



# Encompass Mortgage Insurance Service: Automatic Ordering and Allocation

*Last Revised: January 6, 2021*



Contents

- Automatic Ordering ..... 4
  - Settings and Configuration..... 4
  - Pre-Requisites..... 4
  - Configuring Automated Ordering..... 5
- Automatic Ordering with Automatic Order Allocation .....18
- Rate Quote Comparison.....20

The 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, along with MI resubmissions due to key data changes.

In addition to the set up and configuration steps required to enable automatic ordering of MI, this document also 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](#).

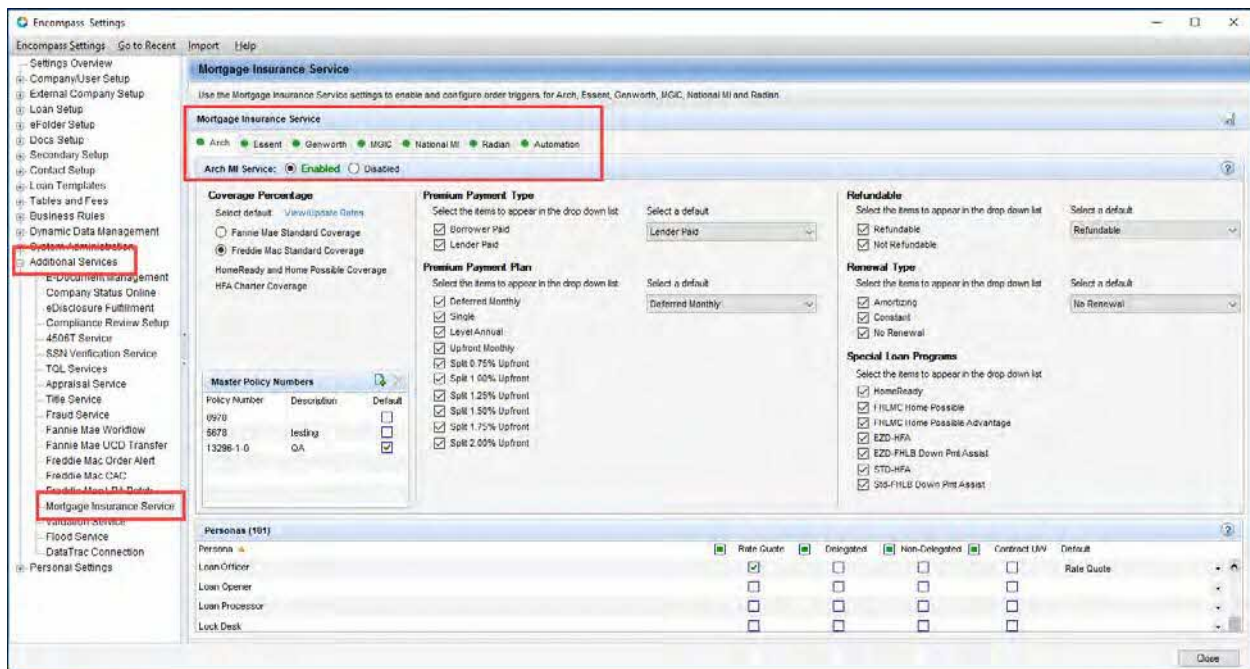
**NOTE:** This is supported on Encompass 18.3 and later versions.

## Automatic Ordering Settings and Configuration

Use the instructions in this section to enable and maintain the automatic ordering of Mortgage Insurance rate quotes, delegated, and non-delegated certificate orders.

### Pre-Requisites

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, applicable MI order information, and assign persona-based access to the service to users.

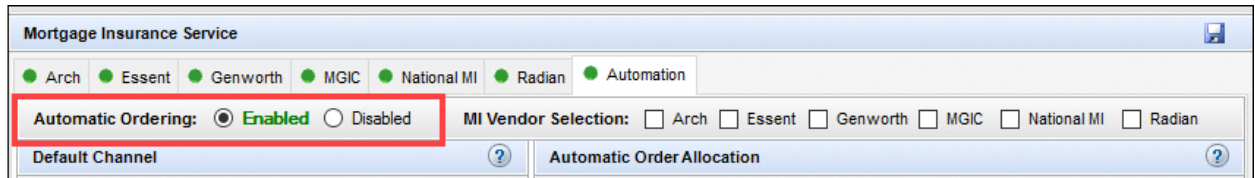


For more information on the Pre-Requisites, refer to the Mortgage Insurance Service white paper for each vendor on the [TQL Services Guides & Documents](#) page.

## Configuring Automated Ordering

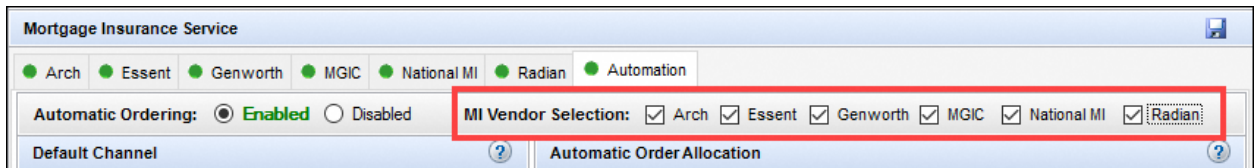
### To Enable Automatic Ordering:

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



The screenshot shows the 'Mortgage Insurance Service' window with the 'Automation' tab selected. The 'Automatic Ordering' section has a radio button for 'Enabled' selected and highlighted with a red box. The 'MI Vendor Selection' section has checkboxes for Arch, Essent, Genworth, MGIC, National MI, and Radian, all of which are currently unchecked.

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



The screenshot shows the 'Mortgage Insurance Service' window with the 'Automation' tab selected. The 'Automatic Ordering' section has a radio button for 'Enabled' selected. The 'MI Vendor Selection' section has checkboxes for Arch, Essent, Genworth, MGIC, National MI, and Radian, all of which are checked and highlighted with a red box.

- 5) Use the *Trigger Milestones* panel to define the milestones, at the completion of which, automatic loan submissions to MI will occur. Automatic ordering can be configured for rate quotes, delegated, and/or non-delegated certificate orders. Any other certificate order types can be ordered using the TQL Services tool.

Milestone	Order Type
Qualification	
Disc. Tracking	Rate Quote Delegated Non-Delegated
Cond. Approval	
Processing	
Submittal	
Resubmittal	
Approval	

[Add/Update Channel Field Triggers](#)

- a) 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 can only configure the settings such that a **Rate Quote** is selected before **Delegated** (or **Non-Delegated**). For example, if you select **Non-Delegated** prior to **Rate Quote**, and save your selection, you will be stopped from making the selection, and a message will display.

The screenshot shows the 'Trigger Milestones' configuration interface. The main window has a title bar with a question mark icon. Below the title bar, there is a text area explaining that Rate Quotes, Delegated, and Non-Delegated orders will trigger when milestones are completed. Below this is a tabbed interface with four tabs: 'Banked - Retail', 'Banked - Wholesale', 'Brokered', and 'Correspondent'. The 'Banked - Retail' tab is active, showing a table with columns 'Milestone' and 'Order Type'. The table has three rows: 'Qualification' with 'Non-Delegated' selected, 'Disc. Tracking' with a dropdown arrow, and 'Cond. Approval' with 'Rate Quote' selected. To the right of the table is a 'Purpose of Loan' section with five checkboxes: 'Purchase', 'Cash-Out Refi', 'No Cash-Out Refi', 'Construction', and 'Construction-Perm'. An error message dialog box is overlaid on the screen, titled 'Trigger Milestones'. It contains an information icon and the text: 'Order type "Rate Quote" must only come before "Delegated" and "Non-Delegated" in Trigger Milestones, for these channels: \* Banked - Retail'. There is an 'OK' button at the bottom right of the dialog box.

- b) 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.

### 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.

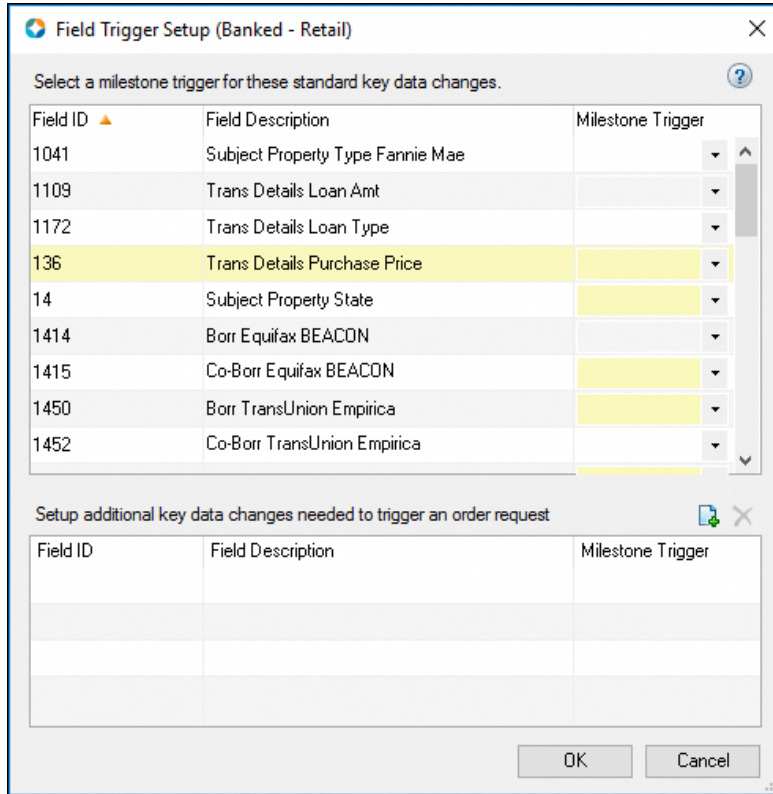
Banked - Retail   Banked - Wholesale   Brokered   Correspondent

Milestone	Order Type
Qualification	Rate Quote
Disc. Tracking	
Cond. Approval	Delegated
Processing	
testw3	
Submittal	
Resubmittal	
Approval	

[Add/Update Channel Field Triggers](#)



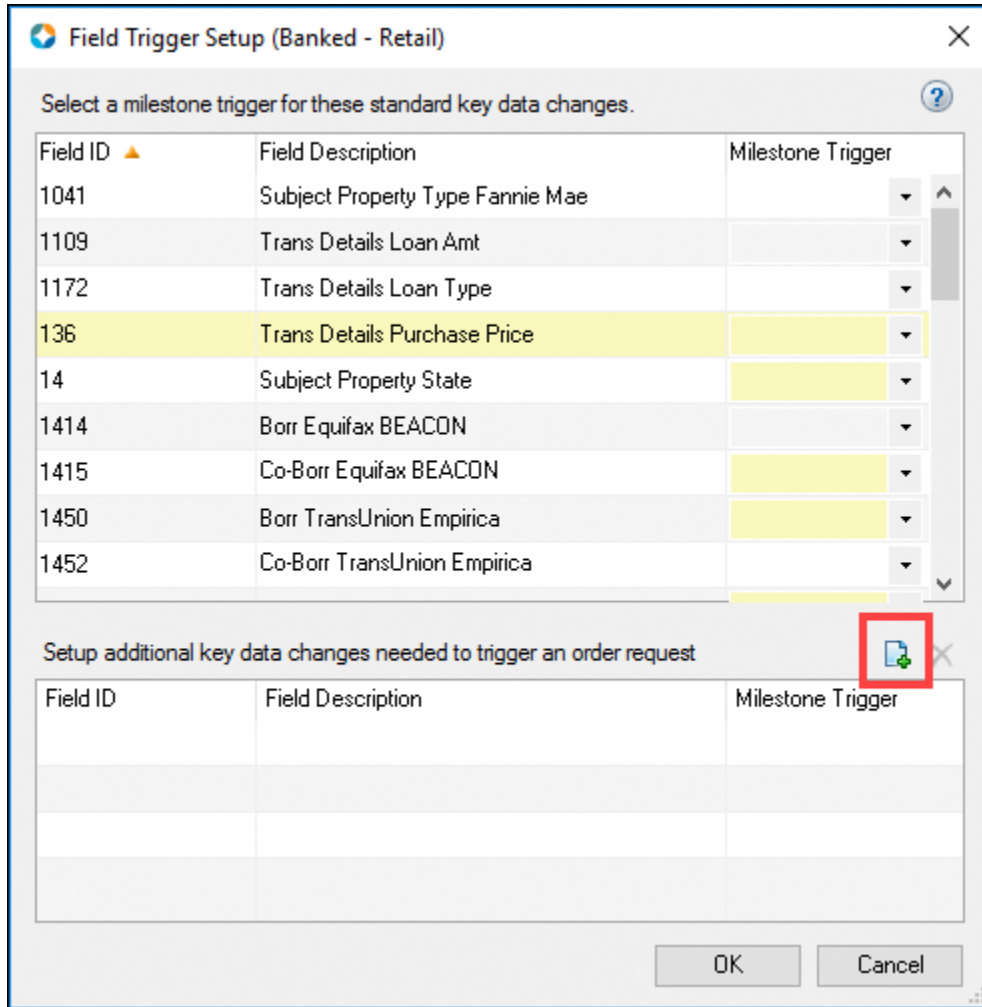
- i) Use the *Field Trigger Setup* window to specify the key data fields that, when changed, will trigger an MI resubmission. The top panel displays the default Encompass fields. You can add Milestone Triggers to the fields to configure automatic loan resubmissions for field updates after the corresponding milestone is completed. If no Milestone Trigger is selected from the drop-down list for any field(s), automatic loan resubmissions for those fields will occur at any time, regardless of milestone completions.



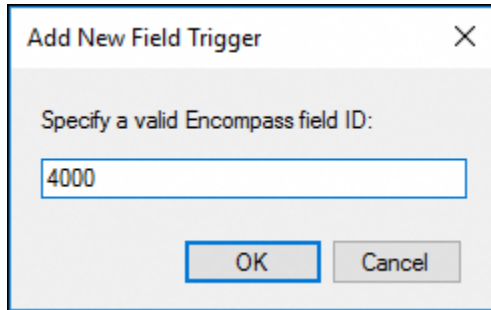
ii) See the table below for the default field triggers.

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
	<b>Loan Level - VASUMM.X23</b>
	<b>Borrower - Experian 67 TransUnion 1450 Equifax 1414</b>
	<b>CoBorrower - Experian 60 TransUnion 1452 Equifax 1502</b>
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

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



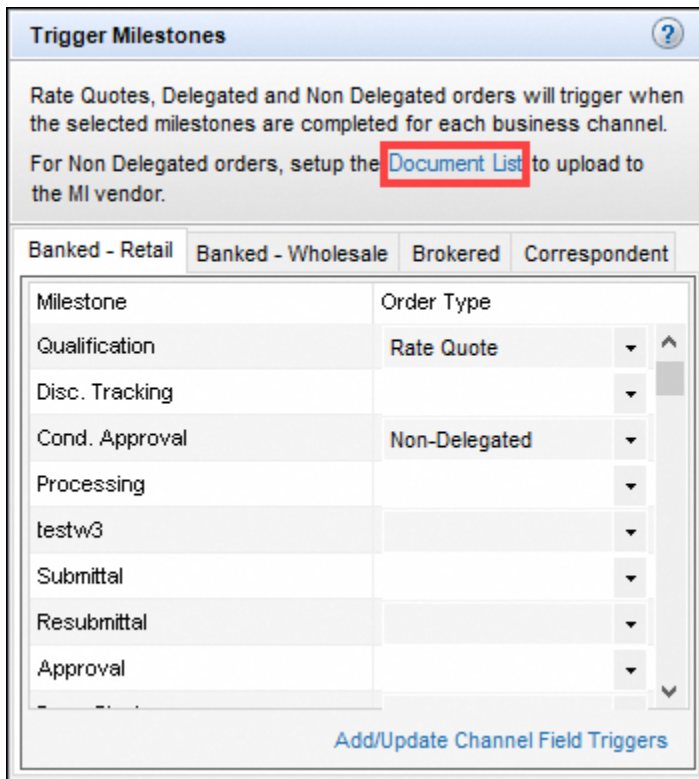
iv) In the *Add New Field Trigger* window, type the field ID, and then click **OK**.



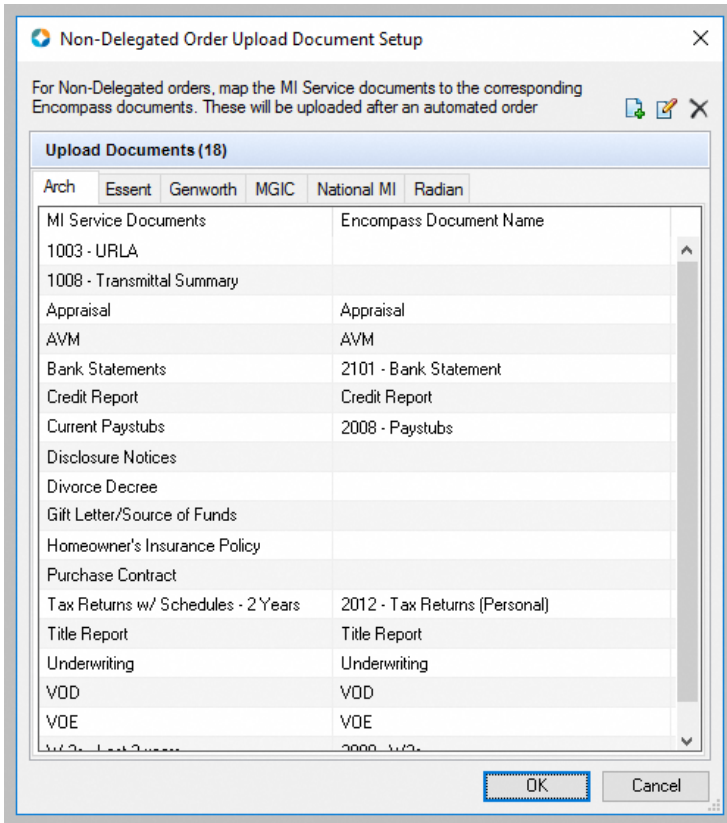
v) In the *Field Trigger Setup* window, click **OK**.

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

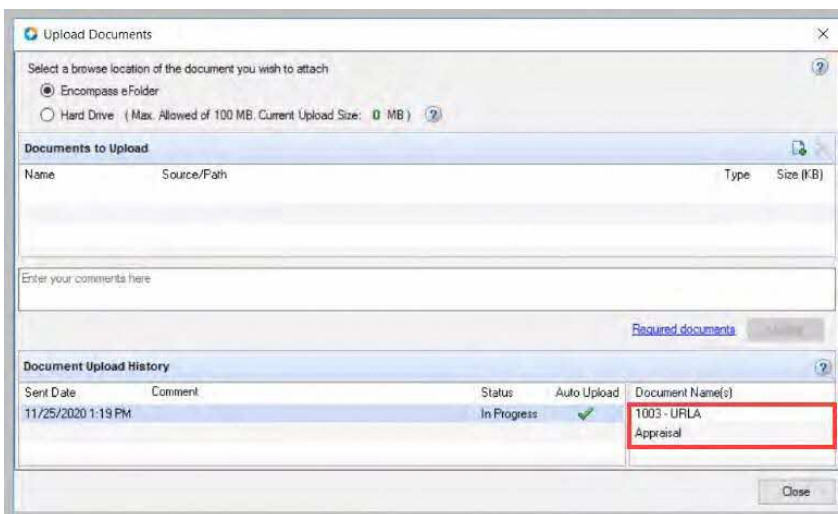
- If a loan has a rate quote with imported fees and one of the trigger fields is updated, when a loan is saved, an automated rate quote resubmission to the applicable MI partner will be placed.
  - If a loan has a delegated/non-delegated certificate order with imported fees, and one of the trigger fields is updated, an automated delegated/non-delegated certificate resubmission to the applicable MI partner will be placed.
- 6) For Non-Delegated orders, click the **Document List** link to identify the eFolder documents to be automatically included with non-delegated MI submissions for each supported vendor.



Documents recommended by each MI Services vendor are provided out of the box – you can also add and delete documents to this list.



**NOTE:** Documents in the eFolder will be automatically added to the MI order submission only if they are listed in the MI Settings, Automation tab.



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

**Optional Loan Criteria** ?

Use this section to define additional loan criteria for automated MI orders.  
Also see [Mandatory Loan Criteria](#) required for all automated MI orders.

<b>Purpose of Loan</b>	<b>Documentation Type</b>	<b>Amortization</b>
<input type="checkbox"/> Purchase	<input type="checkbox"/> (A) Alternative	<input type="checkbox"/> Fixed
<input type="checkbox"/> Cash-Out Refi	<input type="checkbox"/> (F) Full Documentation	<input type="checkbox"/> GPM
<input type="checkbox"/> No Cash-Out Refi	<input type="checkbox"/> (R) Reduced	<input type="checkbox"/> ARM
<input type="checkbox"/> Construction	<input type="checkbox"/> Streamlined Refinance	<input type="checkbox"/> Other
<input type="checkbox"/> Construction-Perm	<input type="checkbox"/> No Documentation	
<input type="checkbox"/> Other	<input type="checkbox"/> No Ratio	<b>Property Will Be</b>
	<input type="checkbox"/> Limited Documentation	<input type="checkbox"/> Primary
		<input type="checkbox"/> Secondary
		<input type="checkbox"/> Investment

**Loan Programs to Exclude** + ×


- a) Click the **Mandatory Loan Criteria** link within the Optional Loan Criteria panel to view the basic criteria a loan must meet to be eligible for automatic MI ordering. This section is read-only.

Mandatory Loan Criteria <span style="float: right;">?</span>			
Loans must meet the following criteria for automated MI orders.			
Rate Quote Orders		Delegated MI Certificate Orders	
Field	Criteria	Field	Criteria
Loan Type - (1172)	Conventional	Loan Type - (1172)	Conventional
Lien Position - (420)	First Lien	Lien Position - (420)	First Lien
Calculated LTV - (353)	>80% and <=97%	Calculated LTV - (353)	>80% and <=97%
Base Loan Amount - (1109)	Greater than 0	Base Loan Amount - (1109)	Greater than 0
Amortization Term - (4)	Greater than 0	Amortization Term - (4)	Greater than 0
Amortization Type - (608)	Should not be null or empty	Amortization Type - (608)	Should not be null or empty
Loan Purpose - (19)	Should not be null or empty	Loan Purpose - (19)	Should not be null or empty
Property Usage - (1811)	Should not be null or empty	Property Usage - (1811)	Should not be null or empty
Number of Units - (16)	Greater than 0	Number of Units - (16)	Greater than 0
Property Type - (1041)	Should not be null or empty	Property Type - (1041)	Should not be null or empty
State - (14)	Should not be null or empty	State - (14)	Should not be null or empty
Zip Code - (15)	Should not be null or empty	Zip Code - (15)	Should not be null or empty

- 8) Use the **Loan Programs to Exclude** panel to identify loan types for which you do not want automatic MI order submissions.

**Optional Loan Criteria** ?

Use this section to define additional loan criteria for automated MI orders.  
Also see [Mandatory Loan Criteria](#) required for all automated MI orders.

<b>Purpose of Loan</b>	<b>Documentation Type</b>	<b>Amortization</b>	
<input type="checkbox"/> Purchase	<input type="checkbox"/> (A) Alternative	<input type="checkbox"/> Fixed	
<input type="checkbox"/> Cash-Out Refi	<input type="checkbox"/> (F) Full Documentation	<input type="checkbox"/> GPM	
<input type="checkbox"/> No Cash-Out Refi	<input type="checkbox"/> (R) Reduced	<input type="checkbox"/> ARM	
<input type="checkbox"/> Construction	<input type="checkbox"/> Streamlined Refinance	<input type="checkbox"/> Other	
<input type="checkbox"/> Construction-Perm	<input type="checkbox"/> No Documentation		<b>Property Will Be</b>
<input type="checkbox"/> Other	<input type="checkbox"/> No Ratio		<input type="checkbox"/> Primary
	<input type="checkbox"/> Limited Documentation		<input type="checkbox"/> Secondary
			<input type="checkbox"/> Investment

**Loan Programs to Exclude** + X

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

- a) In the **Loan Programs to Exclude** panel, click the **New** icon.
- b) In the Add Loan Program window, type the loan program name (full or partial), and click the **OK** button.

**Add Loan Program** X

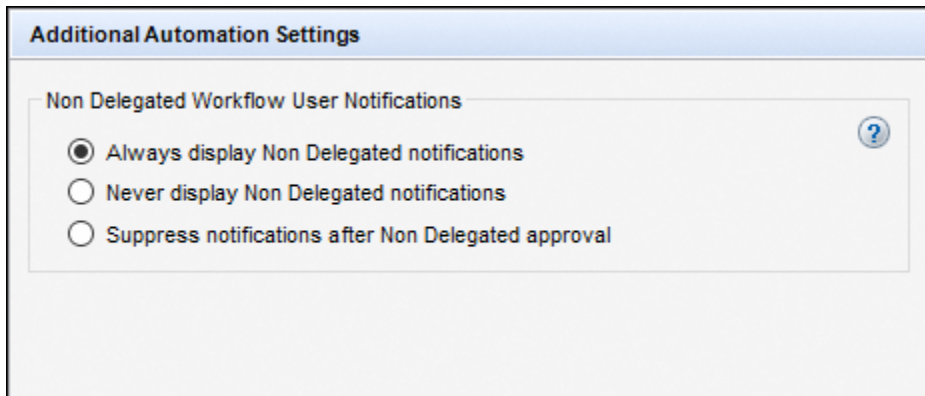
Exclude from automation when loan program name contains:

30 year

OK Cancel



- 9) Use the **Additional Automation Settings** panel to configure user notifications for the automated non-delegated MI workflow.



The screenshot shows a window titled "Additional Automation Settings". Inside, there is a section titled "Non Delegated Workflow User Notifications" with a help icon (a question mark in a circle) to its right. Below this section are three radio button options:

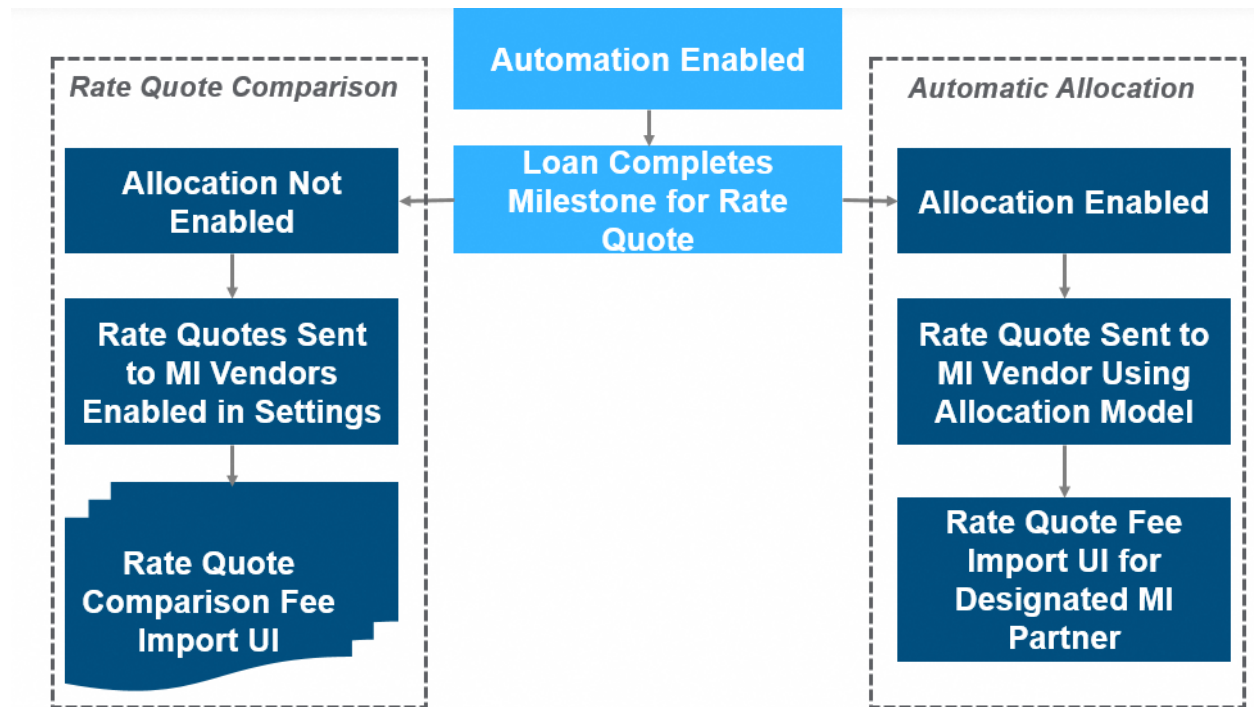
- Always display Non Delegated notifications
- Never display Non Delegated notifications
- Suppress notifications after Non Delegated approval

- a) **Always display Non Delegated notifications:** When this is selected, users will be notified when a non-delegated order will not be placed and when key data changes have been made following a non-delegated order.
- b) **Never display Non Delegated notifications:** When this is selected, notifications will not be displayed.
- c) **Suppress notifications after Non Delegated approval:** When this is selected, users will be notified only until the most recent non-delegated order is approved, after which notifications will not be displayed.

## Automatic Ordering with Automatic Order Allocation

After completing all of 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 automatic ordering with automatic order allocation.



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

The screenshot shows the 'Automatic Order Allocation' panel. At the top left, there is a checked checkbox labeled 'Enable Automatic Order Allocation'. To the right, the 'Actual Allocation Effective Date' is set to '07/02/2022' with a calendar icon. Below these are two rows of input fields for vendors: Arch, Essent, Genworth, MGIC, National MI, and Radian. The 'Target Allocation %' row shows 16.66% for each vendor. The 'Actual Allocation %' row shows 0% for each vendor. To the right of these rows is a 'Remaining' field set to 0.04% with a green checkmark. A calculator icon is located between the 'Actual Allocation %' row and the 'Remaining' field.

- Select the **Enable Automatic Order Allocation** check box.
- Click the **Calendar** icon provided with the **Actual Allocation Effective Date** field to define the date from which automatic allocation will be implemented.
- 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.
- **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.

This screenshot is identical to the one above, but with a red box highlighting the calculator icon located between the 'Actual Allocation %' row and the 'Remaining' field.

**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.

- 2) 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 that lists a rate quote comparison for the enabled vendors.

The screenshot shows the 'MI Rate Quote' window with the following structure:

- Header: MI Rate Quote (with close button)
- Instruction: Select the provider and fees you want to Import
- Vendor Selection: Radio buttons for ARCH, MGIC, RADIAN, ESSENT, GENWORTH, and NATIONAL MI.
- Vendor Details (for each selected vendor):
  - RADIAN** (Selected): Deferred, MonthlyPremium, BorrowerPaid
  - ARCH**: Prepaid, Level, BorrowerPaid
  - MGIC**: Prepaid, Level, BorrowerPaid
  - ESSENT**: Prepaid, Level, BorrowerPaid
  - GENWORTH**: Prepaid, Level, BorrowerPaid
  - NATIONAL MI**: Deferred, Level, BorrowerPaid
- Each vendor section contains:
  - Fees** table with columns: Description, Percent, Amount, Duration
  - Notice To User** text area
- Bottom Right: Import Fees, 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, MonthlyPremium, BorrowerPaid**.

You can compare the rate quotes, select your vendor, and then click the **Import Fees** button.

This screenshot is identical to the one above, but with red boxes highlighting the vendor selection area (ARCH, MGIC, RADIAN, ESSENT, GENWORTH, NATIONAL MI) and the 'Import Fees' button at the bottom right.