

HARD SAVINGS ROI • INDUSTRY SIGNIFICANCE • OVERALL UNIQUENESS • POSITIVE CHANGE • INTANGIBLE ROI

TOP  
INNOVATIONS

## AND THE WINNERS ARE ...

**W**e can all agree that 2013 was a year of flux for the mortgage industry. The refinance wave ended and the industry geared up for big regulatory change, just to name a few highlights of the past twelve months. Regardless, several new innovations arose to help aid the industry in its efforts to become both more efficient and automated. And that's really what the Innovations Program is all about. We are the Good Housekeeping Seal of Approval, the Gold Seal when it comes to recognizing true industry innovation.

There are others in the space that seek to put companies into arbitrary and confusing categories. Yet others look to create a listing where they look for the top 50 this or the top 25 that. We at PROGRESS in Lending evaluated those strategies and chose a different route. Instead, our goal is to recognize industry innovation pure and simple. We think that this is the best way to recognize true industry thought leaders and encourage the entire industry to continue innovating.

You might ask: What were we looking for specifically? We are recognizing innovations that were introduced into the mortgage market between January of 2013 and December of 2013 that truly changed the mortgage market for the better. Understand that this is not a subjective competition. All applications were scored on a weighted scale. We looked for the innovation's overall industry significance, the originality of the innovation, the positive change the innovation made possible, the intangible efficiencies gained as a result of the innovation, and the hard cost and time savings that the innovation enables industry participants to achieve.

Also, understand that this recognition was not decided by mere industry onlookers, as all seven industry experts that make up the PROGRESS in Lending Association Executive Team acted as judges and all were given an equal say in how applications were evaluated. In short, the winners were judged by industry peers who know the mortgage space inside and out.

We encourage everyone to apply online to get recognized next year. But for now, in alphabetical order, the top innovations of the past twelve months are:



## a la mode

[WWW.ALAMODE.COM](http://WWW.ALAMODE.COM)

PROGRESS in Lending has named a la mode, inc.'s Mercury Mobile application a top innovation. This tool is a new application from Mercury Network designed for iPhone, iPad, and Android. Mercury Mobile is free to any appraiser and was developed in 2013 to keep lenders and AMC's connected to their appraisers, no matter where the appraiser is. Since appraisers are often in the field inspecting properties, it's critical to give them tools to communicate in real time with lenders and AMC's so the valuation cycle stays on schedule, and lenders and AMC's don't have to waste valuable time and money waiting to hear from an appraiser.

### Industry Significance

Mercury Mobile gives over 600 lenders and AMC's using Mercury Network instant access to their appraisers. These large lenders and AMC's use Mercury Network to deliver over 20,000 appraisals a day, so the impact on turn times and workflow efficiency is staggering. The fact that the app is available without cost also differentiates it. Mercury Mobile gives appraisers the ability to review and respond to their orders from anywhere, at any time. The app is an invaluable tool that brings communication full circle. Being able to review and accept orders from anywhere on their mobile device is an incredible advantage that benefits all involved industry parties.

### Overall Uniqueness

Many companies in the mortgage industry have developed mobile applications, but Mercury Mobile was designed by seasoned designers with a laser focus on elegant, modern user interface. Emphasis on effective user interface design is critical for continued meaningful innovation in the industry. The development methodology and product's rollout also stands out from typical software releases. Many times, technology companies will release new applications or updates without real user involvement from a design and functional perspective. Mercury Mobile was much more human-cen-

tered, to fulfill an objective to produce an app that appraisers will want to use, and not just need to use.

### Positive Change

Mercury Mobile represents a major milestone in the appraisal ordering process because it gives lenders and AMC's a much stronger connection to their valuation vendors. The app makes the appraisal pipeline much more efficient, with significantly reduced wait time, and ultimately creates a better overall experience for the borrower. Better service overall is provided to both lender and borrower, which enhances industry credibility and results in a satisfied borrower and shorter closing times.

### Intangible ROI

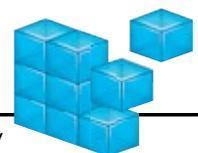
Mercury Mobile solves an inherent workflow problem for the entire industry: it's estimated that appraisers spend more than half of their workday away from their office. Lenders and AMC's commonly experience delays in processing appraisal orders and are often left in the dark with regards to status on appraisal reports. While appraisers are working in the field, lenders and AMC's place orders that the appraisers are unable to review for hours or days. Because orders are left pending instead of being immediately accepted, assignment offers may expire before the appraiser has a chance to review them, which results in significant delays. The borrower's loan is unnecessarily delayed, and the lender or AMC experiences significant hassle.

### Hard Savings ROI

Mercury Mobile provides an instant point of access for thousands of appraisers to view pending orders, allowing for a streamlined process that creates time and cost savings. The ability to review and accept orders in the field eliminates delays, and increases overall efficiency. With this app appraisers can act on new orders within seconds after they're placed. The alternative of taking hours, or even days, to notice and respond to new orders only from a desktop PC endangers the closing date, and causes significant frustration. Mercury Mobile also eliminates time wasted trying to find an alternate (and possibly less qualified) appraiser for an assignment. ❖

a la mode, inc.<sup>®</sup>

The leader in real estate technology





## Compliance Systems Inc. (CSi)

[WWW.COMPLIANCESYSTEMS.COM](http://WWW.COMPLIANCESYSTEMS.COM)

PROGRESS in Lending has named CSi's Simplicity tool a top innovation because it represents the convergence of enterprise transaction risk management solutions delivered via a Web-based application. As a result of the market upheaval in 2008, lenders are becoming all too familiar with the demands of managing the various types of enterprise transaction risks: Operational, Liquidity, Reputation, Legal/Regulatory, Market, and Credit. A couple of years ago, one might have said, "It is becoming overwhelming." Today, there is no doubt — lenders are officially whelmed. As a result, CSi has targeted its ongoing research and development into ways to aid lenders in managing and mitigating these risks. To that end, CSi introduced its newest innovation, CSi Simplicity to the industry in 2013.

### Industry Significance

CSi Simplicity's industry significance is in how it equips lenders to more holistically mitigate enterprise transaction risks. As has been said of the railroads in the late 19th Century, they failed to realize they were in the transportation industry vs. the railroad industry. For too long, the same has been true of mortgage technology. That is, the "problem" being solved is not the generation of documents; but rather, it is the management of enterprise transaction risks related to loan transactions. To that end, CSi has pioneered the evolution of this improved ethos and awareness.

### Overall Uniqueness

CSi Simplicity is the only solution of its kind. It is not similar to or modeled after any others. Not only is the innovation the original, it is the exclusive. In addition, it is built upon the same technology as CSi's other originals: CLS (never successfully replicated by others), transaction-data driven document selection logic (never successfully replicated), dynamic documents (the term has become "watered down" by others who have attempted replication). CSi Simplicity provides real-time interaction with CSi's decision-engine

allowing the lender to see the effect of the configurations it is making.

### Positive Change

The positive change CSi Simplicity has made is that it enables lenders to survive and thrive in a post-2008 world that is increasingly measured by effectiveness at mitigating and managing enterprise transaction risks. Transaction risk management is at the front of every lender's mind (and equally important, every examiner's and plaintiffs attorney's mind). In 2013, for the first time in the mortgage industry, lenders had a single Web application delivering to them transaction risk management functionality. CSi Simplicity is a necessary next step for the mortgage industry.

### Intangible ROI

In many ways, CSi Simplicity is like having an on-staff compliance officer ensuring accurate and compliant interaction of the lender's policies and procedures with the state and federally required content of output documents for transactions; such that, regardless of the branch or the experience of the lender's personnel, all transactions can be consistent and compliant. As a result, lenders using CSi Simplicity have reported that their personnel have more time to interact with customers and can increase the time devoted to cross-selling and other customer services. In fact, Fiserv COP reported that a large southeast bank using CSi's overall suite of transaction risk management solutions was able to reduce transaction processing time from 15 minutes to less than five.

### Hard Savings ROI

Based on feedback from business partners who have delivered CSi's Configurability and custom dynamic document functionalities to lenders prior to the existence of CSi Simplicity, the business partners who are now delivering those functionalities for the first time via CSi Simplicity will save hundreds of hours in FTE costs — that is, the time the business partner would otherwise need to spend integrating, testing, and deploying the features and benefits of CSi Simplicity. In addition, in one instance, a lender reported having spent "months creating and maintaining that template over the course of time." Using CSi Simplicity, a dynamic version of the document was created within minutes. ❖





## Fiserv

[WWW.FISERV.COM](http://WWW.FISERV.COM)

PROGRESS in Lending has named LoanComplete from Fiserv a top innovation because it is a turnkey solution that ensures lending process efficiencies and compliance with complex government regulations. LoanComplete has improved the mortgage process by providing an overarching quality review that ensures that loans are complete and accurate across the entire loan processing operation. The solution has automated many manual processes that are traditionally needed to fill the processing gaps caused by legacy, disparate line-of-business applications that are used throughout the life of the loan. LoanComplete is unique because it leverages a new loan quality completion process, designed by Fiserv, that improves the overall mortgage process.

### Industry Significance

The typical loan quality completion process carried out by the originating firm is not streamlined, with reporting and tracking systems that are not integrated. Many firms utilize homegrown tools, such as Access databases, Excel spreadsheets and PDF documents that are manually updated. LoanComplete capabilities ensure quality every step of the way without the issues associated with foreclosure document requirements, buybacks and consumer complaints. Technology advancements such as LoanComplete and the increasing role of data analytics can help lenders become more efficient while effectively addressing public policy changes. LoanComplete equips institutions with a strategic cost management advantage by automating business processes.

### Overall Uniqueness

LoanComplete is unique because it leverages a new loan quality completion process, designed by Fiserv. Regulators have mandated reforms to monitor compliance and alleviate consumer lending risk, and lenders have to adapt. LoanComplete supports this in a timely, secure and trackable manner. LoanComplete Intelligent Content Recognition uses full text recognition technology to classify, index and archive loan

documents. Additionally, LoanComplete Comparalytics replaces manual entry and expedites the onboarding of newly acquired or serviced loans by flagging data mismatches immediately. By synchronizing data across all lines of business, financial institutions cut costs, reduce errors, achieve higher compliance rates and accelerate loan turnaround times.

### Positive Change

LoanComplete has improved the mortgage process by providing an overarching quality review that ensures that loans are complete and accurate across the entire loan processing operation. The industry is already recognizing the benefit of LoanComplete — sales have exceeded \$15 million in just 12 months. Clients include lenders of all sizes, ranging from credit unions to community, regional and national banks, to mortgage lenders. The development of this new automated loan quality completion process, along with an automated technology solution to support the process has changed the mortgage industry by ensuring that loan units are complete, accurate and appropriately stored for simplified future access.

### Intangible ROI

LoanComplete is an innovative, technological advancement. LoanComplete is not only a suite of products that solves a current problem, it is also a solution that addresses the reforms that will continue to shape the lending landscape. By reducing paper-based services, it promotes sustainable and environmentally conscious business practices. LoanComplete helps protect financial institutions and their customers by standardizing loan origination practices and procedures. It optimizes portfolio management in a new way: every step in the due diligence process, from loan origination to loan servicing, can be analyzed, modularized, automated and delivered in a self-serve platform that puts the financial institution in charge.

### Hard Savings ROI

One of the solution's earliest adopters is a client that has been using LoanServ — a loan servicing platform from Fiserv — for years. Since the company started using LoanComplete, it has seen the time to view transferred loan files reduced from an average of seven weeks to four weeks, leading to a significant reduction in processing costs compared to historical run rates. It is expected that by the end of 2014, each unit's transfer costs will decrease more than 25 percent. Simultaneously, investor reporting has increased in speed, efficiency, and accuracy, allowing the client to provide secure and transparent access to each investor. ❖

**fiserv.**



## FormFree

[WWW.FORMFREE.COM](http://WWW.FORMFREE.COM)

PROGRESS in Lending has named AccountChek, a Software as a Service product that helps mortgage lenders assess a borrower's ability to repay, provided by FormFree Holdings Corp., a top innovation. AccountChek collects, certifies, and analyzes financial data to help lenders save time and make better lending decisions. AccountChek provides automated verification of a borrower's deposits and delivers digital bank statements in a standardized, electronic format, along with an analysis of the data. With assets accessible from more than 15,000 institutions, and a totally paperless process accepted by Fannie Mae as an alternative to paper bank statements, there is no other solution that matches AccountChek's capabilities on the market today.

### Industry Significance

Determining a borrower's ability to repay is not only a critical step in today's mortgage process, it is a necessity under the new QM requirements. AccountChek not only enables lenders to solve a huge piece of the ability to repay challenge, but it also speeds the process, reduces the frustration of lenders and borrowers, helps lenders stay compliant and reduces mortgage fraud. And it's being used. With the help of its strategic partner Equifax, AccountChek has received open support and acceptance from Fannie Mae as a legitimate digital solution for providing verification of asset reports. Due to AccountChek's efforts in Washington, digital bank statements and digital alternatives to the 1006 can now be used in the lending process.

### Overall Uniqueness

Until AccountChek, lenders had no means to automatically verify a borrower's assets from multiple institutions in a paperless format, let alone a method that could gather financial data from as many as 15,000 accounts simultaneously. AccountChek includes rules-based alerts with artificial intelligence, which allow lenders to identify suspicious activity in a borrower's account as well as continually monitor and

update accounts for a pre-determined period of time, during which any suspicious activity is flagged for lender review. The application also touts a consumer-friendly process and deep integration capabilities.

### Positive Change

According to companies that have implemented the solution for their verification processes, AccountChek has transformed the experience for both borrowers and staff. It has streamlined approvals and contributed to higher customer satisfaction. Says Joe Dahleen, executive vice president and head of mortgage origination for Elevation Home Loans, LLC: "Using AccountChek provides me with the necessary information (i.e. Employer, Income, Assets and Deposits) in the beginning stages of the underwriting process that gives me more confidence than ever to fund. Every loan application should begin with running AccountChek first."

### Intangible ROI

While so many aspects of the mortgage transaction have gone paperless, asset verification has been a significant holdout to this trend. Today, many borrowers are still pulling together bank statements and submitting faxes and copies to lenders to show they have the ability repay loans. Yet the simplicity of AccountChek removes one of the single-most frustrating aspects of getting a loan for consumers. AccountChek also saves frustration for lenders, too. For example, since data is directly delivered from the bank without the opportunity for either the borrower or the loan officer to tamper with the numbers, AccountChek eliminates the need for lenders to quality control check a borrower's paper bank statements.

### Hard Savings ROI

The direct savings for using AccountChek is both time and money. At a minimum, a lender saves money with every loan transaction. However, if a borrower has multiple accounts (i.e. checking & savings) at multiple institutions (i.e. Chase & BofA), traditional verification costs will easily exceed \$100. With AccountChek, however, the cost always is always under \$25, no matter how many accounts are included in the report. Yet cost is only one aspect of the total savings that is achievable by using AccountChek. Traditional VOD reports take two to four business days to turn around, not counting the extra time it takes for staff to submit orders, file the received reports and analyze them. All that is no longer needed. ❖





## ISGN

[WWW.ISGN.COM](http://WWW.ISGN.COM)

PROGRESS in Lending has named The Automated Risk Assessment (ARC) a top innovation. ISGN has partnered with TruPoint to offer this Software as a Service, cloud-based self-assessment risk tool to be used by lenders to evaluate risk against the CFPB requirements. The system contains a series of questions pertaining to CFPB requirements, approximately 1,000 questions in total, which are broken out by originations or servicing and then by area of risk. In the end the system analyzes the inherent risk and control to determine the residual risk, using a taxonomy in line with the CFPB regulatory guidelines.

### Industry Significance

The industry currently has limited profitability. Given these conditions, ISGN is dedicated to making the necessary business model changes to support the industry's return to effective lending. How will this tool impact the industry? By providing a shared and trusted service, available through a SaaS, cloud-based model, ISGN provides peace of mind, cuts costs, improves quality and creates a safe experience for the consumer. By providing an easy-to-use, comprehensive risk assessment tool, ISGN improves the lending process, mitigates risk, reduces costs and improves the consumer experience.

### Overall Uniqueness

The assessment's proprietary risk framework was developed by ISGN's Professional Services Group, which is dedicated specifically to assessing compliance and operational risks to provide regulatory compliance alignment, process optimization and cost reduction strategies to lenders. Through the development of a residual risk score, both by question and risk area of focus, along with trending data, the client is able to provide a well thought-out and complete self assessment directly to the CFPB or any state regulator. In addition, the answer helps save time by directing the client to what the regulations are really looking for. The collaboration of TRU-

POINT's fair lending analytics with ISGN's compliance expertise provides lenders with a cost-effective solution in a difficult area where mistakes result in severe consequences.

### Positive Change

With the finalization of the CFPB rules, many lenders are looking for guidance in navigating the swirl of new regulations that burden even the strongest compliance teams. In order to avoid and mitigate hefty fines, lenders must fully understand and prepare for the new rules. It is with this in mind that ISGN developed its next-generation, automated cloud-based compliance check solution to provide recommendations and ratings to develop an action plan towards meeting the new CFPB rules and Fair Lending requirements. This best-of-breed approach provides institutions with the ability to conduct a "dry run" to bring out any issues prior to the actual regulatory review.

### Intangible ROI

ISGN's next-generation compliance check solution is a comprehensive, cost-effective solution that immediately brings out any issues prior to the actual regulatory review. By leveraging the company's new automated cloud-based compliance check solution, lenders eliminate these severe consequences by ensuring compliance with the changing regulatory environment, as well as better prepare for future regulatory changes. Lenders are able to leverage compliance resources in a shared services model, which combats out-of-control compliance costs, mitigates potential fines and ultimately results in cost-containment for consumers.

### Hard Savings ROI

The return on investment for the shared services model presents a compelling win to any financial institution. By eliminating the research, guesswork, and confusion over regulatory requirements for the financial institution, the tool saves financial institutions from having to hire another experienced compliance officer at an average cost of \$80K per year just to keep up. At a cost below \$5K for an annual subscription, this application provides the expertise in a shared services environment to benefit multiple lenders. Not even factoring in potential fines and penalties, the cost savings per lender is \$75K per year. ❖



Transforming the borrower experience™



## MRG Document Technologies

[WWW.MRGDOCS.COM](http://WWW.MRGDOCS.COM)

PROGRESS in Lending has named CompliancePlus put out by MRG Document Technologies a top innovation. With the advent of January 2014, MRG re-evaluated its offerings in 2013. Not only was the technology upgraded to accommodate the necessary changes, but legal services were expanded greatly and a wealth of new ones added. This was all done to facilitate a demand in the industry to mitigate lender and vendor risk. The demand came in the form of lenders calling wanting to outsource entire portions of their business processes. This included everything from monitoring the disclosure and e-sign disclosure process to taking on entire back end closing department functions and beyond with pieces of the servicing aspect, as well. Vendors were also relying on MRG for the outsourcing of legal questions and guidance for compliance-related matters.

### Industry Significance

The regulatory environment in 2013 became exceedingly complex. Compliance became more difficult each day, and the risk of non-compliance is perilous. Lenders were faced with an immediate and compelling need to re-evaluate and upgrade not only their systems' capacity to analyze and incorporate mandated regulatory changes, but indeed their very business processes as well. The key to addressing the challenges of such a complex environment is to embed compliance within business processes and streamlined technology, which is exactly what MRG did. Further, having legal expertise and a law firm as an extension of the lender operation is critical.

### Overall Uniqueness

No other solution in the market brings the culmination of legal compliance in MRG's CompliancePlus backed by a \$10 million E/O policy and truly dynamic technology in MRG's Miracle platform to mitigate lender risk — worry free. It is the continued pioneering effort of both that allows lenders and vendors alike to remain productive and profit-

able. All this is done in one shop without bolting on any third party entities to service the industry. It is not only lenders that rely on the compliance expertise and difficult programming and calculations, but the LOS partner as well depends on the accuracy of the offering.

### Positive Change

MRG's CompliancePlus suite offers lenders from small to medium to large, vendors and servicers alike the assurance of knowing that the burden of compliance in all facets is alleviated by MRG. MRG is one solution for the industry — a lenders' resource group — one company with unparalleled compliance in MRG's CompliancePlus and dynamic technology in MRG's Miracle system together as one cohesive offering which brings lender products more quickly, efficiently and accurately to market. Other providers are one dimensional and cannot provide the powerful combination of compliance, legal services and true dynamic technology together.

### Intangible ROI

The intangible efficiencies the industry has gained in MRG's CompliancePlus system are vast. Lenders agree that this innovation not only helps them maintain compliance, but also improves their overall lending process, as well. For example, Lena Adams, Closing Manager at Bank of Little Rock, said, "We will always use MRG for our loan products. They simply take all of the guesswork out of the process. They have on-the-spot customer service where we always reach a person immediately, including attorneys. We once used a competing service and it was a confusing mess."

### Hard Savings ROI

The dollar savings achieved by this innovation simply cannot be measured. CompliancePlus user Don Ledbetter, head of real estate legal firm Don W. Ledbetter, PLLC, pointed out, "This system includes a significant amount of built-in checks to prevent the user from violating the myriad of government regulations we all worry about today. The system works quickly and accurately. Because MRG employs a number of very competent regulatory attorneys, we receive help whenever it is needed in regards to state and federal regulations and changing laws." ❖

