

# Mortgage and Consumer Lending In One System



By Daniel Liggett

Today, as lenders are forced to produce greater results from their automation it is critical to implement an LOS that can handle both mortgage and consumer lending all in one system. Leading LOS's should provide the ability to handle all mortgage products including conventional, FHA, VA, ARM, Jumbo, Reverse, in addition to consumer loans. The LOS should streamline cross-selling and bundling efforts and help identify additional revenue streams and consolidate business intelligence for future marketing initiatives. These features will also reduce costs of ongoing support when implemented for multiple product lines because there's only one lending system to master.

## Securely Handle All Phases of Lending

A leading LOS needs to automate everything from pre-qualification to post closing and have full and complete reporting capabilities. It must process loans from multiple sources and offer multiple integrations to other third-party providers. Security is of high importance when choosing an LOS. The ability to control access to the system by individual, by group and by process is vital, as are audit controls that record who did what and when. Data entry mistakes can negatively impact a lending operation. The best systems offer comprehensive data validation options that virtually eliminate data entry errors and prevent bad data from ever getting in. Workflow control is also essential in an LOS because it saves time and helps maximize staff utilization and actually compel loans through the pipeline.

## Fully Customizable Without Programming

An LOS should be adaptable to the lender, and precise conformance to an existing or desired lending process is vital to the effectiveness of an LOS. The lender must be able to make modifications to their LOS and must be able to make them without the need for expensive programmers or dependence on the vendor. The leading LOS's typically employ flexible "business rules" that allow the lender to tailor the system to streamline processes, create efficiencies and manage risk. The added value lies in the ability to modify these business rules as lending requirements change. This feature alone can add years of life onto the LOS. Business rules can transform a lending operation from being reactive and maintenance-oriented entity to being proactive and growth-driven one.

## Field-Based Logic

At the heart of leading LOS's is the flexibility of its field-based logic. Fields are used to create input data, output items, all calculations, auditing conditions, etc. This logic is the framework of the business rules that are used to customize the system to any desired method of originating and processing loans and it allows for unlimited use of the same data. The 'enter data once – use it anywhere' concept that field-based logic offers saves time and serves to enhance data quality because it eliminates the need to re-key data.

## Interface Friendly

The ability for an LOS to 'talk' and share data with other systems in the growing business chain is critical. Top systems should have the ability to interface to a variety of LOSs, mortgage pipelines, secondary marketing and servicing systems to name a few. Seamless integration to flood, title, credit and related agencies is not only mandatory in most cases, but serves to save time and reduce rejected requests due to errors from re-keyed data. Leading systems should also be able pass data to and from customer-facing portals automatically to provide the high level of service demanded by today's borrower.

In today's market having a robust LOS that handles both mortgage and consumer loans while delivering the ability to change and grow is no longer a luxury but a necessity.

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