Lending Services Provider

Case Study

Each loan package typically includes between 160 pages and 180 pages, and most title insurance companies don't want to add staff at the end of each month to process loans.

Lending Services Provider Reduces Turnaround Time by 90 Percent and Achieves 400 Percent Increase in Staff Productivity with Intelligent Capture

Speed is critical to loan origination to ensure enough time for due diligence, to resolve any exceptions before they impact borrowers or create compliance issues, and to avoid funding delays.

A leading provider of technology and business services to mortgage lenders and servicers accelerated its loan review and boarding processes by 90 percent and achieved a 400 percent increase in staff productivity with an intelligent capture solution from ibml.

The Situation
After a loan is closed, the documents are typically notarized and sent to a title insurance company or escrow agent for processing and quality control and review. This lending services provider digitizes and reviews loan packages on behalf of its clients. Among other things, the title insurance company must ensure that the borrower signed all of the necessary documents, and that the notary included a copy of the borrower's photo identification. The lending services provider works with the title insurance company or lender to resolve any exceptions it uncovers, such as a missing notary signature.

Certain documents such as the mortgage deed of trust also must be pulled from the loan package, certified with a stamp as an original document, replaced in the loan package with a copy, and recorded with the government (some entities require two copies of recordable documents). Some other documents must be pulled from the loan package and returned to the borrower. Processed loan packages are then uploaded to the lending services provider's clients' systems as well as its own.

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The lending services provider processes between 500 loan packages and 700 loan packages on an average day.

The lending services provider previously used a solution built around 15 desktop scanners (each processing between 60 pages and 80 pages per minute) to digitize loan packages. The solution created several challenges:

- Each scanner required a dedicated operator
- The solution could not read barcodes to automatically identify documents
- The solution could not automatically upload information to back-end systems
- The solution required operators to search for and pull recordable documents from loan packages and leave their workstation to photocopy, handstamp and initial the original document and replace in the loan package with the photocopy
- Heavy document throughput required the lending services provider to replace the rollers on its desktop scanners every two weeks

Recognizing the inefficiencies with its legacy capture solution, the lending services provider began evaluating alternative solutions. One of the company's technology partners initially proposed a desktop scanner that would provide an additional 40 pages-per-minute of throughput with no improvement in functionality. However, the solution wouldn't have solved the lending services provider's technical problems and they would have still needed 10 scanner operators.

The lending services provider discovered a viable solution when one of its finance executives saw an ibml capture system in operation at another outsourcing provider, Berkheimer OneSource.

The lending services provider immediately recognized that the ibml capture solution provided the horsepower and functionality that it required.

The Solution
The lending services provider's ibml solution includes two high-speed ImageTrac® scanners and ibml's Capture Suite software. The solution digitizes each loan package, and reads the barcodes on the front of the separator sheets to identify recordable documents. An inkjet endorser sprays a certified watermark on each recordable document signifying that it is an original document. And two dedicated HP printers automatically generate copies of recordable documents, eliminating the need for staff to leave their workstation to photocopy documents and handstamp and initial the original documents. Once a loan package is scanned, the solution automatically uploads the images and data to the lending services provider's system as well as to its clients' systems. The lending services provider began using the ibml platform within just a few months of discovery.

The Benefits
The ibml intelligent capture solution provided the lending services provider with immediate operational benefits:

- **Fewer manual processes**: Brightly-colored separator sheets enable staff to quickly identify the location of recordable documents within a loan package. Staff replaces the original recordable documents with the printed copies, and removes the separator sheets for re-use. Staff used to spend too much time trying to determine where a note started. The lending services provider's old process of identifying recordable documents also made it more likely that staff would not remove all of the pages of a recordable document, or would inadvertently remove pages belonging to another document. The ibml solution also enables users to easily print copies of documents that clients might need for disclosures later.

- **Faster turnaround**: The ibml platform reduced the lending services provider's average time to process a single loan package from at least 15 minutes to 1 minute and 15 seconds. The company now processes more than 100 loan packages per hour; on peak volume days, the lending services provider processes more than 150,000 pages and prints 5,000 pages. As a result of the faster turnaround, the lending services provider uploads the previous day's loan closings to its clients' systems by 11 a.m. each business day. With its old system, clients wouldn't see those loans until 5 p.m. The quicker turnaround provides clients with more time for due diligence or to resolve any errors such as missing signatures that the process uncovers – critical in today's increasingly regulated environment. The accelerated turnaround also provides peace of mind that the lending services provider can process loan packages in the event that bad weather or another condition delays the delivery of the day's loan packages. Any loan packages that the lending services provider receives must go out the same day or borrowers may not get their money.

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- **400 percent increase in staff productivity**: The ibml platform enabled the lending services provider to reallocate all but one of the employees previously required to scan loan documents. One person now operates the two ImageTrac scanners the company uses to process and review loan documents. Additionally, the ibml platform automatically uploads images and data into the lending services provider's system as well as to its clients' systems based on information read from barcodes. And staff no longer needs to leave their workstation to photocopy, handstamp and initial recordable documents.

- **Better visibility and control**: The ibml platform provides the lending services provider with visibility into the efficiency and accuracy of each task performed by team members. And the barcode reading capabilities in the ibml platform tracks outbound loan packages. In the past, staff had to sort through packages piled on desks to determine the status of outbound packages. This has resulted in better communications between the lending services provider and its clients.

The Future

The lending services provider plans to build on the success of its intelligent capture solution with proprietary software that will automatically identify, separate and index loan documents, and extract critical information from the document.

The company is also evaluating how to extend its intelligent capture to other business applications.