



Encompass' Tight Integration with ClosingCorp's SmartFees Enables Mortgage Lenders to Automatically Populate LEs and CDs with Accurate Fee Data

Profile

- ClosingCorp
- San Diego, California
- Integrated product: SmartFees, which auto populates fee

Challenge

Accessing accurate disclosure data required by TRID without slowing loan process down

Encompass Benefits

- Aids compliance
- Increases accuracy
- Improves efficiency
- Integrates seamlessly with Encompass
- Enhances customer satisfaction
- Ensures quality

The challenge

To compete, mortgage companies have to operate efficiently and offer a world-class customer experience. Yet, achieving those goals in a post-TRID environment is more challenging than ever.

One of the big time zappers? Collecting and adding accurate fee data now required on TRID loan estimates and closing disclosures.

"Fees are relatively complex because everything is based on individual characteristics. Even homes in the same neighborhood are all different," explained Bob Jennings, CEO of ClosingCorp. "Having staff go from source-to-source to collect all the various fees and rates is a labor-intensive process with a very high margin of error. It's a huge drain on operational efficiency."

Make a mistake and there's a price to pay—in penalties, buybacks and very unhappy customers.

"Fee accuracy has always been a concern but, with TRID, that accuracy has become far more critical," explained Scott Reed, executive vice president of retail lending for Carrington Mortgage Services, LLC. "Title fees and appraisals, which used to carry little to no penalty, are now both zero-tolerance items. With the need for accuracy, and the three-day disclosure timelines, it's not realistic for lenders to gather this data manually."

ClosingCorp's SmartFees seamlessly integrates with Ellie Mae's Encompass to solve this problem—making it fast and easy to get accurate fee data, without leaving the loan file.

The solution

"SmartFees provides highly accurate rates and fees for lenders at the point of application or at the point of sale, so they can populate their loan estimates and disclosures in a very confident, secure manner. We're connected with tens of thousands of providers and more than 4,000 county record offices and tax jurisdictions," Jennings said. "Ellie Mae has done a fantastic job of working with ClosingCorp to seamlessly integrate our product with Encompass to provide an outstanding user experience for our mutual customers."

All the user has to do is launch the "get fees" option within his or her loan file in Encompass to activate SmartFees. The solution pulls information, like property address, loan amount and transaction type right from Encompass into the file. The user enters the required fields, then SmartFees presents the correct rates, fees and transfer taxes. The user can then export the data to populate the loan estimate and closing disclosure in minutes.

"As a lender, you have to spend some time up front, working with the SmartFees team to get the mapping done correctly," Reed said. "For example, if you are going to itemize fees at closing, you have to itemize them in your LE; if you are going to provide a lump sum fee at the end, you have to do the same in the beginning. If you think through how you want to handle things up front, and set SmartFees up that way, the system works flawlessly."

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SmartFees can be set up to extract the transfer tax, recording data and fees from the lender’s pre-selected set of preferred providers, or use a database of more than 70,000 public rate cards, depending on each lender’s business rules.

“You just have to make sure all of your partners sign up for the service. Then, you can get everything you need in one step,” Reed said. “For a lender like us, which processes 2,500 to 3,000 loan originations a month, SmartFees is a real lifesaver. We also use it on the wholesale side of our business to double-check our brokers’ accuracy.”

The results

But, the real proof is in the results—something that the integration of SmartFees and Encompass has delivered to hundreds of mortgage companies nationwide.

Increases Operational Efficiency

“Every mortgage company these days is challenged to do more in less time,” Jennings said. “With SmartFees integration within Encompass, lenders can literally accomplish what used to take them between a day-and-a-half to three days in a matter of minutes—with a full audit trail.”

Lenders move from origination to the closing table more quickly, and can use their valuable human resources on tasks that improve income, not on physically hunting down fee data.

Improves Accuracy

“For TRID compliance, it’s more critical than ever that you have accurate fees, because the penalty for mistakes are high,” Reed said. “SmartFees doesn’t use averages or estimates; it pulls actual fees from our third-party partners.”

ClosingCorp is so confident that its rates are good that the data is guaranteed.

“If SmartFees gives us an inaccurate rate, ClosingCorp pays the penalty. So, there’s no risk to the lender,” Reed said. “That said, in the three years we’ve used the service, we’ve never had a claim.”

Most users have the same experience. ClosingCorp’s overall claim rate is less than 1%.

Enhances the Overall Customer Experience

“The last thing lenders want to do is to fall flat at closing,” Jennings said. “Although you’re not going to lose a customer when your closing costs are \$10,000 more than the estimates, you could lose a repeat customer or a referral.”

SmartFees and Encompass ensure that what borrowers see in the loan estimate is the same number borrowers see in the closing disclosures.

Saving time, increasing accuracy, ensuring and creating a superior customer experience—all great reasons to choose SmartFees and Encompass.

“I don’t know how we’d get the information we need without SmartFees and Encompass,” Reed said. “It’s a great combination for us.”