Business By The Numbers

A Practical Approach to Knowing What You Need to Know and Doing What You Need to Do
Harvard Knows Best

Work Hard → Success → Be Happy

Shawn Achor -
http://m.youtube.com/#/watch?v=GXy_kBVq1M&desktop_uri=%2Fwatch%3Fv%3DGXy_kBVq1M
Harvard Knows Best

Intelligence
Creativity
Performance

Be Happy → Work Hard → Success

3 Gratitudes
Journaling
Exercise
Meditation
Random Acts of Kindness

Shawn Achor - http://m.youtube.com/#/watch?v=GXy_kBVq1M&desktop_uri=%2Fwatch%3Fv%3DGXy_kBVq1M
Harvard Knows Best

Work Gooder

Shawn Achor -
http://m.youtube.com/#/watch?v=GXy__kBVq1M&desktop_uri=%2Fwatch%3Fv%3DGXy__kBVq1M
1 Picture is Worth 1,000 Words
1 Picture Worth 2 Words to Describe Today’s Market
#1 Secret to Marketing

People Love Numbered Lists
10 Charts for Non-Economists

- Makes Me Look Good
- Confusing Stats
- Pretty Colors
- Irrelevant Stats
- Made Up Stats
Purchase Origination

Total Home Sales* and Purchase Origination

Source: NAR, Mortgage Bankers Association
Home Sales Approaching 6MM

**Existing Home Sales**

- FY: 13: 5,087
- FY: 14: 4,920
- FY: 15: 5,232
- YTD: 5,470

**New Home Sales**

- FY: 13: 430
- FY: 14: 437
- FY: 15: 501
- YTD: 494

Source: National Association of Realtors, Census Bureau

**Who is buying?**

- Existing: First-Time Buyers: 30% since 2011
- Investors: 14% (individual investors) – down from 18% a year ago

**Sales Profile**

- Distressed Sales: 10% - down from 15% a year ago – will exert some upward pressure on home sales
- Financing: 24% paying all-cash – down from over 30% a year ago
Own or Rent – Back to Normal?

Source: Census Bureau, Genworth Mortgage Insurance
Mortgage Performance

Mortgage Delinquency and Foreclosure Rates

- 90-Day Delinquency
- Foreclosure Starts
- Foreclosure Inventory

Source: Mortgage Bankers Association National Delinquency Survey
Why is Income Growth Important?

Income Growth

- Housing Affordability
- Home Price Appreciation
- Rent Growth
- Savings
- Household Formation

Mortgage Performance

Home Equity

Home Sales

Mortgage Origination

This is not a chart.
Income Growth Starting to Pick Up

Wage Growth vs. Unemployment Rate

Growth Rate - Avg. Hrly Earnings (% y/y)

Unemployment Rate (%)

Source: Bureau of Labor Statistics

Income Growth Has Increased Above 2% Recently
Housing Affordability Index

Housing affordability index measures the percentage of income a household with median household income will be used for mortgage payment when buying a median-priced home with a 20% down payment in the state – 25% is the normal affordability, a lower percentage implies greater housing affordability.

Percent of Median Family Income To Buy a Median-Priced Home

- Low Inflation
- Strong Income Growth + Stable Home Price
- Low Interest Rate

<table>
<thead>
<tr>
<th>Year</th>
<th>US</th>
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<tbody>
<tr>
<td>1979-99</td>
<td>20.5%</td>
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<tr>
<td>2011</td>
<td>12%</td>
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<tr>
<td>2005</td>
<td>19%</td>
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<tr>
<td>2015</td>
<td>15%</td>
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</table>
Non-Housing Debt: How Big Is the Problem

Student Loan Burden Has Risen – But Borrowers Are Using Student Loan As A Cheaper Source of Debt
Economic Stress has Made it More Difficult for Young Adults to Gain Independence

But Many Will Do Over the Next 5 Years – Boosting Household Formation

Source: Census Bureau, Current Population Survey
First-Time Homebuyers – 2015

$226B Mortgage Originated for FTHB in 2015

80% of First-Time Homebuyers in the Agency Market Will Require Mortgage Insurance

Private Mortgage Insurance is the Second Largest Provider

1.2M Mortgages Originated for FTHB in 2015
First-Time Homebuyer

Average First-Time Homebuyer Credit Score

Average First-Time Homebuyer DTI

Loan Size vs. Home Price

Average First-Time Homebuyer LTV
#1 Most Asked Question

How Are You?

Who Would You Rather Do Business With / Work With?

- I Could Complain, But Who Would Listen?
- Same Stuff… Different Day
- I Don’t Have a Problem in the World
2 Words To Eliminate From Your Vocabulary

- Work Is Hard → Work Is Messy
- Life Is Hard → Life Is Messy

FIGHT
2 Ways to Get Quality Referrals

<table>
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</table>
Knowledge is Power

Customer Want It:

Fast
Easy
Correct
Reasonably Priced

People Do Business with People They:

Know
Like
Trust

3

News Sources

Robchrisman.com
Oct. 21: Retail, wholesale, IT, compliance jobs; the continued cost of compliance & its impact on borrowers

As the San Diego MBA conference wraps up, one is reminded that many lenders are having fine years and some can’t believe their good fortune. Others might say that the tone is “cautiously optimistic.” Certainly many of the folks I spoke to are still concerned with the regulatory environment, the changes TRID implementation has brought and what unintended consequences will start to pop up as we move forward, but lending as continued as we all knew it would. Yes, a couple of vendors have had some major issues, in spite of plenty of lead time – Richard Cordray specifically mentioned vendors in his speech Monday. And folks
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Robchrisman.com

3 News Sources

ECON70.com

Home of GraphsandLaughs
The inflation-adjusted median wealth of families headed by someone over 61 rose 40% between 1989 and 2013, from $150,000 to $210,000. For households headed by someone aged 40 to 61, wealth fell 31% from $154,000 to $106,000, while for households headed by someone under 40, wealth declined by 28% from $20,000 to just $14,000. While the Great Recession is clearly partly to blame, it has merely accentuated longer-term trends.
Despite today’s weak new home sales data, YTD sales are at 392,000, up 18% compared to January-September 2014. Last September, 37,000 new homes were sold; 36,000 were sold last month. The peak, 99,000 in 9/05; the trough; 24,000 in 9/11. Existing September home sales came in at a robust seasonally adjusted annual rate of 5.55 million, making up for a steep August decline. The problem, inventory is low and declining!
Knowledge is Power

Customer Want It:
Fast
Easy
Correct
Reasonably Priced

People Do Business with People They:
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Like
Trust

3
News Sources

Robchrisman.com
ECON70.com
theskimm.com
Skimm'd with leftover ice cream cake.

**QUOTE OF THE DAY**

"I would not wait until Nov. 20" -- A crop expert warning all Americans of an impending and potentially devastating shortage. Of canned pumpkin. Thanksgiving is coming.

**SKIMM THIS**  

**RUSSIAN IN**

**THE STORY**

Yesterday, Russia said 'got your back' to Syrian President Assad. In a big way.

**EXPLAIN.**
3 Things to Watch

- **Periscope**: Broadcast Video LIVE from Anywhere

- **Sideline**: Add a 2nd number to your iPhone. Pick a free number in your area code.

- **dotloop**: Unlimited loops, our online collaborative workspace for transactions or projects as many as you want.
  - Easy-to-use forms: Quickly fill out PDFs, upload or load in some of our ready-to-use templates.
  - Secure & legal eSignatures: Choose the solution trusted by banks, brokerages, and hundreds of thousands of professionals.
  - Bank-approved audit trail: Every action in a transaction is logged. Know when a document was viewed or signed.
  - Support: We're here to make you successful...even on weekends.
  - Mobile app: Prepare, share, and sign documents on the go with an integrated mobile experience.

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*Genworth*
4 Tips on Texting

![Image of a stopwatch and an iPhone with the Messages app open]
4 Tips on Texting

Auto Responder?
4 Things You Need to Know About Private MI
4 Things You Need to Know About Private MI

www.mi.genworth.com
Simply Underwrite℠ Eligibility Recap

Simply Underwrite applies to eligible loans with a Desktop Underwriter® recommendation or Loan Prospector® risk classification. Contact your sales representative or the ActionCenter® at 800 444.5664 with any questions.

Effective November 2, 2015

<table>
<thead>
<tr>
<th>Property Type</th>
<th>Max LTV</th>
<th>Max Loan Amount</th>
<th>Min Credit Score</th>
<th>Max DTI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single family (detached &amp; attached), Condominiums, Cooperatives, Manufactured Housing</td>
<td>97%¹</td>
<td>$417,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>95%</td>
<td>DU High Balance</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>90%</td>
<td>LP Super Conforming</td>
<td>620</td>
<td>Per DU &amp; LP</td>
</tr>
<tr>
<td>2 units</td>
<td>95%</td>
<td>$533,850</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>85%</td>
<td>DU High Balance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3-4 units</td>
<td>95%</td>
<td>$625,500</td>
<td>720</td>
<td>45%</td>
</tr>
</tbody>
</table>

Second Home – Purchase, Rate/Term Refinance and Construction-to-Permanent³

<table>
<thead>
<tr>
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<th>Max Loan Amount</th>
<th>Min Credit Score</th>
<th>Max DTI</th>
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Investment Property – Purchase

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<th>Max LTV</th>
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<th>Min Credit Score</th>
<th>Max DTI</th>
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</thead>
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<td>85%</td>
<td>$417,000 or DU High Balance</td>
<td>720</td>
<td>45%</td>
</tr>
</tbody>
</table>

¹ Manufactured Housing is ineligible for 97% LTV and loan amounts > $417,000 except in AK and HI.
² Unless otherwise noted, eligible loan amounts in AK & HI are $625,500 for 1 unit, $800,775 for 2 units, & $850,000 for 3-4 units. DU High Balance and LP Super Conforming are eligible to FHFA loan limits in all markets.
³ Construction-to-Permanent is ineligible with property types other than Single family (detached) or Manufactured Housing.
2 Ways to Cancel MI

Cancellation Guidelines

Automatic
LTV ≤ 78%

Borrower Request

LTV ≤ 80%
LTV ≤ 75%
Yrs 2-5

LTV ≤ 80%
After yr 5

Original Value

Appreciated Value

Other Restrictions May Apply

9 New Rules of Customer Service

Who Are You?
9 New Rules of Customer Service

Who Are You?

Simple Math \( S = \frac{R}{E} \)
New Rule of Customer Service

Satisfaction = \frac{Reality}{Expectations}
9 New Rules of Customer Service

Who Are You?

Simple Math $S = \frac{R}{E}$

Train to Complain
9 New Rules of Customer Service

Who Are You?

Simple Math $S = R/E$

Train to Complain

It’s Not Just a Mortgage
Welcome to Kids eat 4 free!

Find restaurants near you

Search through our list of restaurants to find kids eat free meals in your area. Many family friendly restaurants offer these deals on nights other than just Tuesday. You can often find free meals for your kids on any night of the week! We work hard to ensure our list is the most accurate on the 'net! Where will YOUR kids eat free tonight?

Find kids eat free deals near you!

By City

City

By Zip Code

Zip
Genworth’s Homebuyer Privileges® discounts can fill a home – top to bottom!

Homebuyer Privileges is a Genworth-exclusive program that leverages the buying power of new homeowners to negotiate unique discounts from top merchants. Registered users can view the complete list of offers at homebuyerprivileges.com.

<table>
<thead>
<tr>
<th>Partnership with:</th>
<th>Top Offers</th>
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<tbody>
<tr>
<td>BED BATH &amp; BEYOND</td>
<td>$10 off $40 purchase</td>
</tr>
<tr>
<td>64 Store</td>
<td>Savings and rebates on a wide variety of appliances</td>
</tr>
<tr>
<td>RUGS unlimited</td>
<td>20% off purchase and free shipping</td>
</tr>
<tr>
<td>BLINDS.COM</td>
<td>10% off orders over $99 and free shipping</td>
</tr>
<tr>
<td>Club Furniture.com</td>
<td>10% off total purchase of $599 or more</td>
</tr>
<tr>
<td>PERKX</td>
<td>Save 10% on Local and One-Way Penske Truck Rentals</td>
</tr>
<tr>
<td>ART.COM</td>
<td>28% off everything at Art.com</td>
</tr>
<tr>
<td>Allied Van Lines &amp; Uboxes</td>
<td>Insurance coverage doubled at no cost, non-peak rates year round and priority dispatching</td>
</tr>
<tr>
<td>Flowers.com</td>
<td>$10 off any purchase over $50</td>
</tr>
<tr>
<td></td>
<td>15% off unlimited purchases</td>
</tr>
</tbody>
</table>
9 New Rules of Customer Service

Who Are You?

Simple Math $S = \frac{R}{E}$

Train to Complain

It’s Not Just a Mortgage

It Takes a Team

- Loan Officer
- Processor
- Underwriter
- Closer
- Servicer

- Appraiser
- Title Company
- Insurance Agent
- Real Estate Agent
- Home Inspector
9 New Rules of Customer Service

Who Are You?

Simple Math $S = R/E$

Train to Complain

It’s Not Just a Mortgage

It Takes a Team

If You Say It – Do It
9 New Rules of Customer Service

Who Are You?

Simple Math $S = \frac{R}{E}$

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If You Say It – Do It

I Gotta Guy
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I Gotta Guy

Tag is for Kids
9 New Rules of Customer Service

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Train to Complain

It’s Not Just a Mortgage

It Takes a Team

If You Say It – Do It

I Gotta Guy

Tag is for Kids

1st Person or 3rd Person
The Last Word

FOCUS
Join our very own *That MI Guy*, Steve Richman, as he begins his Facebook journey. And, be sure to ‘like’ the page to keep up with all of Steve’s musings.
Contact Info

Steve Richman
steve.richman@genworth.com
919 870-2519

Please Join Me –
LinkedIn: www.linkedin.com/in/steverichman
Facebook: www.facebook.com/ThatMIGuy
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