

Elevated customer experience with modern mortgage origination platform

Automated loan origination process to drive profitability, efficiency and customer experience

About the Client

The client is a full-service bank and one of Europe's largest mortgage and retail services providers. Its financial services offerings span retail banking, consumer credit, savings products, stock brokerage, and asset management. With around 2.3 million private shareholders, it has one of the largest private shareholder registers in Europe.

Business Challenges

The bank operates across several countries in Europe. They offer various loan products and services through digital channels such as web and mobile app portals. Their legacy loan origination system was a batch-based system with very limited automation capabilities. Some of the issues faced around the existing system were:

01

Excessive manual tasks in the process

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Limited cross-selling capabilities

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High cycle time to cash (consequently, there was a need to improve time to loan decision and approval rates)

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Poor performance of the legacy system

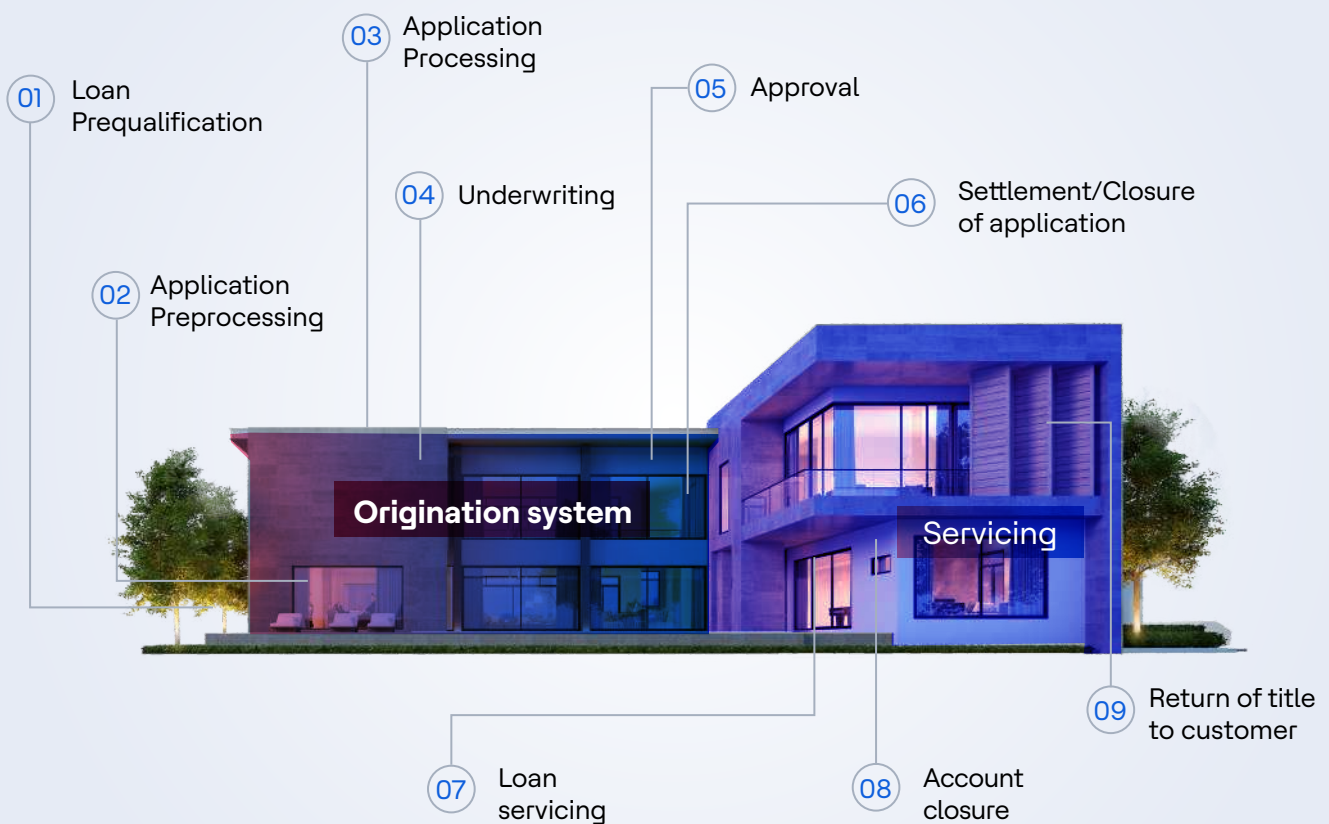
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Overall need to modernize the legacy lending platform

HCLTech Solution

The client approached HCLTech to build a modern mortgage sales platform owing to issues faced in the legacy application. HCLTech conducted detailed requirement-gathering sessions with the client's stakeholders to identify the exact requirements and the future business strategy. This was crucial as the system that was being designed and built must meet the current and future business needs. The solution proposed by HCLTech was aimed at improving customer experience throughout the loan origination journey by automating the processes as much as possible.

The application was built as a web-based application on ASP.Net that was integrated to a database in the z/OS. There were integration touchpoints with multiple systems, and these were built as reusable components. These components were reused in enhancements of other systems to fast-track implementation. The high-level loan origination process is described below.



Initial Delivery Phase

Phase 1

HCLTech started with the analysis of the existing batch-based application and conducted requirement-gathering sessions with the customer/SMEs to understand the requirements for the solution. Once the requirements were gathered, the HCLTech team of mortgage technical architects designed a solution in line with the bank's vision for the application. The project laid the architectural foundation for the new platform, and the application was built in a modular fashion that promotes reusability. There were several integration touch points where the origination system had to integrate with other systems in the landscape to be able to automate required functionalities.

Integration Touchpoints

Customer Information File

The initial integration was with the customer information file to enable search for existing customers. This enabled search & retrieval of customer information for existing customers. The integration reduced the dual key-in effort of the consultants to capture all the customer information again. The integration with Customer Information file enabled automated creation capabilities from the Mortgage Sales Platform for new to bank customers.

Address Validation

Address validation was enabled on the origination system so the consultant could search for the selected address instead of capturing the entire address. This enabled cleaner data to be captured on the system. It also added value in terms of saving time across the value chain due to incorrect addresses being captured.

Product Filter

This feature enabled filtering products based on customer preferences and displaying the list on the screen for product selection, thereby enabling better offerings for the customer. This not only improved customer experience but also assisted in better sales experience for consultants.

Pricing

The integration with the pricing system enabled mortgage pricing details to be obtained from the central pricing system. This enabled automated calculation of Fee Payable, Annual Percentage Rate, and Repayment Plan for the customer based on the product selected, thus eliminating issues with manual calculation.

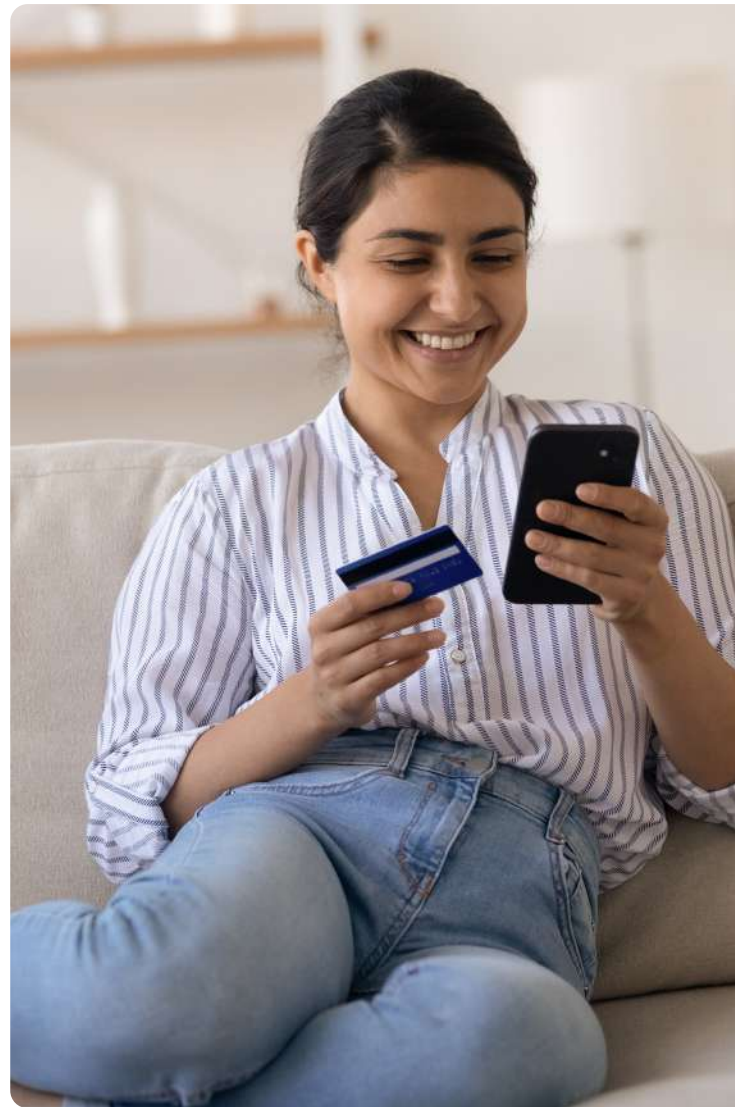
Credit History

Real-time integration with the Credit Bureau was implemented, which enabled fetching the credit history of the customer, leading to better decision-making capability for the underwriting system.

Valuation & Conveyancing

Integration with third-party valuers to initiate the valuation process of the property. Communication was sent automatically to the valuers to proceed with the valuation of the property, saving valuable time in the origination process.

Conveyancers were also automatically allocated to the application to assist with the legal processes.



Debit Account Detail Validation

Integration with the core banking system to validate the account details captured for recovering monthly installments. Where the customer had a transactional account with the bank, the details captured were validated instantly. This eliminated the need to follow up with the customer upon a failed attempt to recover monthly installments.

Servicing

Integration with the servicing system to hand over the application for servicing once the application is approved and the loan is disbursed to the customer.



Phase 2

Once the initial mortgage sales platform was delivered, the customer wanted to have a portal for intermediaries (brokers). About 70% of their mortgage origination business was sourced through intermediaries. The broker sales platform aimed at integrating the application process with the internal mortgage sales platform. Seamless integration was done between the broker portal and the internal mortgage origination platform, which improved the experience for the intermediaries that were doing business with the client. There were over 19000 intermediaries that were onboarded to the system upon implementation.

In this phase, the origination system was rolled out to the call center, allowing customers to follow up/proceed with the application over the phone. The ability to send automated emails to brokers/customers was also delivered to improve the overall turnaround for the application as most of the artifacts generated were emailed to the customer, thus, saving a lot of time. Besides, another functionality was enabled to resend a previously sent document to the customer.

Phase 3

The client wanted to extend the mortgage origination platform to process top-up loan applications for customers. There were significant improvements in the turnaround time for top-up loans. The Product Transfer option was also enabled on the platform, which allowed customers to move to a different product. Processes around product switching were also enabled on the platform.

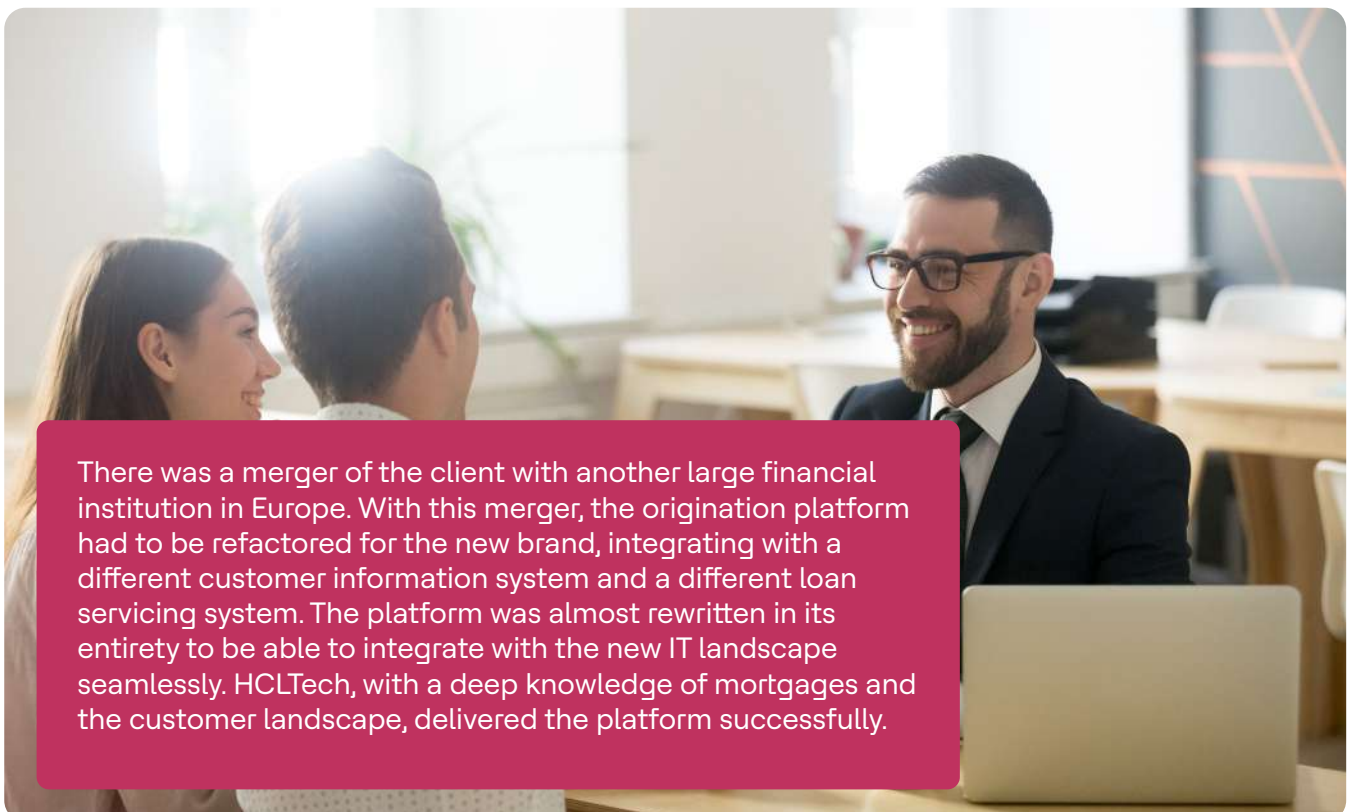
Merger

Subsequently, there was a merger of another financial institution with our client. There was a need to consolidate IT systems between the two businesses. Due diligence was done between the two systems, and it was decided that the origination platform built by HCLTech would be the target state as it was the market-leading solution. HCLTech was involved in the consolidation of the origination platforms, which covered extending the origination platform to offer multiple branded products to customers across 3000 plus branches and online channels. The implemented solution enabled the platform to have the capability of selling multiple branded mortgages.

Maturing the Platform Phase

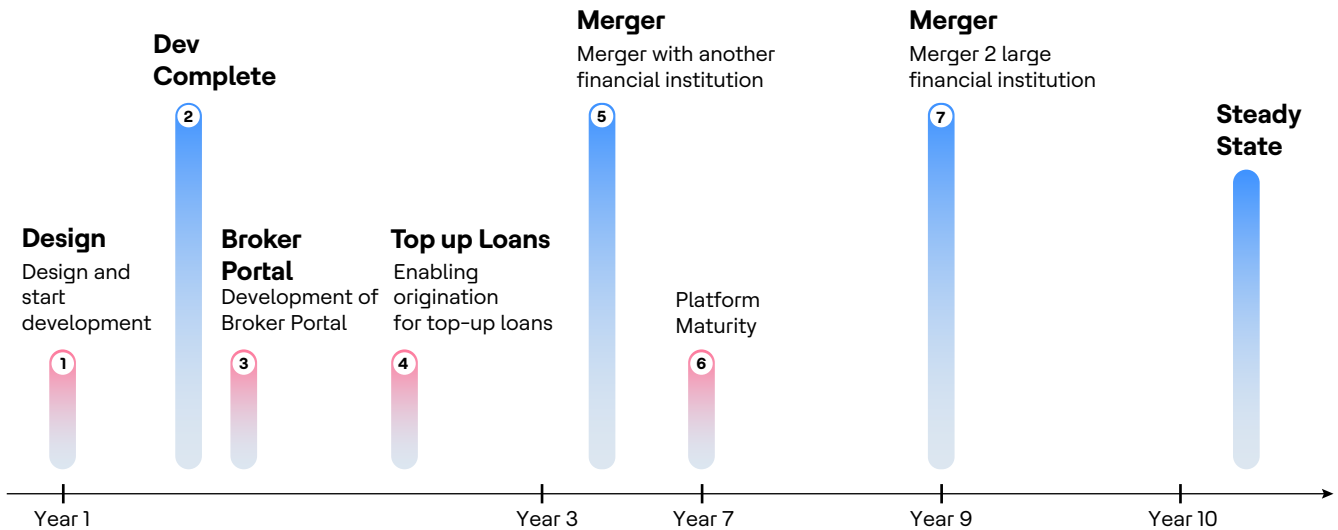
During this phase, numerous functionalities were added to the origination platform to improve the overall experience for the customer. The intermediary portal was also enhanced to integrate with the platform to be able to apply for top-up loans.

Cross-selling functionalities (Home Insurance products) were delivered on the platform that allowed consultants to cross-sell products to customers. We also implemented real-time integration to the Customer Information System, reducing the need to capture customer information again.



There was a merger of the client with another large financial institution in Europe. With this merger, the origination platform had to be refactored for the new brand, integrating with a different customer information system and a different loan servicing system. The platform was almost rewritten in its entirety to be able to integrate with the new IT landscape seamlessly. HCLTech, with a deep knowledge of mortgages and the customer landscape, delivered the platform successfully.

Timeline



Business Benefits

Implementation of mortgage sales platform resulted in the following benefits:



Reduced cost of mortgage origination



Improved customer satisfaction



Reduction in the cost of maintaining the platform



Multi-channel capabilities



Superior technology platform that enabled faster change implementation

HCLTech | Supercharging Progress™

HCLTech is a global technology company, home to 219,000+ people across 54 countries, delivering industry-leading capabilities centered around digital, engineering and cloud, powered by a broad portfolio of technology services and products. We work with clients across all major verticals, providing industry solutions for Financial Services, Manufacturing, Life Sciences and Healthcare, Technology and Services, Telecom and Media, Retail and CPG, and Public Services. Consolidated revenues as of 12 months ending September 2022 totaled \$12.1 billion. To learn how we can supercharge progress for you, visit hcltech.com.

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