

Encompass Mortgage Insurance Service: Automatic Ordering and Allocation



The TQL[®] automated Mortgage Insurance Service workflow provides a streamlined and efficient processing within the loan manufacturing process. Use this document to configure the new Mortgage Insurance Service so that loans are automatically submitted to supported mortgage insurance (MI) vendors at specified field updates and milestone completion points, and MI requests are automatically resubmitted due to key data changes.

In addition to the setup and configuration steps required to enable automatic ordering of MI, this document provides the steps required to set up and enable automatic ordering with automatic order allocation. The following Settings and Configuration sections apply to both of these ordering options.

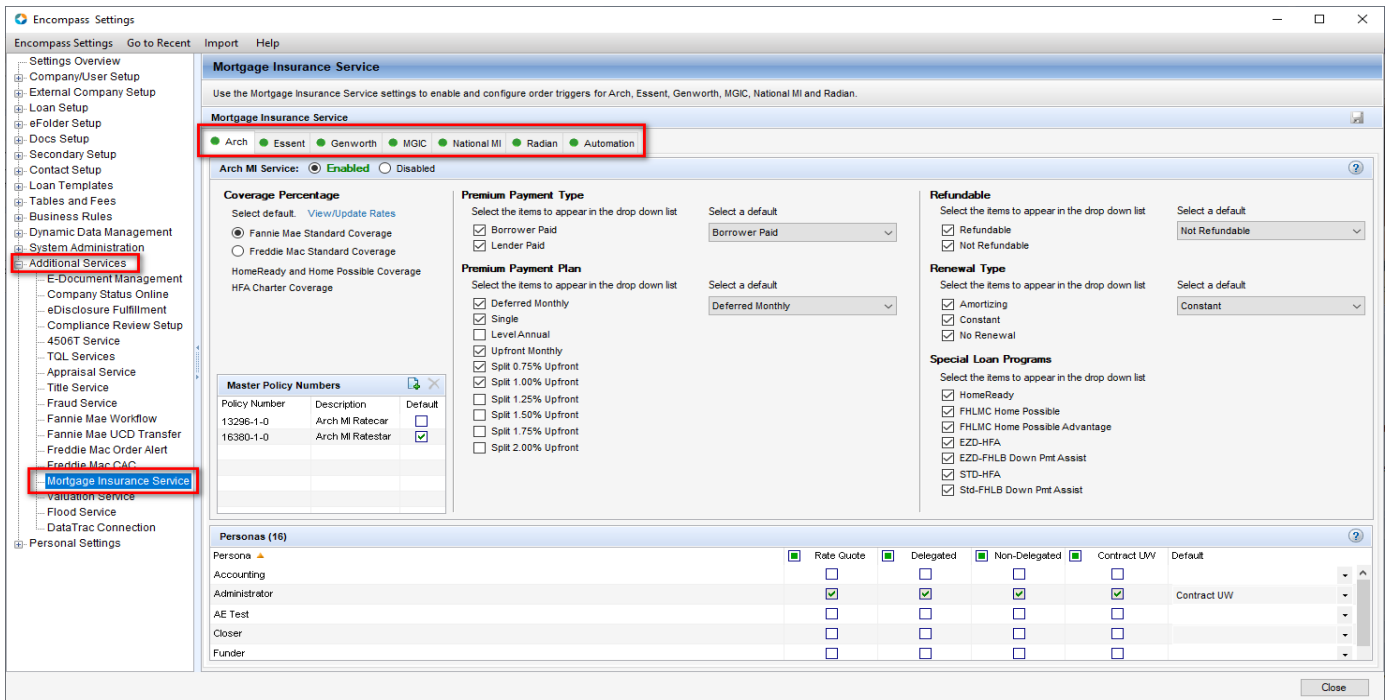
For information on automatic order allocation, see [Automatic Ordering with Automatic Order Allocation](#).

Automatic Ordering Settings and Configuration

Use the instructions in this section to enable and maintain the automatic ordering of MI rate quotes and Non-Delegated/Delegated certificate orders.

Prerequisites

Before configuring the automated workflow, authorized users, such as Encompass administrators, need to use the options in the **Mortgage Insurance Service** settings' vendor tabs to enable MI service for the vendor, update Master Policy information, provide applicable MI order information and assign persona-based access to the service to users.

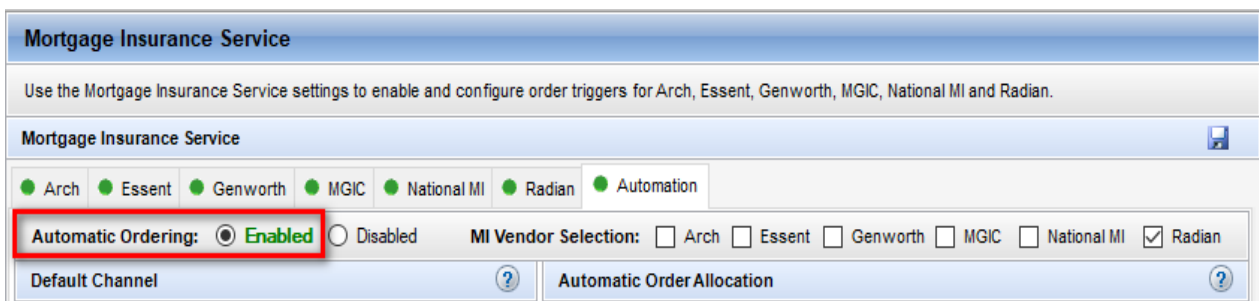


For more information on the Prerequisites, refer to the Mortgage Insurance Service white paper for Arch MI on the [TQL Services Guides and Documents page](#).

Configuring Automated Ordering

To Enable Automatic Ordering:

1. On the menu bar, click **Encompass**, then click **Settings**.
2. On the left panel, click **Additional Services**, then click **Mortgage Insurance Service**.
3. On the *Mortgage Insurance Service* panel, click the **Automation** tab.
4. In the Automatic Ordering section, select **Enabled**.



- This automatically selects the vendor that has been enabled in the vendor-specific tabs. If you haven't enabled your MI Service in the vendor tab (Arch, Essent, Genworth, MGIC, National MI and Radian),

click the tab and enable the service. For more information, see the vendor-specific MI white papers on the [TQL Services Guides and Documents](#) page.

Mortgage Insurance Service

Use the Mortgage Insurance Service settings to enable and configure order triggers for Arch, Essent, Genworth, MGIC, National MI and Radian.

Mortgage Insurance Service

● Arch ● Essent ● Genworth ● MGIC ● National MI ● Radian ● Automation

Automatic Ordering: Enabled Disabled

MI Vendor Selection: Arch Essent Genworth MGIC National MI Radian

Default Channel Automatic Order Allocation

5. Click the *Mandatory Loan Criteria* link to see the criteria a loan must meet to be eligible for automatic MI ordering. This section is read-only.

Mandatory Loan Criteria

Loans must meet the following criteria for all automated MI orders, including Rate Quotes, Delegated and Non Delegated Certificate orders

Field	Criteria
Loan Type - (1172)	Conventional
Lien Position - (420)	First Lien
Calculated LTV - (353)	>80% and <=97%
Base Loan Amount - (1109)	Greater than 0
Amortization Term - (4)	Greater than 0
Amortization Type - (608)	Should not be null or empty
Loan Purpose - (19)	Should not be null or empty
Property Usage - (1811)	Should not be null or empty
Number of Units - (16)	Greater than 0
Property Type - (1041)	Should not be null or empty
State - (14)	Should not be null or empty
Zip Code - (15)	Should not be null or empty

6. Use the options in the *Optional Loan Criteria* panel to include additional criteria for automated MI orders. For example, if your organization wants to limit automatic ordering for a loan purpose of purchase, cash-out refi and no cash-out refi, those boxes would be selected here. If your organization does not want to limit automatic ordering based on loan purpose, then no boxes will be selected.

Optional Loan Criteria	
Use this section to define additional loan criteria for automated MI orders.	
Purpose of Loan <input type="checkbox"/> Purchase <input type="checkbox"/> Cash-Out Refi <input type="checkbox"/> No Cash-Out Refi <input type="checkbox"/> Construction <input type="checkbox"/> Construction-Perm <input type="checkbox"/> Other	Property Will Be <input type="checkbox"/> Primary <input type="checkbox"/> Secondary <input type="checkbox"/> Investment
Amortization <input type="checkbox"/> Fixed <input type="checkbox"/> GPM <input type="checkbox"/> ARM <input type="checkbox"/> Other	Documentation Type <input type="checkbox"/> (A) Alternative <input type="checkbox"/> (F) Full Documentation <input type="checkbox"/> (R) Reduced <input type="checkbox"/> Streamlined Refinance <input type="checkbox"/> No Documentation <input type="checkbox"/> No Ratio <input type="checkbox"/> Limited Documentation

- Use the Loan Programs to Exclude panel to exclude certain loan programs from the automation. Enter a keyword for the loan program. All loan programs that contain the keyword will be excluded from automation.

- Use the *Trigger Milestones* panel to define the milestones to activate automatic loan submissions for MI. Automatic ordering can be configured for rate quotes and Non-Delegated or Delegated certificate orders. Any other certificate order types can be manually ordered using the TQL Services tool.

Trigger Milestones ?

Rate quotes and delegated MI certificate orders will be triggered when the selected milestones are completed. Click each tab to setup the corresponding loan channel.

Banked - Retail | Banked - Wholesale | Brokered | Correspondent

Milestone	Order Type
Qualification	Rate Quote
Processing	
Submitted	Delegated
Submittal	
Cond. Approval	
Resubmittal	
Approval	
Doc Preparation	

[Add/Update Channel Field Triggers](#)

- Use the **Order Type** drop-down list corresponding to the milestone to configure the MI order type that will be placed at the completion of the milestone and loan save.

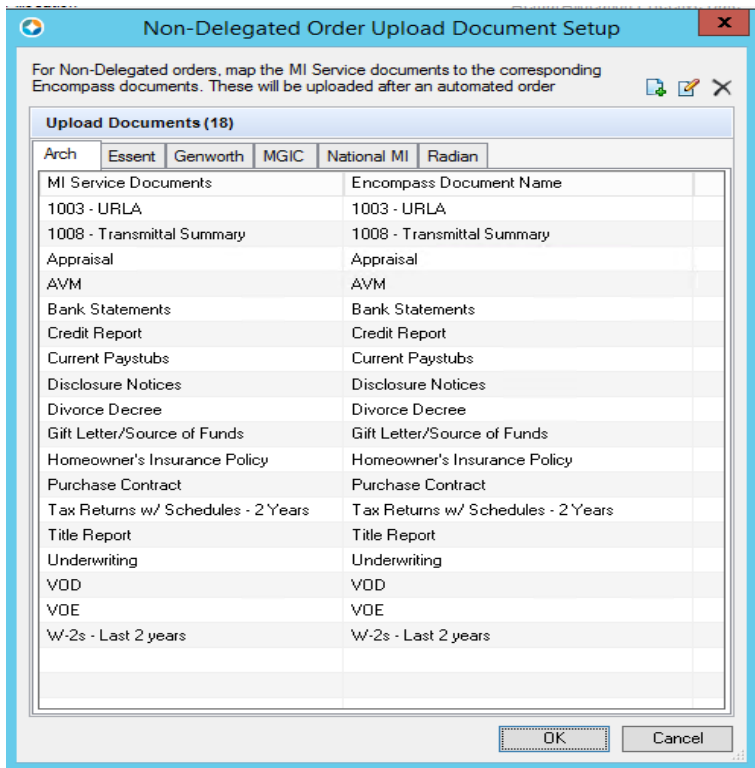
Note: For **Order Type**, you must configure the settings such that **Rate Quote** is selected before Non-Delegated or **Delegated orders**. If you select Non-Delegated/**Delegated** prior to **Rate Quote**, you will be stopped from making the selection and an error message will display.

- Click on Document List to view list of eFolder documents that will be sent for Non-Delegated automated orders.

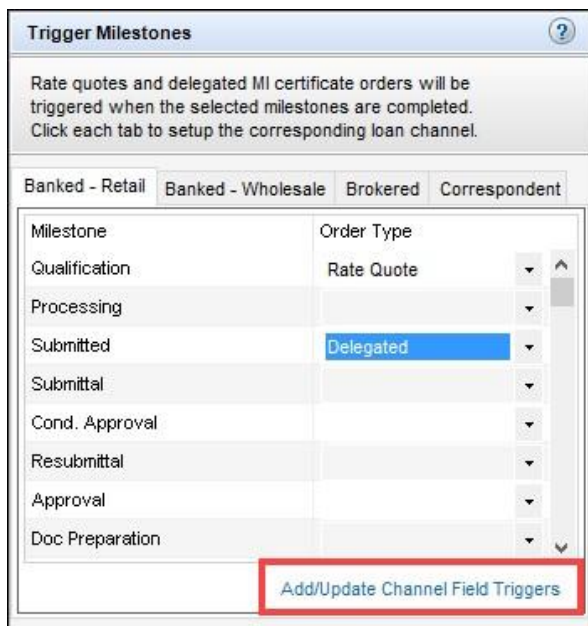
Trigger Milestones ?

Rate Quotes, Delegated and Non Delegated orders will trigger when the selected milestones are completed for each business channel.

For Non Delegated orders, setup the **Document List** to upload to the MI vendor.



- Click the **Add/Update Channel Field Triggers** link to view the list of fields that trigger automatic loan resubmissions to the applicable MI vendor when the fields are updated in Encompass after the corresponding milestones are completed.



- Use the *Trigger Milestones* window to specify the key data fields that, when changed, will trigger an MI resubmission. The top panel displays the default Encompass fields. You can add Milestone Triggers to the fields to configure automatic loan resubmissions for field updates after the corresponding milestone is completed.

Trigger Milestones ?

Rate Quotes, Delegated and Non Delegated orders will trigger when the selected milestones are completed for each business channel.
For Non Delegated orders, setup the [Document List](#) to upload to the MI vendor.

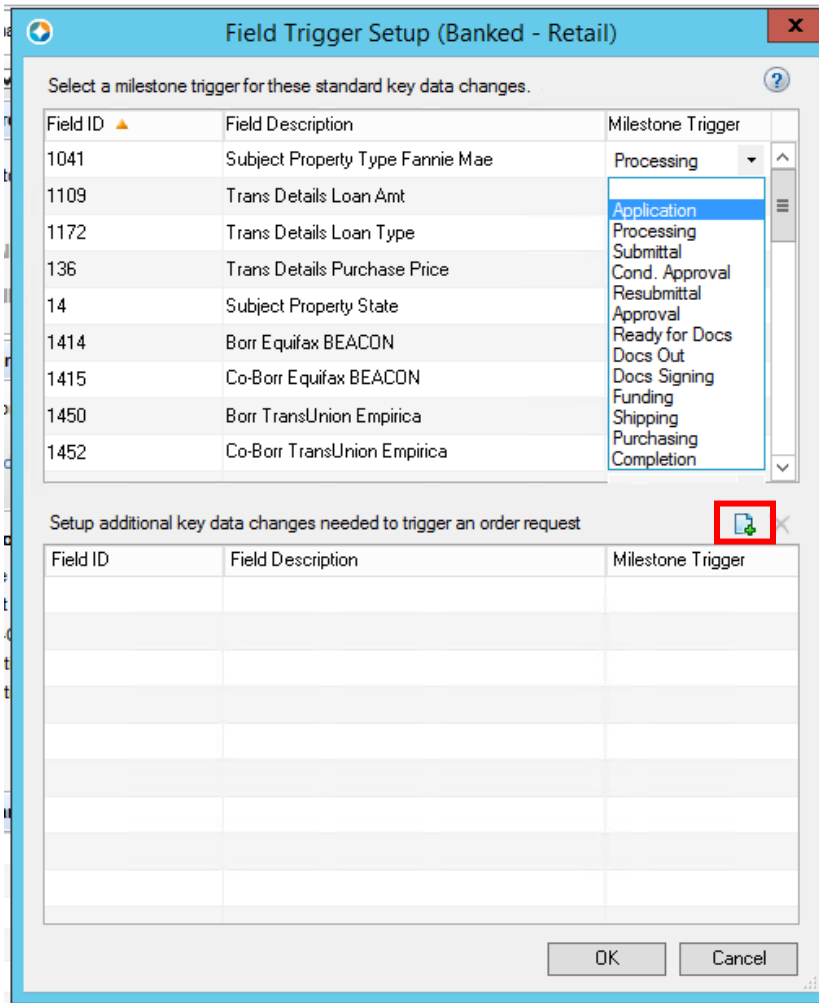
Banked - Retail	Banked - Wholesale	Brokered	Correspondent
Milestone	Order Type		
Application	Rate Quote ▾		
Processing	Non-Delegated ▾		
Submittal	▾		
Cond. Approval	▾		
Resubmittal	▾		
Approval	▾		
Ready for Docs	▾		
Docs Out	▾		
Docs Signing	▾		
Funding	▾		
Shipping	▾		
Purchasing	▾		
Completion	▾		

[Add/Update Channel Field Triggers](#)

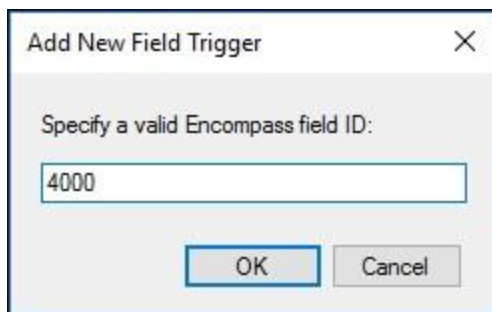
- See the table that follows for the default field triggers.

Field Name	Field ID
Amortization Type	608
Appraisal Amount	356
ARM 1st Adjustment	696
ARM Cap Percent	697
ARM Lifetime Cap	247
AUS Recommendation	1544
Balloon Indicator	1659
Balloon Term	325
Base Loan Amt	1109
Buydown Indicator	425
LTV	353
CLTV	MORNET.X76
	Loan Level - VASUMM.X23
	Borrower - Experian 67 TransUnion 1450 Equifax 1414
	CoBorrower - Experian 60 TransUnion 1452 Equifax 1502
Credit Score	
Doc File ID (UCDP)	ULDD.X31
DTI	742
Loan Purpose	19
No of Units	16
Occupancy type	1811
Property State	14
Property Type	1041
Property Zip	15
Purchase Price	136
Purpose of Refinance	299
Term	4
Underwriting Type	1543
Lender Paid Mortgage Insurance	3533
Debt to Income Ratio	742
Interest Only Indicator	Terms.IntrOnly
Loan Type	1172
Origination Channel	2626

- Use the bottom panel to add fields that will trigger automatic loan resubmissions to the applicable MI vendor when updated after the completion of the corresponding milestones. To add fields that will trigger automatic loan resubmissions to MI when updated after the completion of the corresponding milestones, click the **New** icon in the **Field Trigger Setup** window.



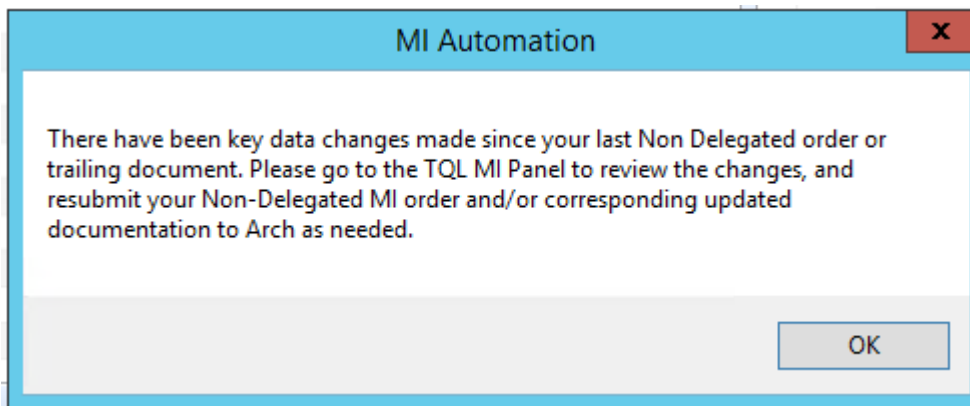
- In the **Add New Field Trigger** window, type the field ID, then click **OK**.



- In the Field Trigger Setup window, click **OK**.

NOTE: Based on your selections in the *Trigger Milestones* panel:

- If a loan has a rate quote with imported fees and one of the trigger fields is updated, saving that loan will prompt an automated rate quote resubmission to the applicable MI partner.
- If a loan has a delegated certificate order with imported fees and one of the trigger fields is updated, an automated delegated certificate resubmission to the applicable MI partner will be made.
- Once the initial automated Non-Delegated MI order is processed, TQL continues to monitor trigger fields for changes. When a trigger field changes and the loan is saved, the below message will be displayed to alert the user that they need to manually resubmit the Non-Delegated order along with any documents that have changed.



- You can view the changed data by clicking **View Log Data**.

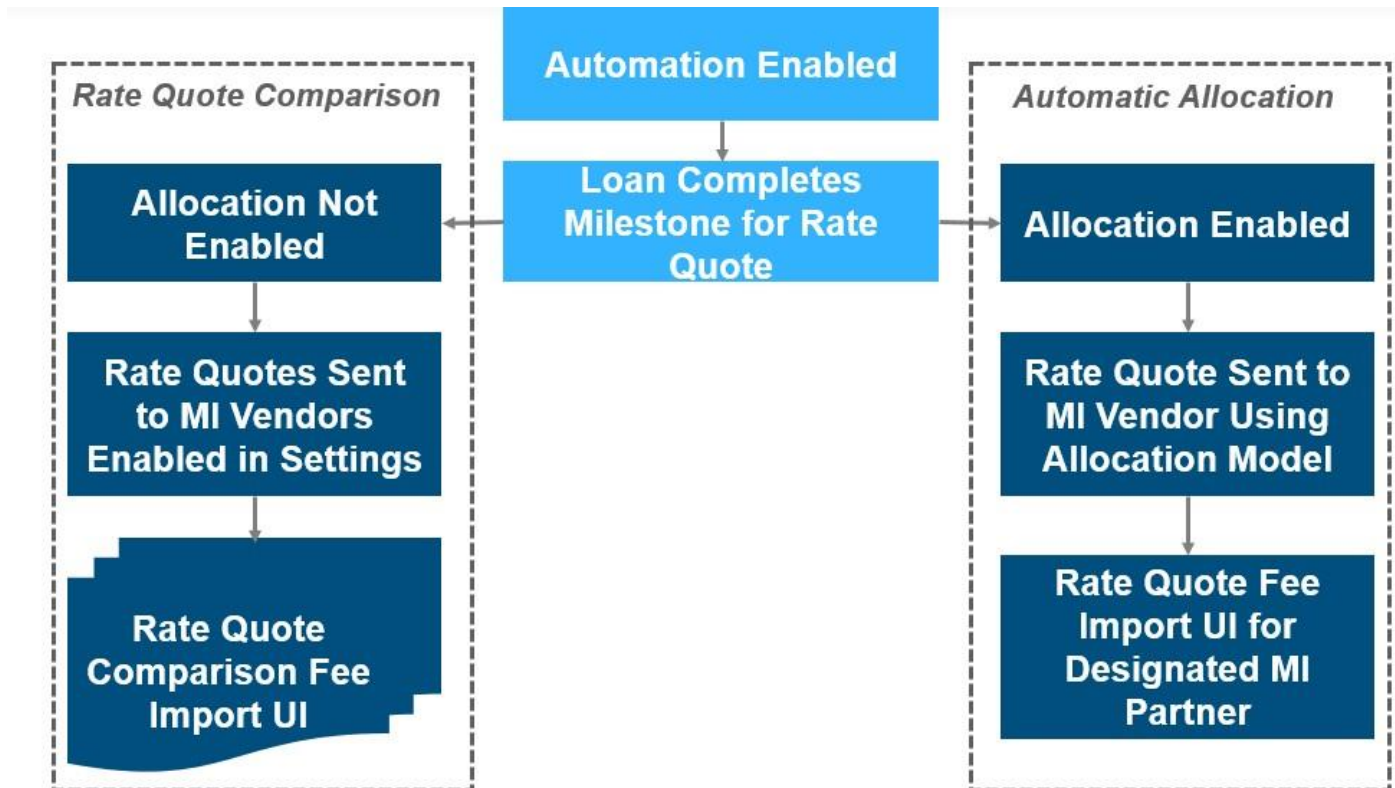
When a non delegated order is present, the system will log changes to key data fields as configured in TQL-MI admin settings. This is done in lieu of auto-resubmitting a non delegated order. If any of these changes have been logged, the data will be shown below.

Change Date (UTC)	Field Id	Field Description	Previous Value	New Value	User Name
12/4/2020 3:54 PM	1041	Subject Property T	PUD	Detached	Monica Lopez
12/4/2020 3:54 PM	1109	Trans Details Loa	186000.00	185000.00	Monica Lopez
12/4/2020 3:54 PM	353	Freddie Mac Loan	90.732	90.244	Monica Lopez
12/4/2020 3:54 PM	356	Subject Property	205000	210000	Monica Lopez
12/4/2020 3:54 PM	742	Trans Details Qua	22.431	21.727	Monica Lopez

Automatic Ordering with Automatic Order Allocation

After completing the preceding steps, you can continue with the following steps to set up and enable automatic order allocation.

This diagram depicts the difference in the user experience when using automatic ordering versus using automatic order allocation.



9. Use the *Automatic Order Allocation* panel to automatically allocate rate quotes to each vendor enabled for the automated MI workflow.

Mortgage Insurance Service

Use the Mortgage Insurance Service settings to enable and configure order triggers for Arch, Essent, Genworth, MGIC, National MI and Radian.

Mortgage Insurance Service

● Arch ● Essent ● Genworth ● MGIC ● National MI ● Radian ● Automation

Automatic Ordering: Enabled Disabled MI Vendor Selection: Arch Essent Genworth MGIC National MI Radian

Default Channel ?

Select a Default Channel to use for loans with no channel value (Field 2626).

Banked - Retail

Automatic Order Allocation ?

Enable Automatic Order Allocation Actual Allocation Effective Date 01/01/2020

	Arch	Essent	Genworth	MGIC	National MI	Radian	Remaining
Target Allocation %	16.66%	16.66%	16.66%	16.66%	16.66%	16.66%	0.04% ✓
Actual Allocation %	100%	0%	0%	0%	0%	0%	

- Select the **Enable Automatic Order Allocation** check box.
- Use the **Target Allocation %** fields for each vendor to enter the target allocation percentage assigned to the vendor. Each lender designates this distribution percentage, as applicable. The total **Target Allocation** percentage must be no less than 99.99%.
- The **Remaining** field auto-populates based on your designations. You can click the **Calculator** icon to equally allocate ordering among the enabled vendors.
- The **Actual Allocation %** fields for each vendor are non-editable and pre-populated.
- The **Actual Allocation %** represents certificates, whether they are placed manually or through automatic ordering.
- Use the calendar icon to change the **Actual Allocation Effective Date**.
- Partner designation of an automated rate quote — the furthest distance from the **Target Allocation %** to the **Actual Allocation %** defines the MI vendor receiving the next automated rate quote.

Automatic Order Allocation ?

Enable Automatic Order Allocation

Actual Allocation Effective Date 01/01/2020

	Arch	Essent	Genworth	MGIC	National MI	Radian	Remaining
Target Allocation %	16.66%	16.66%	16.66%	16.66%	16.66%	16.66%	0.04% ✓
Actual Allocation %	100%	0%	0%	0%	0%	0%	

Note: If the *Automatic Order Allocation* panel is configured, rate quotes will be allocated based on the numbers defined in this section and a [rate quote comparison](#) will not be displayed to your user.

10. Click the **Save** icon to save your updates.

Rate Quote Comparison

If your Encompass administrator has enabled automatic ordering for more than one vendor and has not configured automatic order allocation, when your loan completes a milestone configured to order a rate quote, an *MI Rate Quote* window will display a rate quote comparison for the enabled vendors.

The screenshot shows a window titled "MI Rate Quote" with a close button in the top right corner. Below the title bar, it says "Select the provider and fees you want to Import". There are six radio button options for providers, arranged in two rows of three:

- ARCH** (Prepaid, Level, BorrowerPaid)
- MGIC** (Deferred, MonthlyPremium, BorrowerPaid)
- RADIANT**
- ESSENT** (Deferred, Level, BorrowerPaid)
- GENWORTH** (Deferred, Level, BorrowerPaid)
- NATIONAL MI** (Deferred, Level, BorrowerPaid)

Each provider option has a corresponding "Fees" table and a "Notice To User" text area. The "Fees" tables have columns for Description, Percent, Amount, and Duration. The "Notice To User" areas are scrollable. At the bottom right of the window, there are two buttons: "Import Fees" and "Cancel".

Note: The above image has been modified for the purpose of this document to remove vendor-specific rates. Your *MI Rate Quote* window will display rate quotes for the enabled vendor(s). The *Fees* panel will display the rate quote received from the vendor. The *Order Information* panel will display details about the type of order associated with the vendor response. For example, if the fees are associated with a borrower-paid monthly deferred order, then the *Order Information* panel will display **Deferred, Monthly Premium, Borrower Paid**.

Important — You must have the **same defaults** selected for each active provider in the Mortgage Insurance Service settings to ensure an “apples-to-apples” comparison.

You can compare the rate quotes, select your vendors, then click **Import Fees**.