



030123-MP

# Memorandum

**To:** All Company Staff, MLOs, Processors  
**From:** Kathy Lee Quach  
**Date:** March 1, 2023  
**Re:** UPDATED CHANGES TO LOAN FLOW

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There are some changes we are rolling out March 1st that we believe will improve your origination experience:

- 1) In an effort to foster cohesion within your business, we've decided to allow you to pick your **Primary** and **Secondary** processors 😊 We understand the importance of having a strong bond and working relationship between LOs and your processors, and this change will allow for that. We encourage you to have open and honest conversations within your team to ensure everyone is given ample opportunity for improvement. We have decided to bench the idea of the scoring system and resub fees for now, to **trust** that you understood our message from the sales meeting and will work within your team to make the necessary improvements. I will send out a poll within Slack to each of you to note your processor choices.
- 2) At our last sales meeting, there were comments regarding lack of clarity with regards to accountability at various stages of the process between LO and processor. I've created a spreadsheet to help provide that clarification for us. Please note this is a working document and I am open to feedback.
  - **Life of a Loan Checklist:** <https://docs.google.com/spreadsheets/d/1sS-JMLeS8iVXxcoNllsXBGBOXWE1m2TdJqXpF8bLihc>
- 3) Lastly, through conversations that Charles and I have had with various lenders, there is a huge correlation across the board with regards to clean submissions and pricing incentives given, anywhere from 15bps to 30bps incentive for reaching that quality (Clean Submission is defined as only 1 to 3 touches from submission to closing). In this current volatile market, I believe 15-30bps can help all of us win more deals and make a little more money. We have decided to work towards that goal for the benefit of us all.



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What does that mean for you? Currently, we are touching a file between 6-10+ times between submission to closing. As you can imagine, touching a file that many times with 50+ files won't bode well for efficiency and increases the risk of things getting missed.

**We need to do better** 😊 That means we will hold off on submitting a loan until we have all the documents necessary to render an underwriting decision with minimal conditions (goal is 5 or less) on the initial approval. We ask you to honor the commitment you made to yourselves and each other at our last sales meeting: *to fulfill your duty as loan officer and captain of your ship and provide everything necessary for your processor to do her job*. Our processors have been tasked to really dig in and review the file for thoroughness to minimize the back and forth after approval. We believe this change will result in a huge improvement in efficiency and productivity.

As leaders, our job is to assess the opportunities for more wins, and pivot accordingly to allow us to take advantage of them. Between the compensation changes from last week as well as operations changes this week, all have been made in an effort to give all of us the competitive edge in this market. We appreciate you doing your part and are excited to open more doors of opportunities for us all.