

CHFA First HFA to Use Leading Mortgage Delivery Platform

Colorado Housing and Finance Authority

Management Innovation: Technology

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Summary

CHFA has implemented new technology for its Single Family loan purchase document review process. CHFA partnered with ICE Mortgage Technology using their AIQ and Investor **Connect** platforms. ICE technologies are widely used in the mortgage industry and these sophisticated cloud applications use artificial intelligence to ensure fast, accurate, and efficient identification and delivery of loan data and documents from CHFA's Participating Lenders.

Challenge and opportunity

CHFA's challenge was to find a faster and more accurate solution to automatically identify and classify the hundreds of loan documents that are in one single family loan file and improve the review experience for our Home Finance Loan Analysts. The opportunity was to make it even easier to do business with CHFA by implementing Investor Connect. Investor Connect integrates into one of the mortgage industry's leading loan origination platforms called Encompass (by ICE) and allows CHFA lenders who use Encompass to send loan data and documents to CHFA by the click of a button. Over 60 percent of CHFA's loan volume comes from lenders using Encompass.

Innovation

CHFA became the first Housing Finance Agency (HFA) in the nation to adopt this technology.

"This provides significant efficiencies and more robust capabilities. Faster loan delivery, acquisition, and review translates to a better experience for the lenders we work with and the homebuyers we serve," said Dan McMahon, CHFA Director of Home Finance.

Brad Groves, CEO of Universal Lending, a CHFA Participating Lender said, "Encompass Investor Connect and AIQ are truly the most efficient delivery processes we have experienced, and the learning curve was a breeze."

CHFA's technology team used the ICE API (application programming interface) to integrate from Investor Connect and AIQ into CHFA's custom internal loan system and document repository systems (Hyland OnBase). CHFA built a brand new, innovative document delivery solution into our custom single family lender portal called HomeConnection. This solution allows a lender who does not use Encompass to come to the CHFA portal and send loan documents to CHFA. Once uploaded, CHFA uses the AIQ API to send the documents in real time into the ICE AIQ platform. Within minutes, the documents are ready for review by CHFA. Our lender partners are thrilled with the ease of use of this new solution and appreciate how much faster it

processes documents.

Replicability

Other HFAs interested in this model may explore working with ICE Mortgage Technology to implement these solutions into their HFA's single family loan process. An HFA would need a technology staff of skilled software developers or contractors who have expertise in programming using APIs.

Also key to replicating is leadership, commitment, and support of business and technology teams. At CHFA, the project was initiated by the vision and leadership of Dan McMahon and CHFA's Director of Information Technology, Kelly Becker. It was further supported by both CHFA's Operations and Technology teams who helped identify and implement the new solutions. The project team was cross-functional and consisted of staff from Single Family Operations, Document Review, Final Documents, Secondary Marketing, and the IT Solutions and Infrastructure groups.

An HFA would also need to plan for sufficient time to implement. At CHFA, the Investor Connect and AIQ projects spanned two years for implementation. This included a one-year pilot effort with one CHFA lender who provided feedback on the use of the Investor Connect platform.

Measurable improvements in operations

Over 30 CHFA Participating Lenders are using Investor Connect, including some of CHFA's topproducing lenders such as Fairway Independent Mortgage Corporation, Universal Lending, Academy Mortgage Corporation, and Primary Residential Mortgage. The combined loan volume from these lenders is approximately 15 percent of CHFA's total annual loan volume. The time saved is significant. Lenders using Investor Connect save about 30 minutes per loan file. CHFA staff time spent identifying and classifying loan documents has been cut by more than half.

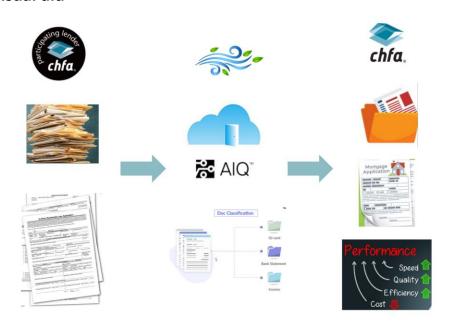
Benefits vs. costs and effective use of resources

The benefits of multiple efficiencies and strengthened partnerships with lenders greatly outweigh the financial investment. There is a per loan cost based on loan volume that ICE charges for the use of their platforms. However, the total annual cost of this technology is less than the annual software licensing costs of the former platform CHFA had been using, resulting in an estimated savings of about \$250,000 to \$300,000 annually. The new solution is also significantly more reliable, greatly reducing time previously needed to troubleshoot and fix the myriad of errors that the former solutions presented.

Strategic objectives achieved

CHFA consistently strategizes on ways to improve its operations and be a stronger partner. The adoption of the ICE AIQ and Investor Connect platforms are a key strategy to do just that. CHFA will be able to provide a significantly faster and more efficient document delivery experience for its Participating Lenders.

Visual aid



10,000 loans per year 300 - 500pages per loan 5 million pages per year 2,200 daily documents 12,750 daily pages 50% time saved per loan