

Mortgage Banking at Year End

December 18, 2025

A MESSAGE FROM OUR CEO

As the year comes to a close, I find myself reflecting on the work we've done together and the trust you place in us when the stakes are high. The challenges our clients navigate every day are not simple, and it means a great deal that you choose Advisent as a partner in that work. We're grateful for the opportunity to support you and for the relationships that continue to grow stronger year after year.



This year marked an important moment as we fully stepped into our new name, **Advisent**. It's a name with intention, combining *advise* and *ascent*, and it captures how we think about our role. Our goal is not only to provide guidance, but to help our clients move forward with clarity and momentum. That work is carried by an exceptional team of mortgage industry experts who bring deep experience, care, and pride to everything they do. Their commitment to our clients is something I'm incredibly proud of.

As we look ahead, our partnership with **Crete Professionals Alliance** further enhances how we support you. Being part of the Crete network expands our access to specialized expertise and resources while allowing us to remain focused on the personalized, high-touch service our clients expect. It strengthens our ability to meet your needs today and positions us well to grow alongside you in the years ahead.

From all of us at Advisent, I wish you and your team a warm and joyful holiday season and a strong start to 2026. We're excited about the year ahead and grateful to continue this work together.

Mark Wilson, CEO

Advisent



KEY CONSIDERATIONS FOR YEAR END AND BEYOND

We asked our service teams what clients should be paying attention to as they head into 2026. Here's what they had to say.

Accounting

As you close out 2025 and prepare for the year ahead, our accounting team recommends focusing on the following areas to support accurate reporting and more efficient operations:

- **Strengthen year-end reporting before the audit begins:** Reconcile and review key accounts now to reduce audit adjustments later. Prioritize loan-level GL reconciliations, including escrow accounts and warehouse lines of credit.
- **Speed up and simplify your monthly close:** Identify what consistently slows down close and target those steps for **automation, standardization, or outsourcing** to reduce cycle time going forward.
- **Update your forecast for today's market:** Revisit projections for expected loan volume, expenses, and staffing needs so 2026 planning reflects current conditions.

Taking time to address these items now can help position your organization for a smoother close and a stronger start to 2026.

Audit

As year-end approaches, our audit team recommends focusing on a few key areas to help ensure a smooth close and minimize surprises during your audit process.

- **Calculate and record all accruals,** including payroll and employer payroll taxes, loan loss reserves, PTO, branch payables, legal accruals (if applicable), and other year-end obligations.
- **Submit outstanding interim audit requests,** with particular attention to items related to HUD compliance testing.
- **Confirm system access is current,** including FHA Connection and LEAP logins.
- **Be prepared for audit week.** Advance planning supports efficiency, and if timelines or deliverables shift, early communication allows our teams to work together to keep the audit on track.

Tax

Recent updates under the OBBB include several provisions that may impact both individual and business tax planning as you close out 2025 and look ahead to 2026.

OBBB Highlights

- **Standard deductions continue to be high** and are indexed for inflation — for 2026 the amounts are \$16,100 (single), \$24,150 (HOH), and \$32,200 (married filing jointly).
- The state and local tax (SALT) deduction cap increased substantially to \$40,000 for joint filers in 2025 (with modest increases indexed each year through 2029), which may benefit owners in high tax states.
- **100% bonus depreciation** remains in place for qualified business property — allowing you to deduct the full cost in the year it's placed in service.
- **Research & Development (R&D) Tax Credit** is now able to be immediately expensed instead of capitalizing and amortizing them.

Year-End Planning Considerations

- **Accelerate deductions if it makes sense:** final W 2/1099 prep, prepay certain business expenses, finalize equipment purchases.
- **Review bonus depreciation eligibility:** consider placing qualifying property in service before year end to maximize Section bonus depreciation benefits.
- **Evaluate SALT strategies:** with a higher cap for 2025, review how state/local tax payments affect your itemized deductions.

Compliance

Insights from our partners at Firstline Compliance



As we head into 2026, compliance remains a core business priority, even as federal oversight shifts. Firstline Compliance recommends paying close attention to the following areas in the year ahead:

- **State Regulation and Enforcement:** With reduced federal activity in some areas, state regulators are stepping in more aggressively. Expect increased state exams and enforcement, often with differing expectations across jurisdictions. Staying aligned at the state level will be critical.
- **Mortgage Call Reports and MCD Data:** MCRs and MCD submissions continue to be a primary source regulators use to identify risk. Inaccurate or inconsistent data can quickly draw scrutiny. Clear ownership, strong controls, and regular validation remain essential.
- **Filing, Reporting, and Recertification:** Ongoing requirements around HMDA, MCRs, MBFRF, and FHA and audited filings remain high-risk areas if not managed carefully. A growing point of focus is 1098 reporting, particularly in a market with more buydowns, where determining who paid the interest reported can have important compliance implications.
- **Compliance Management Systems:** A strong CMS is more than a regulatory requirement. It is how well-run mortgage companies operate. When compliance is built into daily processes, it supports better decisions, reduces risk, and positions your organization for sustainable growth.

ADVISENT'S 2025, WRAPPED

100

Over 100 financial statement audits and other attestation reports issued

400

Over 400 tax returns of all types filed in all 50 states

200

Over 200 sets of financial statements delivered to clients

95

Over 95 industry insights shared through webinars, speaking engagements and social media posts

INSIGHTS FROM OUR RESIDENT MORTGAGE CFO

Cost-to-produce remains one of the most critical metrics mortgage companies must understand and actively manage. Measure the cost of everything! Start with high-cost areas such as production and fulfillment. Be sure to include all your corporate activities, too. Where feasible, create operational metrics such as underwrites per day and monthly fundings per funder.

So, what are you supposed to do with this data?

- **Obtain as much industry benchmark data as possible.** Consider participating in industry groups like the MBA and Stratmor Peer Group Roundtables (PGR).
- **Review your process flows** for opportunities to eliminate redundant and low-value activities.
- **Routinely scrub your vendor list.** Require that your internal business owners reconfirm the business need at least annually. Determine how you are going to renegotiate contract renewals.
- **Meet with outsourcers and other vendors** to understand if they have viable solutions to reduce your costs.
- **Explore AI for opportunities to automate routine activities**, but be super diligent on the cost/benefit component. Before you start, determine how you are going to measure success post-implementation. It is so easy to simply implement and move on, just to realize later that all you did was increase costs.
- Once you have implemented your cost-reduction initiatives, **keep measuring** to ensure that your goals are being achieved. Rinse and repeat!

Understanding your cost structures will enable you to control costs as your business grows, as well as facilitate cost-reduction efforts during periods of market contraction.



➤ **Paul Hubbard**, *Director of Client Success (and legendary mortgage industry CFO)*

ADVISENT: OUR NEXT CHAPTER

This year, we officially became **Advisent**. While our name and look evolved, what matters most stayed the same: the same team, the same industry focus, and the same commitment to thoughtful, practical guidance. Advisent reflects the next chapter of our firm and how we continue to support clients as their needs grow.

Strengthened by Our Partnership with Crete

Our partnership with **Crete Professionals Alliance** expands what we can offer our clients. Through Crete, we gain access to broader expertise, transformational technology, and specialized resources that enhance how we serve you, while preserving the hands-on, relationship-driven approach you expect from Advisent.

Get to Know Advisent

We invite you to watch a short video that introduces our team, our purpose, and how we support clients as they navigate complexity and plan for what's next.

[WATCH OUR VIDEO](#)

2026 CONFERENCE SCHEDULE

We'll be on the road in 2026 and would love the chance to connect in person. Here are some of the industry conferences we'll be attending throughout the year.

MBA Independent Mortgage Bankers Conference	February 2-4
MCT Exchange*	February 12-13
TMBA Southern Secondary Market Conference*	February 23-24
New Jersey Annual Regional Conference of MBAs	March 22-24
TMBA Annual Convention*	April 26-28
MBA Secondary & Capital Markets Conference	May 17-20
CMBA Western Secondary Market Conference*	August 10-12
Loan Vision Innovation Conference*	September 15-16
MBA Annual Convention & Expo	October 11-14
Garrett, McAuley & Co. Client Appreciation Forum and Dinner	November 2026
TMBA Housing Summit/Symposium*	November 2026
MBA Accounting & Financial Management Conference*	November 18-20

**indicates conferences where Advisent team members have historically participated as speakers or panelists*