

case study



Increasing Capacity and Lowering Costs

Streamlining the Processing of Mortgage Loans

Since implementing DocuWare, Mann Mortgage increased its loan processing capacity without adding employees, boosting revenue and profits. The company was also able to eliminate \$60,000 a year in document processing costs and has streamlined operations at three loan processing centers into one seamless system, helping the company be more efficient and serve its customers better.

As a full-service mortgage lender, Mann Mortgage serves the needs of home buyers throughout the Intermountain West, closing one billion dollars in residential mortgages last year. Established in 1989 as a one man operation, Mann Mortgage has expanded into a mortgage company with 22 branch offices, 4 satellite offices and 220 employees. Each office is staffed by local people who know and understand the local market, and are committed to providing their neighbors with competitive rates along with concerned, professional, personalized service. Loan processing is done at three different locations, but document retention is managed from the corporate office. Mann Mortgage invested in DocuWare because they needed a better, faster way to store and retrieve loan documentation and to slow down or halt their rapidly growing storage needs.

Documents

Each of Mann Mortgage's three processing centers receive anywhere from 8-20 loan files a day and each loan file has upward of 300 pages. The documents are filed by borrower's last name, in the year the loan closed and kept on file for the life of the loan, i.e., a 30-year mortgage was kept for 30 years. Storage space in the corporate office is limited, only one year worth of loan documentation could be stored inside. Thousands of loan files are stored in storage units just outside the office. With so many loan files in storage, finding a file could take as long as 45 minutes.

Work Process

When a potential homeowner applies for a mortgage, the applicant and loan information is entered into the company's mortgage software program at any one of the branch offices. The information travels across the company's WAN and resides in a database at the corporate office. Hard copy loan

applications and additional documents are sent to the corporate office or two other operation centers for further processing and underwriting. After the loan is closed, the mortgage is usually sold within five business days. A copy of every loan is kept on file and the original documents are forwarded to the new lien holder. With three processing centers, the company incurred large shipping bills from transferring all the loan documents to the corporate office for storage. Completed loan files were only accessed when a mortgage was refinanced or to meet government mandated internal audits of 10% of the loans per month. The company employs four people to file and ship loan documents.

IT Situation

Mann Mortgage's 22 branches are connected to the corporate office over a WAN. The corporate office has an IT staff of three who maintain 200 workstations and 8 servers.

Solution Requirements

Mann Mortgage wanted to find a digital solution that would eliminate the need to store paper documents and allow them to regain some office space. The company needed to make pulling files for audits easier and provide better distribution of information. They also wanted a solution that would allow them to quickly search for files and parts of files. By moving to a digital system, Mann Mortgage hoped to reduce document processing costs associated with copying so much information.

Solution

The Office Center, an Authorized DocuWare Partner, implemented Mann Mortgage's DocuWare solution, which consisted of a DocuWare System License, ten READ/ONLY Licenses and the modules ACTIVE IMPORT, CDMAKER,

ISIS PRO and RECOGNITION. The solution also included one Canon 5020 and five Canon DR3020 scanners.

Today, after a loan has been closed, a coversheet is printed from the company's mortgage software, which contains the loan ID number and type of file. The loan file is then scanned and indexing is done automatically using DocuWare's RECOGNITION module that uses Optical Character Recognition or OCR technology to read the information from the coversheet and fill in two of the index fields. The loan ID number index field is used as a matchcode to fill in the remaining index fields with information residing in an SQL database stored in the mortgage software.

When final documents are received, a coversheet is printed with the loan ID number and file type = FINAL DOCS. The documents are then scanned and indexed automatically. By storing the final documents this way Mann Mortgage employees are able to electronically search for parts of the file.

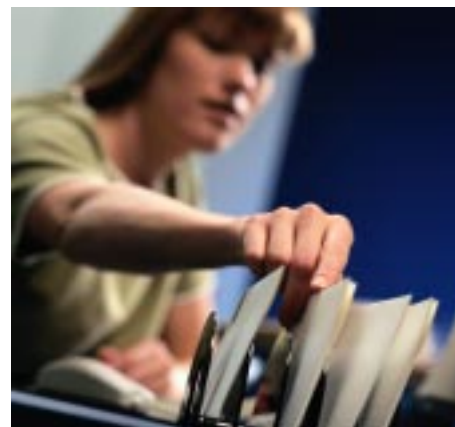
Today, everyone in Mann Mortgage's three processing centers has access to the loan files stored in DocuWare. Paper files are kept in one location until shipped to the new lien holder and – day to day review of the files is done using DocuWare. Mann now employs a Document Imaging Specialist, who verifies that the indexing has been done properly and performs most of the scanning. Members of the shipping department assist with initial and backlog scanning as time permits. The company is working backwards to capture old information and store it in DocuWare.



"DocuWare is great. Our employees no longer need to spend, what amounted to hours, hunting for information or pulling files. The only problem we have now is getting used to not having all the paper lying around. The time DocuWare has saved us can be redirected into processing more loans and providing our customers with better service."

Julie Krause,
Vice President,
Mann Mortgage.

Mann Mortgage serves the needs of home buyers throughout the Intermountain West, closing one billion dollars in residential mortgages a year.



User Benefits

On an individual level, processing center employees now have a powerful new tool to help them do their jobs better, increasing job satisfaction and lowering employee turnover. DocuWare makes it easy to pull parts of documents and verify that "final docs" have been received.

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Department Benefits

For those who process or underwrite the loans, DocuWare helps manage workflow, allowing employees to review files digitally and keep the hard copy securely stored until it is sent to the new lien holder, streamlining access to information and allowing the department to run smoother. Today, Mann Mortgage provides its customers with better customer service because loan documents can be accessed quickly and inquiries answered immediately. This results in strong customer recommendations and increases business.

Pulling 20 loan files each month for auditing purposes used to take a few hours and refiling the documents seemed to take even longer. As more and more loan files are stored in DocuWare the process of pulling information for auditors is becoming faster and faster.

Because the two remote processing centers now scan their documents, the shipping staff no longer has to receive and file large shipments of loan documentation. The man-hours saved by eliminating this task have been redirected to shipping sold loan documentation sooner and scanning Mann's backlog of loan files. Shipping sold loan files quickly has improved Mann Mortgage's business relationships with other financial companies. Once the entire backlog is input into DocuWare, every phase of Mann's business will be streamlined.

Corporate Benefits

On a corporate level, implementing DocuWare has made Mann Mortgage's corporate office almost paperless. File cabinets have been removed and office space has been gained. Now that copies of loan files are transferred to the corporate office electronically, loan processing has become one seamless

operation no matter where the documents were processed, improving customer service.

Copying and storing upwards of 6,000 loan files a year was costing Mann Mortgage close to \$60,000 a year in paper, photocopier maintenance and shipping between offices. Moving to electronic document management eliminated these recurring costs.

Since implementing DocuWare, document retrieval is 97% faster, increasing Mann Mortgage's capacity to process more loans without adding personnel. A year and a half after the system was implemented; the combination of increased capacity and record setting low mortgage rates allowed Mann to process twice as many loans as the year before, achieving the \$1 billion in loans benchmark for the first time. Mann Mortgage realized a return on its investment in approximately five months.

In conclusion, reducing costs and streamlining operations helped Mann Mortgage increase the volume of loans it is able to process, resulting in more revenue, higher profits and better customer service. DocuWare has helped the company maintain its vision of being in the people business, not the banking business and has improved the home buying experience for Mann's customers.

For more information
please visit our website
www.docuware.com

Solution Requirements

- Eliminate long term storage of paper documents
- Gain office space by reducing storage needs
- Streamline audits
- Provide faster, better access to information company-wide
- Reduce document processing costs

Solution

- DocuWare
- ACTIVE IMPORT
- RECOGNITION
- CDMAKER
- ISIS PRO

Benefits

- With DocuWare, Mann Mortgage increased loan processing capacity, boosting revenue and profits without adding employees.
- Moving to an electronic document management system eliminated \$60,000 a year in paper processing costs.
- As a result of installing DocuWare, Mann Mortgage enhanced workflow and information management between three loan processing centers and transformed loan processing into one seamless system, improving efficiency and customer satisfaction.
- Reduced document retrieval time allows employees to focus on their core competencies, instead of mundane tasks, increasing job satisfaction and lowering employee turnover.
- DocuWare provides fast access to information; the staff can now quickly verify when a loan is finalized, easily search for parts of a loan file and find files requested for audits instantly.
- Long term storage of paper documents was eliminated and the company gained additional office space.
- Documents are no longer shipped between offices reducing the work volume in the shipping department and allowing man-hours to be redirected to scanning the company's document backlog.