

Critical Defect Rates Continue Upward Trend – ARMCO Releases Q1 2017 Trends Report

POMPANO BEACH, Fla., Sept. 25, 2017 (SEND2PRESS NEWSWIRE) – [ACES Risk Management](#) (ARMCO), the leading provider of financial quality control and compliance software ACES Audit Technology™, announced the release of the [ARMCO Mortgage QC Trends Report](#) for the first quarter of 2017.



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Some of the report's noteworthy findings include:

- The critical defect rate continued its upward trend, reaching 1.61 percent, a 7 percent increase from the previous quarter
- The top defect category for Q1 2017 was Borrower and Mortgage Eligibility
- FHA loans accounted for a disproportionately high number of critical defects

"The increase in the critical defect rate is the result of the purchase-dominated market we saw in the first quarter of this year," said Phil McCall, president of ARMCO. "Purchase transactions bring a lot more moving parts, and

a lot more opportunity for errors and misrepresentations. Whether that rate continues to rise will depend in large part on the ratio of purchases to refinances as we move forward.”

Each quarter, ARMCO releases the ARMCO Mortgage QC Industry Trends Report, which is based on post-closing quality control loan data captured by the company’s ACES Analytics benchmarking software. The ACES Analytics benchmarking dataset includes post-closing quality control data from over 65 lenders, comprising more than 75,000 unique loans selected for random full-file reviews. Defects are categorized using the [Fannie Mae loan defect taxonomy](#). The company issues a one-year analysis for the calendar year with each fourth quarter Mortgage QC Industry Trends Report.

Each ARMCO Mortgage QC Industry Trends report includes easy-to-read charts and graphs, a summary that outlines ARMCO’s overall findings, a breakdown of defect rates for each Fannie Mae loan defect category, and a short conclusion. The current and previous reports also contain an analysis of the top credit-related critical defects, which is now a regular feature of the report.

“The more lenders know about when and where defects arise, the easier it is to avoid them,” said McCall. “We provide the ARMCO QC Trends Report free of charge as part of our commitment to elevating quality for all lenders.”

To obtain a copy of the report, please visit

<http://www.armco.us/knowledge/mortgage-qc-industry-report-2017-q1>

About ARMCO:

ARMCO – ACES Risk Management delivers web-based audit technology solutions, as well as powerful data and analytics, to the nation’s top mortgage lenders, servicers, investors and outsourcing professionals. A trusted partner devoted to client relationships, ARMCO offers best-in-class quality control and compliance software that provides U.S. banks, mortgage companies and service providers the technology and data needed to support loan integrity, meet regulatory requirements, reduce risk and drive positive business decisions.

ARMCO’s flagship product, [ACES Audit Technology™](#), is available at any point in the mortgage loan lifecycle, to any size lender, and is user-definable. ACES standardizes audit requirements, ties pre-funding reviews to post-closing quality control audits, enables seamless trend analysis, identifies credit, compliance and process deficiencies and helps create manageable action plans.

For more information, visit <http://www.armco.us/> or call 1-800-858-1598.