

WINTER 2020

OriginatorConnect MAGAZINE

2020 ECONOMIC FORECAST

THE YEAR OF
NON QM

WINNERS GET
BACK UP

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FLOPPING?

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AGENDAS
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Fortune Finds Its Calling In The Interests Of The Industry

There is a time and place for hope and fortune to collide, and it looks ever increasingly as though 2020 in America is the time and place for that to happen.

The mortgage industry is foundational to the American dream of homeownership. Right now, there is a confluence of low interest rates, belief in a strong economy, and a rising swell of entrepreneurship in the mortgage lending industry.

We are seeing many new innovations coming from mortgage lenders across the nation. Technology is reshaping, streamlining, and democratizing access to mortgage capital. Although regulatory constraints continue, the industry has moved past its fear that capped compensation, and other restrictions, will undercut the ability of both mortgage company executives and feet-on-the-street originators from being able to keep this a profitable business.

The broker channel has been growing significantly over the past couple of years, and we expect it will continue to be a critical component as mortgage providers take advantage of an eager, independent and widely dispersed sales force to funnel mortgage loans into their pipelines. But direct retail lenders are also seeing strong growth, and that is a good outcome. A healthy mortgage market -- whether wholesale or retail -- means that consumers are active in their search for the best financing possible.

Throughout this year, those of us at the Originator Connect Network are producing live trade shows and conferences across the country. Currently, we have over two dozen mortgage events planned in 2020. These shows allow mortgage professionals to meet one-on-one to discover new opportunities with each other. When we are at these events, it is energizing to watch streams of people interacting, learning, and finding new ways to grow their business.

This is looking to be a thrilling year, one in which fortune is poised for growth and in which hope is set to be answered. We look forward to being an important part of helping to make that happen for each of you.



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2020 Is The Year Of Non-QM In The Mortgage Industry

By **TOM HUTCHENS**, Special To *Originator Connect Magazine*

It seems that on all fronts 2020 is poised for very favorable conditions making the housing market one to embrace. With continued low mortgage rates, increased employment rate and new construction due to a low supply of existing homes, homebuyers and property investors have a lot to feel confident about going forward into 2020. Non-QM lenders, such as Angel Oak Mortgage Solutions, are also feeling confident knowing that the growth of non-QM will again be robust next year. Non-QM volume is still one of the only areas showing growth in the mortgage space today. Understanding the non-QM borrower and choosing the right non-QM lender can help make 2020 a very successful year for growing business volume.

THE NON-QM BORROWER

Here come the millennials! According to the National Association of Realtors, millennials made up 36% of all homebuyers in 2019 surpassing other demographics. Millennials have been assessing the market for years now and many still prefer to rent. The main challenge for them is affordability. The Cash Shiller Home Price Index in the U.S. was at 218.27 Index Points in September 2019. This was an all-time high and makes it difficult for first-time homebuyers to purchase a home. Although this may be true, it is projected that millennials will drive the U.S. housing market next year.

Realtor.com recently issued a report stating that around 4.8 million millennials are turning 30 and expected to take on close to half of all mortgages next year. The other end of the millennial demographic is nearing 39 and planning on a move to the suburbs for their growing families. How can non-QM help this demographic? Through Non-Prime product options created for those with student debt, credit card debt, less than 20% down, and lower credit scores. Non-QM could help millennials get into a home before they think they can. They just don't know that alternative lending options are available. This a great demographic to target for educating and prospecting. Entry level homes and new starts are perfect for this group of potential new homebuyers. In fact,



builder confidence is growing and according to the National Realtors Association, housing starts are expected to increase 11.5% in 2020 from 2019.

Many self-employed people have purchased homes thanks to non-QM bank statement loans. According to projections, we can see much more of that to come in 2020 and beyond. According to a FreshBooks survey of professionals, 33% of the workforce will be self-employed in the coming years and 27 million Americans plan to leave full-time corporate jobs for self-employment. A lender who makes it easy to process bank statement loans is set to increase their volume in 2020. Angel Oak Mortgage Solutions has focused on this growing segment of the labor force knowing bank statement loan products are in demand. Their goal was to get these non-QM loans closed as easily and fast as a conventional loan. A bank statement review team that completely reviews, analyzes deposits and calculates income for you at the prequal stage (not during underwriting) has helped them make that happen. Self-employed borrowers with excellent credit have a really challenging time qualifying for a home loan without non-QM bank statement loans. These are good, solid loans and bank statements may actually be a better reflection of income as they are based on a review of 12 to 24 months of deposits. This is significantly better than the verification process pre-crisis.

Another excellent prospect for non-QM are property investors. They will see a market perfect to build portfolios as many millennials still prefer to rent. The single family for rent market is a hot market and projected to thrive in 2020. Many builders are developing communities for buy to rent with excellent amenities for millennials or anyone who wants single family houses instead of apartments. An Investor Cash Flow loan product is a non-QM product specifically designed for investors to grow portfolios. This loan product allows cash flow on the property to be used to qualify for the loan. Tax returns and employment information is not required. The potential for significant ROI in 2020 is out there with the right broker and lender to help get it done.

Borrowers with lower to poor credit might

be closer to qualifying than they think. They need a broker who knows about non-Prime products that match their circumstances. There are mortgage products out there with low minimum credit score requirements to help lower credit applicants get to the closing table. This is another case where an expert lender with prudent underwriting is critical. Prospecting for these potential homebuyers is a smart strategy for any broker next year. People with lower credit scores who can prove their ability to repay their loan deserve to qualify for a home loan.

Low mortgage rates aren't going to continue long-term. Many people are going to want to take advantage of the market now and decide not to wait any longer to purchase a home. Non-QM options can help them if they still aren't where they want to be with saving for a down payment or improving their credit scores. Foreign nationals and borrowers needing Jumbo loans are other examples of non-QM and non-Agency borrowers.

CHOOSE THE RIGHT NON-QM LENDER

As mentioned, the growth of non-QM in 2020 is going to be robust once again according to recent projections. Angel Oak Capital Advisors projects up to \$75 billion in non-QM issuances over the next few years. The market is going to remain fiercely competitive and it's also projected that many newcomers will adopt non-QM at a rapid pace. It is the only area still growing and many people in the mortgage industry want in and they want to start quickly. Non-QM loans are strong performing loans that will allow the market to remain healthy and grow. There is no need for distrust of non-QM or concerns these loans will lead to another crisis. These same regulations, though, have made it challenging even for creditworthy borrowers to obtain a mortgage. Thanks to seasoned leaders in the space, non-QM is now at an estimated \$23 billion market.

The growth potential is huge and brokers can count on this segment to grow their business capitalizing on this market. To do so, however, depends on alignment with the right lenders and the right approach to non-QM.

> *Tom Hutchens is executive vice president of Angel Oak Mortgage Solutions.*

GREAT EVENTS START AT AMBIZ MEDIA



2020 SHOWS



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Jan 17
Uncasville, CT



California Mortgage Expo
Feb 6
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April 16
Irvine, CA
Sept 17
Los Angeles, CA
Oct 13
San Francisco, CA
Dec 8
Irvine, CA



Texas Mortgage Round Up
Feb 11
San Antonio, TX
Sept 10
Dallas, TX



Coastal Connect Mortgage Expo
Feb 18
Jacksonville, FL



Atlanta Mortgage Expo
March 12
Atlanta, GA



Carolinas Connect Mortgage Expo
March 18
Charlotte, NC



New York Mortgage Expo
April 9
Suffern, NY



Motor City Mortgage Expo
May 5
Detroit, MI



Chicago Mortgage Originators Expo
May 14
Chicago, IL



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Expo**
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Sept 2
Seattle, WA



**Ultimate
Mortgage
Expo**
July 7
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**Arizona
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Phoenix, AZ



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**Colorado
Mortgage
Summit**
October 1
Denver, CO



**Utah
Mortgage
Expo**
November 6
Park City, UT

Will The Markets Stay In The Money?

HOUSING, THE ECONOMY & MORTGAGES: 2020 VISION SEES CAUTIOUS STRENGTH

It's an election year and an impeachment year. In the business cycle, it's time for a recession but the indicators aren't showing one yet. But the indicators can be wrong. They've certainly been off base that a downturn was coming, so it's no stretch to imagine they're not on point about one not coming, either.

So what should we expect as this unprecedented year unfolds? We've collected a number of viewpoints and studies, most of which, as it turns out, seem bullish on the strength of this economy. That should be good news for mortgage pros – originations, after all, depend on consumers being ready, willing and able to buy homes. But be prepared: very few people saw the last big downturn until it was already wreaking havoc.

New Home Sales And Housing Starts Expected To Climb Further

U.S. HOUSING MARKET EXPECTED TO REMAIN POSITIVE IN 2020

Demand from prospective homebuyers and lack of supply from the existing home market are expected to boost new home sales and housing starts in 2020 according to data from the latest Health of Housing Markets Report (HoHM Report) from Nationwide economics. Among the positive demand factors are: solid job gains, historically low mortgage rates and above-trend household formations. Additionally, a historically low supply of existing houses for sale are expected to push potential homebuyers to new homes.

While homebuilders are expected to build more next year, Nationwide's chief economist does not expect boom conditions.

"Despite stronger housing demand, homebuilders continue to be constrained by a combination of regulatory changes after the housing bust of 2007 and lack of workers," said David Berson, Nationwide senior vice president and chief economist. "For 2020 we should continue to see a further modest rise in home construction to a new high for the expansion, although it is likely to stay well below the long-run demographic trend of 1.4 to 1.6 million starts per year."

GHOST HOMES

Also holding down home construction during this expansion has been a significant supply of vacant housing units, many of them built during the 2001-2007 housing boom. This large supply of vacant units has taken several years to work through the market, restraining the demand for new construction. The market has mostly worked its way through this oversupply of vacant units, but it remains an impediment to new construction.

Still, a decline in mortgage rates over the past year and solid (if slowing) job growth

has helped to reignite housing demand. Coupled with the undersupply of existing homes for sale, the dwindling supply of unoccupied new homes, and an increase in household formations, market conditions are positive for a further rise in new home sales and housing starts in 2020.

Rising housing demand continues to be the most important factor for overall market health. Continued declines in mortgage delinquency rates – from ongoing house price gains and reasonable mortgage underwriting regulations – are also a positive factor.

"The U.S. economy remains firmly in the longest expansion in history, and we expect the housing market to continue to do its part in driving positive growth," said Berson. "Millennials, once held down by the worst job market since the Great Depression, are now in a position where they are the primary demographic driving housing demand."

At the regional level, a majority of MSAs have remained stable over the past year, reflecting the stable outlook for the national housing market, and 66 regional markets' scores improved.

The 10 metro areas with the most positive forecasts are, in order: Trenton, N.J.; Hinesville, Ga.; Beaumont-Port Arthur, Texas; Fairbanks, Alaska; Montgomery-Bucks Counties, Pa.; Houston-Sugar Land, Texas; Vineland-Bridgeton, N.J.; Camden, N.J.; Lake-Kenosha Counties, Ill.; and, Pittsfield, Mass.

The 10 MSAs with the least positive outlooks are: Kennewick-Richland, Wash.; Yakima, Wash.; Cheyenne, Wyo.; Odessa, Texas; Spokane-Spokane Valley, Wash.; Waco, Texas; Joplin, Mo.; San Jose-Santa Clara, Calif.; Walla Walla, Wash.; and, Hickory-Lenoir-Morganton, N.C.



Affluent Millennials Want to be Debt-Free, Yet Don't Believe They Ever Will Be

STUDY FINDS LACK OF FINANCIAL KNOWLEDGE AS BIGGEST INHIBITOR TO PAYING OFF DEBT

32% REPORT THAT FINANCIAL INSECURITY CAUSES THEM TO AVOID SOCIALIZING, AND 28% FEAR THEY WILL NEVER GET OUT OF DEBT OR ACHIEVE FINANCIAL SECURITY.

The Balance, one of the world's largest personal finance websites, announced the findings from its Affluent Millennial Money Study, which found that 86 percent of affluent millennials consider being debt-free as a marker of personal success, yet more than 50 percent don't pay off their credit card bills each month.

In partnership with Chirp Research, the nationwide study targeted millennials with an average household income (HHI) of \$132,000 to understand how they view credit and debt, along with details on how they learned about money and how that education influences where they spend, save, and invest.

"As spending peaks around the holidays, it's important to remember that it's rarely—if ever—a good idea to take on credit card debt, and the disconnect is likely a result of the widespread misconception that carrying a credit card balance helps your credit score, when it actually doesn't," said Christine DiGangi, Editorial Director at The Balance. "The good news is there's a huge opportunity to help people better understand their money, and they have ample time to correct their perceptions of debt."

Other key findings from the study include:

Millennials Are Carrying Debt And Not Paying It Off:

- Nearly 90% report currently holding debt.
- More than half (51%) carry mortgage debt, followed by credit card bills (50%), car loans (46%), student loans (39%), personal loans (21%), and medical debt (18%).
- On average, affluent millennials spend over 17% of their personal income on debt repayment, second only to their fixed expenses like rent, utilities, and food (40%).
- Despite that, debt repayment comes in sixth in the list of top financial priorities, behind paying bills (88%), feeling financially secure (87%), being responsible with the money they have (85%), living comfortably (81%), and saving for retirement (79%).

Consequences of Poor Financial Education:

- Affluent millennials who report high financial anxiety, are more likely to have credit card debt than their financially confident counterparts (69% vs 42%).
- Conversely, affluent millennials who said they are confident about their finances are 5X as likely to be debt-free.
- 32% report that financial insecurity causes them to avoid socializing, and 28% fear they will never get out of debt or achieve financial security.

"The findings demonstrate the powerful connection between financial literacy and the confidence to make good decisions with money," said Dr. Joetta Gobell, Vice President of Research and Insights at Dotdash, The Balance's parent company. "Young adults need to understand that connection, and be able to confidently manage their finances while responsibly managing their debt."

Zillow Predicts Shrinking Homes And A Stable Market In 2020

**MILLENNIALS MAKE UP THE LARGEST SHARE OF POTENTIAL HOME BUYERS IN 2020,
AND THEIR PREFERENCES WILL MOVE THE HOUSING MARKET IN NEW DIRECTIONS**

After extraordinary home value growth characterized a frenzied housing market in 2017 and 2018, this year's slowdown felt like a welcome return to normalcy in much of the country. Zillow predicts more of the same in 2020, with the market stabilizing near historic norms.

Changing tastes as Millennials make up a growing share of home buyers will impact the market. Homes will get smaller, bold colors and prints will return to home designs and demand will stay high as more and more people reach typical homebuying age.

Zillow's housing predictions for 2020:

Homes will continue to shrink. The sprawling, suburban homes that Baby Boomers coveted will increasingly become a relic of the past in 2020 and into the next decade as the median square footage of newly built, single-family homes will fall for the fourth time in five years. The typical U.S. home has shrunk by more than 80 square feet since 2015¹. Millennials, the largest group of buyers in 2020, are proving to have much different tastes and lifestyles than their parents' generation. Many prefer homes in urban areas with an abundance of amenities within walking distance over the mansions in the exurbs that boomers are vacating.

The U.S. will not enter a recession in 2020. As recently as July, half of experts surveyed by Zillow predicted a recession would begin in 2020. However, the U.S. economy has remained resilient to expected headwinds like ongoing trade volatility and the possibility of a stock market retreat. Consumer spending has picked back up – reflecting healthy consumer confidence – job creation is on a steady path and annual wage growth has stayed at or above 3% since October 2018. Economic and home value growth should continue into 2021, although perhaps at a slower pace than in recent years.

Home value and rent growth will be slower and steadier. Home value growth is expected to grow 2.8% from December 2019 to December 2020, according to a survey of more than 100 housing experts and economists. That's down from 4.7% annual growth in October, the latest month for which data is available. Zillow expects rent growth to continue accelerating into the spring,

before dipping below 2% by the end of 2020.

Mortgage rates will stay low, keeping housing demand high. Mortgage rates fell markedly in 2019 and are expected to remain low for the bulk of 2020. That will keep demand strong and continue to fuel decent price growth in the nation's most broadly affordable markets. But low rates don't help overcome the upfront hurdle of high down payment requirements, pushing buyers in expensive areas to fan out in search of areas they can better afford.

Sales will climb again after a downturn in 2018. For-sale inventory is near historic lows, but that doesn't mean a dearth of sales. In fact, the low inventory is largely a result of high demand from buyers that snatch up homes as soon as they hit the market. There are more and more potential buyers as the large Millennial generation is reaching peak homebuying age in greater numbers each year, and they are benefiting from low mortgage rates, an increase in new construction permits and technology that is reducing friction in the market.

Color will make a comeback. Goodbye, Hygge. Hello, color! Fun will return to home design in the form of bold prints, lively wallpaper and brightly hued walls. After a decade of Scandinavian modern design that dominated retail and social media feeds as Americans embraced neutrals, minimalism

and clutter-free living, expect a shift toward playful, creative design. Look for color to be injected in unexpected ways in kitchen cabinetry and appliances, in lighting fixtures and on interior doors and moldings.

"With the housing market stabilizing from the drama of the price recovery and the slowdown during 2019's home shopping season, we have a rare moment of calm to reflect on what housing might look like in the year to come," said Zillow Director of Economic Research Skylar Olsen. "If current trends hold, then slower means healthier and smaller means more affordable. Yes, we expect a slower market than we've become accustomed to the last few years, but don't mistake this for a buyer-friendly environment – consumers will continue to absorb available inventory and the market will remain competitive in much of the country. But while the national story is a confident one, housing in some manufacturing-heavy markets may see adversity. The struggle could be even more stark, since similarly affordable housing markets with a more balanced job profile may be 2020's rising stars."



Median Home Prices Still Unaffordable For Average U.S. Wage Earners In Q4 2019

ATTOM Data Solutions, curator of the nation's premier property database, released its latest U.S. Home Affordability Report, which shows that median home prices in the fourth quarter of 2019 were unaffordable for average wage earners in 344 of 486, or 71 percent of the U.S. counties analyzed in the report. That figure was down from 73 percent in third quarter and 75 percent from a year earlier.

The report determined affordability for average wage earners by calculating the amount of income needed to make monthly house payments — including mortgage, property taxes and insurance — on a median-priced home, assuming a 3 percent down payment and a 28 percent maximum “front-end” debt-to-income ratio. That required income was then compared to annualized average weekly wage data from the Bureau of Labor Statistics.

“Home prices rose across the country by 9 percent year-over-year in the fourth quarter of 2019, and the typical home remained a financial stretch for average wage earners. However, homes were actually a bit more affordable because of declining mortgage rates combined with rising pay to overcome the continued price run-up,” said Todd Teta, chief product officer with ATTOM Data Solutions. “As long as people are earning more money and shelling out less to pay off home loans, the market should remain strong with prices continuing to rise, at least in the near term. Those are big ifs, but for now this report offers some decent findings for both home seekers and home sellers.”

The largest populated counties where a median-priced home in the fourth quarter of 2019 was not affordable for average wage earners included Los Angeles County, CA; Maricopa County (Phoenix), AZ; San Diego County, CA; Orange County, CA (outside Los Angeles) and Miami-Dade County, FL.

The 142 counties (29 percent of the 486 counties analyzed) where a median-priced home in the fourth quarter of 2019 was affordable for average wage earners included Cook County (Chicago) IL; Harris County (Houston), TX; Wayne County (Detroit), MI; Philadelphia County, PA and Cuyahoga County (Cleveland), OH.

HOME PRICE APPRECIATION OUTPACING WAGE GROWTH IN 76 PERCENT OF MARKETS

Home price appreciation outpaced average weekly wage growth in 369 of the 486 counties analyzed in the report (76

percent), with the largest counties including Los Angeles County, CA; Cook County (Chicago), IL; Harris County (Houston), TX; Maricopa County (Phoenix), AZ; and San Diego County, CA.

Average annualized wage growth outpaced home price appreciation in 117 of the 486 counties (24 percent), including Orange County, CA (outside Los Angeles); Miami-Dade County, FL; Kings County (Brooklyn), NY; Queens County, NY and Santa Clara County (San Jose), CA.

**“HOME OWNERSHIP
CONSUMES 32.5
PERCENT OF WAGES
IN FOURTH QUARTER,
DOWN FROM 2018;
DECLINING MORTGAGE
RATES AND INCREASING
WAGES OVERCOMING
RISING PRICES”**

AT LEAST 30 PERCENT OF WAGES NEEDED TO BUY A HOME IN TWO- THIRDS OF MARKETS

Among the 486 counties analyzed in the report, 311 (64 percent) required at least 30 percent of their annualized weekly wages to buy a home in the fourth quarter of 2019. Those counties that required the greatest percent included Marin County, CA (outside San Francisco) (111.2 percent of annualized weekly wages needed to buy a home); Kings County (Brooklyn), NY (103.6 percent); Santa Cruz County, CA, (outside San Jose) (103 percent); Monterey County, CA, (outside San Francisco) (88 percent) and Maui County, HI (84.9 percent).

A total of 175 counties in the report (36 percent) required less than 30 percent of their annualized weekly wages to buy a home in the fourth quarter of 2019. Those counties that required the smallest percent included Baltimore City/County, MD (11.2 percent of annualized weekly wages needed to buy a home); Bibb County (Macon), GA (12.4 percent); Rock Island County (Davenport), IL (14.4 percent); Wayne County (Detroit), MI (15.2 percent) and Richmond County (Augusta), GA (15.2 percent).

FIFTY-THREE PERCENT OF MARKETS MORE AFFORDABLE THAN HISTORIC AVERAGES

Among the 486 counties in the report, 256 (53 percent) were more affordable than their historic affordability averages in the fourth quarter of 2019, up from 48 percent in the third quarter of 2019 and 29 percent from the fourth quarter of 2018.

Counties with at least 1 million people that were more affordable than their historic averages (indexes of at least 100 are considered more affordable compared to their historic averages) included Cook County (Chicago), IL (index of 119); Montgomery County, MD (outside Washington, D.C.) (118); New York County (Manhattan), NY (118); Suffolk County, NY (outside New York City) (114); and Fairfax County, VA (outside Washington, D.C.) (111).

Counties with the highest affordability indexes were Fairfield County, CT (outside New Haven) (index of 137); Baltimore City/County, MD (135); Lake County, IL (outside Chicago) (135); Onslow County (Jacksonville), NC (134) and Atlantic County (Atlantic City), NJ (131).

Counties with at least 1 million people that saw the biggest annual improvement in their affordability indexes included New York County (Manhattan), NY (index up 33 percent); Kings County (Brooklyn), NY (up 20 percent); Middlesex County, MA (outside Boston) (up 14 percent); Santa Clara County (San Jose), CA (up 13 percent) and Orange County, CA (outside Los Angeles) (up 11 percent).

The biggest annual gains among other counties included Butte County, CA (north of Sacramento) (index up 39 percent); Bay

County (Panama City), FL (up 26 percent); Florence County, SC (up 26 percent); Cecil County, MD (outside

Wilmington, DE) (up 23 percent) and Bristol County, MA (outside Providence, RI) (up 21 percent).

FORTY-SEVEN PERCENT OF MARKETS LESS AFFORDABLE THAN HISTORIC AVERAGES

Among the 486 counties analyzed in the report, 230 (47 percent) were less affordable than their historic affordability averages in the fourth quarter of 2019, down from 52 percent of counties in the previous quarter and 71 percent of counties in the fourth quarter of 2018.



The New England Mortgage Expo

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SHINNECOCK ROOM

1:00 p.m. – 2:00 p.m. Brokerage 101



This roundtable discussion will focus on the foundation for establishing your business, including experienced mentors on:

- How to lease office space that will grow with you, but not break the bank
- Choosing an accounting program and payroll provider
- How to determine whether your workers are employees or independent contractors

- How to furnish your space on a budget
- What's the right corporate form (LLC v. Corp.) for you
- State Licensing Support

Presented by **Laddonna Lockard-Ernst** of Mortgage Educators & Compliance

2:00 p.m. – 3:00 p.m. Getting The Advantage

We're gathering a panel of service providers to discuss innovative tools and services you can use to set your brokerage up for success. You'll learn about marketing automation, finding better LOS systems, tracking and mobile tools that will dramatically increase your brokerage's effectiveness, reduce your administrative burden, and help attract the best talent.

3:00 p.m. – 4:00 p.m. Establish A Competitive Advantage With A Varied Product Lineup

Few brokerages can fully grow without offering more than the standard-vanilla residential home mortgage. We're bringing in product experts and broker practitioners to discuss a bevy of diverse products that you can add to your lineup as you create your broker shop. We'll discuss the pros and cons of Non-QM loans, Reverse Mortgages, Fix-and-Flip loans and more.

4:00 p.m. – 5:00 p.m. Brokerage 102



This roundtable discussion will focus on additional foundational issues for establishing your business, including experienced mentors on:

- Policy and Procedures that a company should have — including BSA/AML, Sexual harassment,
- Marketing and Compliance — under RESPA, TILA, Reg. N, the CFPB, getting leads, co-marketing with Realtors etc.
- Compliance training, audit and testing

Presented by **Tyna-Minet Anderson** of Mortgage Educators & Compliance

QUICKEN LOANS MORTGAGE SERVICES MAIN STAGE

2:00 p.m. – 3:00 p.m.

Mortgage Technology Roundtable

TECHNOLOGY CHALLENGES OF THE 2020 URLA CHANGES

The GSEs have published the revised implementation timeline for the redesigned Uniform Residential Loan Application (URLA) and updated automated underwriting systems (AUS). From taking applications, through underwriting and electronic closings, the mortgage path is increasingly pixel, not paper. We're bringing together a panel of users and tech providers to talk about how this is evolving, and what best practices you should be exploring now. Panelists include **Rachel Carlson, Seth Bogdan, Marc Riccio and Laurie Krause.**

Moderated by **Mike Dimech.**

QUICKEN LOANS MORTGAGE SERVICES MAIN STAGE

3:30 p.m. – 5:00 p.m.

Millennials and Mortgage

HOW TO EMPOWER AND ENGAGE THE NEXT GENERATION

We'll begin with a presentation by experienced career coaches to help newer mortgage industry colleagues understand the best ways to navigate their career path. Then we'll conclude with a panel discussion on how to best attract and empower the next generation of mortgage leaders. Panelists include **Amanda Harvey, Andrew Stephens, Julie Hansen, Erin Cabelus**, moderated by **Stephen Robert.**

5:00 p.m. – 6:30 p.m.

WELCOME RECEPTION

Exhibit hall

8:00 p.m. – 10:00 p.m.

RCN CAPITAL's "THE BIG PARTY!"

Inside Mohegan Sun Casino



I am pleased to welcome you to the 2020 New England Mortgage Expo. The Expo presents a world of opportunity for the entire mortgage community both residential and commercial. We have the largest attendee roster, the largest exhibitor lineup, top industry speakers and industry leading event partners all coming together for a spectacular day at Mohegan Sun. We have created a strong agenda with ample networking opportunities and will deliver excitement to the hall with live broadcasting, raffle prizes and more.

The coming year will likely be another one full of challenges and opportunities for the mortgage industry. As we move into what may be a challenging economic environment, I am more committed than ever to our industry and its ability to have a positive impact on the lives of our consumers and the communities we serve.

Please make sure to also enjoy all the wonderful dining and entertainment options available at Mohegan Sun. I want to thank our partners AmBiz and all the staff of the CMBA, particularly our Executive Director Denise Derosier, for making this the premier event of its kind in our region.

Terence Floyd
President,
CT Mortgage Bankers Association

FRIDAY, JANUARY 17, 2020

7:30 a.m.
Registration

8:00 a.m.
EXHIBIT HALL OPENS

8:00 a.m. – 9:30 a.m.

Opening Session **LEGISLATIVE PANEL**

CMBA Legislative and Regulatory Update—The CMBA Presents: The Mortgage Industry and “Climate Change” – How the Changing Political, FinTech and Financial Climate will Impact our Industry. What Do Mortgage Industry Participants Need to Know. Insights from Our Expert Legal Panel on State, Regional and National Developments

What is in store for the mortgage industry in 2020? What federal and state legislative and regulatory priorities will require particular attention in the coming year? New licensing requirements, examination and enforcement priorities, electronic closings and other developments affecting the origination and servicing of residential mortgage loans. This session will give you the information you need to know.

Presented by **Norman Roos**, Robinson & Cole, LLP; **Lawrence Garfinkel**, Green Law, P.C.; **Robert Wichowski**, Bendett & McHugh, LLC; **Ruth Dillingham**, Dillingham Consulting, LLC; and **David Pelligrino**, Navigant Credit Union.

QUICKEN LOANS MORTGAGE SERVICES MAIN STAGE

8:45 a.m. – 9:30 a.m.

UNTAPPED OPPORTUNITY — RENTAL LOANS



You may have tremendous untapped potential already in your contact database – namely, mom and pop investors that financed their residence with you but also own one or more single-family residential (SFR) rental properties. The number of SFR rentals in the U.S. has nearly doubled in the past decade. While most were purchased with agency finance, there is a growing universe of private mortgage solutions (typically referred to as

Rental Loans) for these investors that now have achieved acceptance in the RMBS market. Rental Loans typically do not include a borrower DTI and offer rapid cash-out refinance features to enable investors to grow their SFR rental portfolios. Presented by **James Webb** of Visio Lending.

NIPMUC ROOM

9:30 a.m. – 10:15 a.m.

Concurrent Sessions

BOOST YOUR BUSINESS WITH FIX-AND-FLIP LOANS AND PRIVATE LENDING



With home flipping in the U.S. at a 10-year high, there has never been a better time to expand your product offerings. Private lending offers lucrative options for fix & flip deals and other real estate investing scenarios that don't fit traditional guidelines. **Jeffrey Tesch**, RCN Capital Managing Director & Private Lending Expert.

SHINNECOCK ROOM

DIRECT FROM D.C.: CURRENT OUTLOOK FOR MORTGAGE REGULATION

Join one of our national experts as he brings his unique perspective on the political, legislative and regulatory outlook for the mortgage industry.

QUICKEN LOANS MORTGAGE SERVICES MAIN STAGE

FROM SEARCH TO SOLD: THE MODERN CLIENT JOURNEY



Are your competitors winning in the online discovery process? **Darin Brooks** of online reputation leader Podium, will present key findings on the discovery process of customers and how to enhance your online reputation through pairing convenient technology with human interaction.

NIPMUC ROOM

10:15 a.m. – 11:15 a.m.

BREAK WITH EXHIBITORS

11:15 am – Noon
General Session



TIMOTHY MAYOPOULOS **CAN THE MORTGAGE OF THE FUTURE BE APPROVED IN ONE TAP?**

Over just the past few years, the mortgage industry has made significant strides in transforming lending experiences for consumers and institutions across the country. What's clear is that mortgages are building toward a more transparent and frictionless future where lending transactions happen in one tap. So what does

that future look like, especially for mortgage originators? What role will they continue to have in a digital future?

Joining the New England Mortgage Expo is **Timothy Mayopoulos**, former president of Fannie Mae and now president of Blend, the digital lending company headquartered in San Francisco, which just raised \$130 million venture financing, bringing the company's total funding to \$310 million. The financing comes at a time of major momentum for Blend which now routinely processes nearly \$2 billion in loans every day in partnership with more than 150 lender customers.

Learn how Mr. Mayopoulos and his team are working with lenders to rethink the origination process for consumers and loan teams, and how technology enables originators to focus on building relationships and providing stellar service, rather than document collection and data entry. Mr. Mayopoulos will also discuss the steps we need to take together as an industry to usher in this new era of simple, transparent transactions and move toward "one tap" approvals.

From that perspective, and from his years leading the nation's largest secondary market player, Mr. Mayopoulos will address the evolution he sees coming, and the opportunities that mortgage professionals will need to recognize. Don't miss this critical keynote, only at the New England Mortgage Expo.

QUICKEN LOANS MORTGAGE SERVICES MAIN STAGE

12:00 p.m. – 1:00 p.m.

BUFFET LUNCH INSIDE EXHIBIT HALL

1:00 p.m. – 1:45 p.m.

Concurrent Sessions

GET ON THE NON-QM TRAIN BEFORE IT'S TOO LATE



Alternative lending is the fastest growing segment of the mortgage industry – come learn why. With a growth potential of upwards of \$200 billion, it's imperative to get involved today. By offering non-agency/non-QM products, lenders can break into an untapped market, increase their reach and help millions of underserved American homebuyers find a mortgage that fits their needs – ultimately growing their business.

Presented by **Jamie Bellingham**, Regional Vice President of Sales, Angel Oak Mortgage Solutions.

QUICKEN LOANS MORTGAGE SERVICES MAIN STAGE

WHAT'S UP WITH THE GSEs?



From 'Generally Sleepy Expertise' to the Hot Topic List: A look at the end of the conservatorship, the introduction of the uniform application form and their impact on the ATR patch. Presented by **Ruth Dillingham**, Dillingham Consulting LLC, on behalf of CATIC.

NIPMUC ROOM

PRIVATE LENDING TRENDS TO WATCH IN 2020



The mortgage market is constantly changing and the rise of private money lenders has been a big contributing factor to that change. Private lenders are more commonplace than ever. How did we get here and how will the private lending landscape change in the future? As the head of business development for Sharestates since 2014, America's Private Lender®, Mike Ramin has witnessed first hand how the private loan industry

has evolved over the years. Join **Mike Ramin**, Director, Business Development at Sharestates, for an interactive Q&A on the issues impacting private lending's future: regulation, timing, and investor demand.

SHINNECOCK ROOM

1:45 p.m. – 2:30 p.m.

Closing Keynote Session

HARNESSING YOUR SUPERPOWER



Discover how a 3-person brokerage firm grew, re-invented and went head-to-head with big banks to become America's largest mortgage lender.

Paul Yatooma, Vice President at Quicken Loans, shares philosophies that shape innovation, client service, marketing, technology and partnerships. Learn what top brokers are doing to grow their business and how you can leverage your superpower. Bring your questions because this is

an interactive presentation.

QUICKEN LOANS MORTGAGE SERVICES MAIN STAGE

2:30 p.m. – 3:00 p.m.

LAST CHANCE WITH EXHIBITORS

RAFFLE PRIZES ANNOUNCED

CONFERENCE CLOSES



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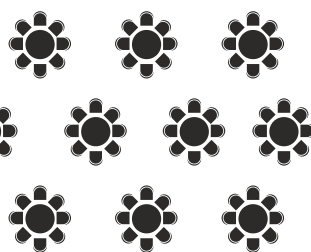
www.mortgageconferences.com

EXHIBIT HALL FLOOR PLAN

COMPANY

| | |
|---|---------|
| Allied Solutions, LLC | 200 |
| Alpha Funding Partners | 550 |
| AmeriHome Mortgage Company, LLC | 680 |
| Ameris Bank | 330 |
| Angel Oak | 700 |
| Apex Mortgage Corp | 460 |
| ARC Home | 360 |
| Avantus | 690 |
| Axos Bank | 170 |
| Baillie & Hershman/Associated Attorney Title and Closing Co. PC | 370 |
| Birchwood Credit Services, Inc. | 510 |
| Carrington | 220 |
| CATIC | 720 |
| Cherrywood Mortgage | 520 |
| CHFA | 730 |
| CMBA | HALL |
| Credit Plus | 340 |
| Dalton & Finegold | 450 |
| DataFacts | 400 |
| DocMagic | 230 |
| Easy Mortgage Apps | 100 |
| Embrace Home Loans | 600 |
| Emigrant Mortgage Co. | 540 |
| Equity National Title | 660 |
| Fairway Independent Mortgage Corporation | 560 |
| FastApp | 130 |
| Fidelity National Title Group | 480 |
| First Funding | 650 |
| First National Bank | 760 |
| Franklin American | 350 |
| Freedom Mortgage | 300 |
| Global DMS | 355 |
| Guaranteed Rate | 500 |
| Guaranty Home Mortgage | 810 |
| Homes For The Troops | |
| Kriss Law/Atlantic Closing & Escrow | 800 |
| LD Wholesale | 610 |
| LendSure | 840 |
| Lee & Mason | 320 |
| LendingPad | 790 |
| Luxury Mortgage | 580 |
| MMBA | 270 |
| Mortgage Educators & Compliance | 670 |
| National Mortgage Professional | 830 |
| Nationwide Prop. & Appraisal | 390 |
| NewRez | 470 |
| Norcom | 250/260 |

BOOTH



| | | | |
|-----|-----------|----------------|-----------------|
| | FastApp | Res Title | Plaza Home Mtg. |
| 120 | 130 | 140 | 150 |
| 160 | 170 | 180 | 190 |
| | Axos Bank | Calyx Software | Velocity |

| | | | |
|------------------|-------------------|-------------|-------------|
| Freedom Mortgage | PRMG | Lee & Mason | Ameris Bank |
| 300 | 310 | 320 | 330 |
| 340 | 350 | 355 | 360 |
| Credit Plus | Franklin American | Global DMS | ARC Home |

| | | | |
|-----------------|---------------------------------|-------------------------|----------------------|
| Apex Mortgage | New Rez | Fidelity National Title | Visio Lending |
| 460 | 470 | 480 | 490 |
| 500 | 510 | 520 | 530 |
| Guaranteed Rate | Birchwood Credit Services, Inc. | Cherrywood Mortgage | Scotsman Guide Media |

| | | | |
|------------------|---------------|------------------------------|--------------------|
| Symmetry Lending | First Funding | Equity National | Mortgage Educators |
| 640 | 650 | 660 | 670 |
| 680 | 690 | 700 | 710 |
| AmeriHome | Avantus | Angel Oak Mortgage Solutions | QuickSilva |

| | |
|------------|--------------------------------|
| Peerstreet | National Mortgage Professional |
| 820 | 830 |

FOOD & BEVERAGE

| | | | |
|---------------|---------------|---------|--------|
| | | | |
| 10 | 60 | 70 | 80 |
| 90 | 100 | 110 | 120 |
| PCF Wholesale | Easy Mtg Apps | We Lend | Qualia |

| | | | | |
|------------------|---------------------------------|------------|------------------|----------------|
| Allied Solutions | Old Republic Title | Carrington | Doc Magic | Sierra Pacific |
| 200 | 210 | 220 | 230 | 240 |
| 250 | 260 | 270 | 280 | 290 |
| Norcom Mortgage | MA Mortgage Bankers Association | REMNI | The Warren Group | |

| | | | |
|-------------------------|-----------------------------------|---------------------------------|-------------------|
| Baillie & Hershman P.C. | R.I. Mortgage Bankers Association | Nationwide Property & Appraisal | DataFacts |
| 370 | 380 | 390 | 400 |
| 420 | 430 | 440 | 450 |
| Podium | Sharestates | United Wholesale Mortgage | Dalton & Finegold |

| | | | | |
|---------------------------|------------------------|------------------------------|------------|-----------------|
| Emigrant Mortgage Company | Alpha Funding Partners | Fairway Independent Mortgage | QuestSoft | Luxury Mortgage |
| 540 | 550 | 560 | 570 | 580 |
| 590 | 600 | 610 | 620 | 630 |
| RCN Capital | Embrace Home Loans | LD Wholesale | Value Link | Penny Mac |

| | | | | |
|---------------------------------|------------------------------|--------------|---------------|---------------------|
| CATIC | CT Housing Finance Authority | Quontic Bank | Simple Nexus | First National Bank |
| 720 | 730 | 740 | 750 | 760 |
| 770 | 780 | 790 | 800 | 810 |
| Quicken Loans Mortgage Services | Lending Pad | Kriss Law | Guaranty Home | |

| | |
|----------|----------------------|
| LendSure | Homes For The Troops |
| 840 | 850 |

ENTRANCE

COMPANY

| | |
|---------------------------------|---------|
| Old Republic Title | 210 |
| PCF Wholesale | 90 |
| Penny Mac | 630 |
| Peerstreet | 820 |
| Plaza Home Mtg | 150 |
| Podium | 420 |
| PRMG | 310 |
| Qualia | 120 |
| QuestSoft Corporation | 570 |
| Quicken Loans Mortgage Services | 770/780 |
| Quontic Bank | 740 |
| RCN Capital | 590 |
| REMNI | 280 |

BOOTH

COMPANY

| | |
|----------------------------|---------|
| Res Title | 180 |
| RIMBA | 380 |
| Scotsman Guide Media | 530 |
| Sharestates | 430 |
| Sierra Pacific Mortgage Co | 230 |
| Silva Law / QuickSilva | 710 |
| Simple Nexus | 750 |
| Symmetry Lending | 640 |
| The Warren Group | 290 |
| UWM | 440 |
| ValueLink | 620 |
| Velocity Mortgage | 180/190 |
| Visio Lending | 490 |
| We Lend | 110 |

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California MORTGAGE EXPO

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SAN DIEGO AGENDA » FEBRUARY 6, 2020

7:30 a.m.

REGISTRATION OPENS

8:00 a.m. – 8:45 a.m.

BOOST YOUR BUSINESS WITH FIX-AND-FLIP LOANS AND PRIVATE LENDING



With home flipping in the U.S. at a 10-year high, there has never been a better time to expand your product offerings. Private lending offers lucrative options for fix & flip deals and other real estate investing scenarios that don't fit traditional guidelines. In this session, you will learn how to:

- Identify profitable solutions for some of your most commonly overlooked leads
- Leverage fix & flip loans and other private

lending products to make more money now

- Best present yourself and your borrower to a private lender

Interested in tapping into a wealth of new business? Don't miss this break-out session presented by **Jeff Tesch**.

8:45 a.m. – 9:30 a.m.

FINDING OPPORTUNITY IN REVERSE



Are you prepared for one of the fastest growing origination opportunities? Loan origination activities for 2019 continue to reflect the fastest growing homeowner demographic, as 10,000 or more Americans reach age 62, needing specific retirement planning and resource tools as components to a financial longevity strategy. Today's Home Equity Conversion Mortgage will be one of those important components for many. Are you prepared to address

the lending needs of older Americans with loan programs, product education, staffing and a marketing plan? Let's expedite the discussion and begin a pathway to this growing origination opportunity. Presented by **Ralph Rosynek**, SVP of Moneyhouse.

9:30 a.m. – 10:15 a.m.

GET ON THE NON-QM TRAIN BEFORE IT'S TOO LATE



Alternative lending is the fastest growing segment of the mortgage industry - come learn why. With a growth potential of upwards of \$200 billion, it's imperative to get involved today. By offering non-agency/non-QM products, lenders can break into an untapped market, increase their reach and help millions of underserved American homebuyers find a mortgage that fits their needs - ultimately growing their business. Presented by **Eric Morgenson**, Angel

Oak Mortgage Solutions.

Learning Objectives include understanding:

- What exactly is non-QM
- Common misconceptions regarding non-QM
- What programs are available to help challenging borrowers
- How technology is helping make non-QM even easier to close
- How to identify and reach potential non-QM borrowers
- How to qualify and actively market to add volume
- What to look for in a non-QM investor

10:15 a.m. – 11:15 a.m.

BREAK WITH EXHIBITORS

11:15 a.m. – Noon

HARNESSING YOUR SUPERPOWER:

Discover how a 3-person brokerage firm grew, re-invented and went head-to-head with big banks to become America's largest mortgage lender. **Paul Yatooma**, Vice President at Quicken Loans, shares philosophies that you can use to shape innovation, client service, marketing, technology and partnerships. Learn what top brokers are doing to grow their business and how you can leverage your superpower. Bring your questions, because this is an interactive presentation.



12:00 p.m. – 12:30 p.m.

BUFFET LUNCH INSIDE EXHIBIT HALL

12:30 p.m. – 1:15 p.m.

UNTAPPED OPPORTUNITY – RENTAL LOANS



Why it's smart to shift your focus to serving real estate investors using commercial loans and how to underwrite their deals. If you're like most originators, you may be wondering how you can stay afloat while refinances and overall originations continue to sink. The good news is you can make a shift that may not only keep your head above water, but help you make MORE money than you did in the retail

market. Presented by **Stephen Grupp**, of Visio Lending. Objectives include learning how commercial loans can save you time and stress and make you more money; why you should work with investor borrowers and how to find them; and how to underwrite commercial loans for investor borrowers.

1:15 p.m. – 1:30 p.m.

LAST CHANCE WITH EXHIBITORS RAFFLE PRIZES ANNOUNCED

FRIDAY, February 7 COMPLETE 8-HOUR NMLS COURSE

Optional — **Must Pre-Register**



Fulfill your complete 8 hour continuing education requirements for your NMLS license renewal! This is a separately-ticketed bonus offering. Make the most of your time this year by getting all your federally-required CE at the expo, in addition to a conference full of networking, education, opportunities and prizes. Continuing Education course provided

by Mortgage Educators & Compliance.

Important Note: You must take the entire 8 hour class to qualify for credit. We cannot give partial credit.

IMPORTANT: In addition to pre-registration, in order to qualify for admission to the free NMLS License Renewal Class, you must have attended the expo and had your Exhibit Hall passport marked by all exhibitors. Only one Exhibit Hall passport given per person.

AmBiz Acquires NMP Magazine, Mortgage News Network

American Business Media LLC has acquired Long Island-based National Mortgage Professional Magazine, Mortgage News Network and affiliated titles. The combined entity locks in a dominant position in the media landscape for the mortgage, banking and credit union industries.

"We spent 10 years growing National Mortgage Professional Magazine as the premier publication for mortgage originators across the United States," said Joel Berman, publisher and CEO of Mortgage News Network Inc. "We have broadened into the largest webinar provider in the industry, the most widely read email newsletters, and are the predominant chroniclers of the who's who in the mortgage lending field. With American Business Media, we saw an amazing opportunity to further expand our influence and ability to connect our audience to the stories of their success."

American Business Media is the nation's largest producer of conferences for the mortgage, banking, and credit union

industries. In 2019, AmBiz produced 32 conferences, tradeshow and networking events throughout the United States. It is the dominant trade show and educational conference provider in the mortgage field, through its Originator Connect Network division. AmBiz showcases a wide range of educational opportunities for mortgage and banking professionals across the country, and last year provided complimentary NMLS licensing classes to more than 2,500 originators.

"We have had the good fortune to have worked with the folks at Mortgage News Network and National Mortgage Professional Magazine for several years," said AmBiz CEO Vincent Valvo. "We believe Joel and Andrew Berman are industry visionaries. This was an unparalleled opportunity to bring our experience with in-person conferences as well as the publishing expertise from our own magazine group into a new team environment with Mortgage News Network."

American Business Media, headquartered in West Hartford, Conn., already publishes

business magazines *Originator Connect*, *Banking New England*, *Centerpoint*, *Banking New York*, *Today's CPA*, *Banking Mid Atlantic* and *Connecticut Banking*.

The combination creates an organization that reaches more than 160,000 mortgage origination professionals each week. It provides email newsletters, webinars, and targeted video as well as print and digital magazines and specialty products, and nearly three dozen live events annually across the country.

"We are all energized at the opportunities this transaction creates for our clients and audience," said Andrew Berman. "Utilizing social media marketing, analytics, data products and enhanced traditional media, our combined company will set the standard for connecting mortgage professionals with the tools they need to dominate their markets."

Both Bermans and Valvo pointed out that by combining forces, American Business Media will be able to offer mortgage industry vendors unparalleled avenues to reach valuable and critical target markets in ways no other organization can offer. "Whether it is in print, online, or in person, we can bring exceptional opportunity and value for companies seeking to reach the mortgage origination community," said Valvo.

The combination was effective Jan. 1, 2020. Joel Berman and Andrew Berman from Mortgage News Network will take on executive roles at American Business Media. The company will be headquartered in West Hartford, Connecticut, with continued operations out of Long Island, New York.



Vincent Valvo, Andrew Berman and Joel Berman at the January announcement on Long Island.

TEXAS

MORTGAGE ROUNDUP



AGENDA » FEBRUARY 11, 2020

7:30 am
REGISTRATION OPENS



8:00 a.m. – 8:45 a.m.

TEXAS REGULATORY OUTLOOK

Join **Caroline C. Jones**, Commissioner of the Texas Department of Savings and Mortgage Lending, for this insightful and early look at state regulatory issues facing mortgage professionals in Texas.

8:45 a.m. – 9:30 a.m.

BOOST YOUR BUSINESS WITH FIX-AND-FLIP LOANS AND PRIVATE LENDING



With home flipping in the U.S. at a 10-year high, there has never been a better time to expand your product offerings. Private lending offers lucrative options for fix & flip deals and other real estate investing scenarios that don't fit traditional guidelines. In this session, you will learn how to:

- Identify profitable solutions for some of your most commonly overlooked leads
- Leverage fix & flip loans and other private lending products to make more money now
- Best present yourself and your borrower to a private lender
- Interested in tapping into a wealth of new business? Don't miss this break-out session with **Stephen Ballard**.

9:30 a.m. – 10:15 a.m.

GET ON THE NON-QM TRAIN BEFORE IT'S TOO LATE



Alternative lending is the fastest growing segment of the mortgage industry - come learn why. With a growth potential of upwards of \$200 billion, it's imperative to get involved today. By offering non-agency/non-QM products, lenders can break into an untapped market, increase their reach and help millions of underserved American homebuyers find a mortgage that fits their needs - ultimately

growing their business. Presented by **John Jeanmonod**, Angel Oak Mortgage Solutions.

Learning Objectives include understanding:

- What exactly is non-QM
- Common misconceptions regarding non-QM
- What programs are available to help challenging borrowers
- How technology is helping make non-QM even easier to close
- How to identify and reach potential non-QM borrowers
- How to qualify and actively market to add volume
- What to look for in a non-QM investor

10:15 a.m. – 11:15 a.m.

BREAK WITH EXHIBITORS

11:15 am – Noon

HARNESSING YOUR SUPERPOWER:

Discover how a 3-person brokerage firm grew, re-invented and went head-to-head with big banks to become America's largest mortgage



lender. **Paul Yatooma**, Vice President at Quicken Loans, shares philosophies that you can use to shape innovation, client service, marketing, technology and partnerships. Learn what top brokers are doing to grow their business and how you can leverage your superpower. Bring your questions, because this is an interactive presentation.

12:00 p.m. – 12:30 p.m.

BUFFET LUNCH INSIDE EXHIBIT HALL

12:30 – 1:15 p.m.

FINDING OPPORTUNITY IN REVERSE



Are you prepared for one of the fastest growing origination opportunities? Loan origination activities for 2019 reflect the fastest growing homeowner demographic, as 10,000 or more Americans reach age 62, needing specific retirement planning and resource tools as components to a financial longevity strategy. Today's Home Equity Conversion Mortgage will be one of those important components for many. Are you prepared

to address the lending needs of older Americans with loan programs, product education, staffing and a marketing plan? Do you need to fast track this demographic to increase your potential growth and marketshare objectives? Let's expedite the discussion and begin a pathway to this growing origination opportunity. Presented by **Ralph Rosynek**, SVP of Moneyhouse.

1:15 p.m. – 1:30 p.m.

LAST CHANCE WITH EXHIBITORS RAFFLE PRIZES ANNOUNCED

FEBRUARY 12 COMPLETE 8-HOUR NMLS COURSE

Optional — **Must Pre-Register**



Fulfill your complete 8 hour continuing education requirements for your NMLS license renewal! This is a separately-ticketed bonus offering. Make the most of your time this year by getting all your federally-required CE at the expo, in addition to a conference full of networking, education, opportunities and prizes. Continuing Education course provided by Mortgage

Educators & Compliance.

Important Note: You must take the entire 8 hour class to qualify for credit. We cannot give partial credit.

IMPORTANT: In addition to pre-registration, in order to qualify for admission to the free NMLS License Renewal Class, you must have attended the expo and had your Exhibit Hall passport marked by all exhibitors. Only one Exhibit Hall passport given per person.



U.S. Home-Flipping Activity Drops As Returns Remain At Near Seven-Year Low

OVERALL HOME FLIPS DROP 12.9 PERCENT IN THIRD QUARTER OF 2019 AFTER UNUSUALLY ACTIVE SPRING; PERCENT OF FLIPS PURCHASED WITH ALL-CASH AT TWO-YEAR HIGH

ATTOM Data Solutions' latest U.S. Home Flipping Report which shows that 56,566 U.S. single family homes and condos were flipped in the third quarter of 2019, down 12.9 percent from the previous quarter and down 6.8 percent from a year ago. After an unusually lively flipping market in the spring of 2019, the declines stood out as the largest quarterly and annual drops since the third quarter of 2014.

The homes flipped in the third quarter represented 5.4 percent of all home sales during the quarter. That level was down from 6 percent of all home sales in the second quarter of 2019, but up slightly from 5.2 percent a year ago.

Homes flipped in the third quarter of 2019 typically generated a gross profit of \$64,900 (the difference between the median sales price and median paid by investors), up 1.8 percent from the previous quarter and 3.5 percent from a year ago.

However, the typical gross flipping profit of \$64,900 translated into a 40.6 percent return on investment compared to the original acquisition price, down from a 41.1 percent gross flipping ROI in the second quarter of 2019 and down from a margin of 43.5 percent in the third quarter of 2018. The latest returns on home flips stood at the second-lowest point since 2011, barely above the 40 percent ROI from the first quarter of this year.

SETTLING IN

"After a springtime selling binge earlier this year, the home-flipping business settled way down over the summer amid a continuing scenario of languishing profits," said Todd Teta, chief product officer at ATTOM Data Solutions. "The retreat back to more normal levels of sales comes amid broader market forces that are making it harder and harder for investors to complete the kinds of deals they were getting as recently as last year."

Maksim Stavinsky, co-founder and COO of Roc Capital noted that borrowers' declining profits on flips are leading to much greater interest in renting out renovated properties instead of flipping them.

"We have been seeing a decline in projected and realized profits for borrowers

on projects, despite the fact that borrower financing costs have been meaningfully coming down," said Stavinsky.

HOME FLIPPING RATES DOWN IN 78 PERCENT OF LOCAL MARKETS

Home flips as a portion of all home sales decreased during the third quarter of 2019 from the previous quarter in 115 of the 147 metropolitan statistical areas analyzed in the report (78 percent). The largest quarterly declines in the home flipping rate came in Manchester, NH (down 40 percent); Reno, NV (down 33 percent); Salem, OR (down 31 percent); Clarksville, TN (down 31 percent) and Vallejo, CA (down 31 percent). Metro areas qualified for the report if they had a population of at least 200,000 and at least 50 home flips in the third quarter.

The biggest quarterly decreases in MSAs with at least a population of 1 million or more were in Rochester, NY (down 29 percent); Grand Rapids, MI (down 25 percent); Boston, MA (down 25 percent); Providence, RI (down 24 percent) and Milwaukee, WI (down 24 percent).

HOME FLIPS PURCHASED WITH FINANCING CONTINUE DROPPING WHILE THOSE BOUGHT WITH CASH CLIMB

Nationally, the percentage of flipped homes purchased with financing dipped in the third quarter of 2019 to 41.5 percent, from 43.7 percent in the prior quarter and 46 percent a year ago. Meanwhile, 58.5 percent of homes flipped in the third quarter of 2019 were bought with all-cash, up from 56.3 percent in the second quarter and 54 percent a year ago.

Among 53 metropolitan statistical areas analyzed in the report with a population of 1 million or more, those with the highest percentage of flips purchased with financing in the third quarter included San Jose, CA (59.4 percent); Providence, RI (56.9 percent); Seattle, WA (56.0 percent); Boston, MA (54.9 percent) and San Diego, CA (53.4 percent).

HOME FLIPPERS ARE DOUBLING THEIR MONEY IN EIGHT MARKETS

Despite decreases in profit margins nationally, eight MSAs analyzed in the report had third-quarter 2019 gross ROI flipping margins of at least 100 percent: led by Pittsburgh, PA (132.6 percent); Scranton, PA (122.5 percent); Flint, MI (111.2 percent); Cleveland, OH (109.8 percent) and Hickory-Lenoir-Morganton, NC (109.7 percent).

TYPICAL HOME FLIPPING RETURNS REMAINED NEAR POST-RECESSION LOW POINTS

Homes flipped in the third quarter of 2019 were sold for a median price of \$224,900, with a gross flipping profit of \$64,900 above the median purchase price of \$160,000. That profit figure was up from a gross flipping profit of \$63,750 in the previous quarter and up \$62,700 in the third quarter of 2018. But with prices rising on investor-purchased homes, the median 40.6 percent return on investment was down from the post-Recession peak of 52.1 percent in the second and third quarters of 2016.

Among the 53 markets with at least a population of 1 million or more, those that saw the smallest gross flipping profits included Raleigh, NC (\$25,000); Austin, TX (\$27,549); Phoenix, AZ (\$31,135); Las Vegas, NV (\$33,150) and Kansas City, MO (\$39,141).

AVERAGE TIME TO FLIP NATIONWIDE IS 177 DAYS

Home flippers who sold homes in the third quarter of 2019 took an average of 177 days to complete the flips, down from an average of 184 days for homes flipped in the second quarter, but the same as the average for homes flipped a year earlier.

Among the 147 metro areas analyzed in the report, those with the shortest average days to flip were Durham, NC (135 days); Raleigh, NC (138 days); Phoenix, AZ (138 days); Memphis, TN (142 days) and Birmingham, AL (146 days).

Metro areas with the longest average days to flip were Provo, UT (226 days); Buffalo, NY (219 days); Asheville, NC (216 days); Gainesville, FL (216 days) and Boston, MA (215 days).



COASTAL CONNECT MORTGAGE EXPO



AGENDA » TUESDAY, FEBRUARY 18, 2020

7:30 am Registration Opens

Registration opens. First education session begins at 8:00am, exhibit hall opens at 10:15 am.

8:00 am — 8:45 am

Boost Your Business With Fix-And-Flip Loans and Private Lending

With home flipping in the U.S. at a 10-year high, there has never been a better time to expand your product offerings. Private lending offers lucrative options for fix & flip deals and other real estate investing scenarios that don't fit traditional guidelines. In this session, you will learn how to:

- Identify profitable solutions for some of your most commonly overlooked leads
- Leverage fix & flip loans and other private lending products to make more money.
- Best present yourself and your borrower to a private lender

8:45 am — 9:30 am

Finding Opportunity In Reverse



Are you prepared for one of the fastest growing origination opportunities? Loan origination activities for 2019 continue to reflect the fastest growing homeowner demographic, as 10,000 or more Americans reach age 62, needing specific retirement planning and resource tools as components to a financial longevity strategy. Today's Home Equity Conversion Mortgage will be one of those important components for many.

Are you prepared to address the lending needs of older Americans with loan programs, product education, staffing and a marketing plan? Do you need to fast track this demographic to increase your potential growth and market share objectives? Let's expedite the discussion and begin a pathway to this growing origination opportunity. Presented by **Ralph Rosynek**, SVP of Moneyhouse.

9:30 am — 10:15 am

Get On The Non-QM Train Before It's Too late



Alternative lending is the fastest growing segment of the mortgage industry - come learn why. With a growth potential of upwards of \$200 billion, it's imperative to get involved today. By offering non-agency/non-QM products, lenders can break into an untapped market, increase their reach and help millions of underserved American homebuyers find a mortgage that fits their needs - ultimately

growing their business. Presented by **John Jeanmonod**, Angel Oak Mortgage Solutions.

Learning Objectives include understanding:

- What exactly is non-QM
- Common misconceptions regarding non-QM
- What programs are available to help challenging borrowers
- How technology is helping make non-QM even easier to close
- How to identify and reach potential non-QM borrowers
- How to qualify and actively market to add volume
- What to look for in a non-QM investor

10:15 am — 11:15 am

Exhibit Hall Opens

Break With Exhibitors

11:15 am — 12:00 pm

Harnessing Your Superpower



Discover how a 3-person brokerage firm grew, re-invented and went head-to-head with big banks to become America's largest mortgage lender.

Paul Yatooma, Vice President at Quicken Loans, shares philosophies that you can use to shape innovation, client service, marketing, technology and partnerships. Learn what top brokers are doing to grow their business and how you can leverage your superpower. Bring your questions,

because this is an interactive presentation.

12:00 pm — 12:30 pm

Lunch with Exhibitors

Buffet lunch inside exhibit hall

12:30 pm — 1:15 pm

Fifth Education Session

Agenda soon to come.

1:15 pm — 1:30 pm

Last Chance with Exhibitors

Raffle prizes announced. Closing announcements.

WEDNESDAY, FEBRUARY 18

8:00 am — 5:00 pm

8-Hour NMLS Renewal Class

Optional — **Must Pre-Register**

Fulfill your complete 8 hour continuing education requirements for your NMLS license renewal! This is a separately-ticketed bonus offering. Make the most of your time this year by getting all your federally-required CE at the expo, in addition to a conference full of networking, education, opportunities and prizes. Continuing Education course provided by Mortgage Educators & Compliance.

Important Note: You must take the entire 8 hour class to qualify for credit. We cannot give partial credit.

IMPORTANT: In addition to pre-registration, in order to qualify for admission to the free NMLS License Renewal Class, you must have attended the expo and had your Exhibit Hall passport marked by all exhibitors. Only one Exhibit Hall passport given per person.

"Keep moving forward. Keep trying.
Keep hoping and dreaming and
believing you can do it. Be resilient."

- HARVEY MACKAY

Fall Seven Times. Get Up Eight.

By HARVEY MACKAY, Special to *Originator Connect Magazine*

Derek Redmond was favored to medal in the 400-meter race for Great Britain at the 1992 Summer Olympic Games in Barcelona, Spain. But 150 meters into the semifinal race he felt a searing pain in his right leg and fell to the ground in agony with a torn hamstring. He was not willing to give up. He wanted to finish the race no matter what. He got up and limped around the track until a man came out of the stands and broke through security to help him. It was his father.

He told his son, "You don't have to do this."

"Yes, I do," he told his dad.

And his dad said, "Well then, we're going to finish this together." And they walked together with arms around each other's shoulders until shortly before the finish line when his dad let him finish the race alone. Redmond received a standing ovation from the 65,000 people in attendance, including me.

That is what I absolutely love about the Olympic Games – the determination and never-give-up attitudes that these athletes bring to their sports. They demonstrate an amazing resilience that is inspiring. And that is why I've only missed one summer Olympic Games since 1972 in Munich.

We've all hit roadblocks and dead ends that can make us think twice about whether it's worth our efforts. Discouragement and disappointment cloud our judgment. It's exhausting sometimes trying to figure out how to get past a problem.

So before negative thoughts lead to negative actions, you need to develop a strategy to clear your head. It becomes even more important to train your brain to look for positives.

Researchers believe that people who embrace a positive outlook have less stress, an increased sense of well-being, better coping skills and longer life spans. Do whatever it takes to get to that attitude. Learn to look on the bright side.

Or, to put it simply, in the immortal words of the great philosopher, Yogi Berra, "When you come to a fork in the road, take it."

Really, that's not just a punchline. Keep moving forward. Keep trying. Keep hoping and dreaming and believing you can do it. Be resilient.

Because when you don't give up, you usually don't fail.

This is true in life in general and business in particular. Every organization that gets hit with any sort of emergency needs to have people who can respond in a productive and clear-headed

manner. Your value to the organization increases exponentially if you are one of those people.

In this ever-changing, fast-paced business climate, resilience is one of the most critical skills you need to master. Clinical psychologist Susan Dunn has observed that people who can bounce back after failure and confront new obstacles without losing their nerve generally do these essential things:

- **Learn from experience.** Resilient people reflect on what happens to them – good and bad – so they can move forward without illusion.
- **Accept setbacks and losses.** You've got to face the reality of what happens in order to get past it.
- **Recognize emotions.** Resilient people don't hide from their feelings. They identify what they're feeling and express their emotions appropriately.
- **Keep time in perspective.** Past, present and future are separate. For example, don't mix them up by letting what happened in the past determine your choices in the here and now.
- **Think creatively and flexibly.** Look for new ways to solve problems and face challenges.
- **Take care of yourself.** Resilience is based on good physical and mental health. Get enough rest, eat sensibly and spend time with people who support you.
- **Ask for help.** Resilient people don't try to do everything themselves. Accept that you'll need to ask others for assistance, and learn how to do so graciously and effectively.

The children's book "The Hugging Tree" tells the story of a little tree growing all alone on a cliff by a vast and mighty sea. Through thundering storms and the cold of winter, the tree holds fast. Sustained by the natural world and the kindness and compassion of one little boy, eventually the tree grows until it can hold and shelter others.

The resilience of the Hugging Tree calls to mind the potential in all of us: to thrive, despite times of struggle and difficulty. To nurture the little spark of hope and resolve. To dream and to grow.



Mackay's Moral: When the wicked winds blow, learn to bend, not break.



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