Contract Loan Processors Can Add to your Advantage by Amitaabh Saboo

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Processing of loans is perhaps the most tedious and labor-intensive task in the mortgage industry, yet it perhaps the most critical. The complications of developing loan products and programs take the focus away from your core area, and the valuable time and expertise of loan origination. Increasing sales, through loan origination is at the heart of your business, not processing documents. By outsourcing your loans with contract loan processors, your productivity and efficiency increases, while you have the opportunity to reduce costs and increase profitability.

There are several other advantages that can be obtained with contract loan processors.

Perhaps the main advantage is cost reduction. Contract Loan Processors may be more cost-effective than having an in-house processor. The number of loans funded each month will vary, but your in house processor must be paid the same amount , independent of how many files you fund. In fact ,you are legally obligated to pay him, even if no loans are funded. With Contract Loan Processing, fees are based on a per funded file basis, meaning that no fees are required if the loan is not funded. This can help with your cash flow, as funds are not tied up with loan transactions.

In operating your business, there are many other costs involved. If you use in-house processing, there are other costs that can be expensive, such as staffing costs, unemployment insurance, workers compensation insurance, payroll, taxes and workers compensation insurance. You must also be concerned with employee benefits and other related business activities such as advertising. There will also be costs associated with hiring, training, firing, and re-training of employees additional equipment costs and supplies.

These costs will persist, whether the work gets done or not, or employees are sick or absent.

Contract loan processors can eliminate unneeded expenses.

Loan Officers may be responsible for originating the loans and securing the business, but the processor actually makes the loan happen. In order to have increased success in funding of the loans, they should be packaged properly. Contract loan processors will have professional experience in packaging and structuring the loan to make attractive offers to increase the chance of it being funded.

It has been shown that Mortgage Brokers and Loan Officers who use Contract Loan Processors

are more likely to be successful. There can be a few reasons why this may be so as, but it is most likely because most of the mortgage brokers may also be experienced loan officers ,but they may not necessarily be experienced or possess the required skills or training or the time to be a processor. Loan officers and loan processors, though related , require different skill sets.

By using the services of contract loan processors, although you may not directly have the resources ,you can adequately compete with others in the industry, and your business shows or suffers no shortcomings as you also avoid missed opportunities.

Writing loans may be at the core of your business, which can suffer if an adequate supply is not continually originated. The Loan Officers in your business are now free to spend more time prospecting for business.

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Amitaabh Saboo - About Author:
a target_new Mortgage Loan Processors helps mortgage brokers and bankers cut costs. There are many Commerical Mortgage Processing Services that cater to Mortgage Brokers and Lenders nationwide with a structured process to ensure success.

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