



What Is A Mortgage Loan Processor?

A loan processor, commonly referred to as a mortgage loan processor or mortgage processor, is a professional that is responsible for handling the administrative tasks and paperwork required to get loans approved. A loan processor plays a significant role in whether a loan application gets approved or not.

The mortgage loan processor will carry out several tasks, which we'll explain in more detail below. Before a loan is submitted to and approved by a loan underwriter, they will prepare the mortgage application file and any other necessary paperwork and then deliver it to the underwriter.

The loan processor usually works closely with a loan officer to ensure that the financials are a good fit for the specific mortgage loan application chosen. Additionally, the loan processor will make sure everything is properly organized, filed, and categorized to ensure maximum efficiency for the loan underwriter.

What Does A Loan Processor Do?

A loan processor carries out several tasks, roles, and responsibilities. They must ensure that the loan underwriter has the right documents and information regarding identity and finances to decide if an applicant qualifies for a particular loan. Listed below are some of the roles of a loan processor:

- **Collects & Reviews Financial Documents** – The first task for a loan processor is to double-check financial documents. These documents include W-2 forms, pay stubs, bank statements, and credit report files. The mortgage loan processor will collect, review, and verify the financial documents that the loan officer has already seen on application intake.
- **Checks Credit Report** – Checking a loan applicant's credit report is key in the mortgage loan application process. The loan processor may request items such as letters of explanation from a credit report if there are any late payments, collections, old addresses, or any other outstanding information included in a credit report.
- **Verifies Application Information** – Verifying that all information is correct on an application is a vital task for loan processors. This ensures that there are no oversights, mistakes, errors, or misinformation listed in the set of documents. The loan processor will usually reach out to employers to verify employment and income or contact the applicant's bank to verify bank account status confidentially.

- Orders Title Work & Appraisals – Next, the loan processor will order title work and appraisals from a title company to get in-depth information about the property being purchased. If an appraisal is required to buy the real estate, the loan processor will collect a fee and schedule a time with a licensed appraiser.
- Collaborates With Loan Underwriter – One of the primary responsibilities of a loan processor throughout mortgage loan processing is to collaborate with the loan underwriter. The loan underwriter and processor will work together in the latter stages to take care of any last-minute conditions, action items, outstanding documents, and more.
- Keeps Track Of Deadlines – Keeping track of deadlines is paramount for successful mortgage loan processing. The mortgage loan processor will have the key contract dates and deadlines communicated. Additionally, the loan processor will ensure that everything runs on schedule so that there are no extension fees.
- Puts All Documents In One Place – The mortgage loan processor will usually compile the necessary and relevant documents. This includes creating a loan file in the lending application system. By keeping everything together and organized, the underwriter can access everything they need to assess.
- Orders & Submits Final Loan Documents – Once the loan processor is finished reviewing, verifying, and collecting supplemental loan documents, they oversee the ordering and submitting of the final loan documents to the loan underwriter. The loan processor makes it easier for the underwriter to analyze the risks based on this data.
- Schedules Closing – The last step for the loan processor in mortgage loan processing is to schedule the final closing. The final mortgage closing is the last step in the loan application process. The loan processor will make sure that a loan file is completely prepared and ready for closing. They will then schedule signing and verify what to bring to pay the down payment and closing costs.

These are some of the roles and responsibilities that a mortgage loan processor must execute. [Mortgage BPO](#) is not an easy task, but loan processors make sure that everything runs smoothly. A good loan processing company has a team of loan officers, loan processors, and loan underwriters to make sure everything runs seamlessly.

Loan Processor Vs. Loan Underwriter – What's The Difference?

Loan processors and loan underwriters work closely together; however, they have distinctly different roles and responsibilities. The mortgage loan processor makes sure that applications and application materials are in order and taken care of.

On the other hand, the mortgage loan underwriter is responsible for determining whether or not the applicant is qualified for the loan applied for based on the information and financial

documents provided. The loan underwriter also must verify that the home to be purchased is in good working condition.

Loan Processor Vs. Loan Officer – What's The Difference?

It is also essential to understand the difference between a loan processor and a loan officer. The loan officer initiates the loan approval process and carries out tasks for the early stages of mortgage loan processing, similar to a mortgage broker.

The loan officer will intake and review financial documents and recommend a loan accordingly. A loan officer will sometimes recommend a loan that the applicant is preapproved for or recommend a loan that would be a good fit based on their finances. Once the loan officer makes a recommendation, the loan processor can take it from there.

Why Maintaining A Good Relationship With Your Mortgage Loan Processor Is Crucial

When there is a good relationship and transparent communication with a mortgage loan processor, the process will run seamlessly from start to finish. In addition, it's helpful to form a strong relationship with a mortgage loan processor by being available, polite, and patient. If any challenges or issues arise, a loan processor should find solutions and ensure that the loan gets approved. Without a solid foundation and relationship, they will not be motivated to put in any extra effort or work on the applicant's behalf.