

From: [Brad Smith](#)
To: [thirdparty lending](#)
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As someone that helps many banks with their third party vendor management programs, I would suggest that this guidance not include third party loan origination software platforms.

Originating loans through other banks or finance companies is very different than using a loan origination software product.

Every bank in the country uses some sort of loan origination software program to automate some portion of the loan process, whether it's LaserPro to compile the documents or EllieMae for the entire mortgage origination process. I believe it would be unduly burdensome to require banks (especially banks under \$10BB) to try and validate the code in those software programs. The market has already required those vendors to maintain compliance with regulations and most banks have those stipulations in their vendor contracts.

The underwriting and customer disclosure rules are already bank-defined when they are included in loan origination systems, and my experience is that banks are very judicious in this set up process.

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