

Achieving a Customer-Driven Mortgage Experience

Being at the Forefront of Industry Change

CASE STUDY

FAST FACTS

- Founded in 2000
- Formerly WR Starkey Mortgage
- HQ: Plano, TX with offices in 13 states
- \$1.5B annual loan volume

“Being at the forefront of industry change, we didn’t have all the answers or even know what questions to ask. The AI Foundry team took our scenarios and developed a solution to get to the data and automate the entire loan process. We are now ahead of many other lenders because of the Agile Mortgages solution we’ve implemented.”

– Don Jarrett, SVP-National Process Manager, Certainty Home Loans

Getting the Data; Not Just the Documents

Improving Efficiency, Loan Quality and Borrower Satisfaction

The Challenge

Today, consumers expect that applying for a mortgage is as easy and convenient as the best online experiences from Amazon, Netflix, or Instacart. Those online user experiences must carry over to the lending world with simplicity, speed and control—the new bar for companies to meet. The banking and lending markets have been somewhat slow to adopt new technology, processes and product offerings. This is no longer acceptable and today’s leading lenders are figuring out how to automate the very manual, paper-intensive and stressful mortgage process. Certainty Home Loans is at the forefront of lenders changing the lending process and achieving a customer-driven mortgage experience.

The Solution

“Our corporate goals are threefold: to transform the mortgage application process to make it easy for the consumer, provide a streamlined and automated approach for us, and to more easily communicate with our partners,” says Donald Jarrett, SVP-National Process Manager, Certainty Home Loans. “By eliminating the need to ever review the actual documents and extracting the data directly from the source documents, it changes the game completely,” says Jarrett.

Certainty realized that an end-to-end solution that included document classification and accurate data extraction was essential. After considering five other vendors, Certainty partnered with AI Foundry for our Agile Mortgages solution. Certainty knew what they wanted to ultimately achieve with data extraction and end-to-end loan automation. They first examined their own processes and the document types they handled. Then, they determined the frequency and repeatability of the documents in the loan packages to understand the amount of data that needed to be extracted. The higher frequency documents with the larger amount of data were prime targets for AI Foundry to automate. “Our initial engagement with AI Foundry was to extract data directly off standardized documents. They achieved very high accuracy rates and virtually eliminated the need for human review and manual data entry,” mentions Jarrett.

Certainty then applied the same AI Foundry technology to mortgage appraisals and witnessed a similar superior extraction experience. Standardized loan documents are easy.

The documents can be ingested into the system and the data extracted. The harder part of this process is the variability in documents—different paystubs, bank statements, etc. “This is where AI Foundry shines as their solution has multiple mechanisms to capture the data based upon the variations of the document and automate the entire loan data review process,” says Jarrett.

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The Results

Certainty strongly believed that getting the data into the Loan Origination System (LOS) without human involvement was key to the success of the project.

Higher Volumes/Increased Efficiency

For Certainty, the ultimate goals were to quickly analyze the quality of the data to ensure the extracted data was accurate and to eliminate human data entry errors. They believed that data extraction out of the file and automatic data match could be accomplished in seconds. They estimated that 50% of the manual review done by the underwriter could be eliminated because it would have already been matched and confirmed in the LOS system.

Streamlined Process

The underwriting review process is now simply taking the data elements extracted from the documents and comparing them to the data elements within the LOS to examine the accuracy of the information. For Certainty, it becomes a data review process, not a data input process; with the ability to automatically return results in seconds.

Improved Data Integrity

The mortgage application process is document intensive. There are numerous documents required that are standardized throughout the U.S. Classifying those documents and extracting the necessary data elements is easy. The harder part is the variable loan documents; different bank statements, paystubs, etc. It's those documents, which vary in content and format, that are a lot harder to utilize in an end-to-end loan automation solution. The AI Foundry Agile Mortgages solution has different ways to capture the data from the documents. According to Jarrett, "Any solution that had only one way to solve the document extraction problem would not be practical. The ability to capture the data through multiple mechanism is what is needed."

About AI Foundry

AI Foundry's Agile Mortgages Solution transforms banking and lending operations by utilizing technology, data and people in new, more efficient processes. Our solution creates a "Digital One Office" integrating both the front- and back office and reducing loan processing times by 50%. Organizations can adapt to changing market conditions, manage compliance and drive bottom-line improvements. © 2019 AI Foundry, a Kodak Alaris business unit