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What a Mortgage Processing Service is and How It is Delivered by External Providers

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A mortgage processing service is very beneficial to large, medium and small lending companies. It saves time and helps in cost reduction when loan processing is assigned to an external service provider. The process of assigning loan processing work to an outsider is called outsourcing. This technique is cheap, quick, accurate and very reliable. It is a perfect substitute for the internal loan processing team. The responsibilities of the mortgage processing service are very many. The service provider assumes all the activities of a lender. When an applicant submits a loan application it must be processed or executed in a number of ways up to the closing stage. The application form details have to be logged onto the loan processing system first.

Then someone has to contact each borrower to solicit personal information or to organize an appointment for an interview. The information gathered during the interview or via other means of communication includes the full names of the borrower and co-borrowers (if present), Social Security number, Pay slips, name of the employer and size of the home loan required. This first stage is very complicated because it involves data gathering and verification. The skills of real estate lawyers and underwriters are greatly required. This makes a mortgage processing service a leading alternative for companies that cannot afford to employ full time lawyers, underwriters and loan officers. Self employees face a major challenge when trying to take out a house loan than their employed friends. Lenders require them to provide a minimum of two years financial statements and tax returns reports.

It is the work of a mortgage processing service to know how to treat different borrowers in the place of the lender when it accepts this responsibility. When data gathering procedure is complete the loan officers in charge must alert borrowers who cannot pre-qualify for house loans in advance. This follows a thorough data verification process. Loan officers that work under the supervision of the hired external contractor may be forced to call employers, banks, and other crucial parties before choosing the borrowers who pre-qualify for the loans. Those who pre-qualify are the borrowers that have convinced the mortgage processing service that they are credit worthy. Their credit score shows that they have paid other types of loans successfully in the past.

If a borrower has other loan responsibilities, loan officers may want to know if they exceed thirty-six percent of the borrowerâ€™s gross salary. The group of borrowers that completely pre-qualify is presented to the respective lender. It is the work of the Mortgage Processing Service to follow up each applicantâ€™s documents sent over to the lender for approval. To follow up is about looking for any feedback from the lender so as to alert respective borrowers. The list of applicants that the lending institution approves proceeds to the pre-closing and closing stages under the leadership of the outsourced mortgage company. As all can see, the method of applying for a house loan is quite complicated on the part of both borrowers and lenders. When a mortgager outsources loan processing to an external mortgage processing service it helps the borrower as well.

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a target_new Mortgage Processing Services helps many companies cut costs. There are many

Contract Mortgage Processor Services that cater to Mortgage Brokers and Lenders nationwide with a structured process to ensure its success.

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