

Increasing Value and Alleviating Risk Across the Mortgage Lifecycle

Mortgage lenders in the United States [originated almost \\$1.8T in loans in 2017](#). However, despite the size and growth of the mortgage industry, it remains largely reliant on legacy systems that use hard-coded business rules and manual processes that are susceptible to human error.

Over time, hard-coded mortgage logic is risky for any lender. It requires developer time and effort for every rule or calculation change. There is also little to no transparency into hard-coded rules, preventing the business from catching errors or knowing with certainty which rules are active at any point in time. This lack of transparency can also present issues with ensuring compliance to Dodd-Frank, Regulation Z, the Real Estate Settle-

How Can a BRMS Provide Value Across the Loan Lifecycle?

ORIGINATION

Loan origination is full of eligibility and documentation decisions that can easily be automated by a BRMS. Additionally, online self-service tools powered by a business rules management system provide flexibility and convenience by guiding potential customers through calculators or the application process itself.

PROCESSING

Decisions related to income, loan-to-debt ratio, credit rating and more are based on numerous complex factors and calculations. They can also change due to market conditions or evolving regulations. A business rules management system makes it easy to manage the rules that determine loan eligibility and terms.

UNDERWRITING

Mortgage underwriters consider credit reputation, capacity and collateral along with other factors. A BRMS can automate part or all of the underwriting process, ensuring accuracy, promoting consistency across applicants and compliance with government requirements, and expediting the loan process.

CLOSING

Automating the rules around routing of closing documents can expedite the closing process and ensure accuracy in the delivery of documents. Additionally, closing disclosure rules can vary and a business rules management system simplifies compliance with varying requirements.

SERVICING

From the time funds are dispersed until a loan is paid off, a business rules management system can automate many traditionally manual processes. For example, automating business rules around statement delivery and payment status allows bank personnel to focus on other, more high-value initiatives.

CROSS-SELL / UPSELL

Customers want to be aware of opportunities for improving their finances or for reducing the time they spend managing their finances. Leveraging a business rules management system to automate cross-sell and upsell opportunities grows the business while fostering customer loyalty.

ment Procedures Act (RESPA), or other regulations which can lead to costly fees and penalties.

Savvy lenders are automating as much of the mortgage lifecycle as possible and separating mortgage-related business rules from application code by deploying a Business Rules Management System (BRMS). Centralizing rules inside a BRMS makes it easy to see the rules in use—and speeds up the process of making changes or additions by alleviating the need for complex code modifications. Additionally, use of a BRMS to automate many traditionally manual mortgage processes alleviates the risk of human error and empowers employees to focus on other initiatives that add more value to the business.

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