MetaSource QC Findings Report Reveals an Increase in Defects that Pose Repurchase Risk

Salt Lake City, Utah Feb 28, 2023 (Issuewire.com) - MetaSource, LLC, a leading mortgage compliance services partner, released its annual QC audit findings report.

The report proves that the transition from 2021 to 2022 was a stark one for the mortgage industry. Navigating a year of plummeting originations that led to rounds of layoffs after facing opposite challenges only a year earlier was no easy feat.

Amid such see-sawing market conditions, lenders struggled with mortgage quality control issues – and they were anything but minor. According to MetaSource's review of its 2022 QC audit findings, there was an increase in defects that most closely correlate to repurchase risk.

QC Findings that Can Be a Tipping Point for Repurchase Demands

Four defects related to proof of a borrower's ability to meet mortgage obligations jumped in ranking this past year: missing income documentation, insufficient assets to close, incorrect income calculation, and undisclosed borrower liabilities.

This is a troubling conclusion in any year, but more so in light of the 2023 recession risk, according to MetaSource Senior Director of Mortgage Services Brady Meadows.

Challenges that Remain a Source of QC Difficulty

Meadows also noted, "One thing we see year-over-year is the constant waste of time spent chasing (missing) documents."

The MetaSource Team has concluded that the majority of all findings, including those that pose repurchase risk, can be traced back to inadequate documentation processes. Even the source of the number one finding in 2022, which has topped the list in six of the last seven years, was missing required documents.

To learn what the number one finding was, check out MetaSource's Mortgage QC Findings Report, which includes a full list of the top 15 findings, insight into why more loans may have been pushed into risky territory in 2022, and recommendations for preventing findings and repurchase risks in 2023. Visit the MetaSource Mortgage Blog to download the report today.

About MetaSource, LLC

MetaSource is a Digital Transformation Solutions provider, focused on Business Process Outsourcing (BPO) / Business Process Management (BPM) services integrated with Enterprise Content Management (ECM), workflow solutions, compliance services, and customer experience processes. MetaSource helps its clients manage risk, improve quality, increase efficiency, and realize their most important goals — with special expertise serving the mortgage industry. MetaSource's mortgage services include quality control (QC) audits (pre-fund, post-close, servicing, MERS), lien release, whole loan purchase reviews, and more. MetaSource's solutions allow clients to focus on their core business while MetaSource does the rest.

More at https://mortgage.metasource.com

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