

# 1st Mortgages – Refinance Time to Close



## The Client

- A US-based Bank providing Mortgage & Financial Services to Retail, Corporate & Institutional Customers.
- Case Study pertains to improving overall processing time of Mortgage Operations in the 1<sup>st</sup> Mortgage Refinance Market segment of the bank.

## Business Challenge

- Processing time of 1st Mortgage Loan Product involves multiple hand-offs and has a very high processing time which delays disbursement of funds to the borrower.
- To reduce processing time to close Loans thereby making funds available to borrowers in targeted time of less than 20 days.

## Key Problems identified

### Process Gaps:

- Sales submitting incomplete documentation to underwriting.
- Product knowledge of sales reps.
- Banks internal process of ordering appraisal & title documents.
- Lack of basic documentation before submitting to underwriting.
- Multiple manual hand-offs.
- Lack of standardization of basic information.
- Escalation metrics missing.
- Lack of rigor in following up for documents from borrowers.
- Average wait time while processing in every loan was 14 days.

### Gage Issue:

- Incorrect calculation of TAT.

## Business Impact

Performance Metric	Pre-Genpact (Month/Year)	Post-Genpact (Month/Year)
Time to close	Avg 27 Days (May '07')	Avg 17 Days (Dec '07')

**Benefit of Value Stream Mapping:  
Overall TAT ↓ by 37%**

## Key Recommendations

- LEAN workout with the team to minimize non value added steps using Value Stream Mapping and came up with immediate recommendations:
- Creating a product wise standard list of documents for Sales to ask borrower.
- Established a escalation mechanism between GENPACT & Bank to address delays.
- Reminder emails to all processors thereby improving ownership on files.
- Improving pipeline management.
- Launch internal team contests to increase efficiency.

**TAT reduction By 37%**