Salient Process Helps Mortgage Company Automate Their Loan Origination Process with IBM Cloud Pak for Business Automation

THE CLIENT

A Leading Mortgage Company

THE CHALLENGE

The Mortgage Company aspires to be the leader in mortgage servicing. The company needed help with mortgage refinance (refi) loan origination time. It took too long to process refis for their customers; thus, they needed to take more advantage of the 2020 interest reduction market opportunity. They wanted to lower their time to process a refi.

They also had challenges re-assigning a loan if a processor was out of the office for some reason. They would have to scramble to determine whom to re-assign the loan to. Lastly, they needed more visibility into their refi loan process. They could see the state of a refi, but they needed help to see what the next most important work to do was. It required a person to get involved and look through the list of loans to determine the next thing to work on.

All of this led to frustrations for their operations team. They were frequently unable to close loans on time, and their cost per loan was too high.

THE SOLUTION

The client engaged Salient Process to help them resolve this by taking a holistic view of their process and fitting the type of work being done with the available automation capabilities in the company's arsenal. Those capabilities ending being a combination of Workflow **(IBM Business Automation Workflow, "BAW")**, Decision Management **(IBM Operational Decision Manager, "ODM")**, **RPA**, and **Content Management.**

THE NUMBERS

30%
Increase in loan processing capacity

55%
Reduction in time closing

60%
Reduction in the cost of loan processing

ADDITIONAL INFO

The business implemented a technology solution that revolutionized loan application processing. It achieved a balance between human and automated tasks, allowing specialization and reducing errors. The system accommodated round-the-clock operations with multi-shore support while complying with regulations.

Training time was dramatically reduced, and users received specific instructions for task completion, leading to increased productivity and skill expansion. New products were easily integrated by reusing components and adding customized processes on-the-fly, enabling scalable processing volume. Messaging and asynchronous communication managed workload while maintaining data consistency and integrity through an API gateway.

PROJECT RESULTS

Working with the client and leveraging I**BM Blueworks Live**, Salient analyzed their process to determine the atomic work for each task and when and by whom each task should be executed. It was determined that the loan processor role was still necessary; however, many of the tasks would be broken down to such an extent that they could be simplified to the point where anyone with a minimum of training in the mortgage industry could complete those tasks.

This effectively lowers the minimum level of experience and competence needed for the role. This significantly widened the pool of candidates the company could choose from for executing simpler tasks and significantly lowered the cost. In addition, the redesigned process was simpler and more repeatable; thus, certain tasks were able to be done in parallel, which previously had to wait on other tasks to finish executing.

This lowered the cycle of time of the process creating a 55% reduction in time to closing.

Previous to Salient's help, the process had a lot of rigidity. In a refi process, there are many loan conditions to manage how loan origination can move forward. The conditions are a combination of business rules and actions. ODM was leveraged to handle the conditions. As part of our analysis, we separated the business rules from the tasks and had the tasks be choreographed through BAW and the rules called from ODM as necessary for a particular task within the process.

As part of this analysis, Salient was also able to identify tasks or portions of tasks, which could be automated using RPA. This allowed for repeatability and speed and reduced the possibility of human error in data entry.

All of the above combined led to a 30% increase in loan processing capacity, a 50% reduction in time to closing, and a 60% reduction in the cost of loan processing.