



## DETAILS INCLUDE

Very often nobody understands secondary workflows and strategies other than the Secondary Manager. A successful secondary execution strategy juggles many exposure items, from stale or inefficient processes to new LOS/technology, market/pricing volatility, reporting, data integrity, and new personnel. Change is a constant, but secondary goals are not – maximize execution and minimize risk by closely managing margins, the pipeline, and loan delivery. One key element is how secondary adapts their strategies in a changing environment.

Often lenders unknowingly have significant margin and pricing exposure, easily masked in a rallying rate environment, matchbox offers an independent secondary progress report to ensure margins are maximized while exposure and leakage are eliminated. Our progress report engagement is a quarterly, biannual, or annual review of secondary operations. The ever changing environment creates new stress points, areas of exposure or leakage and new management strategies. We work directly with secondary personnel and management to dig into the established policies and procedures, analyze its strategies and ultimately its reporting and execution.



Change is a constant, but secondary goals are not– maximize execution and minimize risk by closely managing margins, the pipeline, and loan delivery. Here is just a sampling of questions that often only a truly independent review will answer.

- Do current lock policies reflect the current market conditions and/or create exposure?
- Are current policies followed and reported accurately?
- How are pricing disclosures, updates, extensions, renegotiations and exceptions managed and reported?
- How is secondary managing QM/ATR validation through policies and protocols?
- Are execution and delivery workflows working at maximum efficiency?
- Are secondary policies closely/efficiently aligned with underwriting and post-closing?
- Are their additional execution opportunities in the market?
- Does Secondary have access to sufficient reporting to manage the pipeline and margins while recognize leakage?
- What business rules, reports, alerts, queues and notifications does secondary leverage to manage the pipeline?
- Are they maximizing effectiveness / efficiency?
- Are hedging reports and pipelines self-audited against internal data elements?
- Do the hedging reports highlight leakage or exposure?
- Does Secondary proactively manage the locked pipeline?
- Is the pricing engine or rate sheet modeled with any pricing or margin exposure?
- Does the firm incur and Change in Circumstance exposure?
- How are updates to items like LLPA and G-fee implemented in pricing, execution and policy protocols?

### SECONDARY PROGRESS REPORT

Igniting ideas for the mortgage industry.

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