Case Study
CMC Funding – December, 2015

LoanHD® Clarity in Loan Commerce.™

With LoanLogics® IDEA™ (Intelligent Data Extraction and Automation), CMC Funding has streamlined their MSR (Mortgage Servicing Rights) boarding process, allowing for a 70% cost savings, 99.9% data accuracy and significantly faster seller boarding time.

The Challenge

CMC Funding, a subsidiary of Capital Markets Cooperative, began 5 years ago as a servicing alternative for its Patron members. After the bottom fell out of the housing market, CMC Funding worked together with Fannie Mae and Freddie Mac to develop a unique co-issue mortgage loan servicing acquisition process. Sellers were able to commit a mortgage loan to Fannie Mae or Freddie Mac and simultaneously designate CMC Funding as their servicer.

As CMC Funding's business grew, performing over 1500 MSR acquisitions per month, the cost and time associated with offshore indexing, a manual data entry process and missing critical data elements was beginning to impede their business. There was a constant manual rework loop for ingesting each mortgage loan file, breaking it apart, indexing it and validating extracted data. It was time consuming, costly and required extensive "stare and compare" of each file in order to ensure all data was captured and was correct. On average, it was taking CMC Funding 65 – 70 minutes to process a loan file with only a 50% accuracy rate.

Additionally, it was taking an estimated 3 – 6 months to board new sellers onto CMC Funding's platform. The long lead time was the result of the inability to produce necessary data and/or the amount of valuable technical resources it took to build each data file. Plus, there was a significant number of missing key data elements submitted from a wide variety of seller Loan Origination Systems (LOS).

CMC Funding Company Profile

- CMC Funding became a subsidiary of Capital Markets Cooperative in 2011.

- Capital Markets Cooperative was founded in 2003 and consists of over 200 Patron members with an annual combined production of over $113B in 2014.

- Capital Markets Cooperative services include: Funding, Risk Management and Cooperative Services.

- Capital Markets Cooperative and CMC Funding are headquartered in Ponte Vedra Beach, Florida.

"We went from it taking 70 minutes to process a loan file to 12 minutes, plus the elimination of all offshore costs."

Bill Lisnerski — Chief Business Development Officer, CMC Funding

Bill Lisnerski, CMC Funding's Chief Business Development Officer, and his team determined they needed to implement a better, automated and streamlined process that would:

• Automatically scan, index and extract key data elements
• Offer customized rules logic
• Increase document and data transparency
• Reduce overall costs
• Become scalable to capacity
• Enable faster new seller boarding times

After researching several companies and options, CMC Funding quickly determined only one had the complete, automated capabilities to effectively handle their needs.

The Solution
In October 2014, after a quick and successful implementation, CMC Funding was up and running with LoanLogics IDEA, which included document indexing, data extraction, existence, classification, versioning, execution/signature, data to document comparison, document to document comparison and audit rules.

LoanLogics IDEA allows for faster,

automated loan file indexing, classification and versioning. In addition, granular level data extraction and validation are performed according to a set of customized business rules. With these capabilities, CMC Funding can operate seamlessly with less staff and at a higher confidence level using the information extracted from each file and importing it into their platform for the internal audit process. They are also able to accomplish what most of their competitors cannot, minimal turnaround time to board new sellers.

The Result
CMC Funding was able to reduce costs while increasing quality loan volume processing.

Elimination of manual processes and human data entry errors have proven invaluable. "Receiving 100% of data, 100% of the time, has led to a faster resolution of data exceptions, fewer borrower complaints, increased borrower satisfaction, faster new seller boarding time and the reduction of future transfer and loss mitigation issues", says Bill.

Bill and his team have recognized the downstream impact data accuracy has

to their process and borrowers. "Data drives the boarding of loans, which has a direct downstream impact to the borrower," says Bill. More accurate information leads to fewer issues with borrower escrow funds, future home sales, loss mitigation, etc. LoanLogics IDEA has proven to be a financial and customer service win, enabling CMC Funding to service their borrowers more effectively with benefits such as:

• 70 % reduction in internal costs
• 12 minutes per loan processing time
• 99.9% data accuracy rate
• Faster new seller boarding time
• Easily scalable with loan production

With IDEA, CMC Funding now has an automated solution that meets all of their indexing, validation, data extraction and audit rules automation needs. Their confidence in these capabilities will continue to provide value as they continue to grow their business!

Schedule a demo today to see how LoanHD can work for you. Call us at 866.557.6959 or learn more at loanlogics.com.

The game has changed.
Play different.