Recovery Tips

Taking LOS Integrations Further

LOS integrations with middleware aggregators result in reduced processing and closing times for lenders. The aggregator delivers faster integrations.

By Tedd Smith

The majority of lenders can agree that there are countless benefits to integrating their Loan Origination System (LOS) with a technology provider's software. For one, it eliminates the front-end data entry of having to visit multiple vendor websites and rekeying data they have already entered into the LOS. With a true "lights out" integration, the lender doesn't have to ever leave the LOS; they can order everything they need within one system, saving valuable time.

In addition, LOS integrations eliminate copying and pasting on the back-end of the process once the order is complete. When the report is delivered back to the lender, not only is the PDF imported to the "manage files" section of the LOS, but key data elements populate important data fields. When done correctly, the LOS automatically populates the legal description and vesting information from the title work, the value of the property from the Automated Valuation Model (AVM), desktop valuation or appraisal, and valuable flood zone and HMDA data from the flood certification. Populating these key data fields saves the lender from copying, pasting or rekeying the information into the LOS. It also mitigates the risk of potential human errors associated with manual data entry; for example, the "w" and "e" keys, located right next to each other on the processors keyboard, could be accidentally keyed incorrectly which would present a problem for legal documents and recordation if "E. MAIN ST." inadvertently becomes "W. MAIN ST."

Lenders partnering with a provider that enables a true "lights out" LOS integration surely experience benefits. However, if their provider is not a middleware aggregator, they are still missing out on ways to improve their loan processing. By partnering with an aggregator, lenders can take their LOS integration a step further and distinguish themselves among competition.

In most LOS integrations, a technology provider integrates into a lender's LOS in order to enable access to their own brand of products and services. An aggregator, on the other hand, provides lenders access to all brands within one platform. Even if a lender wanted to integrate with multiple providers, the process to include all of their vendors could take months to complete. With an aggregator, lenders can go live with hundreds of vendor choices available to them on day one.

Some aggregators even give lenders the ability to add their own vendors that may not be integrated with the aggregator; such as small, local title companies or appraisers. With User Defined Vendor (UDV) technology, the lender selects which vendor they would like to utilize and the aggregator delivers the order to the preferred vendor. Local vendors looking to access an aggregator's system on the back-end can easily upload their documents to the system with data elements and the PDF so that the aggregator can convert the forms to XML and deliver them back into the LOS. UDV technology enables lenders to add their preferred companies into their LOS in days as opposed to months.

LOS integrations with middleware aggregators result in reduced processing and closing times for lenders. The aggregator delivers faster integrations with more vendors, manages vendor turnaround time on behalf of the lender. ❖

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