

LoanComplete™ Brings New Efficiency to Loan Processing at a Leading Bank



Client Profile



BMO Harris Bank is one of the nation's leading financial institutions. The bank provides a broad range of personal banking products and solutions through more than 500 branches, and offers fee-free access to over 40,000 ATMs across the United States. The bank is part of BMO Financial Group, a highly diversified financial services provider with total assets of \$988 billion as of October 31, 2021.

Challenge

BMO Harris was originating a large volume of home loans, but was having trouble getting the loans boarded correctly into its existing mortgage loan servicing software. An inefficient process was resulting in extra work hours and some lost documentation. The bank needed a solution that could streamline workflows and guarantee the accurate movement of data.

Solution

The bank installed LoanComplete from Fiserv, a life-of-loan solution designed to complement the bank's loan origination system workflow, servicing and compliance systems. The bank was now able to electronically monitor every loan being boarded, to verify that documentation and data were complete and accurate.

Proof Points

Using LoanComplete, BMO Harris realized substantial gains in the efficiency and accuracy of its loan processing. The bank was able to automatically classify 98% of documents in the mortgage loan file, and accurately pull over 96% of the data elements from those documents into the servicing platform. Active QC review was expanded from 10% of loans to 100% without increasing staff or workload. And the comprehensive reporting in LoanComplete made it easy to satisfy compliance audit demands.



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Anthony Pyatt
Lead Technology Officer
BMO Harris Bank

The Need for Efficiency

In 2017, BMO Harris was originating a range of home finance products, including fixed-rate mortgage loans, adjustable-rate and interest-only adjustable-rate loans, as well as a number of home-equity loan products. The bank was using a new loan origination system (LOS) and was having some challenges getting closed loans boarded correctly into its existing mortgage loan servicing software.

Given the volume the bank was originating at that time – which has grown even more since then – the inefficient process was resulting in too much employee time and lost documentation. At the same time, BMO Harris executives were well aware that the Consumer Financial Protection Bureau was paying close attention to lenders and servicers. The bank wanted to ensure that the reports it was filing with its regulator were accurate and timely.

“We went in search of a tool that was very intuitive and had a workflow component that would increase our efficiency and accuracy,” said Anthony Pyatt, lead technology officer and director at BMO Harris Bank. “Could we get reporting out of the tool and be confident that we could catch any exception that wasn’t posting correctly to the servicing platform?”

The bank had an ongoing relationship with Fiserv for many years and decided to approach its technology partner with this specific need. Out of that contact, BMO Harris discovered LoanComplete, a life-of-loan solution designed specifically to complement the bank’s loan origination system workflow, servicing and compliance systems.

A Comprehensive Solution

Once it installed LoanComplete, the bank was able to electronically monitor every loan coming out of the LOS as it was boarded into the servicing platform, ensuring that the documentation was complete and data accurate.

Using LoanComplete: Comparalytics, the bank benefited from a special type of intelligent character recognition capable of scanning a 100-page loan closing file, separating out the specific forms into discrete documents then pulling the data from those forms. Once extracted, the data is automatically compared to a list of key data points pulled directly from the LOS for accuracy. Exceptions are flagged and routed to quality control and tracked through LoanComplete: Loan Tracker, so nothing is ever missed.

The bank also invested in a number of “tuning hours,” which put trained Fiserv personnel on the job of analyzing exceptions to tune the system to be more accurate over time. Ultimately, a system that started out processing 77% of all documents electronically – itself a respectable number – eventually ended up automating over 90% of the work.

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Solid Results

With LoanComplete in place between the bank’s LOS and mortgage servicing platform, BMO Harris was able to automatically classify 98% of the documents in the mortgage loan file and accurately pull over 96% of the data elements from those documents into the servicing platform.

LoanComplete then provided a complete exception report that enabled the bank’s staff to complete the work on the handful of documents remaining. This freed up staff to expand active QC review from 10% of loans to 100% without increasing staff or workload.

The reports coming out of LoanComplete also made it easy to satisfy compliance audit demands, clearly demonstrating a systematic and repeatable review process. Document tracking ensured that loans did not move forward in the process until all critical documents had been received.

Even more exciting to bank executives was the fact that with LoanComplete installed, managers were able to identify some other upstream issues that were impeding efficiency. When the same issues cropped up multiple times, a change to the upstream workflow solved the problem, increasing efficiency and lowering costs.

In 2020, BMO Harris entered into a sub servicing agreement with Dovenmuehle Mortgage (DMI), which now handles the bulk of the loan servicing activities on BMO's behalf. Despite this change, BMO opted to continue to use LoanComplete to drive their automated loan quality reviews and help manage its relationship with DMI.

A Strong Relationship

BMO Harris managers are enthusiastic about choosing LoanComplete. Much of their satisfaction is based on the capabilities of the system, which the bank's internal users say was and is the most complete solution available, executing everything they wanted the software to do.


But beyond that, bank executives stress the value of the ongoing relationship with Fiserv. From the problem-free, collaborative installation process on a tight implementation timeline, to the ongoing support and results the bank continues to enjoy with LoanComplete, the Fiserv relationship has only strengthened.

"There is not a comparable tool that could do everything that we were looking for in a single package," said Pyatt. "The comprehensive nature of what the tool does really sets LoanComplete apart. It's been a great partnership."



Connect With Us

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