

## Solution Brief



## Retail Lenders: Close Higher-Quality Loans in Less Time

Retail lenders are facing increased competition, more stringent regulatory requirements, and a growing emphasis on the bottom line. Now, more than ever, retail lenders need to boost efficiency, reduce loan production costs, and ensure compliance, all while increasing customer satisfaction.

This solution brief describes three key areas of challenge that are preventing retail mortgage lenders from reaching their goals: loan processing productivity, effective collaboration, and loan quality. It also introduces Capsilon DocVelocity<sup>®</sup>, a cloud-based document and data management solution, and explains how DocVelocity helps lenders overcome these key challenges.

“Time is money.” It’s one of the most common clichés in the world—but for retail lenders like you, it couldn’t be more true. Your top priority is to close loans as quickly as possible. The faster you close a loan, the sooner you can refresh your capital to fund other profitable loans. But in today’s highly regulated environment, you can’t close just any loans. With the Consumer Financial Protection Bureau (CFPB) looking over your shoulder, your challenge is to produce high-quality loans that meet your business goals as well as compliance requirements.

Between loan intake and loan closing, several major roadblocks typically stand in your way. These include productivity challenges, collaboration challenges, and loan quality issues.

## Productivity Challenges

You do business in an industry that’s swimming in paper. In recent years, software solutions have enabled lenders to replace paper with digital images. While many lenders have saved time and money by switching to electronic files, they haven’t necessarily improved their business processes. In most cases, retail lenders have simply replaced cluttered physical filing cabinets with cluttered electronic file cabinets.

As a result, you’re probably spending too much time naming and renaming documents and assembling and grouping them using slow, non-intuitive software. And you’re probably spending too much time searching for the exact documents you need to work the loan. What’s more, because these software systems offer little visibility into the current status of any given loan, your stakeholders still must call or email each other to get updates, which slows the entire process. All of these time-wasters slow loan turn times and eat into your profits.

You clearly need a better way to:

- > Intake, name, organize, and locate mortgage documents.
- > Track and share real-time loan status securely across stakeholders.
- > Reduce labor by automating key functions in the loan lifecycle.

## Collaboration Challenges

It’s worth repeating: time is money in your business. Stalling during the retail loan origination process hurts your bottom line. When your staff can’t communicate efficiently to address issues, you lose money by the hour. When your team has to root through old notes and emails to find the information they need to resolve an issue, you’re wasting time that could be spent on loan evaluation and underwriting functions.

To enhance collaboration, your employees need access to centralized queues that dramatically streamline activities such as document indexing and data validation.

## Stop Losing Money by the Hour.

Save time by empowering your team to:

- > Use centralized queues that streamline document indexing, data validation, and other key tasks.
- > Share document images, notes, and comments in real time.
- > Work in one common, secure workspace, rather than relying on emails and faxes.

Throughout the loan origination process, you should empower your entire team to share document images, notes, and comments in real time with each other, and with third-party service providers.

You can enhance collaboration by providing a secure workspace that all stakeholders can use to share documents and data. This level of collaboration helps you resolve issues more quickly, speeds loan turn times, and eliminates the security vulnerabilities of emails, faxes, and other modes of sharing information.

## Quality Challenges

When you're under intense pressure to get your loans closed and packaged as quickly as possible, mistakes happen. There's no time to quality-control every loan document. Standard practice is to randomly select a small percentage of loan files and assign employees, or outsourced labor, to visually inspect the consistency of data across document types. Even in a best-case scenario, when your team members don't spot any obvious problems, this "stare and compare" approach is time-consuming and costly. But the greater threat is that overworked employees will fail to spot subtle yet important issues and documents containing major problems will go uninspected, resulting in bad decisions.

Errors creep into the process in any number of ways. For example, information can be entered incorrectly into your LOS, or correct values might be overwritten somewhere in the process. Figures get transposed. Calculations are done incorrectly. When funding decisions are made based on faulty data, you're at an increased risk for loan defaults, and you expose yourself to severe compliance penalties. If an error is identified, rectifying the issue means going to the source documents—the original paper documents—which is a time-consuming activity. Since data values can be so easily entered incorrectly or overwritten in the LOS, retail lenders are left without a single source of the truth. A lack of data integrity equals a lack of loan quality.

Again, digitizing documents with traditional document imaging software reduces paper clutter, but it doesn't guarantee that your documents will be named and indexed correctly—or will be easy to find once they are digital. Your staff can waste countless hours renaming documents that have been misidentified. Errors can still creep in at any stage of the process.

Due to increased compliance risks from the CFPB and other regulatory organizations, retail loan quality is now more important than ever. You need a solution that makes it easy to validate the quality of data in all your loans—not just a random sampling.

### Is "Stare & Compare" threatening your loan quality?

Overworked employees can't quality-control every retail loan document manually.

Documents containing major problems could escape your notice.

The result? Financially devastating decisions potentially impacting your loan output and compliance.

A lack of data integrity equals a lack of loan quality.

## Introducing Capsilon DocVelocity

Increase the speed, accuracy, and quality of your loan origination process with a best-of-breed document and data management solution. Capsilon DocVelocity is a cloud-based, end-to-end document imaging and data capture solution specifically built for retail mortgage lenders like you. With DocVelocity, you can solve your productivity and quality challenges, and close higher quality loans, faster. You'll save time and simplify compliance for everyone involved in the lending process—keeping your entire team happy.

Capsilon DocVelocity is the only solution that enables straight-through processing (STP) of mortgage loans using an exception-based workflow that reduces labor by up to 80%, speeds loan turn times, and ensures compliance.

Capsilon DocVelocity supports the full life cycle of a mortgage loan, from loan origination to servicing, by enabling document capture, validation, collaboration, loan evaluation, electronic transactions, delivery, and retention.



### Enabling Straight-Through Processing of Mortgage Loans.

- > Speed loan turn times with a technology-enabled workflow that automates key tasks throughout the loan lifecycle, reducing labor by up to 80%.
- > Reduce 90% of the time spent receiving, sorting, naming and filing documents.
- > Enable real-time sharing and collaboration across departments and across organizations.
- > Ensure loan quality with automated data extraction and validation capabilities.
- > Enable electronic signing and vaulting of mortgage documents.
- > Automate delivery to service providers, servicing partners and investors.

## Capsilon DocVelocity enables you to:



**Speed your intake process.** Capsilon's patented Automated Document Recognition (ADR) technology enables fast, accurate document naming and indexing. It automatically recognizes and names more than 250 standard loan documents without any need for barcodes—and automatically indexes loan documents to create a complete electronic loan folder in seconds.



**Increase user productivity.** With Capsilon DocVelocity, your users benefit from an intuitive, high-performance user interface that's easy to learn and works the way they do. You can upload documents and reorder them by dragging and dropping, and you can open multiple documents without having to open them in separate windows. Type in a few characters to search for exactly the document you need and view it instantly. You can even arrange documents in a pre-defined stacking order with a single click. Working with DocVelocity shaves valuable time off every step in the origination process.



**Allow centralized collaboration.** With DocVelocity, there's no need for phone tag or endless email chains. Stakeholders across your organization and beyond can connect in one secure online location for fast, efficient collaboration and issue resolution. Every authorized user maintains secure access to the same accurate information, 24/7.



**Validate and audit loan data for better lending decisions.** Capsilon's Automated Data Extraction technology lets you move quality control to the front of your process. Identify the loan data that's important to your business, and DocVelocity will automatically extract it for use in rules engines or other analysis. In the process, you'll improve loan quality, meet compliance requirements, and reduce buybacks.



**Improve loan delivery.** Package loans using pre-defined, automated stacking orders, and deliver complete loan packages to GSEs or investors with the click of a button. Missing documents are identified automatically, ensuring quality delivery every time. Bundle multiple loans together and deliver them all with a single click.



**Reduce loan turn times.** Capsilon DocVelocity speeds loan origination by automating key tasks and optimizing workflows. Documents are named and indexed automatically. Missing documents are automatically flagged. An intuitive user interface saves time. Easy collaboration resolves issues more quickly. Automated Data Extraction automates loan evaluation. Capsilon's vision of straight-through processing (STP) of mortgage loans eliminates up to 80% of labor, dramatically speeding loan turn times.



**Go live quickly and cost-effectively.** Why invest budget and manpower in software you have to maintain yourself? Because Capsilon DocVelocity is a SaaS solution, you can get up and running—and stay that way—without putting a burden on your IT staff.

## Start Closing Higher-Quality Loans in Less Time

Accelerate your time to close—without compromising on quality. Capsilon DocVelocity takes the time, expense, and hassle out of producing loans held to the most stringent quality guidelines.

Find out more today. Call Capsilon at (800) 660-7183, email us at [info@capsilon.com](mailto:info@capsilon.com), or visit us online at [www.capsilon.com](http://www.capsilon.com).

### About Capsilon Corporation

Capsilon provides comprehensive document and data management solutions that enable mortgage lenders and investors to increase productivity and lower costs, while ensuring compliance. The company's flagship product, Capsilon DocVelocity®, is a document imaging and data capture platform built specifically to address the needs of large mortgage lenders. Headquartered in San Francisco, Capsilon serves many of the mortgage industry's most innovative lenders, including two of the 10 largest residential mortgage lenders in the United States. For more information, visit [www.capsilon.com](http://www.capsilon.com).

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