

LOAN COMPLIANCE SERVICES - CASE STUDY

In Brief

- A large and diverse financial services company was experiencing significant delays in loan closings and funding loans delivered from correspondents
- Indecomm established a team of qualified compliance specialists to audit loans prior to funding for legal and regulatory compliance in a timely manner
- The client significantly reduced audit turn times and compliance deficiencies while improving customer service

Client Information

The client is a top ten national lender with multiple production channels.

Background

The client has over 6,000 employees around the world and provides a wide range of financial services in a highly regulated environment for more than 15 million customers. They offer mortgage services throughout the U.S. through retail, direct to the consumer, wholesale and correspondent lending channels.

Problem Statement

- The identification of compliance deficiencies for loans delivered by correspondents was too slow and it was impacting correspondents' warehouse lines of credit, which was starting to impact our client's production volume
- Frequently loans were purchased and funded with minimal attention to long term consequences of repurchases from the GSE's
- A comprehensive method of tracking and rating of loan quality submissions by various correspondents was cumbersome or non-existent
- The client had significant training and mentoring costs to stay current with guideline changes, and they realized that the overhead cost to maintain in house staffing was very expensive

Solution Summary and Key Benefits

- Indecomm assembled a team of qualified associates in the U.S. and India to audit loans delivered by correspondents for legal and regulatory compliance within 48 hours of receipt from the correspondent
- A comprehensive review process was put into place to identify deficiencies that needed to be corrected prior to funding and/or needed escalation for credit and/or collateral review

- An effective reporting and communication process was established to capture exception data in a system which allows correspondents full visibility to the status of their loans and deficiencies. Correspondents are able to cure their deficiencies quicker and get funded quicker
- The data captured allows Indecomm's client to better monitor loan quality and trend the performance of their correspondents was significantly better
- Indecomm provided tiered pricing to offer economy of scale

The Results

- Indecomm's client improved their customer service with significantly improved turn-times and enhanced visibility regarding loan statuses and outstanding items
- Our client found overall loan quality improved and many types of risks were mitigated
- Indecomm's client experienced cost savings from moving fixed costs to variable costs and reducing overhead expenses

