

Homeowners Loan Corp.®

Utilizing Business Rules to Customize and Automate Back Office Activities

Homeowners Loan Corp. (HLC) is a sub-prime lender headquartered in Atlanta, Georgia. HLC is majority owned by a 2.6 billion-dollar bank that has been in business for over 100 years. They are a well-respected, national company with a strong customer focus. This customer-centered approach has served HLC well as they have originated billions of dollars in loans nationally since their inception in 1998. HLC's tremendous growth has provided them with the knowledge and experience they need to help meet customers' financial needs.

HLC's prior system was constraining production volume and was not as extensible as they needed it to be. HLC was looking for technology to support all products and all channels on a single platform. They needed a system to provide automated centralized document preparation. HLC launched its initial use of Mortgage Cadence in early 2004 to support all back-end functions (starting with doc prep) in its sub-prime channel. The March 2005 launch of the product in their prime and Alt-A operation, RateStar, Inc., a wholly owned subsidiary of HLC, was accomplished in 60 days as reported in *National Mortgage News*.

SOLUTIONS

With Mortgage Cadence ACE™ (Adaptive Configuration Efficiency), the native business rule management system (BRMS), HLC was able to easily customize their technology and automate their processes to better solve back office challenges and enhance their customer service.

The ACE BRMS is made up of three key components – the rule builder, the engine and the repository. It provides a single, centralized source for the storage and maintenance of the rules.

Embedded within the core technology, the ACE Rule Builder manages the rules library, providing an easy and robust graphical way for rule authoring, management, simplification and usage information. A predefined set of mortgage related rules (events and actions) is included standard within the system. In addition, ACE Rule Builder includes a powerful and user-friendly formula authoring tool that HLC uses to write very complex rules specific to their mortgage lending practice.

The ACE Engine is a dynamic rules engine responsible for directing actions and events across the Mortgage Cadence platform, including ongoing data validations, workflow status changes, document delivery and handling, pricing adjustment and fee application, and compliance validation and enforcement, to name a few.

With the ACE BRMS, HLC created custom actions to define product parameters, adjustments, validations, loan selection, report filtering criteria, rules for loan-level fee application and much more. The open architecture and extensibility of the ACE BRMS also allowed HLC to manage activities and access third-party business rules systems outside of the application.

Highlights

- **Channel:**
Sub-Prime, Prime, Alt-A
- **Application:**
*Mortgage Cadence
Orchestrator application*
- **Features Utilized:**
*ACE™ BRMS,
Mortgage Cadence SDK*
- **Business Benefits:**
*Short implementation cycle,
reduced lending cycle time,
measurable cost savings and
external system integration.*



SOLUTIONS CONTINUED

During the implementation process, HLC's technical department utilized the functionality of the Mortgage Cadence Software Development Kit (MCSDK) to develop and customize functionality specific to their lending operations. Using the MCSDK, HLC developed items such as a customized commission system, a MERS interface and a calculation engine to name a few. The MCSDK allows Lenders to expand the functionality of the system using published Application Programming Interfaces (APIs) in order to create and maintain custom software packages. The MCSDK comes complete with code templates, system documentation and an extensibility guide.



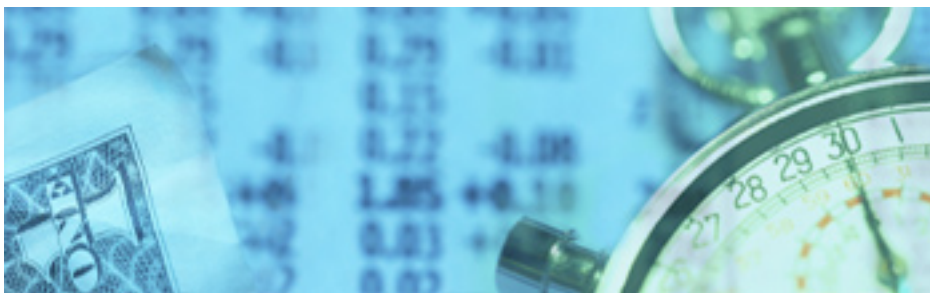
RESULTS

With their prior lending platform it took HLC's closing department roughly 35 minutes to create a closed loan package. Utilizing business rules has helped HLC reduce the amount of time to 20 minutes per closed loan package. At implementation, HLC was generating 1,100 closed loan packages per month, meaning that this 15 minute time savings per closed loan package saves HLC roughly 275 hours per month. With the ACE BRMS, HLC created rules within the system to review documents before they close and to verify that all of the needed information is included and accurate. In all, the Mortgage Cadence ACE BRMS has helped HLC reduce the amount of errors involved in processing a loan. Due to the time savings provided by automation, HLC was able to decrease their annual salaries in the closing department by roughly \$200,000 and put those resources to better use within the organization. Additionally, as HLC upgrades or migrates to newer versions of their lending platform, there will not be any versioning or capability issues with their business rules since they are native to the core application.



“Critical to the success of this implementation was the synergy between HLC and its Mortgage Cadence integration partner, 3t Systems,” said Paul Sadler, Chief Technology Officer at HLC. “3t Systems provided resources to my team and together we executed a comprehensive configuration of Mortgage Cadence to meet the requirements of our Sub-prime, Prime and Alt-A products, edits, and workflow paths.”

Paul Sadler,
Chief Technology Officer,
HLC



ABOUT MORTGAGE CADENCE

Mortgage Cadence supplies lending platforms that enable companies to focus on profitability and superior service. Comprised of comprehensive end-to-end LOS functionality at its core, a business rule management system (BRMS), workflow engine, product and pricing functionality, imaging/electronic document management and document preparation services, the system gives companies the flexibility to easily adapt to industry changes and easily capitalize on new business opportunities. Built on an ever-evolving, SOA-based architecture, functionality to innovate the mortgage process, and an eye toward the eventual realization of e-Mortgages, Mortgage Cadence provides the last lending platform a company will ever need.

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