HCL

Improved customer satisfaction through rapid home loan disbursement

Harness Pega platform to improve STP through digital transformation in home buying

To be the **"Best in Class"** lender of choice, leading banks are adopting the **'Digital Lending'** revolution to reduce **'Time to Decision'** to minutes, accelerate customer experience, reduce operational risk, optimize the cost of origination and the handling of service requests through a self-service portal. For the customer, lending transformation translates into a digital loan application, reduced branch visits, a quicker decision on the loan application , and competitive rates through data insights.
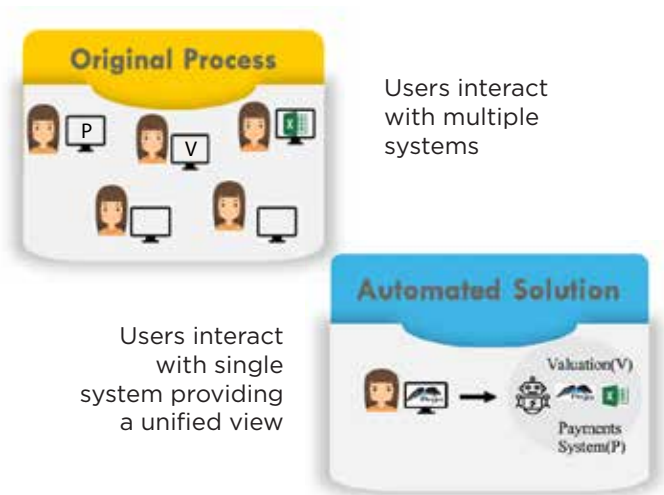
Key business KPI's in mortgages

- Time to decision
- Return on Assets(RoA)
- Cost per unit originated
- Average number of customer complaints
- Average customer satisfaction score
- Workflow processes automated
- Average mortgage loan value
- Average time to resolve issues
- Customer attrition index.

Challenges in construction loan disbursement

- Inordinate delay in fund disbursement to the builder
- Increased operational risk due to manual error-prone processes
- Material payment-related inaccuracies such as duplication of payment, payment to the incorrect party, etc.
- Rise in foreclosures due to poor customer experience
- No clear line of responsibility for disbursement processing queries
- Sourcing and validation of information across multiple systems.

Original Process

P V

Users interact with multiple systems

Automated Solution

Valuation(V)

Payments System(P)

Users interact with single system providing a unified view

One of the critical aspects of home loan servicing for an under-construction property is to ensure that the funds are disbursed progressively (progress payments) based on the percentage of completion. Builder/Contractor would send the invoice/receipt/bills for the work completed regularly to the customer and the customer would be required to apply for the disbursement request with the bank.

The disbursement request (based on the percentage of work completed) is a manually intensive process that requires sourcing and validating information across numerous systems. Any delay in prompt disbursement of funds would lead to customer complaints, and potentially a penalty by the builder.

About the client

One of the leading banks in APAC. Client's vision is to build the best end to end mortgage experience while maintaining a consistent and sustainable growth

Key client objectives

- **Need to optimize and improve disbursement processing speed** through standardization, digitization and robotic process automation
- Automate and reduce the business risk involved in the disbursement process
- Reengineer the end to end disbursement business process and application landscape efficiently by reducing the unwarranted activities
- **Achieve reduction in operational costs** through optimal utilization of mortgage workforce and digital adoption
- Define, measure, track, and continuously improve the key metrics for home loan servicing such as the number of customer complaints, error rates, etc.
- Empower the Bank to **deliver superior end-customer experience** by fast-tracking resolution of escalations by customer and brokers
- Stay informed – **Real-time alerts to brokers and customers** on disbursement status, actions required, etc.
- To build a scalable and efficient platform that can be leveraged beyond the back office lending operations team.

Solution levers

Right choice of requisite tools and leveraging technologies for Workflow Management **(Pega Case Management)** and **Robotic Process Automation (RPA – Blue Prism)** appropriate to the business solution	**Reuse trusted data** throughout the disbursement life cycle to eliminate and reduce errors and omissions in the manual process	**Business Process re-engineering** of the disbursement process through identifying and eliminating manual and non-business value-added processes, removing duplicate activities, etc.

HCL solution

HCL designed and developed the end-user portal using the Pega platform covering end to end business process flow for disbursement requests. The portal was designed to integrate with multiple systems such as:

- Loan origination/servicing systems to retrieve customer/loan details
- Core banking system
- Authentication System
- Correspondence(letter) using Document generation tool.

The Pega based portal enabled the business users to obtain a **single view of the customer** by providing all the details required for processing the disbursement request on a single screen.

Based on deep domain expertise, HCL also analyzed and identified that several manual processes could be automated using bots. **RPA bots were deployed effectively to reduce the manual user intervention by 56%**

HCL also transformed the complete loan disbursement landscape by automating the EUC tools and processes leveraging the Pega automation solution which improved customer experience.

Benefits to the bank

- **Eliminated duplicate disbursements by 100% through automation and reduced erroneous payment risk by more than 90%**
- **Improved cycle time** for valuation initiation from **30 mins to 5 mins**
- **Reduced duplicate and non-value adding business process by 29%**
- Reduced operational risk by 65% through automation of the manual processes/controls
- Enhanced digital experience for customers and colleagues
- Increased fraud prevention.

How HCL can help?

HCL has helped more than 80+ clients in modernizing and transforming their lending journey. With deep domain knowledge and strategic partnerships & alliances with business solution providers such as Pega, HCL has the relevant expertise to embrace transformation programs and accelerate digital adoption. HCL has helped banks in defining an outcome-driven and bank-wide approach to digital transformation eliminating the piecemeal digital projects across the IT organization.

HCL

HCL Technologies (HCL) empowers global enterprises with technology for the next decade today. HCL's Mode 1-2-3 strategy, through its deep-domain industry expertise, customer-centricity and entrepreneurial culture of ideapreneurship™ enables businesses to transform into next-gen enterprises.

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