

# IMPROVING SERVICING EFFICIENCY AND PERFORMANCE WITH BUSINESS PROCESS AUTOMATION

An educational Q&A with Michele Rothkin, Financial Services Industry Marketing Specialist, Canon U.S.A., Inc.

From the heavy documentation and procedural burdens posed by loss mitigation to the challenges involved in accomplishing transfers of large loan files across organizations that typically use different data conventions, loan servicing is a complex business.

Moreover, servicers are under intense pressure to minimize errors, meet stringent government regulatory standards, streamline layers of quality assurance implemented after the foreclosure crisis, and deliver better customer service to help generate repeat business and sell new loan products to existing borrowers.

To shed light on how business process automation can help the loan servicing market, Industry Marketing Specialist Michele Rothkin discusses pain points in loan servicing and the power of sophisticated document management and workflow systems.



## What is the state of technology and business processes in loan servicing today? What are the challenges and pain points?

Loan servicing involves an enormous volume of confidential documents and manual work, and mortgage banking executives

and managers say that bottlenecks appear across almost every major function, from onboarding loans to loss mitigation to lien release. For example, to help financially troubled borrowers, servicers must collect evidence of borrowers' financial need in the form of documents like paystubs and tax records that often don't have standard formats. They also must follow strict guidelines about the type of relief to provide — reducing interest rates, extending terms, forgiving principal — that vary from one investor to the next.

## Can you give another example of where bottlenecks can arise?

When loan servicers want to onboard an existing portfolio, they may find that the parties to a transfer are on different systems and the same data may be structured differently, using different names for the same loan information fields. Mortgage files are also large, and making sure that all the loan documents are included can be a challenge for acquiring loan servicers. Loan servicers must also properly notify borrowers of the mortgage transfer and manage the transition of scheduled automatic loan payments, making sure redundant payments are not taken by two servicers.

## How are loan servicers thinking about technology and process improvements? Are they investing? What do they hope to achieve?

In our Loan Servicing Business Process Automation Survey, November 2017, more than three-quarters of mortgage banking executives and managers say technology, automation and process improvements are the keys to becoming more competitive with other lenders and servicers. And they are upgrading. More than 90% of those industry executives and managers say they have implemented or plan to implement loan servicing workflow technology.

## How can business process automation solutions from Canon help?

The idea is to complement a company's existing loan servicing technology with a combination of sophisticated software, hardware, and protocols that helps enable employees to capture, archive, retrieve, edit, and process documents and information quickly, efficiently, and with fewer security risks. Canon software applications have the state-of-the-art optical character recognition, scanning, workflow, and other tools needed to build a business process automation system that can help servicers track documents and related activities with precision, help make information and documents accessible on demand, and help ensure that required loan servicing tasks don't fall through the cracks. ■

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