CALYX® software

Closing with Accuracy

Overview

Calyx® PointCentral® is an internet based application package consisting of both the Point® desktop client and the PointCentral Server product. The Calyx PointCentral solution offers the end-to-end functionality that bankers, and credit unions need to close, fund and ship more loans faster. By incorporating ideas from our documented Best Practices, you'll be able to appreciate the features that have been added over the last few years, which will allow you to improve operational efficiencies and increase profitability.

A Best Practices Recommendation

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The function of a Closing Department is to verify system data by viewing the loan file documentation, confirming fees, ordering then reviewing closing documents and sending the closing loan documentation for execution. The best practices will provide the recommended workflow for Closers to follow in order to attain maximum system efficiency. It is the individual Closer's responsibility to ensure the information is entered correctly and accurately for final closing documents. Data entry should be minimal, as the information flows within the system throughout the process. This recommendation provides for data integrity and encourages users to use the system more effectively.

Note: Some companies may refer to this function as "Document Preparation." For simplicity, we will refer to this as "Closing."

Closing Screens

The Closer will primarily access the screens from the eLoanFile and Banker menus. The information in these screens should be viewed by the Closer to ensure that it is accurate and flows correctly to the closing document system/vendor. The Closer will also need to become familiar with the Conditions, Closing, HUD-1 and Fees & Impounds screens to complete the closing process. PointCentral security allows the user to lock down permissions in the Banker screens, but not the screens listed in the eLoanFile menu.

eLoanFile Menu

The eLoanFile screens are broken into several areas. The Closer will focus on these screens to confirm that the loan information is correct. Each screen contains pertinent information that should not be overlooked.

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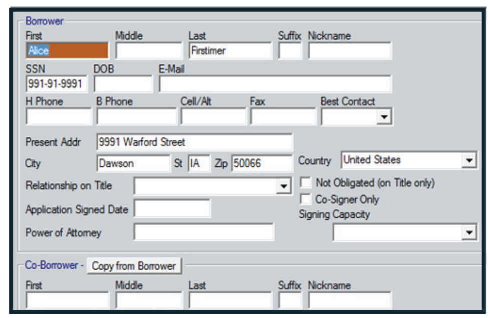
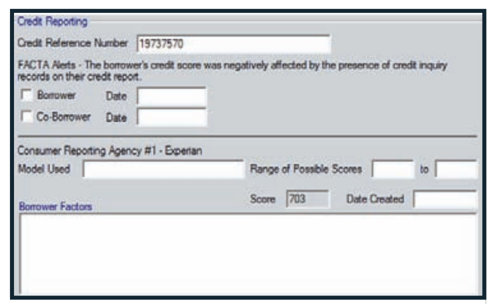
eLoanFile >Borrower

The Borrower screen contains the Borrower, Co-Borrower and credit information. The Closer needs to confirm the Borrower(s) names are correct. The Closer may need to input the information pertinent to the loan (e.g. Relationship on Title, Power of Attorney). This information would be provided by the settlement agent.



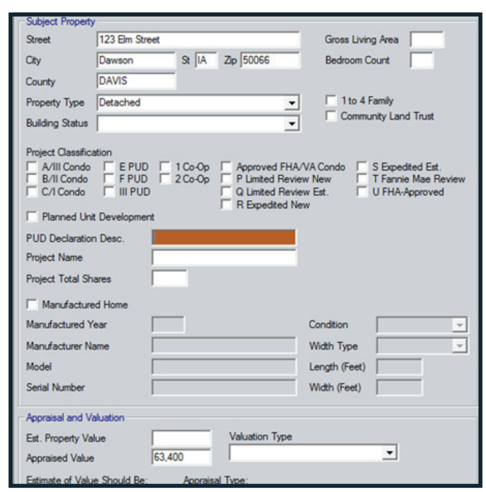
If any information is not accurate, the Closer may be responsible for updating the information or sending inaccuracies back to Underwriting to be updated.

The credit information is populated in this screen once the credit report is ordered and returned through the Services menu. The Closer should confirm the credit information is complete. Should any credit information be missing, it is recommended that the Underwriter review the loan and make any updates required. This credit information will also be available in a Credit Information Disclosure form provided by the credit vendor.



eLoanFile > Property

The property screen contains the address, appraisal, legal and flood information. The Closer must compare the subject property in Point to the address listed in the preliminary title report. It is critical the information matches, as this is what prints on all documents referencing the subject property.



The appraisal information should be input prior to the Closer's review of the file. If any property information is incomplete, the Closer should contact the Underwriter. The Underwriter should be more familiar with the forms, property types, other appraisal information and should be responsible for ensuring the data is correct.

The Closer should pay particular attention to the property types. Ensuring that the correct property type is selected will ensure that the correct security instrument rider is included in

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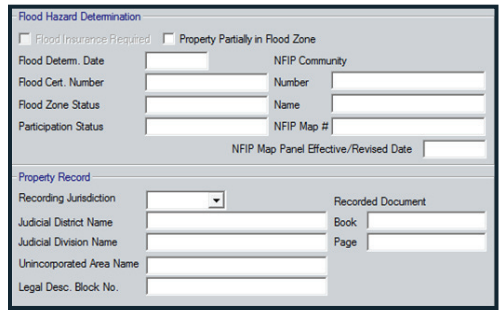
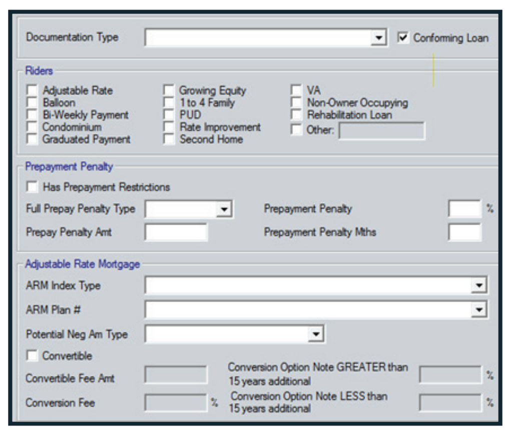
the closing package. For the Planned Unit Development, select the appropriate Classification in order to have the correct rider included in the closing documents.



If the property is located in a flood zone, the Flood Hazard Determination section needs to be completed for the correct forms to print with the closing documents. The property record (legal information) is also very important as it populates onto the Assignment and Deed of Trust/Mortgage. It is extremely important this information be accurate to avoid redraws and delays in the funding of the loan. The Closing Department needs to determine whether all legal descriptions will be attached as an exhibit, or if the legal descriptions will be manually entered.

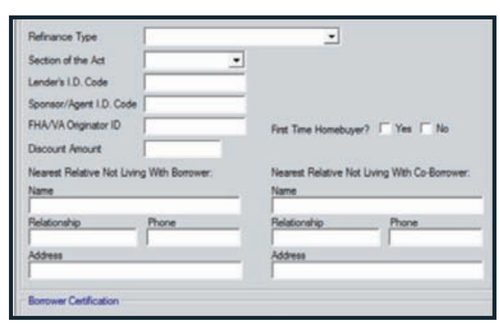
eLoan > Loan Product



The loan product screen contains program-specific criteria for a loan. Information such as the security instrument riders, prepayment, buydown, etc. are contained on this screen. The Closer should pay particular attention to whether the loan includes any of these special features. Ensuring the correct information is selected will improve the accuracy of the documents in the closing documents.

Because accurate information is essential to successful closing, creating a Loan Program template can prevent the accidental omission of critical loan data. Even though the templates will auto-populate the screens, it is important for the Closer to review the data for completeness.

eLoanFile > Government FHA/VA



The FHA/VA screen must be completed for FHA or VA loans. This information will populate on the 92800.5 and 92900-A forms. The information on this screen should be reviewed prior to preparing closing documents.

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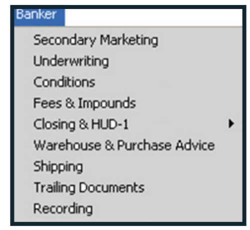
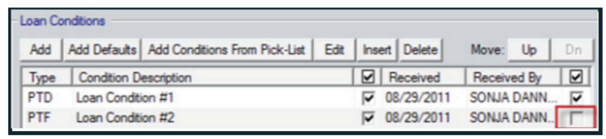
Banker Screens



The Banker screens will be used by all of the mortgage banking departments. The closing process typically involves the Conditions, Closing & HUD-1 and Fees & Impounds screens.

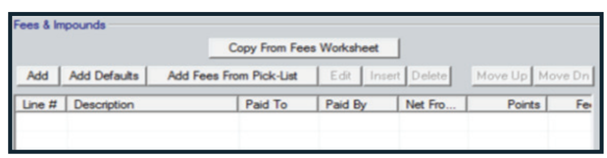
Banker > Conditions Screen



The Condition screen should be reviewed by the Closer. The Closer needs to confirm all Prior-to-Doc (PTD) conditions have been met before proceeding with the ordering of the closing documents. A check mark will exist in the "Cleared By" check box if the Underwriter has signed off on the condition. If any PTD conditions are not signed off, notify the Underwriter before ordering documents. In most cases the Underwriter will have entered a clear-to-close date to indicate that the loan is ready for docs.

The Closer may be responsible for adding funding conditions. In this case, we recommend building a Conditions Pick List in the Utilities menu to ensure consistency and accuracy. If the condition is not in the pick list, the Closer can add it manually.

Banker > Fees & Impounds Screen



The fees and impounds screen is essential to a successful loan closing. It is critical that the information is accurate and meets the regulatory requirements for disclosures. Point allows you to copy the fees from the Fees Worksheet. Click on the "Copy From Fees Worksheet" button to import the fees and values into the Fees & Impounds screen. The Closer can select all of the fees or only specific fees to copy from the Fees Worksheet. Using this process will help save time and avoid erroneous input, as well as confirm the fee compliance tolerances.

Once the information is imported, make adjustments or add any fees required for the closing of the loan. A fee or impound that is not in the pick list can be added manually. Calyx recommends contacting your compliance department to confirm that the fee is set up correctly and complies with regulatory requirements. Alternatively, default fees that have been set up by your administrator may be selected and fees added from the pick list as required. In all situations, be sure to confirm the information from the doc request form.

The same process may be used for impounds.

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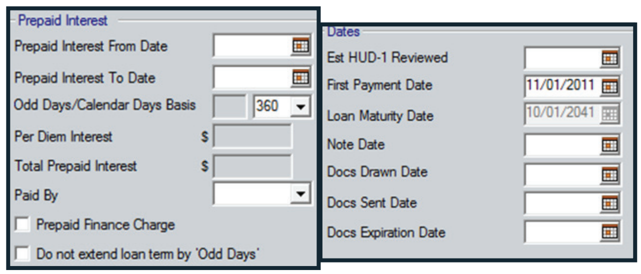
The Fees and Impounds screen contains additional areas necessary to complete the Truth In Lending and GFE for closing documents. The Closer should update the prepaid interest information and the document dates. The first payment, loan maturity, note date and document expiration dates are critical since they flow to the documents. If the information is not complete, the Closer will be unable to proceed with preparation of the loan documents.

Once the information is entered, the Closer should click the “Compare GFE” and the “Closing fees” button to make sure the non-allowable fees do not differ from the initial disclosure. It is the Closer’s responsibility to contact the originator if a variance occurs.



Entering complete and accurate information helps maintain the integrity of the data as well as an overall history of the process.

Insurance Button

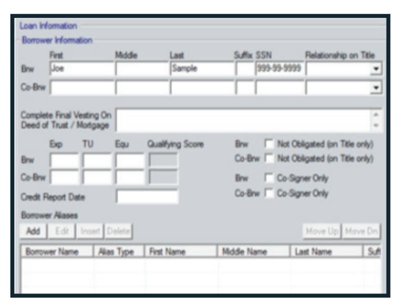
Click the “Insurance” button to complete the Mortgage Insurance, Hazard and Flood insurance information. It is important for the Closer to enter all of the pertinent information (e.g. dates) to interface successfully with the document company.

Escrow & Title Button

Click on the “Escrow and Title” button to complete the escrow and title company information. The title screen contains information for the preparation of the lender’s instructions to escrow/closing agent and title. The Closer must confirm the information from the preliminary title report/title commitment and the underwriting conditions. The information will provide the settlement agent with the lender requirements for issuing the title policy.

Note: The title screen also includes the instructions for the payment of the real estate property taxes.

Banker > Closing Screen



The Closer should also review the closing screen, which contains unique borrower information for the loan. In this screen the Closer enters the AKA’s, Power of Attorney, non-borrowing entity and cosigner.

The Closer should enter data into the “Documents Drawn By” field and

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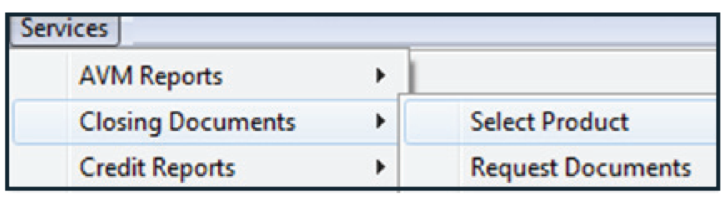
may need to enter the Closer/Funder information as well. Completing this information not only captures the history of the loan, it will also assist if an originator, settlement agent, broker, etc. contacts your office. Keep in mind, if the information is readily available in the system, other users can assist those callers.

This screen recaps the "Insurance" and "Escrow & Title" buttons and also includes the "Payoffs" and "HUD-1" screens.

Ordering Closing Documents

Once the Closer has reviewed and updated the information, we recommend using the Services menu in Point to interface with your document preparation vendor. Using this process ensures that the documents will be imported into the loan file via the Document Management system. From the menu, select Services > Closing documents:



Each document preparation vendor process is slightly different and may require different fields in Point be completed. Once the document request is completed, be sure to review the loan content prior to distributing the documents.

Conclusion

Ensuring your closing documents are accurate is a critical step for the financial success of your mortgage business. This is the last opportunity to catch any fees that may have gotten overlooked, prior to the actual closing with the borrower. In this document we've included some of the more essential parts in this process and highlighted areas that are easy to overlook. Although specific tasks are handled by different individuals, at different companies, these tasks have one thing in common; they must be done, and done accurately. By reading through and understanding these Calyx recommendations along with carefully reviewing the data in your loan files, you will be a big step closer to error-free closings.