

THE PROCESS

Origination

- The purpose of the loan origination function is to create a mortgage that is secured by real property.
- The Originator initiates the mortgage loan process by soliciting customers for marketable loans in a competitive environment.
- The Originator informs the potential borrower of the various loan programs available and helps the borrower to make an educated decision.
- The Originator takes the loan application and makes the required disclosures to the borrower.
- The Originator wears many hats during the loan process:
 - A sales person who plans and solicits business
 - An expert who guides loans through processing and underwriting
 - A consultant who advises applicants on financing
- The Originator is familiar with consumer-oriented laws:
 - Fair Credit Reporting Act
 - Truth-in-Lending Act
 - Equal Credit Opportunity Act
 - Fair Housing Act
 - Real Estate Settlement Procedures Act
 - Flood Disaster Protection Act
- The Originator knows the types of financing tools available:
 - Fixed Rate Mortgages
 - Adjustable Rate Mortgages
 - Intermediate ARM's
 - 100% Financing
 - Neg-am Programs
 - Balloon Mortgages
 - Graduated Payment Mortgages
 - Growing Equity Mortgages
 - Buy-downs
- A successful Loan Originator possesses the characteristics of:
 - Personal integrity
 - Knowledge of the industry, and
 - Superior sales ability
 - They are responsible.
 - They possess positive self-image and self-awareness.
 - They possess self-motivation.
 - They possess self-discipline.
 - They possess positive self-direction.



Processing

- Processing is the preparation of the mortgage loan application and supporting documents to meet lender, investor, and insurer requirements, and to present to the Underwriting Department for approval or denial of the loan.
- The Processor is the primary person responsible for putting together the loan file. A good Processor is accurate, thorough, and quick.
- The Processor's basic tasks are to gather documentation to determine whether or not the loan applicant can and will make the mortgage payments if the loan is approved and also to determine if the property secures the loan amount.
- For each loan, the Processor must gather the following documentation:
 - An appraisal, which must be ordered, monitored, and reviewed
 - The loan application, which contains information about the potential borrower's income, assets, and liabilities
 - A credit report, which reveals the borrower's credit history
 - Documents which independently verify the loan applicant's income, deposits, etc.

