

Loan Origination System

Connecticut Housing and Finance Authority (CHFA) (www.chfa.org)

Connecticut Housing Finance Authority (CHFA) has authorized Stellar to develop and implement a fully functional and web based **Loan Origination system (LOS)**. The LOS receives Loan Applications Reservations on line from lenders. The compliance and underwriting process is completely automated and tracked within the system. Notification to lenders regarding all decisions are emailed from the system and tracked. The system is under user testing for production release soon.

This application administers a complete loan processing cycle, which is automated and has been developed based on user input. Brief descriptions of some key components of the application are:

1. Lender Access

The system allows participating lenders access to apply for a loan reservation. In addition lenders will be able to upload the **Fannie Mae 1003 form (10 section form)**, which is generated from their own Desktop Underwriting System. Once the data is uploaded, CHFA-LOS will read, validate and migrate the data into the LOS database. Now the data will be available to CHFA users for review and approval.

2. Loan Compliance

The loan compliance uses a checklist process for all required paper documents and basic compliance requirements. In the documents list screen, missing documents are identified and the Create MEL (Missing Exhibits List) feature will auto generate the letter and subsequently send the letter via email or fax.

3. Underwriting

Complete loan details screen and underwriting worksheet screen are present in the system. The worksheets are formatted based on insurance requirements for easy comparison with paper submission. All transactional calculations and ratio calculations and critical data elements are posted.

4. Commitment

Commitment and Adverse action (Rejection) functions are built in with automated communication capability to lenders. All decisions are moved up to supervisory level for final review and approval.

5. Underwriting Rules

An elaborate rules engine is built, which takes into consideration all factors such as Geographical limits, Loan Program considerations, Purchase price limit, Income limits, Ratios, LTV, Insurance and other factors based on program requirements. A facility has been provided to create and modify use cases by administrative users if and when program requirement changes.

6. Loan Tasks and Activities

A comprehensive and automated Loan Tasks and Activities are built into the system, which are generated based on events. This feature provides an overview of all activities such as Reservation Submitted, Compliance Completed, Underwriting in Progress and other activities. Automated Tasks are created based on events. In the dashboard, specific task(s) for assigned staff is noted, so that the user can determine their priorities of work schedule.

7. Rules and Risk Analysis Screen

An elaborate loan analysis screen shows resulting values of all program rules against supplied values in order for determination of compliance. This convenient analysis sheet screen provides a detail picture of the loan at a glance so that underwriters can get into details of all aspects of the loan and make an informed decision. A sample row from the Data Analysis Screen is shown below:

Rule	As per Program	This Loan	Use Case No	Result	Risk Rating
Income limit	81,000	75,145	0068-INC	Eligible	N/A
Debt/ Inc Ratio	<=31.00 %	29.09 %	0032-DIR	Eligible	N/A
Others	----	----	----	----	----

8. Audit Trail

A detailed field level Audit Trail has been designed for this application. This feature allows a full audit of all changes to the data. The detailed audit indicates the old and new values, time of change and users making the change.

9. Reports

Comprehensive reports are part of the system with tables and charts. For example, **Lender Scorecard Report** is based on 10 sub reports which analyze various lender activities for a given period resulting in tracking of lender performance. Reports are always dependent on Agency requirements and developed accordingly. A detailed parameter based report is available for users to create custom reports.

10. Development Platform

Microsoft Dot.Net, SQL Server, Crystal Report

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