



## REPUBLIC MORTGAGE, LLC

### Document Imaging Upgrade Speeds Post Closing While Reducing Costs

When Spencer Van Pelt became CIO of Republic Mortgage LLC (Las Vegas), one of his first mandates was to find a way to eliminate a growing backlog of files in the Post Closing Department. Despite having a hosted document imaging solution, the department's seven employees found it impossible to keep up with the growing volume of documents associated with about \$1.1 billion in loans per year. Since Republic sells its mortgages to investors, the growing stacks of documents represented unrecognized income and lost interest.

After evaluating about 20 ECM providers, Republic chose OnBase, enterprise-class software from Hyland Software, Inc. that combines integrated document management, business process management and records management in a single web-enabled application. "Hyland seemed to have a better handle on the mortgage industry than its competitors," he comments. "We also spoke to several of their other mortgage customers. In the end, we also looked at the history and stability of the company itself."

Another compelling feature of the OnBase solution was eMortgage Delivery, which allows mortgage lenders to create customized loan packages and index information required by investors. OnBase also offers a script that supports the electronic transfer of the loan documents for Republic's largest investor, Countrywide Loans. The script automates the process for gathering all of the documents Countrywide requires (and none of those it doesn't) and presents them in the investor's preferred order. "That was a clincher," admits Van Pelt. "That functionality allows us to transfer the loan files sooner and turn them

around more quickly. We also looked at OnBase's ability to interface with other clients' systems as well, including our new loan origination system."

### Eliminated Backlog Within a Month, Reduced Staffing Requirements

Implemented by authorized OnBase solution provider OSAM, Inc., Republic's Post Closing OnBase solution replaced an existing hosted application that supported the upload of images to an online archive. Low-end document scanners were replaced with two Canon U.S.A. DR-9080 document scanners, which are used to scan about 400-500 loan packages a month. Each of these files has about 250-350 pages. Individual document types are separated by bar-coded separator sheets, which are read using recognition technology from Kofax Image Products, Inc. Once scanned, employees simply enter the loan number, and OnBase automatically populates additional keyword values from a text file generated regularly by Republic's LOS.

The entire backlog was eliminated in about a month. "They just couldn't get ahead before," comments Van Pelt. "But with OnBase the backlog was quickly cleared up." Republic's CIO says this increased efficiency has a positive effect on employee morale as they feel less overwhelmed by the task at hand.

Since the elimination of the backlog, Republic has been able to maintain operations without replacing an employee who resigned and another who accepted a different position. By reducing staff from seven to five employees, Republic saves an estimated \$90,000 a year in wages, overtime and other benefits. Because many of the documents can now be sent

#### AT A GLANCE

Republic Mortgage, LLC's decision to upgrade its post closing document imaging solution will result in an estimated net savings of more than \$68,000 in the first year while significantly reducing turnaround times.

#### BENEFITS

- Allowed reallocation of two full time employees, saving about \$90,000 annually
- Decreased processing time for underwriting, claims and customer service
- Estimated savings of \$25,000 annually in interest payments
- Net savings of \$68,700 in year one, estimated to increase to \$161,000 in year two
- Software purchase cost less than annual maintenance fees associated with less effective hosted application
- Improved auditing capabilities
- Reduced annual shipping costs by \$17,000

#### APPLICATION

- Post Closing

#### ONBASE SOFTWARE

- Production Document Imaging
- Web Server

#### COMPLEMENTARY PRODUCT INTEGRATIONS

- Canon U.S.A. DR-9080 document scanners
- Kofax Image Products, Inc. bar code recognition technology

electronically, Republic also reduced shipping costs by \$17,000 in the first year.

One of the weaknesses of the previous system was slow retrieval. OnBase provides sub-second retrieval based on keywords and imposes security settings based on user roles. In addition to Post Closing, Republic has also made these scanned images available to employees in the Secondary Marketing Department, which buys sizable financial commitments. These individuals can research documents by commitment numbers, see which loans have been scanned and run reports. In the future, OnBase may also be used to manage documents associated with other business processes such as Accounts Payable, Accounts Receivable and Human Resources.

Van Pelt says interest payment savings in the first year are conservatively estimated at \$25,000, and the net savings in the first year will probably total \$68,700. Anticipated savings during the second year are expected to reach \$161,000.

The OnBase software also cost less than a year's subscription with the hosted solution provider and provides greater peace of mind. For a number of reasons, Mr. Van Pelt's major concern was to host their own data repository. "I've heard horror stories of companies attempting to gain access to their data to be completely denied. A user needs to play on the side of caution when deciding on a hosted solution. Once they have access to your data, they are in a sense, control the power of Zeus to when/where/how you gain access -- especially, when a user decides to eliminate a hosted provider and bring the database back in their IT shop. I'm extremely relieved to have complete control over our entire imaging solution."

OnBase's ability to support state and industry compliance initiatives is one of the long-term benefits of the electronic repository because it gives Republic the ability to quickly retrieve documents and view their history. Instead of pulling files in response to auditor requests, a date range can simply be entered in the OnBase retrieval screen to instantly access documents. Auditors can also be provided secure browser-

based access to documents via the OnBase Web Client.

The rapid appreciation of home values in Nevada has increased the stakes for mortgage lenders. Like thousands of other organizations, Republic has increased its odds of streamlining operations, reducing costs and sharing information with employees, partners and customers by implementing OnBase.

**OnBase**<sup>®</sup>

*a Hyland Software solution*

[www.onbase.com](http://www.onbase.com)