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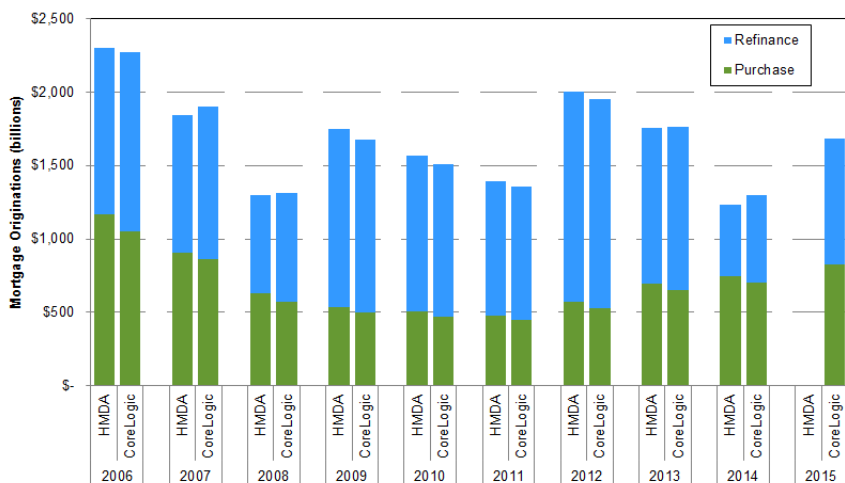
HMDA Will Announce 20 Percent Origination Surge -CoreLogic

Touting its record of on-target estimate, CoreLogic has again anticipated the official conclusions about 2015 mortgage originations in advance of the annual release of HMDA data. The Home Mortgage Disclosure Act (as amended by the Dodd Frank Wall Street Reform and Consumer Protection Act) mandates lenders to maintain and report data on mortgage denial rates, borrower and applicant information, mortgage pricing, and the level of originations.

The Consumer Finance Protection Bureau is the recipient of lender reports and will release 2015 data in September. Principal Economists Molly Boesel, writing in the company's *Insights blog* says last year when CoreLogic did an advanced estimate on mortgage originations using public records deed information it missed the actual CFPB numbers by 4 percent, but its average in prior years has been even better.

This year CoreLogic says its own data shows that mortgage originations in 2015 were up by 20 percent compared to 2014. After reached a post-crisis high of about \$2 trillion in 2012, originations then slipped for two consecutive years. The anticipated 2015 rebound, the company said, resulted in seven million mortgage originations and a dollar volume that rose 30 percent to about \$1.7 trillion.

Figure 1: First-Lien Mortgage Originations Increase 30 Percent in 2015



Source: HMDA, CoreLogic Public Records data

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National Average Mortgage Rates



	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	6.89%	0.00	0.00
15 Yr. Fixed	6.33%	+0.01	0.00
30 Yr. FHA	6.33%	+0.01	0.00
30 Yr. Jumbo	7.05%	0.00	0.00
5/1 ARM	6.58%	0.00	0.00
Freddie Mac			
30 Yr. Fixed	6.77%	-0.09	0.00
15 Yr. Fixed	6.05%	-0.11	0.00
Mortgage Bankers Assoc.			
30 Yr. Fixed	7.00%	-0.03	0.60
15 Yr. Fixed	6.63%	+0.07	0.61
30 Yr. FHA	6.87%	-0.03	0.92
30 Yr. Jumbo	7.13%	+0.02	0.38
5/1 ARM	6.22%	-0.16	0.60

Rates as of: 7/22

Recent Housing Data

		Value	Change
Mortgage Apps	Jul 10	206.1	-0.19%
Building Permits	Mar	1.46M	-3.95%
Housing Starts	Mar	1.32M	-13.15%
New Home Sales	Mar	693K	+4.68%
Pending Home Sales	Feb	75.6	+1.75%
Existing Home Sales	Feb	3.97M	-0.75%

		Value	Change
Builder Confidence	Mar	51	+6.25%

Boesel says that CoreLogic's estimates have historically been on target. Between 2006 and 2014 the discrepancy between its figures and the HMDA estimate has **averaged 1 percent** on the low side. Therefore, she expects the actual number will be slightly higher than the \$1.7 trillion CoreLogic number. "Some lenders are exempt from HMDA reporting, and many analysts estimate that lenders reporting under HMDA cover about 95 percent of the mortgage market; therefore, we estimate that total market originations-after accounting for under coverage-was probably closer to \$1.8 trillion."

Both **purchase** money and **refinancing** loans contributed to the overall increase in 2015 originations. CoreLogic's data indicates that purchase money loans increased by 13 percent in number and 18 percent in dollar volume. The number rose due both to an increase in home sales, which were up 6 percent year-over-year, and a 3 percentage point dip in the cash sales share. Strong home price appreciation and increased leverage provided by lower FHA premiums and new low-downpayment products, resulted in a higher dollar volume. The number of refinance originations increased 29 percent and the refinance dollar volume increased 44 percent.

Update: Buyer Broker Agreement

After requests from real estate companies, a nonprofit consumer watchdog group the Consumer Federation of America has developed a list of factors to consider when creating a buyer contract in preparation for upcoming practice changes in the industry.

CFA released its "Proposed Criteria for Evaluating Home Buyer Contract Forms" on Tuesday. The 15 criteria focus on the contracts' form – whether the documents are readable and understandable – and content – whether they are fair to homebuyers.

- the document's expiration date (CFA recommends buyers asks for a three-month contract and never sign one longer than six months)
- the right to terminate the contract
- the disclosure that compensation is negotiable
- the broker's compensation clearly stated and that the buyer broker can't receive additional compensation for facilitating a sale
- that any additional fees, such as for showing a home, will be deducted from the broker's commission if there is a successful sale
- that the commission is due only if there is a successful closing
- that buyers have an obligation – for no longer than 60 days, CFA recommends – to pay a broker who earlier showed them a home they purchased after the contract ended
- seller concessions paid directly to buyers
- dual agency not pre-approved by the contract
- an explanation of how a broker treats different buyer clients interested in the same property
- that buyers should not be required to first go through mediation or arbitration if they have a complaint

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