The Layer That Kills You: **Recording Lender Decisions**

Of the five concepts in every loan, Decisions is the one a status field can't hold: who decided, what they chose between, and why. When that lives only in an inbox, a hallway conversation or someone's memory, it is hard to find and harder to check later. This guide sets out what a decision record holds and how the parts fit, with one worked example and a log template you can start with today.

WHAT A DECISION IS (AND WHAT IT IS NOT)

A **Decision** is a human judgment at a gate that isn't condition-shaped: loan-committee approval, an exception grant, the final pricing call, a kickback to an earlier stage. It has a decider, a rationale, a time, and the things it sets in motion.

The distinction that matters: a **Condition is the gate; the Decision is the judgment that clears it.** A condition called "LC Approved" can clear when a Decision of type "LC Approval" is recorded. The condition is a checkbox; the decision is why the box got checked, by whom, on what basis. A system that records only the checkbox loses the why.

WHY DECISIONS GO UNRECORDED

1. **A status holds the outcome, not the reasoning.** A stage change or a checked box records what happened. Unless your system has a structured place for who decided, on what authority and why, that part goes to email or a meeting, where it is not kept with the loan.
2. **It feels like overhead in the moment.** The committee said yes. Everyone heard it. Writing down the rationale feels redundant until the day someone asks why, and the answer is a shrug.
3. **The cost is deferred.** A missing decision record costs nothing today. It shows up the day an examiner, an investor or opposing counsel asks you to explain a judgment no one wrote down.

WHAT IT COSTS WHEN YOU CAN'T RECONSTRUCT A DECISION

- **Exam and audit exposure.** "The head of underwriting approved it" is not a rationale. Gaps in the decision trail read as gaps in control.
- **Investor disputes.** A repurchase demand can turn on whether a pricing or eligibility call was within policy. Without the recorded rationale, you're arguing from memory against a paper file.
- **Key-person risk.** When a senior underwriter leaves, their sense of which exceptions are safe leaves with them, unless it was written down.
- **No learning loop.** You can't ask which exceptions performed well if you never recorded them, or never looked back at them.

WHAT A DECISION RECORD HOLDS

You can start without a new system. A spreadsheet works, as long as each judgment gets its own row when it is made. Each field answers a question someone will ask later:

FIELD	WHAT IT HOLDS
Decision ID	A stable reference, so later records can point to it
Loan ref	The loan (or cycle, such as a draw) it applies to
Type	LC approval / exception grant / pricing call / kickback / mod approval / waiver
Question	What was being decided, in one sentence
Options	The choices on the table, including the ones not taken
Decision	The outcome: approved, declined, deferred or conditioned, or the option chosen
Decider	The person or committee who made the call
Authority	The policy or delegated limit the decider relied on
Rationale	Why: the reasoning, not just the outcome
Evidence	The memo, analysis, documents or messages it rests on
Decided at	When the call was made
Effective at	When it takes effect, if later (at rate lock, say, or at closing)
Conditions affected	The condition(s) it clears or overrides
Triggers	What it sets in motion (stage change, notice, new cycle)
Supersedes	The earlier decision it replaces, if any
Review by	When someone will look back at it
Review outcome	What happened, filled in at that review

How the parts fit. A decision answers a **question**. The **options** show what else was possible, so a reader can judge the choice, not just see it. The **decider** and their **authority** show who made the call and the policy they relied on. The **rationale** explains the choice, and the **evidence** lets someone else check it. **Decided at** and **effective at** place it in the loan's history, since a call made today can take effect at closing. **Review by** puts a date on looking back, and the **review outcome** is what turns a log into a learning loop.

START TODAY

The companion **decision-log template** (decision-log-template.csv) has a column for each field above and five synthetic example rows, whose IDs start with EXAMPLE; delete them before you start. Begin with committee approvals and exception grants: each row is one judgment someone can find and check later.

A WORKED EXAMPLE (SYNTHETIC)

One exception grant, as the template's first example row records it. The loan, the people and the numbers are made up.

FIELD	EXAMPLE-01
Loan ref / type	LOAN-A / Exception grant
Question	Allow a loan-to-value of 78% against the 75% policy limit?
Options	Grant as requested; grant with 12 months of interest reserve; decline
Decision	Granted with 12 months of interest reserve
Decider	Chief credit officer
Authority	Delegated authority: loan-to-value exceptions up to 5 points
Rationale	The sponsor has completed three similar projects; the reserve covers interest until the property is stabilized.
Evidence	exception-request-A.pdf; sponsor-track-record-A.xlsx
Decided at / effective at	2026-01-14 10:20 / the same
Conditions affected	COND-LTV-MAX (overridden)
Triggers	Added to the exception register; reserve added to the loan terms
Review by / outcome	2026-07-31 / Payments current; reserve drawn as planned (added at the review)

> **THREE RULES. Append-only:** never edit a decision; record a new one that names it in Supersedes. Only the review outcome is added later. **Capture at the gate:** question, decision, decider, authority, a sentence of rationale and a reference, in a minute or two. If it takes ten minutes, it won't get done. **A record is not an authorization, and a pattern is not a rule:** the log shows the authority the decider relied on, but your credit policy decides whether they had it. If the same exception keeps being granted, take it to whoever owns the policy. A waiver of a failing condition is a Decision too: record it rather than silently suppressing the condition.

Want it built into your own system instead of a spreadsheet?
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