

Understanding DSI's DocMagic Direct Web Services

Web-based access to powerful, private labeled document and compliance tools.

A White Paper from DSI, Inc.

Overview

Document preparation, while subject to significant regulation and compliance issues, is one area where lenders hope to distinguish themselves from their competitors. Creating this technology is very expensive. Keeping the documents up to date and in compliance is even more expensive.

New technology infrastructures have made it easier for lenders to use their existing origination platforms to access proven lending services made available by third-parties. In the case of document preparation, Document Systems Inc. (DSI) offers a range of functionality to lenders of all sizes. Built on 20 years of successful technology development, DSI's Web Services offer the most feature-rich solution in the industry.

DSI's Web Services enables originators to order document packages the same way they order credit reports. In the case where there exists insufficient data in the originator's loan origination system to complete the documents, DSI's DocMagic Online application can be used to gather the additional information required to complete the order.

Lenders that take advantage of proven solutions that integrate easily into their existing technology infrastructures will be in a position to offer better customer service without making large investments in new technology development.

The Power of SOA and Web Services

Through Services Oriented Architectures (SOA), software designers have developed systems that allow for loosely coupled, distributed processes to interact across networks for the completion of automated tasks. Lenders have found SOA useful to connect central operating systems to best-of-breed services, often referred to as Web Services, to enhance current functionality or meet the needs of new business requirements. Business rules are used to control the application of Web Services and to process the data returned from calls to such services.

After many years of providing easy-to-use document processing and management software to mortgage lenders of all sizes, DSI now offers all of the functionality built into its popular DocMagic mortgage document preparation software in the form of Web Services.

Branded as DocMagic Direct, the Web Services functionality makes it possible for loan originators to make a call to the DSI servers to receive a document packages in the same way they have learned to make calls to credit repositories for consumer credit files. Using Extensible Markup Language (XML), lenders can place an order for documents through DocMagic Direct and receive their entire package back in a matter of seconds.

Lenders have found this a viable option when they have existing technology that can call on a Web Service and want to make it as easy and intuitive as possible for software users to place orders and receive documents. Many of the most

popular core systems lenders are using today are SOA-enabled and capable of calling Web Services.

Additional Features

In addition to generating the document set, DSI offers the following services that can be added at the time of process.

Confirmation Email-an electronic notification can be sent containing a link to retrieve the documents from the DocMagic servers.

DSI Fulfillment-our in-house production department boasts the fastest turnaround time available anywhere. Documents can be produced in-house and delivered directly.

Email Service-notifies a third party via email at the time the documents are prepared.

Edisclosure-an email invitation will be sent to all borrower emails providing a link to DSI's eDisclosure system to view Predisdisclosure documents online.

Flood Certification-a request can be sent for a Flood Determination certificate to be retrieved from one of DSI's Flood partners.

Register MERS Number-user can submit a registration request to MERS. In conjunction with the MERS number, DSI will register Borrower, Beneficiary, Property, and Loan information. Status of the registration will be returned in the response message.

Web Pickup-used to enable a set of documents for remote retrieval and notifies a third party via email. A password can be set for additional security.

Functionality Available via DSI's Web Services

DocMagic Direct offers all of the features and functionality available to users of DSI's flagship document preparation software DocMagic, without the use of that program's graphical user interface.

With simple calls to the DSI servers, lenders can receive any of five product packages: (1) Loan Application Package, consisting of processing documents such as the URLA, Verifications, etc.; (2) Predisdisclosure Package, the 72-hour disclosure documents including TIL, GFE, etc.; (3) Flood Certification, which is used to generate a certificate independent of a closing package; (4) Mortgage Closing Package, the specific and fully compliant documents required to

close the loan; and (5) Servicing Transfer documents.

Available with any of these requests are DSI's state-of-the-art compliance products. The company's in-house compliance department develops and maintains thousands of quality control audits, Section 32, high-cost loan tests that provide legislative compliance in all 50 states and much more.

Any of these document packages can be ordered directly via Web Services from any SOA-based processing system. Once the lender's documents have been added to the system (over 10,000 loan programs for over 1000 lenders nationwide are already loaded), it takes very little time to configure their system to access DSI's Web Services.

DSI Web Services Users

DSI's Web Services support both the MISMO Closing v.2 specification as well as WEBSHEET XML. Currently, only about half of the nation's lenders are using the more robust MISMO standard. The DSI Web Services perform equally well in either case. When critical data is missing from the file and required in order to draw final documents, DSI functionality protects the lender from generating forms that are not in compliance with all relevant industry regulations.

DSI has witnessed two general classes of users embrace its Web Services functionality. In the first case, larger, more sophisticated lenders are accessing the DSI functionality through a seamless Web Services interface, using a complete XML file to request compliant document packages.

These lenders are interested in outsourcing this function exactly as they outsource the credit reporting function today, sending out a request and quickly receiving a complete file in return. In the case of document preparation, the file returned includes all of the documents required to close the deal, ready for printing and signing. In addition, the response includes all computations, Section 32 high-cost test results, and Impound analysis in both XML and pre-formatted HTML. Different delivery methods are available, including fully electronic delivery with legal electronic signature capabilities.

The other class of user does not typically have all of the required data at the time of document preparation and utilizes the DocMagic Online application to complete the file prior to document preparation and printing. For these users, DSI implements a blended strategy that allows the lender to streamline the process while still providing input required for the completion of compliant documentation.

A standalone, Web-based Java applet, DocMagic Online enables the user to interface with the DSI Web Services functionality. The tool requires no additional software to be installed, but does require the free Java Run-Time Environment (JRE) 1.5 be present. There are no compatibility issues with running this software applet on any platform. The tool can be launched automatically and runs in a

Web browser. The server-side engine is located at DSI Headquarters in Carson California.

The tool is built on the success of the company's original document preparation and processing software, so it is easy to use and quickly allows originators to key in missing data in order to create compliant closing document packages. The Applet can be customized to match the lender website's look and feel. This includes the addition of logos, promotional and support information, and complete control over access to fields, buttons and menu items. Also, fields can be locked down to prevent modification to ensure the integrity of the loan data.

In effect, DocMagic Online is an implementation of DSI's Web Services functionality that includes an easy-to-use graphical user interface to facilitate interaction between the software user and the DSI servers.

In many cases, lenders will work to ensure their XML files are complete in order to avoid this step, streamline the document preparation process and move their borrowers swiftly to the closing table.

Because it shares the same infrastructure as the Web Services, DocMagic Online also makes an excellent Post-Closing quality control tool.

Benefits of Web Services for Document Preparation

There are many benefits available to lenders that access mortgage technology via Web Services. DSI customers have found DocMagic Direct to be a flexible method for accessing the company's award-winning document-related services. The addition of free high-cost loan tests and the guarantee of absolute compliance make this a compelling offering.

Perhaps the greatest benefit lenders receive from implementation is the speed with which data can be accessed, often within two seconds. Being fully compliant with existing data standards allows for very tight integrations between lender systems and DSI's DocMagic Online. The results are error-free documents, lightning fast compliance checks and a totally seamless user experience.

An additional benefit is the ease with which new functionality can be added. When requesting document packages, DSI offers a number of other options available to users of its Web Services tools (see box). Regardless of the functions requested via Web Services, users experience the same ease-of-use.

Often, business rules set by management handle the ordering of functionality, unbeknownst to the users. Links to published Web Services can be built into buttons that match the look and feel of the lender's proprietary platforms. In many cases, software users are not even aware that the functionality is being provided by a third party. They simply click the button and receive their documents.

While not a typical benefit of all Web Services, detailed compliance checking is part of every transaction through DSI's functionality. DSI is the only firm in its space that employs a full-time staff of compliance attorneys. The firm's Compliance Wizard newsletter has become a valued source of information and attests to the effectiveness of this team. This experience is built into every closing package and is made available seamlessly to Web Services users.

While some doc prep companies claim that only a fraction of the data required to complete closing documents is currently defined in the MISMO specifications, the truth is that the schema for document preparation is now complete. DSI has been active in MISMO for a number of years and is fully MISMO compliant. In fact, DSI can even tell its lenders whether their data files are fully MISMO compliant through a simple-to-use Web Service.

Finally, billing for products and services secured through DocMagic is flexible and can be configured by the user to bill end users, in the case of third-party originators utilizing a wholesale lender's online LOS, for instance, or to simply invoice the DSI customer.

How to Begin Using DSI's DocMagic Direct Web Services

Getting started with DSI's Web Services functionality is easy. Complete documentation is available, making it simple to get set up and begin benefiting from these tools. Lenders are then free to access as much or as little of the DSI functionality as they wish, using business rules to set that level dynamically if desired.

DSI provides a dedicated team of Customer Service personnel to make good on the company's promise to make its Web Services tools easy to use, regardless of the size of the lender or the complexity of the required implementation.

For more detailed information about implementing DocMagic Online, request the document "DocMagic Interfaces" by dialing 800-649-1362.

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About Document Systems, Inc.

Founded in 1988 and headquartered in Carson, Calif., Document Systems, Inc., is a mortgage technology company that develops software, processes and Web-based systems for the production of compliant loan document packages. Along with its loan document production system, DocMagic®, DSI provides legal expertise regarding the completion of all applicable forms, and both guarantees and warrants that all agency forms are up-to-date and in compliance with GSE requirements. DSI's staff includes a team of compliance experts that constantly monitor legal and regulatory changes at federal and state levels to ensure accuracy. DSI is the first company in the mortgage industry to develop a fully integrated mortgage customer contact management system, LoanMagic®, that is specifically designed to meet the needs of loan officers to help streamline the tasks involved with acquiring leads, managing contacts and gathering all personal and credit information necessary to secure a loan. For more information on DSI, visit the company's Web site at www.docmagic.com.