

Compliant Origination

Overview

Calyx[®] PointCentral[®] is an internet based application package consisting of both the Point[®] desktop client and the PointCentral Server product. The Calyx PointCentral solution offers the end-to-end functionality that brokers, bankers, and credit unions need to close, fund and ship more loans faster. By incorporating ideas from our documented Best Practices, you'll be able to appreciate the features that have been added over the last few years, which will allow you to improve operational efficiencies.

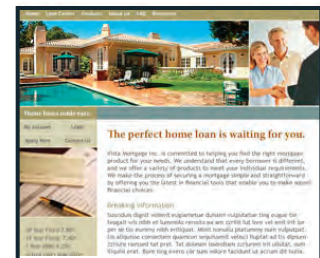
A Best Practices Recommendation

Compliant Origination

We define loan origination as the process by which a prospective borrower applies for a new home loan and a mortgage banker or broker processes that application. Origination generally includes all the steps from taking a loan application through disbursement of funds. The goal of the Loan Originator is to move a borrower's loan file from Application stage to Closing as quickly and efficiently as possible. This document will provide a recommended workflow for Loan Originators using Calyx PointCentral to maintain compliance and to close loans faster.

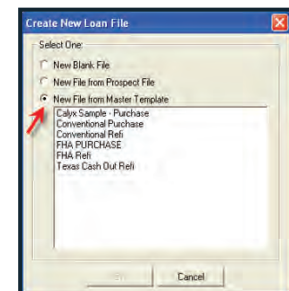
WebCaster[®]

A loan application can be completed in Point by an Originator three ways; either by taking initially handwriting the traditional application then inputting data manually, directly entering data into Point, or allowing the borrower to complete a loan application online. Calyx recommends every Originator using Point should also use WebCaster. By utilizing WebCaster, a Prospective Borrower could log onto your website and complete a loan application and because WebCaster was developed specifically for Point and Point Central, you're notified the minute a loan application is submitted. Once the notification is received, the Loan Application may be downloaded into Point. WebCaster also provides the ideal solution for any situation where a non-licensed personnel needs to submit lead information into the workflow for acquisition later by the designated licensed Originator.



Borrower Master Template

Whenever a file is created in Point, either by manual entry or downloading from WebCaster, the loan file should not be created as a New Blank File. Calyx recommends that all files be created from a Borrower Master Template. A file created from a Borrower Master Template will ensure specific information required for certain loans pre-populates the Loan File without having to depend on the Loan Originator to manually enter this data (ex. property information on the Truth in Lending). Once the Originator creates the file from a Borrower Master Template he/she will



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then enter data related to the borrower. When necessary, files that are imported without this important information can be overwritten with a master file to allow the information to be brought in to the system first and the template applied second.

When completing the loan application and other forms, pay close attention to the toolbar on the bottom of all screens. Pertinent information may be required here.



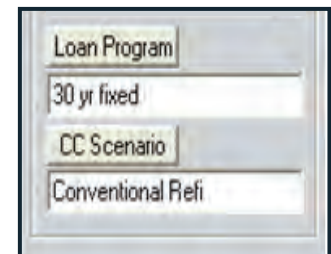
Ordering Credit

A credit report should be ordered in Point via the Services Menu. By ordering through Point, a number of things will happen; the liabilities and credit scores will populate the loan file, the credit order and receive date will be tracked in the Track Status Basic Documents Section and a copy of the Credit Report will be stored in the Document Management System.



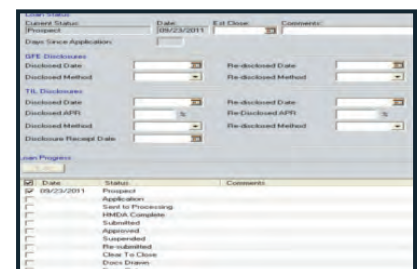
Using Templates

Portions of the Good Faith Estimate and Truth in Lending are populated by using the Closing Cost Scenario and Loan Program Templates. These templates will save a tremendous amount of time and can also help enhance compliance. We recommend setting up Closing Cost Scenario Templates, which are templates of the Fee Worksheet based on investors or loan programs that your company uses. Loan Programs are templates of the Truth in Lending and may be set up based on specific investor loan programs. By using both the Closing Cost Scenario and Loan Program Templates the Originator ensures that the loan data and fees for a specific loan program and/or lender/investor are accurately entered in the borrower file.



Loan Tracking

After completing the Initial RESPA docs the files status should be changed from Prospect to Application. This change takes place on the Track Status Screen. The Originator should check the Application Status and the current date will automatically be entered as the Application Date for the file. While on the Track Status Screen the Good Faith Estimate and Truth in Lending Date Disclosed should be entered if they were not entered on the individual screens. This is an ideal place to use a Master Template to allow the Compliance and Mortgage Departments to define



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the important statuses through the Comments section, and to help the entire organization stay in compliance. This capability is particularly apparent when using Master Files in conjunction with Business Rules.

Loan Checklist

It is recommended all documents required by your company for processing and underwriting be listed in the Loan Checklist. The Loan Checklist is a list of required documents for specific types of files. Loan Checklists are created in the Track Status Screen. Every item that should be listed on the Checklist should be marked as a required Basic or Miscellaneous Document. PointCentral Administrators should store the Loan Checklist in a Borrower Master File Template so it's available in every file that is created from that template.

Due	Item
<input type="checkbox"/>	Credit Report
<input type="checkbox"/>	Preliminary Title
<input type="checkbox"/>	Initial Disclosures
<input type="checkbox"/>	Appraisal Report
<input type="checkbox"/>	Flood Certification
<input type="checkbox"/>	Social Security Verification
<input type="checkbox"/>	Tax Transcript Request
<input type="checkbox"/>	Borrower YTD Paystub-2 most rec
<input type="checkbox"/>	Co-Borrower YTD Paystub-2 most
<input type="checkbox"/>	Borrower Drivers License
<input type="checkbox"/>	Co-Borrower Drivers License
<input type="checkbox"/>	Borrower 2 years W-2 most recent

Final Steps

The Originator should register/request a rate lock by completing the Track Registration and Rate Request Screen. This Request should be stored in the Document Management System in order for the Secondary Marketing department to have a copy of the initial lock request.

Now that the loan is registered and all required documents to get the file into the Processing Department (listed on the Loan Checklist) are stored in the Document Management System, change the file's status from Submitted to Processing via the Track Status screen. Once the file is in Processing, the Loan Originator will no longer have access to certain areas of the file (as defined by internal workflow and setup in PointCentral Rules and with Access Rights). However, the Originator may continue to make notes in the Conversation Log, view the Status of the file (Track Status), Track Underwriter Conditions by viewing the Track Conditions Screen, and add documents received from the borrower to the Document Management System. This is again an area where the application of Business Rules makes this a particularly important part of enforcement of correct workflow. If we require that the Originator change this status before Processing will review the file, we can enforce that certain information be entered into the file before the Sent to Processing Status can be saved.

Conclusion

The mortgage industry has come under increased scrutiny over the past few years and because of this, federal mortgage agencies and regulations have tightened lending guidelines and procedures. Today, Compliance is the most talked about topic in the mortgage industry. Following Calyx Recommended Origination Workflow will assist in ensuring future compliance with mortgage industry regulations and help to mitigate the compliance burden on the Originator.