
MOUNTAIN WEST FINANCIAL



Market Insights

Presented by:
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Agenda

- The Economy
- Interest Rates
- Mortgage Market

The Economy

- Growth
- US GDP



SOURCE: WWW.TRADINGECONOMICS.COM | U.S. BUREAU OF ECONOMIC ANALYSIS

The Economy

- Employment (Non-Farm Payrolls)



The Economy

- Employment (Unemployment Rate)



The Economy

- Employment (Participation Rate)



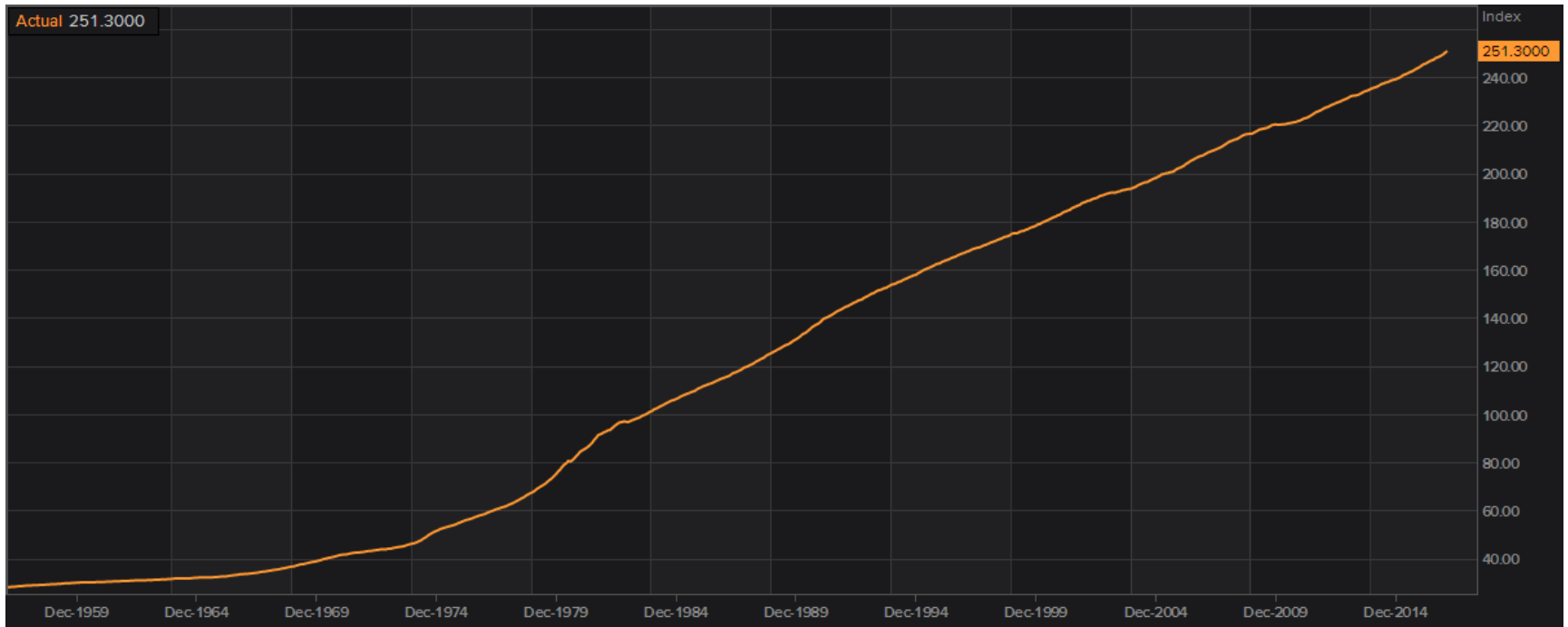
The Economy

- Wages (Quarterly Change in Hourly Wages)



The Economy

- Inflation (Consumer Price Index)



The Economy

- Oil Prices



The Economy

- GDP Growth is low but less volatile
- The labor market is deceptive
 - Spin it at will
- Inflation is low
 - New Normal?
- Manufacturing jobs are not coming back



Interest Rates

**ARE YOU
PREPARED
FOR RISING
INTEREST
RATES?**

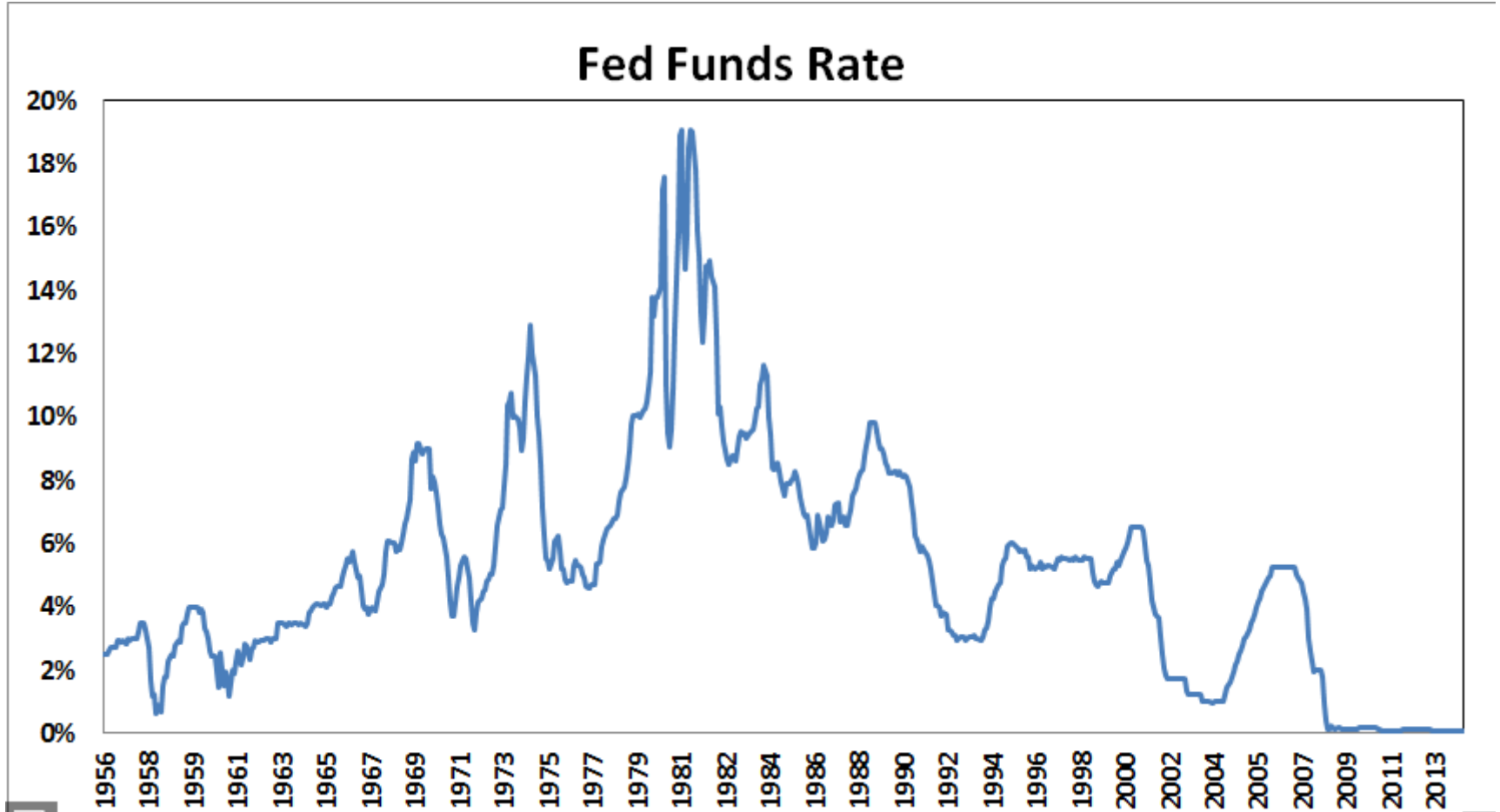


Interest Rates



Interest Rates

- Fed Funds



Interest Rates

- Biggest Drivers of Rates
 - Fed reinvestment of runoff
 - Politics
 - How much will actually get done
 - Regulations
 - Taxes
 - Global Economy
 - Geopolitics
 - China
 - Europe

Interest Rates

- Are things fundamentally different this time?
 - Why are rates so low?
 - Federal Reserve Intervention
 - Are low rates the new normal?
 - Let's hope not
 - Higher rates are the byproduct of growth.
 - How does the US economy grow today?
 - Growth drivers since 1940
 - 1940's – WWII
 - 1950's – Post war innovation (Cars, TV)
 - 1960's – NASA, Vietnam,
 - 1970's – Stagnation
 - 1980's – Technology (IBM)
 - 1990's – More Technology (Bubble)
 - 2000's – Real Estate (Bubble)

Mortgage Market



Mortgage Market

- Products
 - Non-QM
 - Jumbo
 - ARMs
 - Second TDs
- Regulations
 - New Administration
 - Different tone from DOJ
 - Future of CFPB
 - Future of GSEs

Mortgage Market

- Non-QM
 - Bank Statement Programs
 - Higher DTI
 - Future of GSE exemption
- Jumbo
 - Dominated by banks
 - Securitization needs to return

Mortgage Market

- ARMs
 - Biggest issue is servicing values
 - Most investors cap price
- 2nd Mortgages
 - There's no money in it

We haven't had a demand for these products since LO comp came into play.

Mortgage Market

- Regulations
 - Nothing new this year
 - Except HMDA
 - New Administration
 - Change in DOJ enforcement of False Claims Act
 - Big driver of FHA business with big banks
 - Is the CFPB going away?
 - Not likely.
 - Possible change in structure
 - GSE Reform
 - Maybe next year

Upcoming Webinar's

- CalHFA, March 24th 8:30am-11:30am

Certification at the Corporate office, space is limited, reserve your spot today by contacting: Jennifer.Jones@mwfinc.com .

- HomeStyle, March 29th 8:30am-11:30am

To Register please contact your Business Development Manager or click below:

<https://attendee.gotowebinar.com/register/8592658463753822723>

- Freddie Mac presenting LPA/HPA/HP, April 11th 9:00-10:00am

2nd Quarter training schedule will be released April 1st which will provide the registration link.

Recorded Trainings can be located on the Wholesale page: <https://mwfwholesale.com>

Or e-mail: Angela.Perez@mwfinc.com

Conclusion

Thank you for attending.

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