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For Mortgage Lenders, Brokers, Correspondents and Wholesalers

LOS Creates Regs Matrix

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HONOLULU—Web-based loan origination software PCLender.com here has released a guide to help lenders navigate the increasingly difficult task of compliance.

Specifically, PCLender has released the Compliance Requirements Summary Matrix, which is aimed at assisting the lending community with building a plan for managing current and future regulatory changes with confidence. The free document is available for download on its website.

The matrix includes details on 20 compliance issues that have emerged as business fundamentals in the tumultuous past 18 months, including the new good-faith estimate, appraisal rules through HVCC and the Mortgage Disclosure Information Act. For each of the 20 items, readers will find specific regulations, a clear description of the related issue, lender requirements and how PCLender.com helps loan origination software customers remain compliant.

According to PCLender.com management, the objective of creating the matrix is to provide a holistic view on compliance so lenders can ensure nothing slips by the operations team. Small violations that are systemic can add up to big penalties in a hurry.

“Lenders can stay well informed on the day-to-day developments of specific compliance issues through a variety of different media,” said Lionel Urban, president and co-founder of PCLender.com, “but there is still a real need to see it all covered in one place. Our compliance matrix provides an exhaustive summary of current compliance requirements, along with practical solutions for each.”

Among the other compliance issues on the checklist are the Equal Credit Opportunity Act, Fair Credit Reporting Act, Fair and Accurate Credit Transactions Act, Home Ownership and Equity Protection Act and various new state laws holding lenders responsible for the valid licenses of originators and third-party brokers.

In each case, the regulation is either entirely new, changed in some way that requires adjustment on behalf of lenders, or being monitored and enforced with more thorough methods.

A good example of the layout of the Compliance Requirements Summary is the way it covers new and existing disclosures.

There is a grid that shows which issues involve the Truth-in-Lending/Reg Z disclosure, MDIA, RESPA, ECOA, FCRA, HMDA, Flood Disaster Protection Act and E-Sign Act. From there, the document displays the requirements related to each of the topics.

“The compliance matrix was designed initially as a way to demonstrate to customers how we ensure the compliance of their loans, and when it was complete we realized we had something all lenders would find useful,” Mr. Urban said, referring to why the Compliance Requirements Summary is being made available to anyone who is interested.

“Whether lenders use our solutions or upgrade the technology they already have, they need to understand the entire compliance landscape to avoid big problems down the road. This reference table will help them do that.” 