

We Strengthened Underwriting Practice with Automation and Corrected Process

The Customer



Leading US Residential Lender in the Texas Region



01

Business Situation

- ❖ Missing Information or Omission
- ❖ Absence of Quality Metrics for Benchmarking
- ❖ Lower Underwriting Productivity

02

Fall Out of Business Situation

- ❖ Incorrect Income and Asset Calculation
- ❖ Poor Quality Loans Generated and Increase in Denial Rates
- ❖ A Huge Backlog of Loans that Required Immediate Underwriting

03

Solution

- ❖ Automate Loan File Indexing Process with MSuite
- ❖ Extract and Validate Data with MSuite
- ❖ Redefine the Lending Decision Analysis Process (Make sure 2 years' of employment history and resident history is included)
- ❖ Base Credit Capacity On The Existing Income Calculation Requirements
- ❖ Adequately Support Property Value with Legitimate Comparable
- ❖ Prepare the Right Questionnaire to Validate Data Accuracy from Customers
- ❖ Red Flag Issues that Need Further Investigation
- ❖ Every Loan File Reviewed by a Special Guidelines Team

Outcome

From 12 FTE, EMA ramped up support to provide 40 FTE within a period of 3 months

Benefits

- ❖ Significantly reduce the amount of information an underwriter had to review
- ❖ 2X improvement in underwriting productivity in 3 months' time (2 files per underwriter to 4 files per underwriter)
- ❖ About 40% Reduction in Underwriting Turnaround Time
- ❖ Significant Increase in Home Loan Growth (Nearly \$5 Million in 6 Months' Time)
- ❖ Nearly 40% Decrease in Operational Costs

EMAs back office support helped us strengthen our underwriting and quality control practices. Consequently, the quality of mortgages we delivered to the secondary market improved significantly, thereby reducing the impact of defaults and repurchases.

