



A Partner Solution for the Financial Services Sector

Streamlining Loan Processing, Improving Service and Lowering Operating Costs

IBM **Information Management** software

Imagine Solutions LoanFlow™

Partner Solution

■ **Target Industry**

Banking and Financial Markets

■ **Business Applications**

Mortgage Loan Origination and Processing

Consumer Loan Origination and Processing

Commercial Loan Origination and Processing

Asset Based Lending

■ **Products**

IBM Content Collector

IBM Datacap

IBM Enterprise Records

IBM FileNet Business Process Manager

IBM FileNet Capture

IBM FileNet Content Federation Services

IBM FileNet Content Manager



Business Challenge

With the economic downturn dramatically changing the landscape for mortgage, consumer, and commercial loans, lending organizations are under tremendous pressure to increase efficiencies, reduce operating costs and improve compliance. To remain viable in this quickly changing industry, lending companies must also reduce cycle times and portfolio exposure/risk, while maintaining regulatory compliance and service levels.

In an industry that spends between \$12-15 billion annually on paper-based processing and \$800 million on overnight document shipments, ways to reduce operating costs (e.g., labor, paper and couriers) must constantly be sought. Many variables exist that make managing costs a battle, because much of the processes involved in shepherding a loan from beginning to end and beyond are extremely labor intensive. Traditional paper-driven processes and slow turnaround times introduce opportunities to lose business to more responsive providers. In addition, new regulations create additional work and paper volumes as well as greater concerns about compliance.

Loan processing solutions leveraging enterprise content management (ECM) help lenders automate routine processing, speed underwriting and decisioning, streamline closing and booking, enhance servicing and transfer loans to the secondary market more quickly and efficiently.

By replacing paper-intensive, manual Partner Solution tasks with streamlined, automated processes and with improved control and visibility, lenders can dramatically reduce cycle times, improve loan data accuracy, reduce risk of fraud and improve service and compliance.

Solution

LoanFlow is a comprehensive loan processing solution that supports management of:

- the loan origination process from application to closing;
- the post-close loan operations process from closing to payoff;
- recording of lien documents such as titles, mortgages, and uniform commercial code (UCC);
- the loan payoff process and lien release;
- the investor packaging process, providing loan documentation to investors.

LoanFlow, leveraging the IBM ECM suite of products, allows branch processors to capture loan documents at remote locations, index or electronically file the documents and transmit those images to central corporate offices in a secured, unattended fashion for operational processing such as loan origination and servicing. Upon receipt, operations personnel work from images by leveraging business process management (BPM) technology to deliver the right information to the right person in a timely and effective manner.

As a result, LoanFlow optimizes use of straight through processing and enables human resources to be used more strategically on higher value added activities. LoanFlow also captures workflow process history, improving visibility of work in progress, and simplifying regulatory compliance and audit requirements. It supports self-service portals for bankers and brokers for improved communication and lower cost transaction processing and is easily integrated with third-party service providers.



Value Proposition

Efficient processing, combined with consolidated collateral tracking, exceptions management and risk-based quality control, benefits lending organizations in many ways. Some of the benefits are shortened cycle times, improved service levels, mitigated risks across the lending processes and increased customer retention through up-sell/cross-sell opportunities. Additional benefits include:

- Reduced staff requirements and labor costs;
- Reduced labor requirements by capturing information once, leveraging throughout the loan life cycle;
- Improved communication between sales and operations;
- Simplified fulfillment of audit demands by capturing workflow process history; and
- Improved ability to forecast workload demand of downstream processes.

Imagine Solutions customers have been able to reduce loan processing costs by more than 30 percent, equaling \$100-\$300 per loan. Additionally, LoanFlow customers have eliminated days, and often weeks, from the overall loan process while significantly reducing exposure resulting from document exceptions.

Company Description

Imagine Solutions is an IBM Software ValueNet Business Partner with a proven track record of accelerating paper and process workflow for information-intensive, compliance-driven industries (e.g., financial services, healthcare, energy, insurance, government). Results: Paper volume diminished. Productivity heightened. Compliance and audit risks minimized. Operational costs reduced by 30 percent and more. Imagine that.

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