

# RPA-as-a-Service

## The Automation Opportunity in Mortgage Lending

A recent [Cognizant study](#) amongst 302 financial executives indicated that nearly 90% feel that automation is important or critical to their business now and in the future. Enterprises can expect to receive two to four full-time equivalents (FTEs) returned per bot for high-volume, low-complexity tasks, and 2.5 FTEs for more complex, lower-volume tasks.

There are [significant opportunities for automation](#) across the loan lifecycle. Loan origination is wrought with manual processes that require human touch to advance loans forward. For example, from application to approval, a typical mortgage currently takes 30 to 45 days to process, passing through 15 to 18 system users. With the increasingly competitive landscape and evolving borrower expectations, lenders are shifting to digital loan experiences that deliver greater accuracy and faster lending decisions.

## Case Study Highlight [Achieving 50% loan cycle automation](#)



### Challenge

Wyndham, a leading regional mortgage lender, wanted the ability to scale rapidly and maintain growth without increasing operations costs. As early adopters of automation, Wyndham was motivated to harness the power of RPA to reduce the need for manual intervention in mortgage approval processes and to provide a true digital mortgage experience for borrowers.

### Solution

The lender first focused on loan setup, initial and closing disclosures, loan service initial review, and lock desk. Once implemented, HPA and Wyndham have continued expanding the RPA initiative to include registering and transferring MERS, mortgage insurance premiums, and denial letters. HPA's mortgage robots currently automate roughly 50% of the origination cycle for Wyndham, giving the lender a distinct advantage over its competitors. [Read the Case Study.](#)

### Outcomes

- Accelerated loan cycle with 24/7 robot processing
- Reduced average loan closing time by 20 days
- Over 94% labor savings
- Reduced operating costs to 33% below industry average
- \$10,000 on-time closing guarantee on all purchase loans
- Overall time from application to close consistently beats the industry average by 30%
- 98% 'completely satisfied' rating from customers, as well as 5,000 5-star reviews
- Average 4.5 loans per full-time employee (FTE), compared to industry average of 1.9
- 4,000 employee hours saved per month, equivalent to 15 FTEs
- 2.5 million manual tasks automated per month
- 89% total cost savings

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## Case Study Highlight [Reducing Servicing Time and Cost for a National Mortgage Bank](#)

### Challenge

Over 18 months, the lender spent \$2.5 million unsuccessfully implementing a Pega Robotics solution. In addition to direct processing costs of \$700,000 annually, the work was cyclical and, during peak times, added substantial indirect costs estimated to be over \$800,000. Ultimately, these setbacks reduced their capacity to service loans quickly and within compliance.

### Solution

HPA automated hazard policy pages in Assurant, and memo bills in CoreLogic, which were delivered within two months (with two months for testing and approval.) HPA's automation services allow for around-the-clock processing, enabling employees to spend more time serving customers more effectively.

### Outcomes

- 96% RPA technology savings
- 89% in direct labor savings, 100% indirect savings within 4 months
- On-demand scaling of robotic solution with no added cost improves customer experience and adjusts to achieve full throughput during peak cycles
- Downstream speed and efficiency—Expedient processing of tens of thousands of items, resulting in immediate financial recovery

## Case Study Highlight [Reducing Disclosures Cycle Time for a Regional Bank Group](#)

### Challenge

For a regional bank group with 250 branches, manually processing initial closing disclosures took an average of 12 minutes, and approval disclosures took an average of 15 minutes. With an average monthly volume over 1,600 for each process, the lender had dedicated five FTEs to managing these two processes, an overhead cost of roughly \$360,000 annually. Both of these disclosure processes require accurate validation of loan information, as well as timely processing. The manual effort was costly and slowed the loan cycle significantly.

### Solution

HPA is partnered with ICE Mortgage Technology to deliver custom automation solutions for Encompass clients. With access to the Encompass API, HPA is able to utilize only the loan data needed to process disclosures, which accelerates loan processing time by up to 75%.

### Outcomes

- 86% total production cost savings
- 1,001 hours saved per month on Initial closing disclosures, approval disclosures, and loan boarding, the equivalent of 8 FTEs

## Case Study Highlight Automating Investor Stipulations



### Challenge

The investor stipulations process helps the lender sell its loans to investors, a process that must be completed within 30 days of the loan closing. Investors will mandate stipulations and conditions to be met by the lender before the sale can go through. When Guild employees process investor stipulations manually, they must navigate to investor sites, where the specific stipulations are listed, and load this information into the Loan Origination System (LOS) to begin satisfying the stipulations to get the loan sold. The lengthy cycle time of manual processing put lenders at risk for paying late fees to investors.

Running several times per day on 8 investor websites, manual processing took between 20 to 40 minutes per site. At an average monthly volume of more than 1,700 investor stipulation checks, the operational burden was roughly 930 overhead hours per month. In times of higher volume, if the post-closer could not get to the site for a day or two, the lender risked losing even more money since investors tend to drop their purchase price as time goes on. [Read the Case Study.](#)

### Solution

HPA's robots currently scrub investor sites once per hour, capturing and loading new stipulations back to the lender database so processors can easily prioritize their work and start satisfying the conditions immediately.

Accelerating the loan selling cycle also improves relationships with investors. Because Guild captures stipulations faster, post-closers are able to meet the conditions sooner, and the overall turnover ratio is improved. Investors are much happier to work with lenders, like Guild, who have streamlined the process to not keep them waiting.

### Outcomes

- 89% total cost savings
- 930 hours saved per month
- Eliminated risk for financial penalties
- 100% accuracy in reporting
- 24/7 robotic processing so conditions can be satisfied sooner, overall turnover ratio is improved, and investor relationships are kept secure

## Case Study Highlight Accelerating Initial Disclosures for a Bank Holding Company

### Challenge

For a lender with more than 300 locations in 9 states, manually processing initial disclosures took an average of 15 minutes, an associated cost of \$9 per loan. At an average monthly volume of around 300, the lender had two full-time employees dedicated to the process. Initial disclosures requires accurate validation of loan information, as well as timely processing.

### Solution

HPA is partnered with ICE Mortgage Technology™ to deliver custom automation solutions for Encompass® clients. With access to the Encompass API, HPA is able to utilize only the loan data needed to process disclosures, which accelerates loan processing time by up to 75%. [Learn more about the benefits of API automation.](#)

### Outcomes

- 75% total production cost savings
- 280 hours saved per month on initial disclosures, initial closing disclosures, and sending appraisals

HPA is partnered with ICE Mortgage Technology to support their mission to accelerate lenders' operational productivity and innovation, reduce lenders' security and risk management, and streamline overall user experience to achieve a true digital mortgage.



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## About ICE Mortgage Technology

ICE Mortgage Technology, a division of Intercontinental Exchange, Inc. (NYSE: ICE), is the leading cloud-based loan origination platform provider for the mortgage industry. ICE Mortgage Technology solutions enable lenders to originate more loans, lower origination costs, and reduce the time to close, all while ensuring the highest levels of compliance, quality, and efficiency. Visit [icemortgagetechnology.com](http://icemortgagetechnology.com) or call 877.355.4362 to learn more.

## About HPA, A Cognizant Company

HPA is the leading RPA-as-a-Service provider for lenders seeking secure, reliable intelligent automation solutions. As a proven automation Center of Excellence, we utilize our proprietary technology and extensive reusable code library to deliver scalable RPA programs that accelerate ROI and reduce total cost of ownership. For more information, please visit [hpa.services](http://hpa.services).

## About Cognizant

Cognizant (Nasdaq-100: CTSI) 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 193 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](http://www.cognizant.com) or follow us [@Cognizant](https://twitter.com/Cognizant).



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