



Power Up Your Mortgage Operations

Drive Scale with Flexible Hybrid Cloud Solutions

Mortgage Challenges

Few industries are as lucrative and volatile as the mortgage industry, which makes keeping up with fluctuating demands quite costly. Matching capacity and customer needs is a constant struggle, the scale always threatening to tip one way or the other.

When the market slows, profit squeezes threaten your business. And when the market is up, you're overwhelmed with extraordinarily high volumes. Attempting to meet customer expectations, keeping up the quality of information, and maintaining thorough compliance standards becomes a struggle.

What can you do?

Increase the flexibility and scalability of your mortgage processing operations with intelligent data extraction software. The right processing software helps you:



Improve profitability



Increase efficiency



Eliminate errors



Accelerate turnaround times



Enhance the customer experience



Mitigate risk

Profit Pitfalls

It's harder than ever to earn a profit originating mortgages. This boils down to several key factors:



Online mortgage lending continues to grow



Disruptive new competitors expand their market share



Increasing customer demands strain staff resources



Compliance violations are costlier than ever

Additionally, fluctuating interest rates compound profit struggles. Mortgage application volumes quickly rise and fall based on interest rate changes, and manual, outdated mortgage processing saps your teams' time and your profits.

That's why you need a solution that can expand and contract with the market to maximize your profits.



4 System Flaws of Rigid Mortgage Operations

Here are four signs that your origination process is holding you back:



1 High processing costs.

Manual mortgage origination operations require lengthy input and verification processes. This often includes:

- Physically separating documents by type
- Collecting, printing, photocopying, counting, packaging, and filing documents
- Keying data into multiple systems and
- Manually verifying the data

Some documents must even be out-sorted and sent to a third party. And it's not unusual for a single document to be printed, photocopied, reviewed and filed multiple times.

These manual processes become even more expensive when mortgage volumes rise during periods of low interest rates, and you have to hire temporary staff to help manage soaring volumes.



2 Too many errors.

Manual processes create lots of opportunities for mistakes, like mis-keyed data or documents sent to the wrong approver, or put in the wrong package, or misfiled.

Staff wastes lots of time checking and rechecking basic data. Worse, mistakes may not be caught until late in the process, putting the close at risk.

When mortgage volumes spike, the errors becomes considerably more expensive – both in terms of the labor costs to resolve errors and the customer impact. Add in potential compliance issues and errors can be devastating.



4 Compliance issues.

Peak volume periods put pressure on your processes and make it hard to comply with regulations and ensure sensitive customer data is kept safe. However, when you have so much paper flying around a manual operation, and so many people rushing to keep up with the work, things slip. Plus, data spread across disparate systems is harder to manage.



3 Fragmented systems.

Data silos, information latency, and incorrect data are unavoidable for processors who can't tightly integrate their antiquated document system with their loan originating system. As a result, underwriters spend hours comparing data. When mortgage volumes spike, staff waste a lot of time contending with various systems.

New federal regulations have increased the pressure, reducing the time from mortgage origination to close by 50%.

By restructuring your mortgage process to be more adaptable, you're able to cost-effectively scale operational capacity during peak volume periods, while providing flexibility to right-size capacity when volume inevitably dips.

3 Keys to High-Caliber Flexibility and Scalability

Automation provides the flexibility and scalability that the mortgage market demands, but not all automated data extraction and classification solutions are equal. There are three key features that you should look for in an automated solution:

Key #1: Extraction

Manual data entry and verification causes workflows to back up and delay closing dates. Best-in-class solutions extract and verify mortgage information from physical and electronic documents with little oversight. The solutions use a mix of technologies to ensure optimum results, and can extract information from:

- Unstructured forms
- Barcodes
- Handwriting
- Mark sense
- Fuzzy database
- PDF and text
- Fixed-form

Extraction technology is significantly faster and more reliable than human operators, enabling mortgage processors to easily manage spikes in volume. And the technology electronically routes mortgage content to downstream workflows or systems based on extracted values or the data from index fields (such as dates or addresses), based on your rules, to keep approvals moving.

Key #2: Classification

Mortgage originators receive hundreds of different types of documents, including:

- Applications
- Credit reports
- Employment information
- Asset and liabilities statements
- Tax statements

Best-in-class solutions use powerful algorithms and supervised machine learning to automatically classify and sort different document types and layouts, enabling batching and removing the need for manual sorting.

Each time a human operator is required to make a correction, the technology becomes smarter, learning new layouts and document types over time. Some solutions even offer built-in libraries with hundreds of pre-trained document templates.

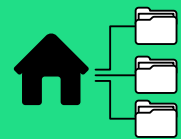
Key #3: Capacity and Scalability

Best-in-class extraction and classification solutions exploit the scalability of the cloud for incredibly fast image processing and extraction, even during peak volumes. The technology can process large volumes of data up to 10 times faster than standalone solutions, making cloud-based solutions ideal for mortgage origination.

MORTGAGE FACTS:



The typical residential mortgage file is at least 350 pages, the Mortgage Bankers Association reports.



The average cost to originate a mortgage loan has skyrocketed from \$5,603 in 2013 to \$8,600 in 2019, the Mortgage Bankers Association reports.



It takes an average of between 18 days and 40 days to process a mortgage, the Mortgage Bankers Association reports.

6 Ways Cloud Solutions Power Up Your Capacity

Automating the extraction and classification of information provides processors with the flexibility and scalability they need to more smoothly manage the ups and downs of the mortgage market.

- 1 Add capacity fast.** Cloud-based extraction and classification solutions make it easy to add capacity to meet sudden spikes in mortgage application volumes. You'll also free up staff time while minimizing overhead and maintaining a consistent customer experience.
- 2 Reduce capital expenses.** Cloud technology provides more processing capacity without the costs of extra staff, servers, and maintenance. Similarly, when application volumes decline, you can easily scale down.
Operating in a hybrid cloud/on-premises environment also enables you to offload work to the cloud during peak processing times while extending the value of hardware capital investments. And browser-based interfaces minimize the total cost of ownership and accelerates your deployment.
- 3 Improve data accuracy.** Automation extracts, verifies, classifies, and sorts important content from mortgage applications and feeds it directly into an underwriting system. Eliminating manual processes reduces human errors and keeping your approval processes on track – even during peak volume periods.
- 4 Accelerate turnaround.** Comprehensive application programming interfaces (APIs) and application connectors provide seamless integration with downstream workflows and systems to ensure that you have access to the information when you need it. Documents can be effortlessly exported into loan origination systems such as Mortgage Cadence and Ellie Mae.
- 5 Mitigate risk.** Extracting structured and unstructured data gives you a 360-degree view of loan risk factors and can be compared to information in other systems in real time.
You can also extract “Know Before You Owe” data from loan estimate and closing disclosure forms to update downstream systems for regulatory compliance. The technology also streamlines customer onboarding with minimal human operator intervention, enabling you to keep pace with applications without increasing risk.
- 6 Enhance customer service.** By automatically extracting and verifying important content from mortgage applications, processors remove the risk of annoying customers or delaying approvals during busy times with repetitive requests for information.

Master Changing Volumes with a Highly Flexible Solution

Fluctuating interest rates... rising volumes... high pressure decisions... growing customer demands...

It's easy to see why it's a struggle to adjust operations to meet constantly changing business needs. Thankfully – there's now a better way to scale your business. Cloud-based extraction and classification technology helps you easily manage the ups and downs of the mortgage market, while keeping costs low to achieve greater profitability. Are you ready to introduce flexible control into your operations?

ibml is the world leader in high-volume intelligent capture automation. Using industry-leading intelligence and accelerated speed, ibml helps organizations extract actionable data, capture insights, and expedite critical decision-making. The world's largest enterprises in Banking, Financial Services, Insurance, Healthcare, Government and Business Process Outsourcers rely on ibml to help overcome their core information management challenges. With a comprehensive suite of hardware, software and services ibml products can be found in over 80% of the world's top mailrooms.

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