

# GOOD SERVICE IS SUSTAINABLE

VRM Mortgage Services' Keith Murray and Dr. Cheryl Travis-Johnson discuss how the company's "diversity of thought" and commitment to serving communities has made them an industry staple for nearly 20 years.



## ALSO IN THIS ISSUE:

### SIMPLIFYING THE DIGITAL MORTGAGE PAYMENT PROCESS

How enhancing payment processes with modern technology can smooth the remittance experience for consumers, and enable greater speed, efficiency, and control of collections for lenders.

### BRINGING THE MORTGAGE JOURNEY FULL CIRCLE WITH DIGITAL TECHNOLOGY

As mortgage technology continues to evolve, Joey McDuffee of Blue Sage Solutions details how the end result is not just the ability to perform operations quicker, but to achieve optimal cohesion across a mortgage lender's entire operation.

### HOW TO BUILD VOLUME IN TODAY'S MARKET

Wading through a down market is a challenge for all in the industry, but positioning yourself to help navigate through the complexities of the current market can turn you into a homebuyer's hero.

### EDITORIAL ADVISORY BOARD INSIGHTS:

**A CONVERSATION WITH MICHAEL KEATON, SVP, DEFAULT SUBSERVICING, FOR OCWEN FINANCIAL**

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# A LOOK INSIDE VRM

**L**ongevity within the mortgage finance space is sometimes hard to come by. This month, *MortgagePoint* turns its focus to a company that has withstood the test of time and market fluctuation, and two-plus decades after launching, VRM Mortgage Services continues to fulfill its mission statement in providing high-quality outsourcing services for those in the industry to manage their REO assets.

In “Good Service Is Sustainable,” we speak with VRM President & CEO Keith Murray, and EVP & COO Dr. Cheryl Travis-Johnson, as the leadership team takes us on the company’s journey from its beginnings just before the 2007-2008 financial crisis, through a time when REO inventories were abundant while the nation dealt with a rash of foreclosure inventory, bank failures, and overall economic uncertainty. Their story is one of perseverance, birthed by a tragic “moment of clarity.” Through a period of tumult in the industry, Murray and Dr. Travis-Johnson built a team and demonstrated a willingness to adapt and survive, through the establishment of VRM University (VRMU) to train the next generation of mortgage professional, to the adoption of new technological solutions by embracing new artificial intelligence (AI) tools.

See their story beginning on page 34 of this month’s issue.

In addition to VRM’s journey, this month we feature an array of industry hot-button topics, including how enhancing payment processes with modern technology can enable greater speed, efficiency, and control of collections for lenders in “Simplifying the Digital Mortgage Payment Process,” by Jeff Osheka of REPAY, on page 40.

And as mortgage tech solutions continue to evolve, Joey McDuffee of Blue Sage Solutions details how the end result is not just the ability to better streamline operations, but to achieve optimal cohesion across a mortgage lender’s entire operation in his article on page 44, “Bringing the Mortgage Journey Full Circle With Digital Technology.”

For a different angle on the impact of tech in the marketplace, Nate Den Herder, Founder and CEO of Ardley Technologies, sat down with *MortgagePoint* to detail how an investment in tech solutions today can pay dividends and open new doors for you and your clientele.

While working through a down market is a challenge for all in the industry, in “How to Build Volume in Today’s Market” on page 50, Henry Brandt of Planet Home Lending explains how to position yourself to help navigate through the complexities of a difficult market to turn you into a homebuyer’s hero.

You can find all of this and much more ahead in the pages of the June 2024 issue of *MortgagePoint*. And for your daily fix of the latest happenings in the mortgage finance space, please visit [MortgagePoint.com](http://MortgagePoint.com) as we bring you the news as it breaks.

Thank you again for your continued support of our publication.



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Editor-in-Chief



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## FANNIE MAE EXPANDS INCOME CALCULATOR TOOL FOR LOAN ORIGINATORS

**F**annie Mae has announced new enhancements to its Income Calculator tool that will help mortgage professionals serve the growing number of mortgage applicants in the U.S. who are self-employed and don't have traditional sources of income.

The new web interface provides an additional, free avenue to access Fannie Mae's existing Income Calculator functionality, which the company introduced in 2023 to help lenders streamline their processes and reduce loan defects. Lenders also can still partner with one of Fannie Mae's authorized third-party technology service providers to automate the calculation of self-employment income streams during the underwriting process.

"Whether through our new web-based user interface or through an integrated technology service provider, Fannie Mae's Income Calculator simplifies the process of underwriting the qualifying income of self-employed borrowers, which traditionally has been a challenging and time-consuming operation for lenders," said Mark Fisher, VP of Single-Family Credit Risk Solutions. "With the launch of our new web interface, originators now can select the solution that best aligns with their processes and meets their needs, while saving time and improving certainty in the quality of the loan."

Self-employed borrowers represent approximately 10% of the U.S. workforce and a growing number of Fannie Mae loan deliveries. Incorrect income calculation and documentation can cause defects. With the Fannie Mae Income Calculator, lenders receive an accurate, validated income amount for use in the underwriting process.

Income Calculator is a Fannie Mae-hosted service that uses tax return data to calculate monthly income using current Selling Guide requirements before the lender submits the loan casefile to Fannie Mae. Income Calculator calculates and returns the monthly qualifying income

amount along with actionable messages that help originators avoid common calculation and documentation mistakes. Originators can access Income Calculator through Fannie Mae's web interface, CoreLogic's Income Analyzer service, or PointServ's Digitally Sourced Data service, with additional integrated technology service providers coming soon.

Recent innovations include:

- » New capabilities in the DU validation service enable lenders to automatically validate borrower assets, income, and employment using a single asset report, improving the mortgage origination process for lenders and homebuyers.
- » An improved pre-qualification experience through the DU early assessment enhancement to help lenders determine homebuyer preparedness and mortgage options earlier without the impact of a hard credit check on the consumer.
- » A new \$2,500 credit available to qualified, creditworthy very low-income borrowers through our HomeReady® product to help overcome two of the greatest barriers to homeownership—down payment and closing costs.
- » Fannie Mae's award-winning HomeView and HomeView en Español, providing consumers and first-time homebuyers with educational tools and information about financial literacy and homeownership.

## XOME LAUNCHES DIY SALES PLATFORM REQUIRING NO AGENT

**X**ome has announced its DIY sales platform, which allows investors full transparency and control from their property listing to post-closing, all in real time and with no seller's fees or agent required.

"We anticipate that the real estate landscape is going to continue to evolve rapidly, and Xome plans to be at the forefront of that change," said Mike Rawls, CEO of Xome. "Investors are looking for

options when it comes to buying or selling a home, and they want to be more in control of the process. That's the reason we are constantly optimizing our platform—to meet buyers and sellers not only where they are, but where they want to be."

Xome's new self-service capability allows investors to:

- » List with ease: With just a few clicks, users can list the property on Xome's proprietary online auction platform.
- » Maximize visibility: Reach a nationwide network of over 875,000 serious buyers through multichannel marketing support for every property.
- » Achieve optimal value: Competitive bidding ensures the property sells for its true market value.
- » Get expert support: Xome's team of real estate professionals is available to assist sellers every step of the way.

"Xome has hundreds of sellers who have already chosen to withdraw from the traditional listing route. That's why we want to empower investors with the flexibility they are looking for to navigate the changing market," said Mike Jansta, COO at Xome. "Whether our customers want to use their own trusted agent, match with one of our agents or choose the DIY option with no agent, Xome is putting investors in the driver's seat for the whole process."

## CLEAR CAPITAL PARTNERS WITH DARK MATTER TECHNOLOGIES FOR MORTGAGE LENDER/SERVICER PRODUCT SUITE

**C**lear Capital, a real estate valuation technology company, has announced its partnership with Dark Matter Technologies, a mortgage technology company backed by loan origination software. Through this partnership, mortgage lenders and servicers using the ExchangeSM Service Network, an API marketplace that connects more than 16,000

service providers with the Empower loan origination system (LOS) and other systems of record, will have access to a broad range of Clear Capital products and services. This includes ClearAVM, Clear Capital's automated valuation model (AVM).

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

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

ClearAVM is trusted for its collateral valuation accuracy, which leads the industry with median absolute error (MdAE) of only 2.3% and is designed for situations that demand highly precise and efficient results, including home equity lending, portfolio valuation, review and underwriting. ClearAVM accurately and fairly predicts values on over 120 million residential properties and is updated regularly to provide the most complete picture of homes in the United States.

Designed to remove pre-funding uncertainty or support post-funding due diligence, the CDA is an efficient, cost-effective method to determine if the appraisal under review is adequately supported.

In addition to ClearAVM and CDA, Exchange Service Network users can obtain accurate property values with Clear Capital's appraisal solutions and reduce the cost and risk of servicing portfolios with its BPO or PCI.

"Our partnership with Dark Matter Technologies is all about helping lenders and servicers make more confident decisions through our robust property data

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

## ICE REDEFINES MORTGAGE SERVICING WITH NEW INTELLIGENT, CONVERSATIONAL INTERFACE

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

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

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

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

**“Our aim is to streamline the delivery of products so that our clients have what they need, when they need it.”**

— Rich Gagliano, CEO, Dark Matter Technologies



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

## CORPORATE SETTLEMENT SOLUTIONS INTEGRATES WITH GRIDBASE TO IMPROVE HOME EQUITY LENDING

Corporate Settlement Solutions (CSS) has announced an enhanced integration with GridBase, an Application Program Interface (API) for lender and title collaboration, to improve efficiencies within home equity lending.

“U.S. homeowners currently have more than \$11 trillion in tappable home equity and are willing to use home equity products to increase their personal liquidity while preserving their historically low first-mortgage interest rates,” said Ashley Jelinek, CEO of Corporate Settlement Solutions. “Our integration with GridBase provides a fast, efficient title-lite solution that home equity lenders can access without ever leaving the Encompass environment.”

The CSS home equity solution has tapped GridBase technology to allow lenders to order CSS property reports, flood zone determinations and recordings directly within the Encompass LOS platform, reducing the time required for manual order entry and improving delivery times.

“Given the no- or low-cost economics of home equity originations, the greater efficiencies that technology can deliver often translate into improved margins,” said Ryan Peterson, President of GridBase. “We’re pleased to work with forward-looking title providers, like CSS, to enhance the home equity experience for our joint clients and their customers.”

The recent integration is an expansion of the long-standing partnership between CSS and GridBase and enhances the services offered by CSS through the Encompass by ICE Mortgage Technology platform. By reducing the time required for manual order entry and delivering property reports directly into a lender’s eFolder, the integration will help streamline the home equity origination process and reduce the overall loan production costs.

“Incorporating this technology with our home equity workflow has already delivered a notable lift in efficiency,” said Jennifer Tanner, AVP, Mortgage Processing with Peoples Bank. “The platform works well, is user friendly and saves us a lot of time.”

## ACES QUALITY MANAGEMENT PARTNERS WITH INFRD TO PROVIDE AI-POWERED INTELLIGENT MORTGAGE DOCUMENT PROCESSING

ACES Quality Management (ACES has announced a new partnership with Infrd to provide ACES users access to intelligent document processing. When used in conjunction with ACES Quality Management & Control software, Infrd’s technology helps lenders improve the efficiency of their quality control (QC) reviews by indexing, categorizing, and reviewing the accuracy of loan file documents prior to review.

“We’re thrilled at the opportunity to empower our users with the capability to leverage state-of-the-art innovations like Infrd that lead to improved efficiency in QC reviews and, ultimately, enhanced loan quality,” said Trevor Gauthier, CEO of ACES.

Infrd assists mortgage companies in safely adopting artificial intelligence (AI) across various facets of the mortgage process. With a focus on research, inno-

vation, and customer-centric automation technology, Infrd has launched a new platform designed to streamline pre-close and post-close auditing processes.

Key functionalities of Infrd's QC tool include:

- » Process loan packages for mortgage QC process
- » Classification, stacking, and extraction of key data points from the loan package
- » Config-driven detection and tracking of missing loan documents
- » Automated detection of data discrepancies across all loan documents and electronic files
- » CD Balancer for comparing data between Lender CD, Title CD, and loan origination system (LOS)
- » Complete audit trail of user and imported data updates

"We are eager to collaborate with ACES to deliver AI-powered solutions that address critical challenges in mortgage document processing and help deliver first-mover advantage for all AI trailblazers in the mortgage industry," said Amit Jnagal, CEO of Infrd. "Our new QC solution offers unparalleled capabilities to streamline auditing processes and ensure compliance, enabling mortgage companies to enhance operational efficiency and mitigate compliance risks."

## DOWN PAYMENT RESOURCE JOINS ICE MORTGAGE TECHNOLOGY TO EMBED DOWN PAYMENT ASSISTANCE PROGRAM SUPPORT

**D**own Payment Resource (DPR) announced a new integration using the latest API framework from Intercontinental Exchange (ICE) for mortgage technology. Available via the Encompass Partner Connect API Platform, the integration makes it easier for lenders

**“Unfortunately, most loan officers don’t pursue DPA on behalf of their clients because they don’t know about existing programs or are hesitant to try something unfamiliar.”**

—Rob Chrane, Founder and CEO, Down Payment Resource



to support homebuyers with the nation's 2,300-plus down payment assistance (DPA) programs.

DPR's integration with Encompass embeds support for DPA programs directly into core loan production systems, arming lending staff with the information they need to confidently deliver DPA. Borrowers are automatically matched with eligible company approved DPA programs based on declarations and loan application data. LOs are presented with program information, such as benefit amounts and eligibility requirements, so they can advise borrowers on their DPA options and guide them through program-specific processes. DPA program selection is automatically communicated downstream to underwriters by translating program requirements into importable loan conditions, making them easier to manage.

According to DPR's Q1 2024 HPI report, there are 2,373 homebuyer assistance programs available nationwide. All

3,143 U.S. counties have at least one DPA program, more than 2,000 counties have 10 or more programs, and the average DPA benefit is \$17,000.

Using DPA can lower the loan amount for a more favorable debt-to-income ratio or provide cash to meet the necessary cash-to-close, helping more low-to-moderate income (LMI) borrowers qualify for a mortgage. A study conducted by Down Payment Resource and the Urban Institute that examined the impact DPA could have had on buyers in the top 10 United States metropolitan statistical areas found that almost half (43.6%) of originated purchase mortgages were eligible for DPA. As far as loan types, 79.8% of FHA loans and 81.9% of USDA loans could have been eligible for DPA.

Moreover, the study found that DPA could have potentially salvaged 30.7% of denied applicants—a gap that affects a significant portion of LMI and minority applicants. Increasing pull-through not

only benefits homebuyers, but it also offers lenders a much-needed opportunity to grow loan volume in a tight market.

“DPA programs are crucial for promoting homeownership accessibility, particularly for first-time homebuyers, LMI homebuyers and homebuyers of color. Unfortunately, most loan officers don’t pursue DPA on behalf of their clients because they don’t know about existing programs or are hesitant to try something unfamiliar,” said Rob Chrane, Founder and CEO of Down Payment Resource. “Embedding Down Payment Resource’s lender solutions in Encompass helps LOs overcome those apprehensions. Folding DPA functionality in the core origination gives LOs confidence that they can effectively originate DPA and make borrowers happy. We’re giving lending staff everything they need to know the moment a loan needs to be created.”

“We hope that by making mortgage staff ‘instant experts’ on DPA, more homebuyers can benefit from DPA,” Chrane said.

## VOXTUR LAUNCHES VOXTURRATEADVISOR TO ENHANCE HOMEOWNERSHIP AFFORDABILITY

**V**oxtur Analytics Corp. has launched VoxturRateAdvisor, a title insurance technology platform designed to present users with information on the right title product and the rates and services available on the market.

VoxturRateAdvisor offers users the best solution for their given situation, whether that is traditional title insurance or the Voxtur AOL title alternative, aiming to provide competitive pricing for borrowers with the goal of making homeownership more affordable for consumers. It compares title products and rates from Voxtur’s network of title providers, underwriters, and tailored rates across states, providing access to competitive pricing for title and settlement services.

VoxturRateAdvisor’s dashboard provides a seamless and consistent experience across various Loan Origination Platforms,

offering a single-point, single-entry portal for enhanced efficiency and convenience.

“We are thrilled to introduce VoxturRateAdvisor as part of our ongoing mission to make homeownership more affordable for everyone,” said Gary Yeoman, CEO of Voxtur. “Through VoxturRateAdvisor, we empower our clients with unparalleled access to the best pricing and services available in the market, ensuring a smooth and cost-effective journey to homeownership for consumers.”

The launch of VoxturRateAdvisor follows the release of Voxtur Verify, a workflow software designed to simplify real estate transactions for title agents, underwriters, and loan officers.

## ACES QUALITY MANAGEMENT PARTNERS WITH DIGILYTICS TO PROVIDE ADVANCED OCR TECHNOLOGY

**A**CES Quality Management (ACES) has announced a new partnership with Digilytics to provide ACES users access to Revel, an advanced optical character recognition (OCR) technology powered by artificial intelligence (AI) and machine learning (ML). Digilytics’ technology helps streamline quality control (QC) reviews conducted using ACES Quality Management & Control software by automating document indexing and categorization to ensure loan files selected for review are accurate and complete.

“AI and ML hold the transformative potential to revolutionize the landscape of mortgage lending as we know it. At ACES, we are excited about the prospect of empowering our users with the ability to harness these cutting-edge innovations, thereby elevating the efficiency of their QC reviews, and ultimately enhancing loan quality,” said Trevor Gauthier, CEO of ACES. “Recognizing the role that document indexing and categorization play in streamlining the QC review process, it became imperative for ACES to collaborate



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“Our advanced AI algorithms streamline workflows, increase productivity, and minimize the need for manual intervention, ultimately delivering unparalleled value to our mutual clients.”

—Larry Fried, Country Head of the USA division, Digilytics



with a company like Digilytics. Not only does Digilytics boast a proven track record of success, but they have also demonstrated a commitment to the continuous modernization of their technology.”

Digilytics’ Revel OCR platform enhances loan review and QC from origination to post-closing review by enabling lenders to perform loan reviews more efficiently. Using AI to index large loan packages and extract data, Revel improves reviewers’ speed and accuracy, allowing them to give more attention to exceptions as they move through their reviews inside the ACES platform.

“Digilytics’ technology paired with ACES Flexible Audit Technology® will revolutionize the way quality control professionals approach document processing,” said Larry Fried, Country Head of the USA division at Digilytics. “Our advanced AI algorithms streamline workflows, increase productivity, and minimize the need for manual intervention, ultimately delivering unparalleled value to our mutual clients. This partnership marks a significant stride towards fostering a more streamlined,

tech-driven approach within the mortgage lending industry, ultimately benefiting both lenders and borrowers alike.”

## POLLY INTEGRATES WITH NCINO'S MORTGAGE SUITE TO ENABLE BETTER LOAN OFFICER MOBILITY

**P**olly has unveiled its latest API integration with nCino, a bi-directional integration pairing Polly’s vanguard pricing engine with nCino’s Mortgage Suite point of sale (POS) solution— providing lenders and loan officers (LOs) with motility and additional opportunities to attract, engage, and strengthen referral relationships. The multi-phase integration already provides the ability to run Polly pricing searches for loans and loan applications within the

nCino Mortgage Suite web experience, and enhanced functionality for locking via web as well as mobile pricing and locking are underway.

“We’re excited to join Finaya and continue making our vision of a seamless home ownership experience a reality, as we move into this era of AI,” said Arian Abdulkader, CEO of Nexme.

Finaya also announced a definitive merger and acquisition agreement with Nexme, an innovative real estate app with its “tour now” capability that lets buyers request home tours on demand, and real estate agents to service their requests in real time. With this agreement, Nexme’s founders Arian Abdulkader and Vanessa Alvarez will join Finaya’s experienced, diverse leadership team with deep technology, AI, lending, real estate and customer experience expertise from premier companies such as Amazon, Better.com, Expedia, Microsoft and Wells Fargo.

### Finaya’s Outlook:

- » **Real Estate Listings:** Explore an extensive database of properties tailored to individual preferences and budgets, with advanced search filters and personalized recommendations powered by AI algorithms.
- » **Mortgage Solutions:** Access competitive mortgage rates and personalized loan options through our network of trusted lenders, with AI-driven tools optimizing the application and approval process.
- » **Insurance Services:** Protect your investment with tailored insurance solutions, ranging from homeowners’ insurance to specialized coverage options, all seamlessly integrated into the platform.
- » **Title and Closing Services:** Streamline the closing process with end-to-end support, including title searches, escrow services, and legal documentation, ensuring a smooth and secure transaction from start to finish.

“At Finaya, we believe in leveraging AI technology to harmonize the way customers experience homeownership, ushering in capabilities such as affordable home search, dynamic agent commissions, and transparency of end-to-end transactions”,

said Naren Nath, CEO of Finaya. “At the same time, we are empowering real estate agents, loan officers and other service professionals with unprecedented access to in-market customers, resources and expertise, revolutionizing the industry in the process.”

## ZILLOW PROVIDES OPEN-SOURCE TECHNOLOGY TO PROMOTE FAIR HOUSING

Zillow is releasing its open-source Fair Housing Classifier, which establishes guardrails to promote responsible and unbiased behavior in real estate conversations powered by large language model (LLM) technology. The Fair Housing Classifier acts as a protective measure, to encourage more equitable conversations with AI technology.

Many AI tools disregard fair housing requirements and, when deployed, can perpetuate bias and undermine the progress achieved in advocating for fair housing. Zillow’s Fair Housing Classifier focuses on mitigating the risk of illegal steering—the practice of influencing a

buyer’s choice of communities based upon the buyer’s legally protected characteristics under federal law.

“Since 2006, Zillow has used AI to bring transparency to home shoppers, powering tools like the Zestimate,” said Josh Weisberg, SVP of Artificial Intelligence. “We’ve made it our business to increase transparency in real estate—open sourcing this classifier demonstrates that advancements in technology do not need to come at the expense of equity and fairness for consumers. We’re offering free and easy access so that others in civil rights, tech and real estate sectors can use it, collaborate and help improve it.”

The Fair Housing Classifier acts as a protective measure, to encourage more equitable conversations with AI technology. It detects questions that could lead to discriminatory responses about legally protected groups in real estate experiences, such as search or chatbots. The classifier identifies instances of noncompliance in the input or the output, leaving the decision of how to intervene in the hands of system developers.

“In today’s rapidly evolving AI landscape, promoting safe, secure and trustworthy AI practices in housing and lending is becoming increasingly important to protect consumers against algorithmic harms,” said Michael Akinwumi, Ph.D., Chief Responsible AI Officer at the

National Fair Housing Alliance. “Zillow’s open-source approach sets an admirable precedent for responsible innovation. We encourage other organizations and coalition groups to actively participate, test, and enhance the model and share their findings with the public.”

Given the hundreds of millions of Americans searching for housing online today, it’s vital that people are equipped with tools to make getting home more equitable and transparent—and less daunting. Younger generations, renters, LGBTQ+ people and people of color are more likely to say fair housing is an issue facing them and their families, according to a recent Zillow survey of 26 major U.S. metropolitan areas. Although fair housing laws—which ensure equal and nondiscriminatory access to housing—have been in place for nearly 60 years, discrimination remains a stubborn factor in housing,

Zillow’s latest Housing Aspirations Report showed that a survey found many respondents (57%) reported experiencing some kind of housing discrimination, with groups such as LGBTQ+ populations reporting discrimination at higher rates. However, overall, only 42% of respondents reported that fair housing impacts them or their families, highlighting how much work is needed to continue to educate people about their rights under fair housing laws.

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# » Movers & Shakers

## » Government

### FORMER HUD/GINNIE MAE HEADS LAND NEW ROLES



McCargo

Two government housing regulators who recently stepped down from their roles have found new positions, as **Alanna McCargo**, former President of Ginnie Mae, and **Marcia L. Fudge**, former Secretary of the U.S. Department of Housing & Urban Development



Fudge

(HUD), have assumed new roles.

The Board of Directors of the Federal Home Loan Bank of San Francisco (FHLBank San Francisco) has named McCargo as its new President and CEO, and Taft, ranked the 83rd largest firm in the U.S. in 2024 by revenue by Am Law 100, has named Fudge a Partner and its firmwide Chair of Public Policy after serving in President Joe Biden's Cabinet as the 18th Secretary HUD.

As head of Ginnie Mae, McCargo led an agency that connected the nation's housing market to capital markets, providing low-cost financing for federal housing programs through the U.S. Department of Veterans Affairs, HUD's Federal Housing Administration (FHA) and Office of Public and Indian Housing, and the U.S. Department of Agriculture's Rural Housing Service. McCargo made history as the first woman and first woman of color appointed to lead Ginnie Mae.

McCargo stepped down from her role with Ginnie Mae, effective May 3, 2024, and was replaced by Sam I. Valverde will serve as Acting President. McCargo has served in the Biden Administration since January 2021, first as Senior Advisor for Housing Finance in HUD for former Secretary Fudge, and was

later nominated by President Biden to lead Ginnie Mae. McCargo was also VP of the Housing Finance Policy Center at the Urban Institute, and held leadership positions at CoreLogic, JP Morgan Chase, and Fannie Mae.

The FHLBank San Francisco is a private member-owned cooperative, providing critical on-demand liquidity to help local lenders in Arizona, California, and Nevada build strong communities, create economic opportunity, and change lives for the better.

Throughout her career, McCargo has been committed to advancing access to safe and affordable housing and to promoting evidence-based policies that foster a more equitable housing finance system for all. She has advocated for safe, fair, and sustainable housing, and broadening opportunities that enable credit building, asset accumulation, and wealth creation, especially for the most historically underserved populations. McCargo has been instrumental in mortgage policy related to foreclosure prevention, loan restructuring, and distressed asset management, and has been a voice for ensuring the financial system underpinning America's communities remains strong and resilient through all economic cycles.

"We are very excited that Alanna is joining the Bank at this pivotal moment in time for us and our industry," said Dan Siciliano, Chair of the FHLBank San Francisco's Board of Directors. "Alanna is the type of transformative leader we need to continue the innovative and impactful programs the Bank has been delivering under the leadership of Teresa Bryce Bazemore, our current President and CEO. Alanna brings a wealth of hands-on experience from both the private and public sectors. Throughout her career she has demonstrated a passion for advancing national policy directed at solving this country's affordable housing issues. She has been a strong advocate for closing both the racial homeown-

ership and wealth gaps and has a deep understanding of the irreplaceable role the FHLBank System plays in maintaining the economic health of our financial system and strengthening the communities we serve."

McCargo will officially join the FHLBank on June 10, 2024, and in order to ensure a smooth leadership transition, Teresa Bryce Bazemore, the Bank's current President and CEO, has agreed to continue to lead the Bank until McCargo takes over. Bazemore will remain through the end of June as EVP and Senior Advisor, and has agreed to serve as a Consultant for the Bank for a term beginning July 1 through the end of August 2024.

"I am looking forward to joining the team at the Federal Home Loan Bank of San Francisco and leading the critical work of providing reliable access to liquidity to Bank members and fulfilling the public mission to support affordable housing and deepen community investment," said McCargo. "The role of the FHLBanks is essential to our financial system and contributes to the economic strength and stability of communities in our nation. Throughout my career, I've driven efforts to improve housing affordability and economic opportunity while managing the risks and the complexities of our housing finance system. I am excited to bring a new perspective to the Bank and, alongside my colleagues in the FHLBank System, work to solve the persistent housing challenges impacting the country. Together we'll strengthen the value the Bank brings in meeting the liquidity demands of members and supporting affordable housing and community investment within Arizona, California, Nevada, and beyond. I am thrilled to be joining the Bank at this pivotal time."

Former HUD Secretary Fudge joins Taft as a Partner and its firmwide Chair of Public Policy, where she will dedicate a portion of her time to the firm's ongoing efforts to combat the harmful effects of forever chemicals. Her experience and reputation will bolster the firm's relationships with governmental and corporate leaders both in her home state of Ohio and across the U.S.

“My top priority as a leader has always been to develop effective solutions and results for the people and communities I have been called to serve.”

—Marcia L. Fudge, Partner and firmwide Chair of Public Policy, Taft



“My top priority as a leader has always been to develop effective solutions and results for the people and communities I have been called to serve,” said Fudge. “In my transition to life as a private citizen and attorney, it was important for me to land among professionals who are similarly dedicated to solutions-driven work. Taft’s core values, culture, leadership principles, and commitment to its clients strongly align with my personal values, as does its modern approach to service. I greatly look forward to collaborating with my new colleagues in my role as Partner and Chair of Public Policy, which I am honored will allow me to return to my roots in Ohio, and maintain a strong presence in Washington, D.C.”

Fudge announced her resignation as Secretary of HUD back in March. As

President-Elect, Joe Biden nominated Fudge as Secretary of HUD on December 10, 2020. The U.S. Senate Committee on Banking, Housing, and Urban Affairs advanced her nomination by a vote of 17-7 on February 4, 2021, and she was confirmed by the Senate as HUD Secretary on March 10, 2021, by a vote of 66-34. She was virtually sworn in by Vice President Kamala Harris on March 10, 2021, becoming the second African-American woman to serve as HUD Secretary.

“I am personally very proud and excited for Taft with this announcement. Bringing someone of Secretary Fudge’s stature and caliber is highly strategic for Taft,” said Taft Chair and Managing Partner Robert J. Hicks. “She is a tremendous leader with an astute vision, impeccable integrity, and a deep passion for serving our nation’s communities. Taft is very

fortunate that she has selected this as her professional home. Secretary Fudge’s service-oriented leadership and vast experience will have an extremely positive impact on our clients and the communities we serve.”

Fudge has deep roots in Ohio, having begun her career in public service in the Cuyahoga County, Ohio Prosecutor’s Office and having served as the first woman and first African American person elected Mayor of Warrensville Heights, Ohio. From 2008-2021, Fudge served as the U.S. Representative for the 11th Congressional District of Ohio. She is also a former national president of Delta Sigma Theta Sorority, Incorporated, one of the nation’s largest African-American sororities, and a past chair of the Congressional Black Caucus, or the CBC. It was there that she worked closely with Lacy M. Johnson, Partner-in-Charge of Taft’s Washington, D.C. office and a member of President Biden’s Export Council.

“It is an honor and privilege to welcome Secretary Fudge to Taft,” said Johnson. “What she has achieved in her career is inspirational, and her presence at Taft will be highly impactful for our clients and teams. On a personal level, I know firsthand that she is a great leader, who is insightful and collaborative in everything she does. Secretary Fudge knows how to bring people together—often with disparate viewpoints and experiences—to accomplish goals and to serve the common good.”

## FANNIE MAE WELCOMES NEW BOARD MEMBER



Fannie Mae has announced that **Dr. Diane N. Lye** has been appointed to its Board of Directors. Dr. Lye brings years of technology and

financial services expertise to the GSE’s Board as it helps Fannie Mae fulfill its mission to facilitate equitable and sustainable access to homeownership and quality affordable rental housing across America.

“We are very pleased to welcome Diane to the Fannie Mae Board of

Directors,” said Michael J. Heid, Chair of Fannie Mae’s Board of Directors. “Her deep data science and technology expertise will provide rich insights as the company continues to advance the mortgage experience for housing market participants.”

Dr. Lye has more than 30 years of experience in data science and technology. Most recently, she served as CIO at Rivian Automotive Inc., an electric vehicle manufacturer, from October 2022 to December 2023.

Previously, Dr. Lye was at Capital One, where she served as EVP and CIO for Card Technology, from May 2019 to September 2022, and as SVP of Enterprise Data, Machine Learning, Risk and Finance Technology, from October 2016-May 2019. Prior to joining Capital One, Dr. Lye held a variety of technology-centered leadership roles at Amazon, Citigroup, and Bank of America.

“Diane brings extensive technology and financial services knowledge to our talented and diverse Fannie Mae Board of Directors,” said Priscilla Almodovar, Fannie Mae’s President and CEO. “We will benefit from her broad technology experience as we continue to strengthen systems that support our risk management efforts while identifying and developing emerging technology opportunities to support sustainable access to mortgage credit.”

## FHFA ANNOUNCES NEW CIO AND CFO



Campudoni

The Federal Housing Finance Agency (FHFA) has announced two personnel updates, as **Luis A. Campudoni** has been named Chief Information Officer, and **Mary Peterman** has been named Chief Financial Officer.



Peterman

Campudoni brings to the FHFA more than 25 years of experience in information technology (IT). He joined FHFA after spending two years as the Deputy

Chief Information Officer at the Small Business Administration (SBA), where he led, executed, and oversaw the information technology products, services, and operations that supported the SBA’s mission. Campudoni has also held senior leadership roles at the Department of Homeland Security, the Metropolitan Washington Council of Governments, the Federal Emergency Management Agency (FEMA), and Customs and Border Protection. Campudoni holds Master of Science degrees in project management, organizational leadership, and IT.

Peterman is a certified public accountant (CPA), and a certified government financial manager with more than 30 years of financial management experience. She recently joined FHFA after serving as the Controller/Deputy Director of the Division of Finance for the Federal Deposit Insurance Corporation (FDIC). Prior to FDIC, Peterman served in leadership positions for the Administrative Office of the U.S. Courts, the Department of Homeland Security, and various local government organizations. Peterman has also held leadership positions for the Association of Government Accountants, including serving as national president and national treasurer. Peterman holds a master’s degree in public administration.

## » Lenders/Serviceers

### LOANCARE NAMES NEW EVP/CRO

Mortgage subservicer LoanCare has announced its first Chief Revenue Officer and welcomes **David Vida** to the role. By instituting this new executive role, LoanCare is further advancing its business strategy to support client growth and product expansion by leveraging its partnership, technology, talent, and successful servicing operations.

“David’s extensive background in the mortgage industry makes him perfectly suited to lead our charge to identify new business opportunities,” said Dave Worrall, President of LoanCare. “Placing David at the helm is a strategic move by LoanCare to further our relationships with lender clients and business partners by helping them—along with Loan-

Care—increase opportunities and drive revenue.”

Vida has more than 30 years of experience in the industry, and most recently served as COO at Weston Portfolio Group. Previously, Vida led Enterprise Sales at Computershare Loan Services, where he focused on growing third-party subservicing clients, expanding servicing of HELOCs and second liens, broadening relationships with existing clients, and improving portfolio retention. Vida also served as President, Chief Strategy Officer for LenderLive Network where he drove the company’s entry into subservicing and correspondent lending.

“I’m excited to use my skills and experience in leading high-performance teams to advance LoanCare’s business development strategies and identify new opportunities to scale the servicing enterprise,” said Vida. “I’m looking forward to creating a collaborative, results-oriented environment that will strengthen client and business partner relationships and increase our revenue pipeline for sustained growth. I am incredibly impressed with the team, platform, technology, and culture at LoanCare and thrilled to be a part of their continued success.”

## CARRINGTON ADDS VP OF MARKETING



Carrington Mortgage Services LLC (CMS) has hired **Steven Winokur** to serve as VP, Marketing, Third-Party Origination.

“Non-QM is an important part of Carrington’s commitment to potential homeowners with non-traditional kinds of income,” said Greg Austin, EVP, Lending for CMS. “During his career, Steven Winokur has demonstrated a unique understanding of non-QM, and we are proud to add his expertise to CMS, allowing us to better serve American homeowners.”

While serving as Chief Marketing Officer for Angel Oak Lending, Winokur established a reputation as a non-QM expert. His experience in marketing, brand development, marketing communications,

and digital marketing is expected to build on existing marketplace momentum for Carrington's diverse non-QM offerings.

"Non-QM loans are a vital part of the loan mix for Carrington's customers," said Winokur. "We have a responsibility to make loans that are based on bank statements, and other non-W-2-related financial documents, available to ensure all Americans have an equal opportunity to achieve their dream of homeownership, or purchase investment properties to secure their financial future."

As a solutions-based wholesale and correspondent lender, CMS is in a unique position to manage credit and provide liquidity for its non-QM program. Educating brokers and sellers on the many benefits of non-QM availability has been a key part of CMS' outreach for some time. Winokur is expected to concentrate in part on increasing the company's emphasis on diverse forms of non-QM education resources, to make sure brokers and sellers—some of whom may be more familiar with FHA, VA, and conventional loan products—have all the knowledge they need to effectively utilize non-QM for their customers.

"Steven Winokur has a reputation for driving revenue and market share growth with a unique combination of aligning brand development, strategic communications and tactical execution," said Samuel Bjelac, SVP, National Sales, Third-Party Origination for CMS. "The addition of his expertise to our combination of loan programs, leading-edge technology and imminently capable operations teams demonstrate that CMS is more committed than ever to providing steadfast non-QM support to our mortgage industry partners."

## OCWEN APPOINTS NEW BOARD MEMBER



Ocwen Financial Corporation has announced the appointment of **Claudia J. Merkle** to its Board of Directors.

"We are very pleased to welcome Claudia to the Ocwen Board," said Glen

A. Messina, Chair, President, and CEO of Ocwen. "Claudia is an accomplished and well-respected mortgage industry executive with deep public company experience. Her collaborative leadership style and significant industry knowledge spanning risk management and technology innovation to sales and operations, as well as emerging corporate governance issues, complements the skills and experience of our Board."

Phyllis R. Caldwell has notified the Board that she has decided not to stand for re-election at Ocwen's 2024 Annual Meeting of Shareholders.

"On behalf of the Board, I want to thank Phyllis for her countless contributions to Ocwen since joining the Board in 2015, and for her leadership and guidance throughout the evolution of our Company," said Messina. "We are deeply grateful for Phyllis' dedication, partnership, and unwavering commitment to building value for our shareholders and our Company, and we wish her all the best in the future."

Merkle currently serves as an Advisory Board member of HomeLend Inc., and is the former CEO of NMI Holdings Inc., the parent company of National Mortgage Insurance Corporation (National MI), a position she held from 2019 to 2021. Under her leadership, National MI was recognized on Fortune's "100 Fastest-Growing Companies" list in 2020, and was consistently recognized as one of the best places to work in the U.S. In 2021, Merkle was named one of the "Most Influential Women in the Bay Area" by the San Francisco Business Times. Prior to her role as CEO, Merkle held multiple executive leadership positions since joining National MI in 2012, including President; COO; EVP, Chief of Insurance Operations; and SVP, Underwriting Fulfillment and Risk Operations. Earlier in her career, she served as VP, National and Regional Accounts, Risk and Operations, and previously as Managing Director at PMI Mortgage Insurance Company.

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## SVP OF MORTGAGE LENDING RETURNS TO GUARANTEED RATE



Guaranteed Rate welcomes the return of Wilmington, North Carolina's **Chris Hutchens** who rejoins in an expanded role of

Producing Area Manager and SVP of Mortgage Lending. In addition to managing a top-ranked book of business, Hutchens will provide management and mentorship to other loan officers at Guaranteed Rate, including Wilmington, a new location in the Pinehurst office, and surrounding areas.

"It's cliché, but sometimes you don't know what you have until it's gone," said Hutchens. "I've returned to what I believe to be the best mortgage platform in the business. I enjoyed nearly a decade with this team before, so my trusted referral partners are thrilled to see me return. Everything at Guaranteed Rate is geared towards delivering a world-class client experience; the website and app are easy to navigate and built to drive business our way. Guaranteed Rate loan officers have the pricing, tech, and tools to truly deliver results in North Carolina's fast-paced and competitive real estate market. I couldn't be more excited to be back and hope to finish my career here!"

Since 1997, Hutchens has been one of the leading loan originators in the region, with more than \$2 billion in originated loan volume to his name. He has been recognized as North Carolina's number one mortgage lender many times, and ranks consistently among the top financing professionals in the nation.

"Chris Hutchens' return to the Guaranteed Rate team is a significant boost, especially given his expertise in mortgage originations and strong reputation in the Carolinas," said Jeff Nelson, Southeast Divisional Manager for Guaranteed Rate. "Chris's track record of success and consistency as an originator in North Carolina, coupled with his previous leadership roles in Wilmington, sets the stage for his branch's continued growth and success."

## MORTGAGE SUBSERVICER DOVENMUEHLE NAMES NEW CHIEF DATA OFFICER



Dovenmuehle Mortgage Inc. has hired **Aaron Belovsky** as Chief Data Officer (CDO) where he will lead data governance,

data engineering, and machine learning strategies.

"On behalf of Dovenmuehle, we are thrilled to welcome Aaron as our new Chief Data Officer," said Dovenmuehle SVP of IT George Mynatt. "His unique experience across both highly regulated industries and the service/hospitality sector makes him an invaluable asset to Dovenmuehle in balancing functionality and compliance within our ever-advancing internal and external technology."

Belovsky brings more than two decades of software engineering experience to his position at Dovenmuehle. Most recently, he served as Engineering Manager at Pixelberry Studios, where he contributed to the company's go-to-market strategy and coached the organization on agile methodology. In addition, Belovsky has held software engineering and leadership roles across verticals in healthcare, software consulting, hospitality, and government sectors. He also holds numerous certifications, including Professional Scrum Master, Certified C++ Developer, and multiple Microsoft certifications.

"I am honored to join the Dovenmuehle team, committing to the mission to transform and elevate our data management and security practices," said Belovsky. "Together, we will work diligently to ensure our data strategies are robust and forward-thinking, meeting the needs of our clients and the industry."

## WELLS FARGO NAMES NEW HEAD OF SALES



Wells Fargo Home Lending has named **Sandra Ho** as new Head of Sales, where she will lead the company's Consumer Direct and

Distributed Sales organizations. Previously, the two divisions had been under separate leadership. In her new role, Ho will report to Serhat Oztop, Head of Sales and Retail Transformation for Wells Fargo Home Lending.

"Sandra has a proven track record of transforming sales organizations and I'm excited to welcome her to Wells Fargo," said Kevin Reen, Head of Wells Fargo Home Lending. "The consolidation of our Consumer Direct and Distributed sales teams under Sandra's leadership will help accelerate our ongoing transformation to de-risk and simplify our business."

Ho joins Wells Fargo from JPMorgan Chase, where she held several leadership positions in the firm's Home Lending and Consumer and Small Business Payments Divisions over the last six years. Most recently, she served as Managing Director in the Consumer and Small Business Payments division. Prior to JPMorgan Chase, Sandra held positions at Innovatus Capital Partners, McKinsey & Company, Promontory Financial Group Australasia, and Singapore's Ministry of Trade and Industry.

"With more than 15 years of experience in banking and financial services, Sandra brings a broad range of skills that will be key in helping advance Home Lending's go-forward strategy aimed at serving bank customers, as well as individuals and families in underserved communities," added Oztop. "This consolidation of our two sales organizations is a key component in building a sustainable business model that can be scalable in dynamic market environments."

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## PLANET HOME HIRES NEW CFO



National mortgage lender, servicer, and asset manager Planet Home Lending has hired **Paul Walker** as its new Chief Financial Officer,

bringing two decades of mortgage banking finance expertise to the role.

“Paul will guide our financial strategy, leading Planet’s integrated platform to continuously deliver efficient, innovative solutions and services to consumers, business partners, and clients,” said Michael Dubeck, CEO and President of Planet Financial Group, parent of Planet Home Lending.

Before joining Planet Financial Group, Walker was CFO at Mortgage Assets Management LLC, and Supreme Lending, leading key fiscal and strategic planning initiatives. He has also held significant positions in public accounting and SEC reporting including SVP of Enterprise Accounting at Finance of America, SVP of Financial Reporting and Controls at Mr. Cooper (formerly Nationstar), and as an auditor with KPMG.

“Planet’s commitment to connecting multi-channel origination with servicing and asset management creates a unique environment that drives efficiency and scaled growth,” Walker said. “My goal is to strengthen this ecosystem, working to ensure our finance department collaborates closely with all divisions to optimize our service delivery and sustain our competitive edge. I look forward to contributing to Planet’s success and working alongside the talented team here to enhance our market position and financial performance.”

Former Planet Home Lending CFO Teresa McDermott will be transitioning to the role of Deputy CFO until her anticipated retirement within the next two years.

“Teresa’s leadership has been crucial in building Planet from a \$5 billion Ginnie Mae servicer in 2007 to its industry-leading position today with a \$106 billion portfolio in servicing and sub-servicing and the number four spot

in correspondent lending,” Dubeck said.

In her new role, McDermott will focus on strategic projects and facilitate the transfer of her knowledge, ensuring the continuity of Planet’s strategic vision and operational excellence.

## » Service Providers

### ROCKET COMPANIES NAMES NEW HEAD OF TECHNOLOGY



Detroit-based fintech Rocket Companies, has announced **Shawn Malhotra** as its first ever group Chief Technology Officer (CTO) where

he will oversee the development and implementation of technology across the company’s ecosystem, including artificial intelligence (AI) development, data science, product engineering, technology operations and information security—among other areas.

“Shawn brings a wealth of expertise and a transformative vision to our technology teams. As we double down on our commitment to technology innovation, Shawn will help us focus on delivering groundbreaking solutions to our clients, partners and team members,” said Varun Krishna, CEO of Rocket Companies. “Shawn’s primary objective will be to increase the rate of innovation and execution in the organization, amplifying Rocket’s AI initiatives. His fresh perspective and history of leveraging AI to simplify and automate processes makes me confident that, together, we will quickly realize our vision of AI-fueled homeownership.”

Malhotra held a variety of technology leadership roles at Thomson Reuters, most recently, as Head of Engineering and Product Development for the entire company. Under Malhotra’s oversight, Thomson Reuters established a platform to accelerate development of generative AI solutions, while introducing an AI assistant spanning all Thomson Reuters products. Previously, Malhotra served as the CTO of Thomson Reuters’ Corpo-

rate Technology business unit. When he joined the company in 2017, he was instrumental in founding Thomson Reuters’ Toronto Technology Centre, prioritizing AI talent and expanding TR Labs—the company’s division dedicated to research around AI and other technological innovation.

“I am looking forward to being part of this pivotal time in Rocket Companies’ history and am eager to explore how AI can simplify the path to homeownership,” said Malhotra. “I truly believe in the transformative potential of AI technology. Few missions are as crucial or deserving of its power as Rocket’s goal of making housing more accessible for all.”

Before his time at Thomson Reuters, Malhotra spent 12 years at Intel—including his time at Altera before the company was acquired by Intel. He led Intel’s Toronto Technology Centre, which housed 200 software engineers, and was the Director of Software Development. Malhotra started his career as a Software Developer for Qualcomm.

### MCS TAPS TWO TO LEAD NEW GOVERNMENT SERVICES BUSINESS LINE



MCS has announced the launch of a new Government Services business line, bringing the company’s core strengths of exterior and interior facilities maintenance services to U.S. federal agency properties nationwide. The new Government



Services business line will be led by MCS SVPs **John Haederle** and **Shawn Schumacher**, both with extensive backgrounds in federal contracting services.

For nearly four decades MCS has been delivering maintenance, property preservation and inspection services to residential and commercial properties. With the launch of its new Government Services business, MCS brings its suite

# “The best-in-class servicing, facilities maintenance, and inspection capabilities MCS provides to commercial and private sector real estate assets across the country is also in high demand at federal government agency properties.”

—Craig Torrance, CEO at MCS



of exterior and interior maintenance services to federal government properties, including administrative buildings, military bases, research facilities, national parks, and housing, among others, for agencies such as the Department of Defense (DoD), Veterans Administration (VA), Department of the Interior, and the USDA.

The exterior facilities maintenance services MCS offers federal government agencies will include landscaping and grounds work, snow and ice management, parking lot maintenance and other related services. Interior services offered include remodeling and renovations, painting, janitorial services, general handyman services, pest control, lighting, electrical and plumbing. MCS also provides comprehensive inspection services including occupancy verification reports and disaster inspections, conducting more than 3.1 million inspections annually.

Haederle brings to the role more than 25 years of experience in business development and federal contracting for the DoD and USG federal and civilian

clientele for private sector companies, including Amentum and ManTech International. Schumacher has more than a decade of experience in operational and business development roles supporting NASA, DoD, and DHS.

“The best-in-class servicing, facilities maintenance and inspection capabilities MCS provides to commercial and private sector real estate assets across the country is also in high demand at federal government agency properties,” said Craig Torrance, CEO at MCS. “It was the right time to launch this new business line and bring our comprehensive and exacting service offerings to government-owned properties across the nation. We’re excited to introduce Shawn, John and the MCS Government Services business line to the market and anticipate building a robust pipeline of opportunities and assignments in the coming months.”

The MCS Government Services business line complements the company’s existing offerings across mortgage services, including property preservation, commercial services, and residential services.

## XACTUS PROMOTES SVP OF BUSINESS DEVELOPMENT



Xactus has announced that **Danielle Walker** has been promoted from VP, Product Development to the role of SVP, Business

Development.

In her new position, Walker will oversee business development and operations for Xactus’ property valuation solutions division, including Appraisal FirewallX, Appraisal ScorecardX, and VerisiteX; and its proprietary appraisal/property valuation technology. Walker will be tapped to ensure that lenders understand and properly use these tools to gain important insights about specific properties and the surrounding market for various loan scenarios including conventional, HELOCs, new construction, disaster checks, etc. She will also coordinate clients’ enhancement requests, vendor and product integrations, and software updates between Xactus’ De-

velopment and QA departments, while maintaining constant communication among the company's business team, sales team, and clients.

"We are thrilled to have Danielle take on greater responsibility as she has been instrumental in our ongoing growth and success," said Michael Crockett, COO at Xactus. "She has made key contributions that have had a significant, positive impact on our business. Danielle will continue to play a pivotal role in helping Xactus advance the modern mortgage."

Walker has nearly 20 years of mortgage industry experience helping lenders mitigate risk. Prior to becoming Xactus' SVP, Business Development, she was the company's VP of Product Development, and served as Sales and Product Manager for one of Xactus' divisions, Appraisal Firewall. She is currently a board member for the Spokane Association of Mortgage Professionals, serving as Secretary and Website Committee Chair. As such, she coordinates monthly events, manages the association's website, and supports its partnership with Casa Partners, a non-profit focused on helping abused and neglected youth in Spokane County's foster care system.

"Over the past few years, we have made tremendous progress in integrating numerous companies into one cohesive brand. Xactus is now well positioned to lead the industry with technology and workflow innovations and I'm excited to be a part of it," said Walker.

## NEW COO AT INCENTER



Incenter has promoted **Sara Parrish** to the role of COO. She will also remain President of Incenter company CampusDoor, where

her focus on operational excellence, creativity, and team empowerment has propelled new growth since she took the reins in 2022.

"I am thrilled to be working closely with Sara at this key point in Incenter's lifecycle," said Incenter President Bruno Pasceri. "As we plan for additional expansion, Sara's vision, problem-solving

talents, discipline, and natural leadership skills will be invaluable."

Parrish joined CampusDoor, one of the nation's largest third-party student and specialty loan origination platforms, in 2016. She is responsible for the growth of the company, which has processed \$36 billion in private student loan applications. Before joining CampusDoor, she held various operational and portfolio management roles at the Pennsylvania Higher Education Assistance Agency.

She currently serves on the board of the New Cumberland Federal Credit Union and the York County Economic Alliance in her home state of Pennsylvania.

"It is a privilege to help steward the future of Incenter," said Ms. Parrish. "We enjoy many opportunities to leverage our unique intellectual property, services, and expertise, and accelerate new solutions into the market at scale to help our clients."

Last fall, Incenter announced plans to serve a broader range of national and regional banks, credit unions, servicers, investors, and asset managers in new ways. The firm is also bolstering independent mortgage bank (IMB) growth and efficiency with mission-critical services provided on a variable-cost basis.

## DARK MATTER TECHNOLOGIES NAMES ELLIE MAE EXEC AS DEPUTY CHIEF PRODUCT OFFICER



Dark Matter Technologies has announced the appointment of **Vikas Rao** as Deputy Chief Product Officer. Reporting

directly to Chief Product Officer Stephanie Durflinger, Rao is charged with overseeing enhancements to the Empower loan origination system (LOS) and establishing Dark Matter's developer community, which will help lenders embed automation deeper in their origination workflows and more tightly integrate their systems using open application programming interfaces

(APIs) and widgets.

Rao previously served as VP of Product Management for mortgage origination technology provider Ellie Mae, where he pushed the "next generation" of mortgage technology, leading product strategy for the Encompass loan origination platform and for Ellie Mae's Developer Connect solution, a suite of APIs that enabled lenders and partners to securely share information. Though Rao took a career break following the \$11 billion acquisition of Ellie Mae by Intercontinental Exchange in 2020, he found the opportunity to help guide Dark Matter's tech transformation too compelling to pass up.

"Dark Matter's pioneering advancements in automation and AI are reshaping the mortgage landscape," Rao said. "I'm eager to apply my expertise to propel Dark Matter's mission forward, pushing the boundaries of what's possible in mortgage origination and amplifying our impact on the homebuying experience of lenders and consumers alike."

Rao has more than 15 years of experience in software engineering, product management and technology leadership spanning public and private companies within the mortgage industry and in Silicon Valley's startup scene.

"Vikas has an impressive track record of success in driving digital innovation and API utilization in mortgage origination," said Dark Matter CEO Rich Gagliano. "With his technical chops and effective leadership style, Vika will play a pivotal role in our mission to empower lenders through AI, automation and innovation."

## FAIRWAY IGNITE SELECTS NEW PREZ



Fairway Independent Mortgage Corporation has announced the promotion of **Carrie Guarrero** to the role of President of

Fairway's coaching platform, Fairway Ignite.

Guarrero has participated in various coaching and certification programs

“Ryan has an impressive track record of delivering innovative solutions and surpassing company initiatives. He comprehends the nuances of the industry and the challenges faced by our enterprise users.”

—Melissa Sike, VP of Enterprise Sales, MMI



since 1998. In 2007, she launched her first coaching and training company, and from that point forward, she has been a key player in the mortgage and real estate industries, consistently performing exceptionally well as a top producer, except for 2013 and 2014 when she fully committed herself to coaching.

Guarrero's association with Fairway began in 2015, where she took on a role as a founding Executive Teammate for Fairway Ignite. Throughout the inception of Ignite, Guarrero has been involved in its evolution, contributing to start-up assistance, system and curriculum design, content creation, operational management, coaching of coaches, live events coordination, coach pairing, and sales strategies.

Currently, Carrie's primary focus lies in fostering growth within Fairway. She is committed to refining and developing programs that encourage connections among the Fairway teammates, helping them to expand their businesses and enrich their lives. Carrie continues to mentor and guide coaches, providing

ongoing coaching to executives and top producers within the organization.

“Carrie has been an invaluable member of our team for years, demonstrating exceptional leadership, strategic vision, and dedication,” said Austin Larr, CEO of Fairway Ignite. “In her new role as President, Carrie will continue to drive Ignite forward, leading with innovation, integrity, and a relentless pursuit of excellence.”

#### MMI BOLSTERS ITS SALES FORCE



Mobility Market Intelligence (MMI), a provider of data intelligence and market insight tools for the mortgage and real estate industries, has added **Ryan Minard** as its newest Senior Sales Engineer.

“Ryan has an impressive track record of delivering innovative solutions and surpassing company initiatives.

He comprehends the nuances of the industry and the challenges faced by our enterprise users,” said Melissa Sike, VP of Enterprise Sales. “His background specializes in diagnosing pain points across sales and marketing teams, followed by implementing customized solutions that foster success. This expertise will bolster MMI in expanding its customer base and assisting our clients in reaching their growth objectives.”

With more than 17 years of collective experience in mortgage and creative marketing, Minard's expertise lies in applying an empathetic approach to address mortgage lenders' marketing and business challenges. He leads the discovery process to translate findings into product demonstrations and develop tailored solutions for clients, bolstering net-new sales endeavors. His experience includes serving as a seasoned authority in the field, advocating for the customers perspective in cross-functional capacities and offering guidance to product, development, and customer success teams.

“Throughout my career, I've con-

sistently aimed to make meaningful contributions to both my company and the broader industry. With the substantial impact that MMIs advanced data and innovative technology are already making, I'm excited to join forces with an organization whose mission and priorities closely align with mine," said Minard. "I'm eager to introduce my extensive network of contacts to the valuable benefits and expertise offered by MMI."

Minard previously served as a sales engineer for ICE Mortgage Technology's Surefire CRM platform, which was included in the company's 2023 acquisition of Black Knight. He also held the position of Director of Customer Growth at Surefire until Black Knights acquisition of the platform in 2021. Prior to joining the mortgage technology space, Minard worked directly for a lender, First Centennial Mortgage, as the Marketing and Creative Manager.

## FNF EXPANDS CHIEF DIGITAL OFFICER ROLE



Fidelity National Financial Inc. (FNF), a provider of title insurance and transaction services to the real estate and mortgage industries,

has announced that Jason Nadeau will take on an expanded executive role as Chief Artificial Intelligence Officer. As Chief Digital Officer, Nadeau has already been playing a critical role in leading the strategic implementation and governance of artificial intelligence within the FNF family of companies, and in his new role, will continue to focus on maximizing the potential artificial intelligence (AI) technologies have to enhance business operations and customer experiences.

"FNF's overall technology vision has always included emerging technologies," said Mike Nolan, CEO of FNF. "We have been a leader in leveraging digital technologies, machine learning and AI at scale to service clients and customers. Nadeau will continue to ensure FNF takes full advantage of the new capabili-

ties AI can bring to our business."

Nadeau joined FNF in 2018, and has played a critical role in shaping the development of the company's technology posture and strategy as Chief Digital Officer.

"Advancements in AI are changing public awareness, technical discussions, and expectations of these technologies," said John Crowley, FNF's CIO. "Nadeau's role highlights the focus that FNF will continue to place on these transformational tools, as well as Jason's expertise in being able to expertly lead FNF through a thoughtful implementation of rapidly evolving, complex technology."

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.





***What's Possible:  
Investing NOW  
for Prosperous,  
Sustainable  
Neighborhoods***

Forward by CATHERINE COLEMAN FLOWERS, ET AL

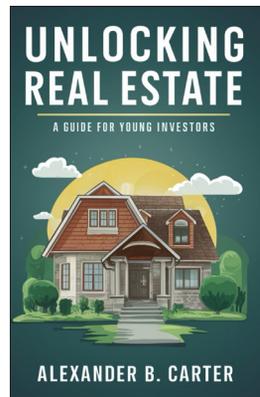
A series of vignettes on various topics published by the Federal Reserve Bank of New York serving the Second District, *What's Possible* is a collection of essays exploring the intersection of community development and climate resilience. A collaborative enterprise of community partners, Local Initiatives Support Corporation, and the New York Fed, this book gathers voices leading climate and community development experts into a single tome offering practical solutions for clean energy, resilience, and equity. This book is intended as a playbook for taking collective action to build a stronger, more cohesive future. Topics include climate-resilient buildings, new frontiers of community development, and corporate commitments and community development.



***Buy, Rehab, Rent,  
Refinance, Repeat:  
The BRRRR Rental Property Investment  
Strategy Made Simple***

By DAVID M. GREENE

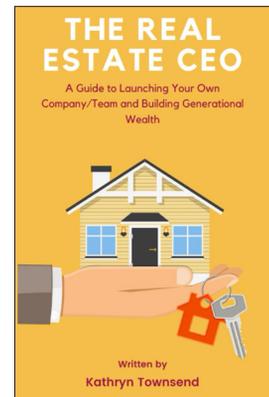
BRRRR is a new real estate method invented by author David M. Greene, which stands for “buy, rehab, rent, refinance, and repeat,” a simple method that in its five parts makes financial freedom more attainable than ever. The idea is for investors to buy a home for under market value, add value with renovations, rent it, complete a cash-out refinance, and use that money to do it all over again. Greene’s exact system, which is laid out clearly with easy-to-understand terms in his book, is complete with how to identify potential properties, how to negotiate, how to recover 100% (or more) of a deal, and unique ways to increase a property’s value.



***Unlocking Real  
Estate: A Guide for  
Young Investors***

By ALEXANDER B. CARTER

Known for his deep insights into the real estate market and practical advice, author Alexander B. Carter presents a new book geared toward younger investors. Meant to be a “beacon of hope” for aspiring investors Carter shares his long and extensive breadth of expertise with readers, taking them on a fascinating exploration of the complex nuances and strategic possibilities of real estate investing. From the intricacies of market trends to the art of negotiation, this book provides practical wisdom and real-life examples that will help its readers grasp the basics, but to also understand how to navigate complex scenarios.



***The Real Estate CEO:  
A Guide to Launching  
Your Own Company:  
Team and Building  
Generational Wealth***

By KATHRYN TOWNSEND

A guide designed to support real estate professionals, author Kathryn Townsend uses her 32 years of experience in real estate to offer practical tools and insider insights to establish a successful brokerage. Highlighting the importance of building a strong team and creating long-term wealth, this book covers topics from crafting a solid business plan, exploring alternative strategies beyond the traditional brokerage model—including investments and passive income streams—to help you achieve financial success well beyond selling real estate. This book also includes a comprehensive section on effective marketing, branding, and networking to help you stand out in the field by learning the skills necessary to overcome challenges and build a business that reflects your personal values.



THE  
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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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LEGAL  
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# Legal League Spring Servicer Summit

April 29-30, 2024 | Hotel Crescent Court | Dallas, TX

Open to all mortgage lending and servicing professionals, GSEs, government entities, and Legal League members, the semi-annual Servicer Summits are the setting for the nation's elite financial services law firms to discuss default policies, procedures, and emerging issues with leading mortgage servicing executives. This spring's Summit returned to the Hotel Crescent Court in Dallas, featuring insights from representatives of Allstate, BOK Financial, BSI Financial Services, Carrington, Cenlar, Fannie Mae, Fay Financial, Flagstar, Freddie Mac, Mr. Cooper, JPMorgan Chase, PennyMac, VA, and others.





1. Jane Bond of McCalla Raymer Leibert Pierce, LLC; Mike Aiken of Fay Servicing, LLC; LeAllen Frost of Mr. Cooper; Star Japp of Carrington Mortgage Holdings, LLC; Chris Scanlan of Fannie Mae 2. Wendy Lee, EVP, Chief Legal Officer, Sagent 3. Stephen M. Hladik, Legal League Chair, Partner, Hladik, Onorato & Federman, LLP 4. Ryan Bourgeois, Partner & General Counsel/Compliance Officer, BDF Law Group 5. Rita M. Falcioni, Loan Management Supervisor, U.S. Department of Veterans Affairs 6. Nolan Turner, Managing Director, Carrington Holding Company, LLC 7. Neil Sherman, President, Managing Partner Default Operations, Schneiderman & Sherman P.C. 8. George P. Bush of Michael Best LLP; Larry Goldstone, of BSI Financial Services; Congressional candidate John O'Shea; Rick Sharga of CJ Patrick Company





an asset manager—giving homeowners, brokers, and sellers access to the company’s respectable liquidity—as well as Carrington’s dedication to continually innovate as market conditions evolve.

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

#### Diverse Solutions for Today’s Homebuyers

Without question, homeowners and mortgage professionals are demanding, now more than ever, what Carrington has brought to the mortgage marketplace from the very beginning: a variety of loan products based on current technology, operations transparency, and dedicated training and support systems for loan originators. In addition to Carrington’s comprehensive suite of non-QM offerings, FHA, VA, USDA, and conforming Conventional products, the company also offers ProcessIQ, where approved CMS Wholesale brokers have the option of having Carrington process the loan as part of its underwriting. When enrolled brokers submit loans, they can request that the Carrington ProcessIQ team handle all nonlicensable aspects of the processing, working directly with the borrower. In December 2022, CMS’ Second Lien program began providing a welcome source of liquidity to existing CMS servicing customers. In July 2023, CMS expanded its offerings to include 40-year loans and temporary buydowns. In March 2024, CMS introduced a Closed-End Fixed-Rate Second Lien product for its wholesale and correspondent lending customers.

“Homeownership is a cornerstone of the American Dream, regardless of your economic bracket, citizenship status, or where you live,” said Samuel Bjelac, SVP, National Sales, Third-Party Origination for CMS. “Although qualifying for a home without a Social Security number

## » Industry Update

### CARRINGTON MORTGAGE SERVICES INTRODUCES INDIVIDUAL TAXPAYER IDENTIFICATION LOANS

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

Although conventional loans require a Social Security number (SSN) for loan approval, CMS’ ITIN loans offer

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

Although historically, borrowers seeking ITIN loans have sometimes been vulnerable to excessive interest rate loans, the ITIN loans offered by Carrington provide access to homeownership at fair interest rates for mortgages and normal terms. The product demonstrates the unique benefits of The Carrington Companies’ position as

can be challenging, it doesn't have to be. At Carrington, we can help people all over America open the door to homeownership with our ITIN loan."

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

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

### Transaction highlights:

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

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

"SLS will further expand our robust subservicing business and brings with it a great reputation in the market—the team and Newrez share a commitment to delivering a best-in-class experience to both

**"We see this as the precursor to our plan to break the reverse mortgage adoption barrier and make home equity a core component of a modern retirement."**

—Kristen Sieffert, President, Finance of America



clients and homeowners," said Baron Silverstein, President of Newrez. "The power of the combined platform will strengthen Newrez's positioning in the market."

## FINANCE OF AMERICA UNIFIES FAR, AAG UNDER SINGLE BRAND

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

This brand consolidation is a milestone in the company's strategic business transformation focused on driving long-term growth and enterprise value

for customers, employees, partners, and investors. At the same time, a unified Finance of America brand will further streamline and clarify the company's offering in the market and enhance the customer experience.

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

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

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



## PRETIUM COMPLETES ACQUISITION OF BH MANAGEMENT SERVICES

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

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

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

housing economy and increased housing options for families across the country."

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

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

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

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

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

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

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

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

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

## ARRIVE HOME LAUNCHES EARNED EQUITY PROGRAM

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

Designed to assist consumers who do not qualify for a traditional mortgage, the Earned Equity Program enables program participants to enter a long-term purchase contract with monthly payments

# “The Earned Equity Program has the potential to help a large segment of consumers who are responsible and want to own a home but lack credit solutions in today’s financing industry that can help make this dream a reality.”

— Matt Pettita, CEO, Arrive Home



controlled by an automatically renewing 10-year lease agreement. This enables them to use and enjoy the home as their own, with the intention of eventually buying or assuming the property. At any time during the purchase contract term, the participant may buy the home at a price fixed when the contract was signed. During the 10-year term, the customer has time to improve their credit rating and eliminate other obstacles preventing them from qualifying for a home, eventually buying the property outright using a traditional mortgage loan.

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

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

“The Earned Equity Program has the potential to help a large segment of consumers who are responsible and want to own a home but lack credit solutions in today’s financing industry that can

help make this dream a reality,” Arrive Home CEO Matt Pettit said. “At Arrive Home, our goal has always been to bring real innovation to the market to expand access to homeownership. The launch of the Earned Equity Program is a huge part of this equation, and we are thrilled to introduce it to the market.”

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

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

AccessOne+ offers up to \$9,000 in down payment and closing cost assistance to first-time homebuyers who live in one of 21 eligible census tracts in metropolitan areas, for the purchase of a home anywhere in the United States.

It requires only one percent down, and homebuyers with nontraditional credit histories are eligible to apply.

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

The 21 eligible census tracts are:

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

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

## ARC HOME UNVEILS NEW BRAND IDENTITY

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

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

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

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

## INSURTECH LEADER TO PROVIDE PROPERTY AND CASUALTY INSURANCE FOR USA MORTGAGE CUSTOMERS

**M**atic, a digital insurtech platform, and USA Mortgage have joined forces in a strategic partnership to provide property and casualty insurance products to USA Mortgage customers.

Under the partnership, Matic’s insurance marketplace will be integrated into the USA Mortgage home lending experience, allowing borrowers to shop for personalized rates and coverage as part of the mortgage process. Matic’s proprietary matching technology enables borrowers to quickly compare insurance options from a network of over 50 national and regional carriers, helping them identify the right choice for their unique needs and reducing the time it takes to purchase a policy.

“This partnership represents a significant milestone in our commitment to provide impactful solutions that enhance the borrower experience,” said Ron Mueller, President of USA Mortgage. “Matic’s comprehensive carrier network with coverage across the U.S., and their ability to combine cutting-edge technology with an internal agency was a clear choice to meet the needs of our diverse customer base.”

USA Mortgage customers will gain access to a wide array of P&C insurance products through Matic’s digital platform. In addition to home and auto insurance, Matic will offer umbrella, jewelry, flood, dwelling fire, pet, and other personal lines of insurance to meet customer needs within the mortgage origination lifecycle.

“Matic was built for the mortgage industry to simplify the insurance shopping process during the home buying experience,” said Ben Madick, CEO and Co-Founder of Matic Insurance. “We are honored to partner with USA Mortgage to provide value for their customers while streamlining the closing process.”

## OLD REPUBLIC TITLE AND CERTIFID SIGN AGREEMENT TO COMBAT MORTGAGE PAYOFF FRAUD

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

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

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

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

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



# » Editorial Advisory Board Insights

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



**Michael Keaton** is the SVP, Default Subservicing, for Ocwen Financial. Keaton joined Ocwen's Business Development Team in late 2022 to help grow the special servicing business. Before Ocwen, Keaton was the Chief Servicing Officer at Shellpoint Mortgage Servicing from 2012-2022. Before joining Shellpoint, Keaton held several executive-level roles at Resurgent Capital Services between 2002 and 2012, including VP of Mortgage Servicing and Recovery. He began his career at Wendover Financial Services, where he spent over 10 years, finishing his tenure as VP of Default Administration when Wendover was the nation's largest servicer of subprime mortgage loans. Keaton joined the EAB beginning in 2024.

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

**Keaton:** Servicers must ensure that they have a suite of technology options that meet the homeowner's preferences as well as the homeowner's current situation. It's important that we keep all forms of homeowner interaction useful and up-to-date.

If you had asked me 15 years ago if we would still be using IVRs (Interactive Voice Response Systems), I would have told you, "Absolutely not." I would have stressed that surely all contact would eventually be happening via the internet, mobile

phones, and texting. However, about 10 years ago, I changed my thinking on that. Ten years ago, I realized that there would always be homeowners who want to make their payments over the phone and homeowners who prefer to get questions answered via IVR, as well as homeowners who are open to migrating to more modern communication channels.

The way homeowners prefer to interact with their servicer can depend greatly on the situation they are in. A homeowner might typically prefer self-service on our website, but if they have a question about why their taxes went up, they might want to speak with an agent for a more personalized answer. And they want to do it in 30 seconds or less!

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

**Keaton:** I'd like to see us continue to modernize the process of obtaining a loan modification. For homeowners who are comfortable with an electronic process, we should migrate to fully e-signed modifications that do not require any form of notarization. We use multifactor authentication when we log into online banking; we could use that same technology to confirm that I'm homeowner who executed the modification document.

This type of wholesale change will likely require standardization and coordination between Fannie, Freddie, Ginnie, FHA, VA, and USDA. It will also require the industry to pressure local county recorders offices to adopt standardization.

**Q:** How is your team navigating the high costs of being a mortgage servicer?

**Keaton:** AI and other technologies, when done correctly, can both reduce servicing expenses and enhance the experience for the homeowner.

We have all had at least one torturous experience with AI done wrong—AI that is designed to assist the company and not the consumer. Consider what we encounter when trying to resolve an issue with a utility, a cable/internet provider, cellphone company, or gas/electric company. After "talking" to their AI bots (often shouting/cursing at them because the AI doesn't understand the question or isn't programmed to deal with the issue), you get queued up to wait in another line to speak with an agent.

A better approach is to offer AI chatbots and textbots that (1) fully resolve the issue, and (2) give the homeowner the ability to opt-out at any point. For example, if I'm calling to get a copy of 1098 statement from 2024, then the bot needs to be able to completely fulfill my request. It isn't enough for the bot to confirm that I want my 1098 from this year—it then needs to email me the document while I'm on the phone.

AI that truly assists the homeowner holds great potential to also reduce servicing costs.

# GOOD SERVICE IS SUSTAINABLE

VRM Mortgage Services' leadership team discusses how the company's "diversity of thought" and commitment to serving communities has made them an industry staple for nearly 20 years.

By DAVID WHARTON

**V**RM Mortgage Services is a company born during a very different era for our industry. The company—was established “to provide portfolio managers with reliable and high-quality outsourcing services to manage their REO assets”—launched just before the 2007-2008 financial crisis, a time when REO inventories were abundant as the nation navigated widespread foreclosures, bank collapses, and economic strife. The fact that VRM has not only survived but thrived during the ensuing decade-and-a-half is a testament to its leadership, in the form of **President & CEO Keith Murray** and **EVP & COO Dr. Cheryl Travis-Johnson**.

Keith founded the company in 2006 and Dr. Travis-Johnson joined in 2008. Under their leadership, Murray and Travis-Johnson went on to grow VRM Mortgage Services into an industry stalwart, offering services ranging from REO asset management and property preservation to inspections, title and closing coordination, commercial and rental asset management, and eviction management services. Today, the company boasts of having “listed, marketed, managed, and sold over 700,000 properties.”

The company launched VRM University (VRMU) in 2009, offering “specialized training for financial services and real estate professionals.” Having partnered with the Council for Inclusion in Financial Services (CIFS), VRMU’s courseload offers online trainings, webinars, and



other educational resources providing certifications in topics such as Inclusive Workplace Dynamics, Broker Price Opinion (BPO) Training, Property Preservation and Maintenance, and REO Training.

“The VRMU platform is one in which we take professionals in a marketplace that have the expertise to do the work but have not yet had the opportunity to work with corporate sellers,” explained Murray.

*MortgagePoint* had a chance to sit down with Murray and Travis-Johnson to discuss the keys to VRM’s longevity, their vision for the company, and how the origins of both VRM and its affiliate, PCV Murcor, but also in a time when Murray unexpectedly found himself staring down the barrel of a gun.

## A Moment of “Total Clarity”

**M**urray began his career in banking, working as a teller and account counselor before joining an appraisal training program at the now-defunct Home Savings of America. However, larger global economic forces would soon interfere with this career arc, with the 1980s recession sending out ripples that, among other things, sent many appraisers such as Murray back onto the teller lines.

“I had a full-circle moment in my career after only 14 months,” recalled Murray.

At the time, Murray might well have considered this a career setback, but it also put him on the path toward a defining moment that would pivot him onto a brand-new path. Unfortunately, that pivot point was on the other side of a gun barrel. In 1980, while working as a teller at a bank in Los Angeles, Murray was held up at gunpoint. It’s the sort of traumatic moment that would rattle anyone, but in Murray’s case, he says it provided him with a moment of “total clarity.” He decided that whatever life may have in store for him beyond that day, he wanted to play a larger role in shaping his own path, so he decided to start a business.

“That birthed our affiliate company, national appraisal management company, PCV Murcor, which is celebrating over 40 years in business,” Murray said.

But that incident and Murray’s ensuing epiphany may have led to very different places had his new path not eventually intersected with that of Dr. Cheryl

Pictured: VRM President & CEO Keith Murray and  
EVP & COO Dr. Cheryl Travis-Johnson





**My father had so much pride in being a homeowner, and that enlightened me about community, the sense of ownership, and the American dream. Being a child of the '60s, that was a big thing for African Americans to be able to own a home."**

—Dr. Cheryl Travis-Johnson,  
EVP & COO, VRM

Travis-Johnson. She came by her career in financial services naturally, with her mother having worked in the banking industry. Having earned a scholarship from Home Savings of America, Travis-Johnson soon landed an internship working in Crocker National Bank's marketing department.

"They were the first ones to introduce a secured line of credit for home mortgages," recalled Travis-Johnson, who worked on the team responsible for marketing that product. This opportunity meshed well with Travis-Johnson's long-standing interest in the housing industry, fueled by her experiences seeing how important homeownership had been to her father.

"My father had so much pride in being a homeowner, and that enlightened me about community, the sense of ownership, and the American dream," Travis-Johnson said. "Being a child of the '60s, that was a big thing for African Americans to be able to own a home."

She recalled that virtually all of her early-career mentors worked in the housing industry, and positions at First Interstate Bank and World Savings (where she worked as an operating manager, and then moved to auditing) eventually led her to meet Murray while working at Cendant Asset Services.

Admiring that Murray's background in the appraisal field meant he was someone "who understands value," Travis-Johnson recalled that Murray seemed to be someone "who understood all the problems that started happening with the 2006 book of business. [His company, PCV Murcor] was one of the few valuation companies that you didn't hear any bad things about."

After listening to Travis-Johnson's pitch for what would become VRM, Murray told her, "You better get over here and help me grow this," after she applied for the role.

#### Evolving a Shared Vision

A decade-and-a-half into the idea that was birthed from that conversation, VRM continues to move forward. Murray says that both PCV Murcor and VRM share core focuses on "delivering solutions in communities: getting the best group of leaders together to execute, partnering with vendors across the community, and giving them opportunities to

perform." Both Murray and Travis-Johnson put enormous stock into working with partners who have a stake in the communities they're serving beyond just profit potential, and that core belief shapes everything that they do.

"If it's the community that I live or work and worship in, I'm even more connected to it," Murray said. "Similarly, if you're selling assets on behalf of corporate owners, as a broker, it would be the same thing, right? If I'm working in my community, I'm incentivized to do the right thing, because I'm supporting our neighborhood."

According to VRM's numbers, by the end of Q1 2024, this local utilization of vendors had reached 93%.

"We deal directly with the boots on the ground," added Travis-Johnson. "That's how you can make sure you're utilizing people within the community. There's pride in that because they live in that community. That house is going to get repaired properly because they have to drive by that house."

When we asked Murray and Travis-Johnson about their vision for where VRM is headed in the next decade-and-a-half, Murray spotlighted VRM's commitment to leveraging "the best technology we can get our hands on." In particular, he detailed his focus on emerging artificial intelligence (AI) tools that will allow the team to make even better use of the data the company has gathered over the years about how to value properties and sell assets.

"We plan to leverage AI and machine learning to help us make decisions more quickly, with more information," Murray said.

VRM's focus on education and promoting equity and access also extends to other projects the VRM team is involved with, such as the CIFS, which Travis-Johnson said is focused on financial literacy and "helping small businesses have access to what larger businesses can get their hands on." Founded in 2017 by Travis-Johnson in partnership with Marques Woods (President & CEO Braycor Inc.), CIFS was another project Travis-Johnson pitched to Murray—and another that he fully supported, coming aboard as President and CEO of CIFS.



**The VRM team:** Left to Right: Dr. Phyllis Wright—SVP, Human Resources; Joe Morrow—SVP, Default Servicing; Dawn Haghghi—Registered In-House Counsel (General Counsel); Dr. Cheryl Travis-Johnson—COO/EVP; Brad Blancett—VP, Operations; Keith Murray—President/CEO; Jon Van Deuren—CFO; Alzora Baker—VP, Originations; Tiffany Fletcher—SVP, Compliance and Operations Support; Leigh Gibson—VP, Strategic Initiatives (Not pictured: Larry Hudnall—SVP, Corporate Relations, Clifton Wallace—SVP, IT)

The nonprofit's stated goal is to "increase awareness within the financial services industry of the social and economic benefits of multiculturalism in employment and supplier utilization, while also launching initiatives that promote financial literacy to help all Americans understand how to grow their wealth."

Travis-Johnson notes that CIFS is a perfect example of the industry coming together for the greater good. "Historically, Auction.com has been one of our biggest donors, and they're a direct competitor. But we work together because they understand that it's about community," says Travis-Johnson. "Sometimes, you have to work hand-in-hand with non-competing services that help communities."

### The VRM Difference

When asked to name some of VRM's proudest accomplishments, Travis-Johnson initially cites the \$90-\$100 billion worth of real estate the company has sold over the years. However, her list of victories quickly turns beyond anything purely financial and shifts back to the personal.

"The reputation that we built from when we started is one of integrity, of great business ethics, of high performance, of diversity in thought and leadership and how we show up for communities," said Travis-Johnson. "We're a great partner to have."

Travis-Johnson also points to the prevalence of minority vendors and veteran-owned businesses with whom VRM works, which she says exceeds "all the contractual requirements."

Per VRM, 49.2% of the company's network is classified as diverse (Women, Minority, LGBT, Disabled, Veteran-Owned, Small Business Classification, Small Disadvantaged Classification, and HUBZone).

Travis-Johnson also notes that this commitment to diversity extends to the makeup of the company's internal team—including making those internal and external numbers public.

"When we speak to prospective clients, we share our numbers," said Travis-Johnson. "This is the number of men, women by race, everything. We're very open with that. That's a differentiator to me because it shows that we reflect the communities that we affect."

Travis-Johnson also speaks proudly of the quality of her team, which includes

many veterans of prominent banks and the GSEs. VRM understands its customers, she says, because "we used to be them, and we built our team based on that. Our diversity is not just by race and gender, it's also a diversity of thought."

When it comes to how VRM's leadership team operates, Murray notes that there's more at work than simply that "diversity of thought"—accountability is also a core focus.

"Within the executive team, we're oftentimes the ones that hold up our hand and want to call ourselves out rather than maybe holding other folks accountable." Murray added, "That's one way to make sure you're in a continuously improving mindset is if you're always saying, 'This didn't go the way we want it to go.' How do we deal with it? What's the root cause? How do we fix it? And let's not make the same mistake again."

Travis-Johnson expands upon this philosophy, noting that they tend to "throw the titles out of the room." When asked to elaborate, she says, "Close your eyes, give me your thoughts, tell me what you're thinking. We try not to use the titles as an intimidating factor. That way we get the best from our people."



Travis-Johnson said this philosophy makes the VRM team more comfortable sharing their perspectives with Murray and herself.

“That’s how you get the best out of your people,” Travis-Johnson continued. “They feel valued and appreciated because you are listening. There’s not a person or a company we work with who has never met [Keith] or seen him or heard from him. He does an exceptional job making sure that people feel valued.”

However, both Murray and Travis-Johnson admit that recruiting from larger banks and GSEs can result in a bit of a learning curve for new team members, both because VRM is a smaller company and because of its work philosophy which asks team members to take ownership of projects and think creatively about problem-solving while being constrained by a smaller budget than some of these larger organizations may have had access to.

“Sometimes you have to use your current resources to just get it done,” said Travis-Johnson. “It’s so much easier to just hire a temp or a consultant than to do it yourself. We have learned through this culture that a lot can be done with the resources we already have. It forces you to challenge yourself.”

Murray agrees, noting that “We’re not for everybody. Some folks like to be able to take it to the 20-yard line and hand it off to somebody else. But we say, ‘No, you’ve got it.’ Some people thrive in that environment. [Cheryl] thrives in that environ-

ment. Some people don’t. If you want the opportunity to make change and you’re empowered to do it, and you thrive in that, you can be successful here.”

Travis-Johnson points with pride to VRM’s multi-year contracts with both Fannie Mae, Freddie Mac, VA, and Bay View (Community) and notes, “All of that is based on our performance, and that speaks to our people,” Travis-Johnson said. “It feels so great when I go to conferences and people walk up to me and say, ‘You have the best team.’ Our company was built on customer service.”

Murray adds, “It’s having folks that come from different segments of financial services that can all come together to deliver solutions to our customers.”

But what does being “built on customer service” mean in the practical sense? For Travis-Johnson, she says it starts with sitting down with customers and having a candid conversation—but without it turning immediately into a sales pitch.

“We sit down with our customers. We don’t try to push our products on them. Instead, we ask them, ‘What are your pain points? What do you need? Let us try and craft a solution for you.’ People aren’t used to that. It stuns leaders when I ask that question. They sit back and they’re expecting me to sell them something, and I’ve [countered by saying], ‘You need to tell me your problem so I can fix it.’ Otherwise, we don’t need to do anything other than have a nice relationship, because I’m here to help you solve your problems. You don’t

outsource a core competency. You outsource because you lack that competency.”

Murray told *MortgagePoint* that the VRM team makes a point to “delve deep” into each of their client’s businesses. “We try to understand their business as well as they do,” Murray continued. “Our ability to find ways we can create efficiencies is a real value that we bring.”

Murray also noted the critical aspect of building trust with customers, as they see that your team can deliver, and the ways this opens further paths for communication and collaboration that might have been harder to access without that trust.

“Once you earn credibility with your customer ... they trust you with questions,” Murray explained. “The more questions they ask, the more questions we ask, and it’s a collaboration between us and our customer. As long as they feel like the sum of those two parts is more than two, we can sit together around the table and come up with something that enhances our processes. Our goal is to be their valued partner. Sometimes that comes with money and sometimes it doesn’t. Sometimes it just builds a relationship, but if you build relationships, the business comes with it.”

Travis-Johnson adds, “There’s nothing worse than getting an outsourcer that never calls you, never checks in, and never makes sure you’re happy. You have to engage your customers because sometimes they’ll have a pain point you don’t know is a pain point. They’ll think, ‘It has to be this way,’ and then you show them that it doesn’t.”

This attentive, collaborative attitude, evident from talking with both Murray and Travis-Johnson, can make all the difference. It can make the difference between a venture surviving crucibles such as pandemics and inflation and down markets—or not. It can mean the difference between *just having a good idea* and celebrating nearly two decades of the successful venture that arose from that idea, alongside a leader who you know has your back and shares your work philosophies.

“Good service is sustainable,” noted Travis-Johnson. “I think that’s why we’re still here and we have long histories with our clients. They believe in us, and we’ve demonstrated that we can deliver on what we say.” **MP**



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# SIMPLIFYING THE DIGITAL MORTGAGE PAYMENT PROCESS

Jeff Osheka of REPAY explains how enhancing payment processes with modern technology can smooth the remittance experience for consumers and enable greater speed, efficiency, and control of collections for lenders.

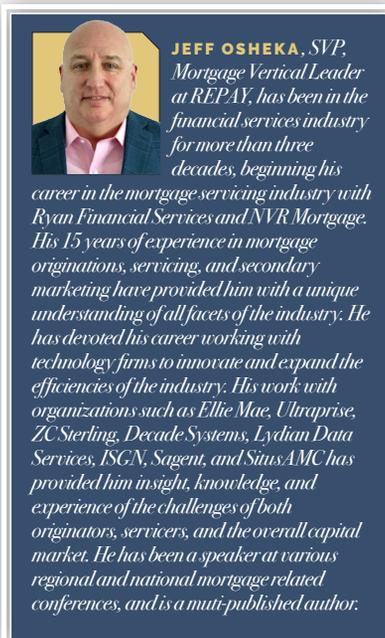
By JEFF OSHEKA

**M**ortgage delinquency rates in early 2024 are trending upward as a result of economic pressure bouncing back from unusually low levels of the past year. The trend of increasing mortgage delinquencies for all loan types can be traced back to the emergence from the pandemic economy in 2022. This trend is likely to persist as credit card spending and home buying continue to return to normal levels. So, how can lenders ensure the timely repayment of mortgage loans?

While guaranteeing full repayment of mortgages on time is primarily in the hands of borrowers themselves, lenders can optimize collections with digital technology by making loan repayments easier, more convenient, and fully traceable. Enhancing payment processes with modern technology can ease the remittance experience for consumers and enables greater speed, efficiency, and control of collections for lenders.

## Borrower Expectations Are Evolving

**F**or decades, borrowers could only pay their mortgage payments with paper checks, bank transfers, or by physically depositing payments at a lender's location. However, consumer preferences are evolving. They have become accustomed to the digital payment options offered in their transactions with eCommerce retailers, in-app purchases, utility providers, as well as other regular bills, and online purchases.



For consumers, the idea of making a mortgage payment via mailed checks feels outdated, slow, and offers no way of proving the check is in the mail until it is postmarked and delivered to the lender. A generational divide is on the horizon.

If they have not already, lenders soon may find that many first-time home buyers do not have bank checking accounts, and do not understand the need for one, as all of their payments are made digitally. To remain competitive, mortgage lenders and

servicers must adapt to and accommodate this new generation of borrowers who do not comply with the standard paper check payment processes that the mortgage industry has depended on for decades.

The payment landscape is also evolving to meet the demands of borrowers. With the rise of debit card acceptance, online payment portals, ACH transfers, and interactive voice response (IVR) payments, lenders can now accept payments through a range of methods. This flexibility provides borrowers with greater financial control, enabling them to align budgeting strategies with their preferred payment methods and avoid penalties due to the instant nature of digital payments. As consumers have already become accustomed to the convenience provided by digital payment technology from online purchases and bill payments, lenders who cannot provide the same level of flexibility risk losing potential borrowers to competing lenders.

## Lender-Borrower Relationships Are Evolving Too

**A**side from the benefits to consumers, digital payment options and technologies create new avenues of communication between lenders and borrowers. Much of the communications consumers experience in their personal lives is instant. Whether communicating socially, submitting a customer complaint, or sending a direct message to a coworker, the exchange



PAYMENT  
SUCCESSFUL

A.  
B.  
C.

# Automating accounting, by instantly tracking key payment details including time, method, and amount, significantly reduces the burden of manual labor, eliminates the risk of inaccuracies, and speeds the funding of payments.

of information is instantaneous, and the messaging platform often confirms the successful sending and receipt.

Digital mortgage payment options provide the same instantaneous, verified sending of payments as modern communication platforms do for messages. Borrowers know whether the payment was successful right away, and they can receive automated digital confirmation of receipt from their lender in a matter of seconds or minutes. This instantaneous transaction verification serves a dual purpose of improving payment traceability and security. First, it removes the risk of lost checks in the mail or delayed postmarks for checks mailed after business hours that could lead to a late payment penalty. Additionally, it increases trust between the lender and borrower, as both parties receive confirmation of payment at the same time.

## Digital Payments Evolve Lender Operations

The process of moving money is a critical touchpoint between lenders and borrowers, especially when transferring large sums of money for mortgage transactions. Meeting customer satisfaction demands, enabling operational efficiency, as well as increasing security and cash flow, are all critical to the competitive positioning of today's mortgage lenders—which will be essential to success as borrowers become more selective and economic pressures continue to impact collections operations.

Self-service payment technologies, which integrate directly with existing lender systems, eliminate the tedium and risk of manual collections and accounting operations. Online payment portals allow borrowers to access account information and payment histories at any time, effectively expanding the business hours during which payments can be accepted and reducing the manual activity required to accept and track payments. Text payments and IVR are other self-service payment options that provide the same advantages of online portals, with the added benefit of enabling borrowers to submit payments wherever they are without needing to access a web browser.

Modern payment processing options, which can be easily facilitated through self-service payment modalities, enable lenders to accept payments via debit card,

ACH transfers and even digital wallets. Every borrower has a debit card, which does not need to be replenished in the same way paper checks do, and is automatically replaced by the borrower's financial institution when it expires. ACH transfers can be automated to prevent late payment penalties. Digital wallets enhance the accessibility of debit card payments by enabling borrowers to use cards stored in their digital wallets to make payments on the go, instantly, without even needing to take their debit card out of their physical wallet. These payment processing options provide borrowers with the opportunity to submit payments when and where it is most convenient, as well as through the payment method that best aligns with their budget and assets.

On the lender's side, adopting digital technologies to enable payment convenience directly contributes to more efficient collections. Complex processes contribute to past due payment penalties for borrowers, and mailed paper checks can be delayed or completely lost by mail services. Paper and spreadsheet accounting workflows are prone to human error and can be difficult to trace without intense organization protocols. Automating accounting, by instantly tracking key payment details including time, method and amount, significantly reduces the burden of manual labor, eliminates the risk of inaccuracies and speeds the funding of payments.

## Surviving & Thriving by Evolving Payment Methods

The goal of modernization through adoption of digital payment methods leads lenders and financial institutions to a destination that promises smoother collection and accounting processes, as well as better relationships and communication with borrowers. However, the journey to modernization, and the speed at which it occurs, is paramount to a successful outcome. In addition to the benefits provided to lenders, borrowers can take advantage of a host of new options by using digital payment technology. Financial institutions that do not modernize payment technology to meet the pace of evolving customer expectations will inevitably find their customers selecting competing lenders for mortgage loans. **MP**

# Cooke Demers, LLC

Adam Bennett, Andy Cooke, David Demers, Bridget Diehl, John Johnson

Cooke Demers, LLC is centrally located in Columbus, Ohio, and was established in 2006. We are proudly a Legal League member firm and are licensed to practice in state and federal courts in Ohio, Indiana, and Pennsylvania. We are also long-term members of the MBA, ACA, and the DRI. David Demers, Managing Partner, focuses on defense litigation and traditional lender representation. Andy Cooke and Adam Bennett also bring decades of mortgage industry legal experience to the firm. Our team is committed to integrity and premier service and performance, consistently scoring as the top outside counsel firm with our numerous clients. Many of our attorneys have received the prestigious AV Rating from the Martindale-Hubbell Peer Review Rating system with the highest legal ability and adherence to the highest level of professional ethics. The evolution of our practice, including consumer and mortgage lender representation, was due in part to the relationships we created with several large regional and national banks and loan servicers. Cooke Demers provides outside counsel legal services in matters involving foreclosure, replevin, and bankruptcy in addition to the litigation that emanates from the industry such as TILA, FDCPA, RESPA, FCRA, and TCPA. We also handle title, REO closing, and eviction matters. Cooke Demers has over 20 years of experience with mortgage default related litigation on GSE loans. As first chair, David has tried over 50 cases to jury in both state and federal courts. David has also successfully defended class action claims for his clients.

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# BRINGING THE MORTGAGE JOURNEY FULL CIRCLE WITH DIGITAL TECHNOLOGY

As mortgage technology continues to evolve, Joey McDuffee of Blue Sage Solutions details how the end result is not just the ability to perform operations quicker, but to achieve optimal cohesion across a mortgage lender's entire operation.

By JOEY MCDUFFEE

Joseph M. Marshall, a Native American historian and author, once observed, "Life is a circle. The end of one journey is the beginning of the next." Every homeowner can identify with this idea, as buying or refinancing their home signifies a new chapter in life. And of course, mortgage bankers and credit unions play a pivotal role in facilitating this journey.

But that work is not easy. For lenders, navigating the transition from selling loans to servicing them involves juggling diverse functions, expertise, and systems, often creating a disjointed experience for the consumer. However, the advent of new digital technologies is creating change by seamlessly connecting these disparate elements, offering a smoother, more integrated experience for both lenders and homeowners.

## Dissecting the Problem

Independent mortgage banks (IMBs) and credit unions that both originate and service loans face a difficult and rapidly shifting environment in which both loan production costs and servicing costs are rising. According to the most recent data from the Mortgage Bankers Association (MBA), IMBs saw a pre-tax net loss of \$1,015 on every new loan origination in the third quarter of 2023, nearly double the \$534 average loss per loan in the second



quarter of last year. Meanwhile, servicing net financial income fell from \$94 per loan to \$90 between the second and third quarter of 2023.

This decline in servicing income is particularly concerning since many institutions have relied on servicing profits to counteract fewer originations. With interest rates set to drop, however, the

future looks even more uncertain. Lower rates will mean more homeowners will be inclined to refinance, leading to early payoffs. Meanwhile, the recent uptick in early-stage loan delinquencies adds another layer of complexity, as assisting distressed borrowers can be costly as well.

Compounding matters even further is the traditional divide that exists between a lender's origination and servicing operations. One of the major reasons for this is that most banks and credit unions rely on legacy technologies, and both processes operate independently of each other. And because these products were built before the emergence of cloud-based technology, they are also poorly integrated with third-party service providers—if they are integrated at all.

While it is true that some LOS providers have added servicing functionality to their products and some legacy servicing platforms have migrated to the cloud, inconsistencies still reign supreme. Transitioning decades-old, on-premises-based software into a more flexible cloud environment takes an extraordinary amount of time and resources. More critically, these technologies have been inadequate in controlling loan production or servicing costs, nor have they effectively improved borrower retention rates.

With the housing market shifting once again, these challenges underscore the need for a more modern approach to



# In essence, new cloud-built digital technology represents a paradigm shift in the capabilities mortgage banks and credit unions must operate their businesses.

blending both loan origination and servicing functions while enhancing the ability to build customers for life. The question is, how?

## Unlocking Potential Through the Cloud

Fortunately, the advent of cloud-based digital technology is reshaping how mortgage banks and credit unions approach this challenge. In fact, it is now possible for lenders to access combined digital LOS and servicing technology through the same cloud environment, which can help streamline their operations with minimal IT or other resource investments.

At the core of this transformation is the ability of mortgage bankers to adopt a modern, digital lending platform built within the cloud. Such platforms revolutionize the loan origination process, from the point of sale (POS) to closing, by automating a range of mundane, repeatable tasks that were traditionally handled by loan officers, loan processors, and underwriters. The flexibility of cloud-based technology means that mortgage bankers can tailor the degree of automation to suit their specific needs, regardless of loan channel or their area of origination.

And after a loan closes, the journey does not end. Lenders can now deploy digital servicing platforms that can be easily integrated with the LOS and other third parties within the same cloud ecosystem. This enables them to smoothly onboard newly originated loans onto their digital servicing platform, ensuring a seamless flow of data capable of streamlining the entire mortgage lifecycle. More powerfully, mortgage bankers and credit unions can deploy a comprehensive digital strategy that incorporates every stage of the customer journey.

The main ingredient behind this transformation is leveraging cloud-native architecture. With cloud-based systems, all POS, underwriting, and servicing software is accessible via all digital devices. They are infinitely scalable as well, allowing lenders to better adjust to the fluctuating workloads that are a hallmark of our industry. Ultimately, this enables lenders to allocate their staff more dynamically and cost-effectively, which is crucial in balancing resources between

the origination and servicing sides of their organization.

Digital access to these systems and platforms offers another notable advantage. These systems can help break down geographic barriers by enabling lenders and their teams to operate remotely while still ensuring compliance with regulatory guidelines and investor requirements. Sales and customer service teams can access these systems from any location, at any time, to ensure critical decisions are made quickly, while maintaining continuous communication with borrowers.

In essence, new cloud-built digital technology represents a paradigm shift in the capabilities mortgage banks and credit unions must operate their businesses. By integrating origination and servicing into a single, cloud-based ecosystem, these technologies offer mortgage lenders a streamlined, efficient, and flexible approach that aligns with a fluctuating housing market and increasing consumer demands for speed and convenience. The result is not just the ability to do things faster, but doing them smarter, with greater cohesion across a mortgage lender's entire operation.

## Bridging the Servicing Gap

While digital lending platforms have been available for some time, the emergence of cloud-based digital servicing technology is relatively new. By leveraging digital platforms for both origination and servicing, lenders can finally create a seamless bridge between these two sides of their business.

Digital servicing platforms built and delivered in the cloud also offer additional benefits, especially when it comes to lowering the costs of servicing loans and improving borrower retention rates. For example, one of the most significant advantages of cloud-built digital servicing technology is its ability to automate workflows in key servicing processes such as collecting payments, managing escrow accounts, and handling loan transfers, reconciliations, and reporting. New digital servicing platforms also include advanced document management tools that are pivotal in reducing manual costs associated with storing, organizing, and retrieving loan documents, and they improve overall productivity.



Handling all of these servicing functions using only a user-friendly, browser-based interface is extraordinarily easy. Moreover, new digital servicing platforms include white-labeled portals for homeowners to use when submitting payments, looking up their loan and escrow information, downloading tax statements, and requesting assistance. This enables lenders to tailor their customers' experience to align with their unique branding, which fosters a sense of familiarity and trust, and creates deeper engagements with borrowers—who are more likely to stick with that lender for their future financing needs.

Furthermore, new digital servicing platforms are equipped with essential tools for investor reporting and default management. They automate compliance checks and handle intricate processes such as year-end reporting, and generate necessary documents (like 1099s) with ease. These features, too, are crucial for ensuring compliance with regulatory and investor requirements and quickly adapting to evolving loss mitigation guidelines.

Finally, there is the ease of adop-

tion, particularly when the cloud-built digital servicing technology comes from a lender's existing digital mortgage platform provider. This ensures a smooth implementation process and a more cohesive, integrated digital ecosystem that is vital for onboarding mortgages with greater accuracy and speed.

#### Why Timing Is Ideal

The timing for adopting such technologies could not be more critical. As interest rates decrease, lenders are soon likely to face a surge in refinance demand, which not only provides an opportunity for generating immediate income but also an opportunity to build stronger customer relationships. In such an environment, cloud-native solutions that bridge the gap between loan origination and servicing can provide a crucial lifeline that enables community lenders to adapt more fluidly to pending market shifts and scale their operations with greater efficiency while keeping costs in check.

With the MBA and other housing market experts projecting delinquen-

cies to continue rising, lenders that also handle loan servicing need to brace for these challenges. Because cloud-based origination and servicing technologies are not static, lenders that adopt them will be better able to evolve with the market. In fact, cloud-based digital lending platforms have already helped mortgage banks and credit unions swiftly launch new business lines, such as home equity loans, so they can better respond to shifting consumer needs.

Just as one journey leads to the next in the circle of life, lenders that adopt digital origination and servicing technology into the same cloud ecosystem will be better positioned to serve borrowers moving onto the next chapter of their life story—and take them wherever that story may lead. **MP**

# SERVICING TECH ROI CIRCA 2024 (INCLUDING AI)

By DAVID DOYLE

The U.S. mortgage industry is nothing if not competitive. The 2022 HMDA data shows 4,460 active lenders—most of which are characteristically persistent (or optimistic), refusing to exit the business despite historically brutal conditions (not exactly a “soft landing”). The result has been an imperative for true “competitive advantage,” which can take many forms: innovation, quality, development of proprietary methods, even a relentless, “won’t lose” culture.

But cost leadership stands as the most effective advantage for any mortgage operation because of the correlation between new loan manufacturing and servicing costs and the ability to compete effectively for new and returning customers. In short, cost advantage is pricing advantage.

Every basis point matters in mortgage servicing. Fortunately, modern servicing technology can automate manual processes and use data and AI to save money across the entire loan lifecycle—all while delivering better experiences to your servicing teams and borrowers.

By transforming servicing operations from largely manual to exception-based processes, servicers can have their teams hyper-focused on high-value customer interactions and exceptions, rather than time-consuming, routine tasks. Modern servicing platforms also keep servicers current and compliant without system overhauls as regulations, policies, and markets constantly change.



**DAVID DOYLE** leads *Sagent's Sales and Business Development programs. He drives Sagent's efforts to engage with new customers and strategic partners, contributing to revenue growth and the modernization of Sagent's system. David joined Sagent in 2020 after a 24-year career at Bank of America where he led several business divisions and large, transformative programs in the Consumer Lending space (mortgage, home equity, and auto lending). His background and experiences leading marketing, sales, operations, and support functions gave him a diverse skill set for business-to-business and business-to-consumer leadership roles.*

Is it possible for servicers to operate at \$180 to \$200 servicing cost per loan, compared to the MBA industry average of \$250? Let's take a look.

## How Real-Time Data & AI Transforms Servicing Operations

A unified platform with cloud-native architecture is the foundation for leveraging AI and Large Language Models (LLMs) in mortgage servicing. The promise of AI in mortgage servicing depends on single-source, real-time data across the entire performing and nonperforming lifecycle.

Enter Dara AI | Docs—one of Dara by Sagent's first-to-market compo-

nents—which transforms unstructured documents and extracts data (including stamps and signatures) to enable efficient loan movement for loan boarding at scale. Other use cases include digitizing income calculations with mortgage-specific AI for salary income from W2s and paystubs, as well as automating claim filing utilizing extracted invoice data for reconciliation.

In a real client example, Dara AI | Docs saved an estimated 34,155 people hours in just one MSR bulk acquisition (over one hour per file). Dara AI | Docs also reduced the buyer's exposure to unrecovered corporate advances, identifying \$6.3 million of corporate advances that were not recoverable due to missing invoices in the data file.

## Embracing Short-Term Discomfort for Long-Term Gains and Scalability

While some servicers may hesitate to adopt new systems and solutions because of business disruption or aversion to change, the benefits of a truly modern servicing platform are clear and attainable. One simply needs a clear view of the cost benefits and a firm commitment to execute the change.

Sagent created Dara to meet a pressing and unmet demand: servicers have long needed a unified consumer and operator experience where all users can view the same real-time data at any point in the loan lifecycle.



While adopting new systems may cause short-term disruption, the change is easier to stomach with a clear path to cost reduction and better customer retention.

Deeper self-serve capabilities for performing borrowers empower them to take care of core functions like payments (even complex payment scenarios) from any device at any time.

Self-serve for hardships becomes more versatile, with an entirely holistic approach that is thoughtfully designed and user-friendly. This is more than just a homeowner requesting a forbearance or a loan modification from their phone.

This is empowering the homeowner with a seamless process for borrower and servicer from request through resolution, including review, document collection/approval, signatures, and compliance built in—and all with do-it-on-my-phone convenience.

Save valuable time for your team members and control reputational risk by providing education about escrow account changes—this is especially im-

portant as property taxes and insurance rise in this cycle.

These efficiency gains enable servicers to offer competitive pricing on portfolio retention loans, attract top talent, and develop a winning culture derived from cost leadership.

#### The Cost of Status Quo vs. the Future of Servicing

Sagent is making the choice for seller/servicers increasingly clear. If you want to service loans with transformed capabilities at a meaningfully lower cost per loan that you can translate into primary market cost competitiveness, consider Dara by Sagent as your servicing platform.

Its real-time data, AI, automated workflows, and homeowner self-service options are true differentiators compared to other offerings that promise to uphold the status quo in the face of shrinking margins.

Plus, with Dara by Sagent, you get a GPS for mortgage servicing in the deal.

**Save valuable time for your team members and control reputational risk by providing education about escrow account changes—this is especially important as property taxes and insurance rise in this cycle.**

# HOW TO BUILD VOLUME IN TODAY'S MARKET

Wading through a down market is a challenge for all in the industry, but positioning yourself to help navigate through the complexities of the current market can turn you into a homebuyer's hero.

By HENRY BRANDT

In today's low-volume market cycle, mortgage originators can build business by focusing on purpose-built loan products designed to overcome the specific challenges homebuyers face in the current market.

In a landscape marked by limited turnkey housing inventory, significant affordability issues, and relentless competition from cash-rich investors, homebuyers need more than plain vanilla home loans.

The key is to tailor the financial solutions to meet the needs of various borrowers, including first-time home buyers, those who are looking to move up, and buyers willing to purchase fixer-uppers. Positioning yourself to effectively help those borrowers navigate the complexities of the current market doesn't just build your business, it turns you into a homebuyer's hero.

## Strategic Solutions for Today's Homebuyers

**New construction financing and meeting the demand for new homes:** According to the National Association of Home Builders (NAHB), in March, 33% of all home sales were new construction financing. That is a significant increase from the 13% average between 2000-2019 in new construction. While virtually all national homebuilders have mortgage divisions, custom builders and small- to mid-size local builders can be an excellent source of purchase volume. Offering one-time



close and specialty products that help move-up buyers time the sale of their existing home to the closing date for a new home helps originators to tap into this market segment.

Include manufactured home dealers in your marketing plan if you have financing for buyers who want to put a manufactured home on a lot they are buying or one they already own.

## Competing against cash offers ... enhancing buyer competitiveness:

The prevalence of cash offers in today's market cannot be overstated, with the National Association of Realtors (NAR) indicating that 28% of home purchases in April were all-cash transactions. This represents a competitive challenge for buyers relying on financing. MLOs can counteract this if they have loan programs providing a cash backup or a buy with cash and refinance later option

for consumers. Closing date guarantees can also minimize contingencies, making purchase offers more competitive.

**Bridge loans and facilitating the transition for move-up buyers:** Bridge loans address a critical market need for homeowners looking to upgrade. By providing the liquidity needed to purchase a new home before selling the current one, these loans remove a significant barrier for move-up buyers in a fast-paced market.

**Timing guarantees to ease transitions:** Purchase guarantee programs add another layer of certainty for move-up buyers by guaranteeing that their home will sell within a specific time frame, and/or allowing them to stay in their existing home when new home construction delays happen.

**Income producing options to make homeownership more affordable:** As affordability challenges persist, innovative solutions, like Accessory Dwelling Unit (ADU) financing, become increasingly desirable. ADUs can expand a home's liveable space to accommodate multiple generations, or introduce potential rental income streams, making homeownership more achievable and sustainable for a broader audience.

**Manufactured homes for affordability:** Today's manufactured homes are not your grandpa's mobile home ... they are factory assembled, energy-efficient, and come with features like porches and



garages. Manufactured homes look just like stick-built homes, but carry a smaller price tag.

With an estimated 4.3 million manufactured homes in the United States (according to MHInsider), having a product like Fannie Mae's MHA Advantage presents an opportunity to address affordability.

**In pursuit of fixer-uppers:** Homes that linger on the market because they need updates to improve efficiency or aesthetic appeal are not likely to have multiple bidders. But, first-time homebuyers can be leery of taking on renovations, especially if they are tight on cash.

MLOs who understand renovation home loans, and can convey the benefits, like doing the renovations before you move in or potentially deferring mortgage payments during the remodel period, can move customers from preapproval into homeownership.

The capacity to offer diverse loan products that address the specific chal-

## The prevalence of cash offers in today's market cannot be overstated, with the National Association of Realtors (NAR) indicating that 28% of home purchases in April were all-cash transactions.

lenges of today's homebuyers is essential for mortgage loan originators looking to build their purchase volume. Those who find their current company's product offerings lacking must seek partnerships that allow them to fully serve their clients' diverse needs, ensuring they remain

competitive and effective in a rapidly changing market. **MP**

*The views and opinions expressed in this article are those of the author and do not necessarily reflect or represent the views, policy, or position of Planet Home Lending LLC.*

# ATTRACTING CUSTOMERS IN A DOWN MARKET

A Q&A With Nate Den Herder, MBA, Founder and CEO, Ardley Technologies



Few factors dictate the housing market more than mortgage rates. And when rates are high, many borrowers put their home financing decisions on hold, and most lenders and servicers struggle to find new business—usually after they lay off staff, which doesn't make the challenge any easier.

These factors are impacting the industry right now, yet some organizations are bucking this trend and are doing quite well. They are not focused on things they cannot control, like rates, yet focus on the things they can control, like using technology to identify and maximize opportunities that might be hiding right under their noses.

*MortgagePoint* had the opportunity to discuss market trends with Nate Den Herder, MBA, Founder and CEO of Ardley Technologies and find out what advances in tech can contribute to new business avenues.

Den Herder is Founder and CEO of Ardley Technologies, a provider of mortgage technology solutions that help lenders and servicers mine their portfolios for new deal opportunities, and improve retention rates. Over the past year, the company's Actionable Data Intelligence (ADI) platform has generated more than \$1 billion in loan volume, while enabling companies to automate up to 85% of their sales activities. Den Herder spent 15-plus years with Fannie Mae, where he was the GSE's lead developer of Collateral Underwriter (CU) and played a key role in the development of Day 1 Certainty (DiC).



**Q:** How can technology and automation help to find new business, even when borrower activity is low?

**Nate Den Herder:** Many people are still buying homes, and many homeowners are still taking equity out of their homes to make other purchases or pay down debt. So, there is always business to be had somewhere. Of course, when volume is low, it is imperative for organizations to be as efficient as possible while still remaining competitive. That is more true than ever today, and it is why strategic technology investments are key.

No one can control the housing market, but any company can maximize their efficiency and revenue opportunities, regardless of where rates are headed. Automated technologies can help organizations leverage their existing resources more productively, while reducing the cost it would take to complete the same tasks manually. Some of those technologies can also help lenders identify sales opportunities hiding right inside their own portfolios and create hyper-personalized loan offers, without any human assistance. By blending technology and automation in this way, lenders and servicers can get the most out of the many financing opportunities that still exist.

**Q:** Why are lender and servicer databases so often overlooked or underutilized when it comes to finding new business opportunities?

**Den Herder:** Most lenders and servicers are sitting on a tremendous amount of opportunities within their contact databases or portfolios, but lack the time and resources to identify them. Some of that is a function of a lender or servicer's ability—or lack thereof—to mine the data they already have in a meaningful and actionable way. Our own research found that roughly 1% of loans inside the average servicing portfolio involve properties that are currently listed for sale. Most servicers have no way of knowing this information—they are completely blind to it.

However, technology is available that automatically monitors a servicer's portfolio and property listings nationwide and sends a trigger when a borrower's property is listed for sale. New tools can also leverage loan-level borrower data and live rate sheets to determine when a borrower in a servicer's portfolio is eligible for a cash-out refinance, and even reach out to the borrower with a personalized loan offer. In fact, we are seeing data really come into focus for forward-thinking mortgage organizations.

**Q:** How does data analytics contribute to accurately and efficiently identifying new opportunities?

**Den Herder:** Data and analytics enable organizations to understand their data at scale and make faster decisions that generate revenue. This is notably different than the type of data mining tools you find on most legacy loan platforms, which are basically only useful for reporting purposes. Data and analytics allow servicers to continually analyze loan level-data in their portfolio as well as live rate sheets, fees and property information, and instantly determine when a borrower is eligible for a particular loan product. Such tools are also able to structure these results in an easily consumable way, so that a

lender's team is able to make better and faster decisions with it.

Assuming you have the right technology, you can use it to create hyper-personalized loan offers that are automatically sent out to your borrowers. You can even complete most of the borrower's loan application, because you already have the data. If an organization wants to leverage the data it already has and the data they collect on an ongoing basis, putting data and analytics to work is mission critical.

**Q:** Is this really the time for lenders to invest in modern technology? Why not reduce costs and wait for conditions to improve?

**Den Herder:** Invariably, the organizations that do the best in a down market and increase market share when conditions improve are those that never let off the gas pedal when it comes to making strategic technology investments. We have seen this play out in multiple cycles now, and the current cycle is no different.

Every player in the industry is focused on reducing costs, and many have gone through the painful experience of laying off staff. We have seen this happen in previous cycles too. But there are technologies available right now that enable lenders and servicers to operate more efficiently and empower their existing staff to be more productive. So, when there is an uptick in application volume, they don't have to hire as many people to remain competitive.

**Q:** In what ways might technology reshape the mortgage landscape this year? What about five years from now?

**Den Herder:** Today's mortgage organizations are having to take a close look at where they are investing their capital to ensure they are putting it to work in the right places. Right now, the smart companies are investing in many innovative technologies that we feel will become table stakes in the next three to five years. So why wait? **MP**

“Every player in the industry is focused on reducing costs, and many have gone through the painful experience of laying off staff. ... But there are technologies available right now that enable lenders and servicers to operate more efficiently and empower their existing staff to be more productive.”



increased 8% and there was a 63% increase for industrial properties.

Among investor groups, the dollar volume of loans originated for depositories fell 41% year over year. Loans from government-sponsored enterprises (GSEs) such as Fannie Mae and Freddie Mac fell by 17%, while loans from life insurance companies increased by 35%, investor-driven lender loans increased by 41%, and commercial mortgage-backed securities (CMBS) loans increased by 93%.

### Q1 Originations Down From Q4 of 2023

In Q1 2024, originations for healthcare properties fell 56% from Q4 2023. Originations for retail properties declined by 49%, hotel properties by 37%, multifamily properties by 29%, and office properties by 3%. The dollar volume of loans for industrial assets increased by 12%.

Between Q4 of 2023 and Q1 of 2024, the dollar volume of loans for life insurance firms declined 37%, deposits decreased 36%, GSE originations decreased 30%, and investor-driven lenders decreased 18%. The monetary amount of CMBS loans has surged by 57%.

## Lending/Originations

### HAVE COMMERCIAL AND MULTIFAMILY LOAN ORIGINATIONS PLATEAUED?

Commercial and multifamily mortgage loan originations were essentially unchanged in Q1 of 2024 compared to a year ago, and decreased 23% from Q4 of 2023, according to the Mortgage Bankers Association's (MBA) Quarterly Survey of Commercial/Multifamily Mortgage Bankers Originations.

"Borrowing and lending backed by commercial real estate properties remained muted in the first quarter of 2024," said Jamie Woodwell, MBA's Head of Commercial Real Estate Research.

"Elevated interest rates and uncertainty about their direction have kept many current owners on the fence, with little commending a sale or refinance unless something forces the issue."

Woodwell continued, "With loan maturities and other triggers increasingly likely to prompt action, property owners, potential owners, lenders, and others are all working through the specifics of each individual property to identify the level of mortgage debt that property can support. New loan originations should follow as this continues."

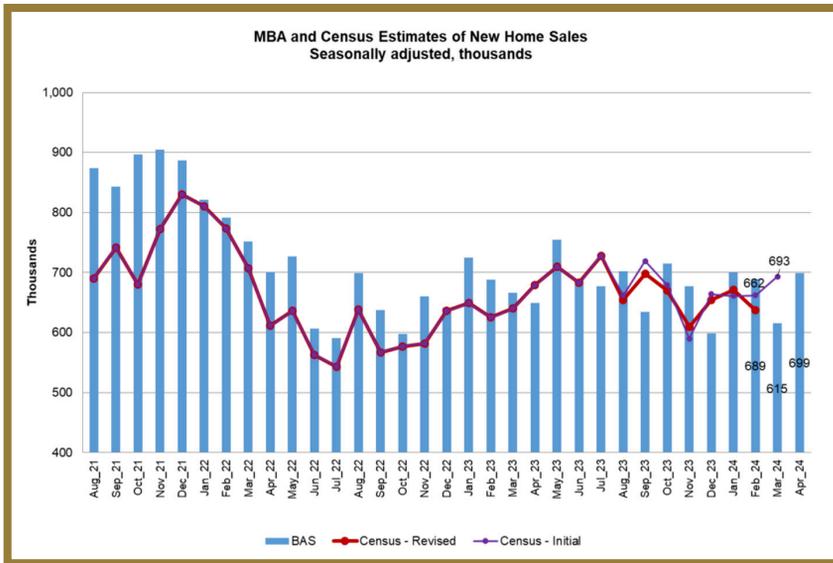
### Mortgage Originations Remain Unchanged from Q1 of 2024

Originations in Q1 of 2024 varied across the different property types. There was a 31% year-over-year decrease in the dollar volume of loans for retail properties, a 22% decrease for healthcare properties, a 21% decrease for office properties, and a 7% decrease for multifamily properties. Hotel property originations

### HOW NEW HOME PURCHASE ACTIVITY IS TRENDING

According to the Mortgage Bankers Association's (MBA) Builder Application Survey (BAS) data for April 2024, mortgage applications for new home purchases jumped 22.1% over the previous year. Compared to March 2024, applications increased by 2%.

"New home purchase activity increased at a healthy pace in April 2024 after a slight pause in March. Applications to purchase newly constructed homes increased 22% over the year and have now shown annual gains for 15 consecutive months," said Joel Kan, MBA's VP and Deputy Chief Economist. "There continues to be healthy demand for new homes, given greater availability and other ben-



efits over existing home purchases such as builder concessions and customization options. First-time homebuyers account for a growing share of purchase applications with the FHA share of applications at 26.3% in April, higher than the survey average of 18% dating back to 2013. Our estimate of new home sales increased more than 13% to 699,000 units, the strongest pace in three months.”

### New Home Purchase Mortgage Applications Increase in April

MBA believes that new single-family home sales, which have typically been a leading indication of the U.S. Census Bureau’s New Residential Sales report, will be at 699,000 units per year in April 2024 on a seasonally adjusted basis. The new home sales forecast is based on mortgage application data from the BAS, as well as assumptions about market coverage and other variables.

The seasonally adjusted estimate for April is a 13.7% rise over the March pace of 615,000 units. Unadjusted, MBA forecasts 62,000 new home sales in April 2024, up an estimated 3.3% from 60,000 in March. Conventional loans accounted for 62.8% of loan applications, followed by FHA loans (26.3%), RHS/USDA loans (0.3%), and VA loans (10.5%). The average loan size for new homes grew from \$405,400 in March to \$405,490 in April.

## THE STATE OF MORTGAGE CREDIT AVAILABILITY

Mortgage credit availability improved in March, according to the Mortgage Bankers Association’s (MBA) Mortgage Credit Availability Index (MCAI). This comes after MBA reported that mortgage applications decreased 2.3% for the week ending April 26.

The MCAI increased by 1.1% to 93.9 in March. A decrease in the MCAI suggests tighter lending rules, whilst an increase in the index indicates looser credit. The report found that the Conventional MCAI rose 2.1%, while the Government MCAI fell by just 0.1%. The Jumbo MCAI climbed by 2.6%, while the Conforming MCAI rose by 1.2%.

“Credit availability increased in March, driven by growth in conventional credit. There were increased offerings of cash-out refinance loan programs across fixed rate and ARM loans, as well as for all occupancy types,” Joel Kan, MBA’s VP and Deputy Chief Economist. “Although credit supply increased for the third consecutive month, it remains low at nearly 7% below a year ago and still close to 2012 lows.”

### Conventional, Government, Conforming, and Jumbo MCAI Component Indices

The MCAI increased by 0.1% to 94.0 in April. The Conventional MCAI climbed by 0.3%, while the Government MCAI fell by 0.0%. The Jumbo MCAI and the Conforming MCAI, two of the Conventional MCAI’s component indices, both climbed by 0.3%.

“The jumbo index grew 2.6% last month and was the only component seeing credit supply higher than a year ago,” Kan said. “Growth in jumbo credit availability was driven by both non-QM and super conforming loan programs.”

## WHY ARE AMERICANS TAPPING INTO HOME EQUITY?

In a market where prospective homeowners are “locked-in” due to high mortgage rates, and affordability has handcuffed many, a new study from LendingTree examined trends in home equity, as more are staying put and tapping into the equity of their current home with a home equity loan.

The study analyzed borrowers’ home equity loan requests on the LendingTree marketplace in Q1 of 2024, and gauged the reasoning behind why many are shopping for a home equity loan from one of five reasons, including:

- » Making home improvements
- » Consolidating debt
- » Getting money for investment purposes (besides home improvements)
- » Getting extra retirement income
- » Using the money for another reason

For the report, LendingTree researchers analyzed nearly 416,000 home equity loan inquiries from users of the LendingTree online loan marketplace in the first quarter of 2024. Data was derived from users living in each of the nation’s 50 states, excluding the District of Columbia.

Are prospects improving for those seeking a move or upgrade in their living space? According to a recent analysis

from Redfin, nearly two of every five (38%) homeowners don't believe they could afford to buy their own home if they were purchasing it today. Nearly three in five (59%) homeowners who answered this question have lived in their home for at least 10 years, and another 21% have lived in their home for at least five years. That means the majority of respondents have seen housing prices in their neighborhood skyrocket since they purchased their home, as the median U.S. home-sale price has doubled in the last 10 years and has shot up nearly 50% in the last five years alone.

### Exploring the Marketplace

LendingTree found that 40.58% of those seeking a home equity loan cited paying for home improvements as their primary reason for tapping into their equity. Nationwide, this was the most commonly cited reason why homeowners wanted to tap into their home equity but was not the most popular reason cited in every state.

Of those polled, 33.78% of homeowners considered tapping their home's equity to help with debt consolidation. Some states, including Wyoming, Idaho, and South Dakota, debt consolidation was the most cited reason.

Tapping into a home's equity for investment purposes (other than home improvements) was the foremost reason for 7.68% of homeowners. Investments cited included buying a property to rent or purchasing shares of a company via the stock market.

Just 2.56% of homeowners considered using their home's equity as retirement income.

And, a significant percentage of homeowners, 15.39%, considered a home equity loan for a reason other than the ones listed above. Though we don't know how these potential borrowers hoped to use a home equity loan, reasons LendingTree considered was paying for college, paying for a wedding, or dealing with emergency-related expenses.

### Where is equity being tapped?

According to LendingTree, the states where the largest share of homeowners

considered tapping home equity for home improvements were found in:

- » Mississippi (48.21%)
- » Maine (46.57%)
- » West Virginia (44.31%)

The states that reported largest share of homeowners that considered tapping into home equity for debt consolidation were:

- » Wyoming (44.21%)
- » Idaho (43.26%)
- » South Dakota (40.86%)

LendingTree found that the states where the largest share of homeowners considered tapping home equity for investment purposes were:

- » Utah (11.10%)
- » Alaska (10.09%)
- » Hawaii (9.78%)

States that reported the largest share of homeowners who considered tapping home equity for retirement were:

- » Nevada (3.73%)
- » Vermont (3.41%)
- » Florida (3.28%)

And states that reported the largest share of homeowners who considered tapping home equity for another reason were:

- » Hawaii (18.48%)
- » New Mexico (17.88%)
- » Alaska (17.87%)

## MORTGAGE PAYMENTS REPORT SHOWCASES ONGOING HEADWINDS

According to the Mortgage Bankers Association's (MBA) Purchase Applications Payment Index (PAPI), homebuyer affordability declined in April due to rising interest rates and other costs increasing from a median \$2,201 in March to a median \$2,256, a \$55 increase.

The PAPI is calculated by measuring how new monthly mortgage payments vary across time—relative to income—

using data from the MBA's Weekly Applications Survey.

### Additional Key Findings From the Report

- » The national median mortgage payment was \$2,256 in April—up \$55 from March. It is up \$144 from one year ago, equal to a 6.8% increase.
- » The national median mortgage payment for FHA loan applicants was \$1,955 in April, up from \$1,898 in March and up from \$1,750 in April 2023.
- » The national median mortgage payment for conventional loan applicants was \$2,271, up from \$2,222 in March and up from \$2,170 in April 2023.
- » The top five states with the highest PAPI were: Idaho (267.2), Nevada (264.9), Arizona (236.4), Florida (227.4), and Rhode Island (224.8).
- » The top five states with the lowest PAPI were: Alaska (131.6), Louisiana (134.1), Connecticut (134.2), New York (139.1), and Washington, D.C. (141.2).
- » Homebuyer affordability decreased for Black households, with the national PAPI increasing from 180.4 in March to 183.1 in April.
- » Homebuyer affordability decreased for Hispanic households, with the national PAPI increasing from 166.4 in March to 168.9 in April.
- » Homebuyer affordability decreased for White households, with the national PAPI increasing from 176.8 in March to 179.5 in April.

“Homebuyer affordability conditions declined further as mortgage rates remained above 7% in April, sidelining many prospective buyers from entering the housing market,” said Edward Seiler, MBA's Associate VP, Housing Economics, and Executive Director, Research Institute for Housing America. “In addition to lower mortgage rates, more housing inventory is desperately needed in markets throughout the country this summer to alleviate these tough affordability conditions.”

An increase in MBA's PAPI—indicative of declining borrower affordability conditions—means that the mortgage payment to income ratio (PIR) is higher



due to increasing application loan amounts, rising mortgage rates, or a decrease in earnings. A decrease in the PAPI—indicative of improving borrower affordability conditions—occurs when loan application amounts decrease, mortgage rates decrease, or earnings increase.

The national PAPI increased 1.5% to 176.8 in April from 174.2 in March. This occurred while median earnings increased by a modest 4.6% year over year, payments topped that by increasing 6.8%. The strong earnings growth means that the PAPI is up 2.1% on an annual basis. The PAPI was benchmarked to 100 based on data from March 2012.

For borrowers applying for lower-payment mortgages (the 25th percentile), the national mortgage payment increased to \$1,537 in April from \$1,488 in March.

The Builders' Purchase Application Payment Index showed that the median mortgage payment for purchase mortgages from MBA's Builder Application Survey increased to \$2,604 in April from \$2,556 in March.

## WHO'S COMPETING FOR NEW MORTGAGES?

Last year, low-income Americans received almost 1 in every 5—an estimated 20.6%—new mortgages, putting their share of the homebuying pie back to where it was in 2018. This is according to new data from Redfin's Home Mortgage Disclosure Act (HMDA).

Low-income households gained headway at the start of the pandemic, accounting for 23.2% of all new mortgages in 2020, but that growth has since been reversed as high home prices and rising mortgage rates have weakened overall affordability.

The modest bit of progress that Americans on very low incomes achieved on taking out mortgages at the start of the pandemic has also been erased. Just

under 6% of new mortgages issued last year went to very low-income Americans, a decrease from 7.7% in 2020. Very-low-income Americans currently account for a lower percentage of mortgage borrowers than they did in 2018 (7.1%).

"There was a sweet spot in 2020 when mortgage rates were ultra-low and home prices had yet to skyrocket, allowing some lower-income Americans to break into the housing market," Redfin Senior Economist Elijah de la Campa said. "But somewhat ironically, the continued strength of the economy has made it harder to afford a home and widened the real-estate wealth gap between rich and poor Americans. The Fed's interest-rate hikes, meant to help cool inflation and slow a hot economy, have pushed mortgage rates to near their highest level in more than two decades. That's on top of home prices, which skyrocketed during the pandemic buying boom and have stayed high due to a shortage of homes for sale."

Per the report, higher-income homebuyers are taking up the share of new mortgages that low-income homebuyers have lost in recent years. While low-income borrowers gained and then lost market share throughout the pandemic, high-income borrowers have done the opposite, as they are better prepared to withstand the storm of high prices and rates. In 2023, high-income buyers received nearly half (44.8%) of all new mortgages countrywide, putting their share of the pie back to about the same level as in 2018. Their share fell to a low of 41.2% in 2020.

Because of sky-high home prices and mortgage rates, lower-income people are finding it increasingly difficult to own a home. In 2023, housing affordability fell to a record low. Affordability hasn't improved during the first few months of 2024:

- » **Home prices:** Today's median-home sale price is about \$420,000, up 5% year over year. That's up nearly 40% since the start of the pandemic in March 2020 and up nearly 50% since March 2019.
- » **Mortgage rates:** Today's average 30-year mortgage rate is about 7.2%, up from 6.43% a year ago and more than

double the record low of 2.65% in 2021. It's also higher than the 4% to 5% levels in 2018 and 2019.

- » **Monthly payments:** The typical homebuyer's monthly payment is now a record-high \$2,886, up 13% year over year. That's up from just over \$1,500 in both March 2020 and March 2019.
- » **Down payments:** The typical down payment for someone putting down 20% is \$84,000, up from \$80,200 a year ago, \$60,800 in March 2020, and \$56,800 in March 2019.

While the U.S. economy is relatively strong, unemployment is low, and income is rising—but home prices are rising much faster. Hourly wages are up around 5% year over year, while monthly housing costs are up 15%. Rising housing costs have a disproportionate impact on low-income households, which are less likely to have savings for down payments and record-high monthly payments.

Because of the growing popularity of all-cash purchases in today's market, housing wealth is considerably more concentrated in the hands of wealthy Americans than the mortgage data presented above indicates. As of February, more than one-third of all house sales in the United States were completed in cash, nearing a record high, and the ratio has gradually increased since 2020.

Housing affordability may improve if the Fed decreases interest rates later this year or early next year, lowering elevated mortgage rates. Alternatively, if rates remain high for longer than projected, the impact on purchasers' budgets may cause property values to fall.

While high-income Americans accounted for the majority of home purchases last year, residents of all income levels bought considerably less homes in 2023 than the previous year. In 2023, the number of residences purchased in the United States by high-income earners declined 19% year over year, while it fell 18% for moderate earners, 22% for low-income earners, and 31% for extremely low-income earners. Overall, housing costs increased as home prices and mortgage rates rose, and inventory declined.





## »» Default Servicing

### MULTIPLE MORTGAGE DELINQUENCY TYPES INCREASE YOY

People of all generations bought much fewer homes in 2023 than the previous year, as rising housing prices and mortgage rates reduced buyers' budgets—as 2023 was the least cheap year on record. This is according to the Mortgage Bankers Association's (MBA) National Delinquency Survey. Historically low inventory also hampered sales.

The delinquency rate increased 6 basis points from the fourth quarter of 2023 and 38 basis points from a year ago. The percentage of loans for which foreclosure proceedings were initiated in the first quarter remained steady at 0.14%.

“Overall mortgage delinquencies increased slightly in the first quarter of 2024, but not across all three of the major loan types. Delinquencies declined for FHA loans, were relatively flat for conventional loans, and increased for VA loans,” said Marina Walsh, CMB, MBA's VP of Industry Analysis. “Notably, all three loan types saw an increase in delinquencies compared to one year ago. Higher unemployment, lower personal savings, increases in property taxes and insurance, and a run-up in credit card debt and delinquency contributed to conditions that would make it tougher for some homeowners to make their mortgage payments.”

#### Key Findings of MBA's Q1 of 2024 National Delinquency Survey

» Compared to last quarter, the seasonally adjusted mortgage delinquency rate increased for all loans outstanding. By stage, the 30-day delinquency rate increased 15 basis points to 2.25%,

the 60-day delinquency rate decreased 6 basis points to 0.67%, and the 90-day delinquency bucket decreased 3 basis points to 1.02%.

- » By loan type, the total delinquency rate for conventional loans increased 1 basis point to 2.62% over the previous quarter. The FHA delinquency rate decreased 42 basis points to 10.39%, and the VA delinquency rate increased by 59 basis points to 4.66%.
- » On a year-over-year basis, total mortgage delinquencies increased for all loans outstanding. The delinquency rate increased by 18 basis points for conventional loans, increased 112 basis points for FHA loans, and increased 68 basis points for VA loans from the previous year.
- » The delinquency rate includes loans that are at least one payment past due but does not include loans in the process of foreclosure. The percentage of loans in the foreclosure process at the end of Q1 was 0.46%, down one basis point from Q4 of 2023 and 11 basis points from one year ago.
- » The non-seasonally adjusted seriously delinquent rate, the percentage of loans that are 90 days or more past due or in the process of foreclosure, was 1.44%. It decreased by 8 basis points from last quarter and decreased by 29 basis points from last year. The seriously delinquent rate decreased 6 basis points for conventional loans, decreased 24 basis points for FHA loans, and remained unchanged for VA loans from the previous quarter. Compared to a year ago, the seriously delinquent rate decreased by 21 basis points for conventional loans, decreased 83 basis points for FHA loans, and decreased 25 basis points for VA loans.
- » The states with the largest year-over-year increases in their overall delinquency rate were Louisiana (96 basis points), South Dakota (96 basis points), New Mexico (71 basis points), Texas (66 basis points), Georgia (56 basis points), and North Dakota (56 basis points).

“At the end of 2023, the Department of Veterans Affairs encouraged mortgage servicers to implement a foreclosure moratorium until the end of May 2024,”

Walsh said. “With this pause came an increase in VA loans that remained delinquent, but not in foreclosure inventory.”

## FORBEARANCE SNAPSHOT: A LOOK AT CURRENT TRENDS

As home prices continue to average more than \$358,000 and up 4.3% year over year, rates bob in and out of the 7% range, and affordability struggles linger, the Mortgage Bankers Association (MBA) examines the nation’s 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.

“The number of loans in forbearance has remained stagnant for the first four months of 2024,” said Marina Walsh, CMB, MBA’s VP of Industry Analysis. “While forbearance is still a viable option for homeowners needing temporary mortgage payment relief, its usage has diminished without a major natural disaster or labor market downturn. Moreover, the performance of servicing portfolios and post-forbearance workouts remains strong, despite some fluctuations from month-to-month.”

### Driving a Flatline

As forbearance numbers level off, factors such as employment and natural disasters which often impact loss mitigation trends, have remained steady as well. According to the U.S. Bureau of Labor Statistics (BLS), total nonfarm payroll employment increased by 175,000 in April 2024, and the number of unemployed people stood at 6.5 million, as the unemployment rate changed little at 3.9%. Job gains were reported in the fields of healthcare, social assistance, transportation, and warehousing.

“While forbearance is still a viable option for homeowners needing temporary mortgage payment relief, its usage has diminished without a major natural disaster or labor market downturn.”

—Marina Walsh, CMB, VP of Industry Analysis, MBA



Another factor noted by Walsh as impacting forbearance numbers is natural disasters. The early portion of the year was relatively quiet, as sporadic storms popped up in the Northeast, but things changed as the spring season began, and two major storms hit Iowa and Texas.

In late April, President Joe Biden declared that a major disaster exists in the State of Iowa and ordered federal assistance to supplement state, tribal, and local recovery efforts in the areas affected by severe storms and tornadoes beginning April 26. Assistance can include grants for temporary housing and home repairs, low-cost loans to cover uninsured property losses, and other programs to help individuals and business owners recover from the effects of the disaster.

The U.S. Department of Housing and Urban Development (HUD) followed suit by ordering assistance to state, tribal, and local recovery efforts in the areas impacted by these storms. Effective immediately, HUD is providing a 90-day moratorium on foreclosures of mortgages insured by the Federal Housing Administration (FHA), as well as foreclo-

sures of mortgages to Native American borrowers guaranteed under the Section 184 Indian Home Loan Guarantee program. There is also a 90-day extension granted automatically for Home Equity Conversion Mortgages. The moratorium and extension are effective as of the President’s disaster declaration date.

And FEMA has announced that federal disaster assistance was available to the state of Texas to supplement recovery efforts in areas impacted by severe storms, straight-line winds, tornadoes, and flooding beginning on April 26, 2024, and continuing. Assistance for Texans impacted includes grants for temporary housing and home repairs, low-interest loans to cover uninsured property losses, and other programs to help individuals and business owners recover from the effects of these storms.

### A Breakdown in Forbearance

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 forbear-



ance dropped one basis point from 0.40% to 0.39%, and the forbearance share for portfolio loans and private-label securities (PLS) 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 in forbearance in the initial forbearance plan stage, while 22.7% are in a forbearance extension. The remaining 20.0% 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.

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

1. Washington
2. Colorado
3. Oregon
4. California
5. Montana

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

1. Louisiana
2. Mississippi
3. Alabama
4. Indiana
5. New York

## COMMERCIAL, MULTIFAMILY DELINQUENCY RATES JUMPED AGAIN IN Q4

According to the most recent Commercial Delinquency Report from the Mortgage Bankers Association (MBA), there has been an increase in commercial mortgage delinquencies during Q4 of 2023.

This comes after the commercial mortgage delinquencies increase experienced in Q3 of 2023, according to MBA's December survey.

“Commercial mortgage delinquency rates rose again during Q4 of 2023,” said Jamie Woodwell, MBA's Head of Commercial Real Estate Research. “Every major capital source has seen an increase over the last six months, as higher interest rates, uncertainty about property values, and challenges in some property fundamentals work their way through the markets.”

Based on the unpaid principal balance (UPB) of loans, delinquency rates for each group at the end of Q4 of 2023 were as follows:

- » Banks and thrifts (90 or more days delinquent or in non-accrual): 0.94%, an increase of 0.09 percentage points from Q3 of 2023.
- » Life company portfolios (60 or more days delinquent): 0.36%, an increase of 0.04 percentage points from Q3 of 2023.
- » Fannie Mae (60 or more days delinquent): 0.46%, a decrease of 0.08 percentage points from Q3 of 2023.
- » Freddie Mac (60 or more days delinquent): 0.28%, an increase of 0.04 percentage points from the Q3 of 2023.
- » CMBS (30 or more days delinquent or in REO): 4.30%, an increase of 0.04 percentage points from Q3 of 2023.



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

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## Government

### BIDEN-HARRIS ADMINISTRATION SPOTLIGHTS HOUSING CLIMATE RESILIENCE EFFORTS

As part of President Biden's Investing in America agenda, the U.S. Department of Housing and Urban Development (HUD) announced nearly \$67 million in new grant and loan awards for 12 properties through its Green and Resilient Retrofit Program (GRRP), bringing the total funding awarded under this program to more than \$610 million. These grants and loans will help to renovate over 14,000 homes that house low-income persons, families, and elderly, making them safer and more pleasant, particularly during

extreme weather events.

"At HUD, we work to deliver on President Biden's Investing in America agenda, investing millions more to ensure the families that we serve live in homes that are healthier," HUD Acting Secretary Adrienne Todman said. "These investments will reduce costs and make homes healthier, cheaper to operate, and climate resilient."

Julia R. Gordon, Assistant Secretary for Housing, and Ethan Handelman, Deputy Assistant Secretary for Multi-family Housing, announced the new grant and loan awards at an event held at Washington Park apartments in Cincinnati. The property, owned by Preservation of Affordable Housing, Inc., earned a \$2.2 million surplus cash loan award from HUD for energy efficiency and climate resilience modifications for 37 houses serving low-income individuals and families in Washington Park.

"Today's announcement underscores the keen appetite by owners of assisted

housing to increase energy efficiency and climate resilience measures across the country and how the President's Investing in America agenda helps meet that need," Gordon said. "So far, properties in 36 states and the District of Columbia are putting GRRP funding to work to finance critical upgrades benefiting residents, owners, and communities."

All of the investments announced will advance environmental justice in accordance with President Biden's Justice40 Initiative, which aims to direct 40% of the overall benefits of certain federal investments to underserved communities that are underinvested and overburdened by pollution.

"The enhancements being made to properties using GRRP funding will make the homes of low-income families safer, more efficient, and healthier to live in," Handelman said. "We're pleased to support these efforts to improve the nation's affordable housing stock while also supporting efforts to combat climate change."

Retrofitting these homes will reduce carbon emissions, safeguard residences from extreme weather events, and advance the President's housing supply and clean energy agenda, ensuring affordable housing remains accessible to people and building owners across the country. In fact, two-thirds of the recipients announced live in environmentally disadvantaged neighborhoods, as defined by the White House Council on Environmental Quality's Climate and Economic Justice Screening Tool.

"Far too many Americans struggle to stay warm in the winter and cool in the summer," said John Podesta, Senior Advisor to the President for International Climate Policy. "Today's awards from the Department of Housing and Urban Development will boost the quality of life for thousands of moderate- and low-income American families by making their homes safer and more comfortable."

The grants and loans made available are the third set of awards made under the GRRP's Leading Edge category, which requires property owners to commit to achieving recognized, high performance green certifications, such as the National Green Building Standard

Gold with Green+ Net Zero Designation. The certifications recognize significant property upgrades such as on-site solar, wind turbines, impact and wind-resistant roofing, and other substantial energy efficiency and climate resilience improvements.

The 12 buildings receiving Leading Edge awards are all part of HUD's Section 8 project-based rental assistance program for low-income individuals and families. Two properties have more than 200 units, seven have 51 to 200 units, and three have 50 or fewer. President Biden's Inflation Reduction Act, the largest climate investment in history, created the GRRP in 2022 to support energy efficiency and resiliency improvements for HUD's assisted rental portfolio.

## HUD ANNOUNCES MILLIONS AVAILABLE TO PROMOTE SAFER, HEALTHIER HOMES FOR LOW-INCOME FAMILIES

**T**he U.S. Department of Housing and Urban Development (HUD) has allocated nearly \$90 million to reduce residential health hazards for low-income families, such as lead-based paint, carbon monoxide, mold, radon, fire safety, and asbestos. This supports President Biden's Lead Pipe and Paint Action Plan. Since 1993, HUD has invested more than \$3.5 billion to safeguard children, families, and individuals from lead and other hazards in their homes.

"All families across our Country deserve to live in a healthy home free from toxic lead exposure and other dangerous home health hazards," HUD Acting Secretary Adrienne Todman said. "HUD continues to fulfill the important commitments that protect children and families made under the Biden-Harris Administration's Lead Pipe and Paint Action Plan, including the new funding

# "All families across our Country deserve to live in a healthy home free from toxic lead exposure and other dangerous home health hazards."

—Adrienne Todman, Acting Secretary, HUD



opportunities we have announced today."

The Housing-related Hazards Capital Fund (HRHCF) & Lead-based Paint Capital Fund Program (LBPCF) NOFO provides grants to Public Housing Authorities and Indian Housing Authorities to evaluate and reduce residential health hazards in public housing. HUD estimates that addressing health hazards like mold, carbon monoxide, fire safety, radon, and lead-based paint in public housing units will cost an average of \$15,000 per unit. This is notably higher than the average of \$3,500 per unit received through Capital Fund Formula grants.

Funding for the evaluation and remediation of lead-based paint hazards remains a critical need as most public housing units were constructed prior to 1978, before lead-based paint was banned from residential use and have extensive potential for lead-based paint. These grants are critical particularly for children under the age of six who are most at risk of suffering the devastating effects of lead poisoning. Funding opportunities like the HRHCF and LBPCF grants

address urgent health and safety issues that Public Housing Authorities are often unable to address with their annual Capital Fund Formula grants alone.

These programs are part of President Biden's Justice40 Initiative, which sets a goal that 40% of the overall benefits of certain federal climate, clean energy, affordable and sustainable housing, and other investments flow to disadvantaged communities that are marginalized by underinvestment and overburdened by pollution.

Additionally, to further HUD's commitment to addressing lead-based paint hazards, HUD's Office of Lead Hazard Control and Healthy Homes will soon release funds for the Lead Hazard Reduction and Lead Hazard Reduction Capacity Building grants for state and local governments. The Healthy Homes Production grants will also be made available, which continues to support a broad spectrum of interventions, including those addressing lead, to promote safer and more resilient living conditions, especially for families living in disadvantaged communities.

## GAUGING U.S. HOMEBUYER TENDENCIES

The Fannie Mae Home Purchase Sentiment Index (HPSI) was unchanged in April at 71.9 and is showing signs of once again plateauing as consumers continue to adjust to the higher interest rate and home price environment.

This month, some 67% of consumers indicated that it's a good time to sell a home, while 20% said it's a good time to buy a home. These two indicators are up 10 percentage points and 3 percentage points, respectively, since the end of 2023, despite mortgage rates having moved steadily upward. Additionally, the share of respondents who expect mortgage rates to go down over the next 12 months fell to 26%. The full index is up 5.1 points year-over-year.

"The HPSI, unchanged this month, may have hit another plateau as consumers maintain their 'wait and see' approach to the housing market," said Doug Duncan, Fannie Mae Senior VP and Chief Economist. "Overall, housing sentiment increased from November through February, driven largely by consumer belief that mortgage rates would move lower. However, recent data showing stickier-than-expected inflation, rising mortgage rates, and continued home price appreciation appear to have given consumers pause regarding the market's direction."

### Home Purchase Sentiment Index – Component Highlights

Fannie Mae's Home Purchase Sentiment Index (HPSI) remained unchanged in April at 71.9. The HPSI is up 5.1 points compared to the same time last year.

» **Good/Bad Time to Buy:** The percentage of respondents who say it is a good time to buy a home decreased from 21% to 20%, while the percentage who say it is a bad time to buy remained unchanged at 79%. As a result, the net share of those who say it is a good time to buy decreased 1 percentage point month over month.

**“Overall, housing sentiment increased from November through February, driven largely by consumer belief that mortgage rates would move lower. However, recent data showing stickier-than-expected inflation, rising mortgage rates, and continued home price appreciation appear to have given consumers pause regarding the market’s direction.”**

—Doug Duncan, SVP and Chief Economist, Fannie Mae



- » **Good/Bad Time to Sell:** The percentage of respondents who say it is a good time to sell a home increased from 66% to 67%, while the percentage who say a bad time to sell decreased from 34% to 32%. As a result, the net share of those who say it is a good time to sell increased 3 percentage points month-over-month.
- » **Home Price Expectations:** The percentage of respondents who say home prices will go up in the next 12 months increased from 40% to 42%, while the percentage who say home prices will go down decreased from 20% to 18%. The share who thinks home prices will stay the same increased from 38% to 39%. As a result, the net share of those who say home prices will go up in the next 12 months increased 3 percentage points over month.
- » **Mortgage Rate Expectations:** The percentage of respondents who say mortgage rates will go down in the next 12 months decreased from 29% to

26%, while the percentage who expect mortgage rates to go up decreased from 34% to 33%. The share who thinks mortgage rates will stay the same increased from 36% to 40%. As a result, the net share of those who say mortgage rates will go down over the next 12 months decreased 1 percentage point month over month.

- » **Job Loss Concern:** The percentage of respondents who say they are not concerned about losing their job in the next 12 months decreased from 77% to 76%, while the percentage who say they are concerned remained unchanged at 23%. As a result, the net share of those who say they are not concerned about losing their job decreased 2 percentage points month-over-month.
- » **Household Income:** The percentage of respondents who say their household income is significantly higher than it was 12 months ago decreased from 19% to 17%, while the percentage



who say their household income is significantly lower remained unchanged at 12%. The percentage who believes their household income is about the same increased from 68% to 70%. As a result, the net share of those who say their household income is significantly higher than it was 12 months ago decreased 2 percentage points month-over-month.

“While only 20% of consumers think it’s a good time to buy a home, 67% think it’s a good time to sell one, a share that’s moved steadily upward since the start of the year. We think consumers’ generally improved sense of home-selling conditions bodes well for listings and housing activity, particularly for the segment of the population who may need to move for lifestyle reasons and have already begun adjusting their financial expectations to the current mortgage rate and price environment. However, for potential homebuyers in less of a rush to transact, ongoing affordability challenges may continue to keep many of them on the sidelines—one reason why we expect home sales to tick up only gradually over the course of the year.”

## BIDEN-HARRIS ADMINISTRATION AWARDS MILLIONS TO EXPAND HOUSING COUNSELING FOR UNDERSERVED COMMUNITIES

**R**ecently, VP Kamala Harris and HUD Acting Secretary Adrienne Todman announced that the Biden-Harris administration will provide approximately \$40 million to extend comprehensive housing counseling services for homebuyers, homeowners, and renters across the country. These grants, administered by the U.S. Department of Housing and Urban Development’s (HUD) Office of Housing Counseling, will provide counseling services that provide individuals and families with critical education and tools to help them make informed decisions about their housing

needs and prospects. The VP and Acting Secretary will highlight the increased funds while in Milwaukee for the third stop on the Vice President’s statewide Economic Opportunity Tour.

“Homeownership represents more than just a roof over our heads; it represents financial security, the opportunity to build wealth and equity, and a foundation for a better future for ourselves, our children, and future generations,” VP Harris said. “That is why President Biden, and I are continuing to address barriers to housing by announcing \$40 million to expand housing counseling services in communities across the country. This new funding to more than 165 housing counseling agencies will build economic opportunity while helping homebuyers throughout America improve their credit, find down payment assistance programs, understand loan terms and types of mortgages, navigate the application process, and identify housing discrimination.”

HUD intends to provide funding to more than 165 housing counseling agencies and intermediary organizations. Fourteen grantees will also collaborate with 60 Historically Black Colleges

# “Given the rising costs of housing, coupled with limited available inventory, housing counseling is a critical resource for homebuyers and renters seeking to navigate challenging processes and decisions.”

—David Berenbaum, Deputy Assistant Secretary for Housing Counsel, HUD



and Universities and Minority Serving Institutions to assist new homeowners of color and other marginalized populations. Funds can be utilized to provide counseling services on a variety of issues, including financial management and literacy, homeownership, and affordable rental housing. For example, one of the grantees, Unidos US, wants to provide routes for Latino homeowners to build credit, afford a down payment, and get approved for a long-term mortgage.

“This past year, HUD-approved housing counseling agencies reached almost one million Americans, providing them with invaluable advice on important topics like financial literacy, maintaining a home, and avoiding foreclosure,” HUD Acting Secretary Adrienne Todman said. “Today, we are providing \$40 million more to expand these services—specifically for underserved communities—so we can build the next generation of homeowners and close the racial homeownership gap.”

While in Milwaukee, VP Harris and Acting Secretary Todman will discuss the significance of these monies as well as the Biden-Harris administration’s overall efforts to reduce housing prices for American consumers. HUD anticipates that more than \$300,000 of this new funds will benefit Wisconsin customers. The Biden-Harris administration and HUD have already assisted almost 35,000 Americans in Wisconsin through this initiative, with 19,000 of them living in Milwaukee.

Currently, these counseling programs serve almost 12,000 families in Wisconsin, with Black families accounting for 40% of the total. Three housing counseling agencies will be present: Acts Housing, Housing Resources Inc., and United Community Center.

“We’re proud to make these funds available to HUD-certified housing counselors, who are often the first point of contact for those seeking support with their housing needs,” Deputy Assistant Secretary for Housing Counseling

David Berenbaum said. “Given the rising costs of housing, coupled with limited available inventory, housing counseling is a critical resource for homebuyers and renters seeking to navigate challenging processes and decisions.”

## HUD ANNOUNCES MORE THAN \$3B IN GRANTS TO IMPROVE PUBLIC HOUSING

The U.S. Department of Housing and Urban Development (HUD) provided \$3.17 billion in Public Housing Repair funding to 2,756 public housing authorities (PHAs) in all 50 states, including the District of Columbia, Guam, Puerto Rico, and the U.S. Virgin Islands to make capital investments in their public housing stock. PHAs can use these funds to improve the development, financing, modernization, and management of public housing developments.

“At HUD, our mission is to create strong, sustainable, inclusive communities and quality homes for all,” HUD Acting Secretary Adrienne Todman said. “Today’s grant funding is a necessary investment that will not only ensure that the homes offered in public housing fit the needs of its residents, but it will also strengthen neighborhoods for generations to come.”

For over 80 years, the federal government has invested billions of dollars in the development and maintenance of public housing, including essential support through the Capital Fund grants.

The funds announced are part of HUD’s Capital Fund Program, which provides annual financing to all public housing authorities for the construction, renovation, and/or modernization of public housing in their communities. Housing authorities can utilize the funds to make large-scale improvements such as roof replacements, energy-efficient heating system modifications, and water conservation measures.



2024

until now they've been renting. Plus, they weren't in the market three years ago when mortgage rates were sitting under 3%, so they don't have an ultra-low point of comparison."

Although Gen Zers and millennials were the most likely to purchase a home last year, they still have lower overall homeownership rates than older Americans, which is understandable given that they have had less time to do so. In 2023, just more than a quarter (26%) of adult Gen Zers owned their homes, whereas 55% of millennials did. In contrast, 72% of Gen Xers and 79% of baby boomers own their homes. However, Gen Zers are catching up to older generations: 19–25-year-olds own more homes than millennials and Gen Xers did at the same age.

#### Some Gen Zers, Millennials Get Financial Help from Family

Some young homeowners received financial assistance from their parents or other elderly family members to fund their acquisitions. In 2023, 3.3% of homeowners under the age of 35 had a co-borrower over the age of 55 on their mortgage loan, compared to 2.8% for buyers aged 35 to 44.

When cash presents are considered, the percentage of young purchasers who receive financial assistance from their parents increases significantly. According to a Redfin-commissioned poll conducted in February 2024, more than one-third of Gen Zers and millennials planning to buy a home expect to receive a monetary gift from relatives to help fund their down payment.

#### Buyers Under 35 Take Out Nearly Half of all Mortgages in Some Rust Belt Metros

In 2023, Gen Z and young millennial homeowners accounted for the majority of mortgage activity in relatively affordable Rust Belt metros. Pittsburgh provided 48% of new mortgages to buyers under the age of 35, the highest percentage among the 50 most populous U.S. metros. It is followed by Cincinnati (46.5%), Philadelphia (46.3%), Detroit (46.1%), and Warren, Michigan (46%).

Buyers under 35 accounted for the

## Market Trends

### GEN ZERS AND MILLENNIALS AGE INTO HOMEOWNERSHIP

Two-fifths (39.7%) of new mortgages issued in 2023 went to homebuyers under 35, with 26.5% going to buyers aged 35 to 44. The 45–54 age group took out 16.1% of new mortgages, followed by the 55–64 age group (10.8%) and the 65–74 age group (5.4%). This is according to new research from Redfin.

Over the previous five years, the age mix of homebuyers has remained constant, with younger Americans accounting for most mortgage borrowers. As people get older, they are less likely to take out a mortgage.

Per the report, there are multiple reasons why people under 45 are taking out most mortgages, including:

- » Gen Zers and millennials are aging into homeownership; the median age

of first-time U.S. homebuyers is 35. People tend to be in their late 20s or 30s when they buy their first home because that's when homeownership becomes financially feasible and desirable: They've had time to save for down payments and qualify for mortgages, and they may be growing their families.

- » Many people view real estate as a safer long-term place to park their money than the stock market or other traditional investments.
- » Younger buyers are likely to take out loans rather than pay for homes in cash because they haven't had much time to amass wealth and/or build equity from the sale of a previous home. Older buyers are more likely to pay in cash.

"First-time buyers aren't as spooked by high rates as people who are trying to move up to a bigger or better home," said Antonia Ketabchi, a Redfin Premier agent in Maryland. "High costs are still a challenge, but younger people are excited about the fact that they're looking to buy their first home, and they're not locked in by a low mortgage rate because

smallest share of the mortgage pie in prominent Florida retirement resorts, where populations are typically older: West Palm Beach issued 27.8% of new mortgages to those under 35 last year, the least share of any metro in this survey, followed by Fort Lauderdale (28.8%). Anaheim, California (31.7%), is followed by Orlando (32%) and Las Vegas (32.9%).

The scenario is much different for older millennials, who took out the majority of mortgages in the Bay Area. In San Francisco, 37.8% of new mortgages issued last year went to people aged 35 to 44, the highest share of any metro in this analysis, followed closely by Oakland (37.2%) and San Jose (37.1%). Next are Newark, New Jersey (34.5%), and Los Angeles (34.5%).

One reason older millennials are more likely to take out mortgages in the Bay Area than in other parts of the country is that it is extremely costly, with many people purchasing their first house in their late thirties and early forties.

People of all generations bought much fewer homes in 2023 than the previous year, as rising housing prices and mortgage rates reduced buyers' budgets; 2023 was the least cheap year on record. However, historically low inventory has also hampered sales.

## JUST HOW BAD IS AMERICAN HOUSEHOLD DEBT?

Despite a well-documented rise in consumer debt and loan delinquencies, few Americans are optimistic about their current financial status. Many people blame mounting debt and the inability to live within their means, according to a new analysis from Achieve.

"Every month, Achieve teammates support thousands of consumers who are struggling with debt and looking for help to get back on track," said Andrew Housser, Achieve Co-Founder and Co-CEO. "We know that household debt and credit are growing at an alarming pace. Skipping payments on financial obligations in order to afford essentials is the type of decision driving more everyday

people deeper into debt. This research highlights the choices that many consumers have to make month after month to simply stay afloat."

The Achieve Center for Consumer Insights polled an estimated 2,000 people with active accounts in six types of consumer debt: credit cards, mortgages and home equity lines of credit, cars, and student loans. The survey style and respondent panel are intended to supplement the Federal Reserve Bank of New York's Quarterly Report on Household Debt and Credit by providing qualitative information about consumer borrowing patterns. To further investigate the causes and consequences of escalating loan delinquencies, the survey panel includes a sample of borrowers who were 30 days or more past due at least once in the previous six months.

### High Prices, Low Wages Forcing Tough Choices Upon Consumers

Consumers who fell behind on payments on any account in the previous six months cited a variety of reasons, including the impact of inflation on basic expenses (21%), a decrease in work and income (20%), and forgetting to pay (11%). Furthermore, customers with a recent credit card delinquency reported trouble paying owing to interest rate hikes (6%), while delinquent auto loan borrowers

reported problems managing cash flow between when they received income and when their payments were due (7%). In student loans, 6% of delinquent borrowers indicated they missed a payment because they didn't want to.

So, why are consumers struggling to pay their bills on time?

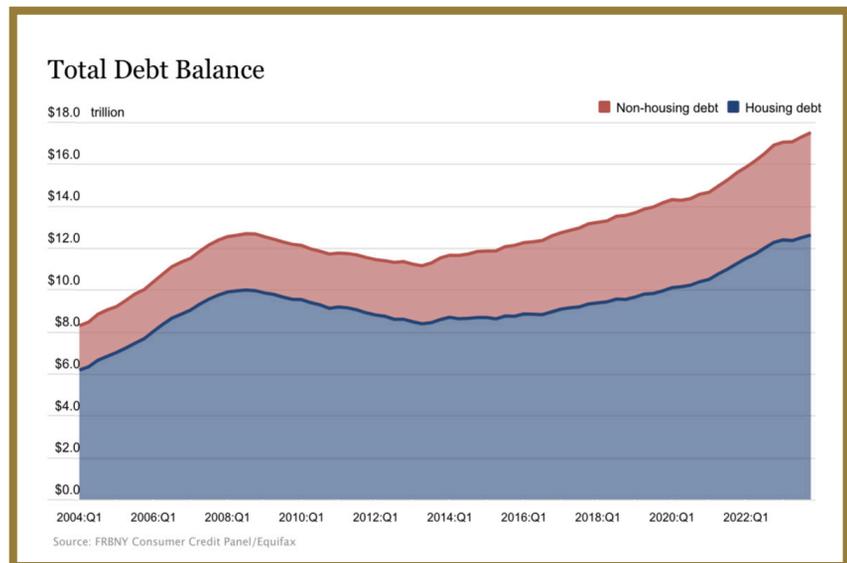
Almost one-third of customers (31%) said it is extremely difficult or difficult for them to pay their recurrent obligations on schedule. Among these respondents, 65% stated it boils down to not having enough money to cover their expenses. Other issues include owing money on too many separate accounts (39%), cash flow timing variations between when income is received and debt payments are due (27%), and trouble keeping track of how much is owed across all accounts (14%).

"For many consumers, money is going out the door as quickly as it's coming in, if not faster," Housser said.

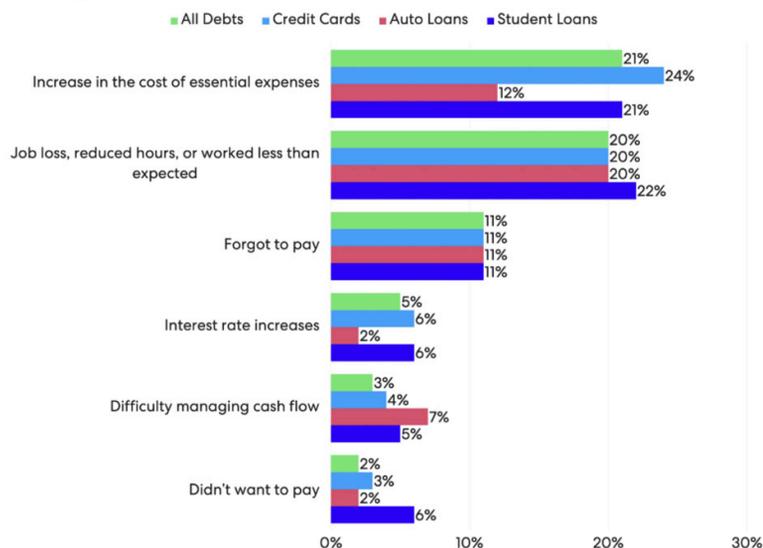
When trying to make ends meet, consumers frequently have to make difficult decisions. Over the last three months, 25% of poll respondents indicated they had cut back on essential necessities; 18% have taken on new credit card debt; and 11% have skipped payments on one or more of their obligations.

### From Delinquency to Spiraling Debt

According to Achieve's research,



## Why consumers are falling behind on their bills



Q: What is the primary reason you got behind on paying your debt? Chart shows top responses among consumers 30 days or more past due in the past six months. (n=2,000)

Source: Achieve Center for Consumer Insights



consumers who are delinquent on one account are substantially more likely to be behind on other obligations as well. For example, among respondents who had been behind on a major credit card in the previous six months, 23% were also behind on store-branded credit cards, 17% on buy now, pay later loans, and 28% on unsecured personal loans. In contrast, credit card users who pay their accounts on time have delinquencies on their other consumer loans ranging from 1% to 2%.

For many consumers, having many bills due at the same time adds to their financial stress, both in terms of not having enough money to make on-time payments and the complexity of managing a portfolio. This is especially true given the increasing popularity of buy-now, pay-later (BNPL) loans. According to a recent Achieve Center for Consumer Insights study on buy now, pay later financing, consumers are more inclined to utilize BNPL again after making a purchase with it. Consumers who regularly use BNPL may find themselves handling numerous transactions and owing payments to multiple lenders.

### Nearly One-in-Four Expect to Struggle With Student Loans

Looking ahead three months, most respondents intend to pay all of their ex-

penses on schedule. However, Achieve's research suggests which debts and bills will take priority among people dealing with their home budget. Consumers stated that they are more likely to be late or skip personal and student loan payments while being on time with their mobile phone, mortgage/rent, and homeowners or renters insurance payments. Respondents also stated that the most likely payments to go unpaid are college loans (24%), personal loans (16%), and buy now, pay later loans (11%).

In the next three months, the majority of respondents intend to pay all of their expenses on schedule. However, Achieve's research suggests which debts and bills will take priority among people dealing with their home budget. Consumers stated that they are more likely to be late or skip personal and student loan payments while being on time with their mobile phone, mortgage/rent, and homeowners or renters insurance payments. Respondents also stated that the most likely payments to go unpaid are college loans (24%), personal loans (16%), and buy now, pay later loans (11%).

"Whether student loan borrowers don't have enough money to pay all of their bills or they're waiting to see if more debt forgiveness will be approved in Washington, it's clear that other debts are

taking precedence," Housser said. "This data shows why the inability to enroll student loans in a debt resolution program or get them discharged in bankruptcy is an outdated and ineffective policy that does little to deter loan defaults."

## MEASURING U.S. SINGLE-FAMILY RENTAL GROWTH

CoreLogic has issued its most recent Single-Family Rent Index (SFRI), which examines single-family rent pricing movements across the country and in major metropolitan areas.

In March, annual single-family rent gains increased to 3.4%, with the typical monthly cost for a three-bedroom home in the United States at \$2,052 in February. Only six of the 20 metropolitan regions tracked by CoreLogic had rental prices lower than the national average. Three Southern metros experienced annual reductions, but coastal job hubs continued to lead in rent growth. This suggests that Americans who rent in expensive metropolitan areas can bear the added cost burden, given to higher incomes in many job sectors and a U.S. unemployment rate that has held around 4% for more than two years.

"U.S. single-family rent growth strengthened overall in March, though some weaknesses are revealed in the latest numbers," said Molly Boesel, Principal Economist for CoreLogic. "Overbuilt areas, such as Austin, Texas, continued to soften, decreasing by 3.5% annually in March. And for the first time in 14 years, single-family, attached properties posted a year-over-year decline. The continued strength in single-family detached rents indicates that potential homebuyers who are priced out of the home-purchase market are choosing to rent similar alternatives."

National single-family rent growth across those tiers, and the year-over-year changes, were as follows:

» **Lower-priced** (75% or less than the

regional median): up 2%, down from 6.7% in March 2023

- » **Lower-middle priced** (75% to 100% of the regional median): up 3.4%, down from 5% in March 2023
- » **Higher-middle priced** (100% to 125% of the regional median): up 3.2%, down from 3.8% in March 2023
- » **Higher-priced** (125% or more than the regional median): up 2.9%, a slight increase from the 2.6% recorded in March 2023
- » **Attached versus detached:** Attached single-family rental prices declined by -0.6% year over year in March, compared with the 3.4% increase for detached rentals.

Seattle posted the highest year-over-year increase in single-family rents in March 2024, at 6.3%. New York registered the second-highest annual gain at 5.3%, followed by Boston at 5.2%. Austin, Texas (-3.5%), Miami (-3.2%), and New Orleans (-1.4%) posted annual rental price losses.

The next CoreLogic Single-Family Rent Index will be released on June 18, 2024, featuring data for April 2024.

## PRICE TRENDS IN OPPORTUNITY ZONES KEEPING PACE WITH U.S. MARKETS

**A**TTOM has issued its first-quarter 2024 report, which examines qualifying low-income Opportunity Zones designated by Congress for economic reconstruction in the Tax Cuts and Jobs Act of 2017. In this analysis, ATTOM examined 3,512 zones across the nation that had enough data to evaluate, indicating at least five home sales in Q1 of 2024.

The report found that median single-family house and condo prices climbed from Q4 of 2023 to Q1 of 2024 in only 49% of Opportunity Zones across the United States. However, they were still increasing annually in nearly two-thirds of Opportunity Zones with suffi-

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cient data to measure. Those patterns, in and around low-income communities where the federal government provides tax credits to stimulate economic recovery, have continued a long-term pattern of property values within Opportunity Zones moving with broader national shifts for at least the last three years.

### Key Findings:

- » Median prices of single-family homes and condominiums increased from the fourth quarter of 2023 to Q1 of 2024 in 1,503 (49%) of the Opportunity Zones around the United States with sufficient data to analyze, while staying the same or decreasing in 51%. Measured annually, medians remained up from Q1 of 2023 to same period this year in 1,892 (62%) of those zones. (Among the 3,512 Opportunity Zones included in the report, 3,041 had enough data to generate usable median-price comparisons from Q1 of 2023 to Q1 of 2024; 3,043 had enough data to make

comparisons between Q1 of 2023 and Q1 of 2024).

- » Opportunity Zones did even better than the nation as a whole when comparing price changes in those areas to shifts in the national median home price. For example, median values in almost 60% of Opportunity Zones went up from Q1 of 2023 to the same period this year by more than 3.1% annual gain nationwide. (A similar pattern emerged quarterly when comparing shifts in Opportunity Zones to changes in the national median value.)
- » However, in a potential sign of trouble in areas with the very lowest home values, median prices were up annually in only about 45% of Opportunity Zones where homes commonly sold for less than \$100,000 during Q1 of 2024. Prices climbed, year over year, in about 60% to 70% of zones with higher home values.
- » Among states that had at least 25 Opportunity Zones with enough data to

analyze during the first quarter of 2024, the largest portions of zones where median prices increased quarterly were in Kentucky (medians up from Q4 of 2023 to the first quarter of 2024 in 65% of zones), New Jersey (58%), Tennessee (56%), Arizona (56%), and Minnesota (56%). States where prices were up quarterly in the smallest portion of zones included Utah (median prices up quarterly in 38% of zones), New York (42%), Virginia (42%), South Carolina (42%), and Alabama (44%).

- » States where median home values in Opportunity Zones remained up most often year over year included New Jersey (median prices up annually in 91% of zones), Wisconsin (75%), Kentucky (70%), Minnesota (70%), and Illinois (70%).
- » Of the 3,512 zones in the report, 1,197 (34%) had median prices below \$150,000 in the first quarter of 2024. That was down from 38% of zones with sufficient data a year earlier. Another 558 zones (16%) had medians in Q1 of this year ranging from \$150,000 to \$199,999.
- » Median values in Q1 of 2024 ranged from \$200,000 to \$299,999 in 797 Opportunity Zones (23%) while they topped the nationwide first-quarter median of \$330,000 in just 776 (22%).
- » The Midwest continued in Q1 of 2024 to have larger portions of the lowest-priced Opportunity Zone tracts. Median home prices were less than \$175,000 in 67% of zones in the Midwest, followed by the Northeast (47%), the South (42%), and the West (6%).

Mixed Q1 pricing trends impacted most in the lowest-priced locations, with dropping values indicating warning signs in certain markets. Nonetheless, the overall picture within Opportunity Zones demonstrated continuous signs of economic strength, or limited weakness, in some of the country's most vulnerable regions when compared to other markets across the country. That scenario has persisted even as a decade-long housing market bubble has halted in Opportunity Zones and elsewhere, with very modest price gains in the last year.

By one critical measure, Opportunity Zones' pricing trends continued to outperform the national average in the early months of 2024. For example, changes in typical property values across more than half of Opportunity Zones outperformed national price movements both quarterly and annually.

"Another quarter, same result. That's the takeaway yet again inside Opportunity Zones around the U.S., where home prices still lag far behind national numbers, but gains and losses mostly keep tracking overall market patterns," said Rob Barber, CEO for ATTOM. "Clearly, there are exceptions, especially at the lowest end of the price scale. Nevertheless, the latest data shows Opportunity Zone housing markets continuing to attract considerable interest among home buyers pushed out of higher-priced areas in a market with very limited supplies of homes for sale. That again points to the kind of economic viability needed to lure investors who may want to take advantage of the redevelopment incentives aimed at revitalizing those communities."

## U.S. HOME SALES UPDATE AS PRICES HIT RECORD HIGH

As home prices and mortgage rates remain high, existing-home sales fell in April, according to the National Association of Realtors (NAR). All four major U.S. areas had month-over-month reductions. Sales fell year over year in the Northeast, Midwest, and South, but rose in the West.

Total existing-home sales (completed deals involving single-family homes, townhomes, condominiums, and co-ops) fell 1.9% from March to a seasonally adjusted annual pace of 4.14 million in April. Year on year, sales declined 1.9% (from 4.22 million in April 2023).

"Existing home sales slipped 1.9% in April, bringing the sales pace to 4.14 million homes," said Danielle Hale, Chief Economist at Realtor.com. "This pace was also down 1.9% compared to one year ago, signaling the ongoing head-

winds that buyers and sellers face. While the nationwide housing market remains in seller-friendly territory, rising for-sale inventory is slowly nudging the market in a more buyer-friendly direction as the months' supply hit 3.5 months, up from 3.0 months one year ago and 3.2 months in March."

Hale added that the median sales price increased an estimated 5.7% from a year ago to \$407,600—hitting a new April high—despite the fact that listing prices had fallen.

### Regional Breakdown:

- » Existing-home sales in the Northeast waned 4% from March to an annual rate of 480,000 in April, a decline of 4% from April 2023. The median price in the Northeast was \$458,500, up 8.5% from the previous year.
- » In the Midwest, existing-home sales slipped 1% from one month ago to an annual rate of 1 million in April, down 1% from one year ago. The median price in the Midwest was \$303,600, up 6% from April 2023.
- » Existing-home sales in the South descended 1.6% from March to an annual rate of 1.9 million in April, down 3.1% from the prior year. The median price in the South was \$366,200, up 3.7% from last year.
- » In the West, existing-home sales retracted 2.6% from a month ago to an annual rate of 760,000 in April, an increase of 1.3% from one year before. The median price in the West was \$629,600, up 9.3% from April 2023.

### According to the monthly Realtors Confidence Index:

- » Properties typically remained on the market for 26 days in April, down from 33 days in March but up from 22 days in April 2023.
- » First-time buyers were responsible for 33% of sales in April, up from 32% in March and 29% in April 2023. NAR's 2023 Profile of Home Buyers and Sellers—released in November 2023—found that the annual share of first-time buyers was 32%.



# “Home sales changed little overall, but the upper-end market is experiencing a sizable gain due to more supply coming onto the market.”

—Lawrence Yun, Chief Economist, NAR



- » All-cash sales accounted for 28% of transactions in April, identical to March and one year ago. Individual investors or second-home buyers, who make up many cash sales, purchased 16% of homes in April, up from 15% in March but down from 17% in April 2023.
- » Distressed sales—foreclosures and short sales—represented 2% of sales in April, virtually unchanged from last month and the prior year.

## Will Home Prices Moderate?

“Home sales changed little overall, but the upper-end market is experiencing a sizable gain due to more supply coming onto the market,” NAR Chief Economist Lawrence Yun said. “Home prices reaching a record high for the month of April is very good news for homeowners. However, the pace of price increases should taper off since more housing inventory is becoming available.”

Total housing inventory at the end of April was 1.21 million units, up 9% from March and 16.3% from the previous year (1.04 million). At the current sales pace,

unsold inventory stands at 3.5 months, up from 3.2 months in March and 3.0 months in April 2023. Inventory and sales of homes priced at \$1 million or more climbed by 34% and 40%, respectively, compared to the previous year.

“Mortgage rates tumbled from late October through mid-January and held through early February at some of the lowest rates since May 2023,” Hale said. “By mid-February, however, a pick-up in inflation reset expectations and put mortgage rates back on an upward trend. There were ups and downs in mortgage rates throughout March, before another inflation-driven mid-month surge in April. More recent inflation data showed a reversal of this trend and has driven some mortgage-rate relief, but buyers who closed on homes in April, and likely locked mortgage rates in March, faced a fair amount of mortgage rate uncertainty and generally higher rates. These conditions were likely a drag on overall home sales. Nevertheless, first-time buyers continue to find opportunities, and accounted for 33% of sales in April, up from 32% in March and 29% in April 2023.”

According to Hale, joint research conducted by Realtor.com and the National Association of Realtors, markets with low affordability, such as Spokane-Spokane Valley, Washington; Lakeland-Winter Haven, Florida; and Salt Lake City will see the greatest increase in affordability, while currently affordable markets, such as Pittsburgh and Detroit-Warren-Dearborn, Michigan, are expected to see smaller affordability improvements.

## YOU BETTER SHOP AROUND: MANY HOMEBUYERS LEAVING MONEY ON THE TABLE

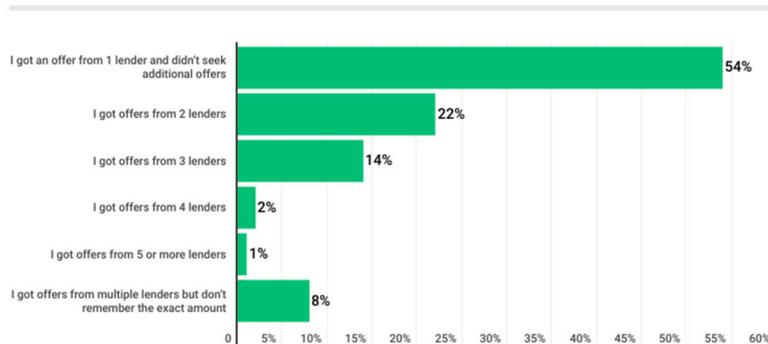
According to a new LendingTree report, some 45% of homebuyers with mortgages who shopped around received a lesser offer than their first. However, more than half (54%) of individuals with a mortgage for their most recent property received only one mortgage offer.

“Different lenders can offer different rates to the exact same borrower,” said Jacob Channel, LendingTree Senior Economist. “With that in mind, the first rate you’re offered may not be the lowest one you can get. The more offers you can look at, the better.”

### Key Findings:

- » **Most homebuyers still aren’t shopping around for their mortgage despite the potential savings.** Over half (54%) of those who took out a mortgage for their most recent home purchase only got one loan offer. Meanwhile, 22% got two offers and 17% got three or more. By generation, baby boomers are the least likely to comparison shop, with just 28% doing so. That compares with 62% of millennials.
- » **Homebuyers are likely leaving money on the table when not shopping around.** Among those who compared more than one mortgage offer, 45% say the lowest offer didn’t come from

### When you most recently applied for a mortgage, how many offers did you get?



Source: LendingTree survey of 705 U.S. homeowners with a mortgage for their most recent home, conducted in April 2024. Note: Totals don't add to 100% due to rounding.

their first lender. Going further, 46% of those who got a mortgage say they went with a lender they didn't have a prior relationship with.

- » **Refinancers are savvier with comparison shopping.** Among the 45% of homebuyers who've refinanced the mortgage on their current home, 56% shopped around. Comparison shopping paid off for these refinancers, as 81% found a lower rate than their current lender offered.
- » **Shopper confidence (warranted or not) is the top reason for not seeking more mortgage offers.** Among those who sought just one mortgage offer, the top reason for doing so was confidence that they got the best rate (28%), followed by a desire to use the lender with whom their real estate agent had a relationship (20%). Additionally, 14% say they rushed to get financing due to the competitive housing market.
- » **Mortgage rates influence buyer timelines.** Over a third (35%) of buyers say they purchased a home earlier than planned to take advantage of low rates. That's especially true for men, at 43%, versus 26% of women.

### Most Homebuyers Aren't Shopping Around for Mortgages

For the majority of homeowners looking for a mortgage, the process is straightforward. According to our

research, some 54% of homebuyers who obtained a mortgage for their most recent house received only one offer from a single lender.

Women (62%) are more inclined than men (46%) to choose the first offer without browsing around. Older generations are also more inclined to do so: 72% of baby boomers aged 60 to 78, compared to 59% of Gen Xers aged 44 to 59 and 38% of millennials aged 28 to 43.

Some homeowners look around more, with 22% reporting receiving two offers when applying for their current mortgage. Only 14% of respondents received three offers, while 2% received four. Additionally, homebuyers are more likely to look at homes before meeting with lenders. In fact, 57% said they talked with a real estate agent before speaking with a lender.

Meanwhile, purchasers were asked about changes coming in July 2024 that will make it easier for sellers to opt out of paying their buyer's real estate agent commissions. Considering this, do they expect to be as reliant on their lender for assistance if they decide to buy again? Nearly four out of ten (39%) answer no.

Rate shoppers are often more likely to find better offers, too. Of those who say they evaluated mortgage offers from more than one lender when buying their present house, 45% say their tenacity paid off—the lowest offer they got didn't come from the first lender. Males (49%), however, have benefited more than women (39%).

“Because savings can be so large and you can compare lenders for no charge, pretty much everyone should at least try to shop around before they get a mortgage,” Channel said.

Some 54% of homebuyers say they got their current mortgage from a lender from whom they've used other services, such as a checking account, auto loan or credit card. Men (58%) are more likely to go with a lender they've used before than women (50%), while millennials (65%) are much more likely to do so than their older peers (50% of Gen Xers and 39% of baby boomers).

When people refinance, they tend to shop more. More than four out of 10 people (45%) who took out a mortgage for their most recent home purchase have since refinanced. Of those, 56% say they looked around for a refinance. An overwhelming 81% said they sought another lender who offered a lower rate.

Homebuying is not an easy task for many Americans, but experts say it's still an attainable accomplishment. It can be time-consuming, expensive, and complex. However, these savings can be pricey, particularly when searching for a mortgage.

## CONSUMERS TORN BETWEEN RENTING AND HOMEBUYING

According to a new Bank of America Homebuyer Insights Report (HBIR) conducted in collaboration with the Bank of America Institute, many prospective homebuyers are concerned about the long-term consequences of renting. Approximately 70% believe they are not making a long-term investment in their future, while some 72% remain concerned that rent increases will affect their current and long-term finances.

However, when interest rates and property prices rise, confusion over whether to continue renting or buy a home in the current market grows. An

estimated 57% of respondents remain unsure whether this is a good time to buy, up from 48% this time last year. This trend is most widespread among first-time homebuyers, with 62% saying they're confused what to do.

"Given the highly competitive homebuying market, renters are unsure whether now is the right time to buy," said Matt Vernon, Head of Consumer Lending at Bank of America. "That said, our research continues to show that the vast majority of prospective homebuyers overwhelmingly feel buying a home, now or in the future, is the best decision for them in the long run."

The report found that these decisions are exacerbated further by the ongoing population migration across the U.S. According to the Bank of America Institute's quarterly On the Move publication, cities in the South continued to experience large inflows of people as of Q1 of 2024, driven primarily by younger generations.

The Institute found that, while housing supply has expanded in response to population growth, the availability of rental homes in some areas may be insufficient to accommodate expanding populations. While 37% of HBIR respondents believe renting is the best option right now, many intend to make efforts toward buying a home in the future. Prospective homebuyers reported that some 81% believe renting is temporary and appropriate for their current stage of life, and 76% intend to buy a home within the next five years.

### Buyers Weigh in on the Emotional Value of Owning vs. Renting

New findings from the study show that most homeowners and prospective homebuyers agree on the numerous financial and emotional benefits of homeownership—benefits that two-thirds (66%) of renters believe they are missing out on.

#### Key Findings:

- » Some 89% of homeowners said that the idea of owning a home brings emotional fulfillment rather than added stress.
- » Approximately 67% of prospective homebuyers would prefer to own a

home for the sense of permanence and emotional stability it provides, rather than the flexibility of renting.

- » An estimated 58% of prospective homebuyers said that owning a home is the best long-term decision for them to have control over their own living space.

However, the report also showed that baby boomers are an oddity. Today, some 80% of senior boomer renters say that renting is preferable to buying a property in the current market, up from 63% a year earlier. This can be ascribed in part to the fact that baby boomers believe:

- » They appreciate the freedom from property maintenance and repair work that renting offers (90%).
- » They prefer to avoid the financial responsibilities and stresses associated with homeownership (87%).
- » And 83% value the sense of freedom to move when and where they want to that comes with renting instead of owning a home.

Worsening the challenges posed by increased mortgage rates and home prices, many prospective purchasers believe they lack the confidence required to begin their homebuying journey and do not want to make a mistake. Some 41% of homebuyers are not confident in their understanding of how to finance or secure a mortgage, while 41% are not confident in their understanding of interest rates. Nearly 40% are not confident they understand homebuying terminology and more than half (53%) are not confident in their understanding of homebuying grant programs.

"Grants are a valuable resource to help bridge the gap between your savings and a down payment," Vernon said. "Meeting with a lending specialist can be a great first step to see if you qualify for assistance programs, such as Bank of America's down payment and closing cost grants."

## NATIONWIDE DOWN PAYMENTS HIT Q1 PEAK

In general, homebuyers raised down payments in Q1 2024 compared to the previous year at the state, metro, and national levels. This is according to a new housing market update from Realtor.com. However, quarterly down payments have decreased starting Q3 2023. Down payments typically fall between the fourth and first quarters. In line with this seasonal tendency, the average down payment decreased from 14.7% in Q3 of 2023 to 13.6% in Q1 of this year. Down payments remain significantly higher than pre-pandemic levels, both as a percentage of the purchase price and as an absolute dollar amount.

Despite the red-hot pandemic market has cooling over the previous two years, buyers continue to spend more as a down payment than was customary before to the pandemic. This could be for several different reasons. Limited property availability has increased buyer rivalry in many locations, prompting buyers to give more as a down payment, a frequent pandemic practice designed to assist a buyer win in a multiple-bid scenario. Furthermore, mortgage rates have risen dramatically since pre-pandemic levels, prompting purchasers to reduce their interest payments by putting more down and taking out a smaller loan.

### Top Five States With Largest Down Payment Growth in 2024:

1. New Hampshire (20.90%)
2. Rhode Island (16.70%)
3. Connecticut (15.70%)
4. New Jersey (18%)
5. Washington (17.20%)

### Nationwide Down Payment Share Reaches Q1 High

In 2019 and 2020 (at the U.S.-level), homebuyers made an average down payment of 10.9% on main properties. Buyers made an average 13.6% down payment in 2022, up from 12.3% in 2021. By 2023,

# In all states except eight, the average down payment grew annually as a percentage of the selling price in Q1 2024.



down payments had weakened slightly, falling to an average 13.3%, still significantly above pre-pandemic levels but lower than 2022. Despite the reduction in the average annual down payment amount, down payments reached a record high of 14.7% in Q3 of 2023. Similarly, while Q1 of 2024 witnessed fewer down payments than previous quarters, compared to Q1 of 2023—which is a fair correction for seasonality—there was a yearly rise in down payment as a percentage of purchase price as well as in cash amount.

In all states except eight, the average down payment grew annually as a percentage of the selling price in Q1 2024. In all but eight states, the average dollar amount for a down payment climbed. In Q1 2024, New Hampshire saw the greatest increase in payment as a proportion of price (3.4 percentage points), rising from 17.5% to 20.9%, followed by Rhode Island (+2.3 percentage points) and Connecticut (+1.8 percentage points). These states, the

most of which are in the Northeast, have high prices and are more likely to attract purchasers with high incomes who can compete with a down payment.

## Mortgage Rates Restrict Both Housing Supply and Housing Demand

Mortgage rates declined from multi-decade highs reached in Q3 of 2023 but remained in the 6.6% to 7% range through Q1 of the year. As interest rates fell, some buyers and sellers returned to the market, and listing activity increased year after year. Despite six months of yearly inventory expansion, the number of properties for sale in April remained roughly 40% lower than pre-pandemic levels.

Despite progress, many sellers remain hesitant to sell, which would require exchanging a low-rate mortgage for a new, higher-rate mortgage. In Q1 of the year, the average outstanding mortgage rate was 3.78%, or about three percentage points lower than the quarter's going rate

for mortgage originations. Similarly, in April, 26% of customers expected mortgage rates to fall this year, prompting some to wait for lower rates.

Even if buyer and seller activity remains restricted, many markets, particularly cheap markets, continue to experience buyer competition, which is spurred by limited for-sale home inventory. Climbing down payments indicate that purchasers in these locations may be making large down payments to compete, to cut the size of their mortgage in the face of rising interest rates, or to take advantage of high cash available following a home sale in a higher-priced area.

## Down Payments Shrink in Pandemic Hotspots

In Q1 of 2024, down payments declined in eight states, including Montana, D.C., Wyoming, Oklahoma, and South Carolina. These states, along with Florida, had a yearly reduction in the size of down payments. Utah and Delaware had the percent down decrease annually but the dollar amount increase, as rising home prices pushed up dollar amounts, but Texas and North Dakota witnessed the opposite, with decreasing home prices dominating.

Additionally, during the pandemic, demand surged in Texas and Florida, resulting in low inventories and rising costs. However, since mortgage rates rose in mid-2022, demand for homes in these locations has decreased, resulting in an increase in inventory. Some locations, including Austin (+28.9%), San Antonio (+27.4%), and Denver (+15.2%), as well as four others, saw inventories return to or exceed pre-pandemic levels while national inventory remained low. The easing of the Texas and Florida property markets has resulted in halted home price increases, with purchasers presumably facing less competition and more options.

This impact can also be seen in down payment trends. Homebuyers seeking to navigate these trends may discover that relatively moderate markets provide the potential to achieve homeownership while limiting interest payments by utilizing their existing resources to place a greater down payment on a home.

# FINAL THOUGHTS

In this month's Final Thoughts, experts from BofA, Achieve, Realtor.com, CoreLogic, and Redfin discuss various sectors of the housing market, highlighting homebuyer sentiment, consumer debt, home prices and sales, potential rate cuts, and what buyers, sellers, and renters can expect in the coming months.

## “highly competitive”

**Matt Vernon**, Head of Consumer Lending at Bank of America, expands on consumers being torn between renting and homebuying, as ongoing buyer competition remains despite high interest rates and property prices, leaving many renters and prospective homebuyers unsure about buying a home.



## “an alarming pace”

**Andrew Houser**, Achieve Co-Founder and Co-CEO, talks about the overwhelming number of American consumers that are struggling with debt, leading with household and credit card debt, which is increasing at a rapid pace.



## “a sizable gain”

**Danielle Hale**, Chief Economist at Realtor.com, explains that while home prices hit a record high in April, home sales in upper-end markets are seeing substantial growth due to more supply entering the market—meaning good news for homeowners.



## “ease the affordability crunch”

**Dr. Selma Hepp**, Chief Economist for CoreLogic, reveals that home price growth is slowing, and is expected to decline further by next spring, offering buyers more opportunities to purchase a home.



## “not all bad news”

**Chen Zhao**, Redfin Economics Research Lead, touches on mortgage rates inching downward, leaving buyers more room to negotiate as homes linger on the market, causing sellers to lower their asking prices and make concessions.



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