

Case Study Results Show 100% Loan Pull Through

Funding Suite improves profits and improves loan flow through Freddie Mac and Fannie Mae



FIRST LENDING SOLUTIONS *A Funding Suite® Case Study*

The Company

First Lending Solutions, based in Riverside, California, is a local mortgage brokerage with roughly \$168 million in annual mortgage originations. Founded in 2005 by president and CEO Alan Vogan, First Lending Solutions uses automation as a tool to underwrite loans.

The Challenge

When the company was founded in 2005, it needed a credit management system that could help expedite the loan approval process and provide the foresight to know what impact a change in the credit file would have on a borrower's credit score.

The Solution

In 2005, the company implemented Funding Suite®, Cogent Road's Internet-based application for credit reporting management.

Offers Proven Results

Having worked with Funding Suite previously, Vogan knew he wanted to use the solution at First Lending Solutions. From previous experience, he already had an understanding of the tools available with Funding Suite, and immediately began to engage in use of their products.

"I've had a very long relationship with Funding Suite that I value very much," said Vogan. "The main reason we selected Funding Suite was their wide assortment of credit proofreading tools enable us to legitimately qualify more borrowers for loans."

Detects the errors you can't see

Because it is almost impossible for a human to look at a paper credit file and detect any errors, Funding Suite's Intelligent Credit Report provides First Lending Solutions with the ability to detect errors via its X-Ray technology, verify them and correct them on the credit report. Additionally, First Lending Solutions may uncover patterns of credit usage that can be corrected using Funding Suite's rescoring plans.

"An error we might uncover could be as simple as paying a credit card down \$20 to raise someone's credit score by 30 points, which could make the difference in qualifying or not qualifying for a loan," said Vogan. "Funding Suite's Intelligent Credit Report makes it easy to spot errors. On a regular paper credit file, it is very easy to overlook a derogatory tradeline. The Intelligent Credit Report highlights errors in yellow so you can't miss it. This has increased our overall efficiency."

Based on the needs of the borrower, First Lending Solutions will use a component of Funding Suite's credit proofreading tool set known as the Rescoring Plan Generator immediately after ordering the applicant's first credit profile from the three credit bureaus.

Private labeled rescoring plans

This tool, only available with Funding Suite, creates private labeled rescoring plans that inform First Lending Solutions what steps may be taken in order to increase a borrower's credit score within a 72 hour time frame. Rapid rescoring can be costly -- \$25 per tradeline, but Funding Suite's rescoring plans can indicate the expected results up front, so that First Lending Solutions can perform rescoring only when it saves the loan, or helps save the borrower money in the process. As a result, First Lending Solutions is able to qualify more borrowers for loans due to proactive measures suggested by the rescoring plans.

In certain situations, First Lending Solution relies on a different Funding Suite credit proofreading tool called X-Ray, which detects harmful data errors in credit files that may be lowering the credit score.

"Prior to working with Funding Suite, I had an individual with a 700 credit score with no derogatories get derailed late in the loan process because we eventually discovered a bank falsely reported her in foreclosure as a result of a data error," continued Vogan. "We were able to work with the bureaus to correct the issue and get the loan approved, but when you factor in the cost of working with the bureaus and the time that was allocated to fixing the error, the process quickly becomes labor intensive and costly. To date, we have not experienced any of these issues at First Lending Solutions like the one I just mentioned. X-Ray is a real loan saver, and we've had nothing but excellent service working with Funding Suite."

In addition to helping First Lending Solutions expedite the loan approval process, Funding Suite has also saved the company money on ordering credit reports. According to Vogan, not only does Funding Suite offer quality software, but they are more cost effective

than 90 percent of companies in terms of pulling credit reports.

Provide better customer service

“When we inform the customer about their report, we aim to tailor our feedback in a manner that educates our customers about the position they may be facing or have to prepare for,” said Vogan. “Our use of Funding Suite’s technology ensures our borrowers will have the credit scores they rightly deserve, and will likely qualify for better loan terms as a result.”

More Closed Loans

Another aspect of Funding Suite that First Lending Solutions believes will be a success for their business model is the Underwriting Conditions Scan (UC Scan) feature. The automated credit underwriting process looks at the deep data within an applicant’s credit file. With UC Scan, First Lending Solutions can scan the borrower’s application and highlight potential problems that the borrower may encounter with major GSE underwriting systems such as Fannie Mae’s Desktop Underwriter®. UC Scan has increased the pull through ratio as well for First Lending Solutions.

“When we enter loans into the system, we have a 100 percent pull through since Funding Suite credit files are Fannie Mae and Freddie Mac re-issuable,” said Vogan. “Banks therefore will not be cautioned to pull a backup credit report and that eliminates the chances of score drift or even errors being found in the report.”

One other application that First Lending Solutions has implemented is Funding Suite’s AVSpectrum®, an integrated software component that manages automated valuations (AVMs). The basis for this program is to provide the loan originator with the same automated valuations that banks are likely to also run once they receive the loan. With AVSpectrum,

First Lending Solutions is again finding ways to be proactive and generate information through Funding Suite to provide a seamless process for the borrower while also saving time and effort on the process.

Continuous positive response

“Using Funding Suite, we’ve had a consistent and continuously positive response from our borrowers,” said Vogan. “Lots of credit companies use various interfaces and that is where Funding Suite has the advantage. They have created their own credit management system and no one else has the technology they are capable of supplying tools such as UC Scan, AVSpectrum, the Rescoring Plan Generator and X-Ray. Everything is progressively becoming automated in our business and with that, tools such as Funding Suite provide us with a competitive advantage.”

First Lending Solutions was able to offer the benefits of Funding Suite to its borrowers and show them the steps in using an efficient credit management system. From an operating standpoint, Funding Suite has streamlined First Lending Solution’s credit management offerings and enabled the company to grow its business profitably.

If your business can benefit from Funding Suite’s credit report management software, please call 800.848.3162 or visit us at www.fundingsuite.com



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**Alan Vogan
President & CEO
First Lending Solutions**

Why Funding Suite?

For immediate benefit today.

- reissue to Fannie Mae, Freddie Mac
- saves loans so you can close more often
- free rescoring analysis on every credit report

For increased loan production tomorrow.

- easily implement a rescoring process
- build referral and word of mouth business
- differentiate your mortgage business from the others

COGENT ROAD

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