LoanLogics Upgrades LoanDecisions™ Fair Lending Feature

Delivers compliance at the loan-level and provides an audit trail that proves the lender offered the borrower the best product and rate available

Fort Washington, Pa., October 9, 2013 – LoanLogics, a recognized leader in loan quality management and performance analytics, has enhanced LoanDecisions, its industry leading loan pricing and eligibility platform, with a robust Fair Lending feature. It was designed to satisfy the Consumer Finance Protection Bureau's Fair Lending audits that are more in-depth than in the past and seek to enforce provisions of the Fair Housing Act and Equal Credit Opportunity Act.

"Lenders that use this feature can combat implications of disparate impact or treatment because they can provide the CFPB with an audit trail proving that the borrower was given the best program, price and lock period available," said Matt Thoman, Product Manager for Origination Technologies at LoanLogics. "This demonstrates that the borrower received the best deal. This decision can be tied back to the lender's pricing policy."

The CFPB has stated on numerous occasions that lenders must be able to explain the reasons for offers provided to borrowers during Fair Lending audits. LoanDecisions Fair Lending feature records as much data as possible and captures the reasons for each decision the lender made in the process of originating the loan.

For instance, the solution identifies the loan with the best price. If this pricing option is not selected by the loan originator, then the originator will have to record the reason for the decision. This data will then be available to the lock desk team in real time during the lock confirmation process, allowing the lock desk to confirm or deny the lock based on the originator's reasons.

A loan level report will be produced by LoanDecisions on every loan for the compliance team. This report can be referenced during an audit. Pipeline reporting is also enhanced so lenders can identify how much of their pipeline is locked at the system-identified best execution and what loans require further explanation.

Every lender will face Fair Lending audits and that's something the mid-sized and small lenders have not dealt with often in the past. "This feature will help ensure that our clients have the loan-level data that will help them respond appropriately in Fair Lending audits and provide evidence that they abided by the law," said Joe Helfrich, EVP and Chief Legal and Risk Officer at LoanLogics. "Institutions of all sizes will find this

upgrade appealing, especially lenders who are interested in reducing the large amounts of time and effort needed to prepare for a fair lending audit."

LoanLogics
LoanLogics was founded to improve the transparency and accuracy of the mortgage process and improve the quality of loans. LoanLogics serves the needs of residential mortgage lenders, servicers, insurers, and investors that want to improve loan quality, performance and reliability throughout the loan lifecycle. It develops advanced solutions that help clients validate compliance, improve profitability, and manage risk during the manufacture, sale and servicing of loan assets. Achieving these goals was the motivation in the development of the industry's first Enterprise Loan Quality and Performance Analytics Platform. To learn more, visit www.loanlogics.com.

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