

COVID's Negative Impacts Renew Worries for Correspondent Lenders

The pandemic gave rise to a new kind of correspondent lending partner that delivers a new set of standards.



ORANGE, CA, USA, September 10, 2021
[/EINPresswire.com/](https://EINPresswire.com/) -- [Essex Mortgage](#)

announced today that the company's Correspondent Division has published a new white paper that analyzes the impact the COVID pandemic had on Correspondent Lenders and what those lessons learned tell us about the kind of lending partner these institutions are seeking now. The paper is available now on the company's website.

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*Jonathan Grafflin,
Correspondent Channel
Executive*

“From the beginning, we set out to create a company that put a high value on education. This has served us very well with home loan borrowers and with this publication we extend that service to Correspondent Lenders,” said Roland Weedon, President of Essex Mortgage. “The dust is still settling on the COVID crisis and experts are only now beginning to make sense of all of the impacts the pandemic visited upon our industry. The story is already quite clear in the correspondent lending business and it points to many changes that will help ensure that the difficulties these lenders experienced last year will not be

repeated in the future.”

In its paper, Essex points to significant negative impacts related to liquidity and increased lending risk that the COVID health crisis brought to Correspondents in March of 2020. These negative impacts were more severe for these lenders than for brokers or direct lenders because the loans had already been closed in the Correspondent's name when the crisis pushed aggregators out of the market.

“Correspondent lenders suddenly found themselves in a very uncomfortable position and with no good source of liquidity,” said Jonathan Grafflin, Correspondent Channel Executive at Essex Mortgage and co-author of the new paper. “In light of everything that has happened over the past year, Correspondent lenders have a much better idea of exactly what they need in an

aggregator. They have thus created a template for a new type of partner and Essex is proud to bring that concept to life with our new offering."

Grafflin pointed out that new variants of COVID and spiking infection rates around the country are renewing concerns for Essex Mortgage Correspondent clients and prospective clients. "I have taken a lot of calls over the last month, helping companies prepare for potential disruptions in the marketplace, especially with their GNMA originations," he added.

Ultimately, the authors concluded that correspondent lenders have raised the bar and have new expectations for any prospective partner as a result of the challenges they experienced during COVID. In the paper, the company outlines the qualities correspondents are looking for now and provide details on a program specifically designed to meet these new requirements.

To receive a free copy of the new white paper, visit the company online.

About Essex Mortgage

Founded in 1986, Essex Mortgage was built on the principle that educating borrowers and empowering clients is the best way to serve and be a trusted advisor. Over the years, this philosophy has enabled thousands of families achieve the goal of homeownership. Headquartered in Orange County, CA, Essex operates a National Retail and Correspondent platform and is a Master Servicer for Nationwide Down Payment programs. Essex is a perennial winner of the Orange County Register's Top Workplace Award. Find out more about the company by visiting www.essexmortgage.com or www.essexcorrespondent.com/media/.

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