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Mortgage Underwriting Services - Five Important Tasks by Amitaabh Saboo

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Mortgage underwriting services are provided to individuals and companies that have limited money, staff or time. They are provided by companies that are duly registered and licensed to give specialized services such as mortgage loan processing.

As you probably know, outsourcing is a cost-cutting technique that is being used by employers in various industries. It has become a means of discarding traditional methods of recruiting staff. Mortgage underwriting services are provided in the same context. In order to take advantage of these services, first, you have to evaluate your current loan processing system. This will help you find out if you need to outsource the entire loan origination work or just the underwriting duties. External underwriters can enhance your business if chosen carefully. They carry out the following five duties.

Confirmation of income - In order to approve a pre-approved loan file, mortgage underwriting services providers verify an applicantâ€™s income. This is primarily done to ensure that a loan applicant or borrower has the ability to pay back the loan.

To do this underwriters re-evaluate current pay stubs, bank statements and past tax returns. They may request your borrowers to produce more documents that clearly show their monthly income and expenditures. Using this data, mortgage underwriting services givers compute the debt to income ratio which should not exceed a given percentage pre-set by the lender.

Evaluation of a credit score â€“ A credit score that a borrower has matters a lot when he or she wants to get a house loan. This is a score that is given according to how one pays various types of bills. Does he or she meet the set deadlines? A poor credit score can easily affect your goals of securing a home loan.

Evaluation of down payment and closing fees - Another major use of Mortgage underwriting services is the verification of the property down payment and the mandatory closing fees. The underwriter in charge may ask for very recent bank slips to clarify if any deposited cash came from the sources of income shared in a borrowerâ€™s application form. The underwriter may also want to verify if the account containing the money will have anything left after the closing fees are taken. The underwriting role is very complicated and requires a professional attention.

Appraisal of property â€“ Mortgage underwriting services are offered directly with a property evaluator. A property evaluatorâ€™s role is to appraise the house being mortgaged to make sure that it is being sold according to the current market prices. This helps a lender to know if a property seller has undervalued or overvalued their property.

Title Search - The lender will never agree to fund a problematic property. A title is the item used to show that a property seller is the true owner. Although he or she may have a title, it may not be authentic. This is why a good title search company is selected by mortgage underwriting services providers on your behalf. In this stage the lenderâ€™s title insurance policy is processed to facilitate the closing stage.

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Amitaabh Saboo - About Author:
Mortgage Loan Processors helps mortgage brokers and bankers cut costs. There are many a target_new Outsourced mortgage loan processing services that cater to Mortgage Brokers and Lenders nationwide with a structured process to ensure success.

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