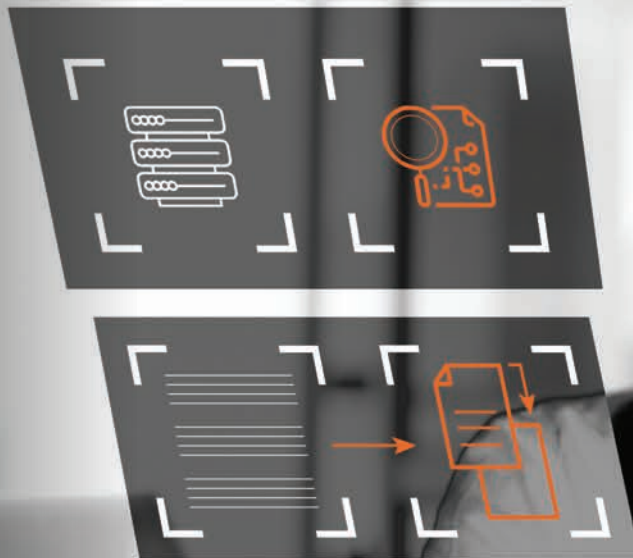


WHITEPAPER

The rise of the Digital Mortgage Assistant





Suppose you had an older car that lacked modern safety amenities, like back-up camera or a collision avoidance system, or even a modern sound system that wirelessly connects with your mobile device. But you love the car; it has low mileage and it runs flawlessly. Do you trade it in for a newer model? Seems like a waste of money given how well your car performs. Besides, you would rather not take on car payments.

Now apply this principle to a mortgage platform, be it for loan origination, closing or servicing. What you are using may be technology that you and your employees are comfortable with, but it lacks modern efficiency amenities, like automated closing, file QC and data validation. Is it worth scrapping your current system and starting over with a new platform in the middle of a refi boom?



Who wants to learn to drive a new automobile on a busy freeway?

Loan processing cannot be a fully hands-off process, at least in our immediate future. Exceptions occur that cannot be addressed using technology; they require human intervention. With that said, there are many steps in the life of loan that are repetitive, rules-based, and arguably of low value when performed by humans. Is turning in your old platform in for a new one the best way to introduce automation into your enterprise? Perhaps, if you have done your homework and you are ready to commit the capital. If you are not prepared, you are many, many months from enjoying the benefits of task automation.

The "Big Bang" vs. the "String of Pearls" approach

The Big Bang approach to automation is when you push your chips to the center of the table and wager your capital that salvation is one new platform away. If you have evaluated your options, vetted your technology vendor and have a solid project management team on your side, you will likely emerge in better shape. However, if you are just now peering over the fence to assess your technology options, Big Bang may not be the best approach.

In the String of Pearls method, you make an enterprise-level election to adopt a component approach to task and process automation and integrate specific applications to address an inefficiency or automate a rote process in your current platform. Maybe it is a simple check for a flood cert or address verification. Or it could be more complex and involve file scrubbing or title closing. The point is, it is task or process specific, and implementation is manageable.

These plug-in applications may be rules-driven or employ Artificial Intelligence, but the important thing to remember is that they tend to their knitting and complete their assignments quickly and unerringly. And they often make lives easier for loan processors who shepherd loans through the pipeline. They work alongside humans, at their beck and call to handle drudge work.



Enter CoBots

Introducing CoBots, the digital mortgage employee that modernize legacy processing platforms and workflows using a modular approach. Individually, they swarm a task, creating an island of efficiency in a sea of complexity. Add more CoBots and they combine to form a string of pearls, elegantly creating an automated workflow that begins to upgrade your familiar processing platform.

They replace rules-based processes and tirelessly emulate their human counterparts, completing tasks that would make a loan processor's eyes glaze over. Removing the drudgery in loan processors' lives invigorates them, sharpening their focus on events and transactions that require human judgment. CoBots elevate human performance in the same way that power tools make better automobile mechanics; removed of routine processes, they become better diagnosticians.



What makes a CoBot collaborative?

The role of a CoBot is to complete easy tasks quickly, elevating more complex tasks to their human counterparts. They engage in loan processing when they are triggered or invoked by their human counterparts. CoBots do not displace humans; they are enablers to them. The power of automation is placed at the fingertips of the processor, within enterprise guidelines. It is akin to handing work off to a colleague.

Technology can intimidate a knowledge worker. The notion that their years of experience can be disintermediated by technology can be dispiriting. But if they control the technology, it can be invigorating. Freed from rote processing, people will elevate their gaze and begin to see the forest for the trees. Inspired by technology, they will find more ways to apply it.

When do CoBots come into play?

CoBots can play a role at multiple steps in the life of a mortgage, from coordinating documentation for new loans to performing loss mitigation tasks in servicing. Think of the myriad steps in originating, closing, and servicing a loan. To be competitive, profitable, and compliant—the three-legged stool of performance—requires responsiveness, efficiency, and attention to detail. These are qualities at which CoBots excel.



Data validation



Data extraction and normalization



Audit and QC



Document preparation



Closing



Notifications





Data validation

At various points in loan origination and servicing, you may need to validate data fields or certifications before loan processing can advance. These are natural assignments for CoBots as they can ping external sources and confirm a property address, flood certification or OFACs listing. In conventional processing, this may require minutes of manhours but hours of clock time.

The benefits of assigning this to a CoBot is that it can be completed immediately and does not consume manhours.



Data extraction and normalization

Copying information from one form to another is mind-numbing and rife with the potential for error. Slip a digit and you have an erroneous SSN. Or mistake the property address with a mailing address and the wheels of processing progress grind to a halt.

CoBots perform data extraction, normalization, and forms completion at a higher level because of their speed and ability to recognize content in a contextualized way. Create a title report or populate closing documents using data from a non-standard document, or complete closing documents using AI-assisted OCR. CoBots are the go-to resource.

CoBots complete these mundane (but important) tasks quickly and flawlessly while elevating processors' roles in the workflow.



COMPLIANCE

Requirement

transparency

Law



Audit and QC

Two qualities make CoBots uniquely qualified to audit and QC loan files: They are, by design, methodical. By following the rules, they miss nothing. When they identify an issue, the file is routed to a human for inspection and resolution. Second, they are tireless, which means they can perform audits on 100% of loan files.

Auditing TRID documentation is a task specifically suited to CoBots, as both rigor for compliance and the risk of noncompliance are high. The rules and processes for compliance are well documented, so this is a cinch for a CoBot.

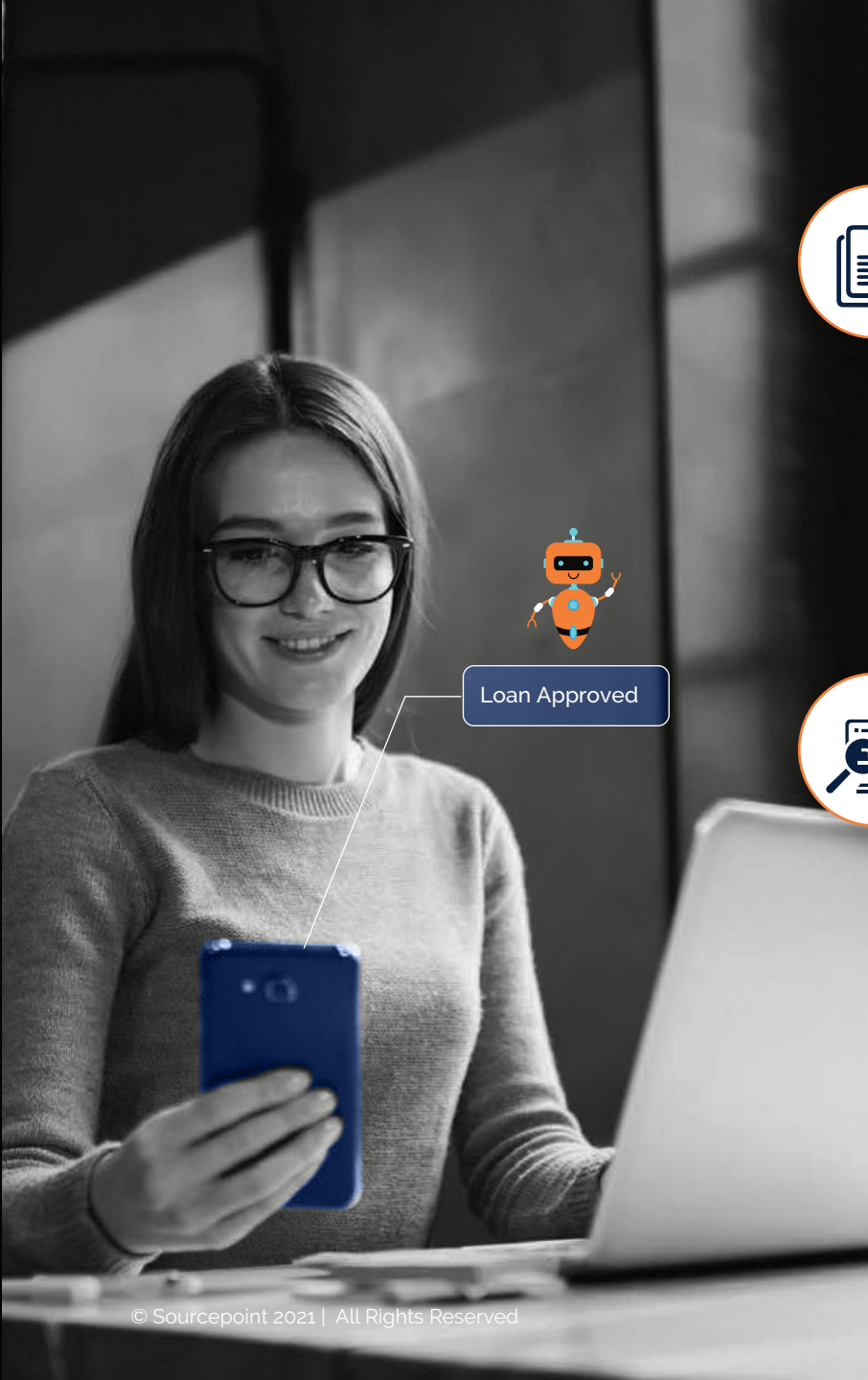
CoBots can have an uplifting effect on loan quality, endearing you to investors and reducing the regulatory spotlight on your company.



Document preparation

CoBots can pull data from multiple sources to populate and update loan files. Again, following rules that mimic well-documented procedures, they quickly create documents needed for closing and post-closing steps. They can be taught to make discriminating choices of which data elements to merge.

CoBots contribute speed and accuracy to document preparation. No more showing up at the closing table with an inaccurate form, or shipping loan files to investors that are incomplete or inaccurate.



Closing

Automated closings enable you to be more efficient, accurate and responsive during loan closing. CoBots contribute by generating loan documents that are accurate, eliminating potentially significant rework caused by errors in traditional closing processes. They bring accuracy and efficiency to the moment of truth in a loan transaction.

CoBots can ensure your fees are accurate and calculate corollary charges, such as taxes, payouts, and payment directions.

CoBots also collaborate well with third parties such as attorneys and settlement services companies, providing near-immediate response.



Notifications

Alerting borrowers to changes in their loan status is not just a compliance issue, it makes good customer service sense.

CoBots will dutifully generate notices of servicing transfer, changes to payment amounts and interest rate, and enable you to comply with a 45-day notice on a loan in default. These happen automatically with no reminders or ticklers needed on your team's part.

CoBots can also reach out to borrowers via text, email or postal mail and alert them to rate locks, loan closing status and schedule, fees required at closing, even opportunities for refinance when certain rate and account thresholds are met.

Many times, these notices fall on the shoulders of high-value employees, like loan officers and closing specialists.

CoBots are timely, specific, and consistently professional in their notifications.

The new automation mind-set

Too often, company executives think of automation as the opportunity to reduce costs by downsizing labor. We think of automation as the opportunity to create more capacity for growth. It can position you to be more competitive in an increasingly competitive market. It can enable you to deliver a better customer experience. It can elevate the worth of your employees and make them better caretakers of your company brand.

Adopting the String of Pearls approach makes automation affordable. A strategic approach to adoption can create a competitive advantage that results in more loan volume with greater unit profitability. Seldom do opportunities like this come around.





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About the author

Sundara Sukavanam is Chief Digital Officer (CDO) at Firstsource Solutions. He drives the 'Digital First, Digital Now' agenda for the organization with the focus to help our customers in their digital transformation journey. Sundara leads Firstsource's Digital Services including Intelligent Automation, Analytics, and scaling Business Process as a Service (BPaaS)

We are **here to help**

Sourcepoint teams are experienced mortgage professionals with data scientists and technologists to produce robotic process automation solutions that augment current practices. This component approach enables rapid automation assimilation and deployment, yielding immediate benefits without significant capital investment.

We can quickly assess your current processes and identify an automation path that is right for your company.

if you would like to discuss any aspect of this paper or how Sourcepoint can help [Click Here](#)

Providing customer-centric transformation solutions across the mortgage value chain

Buying a home is one of life's biggest financial and personal decisions, and it can also be one of the most stressful. At Sourcepoint, we simplify the home financing experience by removing its most challenging aspects so borrowers can focus on what matters most – making a house, home. For our clients, this means increased customer satisfaction and more agile operations - all delivered through the right mix of technology and human touch.

As a leading provider of expertly crafted products and services to the US mortgage industry, Sourcepoint has been helping leading mortgage companies sharpen their competitive edge for over 25 years. Our global workforce tailors right-shore business processes, delivering them through a comprehensive array of state licenses, creating value across the mortgage lifecycle.

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