



## Q/A with Matthew Ostrander of Parkside Lending

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*MBA NewsLink* recently posed questions to Matthew Ostrander, CEO of Parkside Lending, San Francisco, a national wholesale and correspondent lender. He also is a board director for the California Mortgage Bankers Association, where he serves as president of Residential Real Estate; he was recently appointed as a member of the Freddie Mac Advisory Board. He can be reached at [info@ParksideLending.com](mailto:info@ParksideLending.com).

**MBA NEWSLINK:** A new brand is always a gamble. What led Parkside to reinvent itself?

**MATTHEW OSTRANDER:** It's not so much a reinvention of Parkside Lending as much as it is a clarification of what we've been doing every day for the last decade. When we did our brand discovery, customers described our culture and values as thoughtful and caring. We were glad they felt that way and realized that although we didn't think much about culture (it was just what we naturally did—we cared) when we started the company in 2004, it was critically important to make sure we had a consistent culture as we expand nationally.

I think our tagline, Experience the power of caring, is bold in that it is positions Parkside as a leader that cares in an industry that is synonymous with less-than-stellar customer service. We want to make a positive difference in people's lives through our actions and the way we interact with our communities. We want people to know we take a thoughtful approach, that we actually care about their experience working with us, and that we will do everything possible to help them achieve their goals and dreams.

**NEWSLINK:** Wholesale lending has been extremely volatile over the past few years. How has Parkside navigated the waters?

**OSTRANDER:** Over the last decade, Parkside Lending has been careful not to get out over our skis. We have had a great run on the west coast and that has enabled us to build a great management team and solid infrastructure. By not trying to do too much, staying simple and keeping overhead low, we were able to invest in our own software system infrastructure and hire a great architect to build it out with his team.

I think all companies that are in business long enough end up having to navigate tough times at some point. For us, that was 2006-2008, and we were lucky not to be caught up in a lot of the mess that brought the mortgage industry to the edge. Moving through times like that creates a culture whether you are guiding it or not. Our culture was one of honesty and respect. To this day, when I go on sales calls with some of the folks in our company, I get loan officers thanking me (Parkside Lending) for being a great partner in tough times. Kindness, honor, integrity and caring have been important traits in our company.

Moving forward we will bring these values to wherever we find ourselves nationally. We believe in leading by caring about those around you and doing things for the industry that help many. We will continue to develop our brand through our actions and not just empty words.

**NEWSLINK:** Where do you see the future of wholesale lending in the next year? Long-term?

**OSTRANDER:** Strong regional banks are coming back. Wholesale lending really is a more independent and regional function at this point and I expect that will continue over the next year or so.

I predict wholesale lending will remain a staple of the overall national marketplace. Wholesale is good for those borrowers who don't meet the requirements for mainstream, cookie cutter mortgages but it also is great for people who wish to get great customer service that is lacking at the big banks generally. I believe that trend will continue in the future—especially

with the expansion of the non-QM.

Long term, I think wholesale will continue to be innovative and forward-leaning due to its higher appetite for creative and perceived risk.

**NEWSLINK:** The GSEs and FHA have taken steps to loosen up the housing market, with lower down payment requirements and lower insurance premiums, respectively. How do you think these steps will bode for the housing market as we enter the crucial spring home buying/selling season?

**OSTRANDER:** Great question. My short answer is this: low rates plus a bigger credit box than last year equals a good housing purchase market this coming season. If this is overdone long enough, however, someone will be left without a chair.

I think ultimately the government wants to be the back stop not the leader in lending. I also think that the moves it has made crowded out private capital to some degree--the capital is interested in yield but not the risk or perceived risk associated with this chapter of the industry.

Getting from here to a market where there are private capital markets and mortgage platforms working together to bring forth innovative products and affordable pricing is going to be an interesting ride. My gut tells me that there will be some regulatory and legal precedents and changes before substantial capital can re-enter and take out the current government structure.

Where I think things will get interesting is when rates rise and credit remains clipped (relative to last decade)--there's only so much wider that the government can go--97 percent LTV does not leave much room. So if you have a hot market with expanded credit and low rates leading into a market with higher rates and no innovation in the non-QM world this may end in a popped bubble.

**NEWSLINK:** What should lenders be doing to attract Millennials as first-time home buyers?

**OSTRANDER:** Hire Millennials to do your marketing and create your products. Millennials, better than anyone, know what effectively reaches Millennials.

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