

# Sourcepoint helps mortgage provider streamline end-to-end post-closing process for superior efficiency and compliance

## Case study

### Background

A national lender offering a variety of loans for both purchase and refinance, ranging from conventional and government loans to expanded credit and jumbo solutions.

### Business challenge

Increasing regulatory scrutiny requires lenders to ensure stringent quality in their entire post-closing process – from post-close review, title recording confirmation and trailing documents to tracking and retrieving documents and data integrity audits. However, several inherent challenges in the client's post-closing process hampered compliance, resulting in regulatory reporting issues and CFPB findings.

The challenges included trailing documents backlog and high hold-back funds, delinquent pools, increased repurchase risks, and poor vendor performance. In addition, the lack of reporting on missing documents resulted in higher custodial exceptions and reputational risk with correspondent lenders.

### Sourcepoint solution

The mortgage lender turned to Sourcepoint to streamline its end-to-end post-closing process in order to mitigate compliance and reputational risks and improve profitability.

We developed an aggressive plan to quickly tackle the extensive backlog and standardized and automated the follow-up process for missing documents. We also implemented a stand-alone process for recording fee review and streamlined the post-closing review and trailing documents shipping – with all associates and correspondent lenders directly shipping the documents to Sourcepoint.

Sourcepoint took a structured approach to the solution design and deployment. First, our team of experts created a hybrid operating model to enhance efficiencies and reduce errors. Under this model, all physical documents were handled onshore while image-based reviews were processed offshore.

Finally, we enhanced visibility by publishing a correspondent lender/settlement associate performance scorecard, and improved governance by deploying a dedicated team for handling exceptions and prioritizing delinquent pools.

## Business impact

- Rapidly cleared the trailing documents backlog within 60 days (as opposed to the targeted 90 days)
- Procured 17,500 missing documents
- Shipped over 30,000 trailing documents to custodians
- Released over \$1 million in hold-back funds
- Ensured same day post-close collateral and closing package reviews
- 96% of original notes shipped to custodians within 3 days (as opposed to SLA of 7 days)
- Cleared delinquent pools 60 days ahead of target date
- Reduced staffing costs by 30%
- Tracked settlement agents to ensure recording fee refunds within 30 days of funding

The client is delighted with Sourcepoint's post-closing service capabilities and has consolidated all post-closing functions with us. The scope of the contract has grown beyond post-closing services to include additional service lines and several one-time projects.