provides a comprehensive suite of mortgage solutions to nearly 200 credit union partners nationwide. Rempe replaces Interim President Paul Sutor, who will continue his role as VP of Risk Management for myCUmortgage.

"myCUmortgage's search for a new President focused on the skill sets, experience, and traits needed to grow the company to its next stage, including a strategic and visionary mindset; a strong connection to credit unions and their culture; CUSO experience; a strong sales and growth mentality with connections in the credit union world; outstanding leadership skills; and a proven track record of getting things done," said Tim Mislansky, President of Wright-Patt Credit Union and Chairman of the myCUmortgage Board of Managers. "After a national search with several outstanding candidates, we recognized that Ben checked all these boxes."

With more than 20 years of experience in credit unions and financial services, Rempe most recently served as SVP of Credit Unions at the National Cooperative Bank. Prior to that, he worked for a fintech startup that grew to servicing more than 300 credit unions, employing more than 300 and expanding its ownership by raising over \$11.5 million in capital. Additionally, he worked for TMG Financial Solutions, where he built innovative solutions for credit unions around mortgage warehouse lending and credit card portfolios.

"Since 2012, I have been partnering with myCUmortgage and Wright-Patt Credit Union. From the onset, I have encountered visionaries laser-focused on making homeownership affordable and available to credit union members,"

“John’s skillset, goals, and practice align precisely with those of our national real estate practice, and the firm more broadly. He brings a diverse stable of clients, and his major clients are all institutional players, some of whom are existing firm clients.”

— Fritz Smith, Co-Managing Partner, Charlotte office, Seyfarth Shaw LLP



Rempe said. “This focus manifests itself through partnerships with credit unions offering best-in-class mortgage products to their members with the pricing and community focus that credit union members expect and deserve. I know that by leading with focus and empathy, myCUMortgage is poised to be the premier mortgage services provider for credit unions, and I cannot wait to begin this journey.”

Rempe will lead the myCUMortgage team of experts as they work on strategies that will enhance their services and help credit union partners grow their mortgage business while the credit unions continue to take great care of their members. This will be accomplished through true collaborative efforts between myCUMortgage and its credit union partners nationwide.

» Attorneys

SEYFARTH SHAW ADDS TO ITS REAL ESTATE LITIGATION PRACTICE



Seyfarth Shaw LLP has announced the arrival of Partner **John Domy** to the firm’s Real Estate Department in Charlotte, North

Carolina. Domy joins Seyfarth from Katten Muchin Rosenman LLP, where he was a Partner in the firm’s Real Estate Finance and Lending Practice.

“John is another key step in our strategic plans to grow our national real estate practice and Charlotte office,” said Paul Mattingly, National Chair of Seyfarth’s Real Estate Department. “In particular, John has a leading Charlotte-based originations practice that fits extremely well with the current footprint of the firm, and we are excited to welcome him to the team.”

A real estate finance attorney with deep experience in all phases of the economic cycle, from originations to loan workouts, Domy advises banks and funds on structured commercial real estate financings, with an emphasis on closing new originations of floating-rate bridge loans and securitized (CMBS) loans.

Domy also represents Wall Street lenders in connection with a variety of commercial real estate financing transactions, including origination of mortgage and mezzanine loans, loan modifications, and asset management. He also routinely oversees portfolio transactions and other transactions with heavy property-level diligence issues.

“We are thrilled to have John join our growing real estate department in

Charlotte,” said Fritz Smith, Co-Managing Partner of Seyfarth’s Charlotte office. “John’s skillset, goals, and practice align precisely with those of our national real estate practice, and the firm more broadly. He brings a diverse stable of clients, and his major clients are all institutional players, some of whom are existing firm clients.”

Seyfarth opened its Charlotte office in 2019 in large part because Charlotte’s financial industry has become an important business hub for many of the firm’s clients.

“Seyfarth has an impressive roster of clients across the real estate spectrum,” Domy added. “The firm is an ideal fit for me to continue to build my practice and to work alongside an impressive group of attorneys to assist clients with their most complex and novel real estate matters.”

With more than 900 lawyers across 18 offices, Seyfarth Shaw provides top-tier advisory, litigation, and transactional legal services to clients worldwide.

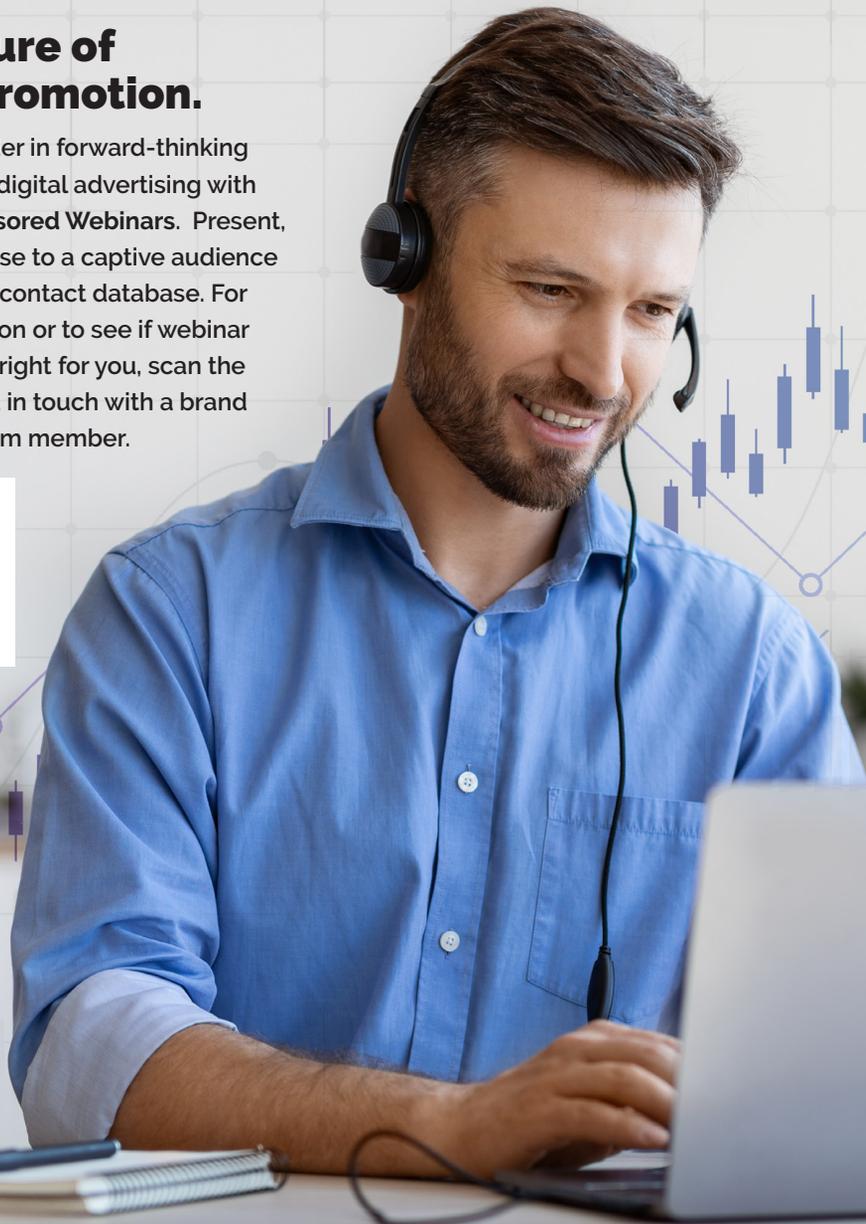


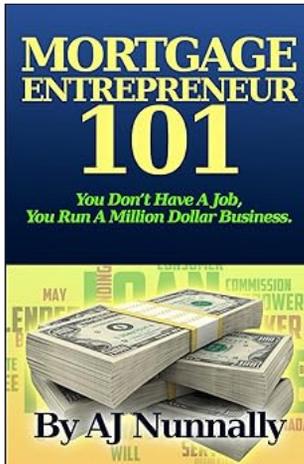
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Mortgage Entrepreneur 101: You Don't Have a Job, You Run a Million Dollar Business

By A.J. NUNNALLY

Author A.J. Nunnally dives into the serious responsibilities of being a mortgage loan officer in today's world by emphasizing the importance of helping families achieve the American Dream of homeownership—typically people's largest asset and investment. The author makes a point of emphasizing the importance of buyer education and integrity within the industry to prevent your clients from facing the consequences of falling behind and ending up in foreclosure. Nunnally also highlights the challenges faced by people of color, specifically African Americans, in the mortgage industry and advocates for more support and unity within the mortgage community.



Mastering Mortgage Marketing: Driving Growth in the Digital Marketing Age

By KELLY YALE

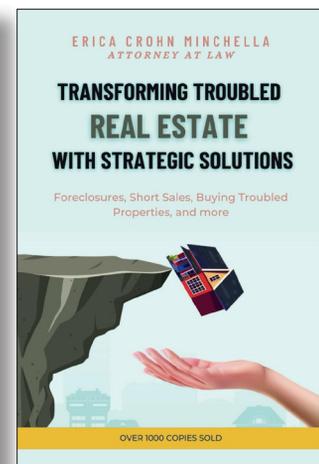
Embark on a journey to change the trajectory of your career with author Kelly Yale, who gives guidance on mortgage marketing in today's AI-driven environment. This book could be considered the blueprint for rapid advancement, leadership buy-in, implementation, and brand enthusiasm or for anyone interested in taking their marketing career to the next level. You will learn how to grow your leadership skills, understand your short- and long-term visions, and learn why your marketing team and your tech department are on the same team and more interrelated than you might think.



Profit From Claiming Tax Foreclosure Sale Overages: Your Guide for Mastering the Recovery of Surplus Funds From Tax Foreclosure Sales

By JW WRIGHT

According to author JW Wright, over 750,000 properties, both residential and commercial, are auctioned in tax sales across the country every year, resulting in an estimated \$6 billion in surplus funds that rightful property owners are unaware they can claim. When properties are sold at auction over taxes, and the winning bid exceeds the debt owed, the remaining balance belongs rightfully to the former property owner. For those in the know, this book will teach you how to recover this money for your clients for a fee with comprehensive and clear advice that will help you navigate this revenue stream.



Transforming Troubled Real Estate With Strategic Solutions: Foreclosures, Short Sales, Buying Troubled Properties, and More

By ERICA CROHN MINCHELLA

If you want to navigate the waters of distressed properties with finesse and flair, this book takes readers on a journey that will help start a real estate transformation written by an author with years of experience steeped in bankruptcy law. Using author Erica Crohn Minchella's book, you will learn how to confront the challenges of distressed properties and how to turn them into opportunities for unparalleled success. This isn't another instruction manual, it's a riveting read filled with sage advice and anecdotes that all point towards mastering new skills and opening new revenue streams in today's ever-evolving real estate landscape.



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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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66 scholars now working as appraisers across the country. In Atlanta, 18 scholars are in the program and six graduates are currently working as appraisers.

The Economic Consequences of Heirs Property and Appraisal Bias

Heirs property, also known as a “tangled title,” occurs when a homeowner dies without a will and their property is informally inherited by multiple descendants, regardless of whether they live on the property or have paid taxes. According to national estimates, the total assessed value of properties impacted by heirs issues is estimated to be over \$32 billion across 44 states and Washington, D.C. In Georgia, over \$400 million in assessed property values are impacted due to heirs issues.

“Safe, affordable homeownership opportunities are foundational for creating thriving and healthy communities,” said Abigail Suarez, Head of Neighborhood Development, Corporate Responsibility, JPMorgan Chase. “We need to be intentional about scaling solutions that address heirs’ property issues and empowering people to maintain homeownership from one generation to the next. Today’s commitments are part of the firm’s holistic approach to mobilizing resources and expertise to address this issue in Atlanta and communities across the country.”

“We’re proud to see progress with our appraisal reform efforts, recognizing this is just the beginning of effecting change within the industry,” said Sean Grzebin, Head of Consumer Originations and Transformation at Chase Home Lending. “We’re also committed to helping more homebuyers, in Atlanta and across the country, to avoid the negative consequences of heirs property and preserve their generational wealth by identifying innovative business solutions.”

An Expanded Philanthropic Approach

JPMorgan Chase also committed over \$9.6 million in philanthropic capital to the following organizations to tackle heirs property challenges and appraisal bias through research, legal services, and

» Industry Update

JPMORGAN CHASE EXPANDS HOMEOWNERSHIP AND WEALTH-BUILDING OPPORTUNITIES TO TACKLE HEIRS PROPERTY AND APPRAISAL REFORM

JPMorgan Chase is expanding its commitment to tackle heirs property challenges across the country through a combined expansion of philanthropic capital, business investments, and policy recommendations. At a convening in Atlanta with leading policy experts and community partners in the housing space, the firm announced more than \$9.6 million in philanthropic commitments to eight organizations across the United States working to preserve homeownership opportunities in

Georgia, New York, Jacksonville, Florida, Pittsburgh, Pennsylvania, and Washington, D.C. This effort is part of the firm’s ongoing commitment to preserving generational wealth-building opportunities through homeownership for underserved communities nationwide.

The grantees—a combination of community-based organizations, legal service providers, and universities, as well as Community Development Financial Institutions (CDFIs)—will focus on tackling heirs property and appraisal bias issues. Both are major contributors to the loss of wealth in underserved communities and disproportionately impact Black, Latino, Hispanic, low-income, and low-wealth families in both rural and urban communities.

Chase Home Lending also committed \$3 million to the Appraisal Diversity Initiative, a nationwide effort to attract diverse new entrants into the residential appraisal field through education, training, and resource support. Since the program’s inception, Chase has supported more than 700 scholars with

“Safe, affordable homeownership opportunities are foundational for creating thriving and healthy communities.”

—Abigail Suarez, Head of Neighborhood Development, Corporate Responsibility, JPMorgan Chase



estate planning clinics and market-based innovations. Grantees include:

- » **Initiative on Land, Housing, and Property Rights at Boston College (\$2M):** The Initiative at Boston College, founded and led by national heirs property expert Professor Thomas W. Mitchell, will produce research and policy recommendations to preserve and expand property rights for underserved communities. The Initiative will also engage in community outreach and train law students, which will enhance national awareness about heirs property challenges and solutions.
- » **Alcorn State University Foundation (\$300K):** The SDFR Policy Center located at Alcorn State University will lead a team to conduct research and outline recommendations for the ethical use of public heirs property data to protect vulnerable heirs property owners from being exploited by those seeking to acquire properties at below market value.

- » **Federation of Southern Cooperatives Land Assistance Fund (\$150K):** The Federation, a regional cooperative and rural economic development organization, will expand their legal assistance with rural landowners in seven Southeastern U.S. states—including Georgia—and uses these types of insights to bolster its research and educational efforts that support impacted individuals and communities.
- » **The Brookings Institution and Economic Architecture (\$2.3M):** Economic Architecture and the Brookings Institution have partnered to launch the second iteration of the Valuing Homes in Black Communities challenge, which will identify the most promising market- and policy-based structural innovations to address the devaluation of homes in Black neighborhoods.
- » **LISC Jacksonville (\$500K):** LISC Jacksonville, a Community Development Financial Institution (CDFI), is expanding its Heirs Property and

Family Wealth Creation programs, a comprehensive model that preserves homeownership and increases home equity by addressing heirs property through free estate planning assistance and legal services for local families.

- » **Howard University Legal Clinic (\$500K):** Howard University has established an estate planning and heirs property legal clinic that trains future attorneys and provides free legal services to Washington, D.C., and Maryland residents. Since launching in 2023, the clinic has supported over 75 clients and trained 20 students.
- » **Center for NYC Neighborhoods (\$889K):** The Center, a community-based nonprofit organization, is working to build capacity to deliver free estate planning and raise awareness about its importance among Black homeowners in Brooklyn and the Bronx.
- » **Catapult Greater Pittsburgh (\$3M):** Catapult, a community-based nonprofit organization, is expanding its Clinic for Legal Equity and Repair (CLEAR), which supports people living in Allegheny County who do not have a legal title to the property in their name. CLEAR participants are eligible for home repairs, title clearance, and estate planning to ensure they can grow their wealth and transfer assets across generations. Catapult will also acquire and rehab vacant or abandoned properties in the community to stabilize neighborhoods.

WELLS FARGO EXPANDS AVAILABILITY OF CLOSING COST CREDIT

Wells Fargo has announced the expansion of its “Dream. Plan. Home.” closing cost credit to an additional 16 metro markets across the country. The closing cost credit provides up to \$5,000 to make it easier for low- and moderate-income



families to purchase a home. The credit may be applied toward nonrecurring closing costs—which can include items such as appraisal fees, processing fees, title-related fees, recording fees, and city/county/state tax stamps—that can be a key barrier to homeownership but often are overlooked by potential buyers. As of April 30, 2024, more than 4,500 Wells Fargo customers have used the closing cost credit.

“Homeownership can help bring about financial security, stable communities, and—most of all—a safe, comfortable place to live, learn, and grow,” said Kevin Reen, head of Wells Fargo Home Lending. “Families are eager to become homeowners for the first time or to purchase a home that better fits their needs. Expanding the availability of the Dream. Plan. Home. closing cost credit is another key component of Wells Fargo’s efforts to help drive economic growth, sustainable homeownership, and neighborhood stability in low- to moderate-income communities.”

Borrowers with a combined income of up to 80% of their Area Median Income where the subject property is located may be eligible to obtain a

Dream. Plan. Home. closing cost credit if they are purchasing a home that will be their primary residence. To qualify for the credit, homebuyers also must be getting a conventional/conforming or U.S. Department of Veterans Affairs fixed- or adjustable-rate mortgage from Wells Fargo Home Lending. In addition to previously announced markets, the credit is now available to qualified homebuyers purchasing a home in these additional metropolitan areas:

- » Anaheim-Santa Ana-Irvine, CA
- » Austin-Round Rock-San Marcos, TX
- » Denver-Aurora-Centennial, CO
- » Fort Lauderdale-Pompano Beach-Sunrise, FL
- » Greensboro-High Point, NC
- » Las Vegas-Henderson-North Las Vegas, NV
- » Miami-Miami Beach-Kendall, FL
- » Phoenix-Mesa-Chandler, AZ
- » Portland-Vancouver-Hillsboro, OR-WA
- » Raleigh-Cary, NC
- » Sacramento-Roseville-Folsom, CA
- » San Antonio-New Braunfels, TX
- » San Diego-Chula Vista-Carlsbad, CA
- » San Francisco-San Mateo-Redwood City, CA

- » San Jose-Sunnyvale-Santa Clara, CA
- » West Palm Beach-Boca Raton-Delray Beach, FL

Wells Fargo’s longstanding commitment to the people and communities the company serves also is evidenced by other ongoing initiatives, including:

- » Investing \$100 million to advance racial equity in homeownership, including expanding our strategic partnerships with the National Urban League and UnidosUS to broaden community outreach efforts, providing homebuying readiness and counseling, and working to eliminate systemic obstacles that prevent many Black and Hispanic or Latino customers from achieving their homeownership goals.
- » Investing \$60 million in Wealth Opportunities Realized Through Homeownership (WORTH) grant funding from 2022 to 2025 through the Wells Fargo Foundation. The grants will open opportunities for 40,000 new homeowners of color through a multi-sector approach focused on reducing racial and ethnic gaps in homeownership and wealth.

GATEWAY LAUNCHES MILITARY MORTGAGE ADVISOR CERTIFICATION

Gateway Mortgage, a division of Gateway First Bank, is a provider of Veteran's Affairs (VA) Home Loans to America's Active-Duty military personnel, honorably discharged Veterans, surviving spouses, Reservists, and the National Guard. As a part of the company's commitment to the armed forces, Gateway is launching a new Military Mortgage Advisor certification.

Because VA Home Loans are unique compared to other types of mortgage products, Gateway wants to ensure our loan origination team is extremely well versed so that the home loan process is easy and as stress-free as possible," said Mark Revard, Divisional EVP and National Production Manager for Gateway. "Often, the home purchase process begins while military members are deployed overseas and preparing to return to the United States."

VA Loans provide tremendous advantages that enable homeownership for the men and women who have served our country in the U.S. military. Since the U.S. Department of Veteran Affairs partially insures these loans, unique benefits include up to 100% financing with no down payment, easier qualification requirements, reduced interest rates, lower closing costs, and no required Private Mortgage Insurance (PMI).

"Gateway proudly offers this program to those who have answered the call to defend the freedoms all American families enjoy daily," said Jack Little, Area Manager in Bluffton, South Carolina. "Gateway's commitment to our service men and women can be seen by the service and products we offer and in how we partner with Folds of Honor. A portion of every closed home loan is donated to help with educational scholarships for the families of fallen and injured service men and women."

To date, Gateway has donated over \$700,000 to Folds of Honor. Little headed the committee that designed the Military Mortgage Certification program.



VA Loans provide tremendous advantages that enable homeownership for the men and women who have served our country in the U.S. military.

ADFITECH RE-BRANDS AS MORTGAGE CONNECT RISK SOLUTIONS

Adfitech, a provider of quality control and risk management services for the mortgage industry, has rebranded as Mortgage Connect Risk Solutions, a name that reflects its place under the umbrella of its parent company, Mortgage Connect LP.

Mortgage Connect—a national mortgage services provider for the nation's largest financial institutions, investors, and servicers—acquired Adfitech in 2022 to expand its presence in the third-party due diligence market. In February, the company appointed widely known industry veteran Kim Hoffman, CMB, AMP, to head the company as President. Under Hoffman's leadership, Mortgage Connect Risk Solutions is leaning heavily into technology-enabled solutions in the quality control, risk management, and due diligence sectors.

"This pivot to Mortgage Connect Risk Solutions is the final step needed to solidify our position as part of the Mortgage Connect family," Hoffman said. "With the support of our parent company, we can continue to expand and offer the mortgage industry access to the most trusted, experienced quality control, risk management, and due diligence solutions. We will leverage Mortgage Connect's industry reputation to bring the thought leadership and innovation that the company is well known for."

Mortgage Connect Risk Solutions, which is approved by all five major rating agencies, offers a suite of services that includes all phases of mortgage quality control, mortgage due diligence and fulfillment, pre-funding quality control, servicing quality control, MERS registrations/transfers and annual attestations, TPRs, and secure loan document management. It provides these critical risk management services to more than 300 clients, including six of the top 10 mortgage lenders, several high-profile Wall Street firms, and numerous banks and independent mortgage companies.

“Mortgage Connect Risk Solutions is solely focused on protecting its clients from the risks inherent in mortgage lending, a mission that it started as Adfitech 40 years ago and one that it continues now as part of the Mortgage Connect family,” said Jeff Coury, CEO of Mortgage Connect. “As seasoned experts on loan quality, Kim and her team are dedicated to providing unparalleled knowledge, expertise, and reliability for our clients. We are excited to show the industry what this next chapter holds for the industry’s most trusted due diligence provider.”

NEW AMERICAN FUNDING ANNOUNCES NAF BLACK IMPACT TO INCREASE LENDING AMONG BLACK COMMUNITIES

New American Funding (NAF), a national mortgage lender, has announced the launch of NAF Black Impact, formerly known as NAF Dream. NAF Black Impact empowers and supports the Black community in their pursuit of homeownership.

NAF Dream launched in 2016, focusing on loan officer recruitment, education, and efforts to expand Black homeownership. Acknowledging the ongoing success of the program, NAF is renaming the program NAF Black Impact to signify the company’s commitment to taking direct, action-oriented steps to address credit accessibility and promote sustainable and equitable homeownership for Black individuals and communities.

Additionally, this name change reflects the company’s growing dedication to assisting Black borrowers in overcoming systemic barriers that have perpetuated disparities in homeownership for many years, as highlighted in NAF’s recently released white paper, *Empowering Homeownership in Diverse Communities*.

“Increasing homeownership rates

“Increasing homeownership rates in the Black community is a critical step toward closing the racial homeownership gap.”

—Patty Arvielo, Co-Founder and CEO, New American Funding



in the Black community is a critical step toward closing the racial homeownership gap,” said Patty Arvielo, New American Funding Co-Founder and CEO. “For us, this is much more than a rebrand of the initiative. This was a necessary step to demonstrate our responsibility to the Black community. NAF Black Impact means that we commit to providing access to mortgages and financial resources to help more Black families achieve homeownership. By providing the necessary support, we believe that we can make a difference and create a more equitable society for all.”

Through NAF Black Impact, NAF will help to foster opportunities for Black families and break down barriers to homeownership. To this end, NAF has committed to extending \$20 billion in new mortgages to Black homebuyers by the year 2028.

“We are thrilled to continue the legacy of NAF Dream and extend our support to more Black families,” said Mosi Gatling, NAF SVP of Strategic Growth and Expansion. “We are firm in our belief that homeownership should be within everyone’s reach, and we are dedicated to transforming this vision into a reality. We want NAF to become the place where all Black families feel comfortable and supported in their

homeownership journey. We want them to know that NAF is here for them.”

NAF Black Impact is partnering with real estate agents, lenders, and community organizations to ensure that Black homebuyers have access to fair and affordable housing options. NAF is also providing the Black community with access to educational resources, products, services, partnerships, and in-market support to drive sustainable homebuying and investment purchase goals.

By offering resources and advocacy, NAF Black Impact will help individuals and families achieve their dreams of homeownership and work towards creating a brighter future for generations to come.

OCWEN FINANCIAL OFFICIALLY REBRANDS AS ONITY GROUP

Onity Group Inc., a nonbank mortgage servicer and originator, has announced that it has officially started operating under its new brand name effective June 10, 2024, replacing its former name, Ocwen Financial Corporation.

The company's common stock is expected to begin trading on the New York Stock Exchange under the symbol "ONIT."

Glen A. Messina, Chair, President, and CEO of Onity Group, said, "Today marks the start of a new era for our Company and signifies our transformation, growth and expansion into a balanced and diversified business. We are proud of what we have built—a strong servicing platform with industry-leading cost and operational performance, multi-channel originations and asset management capabilities, and a technology-enabled global platform."

Messina continued, "This is more than just a name change. It is part of the continued evolution of our company that started more than five years ago. We now have a brand identity that reflects our company, our people, and our commitment to delivering results. Our new name, derived from the phrase 'on it,' our tagline, 'we get it done,' and our vibrant, energetic visual identity collectively stand for a company that takes action, follows through on its commitments, and is relentless in creating success for its customers and stakeholders. Onity represents who we are today, and I am excited for what the future holds."

Onity's primary brands, PHH Mortgage Corporation and Liberty Reverse Mortgage, are expected to begin rebranding to Onity Mortgage in the fall of this year.

MCS INTRODUCES HVAC SERVICING AND MAINTENANCE BUSINESS LINE

MCS, a national property services provider, has announced the launch of a new heating, ventilation, and air conditioning (HVAC) repair and servicing business line for residential/Single Family Rental (SFR) and commercial properties in five states, expanding the company's core property maintenance services. Refrigeration maintenance and repair services, along with HVAC, are also available for commercial facilities

maintenance clients of Chain Store Maintenance—an MCS Company.

This new offering from MCS was driven based on the demand for quality, licensed HVAC services in markets the company serves, and its ability to leverage its local service centers, self-performing capabilities, technology platform, and expertise in residential maintenance.

MCS has already secured HVAC licenses in five states including Arizona, Florida, Georgia, Ohio, and Texas with plans to expand into 25 or more states over time. All HVAC work conducted by MCS follows the strictest American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) guidelines and standards, and includes a variety of repair and ongoing preventative maintenance services such as:

- » Full AC and heating unit replacements
- » Proactive and reactive maintenance including coil cleaning and filter changes
- » Repairs including fan and condenser replacements
- » Duct work
- » Thermostat installations and replacements
- » Commercial refrigeration services cover walk-in freezers and refrigerators, ice machines, prep tables and reach-in coolers

"We're excited to unveil our new HVAC maintenance and repair platform, which underscores the MCS commitment of delivering a comprehensive suite of top-quality services to our customers," said Andrew Nolan, President of Commercial and Residential Services at MCS. "Consistent with everything we do, the HVAC technicians on our team are experienced and knowledgeable in the market, and our commitment to adhering to ASHRAE standards provides our customers with the assurance all work will be completed based on the highest standards in the industry."

The new HVAC business line also serves as an extension of the company's recently launched custom home remodeling services initiative, currently offered in the Phoenix and Dallas-Fort Worth metros with future markets expected.

"We're excited to unveil our new HVAC maintenance and repair platform, which underscores the MCS commitment of delivering a comprehensive suite of top-quality services to our customers."

—Andrew Nolan,
President of Commercial and Residential Services, MCS

5 Things TO LOOK FORWARD TO AT FIVE STAR CONFERENCE

The annual **Five Star Conference** returns to Dallas this September with a new venue and a redesigned agenda. Here are the events within the event that you won't want to miss.

Returning to Dallas this September 24-26, the Five Star Conference and Expo is the premier mortgage conference that 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.

Each year, the Five Star Conference brings attendees multiple days of networking, education, programming, and entertainment, and 2024's conference will be no exception. With a brand-new venue to explore and a full agenda of programming and activities to keep you occupied, here are 5 Things to Look Forward to at Five Star Conference.



1 Brand-New Venue: Omni Dallas Hotel

This year's Five Star Conference has a brand-new home for 2024: the Omni Dallas Hotel. Located near an array of downtown restaurants, shops, and the popular Dallas Arts District, the Omni Dallas features a rooftop pool deck and heated outdoor infinity pool, fitness center, and guest rooms and suites featuring creative works by local Texas artists. For more information on the Omni Dallas and to secure your hotel registration, visit fivestarconference.com/2024/venue.



2 Keys for Life Opening Luncheon

Sept. 24, 11:30 a.m. - 1:00 p.m.

Kick off your Five Star Conference experience with the Keys for Life Opening Luncheon, which serves as the initial assembly for all participants, establishing the foundation for the entire conference. Attendees will gain insights into maximizing their Five Star experience and identifying the most beneficial sessions to attend throughout the week. During the program, Five Star's Ed Delgado will sit down with Stanley C. Middleman, President and CEO of Freedom Mortgage Corporation, for a valuable State of the Industry discussion on what to expect in the coming months. Other highlights of the luncheon will include the presentation of the prestigious 2024 Lifetime Achievement Award, a special Keys for Life presentation honoring veterans, and the introduction of our silent auction.





3 Forums, Rallies & Roundtables

The Five Star Forums are at the heart of the conference's educational programming, each offering several hours of panel discussions, keynote speeches, and fireside chats on relevant industry topics. This year's Forums include a couple of returning favorites alongside a few new additions, all alongside such returning networking and educational events as the FORCE Rally and the Single-Family Rental RoundTable. Mark your calendars for this year's lineup below!

FORCE Rally

Sept. 24, 1:15 - 5:00 p.m.

The market landscape is changing. Despite easing inflation and interest rates, the uncertainties of an election year leave many questions about where the market is headed in the months and years ahead. You need to know what to expect and how to prepare. The 2024 FORCE Rally will bring you relevant content, top-tier speakers, and exclusive insights so you can evolve your business to the next level amidst an unpredictable and tumultuous economic landscape.

Property Preservation Forum

Sept. 24, 1:15 - 5:00 p.m.

Property preservation remains a critical tool in helping prevent blight and ensure properties are returned to the market for future homebuyers, but economic conditions continue to level headwinds at professionals within this space. Join us as field services

companies and their servicer clients provide insights into the current trends and challenges within property preservation.

MTech Forum

Sept. 25, 9:00 - 11:45 a.m.

Join us as a host of tech and subject matter experts take a deep dive into how technology is driving our industry forward but also creating hazards that must be addressed and accounted for as we move forward. Speakers and panelists will take us on deep dives into topics such as artificial intelligence, cybersecurity, and mortgage servicing technology innovations.

Mortgage Servicing Forum

Sept. 25, 1:30 - 4:45 p.m.

From loss mitigation to navigating compliance concerns and the potential industry impact in an uncertain election year, the Mortgage Servicing Forum

brings together top mortgage servicing executives, economists, and government representatives to discuss the challenges facing our industry and determine the best paths forward.

Single-Family Rental Roundtable

Sept. 25, 1:30 - 4:45 p.m.

Investors, service providers, and subject matter experts will explore how volatile factors such as inflation, escalating interest rates, and affordability concerns impact the ongoing growth and investment opportunities in the single-family rental market. Don't miss critical discussions that examine the current state of the single-family rental industry, covering topics from lending strategies to property management, tech tools, build-for-rent demand, and much more.

NPL Forum

Sept. 26, 9:00 - 11:30 a.m.

A new addition to this year's Five Star Conference, the NPL Forum will tackle topics ranging from non-performing loans, foreclosures, REO, and the buying and selling of distressed assets. Hear from a diverse array of speakers ranging from servicing executives to investors as they guide you through the current headwinds and best practices within the nonperforming assets arena.



4 Certifications & Class Pass

Power up your Five Star Conference experience by partaking in our certifications and class passes. For more information on this material and how to sign up for it, visit fivestarconference.com/2024/agenda_Certs_ClassPass_FORCE.

- » The FORCE is offering an eight-hour certification course (Broker Master Class) and eight different one-hour classes to enhance your knowledge and professional skills. While the content is primarily designed for agents and brokers, the certification and classes are open to all conference attendees through purchasing the appropriate add-on.
 - The Broker Master Class certification runs all day on Monday prior to the start of the conference on Tuesday.
 - The Class Pass gives you access to eight different courses that occur on Wednesday, where six classes will be offered in the morning and six in the afternoon, with four of the six classes repeating to allow for scheduling flexibility.
- » Our Broker Master Class will provide you with the information you need to thrive as a broker. Unlike other classes, this is not about how to become a broker, but how to be a successful one. It's a holistic program that includes:
 - Nuts and bolts of Business Management
 - Technology—project management, marketing, expenses tracking
 - Best practices for running your business
 - Mental health & work-life balance
 - Team Building
 - Customer Service
 - Marketing

5 Women in Housing Awards Luncheon

Sept. 26, 11:30 a.m. - 1:30 p.m.

Five Star's 13th annual Women in Housing Leadership Awards recognizes the tremendous achievements of remarkable businesswomen whose contributions will continue to impact the housing and mortgage servicing industry for years to come. The program will include the highly anticipated "Inside the She-Suite" discussion that features the industry's top-ranking female executives addressing the challenges and sharing inspirational successes they've encountered throughout their careers. Join us at the closing celebration to meet this year's outstanding finalists and hear how industry leaders are forging the way for future women in housing. For more information and to nominate colleagues for the awards, visit fivestarconference.com/2024/women_in_housing_awards.



FROM THE WHITE HOUSE TO MAIN STREET

As the November elections near, what ripple effects will the next administration have on the housing industry? *MortgagePoint* gathered a panel of experts to dig deeper into the impact of the Presidential Elections and potential changes in the White House.

By ERIC C. PECK

Political cartoonist and “Father of the American Cartoon” Thomas Nast, while not necessarily a household name, is renowned for illustrating a number of famous and iconic drawings. From modern images of Santa Claus and Uncle Sam, Nast also popularized the donkey to represent the Democratic party and the elephant for the Republican party.

As we near November and Election Day, that animal representing a political party may not be the only elephant in the room as the ongoing issues surrounding the housing market linger near the top of many Americans’ minds. All candidates, no matter what party they lead, will be tasked with providing solutions to address the record-high median prices and mortgage rates that continue to shut out many from achieving the American Dream.

To get a preview of what November may hold for the housing industry, *MortgagePoint* reached out to a cross-section of industry experts to get their insights on how the housing market and mortgage industry may be affected by this year’s election, and how companies should be preparing.



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*.



Pete Carroll serves as EVP, Public Policy and Industry Relations for CoreLogic, where he oversees industry and

public-sector engagement programs, drives enterprise strategic initiatives, and expands opportunities for the company’s thought leadership, insights, brand awareness, and solutions expertise within Washington, D.C., across federal housing agencies and other stakeholders.



Jacob Channel, Senior Economist for LendingTree, conducts studies on a wide variety of subjects related to the nation’s

housing market, and provides general macroeconomic analysis. Channel joined LendingTree in 2018 as an intern before moving into his current position. His work has been featured in major publications including the *New York Times*, *Bloomberg*, *Forbes*, and *CNBC*, and he has appeared as a guest on Cheddar TV and Yahoo! Finance.



Larry Goldstone, President, Capital Markets and Lending, BSI Financial Services, is responsible for the

structuring and growth of BSI’s excess spread mortgage servicing rights (MSRs) initiatives. He works with institutional investors and other capital partners that are looking to invest in MSRs. Goldstone helps with structuring transactions acceptable to the agencies, acquiring MSRs in bulk and flow channels, providing leverage financing options, and setting up advanced financing facilities. He is also responsible for BSI’s



Home Lending Division and Ancillary Services businesses, which include a title company, an REO disposition company, a foreclosure trustee, and a quality control review business. Prior to BSI, Goldstone was Founder and CEO of Thornburg Mortgage, a NYSE-listed mortgage REIT focused on agency and private-label RMBS portfolio investing and high-quality jumbo lending and securitization.



Rick Sharga serves as President & CEO of CJ Patrick Company, a market intelligence firm geared towards real

estate and mortgage companies. As one of the country's most frequently quoted sources on real estate, mortgage, and foreclosure trends, Sharga has appeared on CNBC, CBS News, NBC News, CNN, ABC News, FOX, and Bloomberg. He is a founding member of the National Mortgage Servicing Association (NMSA) and sits on the Board of the National Association of Default Professionals. He has more than 20 years of experience in the industry, including roles as EVP at ATTOM Data, Carrington Mortgage Holdings, RealtyTrac, and Chief Marketing Officer at Auction.com.



Q: What do you anticipate will be the primary impact on mortgage and housing if President Biden wins re-election in November? How do you anticipate the housing and mortgage markets may evolve over the next four years of that administration?

Pete Carroll: The primary impact on housing and mortgage under President Biden will be the status quo of focusing on the broader narratives of so-called “junk fees” and perceived “anticompetitive behaviors.”

We will see a continued focus on increasing affordability and equity in housing, as well as continued scrutiny of so-called “junk fees” in rental housing and increases in certain mortgage closing costs. As part of addressing the expiration of the Tax Cuts and Jobs Act, President Biden

might use that opportunity to persuade Congress to include tax credits to stimulate new housing supply and subsidies to provide down payment and rental assistance to first-time homebuyers and lower income families. Maintaining the increased annual rate of immigration may provide a tailwind for construction labor critical to stimulating new housing supply.

We also expect to see continued focus on climate-related financial risks to homes, including how these risks are contributing to the disruption of homeowners’ insurance availability, and the costs and benefits of investing in municipal infrastructure and home adaptations to make for more resilient communities.

Jacob Channel: President Biden has laid out a robust set of policy goals related to housing. For example, the Biden Administration outlined several proposals including a mortgage relief tax credit designed to make homebuying more affordable to middle-class first-time buyers, a call on Congress to expand down payment assistance for first-generation homeowners, FHFA rule changes to reduce mortgage closing costs, tax credits and other incentives to help build and preserve more affordable housing units, and tighter regulation of the rental industry to help keep costs lower for renters.

Thus far, many of these proposals have not come to fruition, owing in large part to inaction from Congress. But changes like reduced mortgage insurance (MI) premiums for FHA mortgages have gone into effect. If Biden wins another term, I imagine that we will see his Administration continue to push these proposals, and we may even see more Congress-bypassing executive action that, among other things, aims to compel federal agencies to reduce fees on government-backed mortgages.

That said, I do not anticipate that we will see a major overhaul of the broader mortgage industry or massive changes to the housing market over the next four years should Biden win. That would require Congressional action that doesn't seem likely barring some unforeseen sweep by Democrats in both chambers of Congress and the presidency in November.

With that in mind, another Biden term may force the broader mortgage industry to adopt some changes and deal with more regulation, but, again, things probably

are not going to change too dramatically. Unfortunately, this means that even if the market becomes a bit more affordable, many will struggle with housing costs in another Biden term.

Larry Goldstone: There are various aspects to this question.

First, I suspect that not much will change if President Biden is re-elected when it comes to interest-rate policy and the Fed. Biden is taking a hands-off approach and is not influencing the Fed and their interest-rate policies. There are certainly risks here, but the risks are double-edged. If the Fed is too tight, we will likely end up in a recession. If the Fed is too easy, we will have continued above-target inflation. Exactly right is hard to achieve.

Second, I think that the current administration has worked extremely hard to make foreclosure almost impossible. Most of the defaulted mortgages are in the Ginnie Mae portfolio. Ginnie Mae has continued to grow its portfolio, which also means its risk. I worry about those policies and the moral hazard created by those actions. Not everyone can afford to be a homeowner, and using taxpayers to backstop those that cannot afford to own a home is a problem.

Third, I do not expect that Biden will address the issue of what to do with Fannie Mae and Freddie Mac ... they seem to like the status quo. It serves both a public policy and social policy agenda for Dems, so I doubt they are motivated to resolve the conservatorship any time too soon.

Rick Sharga: The housing and mortgage markets are struggling to recover from Fed policy whiplash: several years of zero-interest-rate policies leading to historically low mortgage rates and soaring home prices followed by historically unprecedented hikes in the Fed Funds Rate, which doubled mortgage rates in a few months, decimating affordability and creating massive “rate lock” among millions of homeowners.

The most likely scenario—no matter which party occupies the White House in 2025—is that it will take several years to work through these issues ... several years of sluggish home sales, gradually declining mortgage rates, and slowly improving affordability resetting the market into a “new normal.”

That said, there are some fundamental differences in approach between President

Biden's administration and former President Trump's.

The Biden administration has focused primarily on programs and policies intended to improve affordability—both for homebuyers and renters. These programs have typically featured subsidies to renters and tax incentives to first-time homebuyers or homebuyers from underserved populations.

While well-intentioned, the latter are more likely to exacerbate affordability issues than improve them. The fundamental problem in today's housing market is lack of supply—especially entry-level homes—partly because builders have under-built for the past decade and over 60% of current homeowners are locked into their homes with sub-4% mortgage rates and simply cannot afford to sell their home and buy another.

The type of tax incentive programs the Biden administration is proposing are intended to make it more affordable for buyers to purchase a home, but these types of programs tend to bring more buyers to market, increasing demand against an already-insufficient supply, which will ultimately cause home prices to rise further, making homes even less affordable.

More recently, the Biden administration has begun discussing ways to increase supply. In fact, it recently released \$85 million in funding to 21 state and local governments to have them remove barriers to the construction of affordable housing. This is a step in the right direction but is likely to add only a minimal number of homes to the nation's inventory, which, unfortunately, will not make a dent in the massive, multimillion-unit shortage of homes across the country. But it at least shows that the administration is recognizing the need to address the supply/demand imbalance and is moving toward doing what it can to address it.

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Q What do you anticipate will be the primary impact on mortgage and housing if Donald Trump returns to office?

Pete Carroll: We expect President Trump's housing and mortgage policy priorities to be marked by a broader narrative

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of the continuing erosion of the independence of federal regulatory agencies and encouraging more private capital to re-enter the housing system.

A Trump administration will also need to address the expiration of the Tax Cuts and Jobs Act, which may incorporate supply-side stimulative tax credits, for which there is bipartisan support. We expect leadership changes at key independent regulatory agencies, including the Consumer Financial Protection Bureau (CFPB) and Federal Housing Finance Agency (FHFA). We expect new FHFA leadership to re-frame and de-emphasize the Government-Sponsored Enterprise (GSE) Equitable Housing Plans in favor of a renewed focus on recapitalizing and releasing the GSEs—Fannie Mae and Freddie Mac—from conservatorship. Amend-

ments to the GSE Preferred Stock Purchase Agreement (PSPA) between the Treasury and FHFA would likely limit GSE activities and risk-taking parameters post-conservatorship, encouraging greater private capital participation in mortgage markets. This would include the cancellation of certain pilot programs: for example, Freddie Mac's pilot program to purchase single-family, closed-end second mortgages.

Jacob Channel: In the past, the Trump administration's housing policy was somewhat vague and contradictory. On one hand, the COVID-era protections passed while Trump was in office did place limits and freezes on evictions and foreclosures (albeit only temporarily). The Trump administration also tried to attract investors to rundown neighborhoods by creating so-called “Opportunity Zones.”



On the other hand, budget proposals from the Trump administration called for cuts to government-funded housing aid programs, the Trump administration got rid of an Obama-era rule meant to reduce housing discrimination, and it imposed tariffs on Canadian lumber (something that can make building homes more expensive).

Generally speaking, housing policy does not appear to be a main priority for Donald Trump. Because of that, it is difficult to say what he has planned for the housing market/broader mortgage industry should he win another term. Given his past administration's actions, common Republican housing proposals, and comments he has made that make it seem like he is not a fan of things like low-income housing, my assumption is that Trump would try to deregulate the mortgage industry and otherwise gut government housing programs should he win in November.

Deregulation and less government involvement may be met with open arms by some within the mortgage industry, though I would argue that wanton deregulation often does more harm than good. For example, the deregulation that led to mortgage standards becoming too lax in the early 2000's was a major driver behind the Great Recession. While a housing crash does not necessarily seem likely in the next four

years regardless of who wins, I would say the likelihood of it would be higher should we see a second Trump term bring with it a lot of deregulation and the end of a number of government aid programs.

Of course, even if Trump does win and attempt to make serious housing-related changes, he will likely run into the same issues stemming from congressional inaction as Biden would. This might mean the broader market remains unchanged, albeit slightly more affordable than it is now.

Larry Goldstone: A return to the White House by Donald Trump gets a lot more interesting based on various statements he has made.

First, I would expect him to begin to push hard to influence the Federal Reserve. In fact, I suspect that if it is a Republican Congress as well, then the independence of the Fed is going to be called into question, if not stripped away. I also expect that he will be seeking to replace [Federal Reserve] Chairman Powell as soon as he can. Mr. Trump wants to pursue a dovish policy regarding rates in hopes of further stimulating growth. In the near term, that could bode well for housing affordability, but it will only exacerbate the housing shortage.

Second, I suspect that FHA and VA programs might be reined in, as they

have created a moral hazard opportunity for homeowners. So many homeowners have figured out that they can live in their homes and make no mortgage payments and live that way for years. Mr. Trump might close that loophole.

Third, I think that a Trump administration would like to try to find a way to release the GSEs from conservatorship. Depending on how that is done, I suspect that it will be a windfall for the wealthy, who buy and large are still shareholders of the GSEs. I am not sure I agree with that outcome, but I do not like the government using the GSEs as a tool to administer some policy objectives related to housing and home price affordability.

Rick Sharga: Based on his first term in office, it seems likely that a second Trump administration would focus on removing some of the regulatory hurdles faced by builders in an attempt to encourage them to build more homes, more quickly, and in more places. It is possible that the administration would attempt an expansion of the QOZ program (Qualified Opportunity Zones program) that was enacted with some success, providing tax incentives for investors and developers to build housing in underserved and economically challenged communities.

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Similarly, we could see the administration use a combined carrot-and-stick approach while working with state and local governments to remove barriers erected by NIMBY (Not in My Back Yard) communities to restrict construction of affordable housing.

Politically, it's almost a certainty that a Trump administration would put as much pressure as possible on Jerome Powell and the Federal Reserve to begin cutting the Fed Funds Rate, which in turn, would likely result in mortgage rates declining, improving affordability for homebuyers and enabling more current homeowners to finally sell their homes, adding to inventory, and probably slowing down the rate of home price appreciation.

There is also a chance that a Trump administration would unwind the conservatorship of Fannie Mae and Freddie Mac, which would allow private capital to

re-enter the mortgage market, and could have significant implications for originators, servicers, and participants in the secondary market.

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Q: What were some of the stronger policies enacted by the Biden administration that you felt impacted the housing space? Is it still too soon to measure the impact of these policies?

Pete Carroll: While tangible results may take some time to be realized, the Biden administration's extensive focus on housing affordability and equity have made an impact. Initiatives such as HUD's Inter-agency Task Force on Property Appraisal and Valuation Equity (PAVE) have shined

a light on and modified industry behaviors with respect to implicit or explicit bias in home appraisals.

The FHFA/GSE Equitable Housing Finance Plans and initiatives by the FHA and Ginnie Mae have significantly increased the availability of mortgage credit for low- to moderate-income (LMI) homebuyers while creating new programs to assist with the rehabilitation of single-family starter homes. These efforts have also shined a light on the chronic issues of undersupply of all types of housing, sparking numerous state and local initiatives to help address this crisis.

Rick Sharga: Unfortunately, housing policies tend to take a while to be implemented, and a longer time to have a significant impact, so it is hard to say how successful any of President Biden's initiatives have been or will be eventually.

Much of the focus to-date has been on subsidies to economically disadvantaged households to make renting more affordable, which is good for those tenants but not necessarily the type of program that will have a beneficial long-term impact.

Interestingly, some of the more impactful policies enacted by this administration were extensions of programs created by the Trump administration in the early days of the COVID-19 pandemic. President Biden extended both the foreclosure moratorium on residential properties with government-backed loans, and the CARES Act forbearance program, which helped more than eight million borrowers. His administration also oversaw the execution of the Homeowner Assistance Fund, which distributed \$10 billion to the states to be deployed in a manner that would help as many financially distressed homeowners as possible avoid foreclosure. Along with strong loan quality and a strong jobs market, those programs have led to historically low levels of mortgage delinquencies and defaults, which is good for both the mortgage industry and the housing market.

But the bottom line is that—fairly or unfairly—the Biden administration will go down in history as the administration in place when housing affordability was at its lowest point in U.S. history, and that fiscal and monetary policies over the past few years have contributed to home sales declining by 33%, decimating the mortgage industry in the process.

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Q: Is there a quick fix or plan that you feel either Presidential candidate can implement that would ease the housing affordability issue and get more first-time buyers into the housing marketplace?

Pete Carroll: There appears to be an emerging consensus view, across both sides of the aisle, that increasing the supply of all types of housing, whether for owner-occupancy or rental is paramount. A new and refreshed slate of federal agency liquidity programs, supply-side tax incentives, and municipal incentives that encourage financial institutions to make capital available for construction or rehabilitation of homes, that incentivize home builders to develop/rehab rental units and single family starter homes at price points that are affordable to low, moderate, and middle-income families, and that encourage municipal government agencies to ease zoning regulations will be crucial to bringing supply and demand back into balance, moderating the rate of increases for home prices and rental units, and reducing housing cost burden for families.

Larry Goldstone: I think that the housing affordability issue is going to resolve itself over time. To me, home prices reflect a bit of a housing bubble driven by artificially low interest rates during the pandemic. This is one of the unintended consequences, in my opinion. The loan-locked homeowners, the limited inventory of foreclosure home sales, and the high mortgage rates relative to other interest rate benchmarks have all conspired to impact home price availability and affordability. As I think about it—and I suspect I am in a minority of one—there are several dominoes that can fall to burst this home price bubble.

If the Fed is successful in its attempt to reduce inflation, they will also slow the economy, which will drive up unemployment, reduce inflation, and increase mortgage defaults. That environment will result if a reversal of Fed policy from tight policy to easy money as the Fed tries to fight recession. Reduced interest rates generally will reduce mortgage rates, po-

“I seriously doubt we will see pandemic-era levels of activity again anytime soon (if ever), but the broader mortgage industry will be a bit busier this time next year than it is now, regardless of who wins.”

—Jacob Channel, Senior Economist, LendingTree

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tentially disproportionately. Loan-locked homeowners will be far more inclined to sell in that environment, and I believe that there is a lot of pent-up interest in homeowners wanting to sell. That could bring a lot of supply to the market. As prices start to decrease because the supply side of the equation increases, more panic selling could occur as homeowners seek to monetize the equity they have built up in their homes—thus, the makings of a downward price cycle.

Do either of these Presidential candidates have a policy to implement? I do not think so. I am a believer in market forces.

Rick Sharga: The fundamental issue in the housing market today is that there's simply not enough inventory to meet the demand—even though demand has weakened as affordability has worsened. And there is really no “quick fix” to creating more supply, at least none that could be easily executed at the Federal level.

Either candidate might consider incentives and penalties for state and local governments that would encourage those entities to relax overly cumbersome restrictions that are currently preventing

construction or making it so expensive that building affordable housing is not a realistic option for builders.

As President, either Biden or Trump could explore some sort of public/private partnership that would create strong tax incentives to entice builders to build more affordable, entry-level homes, particularly in underserved communities where the need is greater and the supply extremely limited. Leveraging its massive footprint in the mortgage industry, the government could look for ways to create advantageous financing for homeowners with loans backed by Fannie Mae, Freddie Mac, the FHA, and the VA. And the government could look at restoring some tax benefits to homeowners, which would indirectly improve affordability by lowering tax burdens on households.

In terms of first-time buyers, demographics should provide all the tailwinds that the industry needs. The country has the largest number of young adults between the ages of 25-34 in history—prime ages for household formation—and moving toward the average age of a first-time buyer at 35. According to John Burns Research, approximately 12,000 people in

the country are turning 35 every day. First-time buyers account for about one-third of all purchases today, down from a long-term average of 38%. But if/when more affordable inventory comes to market, we may see those numbers increase again, and maybe surpass normal levels.

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Q: How should mortgage, mortgage servicing, and other related industries best be preparing for the election's impact either way?

Pete Carroll: Housing and mortgage policymaking is becoming increasingly politicized, with recent and pending Supreme Court cases weakening federal regulator independence. It is going to be increasingly important for stakeholders across the housing ecosystem to make their voices heard across both sides of the aisle that we need to achieve a more stable equilibrium for regulatory and investor counterparty policies, rather than bearing the costs and distractions associated with the yawing back and forth of housing policies with each political cycle.

Jacob Channel: Regardless of who wins, if the economy continues along its present course, the Fed eventually starts cutting interest rates, and the bond market calms down, then we will likely see more activity in the broader mortgage market as mortgage rates fall. I seriously doubt we will see pandemic-era levels of activity again anytime soon (if ever), but the broader mortgage industry will be a bit busier this time next year than it is now, regardless of who wins.

Because of that, the broader mortgage industry will likely need to prepare for more activity as we enter into 2025, and this may include more hiring.

If Biden wins, the industry may need to deal with more regulations, and some money-makers, like closing costs and insurance fees, may yield less profit than before.

If Trump wins, the industry may experience deregulation. This could drive short-term profits up, but without caution, it may result in risky behavior that ends up causing problems later down the line.

Altogether, with the election still a few

months off and the race still too close to call, I do not think the broader mortgage industry can do much to prepare for a second Biden or Trump administration outside of taking common-sense approaches to ensuring that they are properly staffed and that they understand regulations as they are currently written. I wish I could give a more specific piece of commentary or advice, but given how much is still unknown, I cannot.

Larry Goldstone: As a mortgage lender and servicer, we are hoping for less regulation and oversight. We will more likely get that with a Trump administration than a Biden administration. Consumers will fare worse under a Trump administration from a regulatory perspective. But, if I were just a selfish mortgage industry executive, I always hope for less regulation.

Actually, I hope for more intelligent regulation. A Trump administration will reduce regulation in a bad way. A Biden administration will increase regulation. Neither will find intelligent regulation.

Rick Sharga: Regardless of which candidate prevails in November, it is highly likely that the housing market will take a few years to recover. So, purchase loan activity may grow over the next few years, but relatively slowly, and refinance activity even more slowly unless mortgage rates drop more dramatically than most forecasters believe they will.

A second Biden administration is likely to deliver more of the same types of policy and oversight that we have seen for the past few years, possibly with more aggressive regulatory action from agencies like the CFPB. And we are likely to see more requirements for lenders to make financing more available to borrowers in underserved and disadvantaged communities, and for servicers to continue to develop new loss mitigation strategies to help borrowers avoid foreclosure.

Conversely, a second Trump administration could result in less regulatory oversight across the board. But it could also attempt to dramatically limit the government's role in today's mortgage market, and even end the conservatorship of Fannie Mae and Freddie Mac, which would undoubtedly create a fair amount of turmoil in originations, servicing, and the secondary market. **MP**

“Housing and mortgage policymaking is becoming increasingly politicized, with recent and pending Supreme Court cases weakening federal regulator independence.”

—Pete Carroll, SVP, Public Policy and Industry Relations, CoreLogic

EXPLORING OPPORTUNITIES IN MANUFACTURED HOUSING

Dave Howard of ServiceLink explains how manufactured housing presents added options for the next generation of homeowners in today's marketplace.

By DAVE HOWARD

The popularity of manufactured housing has ebbed and flowed over the last several decades, after striking an all-time high on shipments in the early 1970s. Since taking a dip in 2009, there has been a slow, but steady climb with more than 100,000 manufactured homes shipped in 2021, and a post-recession high reached in 2022 with 112,000 manufactured homes shipped, according to a 2023 report by the Joint Center for Housing Studies at Harvard University.

Today, there is a greater emphasis being placed on manufactured homes—both for borrower and lender—as a means for entry-level housing that can help address the steep inventory shortage nationwide.

With the addition of new amenities, upgraded finishes and improved quality of aesthetics and construction, in some cases it is hard to tell the difference between a manufactured home and site-built home. Regulations went into effect in 1976 that require new manufactured homes to meet federal standards defined by the U.S. Department of Housing & Urban Development (HUD). Over the last several years, these homes have become even more modernized.

For potential buyers in the Gen Z and millennials age groups—born between 1981 and 2012—these newly built, visually appealing homes provide another option to become a homeowner at a price they may be able to better afford.

Based on ServiceLink's 2024 State of Homebuying Report (SOHBR), these



younger generations are ready to take that first step to becoming a homeowner, with 63% of Gen Z, and 59% of millennials, surveyed saying they plan to buy this year. And while they have their eyes set on the prize, high housing costs and low availability could curtail their dreams. Of those surveyed—who either purchased or attempted to purchase a home in the last four years—79% of Gen Z and 71% of millennials reported less than \$100,000 in annual household income.

This is where manufactured housing becomes another avenue that could lead them to the finish line. With lower costs, shorter build times and all the modern amenities they now offer, Gen Z and mil-

lennials are giving them a look. A Freddie Mac survey indicated that 68% of millennials and 61% of Gen Z (along with 62% of Gen X) respondents said they are likely to consider buying a manufactured home.

For lenders, this opens up an added market to potentially increase revenue during a trying time.

The Cost Advantage for Buyers

In this volatile market, the cost to purchase a home remains high. In April, the National Association of Realtors (NAR) reported a median sale price of \$393,500, up 4.8% year over year. For a new build, that cost is even higher, coming in at a median sale price of \$430,700 in March, according to the U.S. Census Bureau. A perk of purchasing a manufactured home is the lower-level cost, which the Manufactured Housing Institute reports as \$85 per square foot, versus \$167.87 per square foot for a site-built home. Manufactured homes can be produced for less, as they're built in a factory where the process is streamlined and more efficient. A benefit of purchasing a manufactured home is the lower-level cost, which the Manufactured Housing Institute (MHI) reports as \$85 per square foot, versus \$167.87 per square foot for a site-built home. Manufactured homes can be produced for less, as they are built in a factory where the process is streamlined and more efficient.

Gen Z and millennials who are looking for a starter home with all the bells and whistles—often with lower incomes,

“For potential buyers in the Gen Z and millennials age groups—born between 1981 and 2012—these newly built, visually appealing homes provide another option to become a homeowner at a price they may be able to better afford.”





Homebuyers today might be surprised with the amount of square footage and amenities that can be packed into a manufactured home.”

—Dave Howard, EVP of Origination Services, ServiceLink

as they are earlier on in their careers—are faced with a choice: enter the highly competitive buyers’ market where homes in their price range likely do not come with all the modern amenities and make upgrades themselves, if they can afford it, or buy new. Depending on their situation, manufactured housing could provide that opportunity to purchase a new build at a relatively affordable price.

Energy Efficiency

The cost of a new home does not just come with the initial downpayment and monthly mortgage bills. Operating costs are another area buyers need to consider. How much are they able to afford in upkeep costs?

When it comes to buying a newly built manufactured home versus a likely older traditional home that buyers would get at a similar starter home price, there’s an advantage to new. Replacing the HVAC unit or buying a new hot water tank likely will not need to be done for several years in a new home.

According to Fannie Mae, the median all-in monthly cost for a manufactured home is \$925, or \$675 less per month than the owners of a site-built home paid.

Newer homes also typically come with more energy-efficient appliances, which will help owners save money in the long run. For Gen Z and millennial homebuyers, it is important to consider all costs, and what it will take to keep up with a home prior to purchasing.

A Quicker Build

With a more streamlined process, manufactured homes also are quicker to build than traditional site-built homes. Manufactured homes are constructed in factories and do not experience the weather and seasonal delays that a site-built home may be subject to.

While the speed varies based on a variety of circumstances, it is estimated that a manufactured home can be built in 40% of the time that it takes for a site-built home to be completed. Fannie Mae even cited one manufactured home producer as saying it only takes about six production days to complete a typical home build. Delivery and installation add additional time, but it is still feasible for a homeowner to move in within 90 days. A site-built home, on the

other hand, can take up to six months to build, the Fannie Mae study found.

Modern Amenities

According to ServiceLink’s 2024 ASOHR, Gen Z and millennials know what they are looking for in a home. Gen Z’s biggest desire is a larger house with more space, and millennials want a home with plenty of technology upgrades and amenities.

Homebuyers today might be surprised with the amount of square footage and amenities that can be packed into a manufactured home. For example, some manufactured home builders offer models with four to five bedrooms and 2,000-plus square feet to move around in. What’s more, these home types also offer modern amenities similar to what can be found in site-built homes. Today’s manufactured homes are not what you remember from your grandma. They often come with a choice of layout. Some even offer appliance upgrade packages, open floor plans, and vaulted ceilings.

Moving into a manufactured housing community can provide even greater offerings. Sometimes there are amenities including community pools, fitness centers, or playgrounds.

Why Lenders Are Taking Notice

For lenders, a difficult, competitive market means it is time to get creative. That could include offering financial incentives to attract borrowers or finding ways to bring in new customers. Lenders have to find a way to either be more successful selling in the market they are already in, or expand and find new markets and new customers.

In today’s market, lenders are doing both, and the proliferation of manufactured housing provides another avenue not just for borrowers, but also for lenders as an area of great opportunity. **MP**

—CELEBRATING 30 YEARS—

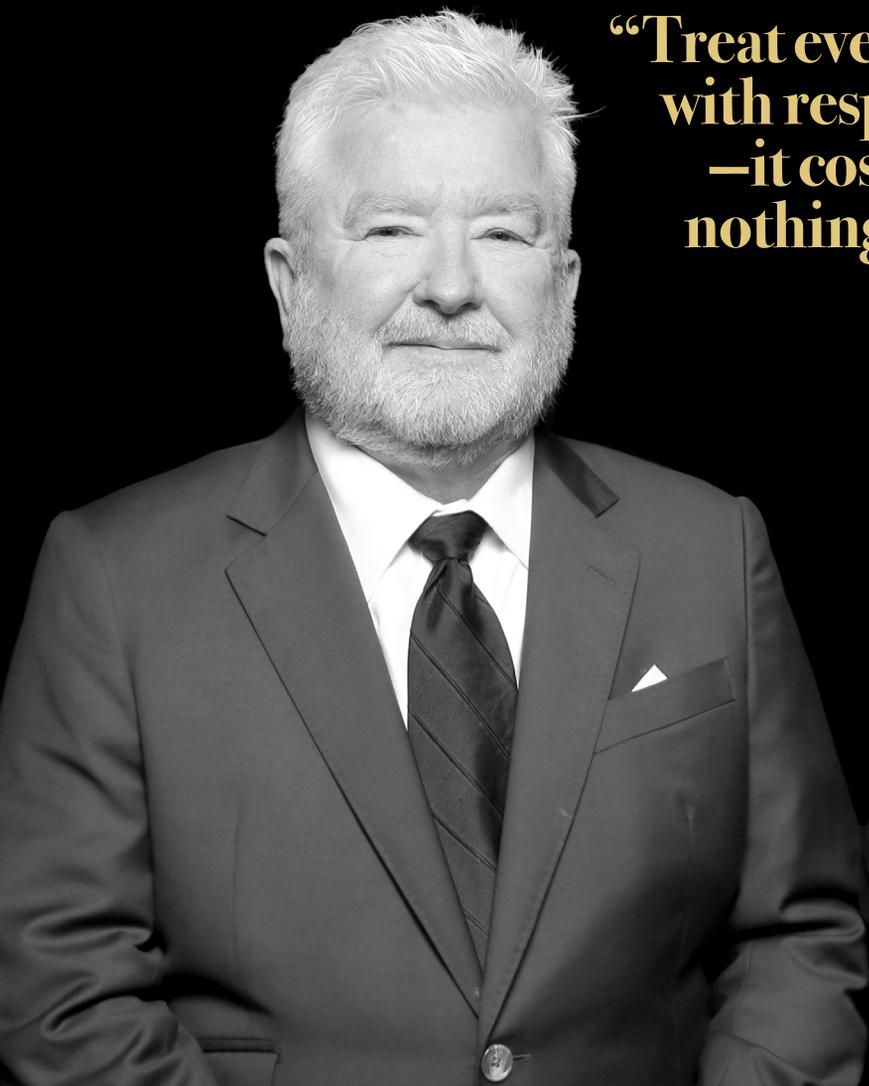
McPhail Sanchez, LLC

Kent D. McPhail and Brooke E. Sanchez

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AFFILIATIONS/MEMBERSHIPS: USFN, Legal League, Alabama Bar Association, Mississippi Bar Association, Florida Bar Association, Tennessee Bar Association. **GREATEST ACCOMPLISHMENT:** To date, the firm's greatest accomplishment has been its ability to continuously grow and thrive over the past quarter century, while never ceasing to provide the personalized and exceptional service that is its foundation. The firm has purposefully and successfully built a business model that allows the firm to continue to grow and handle larger volumes, never sacrificing the personal attention and responsiveness that are the foundation of the practice. **MOTTO:** Dedication, Excellence, Integrity. **CHARITABLE INTERESTS:** American Cancer Society.

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“Treat everyone
with respect
—it costs
nothing.”



A TALE OF TWO MORTGAGES

Legal League Chair Stephen M. Hladik details a recent Amicus Curiae filed on whether a “first” mortgage on a property could be divested by a foreclosure and the legal ramifications on the servicing industry.

By ERIC C. PECK

Attorney Stephen M. Hladik, on behalf of the Legal League and American Legal and Financial Network (ALFN), has filed a Brief of Amicus Curiae in the Superior Court of Pennsylvania Eastern District in the case of *Reverse Mortgage Funding LLC v. Foxfield at Naaman's Creek Homeowners Association, Mohamed Ahmadat and Raechelle Eventoff*.

The Background

The case of *Reverse Mortgage Funding LLC v. Foxfield at Naaman's Creek Homeowners Association, Mohamed Ahmadat and Raechelle Eventoff* was commenced by a homeowners' association (HOA) due to delinquent HOA assessments. The HOA initiated a foreclosure action under its HOA liens that proceeded to a Sheriff's Sale of the property. After the sale occurred, the HOA took the legal position that the HOA's Sheriff's Sale divested the first mortgage from the property, and the Trial Court agreed.

Note that the industry has fought this issue on numerous fronts nationwide, with most battles being waged in the state of Nevada, but this was the first decision of its kind rendered in the state of Pennsylvania. According to Hladik, in the trial judge's reading of the applicable statutes, only purchase money mortgages are saved from divestiture, and any mortgage sitting in the first lien position as a result of a refinance would not be saved from divestiture in an HOA foreclosure sale.



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*.

The Amicus Curiae filed on behalf of the Legal League and ALFN questions whether the Trial Court erred in finding that a “first” mortgage on a property could be divested by the foreclosure and Judicial Sheriff's Sale for a judgment on unpaid condominium assessments incurred after the recording of subject mortgage.

MortgagePoint had a chance to discuss the case with Hladik, a Principal in the law firm of Hladik, Onorato & Federman LLP, who also serves as Chair of Legal League, a professional association of financial services law firms uniquely positioned to drive progress in the mortgage servicing industry.

Hladik's Insights

Hladik: There are major implications for the mortgage industry if this decision were to be upheld. The Trial Court ruled

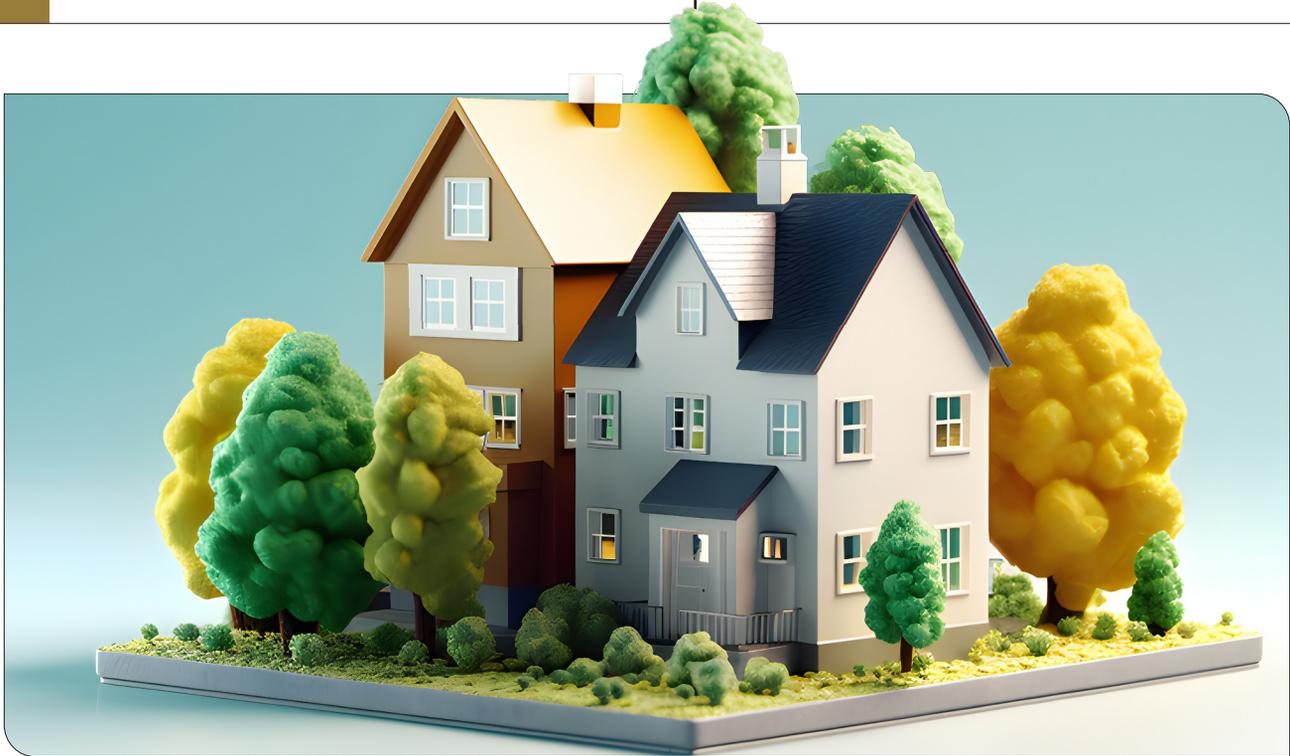
that only purchase money mortgages survive HOA Sheriff's Sales. If that legal conclusion is affirmed, then any mortgage in the first lien position as a result of a refinance could be subject to losing its mortgage if an HOA foreclosed. This would be a major change in the law as it is understood, and this will compel lenders to pay delinquent HOA liens or face divestiture.

Q: Can you explain a “judicial sale” of real estate? What is the responsibility of the buyer and seller involved, and what rights do they have?

Hladik: A “judicial sale” is a sale under the direction of the courts. These are sales that result from mortgage foreclosures, executions of money judgments on real estate, judicial tax sales, or HOAs. Traditionally, judicial sales are “buyer beware,” as the buyer is forewarned to check their title to ensure they are getting a marketable title.

Q: How does this case differ from your typical foreclosure sale?

Hladik: A foreclosure sale is the judicial execution on a property resulting from entry of a judgment in mortgage foreclosure. HOAs can foreclose their liens for assessments, but the underlying procedural practice is very different from a foreclosure until it comes to the setting



and handling of the sale itself. An HOA sale or a foreclosure sale is conducted by a sheriff, and they follow the same rules at that point.

Q: How does the ruling in this case impact the foreclosure space?

Hladik: The direct impact is on holders of first mortgage liens who can lose their liens as a result of an HOA foreclosure sale. There is not much impact on the mortgage foreclosure space, but foreclosure attorneys will have to be especially mindful in reviewing title searches during foreclosures to check whether there are any open HOA foreclosures or scheduled sales that could impact the lender's mortgage.

Q: Do "first mortgage" rules change state-by-state, or is there a uniform ruling on the definition of a "first mortgage?"

Hladik: The legal term of art "first mortgage" is generally understood around the country to mean the first mortgage lien on a property. It is interesting in this case how the Trial Court took the term "first mortgage" to mean the "initial" mortgage on a property (i.e., a purchase money mortgage).

Q: What do you and the teams from Legal League and ALFN hope to achieve by filing this Brief of Amicus Curiae?

Hladik: The efforts and advocacy of the Legal League and ALFN are important for the mortgage servicing industry. Key appellate cases like this could have a considerable impact on the mortgage lending industry. As such, it is important to get the voice of the industry in front of the Appellate Court and to help explain some of the intricacies of mortgage and title law that come into play. It is our hope that these efforts lead to a reversal of the Trial Court, and a clear articulation that a foreclosure sale conducted by an HOA cannot divest a first mortgage lien.

Q: Any final comments?

Hladik: We genuinely appreciate the efforts of the Advisory Council of the Legal League and the Amicus Briefs Committee of the ALFN for their work in producing and editing this brief on this legal issue. It takes a great commitment of time to produce these Amicus Briefs, and we appreciate how members from both organizations donated their time to this important case. **MP**

“Key appellate cases like this could have a considerable impact on the mortgage lending industry.”



—Stephen M. Hladik,
Attorney, Legal League Chair

HOUSING INVENTORY: HOW DID WE GET HERE?

Brian Cullen of SingleSource Property Solutions discusses the nation's hidden housing inventory and how to access it.

By ERIC C. PECK

Brian Cullen is CEO and Co-Founder of SingleSource (founded in 2000), a provider of property services supporting the U.S. housing industry. Brian's responsibilities include daily oversight of all aspects of the company as well as various strategic sales and marketing initiatives. He graduated from John Carroll University with a Bachelor of Science in business administration and received his MBA from the University of Pittsburgh.

MortgagePoint recently had the opportunity to chat with Cullen to discuss the nation's housing shortage issue and actions that can be taken to replenish the housing shortage.

Q: With U.S. housing inventory so tight right now, how can vacant properties play a role?

Brian Cullen: Vacant properties hold the potential to provide significant relief to today's inventory challenge. Many of these properties can be repaired and listed for sale, resulting in increased inventory and relieving some of the current pricing pressure. Of course, this is not possible with the vast majority of vacant properties available. Roughly half of the approximately 16 million vacant homes in the United States are vacation homes, second homes, or rental properties, and another four million are

permanently vacant. In most cases, the owners either do not want to sell or are not able to for various reasons.

That leaves vacant units that are foreclosures owned by the bank. Although it is difficult to determine the exact number of foreclosures, we have seen 15,000-20,000 national REO acquisitions per quarter over the last few quarters. By focusing on these properties, and refurbishing them if necessary, we can add viable options for buyers in a market thirsty for more choices. This not only helps potential homeowners, but also strengthens the vitality of local neighborhoods and supports the overall health of the real estate market.

Q: Why are there so many vacant properties?

Cullen: There are many factors at play, but one major reason is the impact of COVID-era foreclosure moratoria on the nation's banks. When these moratoria were put in place, all loans, including loans on vacant properties, were lumped into one moratorium bucket. This goes well beyond borrowers who were unable to afford their payments. It extends into life events like divorce and death, which are other reasons why properties are vacated and subsequently placed into the moratorium bucket. This has created an unnecessary bottleneck, causing

properties that could otherwise be available and habitable to sit empty. Even now, four years later, we are still seeing the effects of the foreclosure moratoria. In our view, it becomes a real missed opportunity for a market desperate for inventory.

Q: What is the downside of vacant properties?

Cullen: Vacant properties present a number of challenges, not only for the housing market, but also for neighborhoods and communities. When a home remains vacant, it is frequently because the mortgage has not been paid for some time. And if the borrower was not paying their mortgage, they probably were not paying property taxes or keeping the property in shape, either. Without regular maintenance, these homes can rapidly deteriorate, which can lead to code violations and legal and financial complications for whoever holds the asset.

By itself, neglect is a huge issue with vacant properties. It does not just impact the property in question—it creates a ripple effect on the surrounding neighborhood and area. When a vacant property is allowed to fall into disrepair, value will decline, and surrounding homeowners may see their property values decline as well. Plus, vacant homes often become





... because remote work has increased, many employees now have the flexibility to work from anywhere, so they no longer need to relocate for new job opportunities.”



—Brian Cullen, CEO and Co-Founder, SingleSource

magnets for vandalism and safety hazards. By addressing vacant properties proactively, we can prevent these negative outcomes and help maintain the vibrancy and safety of local communities.

Q: What is the biggest impact on the shortage of homes for sale right now?

Cullen: Interest rates are by far the biggest factor. Many borrowers have exceptionally low pandemic-era rates in place. If they decide to upgrade to a more expensive home, they are suddenly faced with the prospect of significantly higher rates, which could essentially double their existing mortgage payments. As a result, many homeowners are putting their move-up plans on hold.

Another factor is the general uncertainty in the market. Today's higher mortgage rates mean that home sellers either have to sacrifice size or quality if they want to keep roughly the same payment. Many are expecting interest rates will drop at some point in the future, so they have adopted a wait-and-see approach, hoping for a more favorable financial landscape that will make upgrading more affordable. This sort of collective hesitancy further exacerbates the shortage of available homes.

A third factor is a decrease in new residential construction, which was exacerbated by COVID-19 and the disruption to supply chains. This has led to shortages in building materials and delays in construction projects, which have not only slowed the pace of new home completions but also escalated construction costs. This is restraining the availability of new housing supply as well.

Q: What other impact did COVID-19 have on housing supply?

Cullen: Prior to the pandemic, it was standard practice for employees to move when they got a new job in another city, which naturally led to homes being sold and added to the market. But because remote work has increased, many employees now have the flexibility to work from anywhere, so they no longer need to relocate for new job opportunities. And because the

United States is also experiencing a labor shortage, employers are not in a position to require employees to move, either. In fact, many companies have already reduced their office footprint during the past several years. All these factors combined mean that housing inventory is not being refreshed at the same rate as it normally did pre-COVID-19, contributing to the current tightness in the housing market.

Q: What can be done to ease the national home inventory shortage?

Cullen: Addressing the inventory shortage is a big challenge. But one thing that will help is adjusting bank regulations to encourage the foreclosure processing of vacant properties. Again, these properties are often vacant due to various life events like a death or a divorce—the homeowners have already relinquished their keys and moved on. By transitioning these properties into for-sale inventory, we could see a notable easing of the current inventory squeeze nationwide.

At SingleSource, we are deeply committed to this effort. Since our founding, we have helped bring \$4 billion in residential properties to market, including vacant properties. In fact, supporting the health and vitality of local communities by turning vacant homes around quickly and efficiently is one of the most rewarding aspects of our work. Ultimately, solving the inventory challenge of today will require a collective effort from the entire industry. **MP**



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"I love that AMDC is helping our industry enhance, embrace and educate people on Diversity, Equity and Inclusion. I am so passionate about DEI because I KNOW we are truly better together. I am honored to be a part of both Mr. Cooper and AMDC DEI journeys."

—Toniqua Green, VP Corporate Social Responsibility, Mr. Cooper

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EAB Outlook

Members of *MortgagePoint's* Editorial Advisory Board share their insights into the trends and challenges shaping the industry landscape this month.



Daren Blomquist

VP of Market
Economics,
Auction.com

In his role, Daren Blomquist analyzes and forecasts complex macro- and micro-economic data trends within the marketplace and greater industry to provide value to both buyers and sellers using the Auction.com platform. Blomquist's reports and analysis have been cited by thousands of media outlets nationwide, including the *Wall Street Journal*, the *New York Times*, and *USA TODAY*, and on many national network broadcasts, including CBS, ABC, CNN, CNBC, FOX Business, and Bloomberg.

Q: What industry risks are keeping you up at night?

Blomquist: The persistent gap between actual home prices and affordable home prices based on historic price-to-income ratios. This gap has come down from its peak of around 30% in 2021, but it's still at more than 20%—meaning actual home

prices are 20% higher than the historically affordable home prices. While a low supply of housing has so far provided a cushion against this gap collapsing quickly in the form of a sharp home price correction, supply is slowly creeping back, and that leaves less cushion against a home price correction. Meanwhile, several looming threats could potentially pull out the cushion completely, including rising “hidden” homeownership costs of insurance and property taxes in many markets, rising delinquency rates for consumer debt such as credit cards and auto loans, and falling values and rising defaults in segments of the commercial real estate market.

Q: What loss mitigation changes are you anticipating and preparing for in the months ahead, and how so?

Blomquist: The pandemic disrupted the loss mitigation waterfall, mostly in good ways that benefit distressed homeowners, and we're now seeing the long-term impacts of that disruption play out. In the shorter term, leading up to the election, I don't expect major changes to

loss mitigation programs unless there is a national or regional emergency that triggers emergency loss mitigation measures. Following the election, I would expect a gradual movement toward a more efficient loss mitigation process in which distressed homeowners move a bit more quickly to a final decision on what loss mitigation solution is the best fit for them. This trend toward a more efficient loss mitigation process would be welcome given that more time spent in the loss mitigation waterfall itself (without arriving at a solution) results in more lost equity for distressed homeowners. Our data clearly shows this lost equity phenomenon.

Q: What is one area where servicing should be focused on innovating or improving, and why?

Blomquist: Providing distressed homeowners with a graceful exit that preserves the maximum amount of equity in the property when no loss mitigation solution is a good fit for that homeowner. This graceful exit, by definition, will involve a sale of the home, but it could incorporate flexible options that allow the homeowner to stay in the home for a period (i.e., lease back the property).

★★★★★



Benjamin Gottheim

VP, Servicing Policy,
Single-Family Portfolio
& Servicing, Freddie Mac

Gottheim: Benjamin Gottheim joined Freddie Mac in 2010 after spending several years purchasing and servicing nonperforming loans in the private market. He spent his first couple of years at Freddie Mac managing its foreclosure and bankruptcy portfolio and since 2013 has been responsible for servicing policy at Freddie Mac. In his current role, he oversees the team responsible for creating sound servicing policies through the use of the Seller/Servicer Guide and TOBs. He and his team often work with FHFA and FNMA to create aligned servicing policies that are designed to promote better outcomes for borrowers and more efficient servicing practices and cost reductions.

Q ■ What are you most focused on right now, and how are you working to address it?

Gottheim: We continue to focus on improving the loss mitigation experience for the entire mortgage ecosystem. This encompasses improving loss mitigation policy, processes, and technology that benefit borrowers, servicers, and Freddie Mac while furthering our mission of sustainable homeownership.

We recently announced updates to the Flex Modification®, our flagship modification program, which follows updates to the standard payment deferral program we announced and implemented last year. With these upcoming changes, we expect to see an increase in borrower eligibility as well as more equitable payment relief outcomes for borrowers who receive a Flex Modification.

These changes flow through to our processes and technology, including Resolve®, our default management and loss mitigation platform. Working hand-in-hand with our servicers and their service providers and vendors, we aim to accelerate the adoption of these updates compared with past changes. Once implemented, servicers will be able to obtain near-real-time decisioning and terms from Resolve and provide near-real-time responses to distressed borrowers, reducing the time and stress that results from difficulty in making your mortgage payments.

The way in which we've rolled out Resolve—incrementally, focused, and through ongoing collaboration with servicers and service providers—has been one of the greatest servicing achievements I've witnessed in the 13 years I've been with Freddie Mac. Our goal is to use Resolve for all loss mitigation decision-

ing and settlement as soon as possible, potentially by the end of the year.

Q ■ What risks are keeping you up at night?

Gottheim: Not surprisingly, the risks that keep me up at night are the ones that, while out of our control, are those that we need to understand, qualify, quantify, and mitigate. The interest rate increases of the past few years, for example, have impacted borrowers' ability to obtain new credit and investors' cost of funding and loss mitigation. Additionally, since the pandemic, we've seen sharp increases in property tax assessments and rates as well as property insurance premiums.

We're still in the early stages of understanding the long-term impacts on the mortgage ecosystem resulting from increases in the frequency and severity of natural disasters. It remains to be seen whether these events and their related insurance costs will eventually result in increased delinquencies and defaults.

Q ■ What problems do we need to solve as an industry?

Gottheim: We've seen a continual increase in servicing transfers, with most transactions transferring loans to nonbank servicers. We've made great strides over the years in facilitating these transfers to reduce time and friction for both servicer counterparties as well as Freddie Mac, and while some of these improvements have benefitted borrowers, there's still far more work to be done. A servicing transfer can still be difficult for a homeowner—especially a distressed borrower—and we need to find solutions to ease these pains.

One answer is the Mortgage Industry Standards Maintenance Organization (MISMO) transfer of servicing data standardization where Freddie Mac is a key participant, which looks to create data standards to streamline servicing transfers. Other solutions are needed to continue reducing these transactions' risks for servicers and investors. Most important are initiatives to reduce the impact on borrowers, who are not a party to, or do not have any say in, servicing transfers. This is challenging work and will take a collective approach from every corner of the industry.

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Jake Williamson
SVP of Single-Family
Collateral & Quality
Risk Management,
Fannie Mae

Williamson: Jake Williamson is responsible for oversight and management of all end-to-end collateral, loan quality, and operational risk capabilities. These duties include front-end collateral policy design, loan quality control activities for both credit and collateral, condo standards, property valuations designation and modernization, appraisal bias oversight, real estate liquidation options, and Single-Family operational risk management.

Q ■ What are you most focused on right now, and how are you working to address it?

Williamson: Especially in this difficult homebuying market, we are continuing to advance our efforts to strengthen loan quality performance by improving the capabilities of our digital tools. In May 2024, we enhanced our Income Calculator to help mortgage professionals better serve the growing number of mortgage applicants in the United States who are self-employed and don't have traditional sources of income. Using tax returns, our free, web-based Income Calculator calculates self-employment income before the lender submits the loan case file to Fannie Mae, providing lenders with an accurate, validated income amount for use in the underwriting process. We've also recently introduced new

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“It remains to be seen whether these events and their related insurance costs will eventually result in increased delinquencies and defaults.”

—Benjamin Gottheim, VP, Servicing Policy, Single-Family Portfolio & Servicing, Freddie Mac

Desktop Underwriter® capabilities that enable lenders to automatically validate borrower assets, income, and employment using a single asset report. This not only improves the mortgage origination process from a loan quality perspective but increases our ability to identify rent payments and help lenders qualify more first-time homebuyers.

In the appraisal space, we are continuing to increase the adoption of appraisal alternatives and take steps to address potential instances of appraisal bias. In February 2024, we added condos as eligible properties for value acceptance + property data, which reduces origination cycle time and borrower costs. Between January 2020 and May 2024, we estimate that the use of appraisal alternatives on loans sold to us saved mortgage borrowers approximately \$2.56 billion. We're continuing to build on our lessons learned to help more homebuyers take advantage of appraisal alternatives in the future. We also recently announced a new reconsideration of value (ROV) policy, which standardizes elements that must be part of a lender's ROV policies and procedures, as well as formalizes a framework for borrowers to appeal an appraisal when they believe the opinion of value is unsupported, may be deficient, or reflects prohibited discriminatory practices. This policy educates borrowers about their rights and the process to appeal an appraisal on their own behalf, creates uniform industrywide expectations for how to manage ROVs, and maintains appraiser independence.

Q: What is a recent "win" you or your team have celebrated? What lessons did you take away from this achievement?

Williamson: In 2021, Fannie Mae introduced an annual appraisal text scanning review process that allows us to identify the use of terms in appraisal reports that are explicitly prohibited per our Selling Guide (B4-1.1-04) policies. In that first year, we sent education letters to more than 1,500 appraisers, alerting them of violations. The following year, about 79% of the appraisers who received a letter in 2021 had no new findings. In 2023, 91% of appraisers who received a letter in 2022 had no new findings. This is also reflected in the overall occurrence rate, which

“Especially in this difficult homebuying market, we are continuing to advance our efforts to strengthen loan quality performance by improving the capabilities of our digital tools.”

—**Jake Williamson**, SVP of Single-Family Collateral & Quality Risk Management, Fannie Mae

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declined from 0.15% of appraisal reports in 2021 to just 0.03% in 2023.

These statistics show remarkable progress, and we're continuing to identify new educational opportunities in appraisal reporting. In 2023, we expanded our text scanning to include language that may infer consideration of protected class along with additional cases of subjectivity or unsupported assumptions, sending more than 1,900 feedback letters. Education is an essential part of our appraisal monitoring and quality processes and a key pillar of our overall initiatives to continue to mitigate appraisal bias. This includes industry research, valuation modernization, technological innovations, and expansion of the Appraiser Diversity Initiative™, which is designed to attract new entrants to the real estate appraisal field. Importantly, addressing appraisal bias remains a concerted effort among a number of industry participants, including the Federal Housing Finance Agency, the U.S. Department of Housing and Urban Development, and Freddie Mac, and we're excited about the continued progress appraisers have made to become more objective in their reporting to eliminate unsupported assumptions and consideration of protected class.

Q: What is one area where servicing should be focused on innovating or improving, and why?

Williamson: An essential component of Fannie Mae's mission is to support sustainable homeownership. That includes providing borrowers experiencing unforeseen financial challenges with loss mitigation options, such as mortgage forbearance, loan modification, and payment deferral. We recently announced enhancements to

our flex modification terms, which expand borrower eligibility and provide more equitable payment reductions to eligible borrowers, underscoring our focus on home retention strategies that enable borrowers who are facing a long-term hardship to remain in their homes. We remain committed to ensuring our retention workout options provide appropriate borrower assistance regardless of the economic environment while also managing our book of business responsibly by reducing defaults and mitigating credit losses.

Mortgage servicers play a key role in that commitment, communicating with borrowers throughout the lifecycle of their loans and providing assistance when needed. Like many other industries, servicing communication tools have been modernized to provide multiple consumer engagement capabilities and digital touchpoints. Instead of relying on phone calls and mail correspondence as the only way for a borrower to discuss their loan with their servicers, they are now able to connect via text message, live chat, or an app. Servicers have also deployed self-serve options that allow borrowers to move through the servicing loan life cycle, which improves the user experience and provides efficiencies and cost savings for servicers. Borrowers who are experiencing a financial hardship that may impact their ability to pay their mortgage can learn about loss mitigation options and, in many cases, sign up for a loss mitigation solution directly from their mobile app or tablet. Additionally, AI communication tools provide a path toward achieving fair servicing by using data-driven insights to identify disparities and mitigate risks. **MP**



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MORTGAGE SERVICING INDUSTRY SUPPORTS EVENT HONORING TEEN CANCER SURVIVORS

The Ruth Cheatham Foundation held their Annual Gala for Teen Cancer Survivors recently, offering scholarships to survivors to help further their college education. Executive Director and Co-Founder Lindsay Whittemore discusses the importance of financial contributions, awareness, and advocacy for the cause, and why “industry involvement is crucial to the success and impact of our events.”

By **DEMETRIA C. LESTER**

The Ruth Cheatham Foundation (TRCF), a national nonprofit providing support to teens impacted by cancer founded by Doug and Lindsay Whittemore, recently held its Annual Gala for Teen Cancer Survivors at the Fairmont Hotel in Dallas. Hosted by emcee Sam Gannon, the event awarded scholarships and financial aid to teen cancer fighters and survivors to help further their education.

In 2024, the National Cancer Institute projected that approximately 85,980 adolescents and young adults will face a cancer diagnosis in the United States. It's no secret that cancer treatment and college tuition are both expensive, and when these two factors are combined, many teenagers—despite their academic desires—

must forgo obtaining a college degree in lieu of treatment.

“Since our inception, our mission has been to bridge the educational opportunity gap and provide a gateway to a higher quality of life for these young cancer survivors,” said Lindsay Whittemore, Executive Director and Co-Founder of TRCF. “The incredible support from the mortgage and servicing industry has been instrumental in growing our organization and expanding our reach to support more teen survivors in need.”

Teens with cancer encounter a variety of challenges, and regrettably, often receive very little assistance. According to TRCF, teen cancer survivors receive the least amount of support of any patient population, which is why TRCF offers four-year scholarships to

help them continue their education.

TRCF has granted 391 scholarships thus far, with a graduation rate of 81%. Some 32% of awardees are first-generation college students. TRCF has provided \$1.5 million in support to teen cancer survivors since its inception.

According to Whittemore, the involvement of industry leaders has not only provided significant financial support, but also awareness and advocacy for the cause. She said the participation in and attendance at the annual Gala has greatly boosted TRCF's mission, drawing in new donors and partners committed to making a difference in the lives of young cancer survivors.

The Foundation's joint efforts with the mortgage servicing industry have al-



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lowed it to expand scholarship programs, improve educational resources, and provide comprehensive support to an increasing number of deserving teenagers.

“Industry involvement is crucial to the success and impact of our events,” Whittmore said. “The support from the mortgage and servicing industry provides the financial backbone needed to fund our programs and scholarships to teen cancer survivors. Participation at the Gala helps to raise awareness and garner widespread community support, which is essential for the sustainability and growth of TRCF. The industry’s commitment to our mission ensures that we can continue to make a meaningful difference in the lives of teens battling cancer, helping them to overcome educational barriers and achieve their dreams.”

The TRCF Annual Gala brought together experts and aspiring professionals alike to not only honor awardees, but to have a good time. On top of cocktail hour and live music performed by Olivia Bennett and the Motion Band, the event

offered a three-course dinner, keynote reception, a silent auction, and raffle.

Among the crowd of mortgage and service industry experts were this year’s scholarship awardees, some of whom recounted their personal experiences with cancer and the impact TRCF has had on their life and personal education.

So, what can be expected at next year’s gala?

“At next year’s gala, we are most looking forward to witnessing the continued generosity and enthusiasm from our supporters within the mortgage industry and beyond,” Whittmore said. “These events are not just fundraisers; they are a celebration of the resilience and determination of our scholars. We are excited to share the inspiring stories of our scholars’ journeys, showcase the tangible impact of our collective efforts, and build even stronger connections with our partners and donors. The gala is a testament to what we can achieve together, and we are eager to see the new heights we will reach in our mission to support more teens in need.”

According to Whittmore, TRCF supported 200 teen cancer scholars nationwide over the past year and anticipates increasing and supporting even more scholars for the upcoming academic school year. **MP**



DEMETRIA C. LESTER

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NEW HOME PURCHASE APPS SHOW YOY GAINS

The Mortgage Bankers Association (MBA) has released a report built on their Builder Application Survey (BAS) covering May 2024, which provides a picture of mortgage applications submitted for new home purchases.

The monthly report revealed that compared to a month earlier in April, mortgage applications for newly built homes increased by 1% year over year—up by 13.8%.

“There continues to be strength in the new home purchase market, as purchase applications increased in May compared to both the prior month and from a year ago,” said Joel Kan, MBA’s VP and Deputy Chief Economist. “With existing-home inventory still lagging in many markets, many homebuyers have turned their interest toward newly built homes, particularly FHA borrowers. The FHA share of applications was 26.5%, the highest share since the survey high of 27.1% in November 2023. The average loan size was \$400,150, a decline from last month’s average of more than \$405,000. MBA’s estimate of new homes shows a slight increase to 702,000 units in May, the strongest pace since October 2023.”

New single-family home sales, which is a leading indicator of the Census Bureau’s New Residential Sales Report—which is also a leading indicator of the real estate market in general—is that new single-family home sales were running at a seasonally adjusted annual rate of 702,000 units in May 2024. The new home sales estimate is derived using mortgage application information from the BAS, as well as assumptions regarding market coverage and other factors.

The seasonally adjusted estimate for May is an increase of 0.4% from the April pace of 699,000 units. On an unadjusted basis, MBA estimates that there were 63,000 new home sales in May 2024, an increase of 1.6% from 62,000 new home sales in April.

Lending/Originations

REPORT SPOTLIGHTS MORTGAGE ORIENTATION MARKET’S STRUGGLES

According to ATTOM’s latest Residential Property Mortgage Origination Report, a total of 1.28 million mortgages were originated in Q1 2024, representing a 6.8% decline from the previous quarter. The drop-off marked the 11th in the last 12 quarters, to the lowest level since 2000.

In addition, this number left total residential lending activity down 4.8% year over year, and down 69.3% from the originations peak which occurred in 2021. It came amid another period of rising mortgage interest rates and elevated home prices unaffordable to significant portions of American households, on top of low supplies of homes for sale.

According to ATTOM, ongoing decreases in lending activity during Q1 resulted from losses in all major categories of residential lending. Purchase loan activity went down another 9.9% quarterly, to about 565,000, while refinance deals dipped downward by 1.9%, to 491,000. Home-equity credit lines slipped 9%, to 222,000.

In dollars, lenders issued \$405.6 bil-

lion worth of residential mortgages in Q1 2024; this number was down 4.8% from Q4 2023 and 4.5% from Q1 of last year.

ATTOM further stated that varying paces of change among different loan types helped reduce the portion of all residential mortgages represented by purchase lending for the third straight quarter while pushing the refinance component upward. Yet, purchase loans were the most common form of mortgages in the country during the first quarter, comprising over 40%, followed by refinance packages and home-equity lending.

“There is reason to hope that we will see something of a turnaround when second-quarter data comes in, given the jump in lending activity that happened during the peak home-buying season of 2023,” said Rob Barber, CEO of ATTOM. “But with little sign that interest rates are coming down, which could fire up refinance and HELOC lending, or that supplies of homes for sale are going up, any increase is likely to be limited.”

Home mortgage lending took another hit in the early months of 2024 as average interest rates for 30-year fixed loans rose close to 7% and have since increased. That continued to push up home ownership costs at a time when near-record home prices in most of the country already were unaffordable, or a significant financial stretch, for average wage earners. Purchase lending was further eroded amid counts of homes for sale that were less than half the levels seen five years ago.





commercial mortgage-backed securities (CMBS), collateralized debt obligation (CDO), and other asset-backed securities (ABS) issues.

Commercial banks continue to hold the largest percentage (38%) of commercial/multifamily mortgages, totaling \$1.8 trillion. Agency and GSE portfolios, including MBS, are the second-largest holders of commercial/multifamily mortgages (22%), totaling \$1.01 trillion. Life insurance companies own \$720 billion (15%), while CMBS, CDO, and other ABS concerns hold \$604 billion (13%). Many life insurance companies, banks, and GSEs purchase and hold CMBS, CDOs, and other ABS securities.

Just looking at multifamily mortgages in Q1 2024, agency and GSE portfolios and MBS hold the largest share of total multifamily debt outstanding at \$1.01 billion (48%), followed by banks and thrifts with \$620 billion (30%), life insurance companies with \$230 billion (11%), state and local governments with \$117 billion (6%), and CMBS, CDO, and other ABS issues with \$67 billion.

Changes in Commercial/Multifamily Mortgage Debt Outstanding

Banks and thrifts had the highest dollar gains in their holdings of commercial/multifamily mortgage debt in Q1,

Default Servicing

TOTAL COMMERCIAL/MULTIFAMILY MORTGAGE DEBT OUTSTANDING CLIMBS IN Q1

The total amount of commercial/multifamily mortgage debt outstanding climbed by \$40.1 billion (0.9%) in Q1 2024, according to the Mortgage Bankers Association's (MBA) most recent Commercial/Multifamily Mortgage Debt Outstanding quarterly report.

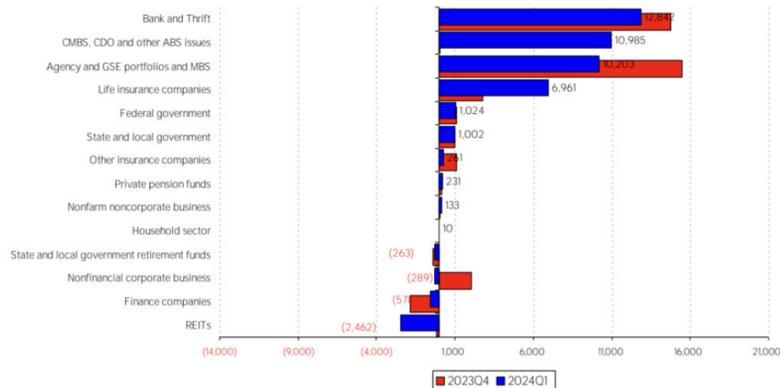
The total outstanding commercial/multifamily mortgage debt increased to \$4.70 trillion at the end of Q1. Multifamily mortgage debt climbed by \$23.7 billion (1.1%) to \$2.10 trillion since Q4 2023.

"The amount of commercial mortgage debt outstanding increased in the first quarter of 2024, despite slow mortgage originations activity," said Jamie Woodwell, MBA's Head of Commercial Real Estate Research. "Every major capital source increased its holdings of

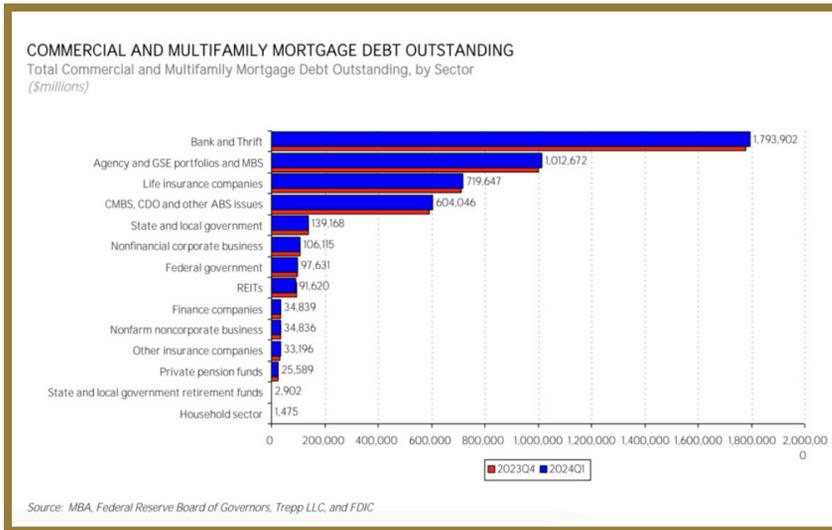
commercial mortgages, as fewer loans than usual were paid off through property sales or refinancings."

The four largest investor groups are banks and thrifts; federal agency and government-sponsored enterprise (GSE) portfolios and mortgage-backed securities (MBS); life insurance companies; and

COMMERCIAL AND MULTIFAMILY MORTGAGE FLOWS
Net Change in Commercial and Multifamily Mortgage Debt Outstanding, by Sector (\$billions)



Source: MBA, Federal Reserve Board of Governors, Trepp LLC, and FDIC



increasing by \$12.8 billion (0.7%). CMBS, CDO, and other ABS issues grew their holdings by \$11.0 billion (1.9%); agency and GSE portfolios and MBS raised their holdings by \$10.2 billion (1.0%); and life insurance firms expanded their holdings by \$7.0 billion (1.0%).

In percentage terms, CMBS, CDO, and other ABS issues had the greatest increase in commercial/multifamily mortgage holdings (1.9%). In contrast, state and local government retirement plans saw their holdings fall 8.3%.

Changes in Multifamily Mortgage Debt Outstanding

Multifamily mortgage debt outstanding increased by \$23.7 billion in Q4 2023, representing a 1.1% quarterly rise. In terms of dollars, agency and GSE portfolios, as well as MBS issuance, had the greatest increase in their holdings of multifamily mortgage debt, totaling \$10.2 billion (1.0%). Banking and thrift institutions grew their holdings by \$9.1 billion (1.5%), while life insurance firms gained by \$3.8 billion (1.7%).

Nonfinancial corporate businesses showed the greatest percentage increase in their holdings of multifamily mortgage debt, at 3.2%. REITs' holdings of multifamily mortgage debt fell the most, by 9.7%.

SNAPSHOT: Q1 COMMERCIAL MORTGAGE DELINQUENCIES

According to the Mortgage Bankers Association's (MBA) Q1 Commercial Delinquency Report, commercial mortgage delinquencies increased in the first quarter of the year, strained by mortgage rates in the 7% range, and a tightening of credit standards.

"Commercial mortgage delinquency rates continued to increase during the first three months of 2024," said Jamie Woodwell, MBA's Head of Commercial Real Estate Research. "The increase was seen across most capital sources, pointing to the challenges caused by loans that are maturing amid higher interest rates, uncertain property values, and questions about some properties' fundamentals."

MBA's quarterly analysis looks at commercial delinquency rates for five of the largest investor groups: commercial banks and thrifts, commercial mortgage-backed securities (CMBS), life insurance companies, and Fannie Mae and Freddie Mac (GSEs). Together, these groups hold more than 80% of commercial mortgage debt outstanding. MBA's analysis incorporates the measures used by each investor group to track the performance of their loans. Because each investor group tracks delinquencies in

its own way, delinquency rates are not comparable from one group to another. As an example, Fannie Mae reports loans receiving payment forbearance as delinquent, while Freddie Mac excludes those loans if the borrower is in compliance with the forbearance agreement.

An Overview of Q1

Based on the unpaid principal balance (UPB) of loans, delinquency rates for each group at the end of Q1 2024 were as follows:

- » Banks and thrifts (90 or more days delinquent or in nonaccrual): 0.3%, an increase of 0.09 percentage points from Q4 2023;
- » Life company portfolios (60 or more days delinquent): 52%, an increase of 0.16 percentage points from Q4 2023;
- » Fannie Mae (60 or more days delinquent): 44%, a decrease of 0.02 percentage points from Q4 2023;
- » Freddie Mac (60 or more days delinquent): 34%, an increase of 0.06 percentage points from Q4 2023; and
- » CMBS (30 or more days delinquent or in REO): 35%, an increase of 0.05 percentage points from Q4 2023.

"It is important to recognize that different capital sources track delinquencies in different ways—and with good reason," Woodwell said. "The rise in delinquency rates for commercial mortgages at banks was driven by banks designating non-multifamily loans—in particular, office—as 'nonaccrual,' meaning the loan may still be current on payments, but the lender does not expect to be paid in full. The increases in such loans, and the associated net-charge-offs at large banks, can be seen as evidence of the institutions working to get ahead of potential future defaults."

Construction and development loans are generally not included in the numbers presented in this report but are included in many regulatory definitions of "commercial real estate" despite the fact they are often backed by single-family residential development projects rather than by office buildings, apartment buildings, shopping centers, or other income-producing properties.

“Everyone has been asking, ‘Where is this wave of distress?’ The reality is that it didn’t materialize with extensions the last few years, but we are seeing an uptick, and this data shows the threat is still there in many areas.”

—Peter Kolaczynski, Director, CommercialEdge



Examining Post-Pandemic Totals

In “Distressed Office Market Continues to Unfold Amid Stagnating Demand and Falling Property Values” a post by CommercialEdge.com’s Evelyn Jozsa, it was noted that the wave of office distress many anticipated has yet to materialize, but recent U.S. office market reports show that many markets are exposed to potential distress.

“Everyone has been asking, ‘Where is this wave of distress?’” said Peter Kolaczynski, Director, CommercialEdge. “The reality is that it didn’t materialize with extensions the last few years, but we are seeing an uptick, and this data shows the threat is still there in many areas.”

According to the post, nationwide, some 83.7 million square feet of offices were under construction as of April, representing 1.2% of stock. The office under-construction pipeline has shrunk by more than 50% in the past 18 months, as buildings have been completed and starts have slowed to a crawl. In addition, office starts have been nearly nonexistent in 2024, with just 3.2 million square feet of new space breaking ground through the end of April. While office construction began slowing in response to the shifts the pandemic brought to office utilization, some development was still occurring.

Topping the Vacancy List

The Western U.S. tech markets reported the largest increase in office vacancy rates, according to the report, with San Francisco leading at 25.9%, up 650 basis points year over year—the highest uptick among the top 25 U.S. office markets. Due to the tech sector’s poor performance, office employment in the city has fallen 4.9% compared to last year. The information technology (IT) sector alone lost 13,000 workers in the past 12 months, representing a 10.5% drop, according to the Bureau of Labor Statistics (BLS).

The BLS found that total nonfarm payroll employment increased by 175,000 in April 2024, and the unemployment rate changed little at 3.9%, with job gains reported in the healthcare, social assistance, and transportation and warehousing sectors.

As 2024 continues, the office sector may continue to encounter several challenges, including reduced demand to continued high interest rates. Notably, office sales nationwide have been driven by institutions selling high-quality assets to balance their portfolios, reduce their office exposure, and mitigate risk on their balance sheets. Nonetheless, the market is evolving to include owners who are selling because they are facing distress and upcoming loan maturities.

FORECLOSURE STARTS TICK UPWARD

ATTOM’s May 2024 Foreclosure Market Report found that there was a total of 32,621 U.S. properties with foreclosure filings during the month—default notices, scheduled auctions, or bank repossessions—up 3% from April 2024, but down 7% from a year ago.

“May’s foreclosure activity highlights nuanced shifts in the housing market,” said Rob Barber, CEO of ATTOM. “While we observed a slight increase in foreclosure starts, the decline in completed foreclosures indicates resilience in certain areas. Monitoring these evolving patterns remains crucial to understanding the full impact on the real estate sector.”

Increases in delinquencies and defaults are generally tied to the state of the nation’s employment situation, and as the Bureau of Labor Statistics (BLS) reported for May, total nonfarm payroll employment increased by 272,000 in May, and the unemployment rate changed little at 4%. Employment continued to trend up in several industries, led by healthcare; government; leisure and hospitality; and professional, scientific, and technical services. Both the unemployment rate, at 4%, and the number of unemployed people, at 6.6 million, changed little in May. A year ago, the jobless rate stood at 3.7%, and the number of unemployed nationwide was 6.1 million.

Regional-Level Highlights

Nationwide, one in every 4,320 housing units had a foreclosure filing in May 2024. States reporting the highest foreclosure rates were:

- » New Jersey (one in every 1,939 housing units with a foreclosure filing);
- » Illinois (one in every 2,362 housing units);
- » Delaware (one in every 2,595 housing units);
- » Connecticut (one in every 2,600 housing units); and
- » Florida (one in every 2,638 housing units).

Among the 224 metropolitan statistical areas (MSAs) with a population of at least 200,000, those with the highest foreclosure rates in May 2024 were:

- » Longview, Texas (one in every 1,162 housing units with a foreclosure filing);
- » Trenton, New Jersey (one in every 1,471 housing units);
- » Atlantic City, New Jersey (one in every 1,569 housing units);
- » Lakeland, Florida (one in every 1,584 housing units); and
- » Bakersfield, California (one in every 1,685 housing units).

Those metropolitan areas with a population greater than one million with the worst foreclosure rates in May 2024 were reported in:

- » Chicago (one in every 2,015 housing units);
- » Philadelphia (one in every 2,143 housing units);
- » Riverside, California (one in every 2,216 housing units);
- » Jacksonville, Florida (one in every 2,267 housing units); and
- » Las Vegas (one in every 2,361 housing units).

Lenders started the foreclosure process on 22,385 U.S. properties in May 2024, up 3% from last month, but down 4% year over year. States that reported the greatest number of foreclosure starts in May 2024 included:

- » Florida (2,750 foreclosure starts);
- » Texas (2,560 foreclosure starts);
- » California (2,370 foreclosure starts);
- » Illinois (1,427 foreclosure starts); and
- » New Jersey (1,219 foreclosure starts).

The major metropolitan areas with a population greater than one million that had the greatest number of foreclosure starts in May 2024 included:

- » New York, New York (1,447 foreclosure starts);
- » Chicago (1,272 foreclosure starts);
- » Houston (915 foreclosure starts);
- » Miami (750 foreclosure starts); and
- » Philadelphia (713 foreclosure starts).



Lenders repossessed 2,879 U.S. properties through completed foreclosures (REOs) in May 2024, down 1% from last month and down 28% year over year. States that reported the greatest number of REOs in May 2024 included:

- » California (254 REOs);
- » Illinois (254 REOs);
- » Pennsylvania (238 REOs);
- » Ohio (177 REOs); and
- » Texas (167 REOs).

MSAs with a population greater than one million that saw the greatest number of REOs in May 2024 included:

- » Chicago (179 REOs);
- » New York (124 REOs);
- » Baltimore (84 REOs);
- » Pittsburgh (80 REOs); and
- » Washington, D.C. (69 REOs).

The State of Loss Mitigation

And as home prices continue to average \$360,681 nationally according to Zillow, and up 4.3% year over year, rates waver above and below the 7% range, and affordability struggles linger, the Mortgage Bankers Association (MBA) recently reported on the latest forbearance numbers, as the total number of loans in

forbearance stands at 0.22% as of April 30, 2024. According to MBA's estimate, 110,000 homeowners are in forbearance plans, while the nation's mortgage servicers have provided forbearance options to approximately 8.1 million borrowers since March 2020.

In addition, in April 2024, the share of Fannie Mae and Freddie Mac loans in forbearance declined one basis point from 0.12% to 0.11%. Ginnie Mae loans in forbearance dropped one basis point from 0.40% to 0.39%, and the forbearance share for portfolio loans and private-label securities remained the same at 0.31%.

By reason, 71.1% of borrowers are in forbearance for reasons such as a temporary hardship caused by job loss, death, divorce, or disability, while 11.5% of borrowers were still in forbearance due to COVID-19-related instances. By stage, 57.3% of total loans are in forbearance in the initial forbearance plan stage, while 22.7% are in forbearance extension. The remaining 20% are forbearance reentries, including reentries with extensions.

Total loans serviced that were current (not delinquent or in foreclosure) as a percentage of servicing portfolio volume (#) increased to 96.09% (on a non-seasonally adjusted basis) in April 2024, up 17 basis points from 95.92% in March 2024.



» Government

FREDDIE MAC APPROVES PILOT TO PURCHASE SECOND MORTGAGES

The Federal Housing Finance Agency (FHFA) has announced its conditional approval for Freddie Mac to engage in a limited pilot to purchase certain single-family closed-end second mortgages. This conditional approval follows FHFA's first publication of a proposed new product by Freddie Mac or Fannie Mae (the GSEs) for public comment under the new process mandated by the Prior Approval for Enterprise Products regulation, which became effective in April 2023.

"The thoughtful engagement from public stakeholders confirmed the value of a transparent process for evaluating potential new Enterprise products and informed the parameters of the conditional approval," FHFA Director Sandra L. Thompson said. "The limited pilot will allow FHFA to explore whether this closed-end second mortgage product effectively advances Freddie Mac's statutory purposes and benefits borrowers,

particularly in rural and underserved communities."

Crafted by Industry Input

The conditional approval was informed by the numerous comment letters received, as well as considerations required by law:

The product is authorized under specified sections of Freddie Mac's Charter Act: The Freddie Mac Charter Act permits the GSE to purchase "residential mortgages that are secured by a subordinate lien against a one- to four-family residence," subject to certain conditions (See 12 U.S.C. 1454(a)(4)). The proposed new product meets the requirements for authorization under the Charter Act.

The product is in the public interest: As of December 2023, more than 95% of GSE-backed single-family mortgages had mortgage rates below current market rates, with the majority at least three percentage points lower. National home prices have doubled in less than a decade, leading to significant amounts of equity for many homeowners. Currently, Zillow reports that the average U.S. home value stands at \$360,681, up 4.3% over the past year. Freddie Mac's purchase of closed-end second mortgages is intended to allow borrowers to maintain their low interest rate first mortgage while

accessing a portion of the equity in their homes. Several public interest factors were considered in the review process:

» **Provide lower-cost alternatives to existing cash-out refinance products:** Many borrowers—particularly low-income and those in rural and underserved communities—have struggled to access equity in their homes through the private home equity market. In an environment of elevated mortgage rates, they are either forced to give up their below-market rate and obtain a cash-out refinance with a higher mortgage rate across the entire loan balance or are forced to sell their home when a financial need arises, which can create instability for families and run counter to the Enterprises' missions.

» **Avoid crowding out private capital or producing unintended macroeconomic or mortgage market effects:** FHFA anticipates that a pilot with a volume limitation of \$2.5 billion, a duration not to exceed 18 months, a maximum loan amount of \$78,277 (as adjusted annually in Regulation Z), a 24-month minimum seasoning requirement for the first mortgage, and eligibility only for principal/primary residences will allow analysis of consumer demand, lender offerings, servicer operations, and investor appetite in a controlled manner. The \$2.5 billion volume cap, in particular, is responsive to concerns from several commenters regarding the potential macroeconomic and mortgage market impacts of a broader offering. Some commenters cited estimates of \$500 billion or more in second mortgage volume if the Freddie Mac proposal were approved, but the volume cap of the approved pilot instead represents less than one-half of one percent of these estimates. This is intended to mitigate any concerns about potential inflationary impacts, extending the mortgage "lock-in" effect, or the "crowding out" of private capital.

» **Benefit underserved borrowers:** FHFA anticipates that a pilot with a per-loan limitation of \$78,277 (as

adjusted annually in Regulation Z) will appropriately target rural and underserved borrowers. The average loan size of closed-end second mortgages is nearly half of the average loan size of home equity lines of credit (HELOCs). Since borrowers in underserved communities (such as lower-income borrowers or those in rural areas) carry smaller balances, on average, HELOC providers may overlook these borrowers in favor of higher-income borrowers and others currently well-served by the home equity market. Thus, a per-loan cap on closed-end second mortgages could potentially expand access to home equity products for underserved borrowers who otherwise would need to obtain a less economical cash-out refinance or utilize other higher-rate consumer credit options.

- » **Broaden participation in the home equity market to smaller financial institutions that can effectively serve their local communities:** FHFA believes there are segments of lenders that have struggled to access a secondary market for home equity products—HELOCs and closed-end second mortgages—outside of cash-out refinances eligible for sale to the GSEs. Current home equity lending is primarily supported by larger depository institutions that tend to hold whole loans on their balance sheets, while securitizations of home equity loans remain limited. FHFA is interested in learning whether this offering will be utilized by small community financial institutions that have more limited access to securitization markets. If so, this offering could support broader lending in underserved communities, while promoting greater competition among lenders and greater choice for consumers. This will be one of the many factors FHFA will examine upon the conclusion of the Freddie Mac pilot.

The product is consistent with the safety and soundness of Freddie Mac or the mortgage finance system: While the volume cap ensures that any second mortgages acquired through the pilot

would represent a small fraction of Freddie Mac's aggregate loan acquisitions, FHFA also approved the limited pilot subject to additional safety and soundness considerations, including:

- » **Pricing and capital treatment:** FHFA expects that the pricing of eligible second mortgages and the capital requirements associated with them will appropriately reflect the risks they pose. This should also mitigate the risk that Freddie Mac will displace activity already occurring in the home equity market, which is primarily concentrated in offerings to higher-income borrowers, as the objective is to reach borrowers who otherwise would be subject to more expensive alternatives, such as a cash-out refinance.
- » **Eligibility parameters:** Further, as is required of cash-out refinances purchased by the GSEs, the maximum combined loan-to-value (LTV) ratio of the first and second mortgages cannot exceed 80%, ensuring a robust equity position for the borrower to protect against a decline in home prices. Unlike a cash-out refinance, which for most borrowers in the current environment would entail resetting the entire mortgage balance at a higher interest rate, a second mortgage allows borrowers to maintain an existing low interest rate first mortgage. In many cases, this would lead to a lower overall monthly mortgage payment relative to a cash-out refinance, thereby improving mortgage sustainability.

Next Steps for the GSE

In recognition of the significant impact that the activities of the GSEs have on the U.S. housing finance system, market participants, and the broader economy, FHFA is required by law to review new activity and approve new GSE products before these activities and products are offered to the market. FHFA implements this requirement through its regulation on Prior Approval for Enterprise Products.

"MBA appreciates FHFA's detailed responsiveness to the key questions we outlined in our comment letter regarding the

As of December 2023, more than 95% of GSE-backed single-family mortgage rates had mortgage rates below current market rates, with the majority at least three percentage points lower. National home prices have doubled in less than a decade, leading to significant amounts of equity for many homeowners.

program's scope, mission, and secondary market implications. FHFA's receptiveness to feedback through the New Products and Activities Final Rule has produced a pilot rollout that is limited in size and duration, mitigates the impact on the private-label securitization market for second liens, focuses on borrowers with lower loan balances, and will encourage participation by smaller lenders that do not have easy access to liquidity for closed-end seconds," Mortgage Bankers Association (MBA) President and CEO Bob Broeksmit, CMB said. "MBA and its members will remain engaged with FHFA and Freddie Mac to monitor the results of the pilot and ensure that it remains available to lenders of all sizes and business models and avoids disrupting the developing private-label securitization market for second liens."

Upon the pilot's conclusion, FHFA will analyze the data on Freddie Mac's purchases of second mortgages to determine whether the objectives of the pilot were met. FHFA has determined that any increase to the volume or extension of the duration of the pilot, or a conversion of the pilot to a programmatic activity, would be treated as a new product that is subject to public notice and comment and FHFA approval. Any subsequent approval would be informed by the preliminary results of the pilot.

FANNIE MAE REDUCES HOME SALES PREDICTIONS

According to the Fannie Mae Economic and Strategic Research (ESR) Group's June 2024 analysis, affordability restrictions continue to limit the number of buyers wanting and able to make home purchases, despite an increase in for-sale home listings. As a result, the ESR Group reduced its total home sales prediction to 4.82 million in 2024, marking a moderate 1.3% annual rise vs. the previously projected 2.8%.

"The economy appears to be slowing,

and recent readings offer hope that inflation is cooling after progress on that front stalled in the first quarter—a trend that will likely need to be sustained for the Fed to feel comfortable cutting rates," said Doug Duncan, SVP and Chief Economist at Fannie Mae. "Additionally, the labor market is showing signs of a gradual slowdown, with the unemployment rate creeping up to 4% in the June report."

Despite the recent increase in listings, home sales have remained weaker than expected, indicating that many homeowners are no longer willing to delay moving due to the so-called "lock-in effect"—possibly due in part to consumers' general upward recalibration of mortgage rate expectations following the pandemic's historically low mortgage rates.

While the number of homes for sale remains low by historical standards, the monthly supply of inventory is progressively growing, which the ESR Group sees as consistent with a slowing of home price increases.

The ESR Group also reduced its 2024 real GDP growth forecast to 1.6% on a Q4/Q4 basis, citing downward revisions to Q1 2024 GDP data and recent data showing decreasing income and spending growth. While recent inflation data has been positive, the ESR Group believes the Federal Reserve will need to see three consecutive cold reports to be confident that inflation is reverting to its 2% goal.

Given the sustained durability of non-farm payroll growth and unpredictability in inflation readings, the ESR Group now expects the Fed to lower rates only once this year—in December—rather than the previously forecast two rate reductions.

Fannie Mae predicts continued growth in new house building and sales, which will remain strong in the coming months. According to the report, homebuilders have sufficient margins to make concessions to move inventory, even in markets with increasing existing home inventories compared to the past. In April, the month's supply of new dwellings reached 9.1, the highest level since November 2022. However, if inventory expansion in Sun Belt markets, which account for a significant chunk of new sales, continues, our predictions for new

home sales and construction may suffer.

Further, multifamily construction is expected to remain modest due to slow rent increases in major areas and limited financing options. Although the existing development pipeline is expected to be exhausted by 2025, Fannie Mae expects a dearth of housing supply compared to population trends will continue to drive multifamily home construction.

"Unfortunately, we're still not forecasting a ramp-up in housing activity," Duncan said, "which will require some combination of continued household income growth, a further slowing of home price appreciation, or a decline in mortgage rates to bring affordability within range of many waiting first-time and move-up homebuyers."

HUD'S PUSH TO STRENGTHEN MANUFACTURED HOUSING

In a time when housing supply and affordability issues continue to run rampant in the market, the U.S. Department of Housing & Urban Development (HUD), through the Federal Housing Administration (FHA), has announced the launch of its new Manufactured Home Community loan product, which will provide an FHA-insured financing option for the purchase, refinance, and revitalization of manufactured home communities.

HUD's action will help entities preserve, stabilize, and revitalize manufactured housing as a vital source of affordable housing.

"With this product, HUD aims to support resident-owned communities and other mission-focused owners who are committed to high-quality, affordable manufactured housing that is not at risk of exorbitant land rent increases that jeopardize the stability of their homes and futures," Assistant Secretary for Housing and Federal Housing Commissioner Julia Gordon said.

HUD estimates that more than 5,000





individuals and families, based on average community size, could benefit from the program within the next five years. This Manufactured Home Communities program leverages FHA's Multifamily 223(f) program, which will now provide permanent mortgage financing for manufactured home communities that may have previously been ineligible, and for previously ineligible manufactured home cooperative borrowers to be eligible to acquire and obtain financing for existing communities.

"Today's announcement is an important first step for a program that we hope will provide a meaningful path to both affordable manufactured home community creation and preservation," Deputy Assistant Secretary for Multifamily Housing Programs Ethan Handelman said. "As we progress with the program implementation, we will continue to assess both its scope and entity eligibility."

Enriching Affordable Housing Options

"Manufactured home communities offer a stable and affordable housing option for many families. Today, HUD is providing new resources for preserving and revitalizing these communities by providing FHA-insured financing to mission-focused groups to buy or refinance and revitalize manufactured homes," HUD Acting Secretary Adrienne Todman said. "This is just one of many ways HUD is empowering residents, industry leaders, and governments to expand access to innovative, affordable housing solutions, particularly in rural communities."

Through the FHA's latest Mortgagee Letter, mission-focused entities such as resident-owned manufactured home communities, cooperatives, nonprofit entities and consortia, state and local governments, community development financing institutions, and Indian Tribes, will be eligible to use this program to finance the acquisition of or to improve existing communities, including making updates to common area resources and helping to maintain rent affordability.

The new Manufactured Home Community loan product provides an alternative to the purchase of these communities by private equity funds and similar

financial interests, whose track record reportedly includes unaffordable rent increases, failure to invest in community infrastructure, and regulations that don't respect the community's culture.

Easing Roadblocks for Homebuyers

In late March, the FHA announced new loan limits for its Title I Manufactured Home Loan Program, using new methodologies for calculating and updating the program's limits. The update marked the first update to the Title I program loan limits since 2008, further supporting the Biden administration's efforts to increase the supply and use of manufactured homes as a source of affordable housing.

HUD's Manufactured Home Community loan product also complements the Department's recently announced PRICE program, which offers competitive grant opportunities for investments in affordable manufactured home communities.

In its continued quest for equitable housing for all, HUD also recently awarded nearly \$4 million to 11 grantees to support research that will fill crucial knowledge gaps and help build the evidence base to accelerate the adoption of innovative and effective practices and policies to increase the production and supply of quality, affordable housing. This includes exploring office-to-residential conversions, to help communities meet their housing needs.

The Offsite Construction and Land Use Reform Notice of Funding Opportunity (NOFO) awarded a total of \$3 million to 10 institutions to conduct research to assess the potential for off-site construction methods and zoning and land use reforms to increase the supply of quality affordable housing and reduce housing expenses for low- and moderate-income owners and renters.

The Office to Residential Conversions Notice of Funding Opportunity (NOFO) awarded a total of \$858,261.91 to study recent efforts to convert downtown office buildings to properties with residential units since the start of the COVID-19 pandemic.

HUD AND VA PARTNER ON PERMANENT HOUSING INITIATIVE FOR VETERANS

The U.S. Department of Housing and Urban Development (HUD) and the U.S. Department of Veterans Affairs (VA) 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.

"We want to put an end to veteran's homelessness and the HUD-VASH program is one of our most valuable resources to help us reach that goal," HUD Acting Secretary Adrienne Todman said. "HUD is committed to working with housing agencies and Veteran Affairs Medical Centers across the country to get veterans off the street and into apartments they can afford. We owe them that."

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 other VA-designated entities.

"One veteran experiencing homelessness will always be one too many—and we will do everything in our power to ensure that Veterans get the safe, stable housing they deserve," VA Secretary Denis McDonough said. "These vouchers are a critical part of that effort, empowering VA, HUD, and our partners to

provide more housing and wraparound services to more homeless and at-risk veterans. Together, we will not rest until Veteran homelessness is a thing of the past.”

Programs instituted by HUD, the VA, and the United States Interagency Council on Homelessness (USICH), the number of veterans experiencing homelessness has fallen by 5% since early 2020, and by 52% since 2010. Additionally, VA and HUD partnered to permanently house more than 46,000 homeless veterans in 2023, surpassing the calendar year goal by 22.5%.

Currently, more than 113,000 HUD-VASH vouchers are being administered by 750-plus PHAs. Since 2008, HUD has issued new HUD-VASH vouchers every year. Additionally, more than 85,000 of those total vouchers are actively under lease by HUD-VASH veterans, with many additional veterans having been issued vouchers and currently searching for housing to lease.

Progress in Sheltering the Homeless

In May 2023, the White House and the USICH launched the ALL INside Initiative to address the homelessness crisis in targeted communities with high numbers of people living outside. Since then, USICH has worked with its federal agency partners to embed experts locally in Chicago, Dallas, Denver, Los Angeles, Phoenix, Seattle, and the governor’s office in California. The initiative aims to help communities cut the red tape that makes it difficult for people to access housing, healthcare, and other support networks. ALL INside builds on other Biden administration efforts to specifically address unsheltered homelessness, such as \$529 million in special unsheltered grants and vouchers awarded last year from HUD for 62 communities, including Chicago, Dallas, and Los Angeles.

“President Biden believes that every American deserves access to safe and affordable housing,” Chair of the White House Domestic Policy Council and Domestic Policy Advisor to the President Neera Tanden said. “The Biden-Harris Administration has taken unprecedented

steps to address homelessness head-on, and this unique partnership illustrates the progress that can be made when federal, state, and local governments work together to increase access and lower barriers to housing.”

Enforcing Homeowner Protections

The VA 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 will help veterans and their families stay in their homes beyond the end of the current foreclosure moratorium, which was set to end on May 31.

This new, targeted foreclosure moratorium will help ensure that veterans and their families can stay in their homes while mortgage servicers implement the Veterans Affairs Servicing Purchase (VASP) program—a new tool for qualified veterans experiencing severe financial hardship. Through VASP, VA will purchase qualified veterans’ modified loans from their servicers and then place them in the VA-owned portfolio as direct loans—making the loans more affordable for veterans. VASP officially launched on May 31, and mortgage servicers must have it fully implemented by October 1, 2024.

“The VA had been trying to come up with a ‘post-COVID’ workout option—one that provided the veteran borrower with more payment relief than their standard loan modification loss mitigation option—which under today’s high interest rate environment only helps to bring the loan current. But the new modified mortgage payment is significantly higher than the pre-modification mortgage payment,” said Donna Schmidt, Founder, WaterfallCalc. “After months of waiting, VA finally issued their new program which allows for the servicer to essentially sell the loan to the VA which then modifies the terms to allow for a lower payment. The terms could not be offered in a normal GNMA pool. The servicer gets the delinquent loan off their books (though loses potential future income), while the borrower is brought current and offered a lower monthly payment.”

The VA’s targeted foreclosure moratorium will apply to all VA-guaranteed loans unless:

- » The loan is secured by property that is vacant or abandoned.
- » The servicer has documented that the borrower desires neither to retain homeownership nor avoid foreclosure.
- » The servicer has not received a monthly payment for at least 210 days, and the borrower is not responding to the servicer’s outreach attempts.
- » The servicer has evaluated the borrower for all home retention options but has determined that no home retention option, including VASP, or alternative to foreclosure will work for the borrower.

HUD continues to press onward in advancing opportunities by issuing a new final rule implementing portions of the Housing Opportunity Through Modernization Act of 2016 (HOTMA).

HUD’s new final rule aligns with and supports emerging national and local strategies to rapidly increase affordable housing supply while ensuring families can successfully lease a decent, safe, and sanitary unit with tenant-based or project-based voucher assistance. Among other significant updates, HUD’s new policies:

- » Allow for PBV assistance to be paired with manufactured housing
- » Establish local project-specific waiting lists to help families move into units more quickly
- » Codify important tenant protections for families in the areas of inspections and property and contract dispositions
- » Ensure families can find units in the local rental markets by providing PHAs additional flexibilities to increase rents

“HUD is meeting the moment to address the nation’s affordable housing supply shortage. This Final Rule comprehensively modernizes our voucher programs to meet the needs of housing providers and deliver greater support for tenants,” Todman said. “This effort represents collaboration between HUD and our stakeholders to build more affordable housing and make existing housing more affordable.”

“One veteran experiencing homelessness will always be one too many—and we will do everything in our power to ensure that Veterans get the safe, stable housing they deserve.”

—Denis McDonough, VA Secretary





Market Trends

MILLIONS OF U.S. HOMEOWNERS REMAIN 'HOUSE POOR'

It goes without saying that buying a home is not cheap. While some homeowners can manage their housing costs, others are not so equally fortunate and are housing cost-burdened, or “house poor.” According to a new study from LendingTree, nearly 20 million American homeowners across the United States are considered house poor.

What it means to be “house poor” varies depending on the homeowner. However, in general, persons who spend more than 30% of their monthly income on housing costs—including their mortgage as well as additional bills such as insurance and utilities—are considered housing cost-burdened.

Measuring Cost-Burdened U.S. Households

LendingTree research found that roughly 18,381,169 (21.93%) of owner-occupied households in the United States are house poor. Of those that are house poor,

some 44.20% are severely housing cost-burdened, meaning they spend more than 50% of their monthly incomes on housing costs.

California, Hawaii, and New York have the largest share of house poor homeowners. In these three states, 29.92%, 28.70%, and 27.12% of owner-occupied households, respectively, are housing cost-burdened. Further, over 1.6 million owner-occupied households across California, Hawaii, and New York are severely housing cost-burdened. Overall, 47.12% of low-income homeowners in these states face significant housing costs.

Homeowners are least likely to be house poor in West Virginia, Indiana, and Arkansas. Respectively, 13.54%, 16.38%, and 16.53% of owner-occupied households in these three states are housing cost-burdened. While these figures are relatively low compared to other states, nearly 520,000 homeowners across the three are house poor. Additionally, cost-burdened homeowners in West Virginia and Arkansas are more likely to be severely cost-burdened than house-poor homeowners in most other U.S. states.

States Where the Largest Share of Homeowners Are House Poor

- » California
- » Hawaii
- » New York

- » New Jersey
- » Massachusetts
- » Connecticut
- » Florida
- » Vermont
- » New Hampshire
- » Oregon

No. 1: California—The Golden State

- » Total number of owner-occupied households for whom cost-burdened status is known: 7,496,004
- » Number of owner-occupied households that are house poor: 2,242,907
- » Number of house-poor households that are severely housing cost-burdened: 1,041,113
- » Share of owner-occupied households that are house poor: 29.92%
- » Share of house-poor households that are severely housing cost-burdened: 46.42%

No. 2: Hawaii—The Aloha State

- » Total number of owner-occupied households for whom cost-burdened status is known: 306,212
- » Number of owner-occupied households that are house poor: 87,898
- » Number of house-poor households that are severely housing cost-burdened: 38,809
- » Share of owner-occupied households that are house poor: 28.70%
- » Share of house-poor households that are severely housing cost-burdened: 44.15%

No. 3: New York—The Empire State

- » Total number of owner-occupied households for whom cost-burdened status is known: 4,166,296
- » Number of owner-occupied households that are house poor: 1,129,716
- » Number of house-poor households that are severely housing cost-burdened: 550,648
- » Share of owner-occupied households that are house poor: 27.12%
- » Share of house-poor households that are severely housing cost-burdened: 48.74%

States Where the Smallest Share of Homeowners Are House Poor

- » West Virginia

- » Indiana
- » Arkansas
- » North Dakota
- » Ohio
- » Missouri
- » Iowa
- » Alabama
- » South Dakota
- » Delaware

No. 1: West Virginia—The Mountain State

- » Total number of owner-occupied households for whom cost-burdened status is known: 541,951
- » Number of owner-occupied households that are house poor: 73,383
- » Number of house-poor households that are severely housing cost-burdened: 35,956
- » Share of owner-occupied households that are house poor: 13.54%
- » Share of house-poor households that are severely housing cost-burdened: 49.00%

No. 2: Indiana—The Hoosier State

- » Total number of owner-occupied households for whom cost-burdened status is known: 1,919,261
- » Number of owner-occupied households that are house poor: 314,411
- » Number of house-poor households that are severely housing cost-burdened: 132,626
- » Share of owner-occupied households that are house poor: 16.38%
- » Share of house-poor households that are severely housing cost-burdened: 42.18%

No. 3: Arkansas—The Natural State

- » Total number of owner-occupied households for whom cost-burdened status is known: 798,877
- » Number of owner-occupied households that are house poor: 132,060
- » Number of house-poor households that are severely housing cost-burdened: 60,461
- » Share of owner-occupied households that are house poor: 16.53%
- » Share of house-poor households that are severely housing cost-burdened: 45.78%

“All of this isn’t to say that homebuyers should go wild and spend tons of money on housing just because they technically can without falling behind on their bills. Instead, it’s meant to show that not every household needs to have the same budget.”

— Jacob Channel, Senior Economist for LendingTree



Homeowners Have Leeway With Housing Cost Spending

Households that usually spend more than 30% of their monthly income on housing are considered housing cost-burdened. This is because households that spend more than this may have insufficient funds to cover other vital expenses, such as food and automobile or credit card payments.

However, spending more than 30% of one’s income on housing is not always a bad thing. Some homeowners may easily maintain financial stability while spending more money on housing than is often recommended.

“All of this isn’t to say that homebuyers should go wild and spend tons of money on housing just because they technically can without falling behind on their bills,” said Jacob Channel, Senior Economist for LendingTree. “Instead, it’s meant to show that not every household needs to have the same budget.”

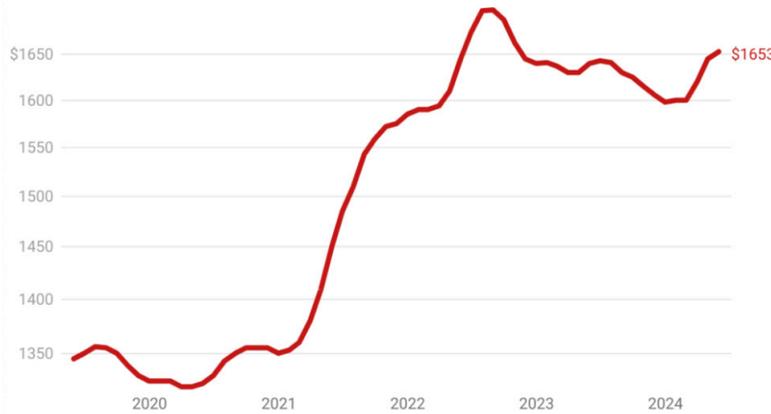
U.S. ASKING RENTS HIT HIGHEST LEVEL SINCE 2022

The median asking rent in the United States rose 0.8% year over year in May to \$1,653, representing the highest level since October 2022, according to a new Redfin survey. This is the second straight increase—rents rose 0.9% year over year (YoY) in April—after 11 months of declines, while rents rose 0.5% month over month (MoM).

Per the report, apartment prices are closely related to unit supply. Multifamily construction increased during the pandemic moving frenzy, lowering rent prices as building owners competed for renters. While multifamily development starts have dipped below their 10-year historical average, there is still a backlog of new units

America's Asking Rents Hit Highest Level Since 2022 in May

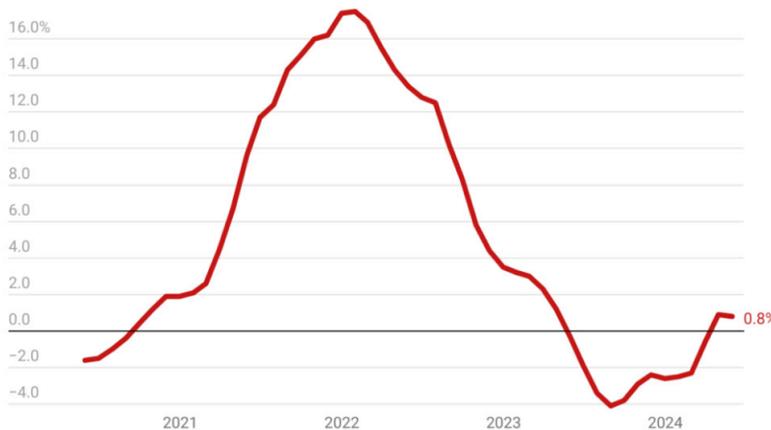
U.S. median apartment asking rent



Note: Rolling three-month periods
Source: Redfin • Created with Datawrapper

U.S. Asking Rents Rose for Second-Straight Month in May

Year-over-year change in U.S. median apartment asking rent



Note: Rolling three-month periods
Source: Redfin • Created with Datawrapper

entering the market each month, limiting how much prices can rise.

“Demand from young renters remains high, as many of them are opting to stay put rather than contend with an increasingly unaffordable homebuying market,” said Sheharyar Bokhari, Senior Economist for Redfin. “But so far, rent price growth has been limited because there are enough new apartments to meet demand, even in the busiest time of year for the rental market.”

Additionally, Redfin revealed that for the past three quarters, the rental vacan-

cy rate has remained at approximately 6.6%. That is the greatest level since 2021, though the vacancy rate is no longer increasing as it was during the pandemic.

While asking rents increased in May, they remain stable compared to recent years; they jumped as much as 17.5% year over year during the epidemic before falling as much as 4.1% this summer. Still, the median asking rent in May was just \$47 lower (-2.8%) than the record high of \$1,700 set in August 2022, presenting affordability issues for some tenants.

Metro-Level Summary: May 2024 (By Lowest Asking Rents)

- 1. Houston**
 - » Median asking rent: \$1,275
 - » MoM change: 0.2%
 - » YoY change: 6.8%
- 2. Cincinnati**
 - » Median asking rent: \$1,372
 - » MoM change: 2.4%
 - » YoY change: 10.9%
- 3. Detroit**
 - » Median asking rent: \$1,403
 - » MoM change: 1%
 - » YoY change: 3.9%
- 4. Indianapolis**
 - » Median asking rent: \$1,447
 - » MoM change: -0.7%
 - » YoY change: 7.2%
- 5. Pittsburgh**
 - » Median asking rent: \$1,450
 - » MoM change: 3.7%
 - » YoY change: -2.4%
- 6. Charlotte, NC**
 - » Median asking rent: \$1,519
 - » MoM change: 1.1%
 - » YoY change: -3.8%
- 7. Jacksonville, FL**
 - » Median asking rent: \$1,520
 - » MoM change: -1.7%
 - » YoY change: -10.1%
- 8. Las Vegas**
 - » Median asking rent: \$1,527
 - » MoM change: 1.7%
 - » YoY change: 5.3%
- 9. Dallas**
 - » Median asking rent: \$1,529
 - » MoM change: -1.1%
 - » YoY change: -1.3%
- 10. Phoenix**
 - » Median asking rent: \$1,541
 - » MoM change: 0.4%
 - » YoY change: -5.5%

Rents Post Double-Digit Gains in Washington, D.C., Dropping in Sun Belt Region

In May, the median asking rent in Washington, D.C., increased by 11.1% year over year, the largest increase among the 33

major U.S. metropolitan regions examined by Redfin. Four additional metros witnessed double-digit increases: Cincinnati (10.9%), Chicago (10.8%), Virginia Beach (10.3%), and Minneapolis (10.3%). The most significant asking rent decreases occurred in Jacksonville, Florida (-10.1%), San Diego (-8.7%), Austin, Texas (-7.2%), Seattle (-5.9%), and Phoenix (-5.5%).

Rents are lowering in the Sun Belt in part because the region has built more apartments than other parts of the country (such as the Midwest and Northeast) to fulfill demand caused by the pandemic's inflow of new residents. However, the epidemic housing bubble is now in the rearview mirror, and property owners are confronting vacancies, leading rents to drop.

Meanwhile, rents are rising in many Midwest metros because the region simply isn't developing enough apartments. The Midwest is also the cheapest region to reside in, which helps to boost demand at a time when housing affordability is tight throughout the United States.

HOME BUILDER CONFIDENCE UNDER PRESSURE

The National Association of Home Builders (NAHB) reports that builder confidence in the market for newly built single-family homes waned in June, down to 43 in June 2024 from a reading of 45 in May, according to the latest NAHB/Wells Fargo Housing Market Index (HMI). This marks the lowest reading reported for 2024 since December 2023.

"Persistently high mortgage rates are keeping many prospective buyers on the sidelines," said NAHB Chairman Carl Harris, a custom home builder from Wichita, Kansas. "Home builders are also dealing with higher rates for construction and development loans, chronic labor shortages, and a dearth of buildable lots."

The June HMI survey from NAHB also revealed that 29% of builders slashed home prices to boost sales in June, the highest share since January 2024 (31%),



and well above the May rate of 25%. However, the average price reduction in June held steady at 6% for the 12th straight month. The use of sales incentives ticked up to 61% in June from a reading of 59% in May, reaching its highest share since January 2024 (62%).

Derived from a monthly survey that NAHB has been conducting for more than 35 years, the NAHB/Wells Fargo HMI gauges builder perceptions of current single-family home sales and sales expectations for the next six months as "Good," "Fair," or "Poor." The survey also asks builders to rate the traffic of prospective buyers as "High to Very High," "Average" or "Low to Very Low." Scores for each component are then used to calculate a seasonally adjusted index where any number over 50 indicates that more builders view conditions as good than poor.

Regionally, looking at the three-month moving averages for regional HMI scores, the Northeast held steady at 62, the Midwest dropped three points to 47, the South decreased three points to 46, and the West posted a two-point decline to 41.

Forces Continue Pushing and Pulling

Mortgage rates continue to hover in the 7% range, most recently clocking in at 6.95% as of June 13, 2024, according to Freddie Mac, with elevated construction financing costs continuing to put a damper on builder sentiment.

"We are in an unusual situation because a lack of progress on reducing shelter inflation, which is currently

running at a 5.4% year-over-year rate, is making it difficult for the Federal Reserve to achieve its target inflation rate of 2%," NAHB Chief Economist Robert Dietz said. "The best way to bring down shelter inflation and push the overall inflation rate down to the 2% range is to increase the nation's housing supply. A more favorable interest rate environment for construction and development loans would help to achieve this aim."

In mid-June, the Federal Reserve's Federal Open Market Committee (FOMC) opted for the seventh consecutive meeting, to leave the nominal interest rate unchanged, keeping it at a 23-year high of 5.50%. At the beginning of the year, the FOMC predicted three interest rate cuts, but with four meetings left before the end of the year—and two meetings before the November election—the chances of that happening are bleak, with the FOMC now only predicting only one cut before the end of the year.

"The fact that the Fed scaled back the number of rate cuts from three to one is going to disappoint those who were hoping for a summer rate drop. Mortgage rates, which have remained higher for longer, will likely remain in the high sixes until later this year," Bright MLS Chief Economist Dr. Lisa Sturtevant said. "Some homebuyers who have been sidelined by affordability challenges are going to wait until rates come down to buy. Increasingly, home sellers may have to do more negotiating to attract offers."

Despite the construction boom that was sparked shortly after pandemic restrictions were lifted, the U.S. housing

shortage continues to grow to an approximate 4.5-million-unit deficit, up from 4.3 million units in 2023, according to a recent Zillow research.

The Bureau of Labor Statistics (BLS) has reported that total nonfarm payroll employment increased by 272,000 in May 2024, and the unemployment rate changed little at 4%, as employment continued to trend upward in several industries, led by healthcare; government; leisure and hospitality; and professional, scientific, and technical services. The critical need for skilled construction workers to boost housing production, as the BLS found that employment showed little or no change over the month in other major industries, including construction and manufacturing.

The U.S. Census Bureau reported its April 2024 construction statistics, which found that construction spending during April 2024 was estimated at a seasonally adjusted annual rate of \$2,099.0 billion, 0.1% below the revised March 2024 estimate of \$2,101.5 billion. The April figure is 10% above the April 2023 estimate of \$1,907.8 billion. During the first four months of 2024, construction spending amounted to \$635.5 billion, roughly 10.9% above the \$573 billion for the same period in 2023.

HIDDEN COSTS OF HOMEOWNERSHIP CONTINUE TO SOAR

For many, homeownership is a pillar of the American Dream and an essential way for many people to accumulate wealth, but ongoing costs go much beyond the initial purchase price—according to Bankrate's latest Hidden Costs of Homeownership Study. Median home prices have risen above \$400,000 nationwide, and the average annual cost of owning and maintaining a single-family home in the United States is now 26% higher than it was four years ago.

Bankrate compiled the typical costs of property taxes, homeowners' insurance, and home maintenance, which was

Most expensive states

The states with the most expensive hidden housing costs:



Source: Bankrate's Hidden Costs of Homeownership Study, June 2024

Least expensive states

The states with the least expensive hidden housing costs:



Source: Bankrate's Hidden Costs of Homeownership Study, June 2024

estimated to be 2% of a home's value per year. Energy, internet, and cable costs, as well as inflation adjustments for property taxes, energy, internet, and cable bills, and homeowners' insurance rates, were also factored into the study.

In all 50 U.S. states, the average single-family home, priced at \$436,291—according to Redfin—costs \$18,118 each year. This adds \$1,510 per month to a mortgage payment throughout the country. In 2020, the same expenses total \$14,428 per year for a typical single-family home, which equates to \$1,202 monthly.

Homeownership and Maintenance Costs Up Nearly 30% Nationally

Everything has become more expensive in the last four years. Home values

have risen by 40% since the beginning of the pandemic. The National Association of Realtors reported that the median price of an existing home in March 2020 was \$280,700. By March 2024, the figure had risen to \$393,500.

Consumers are also dealing with the aftermath of pandemic-related inflation. Overall, prices are significantly higher than in 2020, and U.S. dollars do not go as far as they did a few years ago. According to the U.S. Bureau of Labor Statistics, cumulative inflation reached 21% between March 2020 and March 2024. Insurance prices are another burden for homeowners. Increased home values, increased construction expenses, and disasters have all contributed to an increase in annual insurance premiums.

States With the Most Expensive Homeownership Costs

These are the top five states with the highest costs of homeownership:

- » **Hawaii.** With an average annual cost of \$29,015, Hawaii is an expensive place to own a home. Much of the tab stems from high home values. With a typical single-family home price of \$993,000, applying our estimated maintenance costs of 2% of the home's value leads to a hefty \$19,860 per year. The other factors contributing to ongoing costs include average annual property taxes of \$3,724; average annual homeowners insurance of \$1,455; average annual cable and internet costs of \$1,508; and average annual energy bills of \$2,468.
- » **California.** The Golden State is another place where ongoing costs are inflated by home values. The median single-family sale price in March was \$848,300, which means maintenance costs of \$16,966 a year. Homeowners in California also pay average annual property taxes of \$6,832, average annual homeowners' insurance of \$1,572, average annual cable and internet costs of \$1,434, and average annual energy bills of \$1,986. The total annual tab: an estimated \$28,790.
- » **Massachusetts.** Massachusetts property taxes are a big lift—the typical bill is \$7,413—and single-family home prices are high. At a median sale price of \$624,200, you get estimated home maintenance costs of \$12,484. Homeowners insurance is also pricier than average, at \$1,918 a year, typically. Meanwhile, homeowners in this state pay \$1,557, on average, in cable and internet costs, plus an average of \$2,941 in energy bills, per year. Taken together, Massachusetts homeowners can expect \$26,313 in hidden costs.
- » **New Jersey.** Garden State property taxes average \$10,026 a year, the highest in the nation. Single-family home prices are a median of \$502,400, translating to maintenance costs of \$10,048. Homeowners insurance costs an average of \$1,466 a year, while annual cable/internet and energy bills run an average of \$1,594 and \$2,439, respectively. Overall, New Jersey homeowners

face \$25,573 in hidden expenses.

- » **Connecticut.** In another state with high property taxes, Connecticut homeowners pay an average of \$8,073 per year. Single-family home prices aren't as high—the median of \$435,900 leads to annual costs of \$8,718, just below the national average. Along with annual cable and internet costs averaging \$1,508, annual energy bills averaging \$3,367, and annual homeowners' insurance averaging \$1,850, homeowners in Connecticut typically spend \$23,515 in hidden costs.

While the national average hidden costs of homeownership are up approximately 26%, the three states with the highest percentage increases from 2020 to 2024 are Utah (+44%), Idaho (+39%), and Hawaii (+38%). Utah and Idaho experienced significant increases in home prices throughout the pandemic, and home values are the primary driver of our calculations.

States With the Least Expensive Homeownership Costs

These are the top five states with the lowest costs of homeownership:

- » **Kentucky.** With an average annual cost of \$11,559, the Bluegrass State is the least expensive place to own a home. This is largely a function of affordable home values. With a typical single-family home price of \$255,800, the 2% rule of thumb equates to \$5,116. The other ongoing costs are average property taxes of \$1,547 a year; average annual homeowners insurance costs of \$1,380; average annual energy bills of \$2,216; and average annual cable and internet costs of \$1,300.
- » **Arkansas.** Arkansas is another place where ongoing costs stay in check thanks to modest home values. The median single-family sale price in March was \$249,300, which means maintenance costs of \$4,986 a year. In addition, homeowners in Arkansas typically pay average annual property taxes of \$1,292, average annual energy bills of \$2,309, and average annual

homeowners' insurance of \$1,805. The state also comes with average annual cable and internet costs of \$1,300—the same as Kentucky. The total annual tab: \$11,692.

- » **Mississippi.** Homeowners here may catch a break because of affordable prices. With a median single-family sales price of \$242,500, maintenance comes out to \$4,850 a year. The state's property taxes average just \$1,380 per year, while annual energy bills average \$2,263 and annual cable and internet costs average \$1,410. Still, homeowners' insurance is pricier than average, at \$1,978 a year. The total expense is \$11,881.
- » **Alabama.** The picture here is similar to that in other affordable states: Alabama's median single-family sales price of \$271,800 works out to estimated maintenance costs of \$5,436. The state's annual property taxes aren't as high, at \$1,075, but annual homeowners' insurance is above average, at \$1,804. Meanwhile, annual cable and internet costs average \$1,447, and annual energy bills average \$2,497.
- » **Indiana.** Indiana's more affordable single-family median of \$252,900 equates to annual maintenance costs of \$5,058, and homeowners' insurance is just \$1,185. Yearly, homeowners in the state pay an average of \$2,063 in property taxes, \$1,422 in cable and internet costs, and \$2,531 in energy bills. All in all, Hoosiers can expect \$12,259 in hidden costs.

Alaska, Texas, and Louisiana had the smallest percentage increases in hidden homeownership expenses from 2020 to 2024, with Alaska and Texas up 14% and Louisiana up 15%.

While single-family homeowners in expensive states such as California, Hawaii, and New Jersey may pay more than \$25,000 in annual ownership and maintenance fees, potential homebuyers can find better deals in lower-cost states including Arkansas, Kentucky, and Mississippi. Despite elevated mortgage rates and high home prices hindering American homebuyers nationwide, the American Dream is possible—it may just depend on the location.

FINAL THOUGHTS

In this month's Final Thoughts, experts from Zillow, Redfin, ATTOM, the National Association of Home Builders, and CoreLogic discuss the volatile and ever-changing housing market, recent trends and expectations, spotlighting home builder sentiment, at-risk markets, the state of U.S. home prices and sales, potential mortgage rate declines, and what opportunities homebuyers, sellers, and renters can expect for the remainder of 2024 amid an ongoing affordability crisis.

“not enough homes”

Orphe Divounguy, Senior Economist at Zillow, explains how millions of U.S. households remain cost-burdened as the lack of available inventory across the nation continues to push the American Dream of homeownership even further out of reach for many aspiring homebuyers.



“sluggish”

Elijah de la Campa, Senior Economist at Redfin, reveals that while homebuyers are facing the headwinds of a hot market, home sales remained flat in May, as elevated housing costs are making prospective sellers and house hunters skittish.



“vulnerable market”

Rob Barber, CEO at ATTOM, expands on U.S. housing market vulnerability and the patterns seen in past years, which are expected to continue, with areas of California, New Jersey, and Illinois having the highest concentrations of at-risk markets in the country.



“an unusual situation”

Robert Dietz, Chief Economist at the National Association of Home Builders, discusses the lack of headway made on reducing shelter inflation as home builder confidence in the market for newly built single-family homes waned in June.



“homebuyer affordability crunch”

Dr. Selma Hepp, Chief Economist for CoreLogic, talks about the result slowing of home prices, indicating purchasers' heightened sensitivity to climbing interest rates, as well as the expectation that lower rates in the future will help alleviate the affordability issue.



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