

Table of Contents

Table of Contents.....	i
Introduction	3
The Processing Position	3
Section 1 – The Processors Duties & Responsibilities.....	5
Job Description - Mortgage Loan Processor.....	5
General Description	5
Specific Duties	5
General Description of Duties	6
Process Flow.....	7
Contract Processing.....	8
Section 2 – Software.....	9
Building an Export "Template"	11
Using the Exported Data.....	12
Preparing to Merge	12
Section 3 - New Loan Setup	15
Sources of Applications and Treatment	15
Assigned/Transferred Applications	16
Assigned and Brokered Loan Referral Fee Policy	17
Brokering loans out for referral fees.....	17
Loan File Set-Up Procedures	18
Set Up Checklist.....	18
Ordering the Credit Report	19
In-File, Pre-Qual or Tri-Merge v.s. Full RMCR	19
Credit Report Order Methodology.....	20
Assigned Files	20
Approved Credit Report Vendors	22
Reviewing the Credit Report	23
Derogatory Credit References and Potential Solutions	26
Missing Documentation	28
Complete Application Checklist	30
Preparing the Truth-In-Lending	31
The Welcome Package - Borrower Introduction	35
Welcome Package Checklist	35
Appraisal Ordering – Random Appraiser Selection	36
Appraisal Checklist.....	36
Approved Appraiser Vendor List.....	37
Random Appraisal Order Process	38
Appraisal Order Form – Conventional Loans	40
Ordering FHA Case Numbers and Appraisals	41
Case Number Assignments/Changes.....	41
VA Online Ordering	42
Condominium/PUD Questionnaire	43
Condominium/PUD Checklist.....	43
Condominiums and Government Insured Loans.....	44
Direct Verifications.....	45
File Order.....	46
Detailed Credit Package Order	47
CONVENTIONAL LOANS – Stack Order from Top to Bottom	47
GOVERNMENT LOANS – Stack Order – Top to Bottom	49
Section 4 - Processing and Submitting	51
Loan Status Benchmarks.....	51

Loan Tracking Reports	52
Processing Status Benchmarks	52
Processing Reports	53
Pipeline Review Procedure	56
Pipeline Review Process	56
General Division of Duties between Originator and Processor	57
Status Reports.....	58
Underwriting Submission.....	60
Appraisal Copy to Borrower Certification.....	60
Borrower Appraisal Copy Notice Form	61
Basic Underwriting Submission Process.....	62
Pre-Underwriting Review Checklist	63
Forms – Verbal Verification of Employment	68
Section 5 - The Approval Process.....	69
Submitting to Different Underwriters/Investors.....	69
Basic Underwriting Preparations	70
Income Computation	71
Overtime, Bonus, & Commissions	72
Bonus, Tips and Commission	73
Future Raises.....	73
Dividends & Interest.....	74
Tax Return Authenticity Process	75
Self-Employment	76
2 Years Self Employment is Absolute.....	76
Self-Employment Types.....	77
Treatment of Self-Employment Income	77
Personal Tax Return Analysis.....	79
Self Employment Analysis Tools	83
Simple Analysis.....	83
Self-Employed Income Analysis - Adjusted Gross Income Method	84
Self-Employed Income Analysis - Schedule Analysis.....	85
Loan Approval Notification	86
Section 6 - The Closing and Requirements	87
Brokered Transactions	87
Settlement Agent.....	94
Titling of Properties at Closing	97
Section 7 - Forms.....	102