Pundits have been hailing the arrival of the paperless office since computers entered the workplace. Still, completely digital mortgage enterprises remain a rarity.

Even absent a fully digital mortgage world at this point, one thing is already as clear as a sunny day in the park to many industry observers. The speed, accuracy, reduced cost and convenience of digital processing have begun to revolutionize the entire mortgage cycle.

Mortgage originations and closings involve hundreds of pages of paperwork that need to be validated and vetted against numerous regulatory and risk-based measures. Those pages, in turn, must be shared with dozens of separate vendors for processing and subject to compliance and quality-control reviews.

Mortgage originators can create a competitive separation if they can ensure documents are transmitted and processed digitally — if there isn’t a still-existing need for them to be wet-signed. The tools to provide this digital capability already are being developed and rolled out.

Mortgage originators who don’t take this trend seriously — and fail to upgrade their services to accommodate a digital future — will look antiquated by the end of the decade. Even now, the technology exists for mortgage originators to go almost entirely paperless, which can save them a great deal of time and money while raising the quality of their customer service.

Digital documents

Even in its most basic form, digitizing documents is a worthwhile task. Instead of allocating considerable space and personnel to store and manage physical records, scanned documents are much easier to handle. More advanced processes, however, like auto-indexing and optical character recognition, offer undeniable value to mortgage originators.

Once documents are scanned, they become digital images of individual pages. Auto-indexing examines these pages and uses

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Bot invasion
Robotic process automation, using virtual agents called bots to assume digital activities currently performed by people, are becoming accessible to a much wider audience. These bots take days to do tasks instead of months, cost much less and don’t require businesses to change the way they operate. Once they have been trained, bots complete those tasks at a fraction of the time a human would take and can continue working around the clock at peak efficiency without tiring.

The technology is an extremely cost-effective and quick-deploying solution for integrating disparate information systems. Bots simply perform the same tasks that a human would, such as copying information from one computer program and pasting or typing that information into another window or online form, but they do so faster and with greater accuracy than humanly possible.

That’s not the only type of task where bots excel. Especially important for mortgage originators is the ability of bots to check documents against hundreds of business rules in a matter of seconds. This capability makes audits and compliance reviews a prime target for automation. The value doesn’t end there, either. Any process that can be defined and repeated can be automated by bots, including activities not specific to the mortgage industry — like invoice and payroll processing.

Human touch
Robotic process automation is an excellent way to improve profitability and reduce business risk. Some business processes, however, still need a human mind to yield satisfactory results. Document auto-indexing services, for example, often advertise accuracies exceeding 90 percent. The remaining share of the process needs to be corrected by human reviewers.

Business-process outsourcing companies offer specialized services for mortgage originators, underwriters and title companies. They range from “white-glove” quality control, processing, underwriting, compliance and fraud reviews to title searches and commitment-letter typing.

Outsourcing companies even offer document-digitization services using high-speed scanners that can process hundreds of pages per minute. Leading outsourcing companies offer a comprehensive range of services specific to the mortgage industry and receive orders and send results using integrated software to ensure an efficient, paperless experience.

Dynamic automation
Dynamic-process workflows are some of the most subtle, yet essential, components of any well-designed paperless environment. They ensure that tasks get completed as soon as possible by triggering next steps in each process as soon as set prerequisites are met.

When a borrower submits specific loan documents, for example, the relevant personnel on your team are notified. These workflows are dynamic in the sense that a completed task can trigger different events depending on whether it succeeded, who performed the task, what time of day it is or any number of other variables.

They also provide a way to coordinate bots with the human workforce: Whenever a bot has done its job, workflow prompts can notify the human worker who has to review, approve or perform some other task. Similarly, workflow prompts can pass completed digital items from humans to bots as soon as possible, keeping business operations running smoothly.

Mobile workplace
Streamlining and automating office processes is a worthwhile pursuit for most mortgage companies. There’s no reason to limit digital transformation to your place of business, however.

In the same way that lenders offer e-statements to their clients via e-mail or online banking portals, mortgage originators can provide digital services that improve borrower engagement and satisfaction, shorten document-submission times and accelerate the mortgage loan process.

One of the most potent digital tools for coordinating with borrowers can be a smartphone app. An app that resides on the phone in a borrower’s pocket encourages prompt communication, provides a personalized source for updates on the mortgage-application process, and gives borrowers a sense of immediacy and trust that can’t be achieved using larger devices like laptops.

Ubiquitous smartphones and tablets have given us a sense of mobility and usability that is on par with the convenience of paper. Being online all the time has become our new normal and affordable automation technologies are poised to reduce manual effort drastically.

The paperless office is beginning to look less like a pipe dream and more like an eventuality. Extending the paperless experience to your borrowers boosts efficiency and also is a powerful way to establish a forward-thinking, innovative brand image.