



HOW ROBOTIC PROCESS  
AUTOMATION (RPA)  
**TRANSFORMS**  
**MORTGAGE COMPANIES**



## How Robotic Process Automation (RPA) Transforms Mortgage Companies

In today's rapidly evolving, customer-driven landscape, mortgage executives need to please increasingly demanding and tech-savvy customers, and reduce the cost of operations. Often, many executives are turning to robotic process automation (RPA) to solve for these complex challenges.

"Robots," in this context are software routines that can be programmed to use a mortgage company's enterprise applications to gather, read, understand, react to, and execute new data entry activity according to business rules. While RPA is garnering a lot of buzz, it is a transformative process that brings together human and virtual agents during each process, providing a faster and more effective means for completing tasks.

### How RPA drives success for the mortgage industry

RPA integrates with any IT application or website to perform complex, rules-based, or checklist-driven work. That means it can interface with a mortgage lender's existing loan origination systems or legacy technology, and can navigate through the user interface of an application in the same way a human would. RPA reproduces human decision making and data entry using a virtual keyboard and mouse, controlling applications through the existing commands of legacy systems already in place. RPA drives greater accuracy and faster cycle times, ultimately lowering service costs.

So, how can mortgage lenders best leverage the burgeoning capabilities of RPA to attain these benefits without sacrificing quality? Here are three benefits of leveraging RPA in the mortgage industry.

#### 1. Enhanced Productivity & Accuracy

Time is money when it comes to the length of the mortgage process. Buyers simply want to get in their homes, and lenders want to handle the process

as quickly as possible. The less time customers wait for processing of their loan, the faster they'll be able to enjoy their new home. Fixing errors on loan applications can be very time consuming. Fortunately, RPA not only increases productivity, but accuracy as well.

Per the Institute for Robotic Process Automation (IRPA), out of every 100 steps, a human is likely to make 10 errors, even when carrying out redundant work.<sup>1</sup> Most employees hate repetitive, boring tasks; the more bored they are, the likelier they are to make mistakes or to look for another job. This contributes directly to two of the biggest challenges facing mortgage companies today: quality issues and finding qualified staff to do the work. A robot requires no training curve, doesn't get bored, and cannot make a mistake; it simply follows the established rules, and does it the same way every time, flagging exceptions for human eyes for further attention.

#### 2. Improved Value Chain and Customer Experience

RPA works best where the underlying processes are rules-based, repetitive, and frequent. Therefore, mortgage lenders are discovering that it can have a major impact in critical functions such as loan origination, processing, quality control and assurance, and servicing. In addition, RPA quickly scales up or down to accommodate seasonal peaks or unexpected market downturns, often obviating the need to hire, train, and/or lay off staff. Robots can be "trained" as they come online, and never lose their skills during dormant periods.

Processing all documents in the loan origination process can take days, weeks, and even months, and depends on the speed and accuracy of the employee, the approval process, holidays, seasonal pressures, and sometimes the weather. RPA systems can be in the cloud or anywhere on the planet, backed up simultaneously with 24/7/365 operations.

<sup>1</sup> Source: Institute for Robotic Process Automation (IRPA), "Benefits of RPA" <http://www.irpanetwork.com/benefits-of-rpa/>



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### 3. Drive Improvement without IT Disruption

Automation can be implemented in 60 days. There are no hard-and-fast rules as to which tasks will suit robotics, but in the mortgage industry, RPA returns the highest benefit when there is:

- A process consisting of rule-based, checklist-driven tasks
- A processing environment with interfaces between multiple systems that require an exchange of data
- An environment that requires consolidating information from multiple systems
- A process where data needs to be validated using an external source (probably online)
- A process where data must be pulled from multiple systems/sites
- A process that is high-volume, workflow enabled, labor intensive, and input is digital

In the mortgage space, processes that are well suited for RPA include quality loan package review (prior to file going into operations), quality control, quality assurance, verifications, pre-purchase review for correspondent channel, and financial comparisons or estimates. Once suitable processes are identified,

implementation teams can leverage existing process teams to write the business rules, test and refine the new robots, and ensure that each stage of the process is complete before moving to the next. The increased accuracy provided by RPA leads directly to faster approvals and higher customer satisfaction.

#### **RPA expedites processes by 20% for leading mortgage company**

Sutherland recently conducted a time-in-motion study with a leading mortgage company and expedited processes by 20% through automation. More specifically, Sutherland automated a 300-item checklist used for quality control (QC) after the closing of mortgage loans. Sutherland reviewed the checklist and identified about 60 items, or 20% of tasks to be performed by a robot instead of a human. In the traditional post-close QC process, humans were required to complete all 300 tasks. By reducing the total tasks by 20%, humans could focus more of their time on meaningful work. Throughout the process, if robots encountered tasks more complex than they could handle, humans picked up the tasks and managed them through completion.



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## Ready, set, optimize

RPA is a solution whose time has come. The “do more with less” mentality that drives so many business decisions have brought automation to the forefront of consideration when enterprises evaluate solutions for process improvement. Mortgage companies seeking the highest value and return on investment are increasingly looking for expertise in robotics and analytics from process transformation providers, viewing these two solution areas as critical drivers of expansion.

It’s important to understand that robots are not the only tool in the box. RPA alone might not give you the full solution. Automation is most effective when used with various tools. As an example, old technology tools like optical character recognition (OCR) and new application programming interfaces (APIs) can be combined appropriately to develop the right solution for maximum benefit.

Freeing resources to higher-value work enables mortgage lenders to service more customers, dig into analytics that help drive more informed business decisions, and staff business projects that have been on hold for years due to lack of personnel. Companies can put more resources into understanding customer needs and expectations, which in turn leads to market innovations that produce highly satisfied, loyal customers.

Optimization and growth, therefore, are the ultimate byproducts of RPA; not an incidental spike in efficiency, but a steady, long-term improvement of the customer experience that burnishes the company’s brand and continuously expands its customer base. For mortgage lenders, it is the perfect bridge between technological efficiency and the human insight that customers crave.



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**Is your organization ready for a new model of process transformation that puts exceptional customer experiences first? For more information on how we can help you transform your process to optimize the customer experience, please visit us at [www.sutherlandglobal.com](http://www.sutherlandglobal.com), email us at [sales@sutherlandglobal.com](mailto:sales@sutherlandglobal.com), or call 800-388-4557 ext.6123.**

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