



QuestSoft Case Study

Hometrust Mortgage Company Uses Compliance EAGLE to Improve Secondary Marketing

Who:

Patricia Gustafson, Senior Vice President of Operations, Houston-based Hometrust Mortgage Company

When:

2008 to present – Compliance EAGLE integrated with ISGN's MORvision loan origination software

What:

After being encouraged by investors to automate their compliance, Hometrust Mortgage turned to QuestSoft to provide comprehensive, automated compliance. Using the software, the lender was able to identify potential compliance issues prior to funding and make changes to maximize their salability on the secondary market.

About

Hometrust Mortgage Company

Hometrust Mortgage Company is a Houston-based retail lender that was founded in 1986. Hometrust operates 30 branches in Texas, New Mexico and Missouri, and its executive team has more than 100 years of combined industry experience. For more information, please visit the company's Web site at www.Hometrust.com.

About QuestSoft

Laguna Hills, Calif.-based QuestSoft is an established provider of comprehensive and automated compliance software and services to the mortgage, banking and credit union industries. The company's products enable more than 1,500 banks, credit unions and mortgage companies to simplify the collection, analysis, compilation and reporting of key lending regulatory report data. For more information about QuestSoft and its products, visit the company's Web site at www.questsoft.com.

Contact:

QuestSoft Sales
Phone: (800) 575-4632, x212
E-mail: sales@questsoft.com

Challenge

For Houston-based Hometrust Mortgage Company, the decision to automate compliance functions originally came because of encouragement from their investors. The lender needed a quality powerful tool to quickly and thoroughly review all loans in various phases of production and underwriting. To streamline the process and reduce errors, the lender researched compliance software that could integrate with their loan origination software (LOS) MORvision and mesh with Mavent compliance reviews, the system used by their investors.

Since Hometrust Mortgage Company had been successfully using QuestSoft's HMDA RELIEF software for years, the lender decided to test-run QuestSoft's end-to-end compliance system, Compliance EAGLE.

"We have been using QuestSoft's HMDA RELIEF for years," Patricia Gustafson, Senior Vice President of Operations for Hometrust Mortgage said. "The software has made our lives so much easier that we were thrilled when we learned that QuestSoft offered a complete compliance solution. QuestSoft's customer support is very knowledgeable, and we get the answers we need every time we call. We knew that they could provide the same level of service with Compliance EAGLE."

Solution

Hometrust Mortgage Company selected QuestSoft's Compliance EAGLE because of the complete compliance coverage and the seamless integration with their LOS. Compliance EAGLE also uses the Mavent Expert System, which was a requirement for fitting into the lender's secondary marketing workflow.

QuestSoft's Compliance EAGLE monitors and reports on all of the regulations affecting mortgages, including the Home Mortgage Disclosure Act (HMDA), Community Reinvestment Act (CRA), Truth in Lending Act (TILA),

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Solution (continued)

Home Ownership and Equity Protection Act (HOEPA), Federal, State and Local Anti-Predatory lending laws, state consumer lending, Office of Foreign Assets Control (OFAC) and Social Security Number (SSN) checks along with many other crucial compliance reviews including Flood Certification and Recording/Title Fee calculations.

Hometrust Mortgage Company discovered the benefits of automated compliance within the first few months of using the software.

"In the first couple months of using Compliance EAGLE, we've caught and corrected three loans that would have been rejected as high-cost," Gustafson said. "The income generated by those three loans paid for the system within a couple of months."

Result

The most immediate benefit Hometrust Mortgage Company experienced using Compliance EAGLE was an increase in the number of loans available to sell to investors. The lender changed their business process to conduct more stringent compliance checks prior to funding.

"Compliance EAGLE makes it very easy to quickly respond to changes in interest rates or refinance terms and push that information to our originators to ensure loans are not high-cost," Gustafson said. "Possible compliance issues are now discovered early in the process, and we can make changes to prevent buyback requests."

Gustafson added that Compliance EAGLE has made it possible to avoid repricing loans or allowing rate locks to expire because the loan was held up in compliance review. Hometrust Mortgage Company also has a stronger monitoring, collection and reporting system for filing regular compliance reports with regulatory agencies.

"Using Compliance EAGLE has been a win-win for us," said Gustafson. "We have a more streamlined and cost-effective method for ensuring compliance with lending regulations, which saves us time and headaches. More importantly, we have a true increase in income because we are only funding loans that can be repurchased by our investors."

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