

# MORTGAGE CADENCE REDUCE ONLINE THREATS AND SIMPLIFY CROSS-INDUSTRY COLLABORATION WHILE STAYING ON-PLATFORM



## OVERVIEW

Many of the challenges that lenders face today stem from the fact that mortgage industry participants do not have a way to securely and efficiently work together on the real estate transaction. In the past, lenders have not had an easy way to create a secure connection to partners that doesn't involve giving up their software tools of choice.

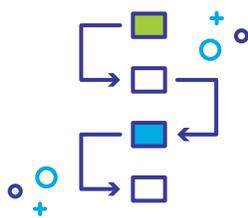
With disparate technologies such as email, multiple production systems, web-based portals, and limited two-way integrations, businesses suffer from increased time to close, higher costs and escalated cybercrime. Meanwhile, the borrower experience suffers. In fact, disparate systems – and the attendant maintenance and extra operating work they require – are a significant contributor to the industry's high cost-to-close and low productivity. Mortgage Cadence's own study, in fact, indicates

that the cost to produce a single mortgage is as much as

**30% too high.**

Disparate systems are a contributing factor.

This was one of the lessons that Service Credit Union (Service CU), a \$3.8-billion dollar national credit union based in New Hampshire, learned when it went to market in search of a national title insurance provider.



## THE PROBLEM

About a year before Service CU began its search for a new partner, Covius, a trusted provider of comprehensive settlement services and other tech-enabled solutions for leading financial institutions, was concluding a search of its own. The company went to market seeking a solution for several

pain points, perhaps the most serious being the “email shuffle,” that endless, chaotic back-and-forth between its team and its lender clients. This shuffle was particularly challenging in comparing the Loan Estimate to the Closing Disclosure to satisfy TRID. It was taking too long, costing too much and annoying lenders.

These shuffles are the age-old problem of mortgage loan processing. In fact, Service CU worked with one of its customers and the Darden School of Business at the University of Virginia on a design thinking exercise last year. The goal was ferreting out inefficiencies. One of the recommendations from the exercise was to

**“end the chaotic back-and-forth”**

of current processes. Collaboration Center, according to Service CU, solves this decades-long issue.

The old ways of doing business were not working. Lender and settlement providers typically bounce between three monitors as they work. On one

monitor, the employee receives an email that directs them to take an action. On another monitor they use a browser to log in to a portal and download/upload a document. Finally, on the third monitor is the LOS, where emails and documents are uploaded again for storage.

The typical worker will manage

**100-150 emails  
a day**

in order to receive and update loan processing, but email adds no value to the process. Worst of all, email exposes everyone in the value chain to data security risk.

“I’m not a fan of using email within a closing transaction as it could inadvertently expose NPI (nonpublic personal information) or PII (personally identifiable information). Email is also an inefficient form of communication,” said Joe Chappell, Executive Vice President of Covius Settlement Services. Chappell knows exactly how from a data security perspective. Before joining the team at Covius he spent 10 years in the telecommunications industry and another 14 years in consumer credit information.

The CFPB reports that “scammers are increasingly targeting real estate professionals, seeking to compromise their email in order to monitor email correspondences with clients and identify upcoming real estate transactions.”

The results are catastrophic for borrowers and the industry. According to the FBI, reports of email fraud schemes targeting borrowers before the loan closing increased 1,100 percent between 2015 and 2017. In 2017 alone,

there was an estimated loss of nearly \$1 billion in real estate transaction costs. That’s approximately \$100 per closed loan.

By the time Service CU was ready to solve its problem by locating a new title services partner, Covius had solved the collaboration problem by implementing Collaboration Center from Mortgage Cadence.



## THE SOLUTION

“We met Covius at last year’s Mortgage Cadence users’ conference,” said Crystal Long, Senior Manager of REL Operations and Business Integrations at Service Credit Union. “We were looking for a national title company partner and chose Covius. We started sending title orders to them through Collaboration Center immediately.”

Service CU had implemented Collaboration Center at the same time they installed their new Mortgage Cadence loan origination system. It was all part of the credit union’s paperless lending initiative. Covius was the first title company the institution would work with through Collaboration Center.

Provided as a true software as a service (SAAS) network, Collaboration Center is an enterprise-grade communication and lending team collaboration tool that meets the needs of mortgage lenders, title and settlement agents, real estate professionals and others working in the mortgage lending arena.

The system automates processes, exchanges documents and data, enables communication and fosters real-time interaction—all within a secure environment that is trusted by all parties, and keeps the communications in the actual loan file.

Perhaps most importantly, Collaboration Center does away with the email inbox completely. This reduces the chance that employees might inadvertently expose private customer information by sending it via email. Eliminating email also decreases the risk of phishing, Business Email Compromise, Email Account Compromise and wire fraud.

Implementation was a smooth process for both companies.

“We had a really good experience,” Long recalls.

**“We wanted to go  
completely paperless.  
We did it in less than 5  
months with Mortgage  
Cadence.”**

We want to limit our fraud risk as much as possible, so we always ask our title company partners to use Collaboration Center.”

“We conduct a thorough post-mortem on all new installs,” Chappell said. “The results of our work with Mortgage Cadence were very positive.

The process was smooth. The guidelines and punch list were provided early in the process and outlined our go-live criteria. When we needed access to smart people inside of Mortgage Cadence, we got it. They were responsive.”



## THE RESULT

Both companies report positive results from using Collaboration Center to conduct the business of processing and closing mortgage loans. Service CU further reports additional benefits in the post-close department.

For Covius, title company personnel were no longer forced to work from a multi-screen gaggle of disconnected silo technologies to create one result. There was no more searching and researching email threads for revisions to vital documents lost in the email shuffle. Ultimately,

**Covius enjoys faster, more secure closings with more loans closed in less time with less effort.**

All of this has led to higher levels of satisfaction from mortgage lender clients, including Service CU.

With Collaboration Center, lenders get access to all of their partners without jumping out of their LOS into other applications or portals. This is the first and only solution that solves the communication, document and data exchange challenges from loan application all the way to close.

After the loan is closed, the virtual loan folder inside of Collaboration Center holds all of the vital information required to sell the note into the secondary market, except the note itself. This makes it much simpler to prepare deals for sale as well as loan servicing transfer.

With all communications and documents automatically organized into the folder, which is also connected to the loan record, a great deal of friction is removed from the process.

“Collaboration Center has eliminated all of the back-and-forth that previously involved multiple email conversations,

phone calls and document sharing,” Long said.

**“It has saved us money and it’s fast!”**

We’re having conversations in near real time. The benefits we’ve seen have come from the new way it allows us to transact business.”

This was put to the test when the COVID-19 pandemic hit. Lenders around the country were forced to spread out their teams, which moved a great deal of loan processing and closing to email, but not at Service CU.

**“We feel we are in a great position for this type of unforeseen situation thanks to Collaboration Center,”** Long said.

“We have additional security as well as a fluid process for working with our title company partners. We didn’t skip a beat due to this and are very grateful.”

# Schedule your demo of Collaboration Center today.

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