



Case Study: HPA / Mortgage Lending

Improve the Borrower Experience with Digital Mortgage Operations.

Wyndham Capital Mortgage leverages robotic process automation to eliminate the friction from origination processes and deliver the flexibility to scale up or down with limited to no operational impacts.

When it comes to obtaining a mortgage, the days of driving to a closing table and signing copies of a massive stack of disclosures and agreements are soon to be over, at least where state law allows.

For Wyndham Capital Mortgage, the promise of a swift, convenient, fully digital mortgage operation is a market differentiator. Wyndham is an online digital mortgage provider, assuring borrowers a fast, painless experience from application to close.

Wyndham Capital Mortgage has been in business for over 17 years, lending over \$18 billion to 60,000 U.S. customers. Wyndham sought the services of HPA to automate their manual originations tasks.

Outcomes

- Increased consumer confidence with an on-time loan guarantee to their borrowers.
- **A savings of \$170 per closed loan**, attributed to automating set-up and servicing tasks alone.
- Over 94% labor savings, including elimination of over 660 hours of manual disclosures processes per month.
- Improved borrower experience due to 24/7 loan processing that reduces cycle time and delivers a decision to borrowers more quickly.

Automating beyond the digital point-of-sale

Digital Mortgage Operations

Improve the borrower experience beyond point-of-sale (POS) digitization with Robotic Process Automation

When Wyndham began its journey to providing a true digital mortgage experience, it knew it needed to streamline its operations. At the same time, the seasonality of loan volumes made it difficult to normalize resource requirements. Wyndham sought to remove manual intervention in its mortgage approval processes as much as possible, and to do so at scale. Wyndham sought the help of HPA's robotic process automation (RPA) services to digitize processes over the lifecycle of originating a loan. Their deep expertise in the mortgage industry made Wyndham confident that HPA could guide their automation program.

The automation opportunity in mortgage lending

Despite strong home sales nationwide, the mortgage lending industry has experienced unprecedented margin compression in recent years, in part due to continuing low interest rates and market fragmentation. Loan fulfillment is beset by non-value-added manual processes that force humans to "stare and compare." Many lenders have customized their mortgage systems over the years. Those revisions add a layer of complexity that requires costly work-arounds and causes loan processes to be error prone.

Manual processes increase processing costs and cycle times, expose loans to human error, and hinder the lender's ability to handle seasonal volume changes. From application to approval, a typical mortgage now takes [30 to 45 days to process](#), according to National Mortgage News.¹

HPA's automation services would streamline loan processing, allowing Wyndham to turn loans in a

fraction of the time, regardless of volume, while also reducing overhead costs significantly. As an Ellie Mae® strategic partner, HPA's automation technology seamlessly interfaces with the Ellie Mae® Encompass® digital mortgage solution, which Wyndham utilizes as their loan origination system.

"We wanted to be able to scale our business and embrace technology," says Jennifer Kovacs, Process Improvement Manager for Wyndham. The mortgage approval process was a good candidate for automation because of its multiple redundant tasks. "For example, in Loan Services, the user checks one field for accuracy, then moves to the next. It's not a thought-provoking task," adds Kovacs.

Her team began working with HPA in October 2017, with the project going live in December.

As its first areas of focus, the team identified four processes as bottlenecks to streamline loan processing. These complex, multi-system processes required several dedicated employees, slowed the cycle time, and significantly raised overall processing costs. Our engagement focused on:

- Loan setup, including validating signed disclosures have been received, determining the credit card charge for the appraisal purchase, and ordering appraisals. It also includes the ordering of Veteran's Affairs and future appraisals. This process required a staff of six to eight full-time employees, depending on volume.
- Sending initial and closing disclosures, including changes of circumstance. This process required five to six full-time employees.

¹ <https://www.nationalmortgagenews.com/news/fragmentation-holds-back-reduction-of-mortgage-processing-speed>

- Loan service initial review, in which a staff of 12 employees manually assigned the processor, ordered flood certificates and titles from third-party providers and verified borrowers' names, among other tasks. Accuracy was of particular importance here as fines are levied for errors.
- Lock desk, a time-sensitive process that took analysts an average of 45 minutes per loan. This workflow required employees to pick up new requests, validate all information, set up the locked loan in the secondary pricing portal, and send locked disclosures. The lengthy time to completion put Wyndham at risk for incurring rate charges when it couldn't lock in the quoted rate before a refresh occurred.

Now, loan setup, as well as disclosures, are fully automated and the remaining originations processes are currently in progress.

"We were able to eliminate the need for human touch once the loan application is accepted," says Kovacs. "That saved us a solid business day, with a seamless transition between loan creation and loan processing."

With HPA, Wyndham saves roughly \$170 per closed loan, just on setup and servicing tasks alone. With an average of 500 closed loans per month, the savings add up to a little over \$1 million annually – a major improvement. And, with regulations increasing the amount of disclosures that need to go out to borrowers, Wyndham was able to handle a 160% increase in disclosures volume with no operational impact.

A digital borrowing experience builds consumer confidence

For borrowers, the increase in speed and the ease of digital processes translates to a better overall experience.

"In many cases, the borrower(s) would sign their disclosures in the evening, after business hours. These signed disclosures would sit until our Loan Setup Team came in the following morning," says

Kovacs. "Now, once the disclosures are signed, the bot confirms appraisal payment, orders the appraisal, and moves the loan into Processing. This allows loans to move into production faster, which decreases the cycle time and minimizes delays."

"Many buyers are leery of working with an online lender. We want to do anything we can to eliminate their fear," says Kovacs.

Previously Wyndham would not send out initial closing disclosures until a few days before closing. "Now, we can send CDs much earlier in the process to avoid closing delays," she says. Regulations dictate strict cadences for the closing disclosure. Any delay can result in a closing date having to be pushed out, which can create inconvenience and worry for borrowers.

"By having CDs sent automatically, we eliminate that risk," says Kovacs. Wyndham is so confident in its automated processes, it now offers an on-time closing guarantee. "If we miss a closing date due to a mistake on our end, we will pay the seller and the borrower \$5,000 each. We are confident that we are not going to miss the closing date, which helps increase the borrower's confidence in us as a provider."

"Many organizations choose RPAs primarily for the cost savings or increased quality, but our principal driver for robotics is scalability. After evaluating multiple providers, we chose HPA due to their expertise and competitive price model. This model allowed Wyndham Capital to mitigate implementation risk by backloading the expense of workflows. They ensured workflows were developed and maintained to execute at industry-leading success rates. The HPA Team is knowledgeable, personable, and a pleasure to work with. We value their partnership and are continuing to expand our automation portfolio." says Ben Cowen, Chief Operating Officer for Wyndham.

Looking Ahead

With the success of the initial RPA project, the team is now working on automating four to five more workflows in the next few months, including uploading appraisals, sending pre-approvals, and shipping packages to investors. Wyndham will continue to provide a state-of-the-art digital mortgage experience using existing infrastructure while growing its business.

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About HPA, A Cognizant Company

HPA is a provider of fully-managed robotic process automation services; documenting, building, deploying, and managing digital workforces on our clients behalf. Learn more at www.hpa.services.

About Cognizant

Cognizant (Nasdaq-100: CTSH) is one of the world's leading professional services companies, transforming clients' business, operating and technology models for the digital era. Our unique industry-based, consultative approach helps clients envision, build and run more innovative and efficient businesses. Headquartered in the U.S., Cognizant is ranked 195 on the Fortune 500 and is consistently listed among the most admired companies in the world. Learn how Cognizant helps clients lead with digital at www.cognizant.com or follow us @Cognizant.



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