

# Mortgage Servicer Automates Loan Modification Process to Reach More Homeowners

## Snapshot

When a mortgage servicer wanted to more proactively identify and service the borrowers who qualified for a loan modification, they sought a complete solution to help them manage the significant increase in transaction volumes. In an effort to streamline their loan modification processes from beginning to end, the mortgage servicer turned to Wolters Kluwer Financial Services to shorten turnaround times, increase capacity, reduce risk, and automate manual processes.

## Challenge

### Loan modifications require a streamlined end-to-end process

Market complexities coupled with the vast influx of delinquencies, defaults, and foreclosures can make managing a loan modification program very expensive and labor-intensive, with many opportunities for error. Therefore, implementing a streamlined and scalable loan modification program was a necessity for the mortgage servicer.

Prior to the collapse of the mortgage industry, loan modifications were not as common as a loss mitigation tool, with most servicers handling only one-or-two per month. Therefore, the mortgage servicer did not have the processes in place for handling such large volumes of loan modifications. In addition to the lack of scalable solutions, the mortgage servicer's document fulfillment and servicing platforms were not designed to handle this capacity, creating long delays in their ability to create, complete, and deliver loan modification documents. The end result was that borrowers were going deeper into default, making it more difficult for them to qualify for a loan modification.

However, managing such a large volume of loan modifications was daunting to the organization and its already overburdened staff. In addition to restructuring its entire loan modification program and finding ways to maximize internal resources, the servicer also needed the ability to rapidly respond to the influx of constantly evolving legislative and regulatory guidelines.

In theory, the model for a successful loan modification looks fairly simple. It should be able to quickly establish borrower segmentation criteria; identify required workflows and eliminate any bottlenecks in the loan modification process; assess resources to maximize capabilities; and determine document package requirements.

But, in reality, many mortgage servicers operate with limited resources and most do not have the processes and/or infrastructure in place to support such a program. Therefore, by leveraging the expertise of a best-in-class provider to offload as many ancillary workflows as possible, the mortgage servicer was able to solidly focus on the business of modifying and negotiating loans with borrowers.



## Solution

### Loan modification solution customized to meet your workflow needs

The mortgage servicer was under significant pressure to quickly implement a scalable loan modification program. Unable to keep up with its servicing demand, the mortgage servicer partnered with Wolters Kluwer Financial Services to help them quickly automate and streamline their loan modification program using Loan Modification Manager—without any additional investment in staffing, resources, or technology.

First, the mortgage servicer took advantage of Loan Modification Manager's portfolio analysis tool to help reduce the growing number of "at-risk" loans in their portfolio. Wolters Kluwer Financial Services' automated solution allowed the mortgage servicer to quickly review their entire loan portfolio and proactively identify the loans that can be modified, refinanced, or paid off through a short sale before going into default.

For loans that qualify as actionable, Wolters Kluwer Financial Services provides the mortgage servicer with its Loan Modification Manager's comprehensive suite of settlement tools that are easily accessed via an online portal. From this single source, the mortgage servicer can quickly pull credit reports; generate automated valuation models (AVMs); and order appraisals.

Once the terms of the loan modification are worked out with the borrower, the mortgage servicer can once again utilize the convenient Loan Modification Manager's settlement services web portal to request title searches, and subsequently, any needed endorsements or title insurance. After a loan modification receives a "green light," the servicer also can order the necessary loan modification documents from Loan Modification Manager.

To further ease their burden, the mortgage servicer opted to utilize Wolters Kluwer Financial Services outsourced data entry support. They use Loan Modification Manager's electronic delivery system to securely transfer borrower information back and forth. Once the data from the original loan images is received by Wolters Kluwer Financial Services, it is keyed into the platform and verified for accuracy by its quality control team.

From there, the mortgage servicer creates a document package on demand using Loan Modification Manager's extensive library of standardized and customized agreements. Data is quickly pulled and used to populate the correct loan modification documents for the borrower. Depending on the borrower's preference, Loan Modification Manager will deliver the documents securely via the Internet within minutes for e-consent or e-signature. Or, if the borrower opts out of electronic delivery, they have the option of printing out the documents for signature and notarization. Once the documents are returned to Wolters Kluwer Financial Services, they are accurately recorded within any of the 3,600-plus U.S. jurisdictions.

## Results

### Successful implementation of a compliant loan modification program

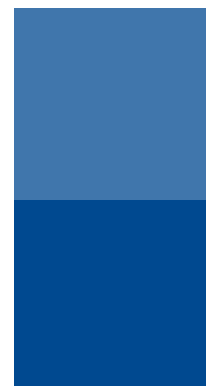
Since outsourcing many of these resource-intensive functions to Wolters Kluwer Financial Services, the mortgage servicer more easily manages volume swings and has provided some much needed relief to its overworked customer service department. In addition, by automating and streamlining their operations, the mortgage servicer has shortened its loan modification delivery and acceptance times—making their loan modification turnaround up to four times faster and 64 percent more cost-effective than attorney-based document creation. As a result, the mortgage servicer has experienced a significant increase in the number of borrowers they can assist.

In addition, the mortgage servicer now has transparency and is continuously updated throughout the loan modification process. Loan Modification Manager's built-in reporting and online viewing capabilities provide the mortgage servicer with valuable information, such as the exact dates and times that the packages were sent, received, and viewed. And when the documents are ready to sign, Loan Modification Manager leverages its secure electronic delivery platform to keep content secure during electronic transmission.

Loan Modification Manager also provides the mortgage servicer with built-in compliance requirements surrounding the government's Troubled Asset Relief, Making Home Affordable, and HOPE for Homeowners programs and also complies with Freddie Mac, Fannie Mae, Treasury, and Department of Housing and Urban Development guidelines. For those loans qualifying for the Home Affordable Modification program, Loan Modification Manager's robust change management capabilities easily integrate with their servicing platform to ensure the quick implementation of any new or updated legislative requirements. As a result, the mortgage servicer has successfully reduced regulatory and operational risk by automating previously inefficient loss mitigation processes.

With support from Wolters Kluwer Financial Services, the mortgage servicer has cost-effectively capitalized on the capabilities of their existing resources, automated and streamlined back-end administrative functions to provide relief to a backlogged customer service department, improved their overall perception of service, and resolved their capacity issues to proactively reach and modify more borrowers each month.

To learn more about how Wolters Kluwer Financial Services can help you implement a comprehensive workflow solution to manage your loan modification program more successfully, visit [www.WoltersKluwerFS.com/mod](http://www.WoltersKluwerFS.com/mod).



## About Wolters Kluwer Financial Services

Wolters Kluwer Financial Services is a leading provider of regulatory compliance solutions and services for banking, securities, and insurance—focused on helping meet your business objectives. To learn more, please visit [www.WoltersKluwerFS.com](http://www.WoltersKluwerFS.com).

