

BUSINESS PROCESS REENGINEERING:

How SunTrustSM Mortgage Achieved Its 100% Paperless Post-Closing Environment

The Situation

At the height of the mortgage boom several years ago, SunTrust Mortgage wanted to reengineer its business processes to increase processing efficiency, standardize processes and handle increased volume. SunTrust desired to reap time and cost savings by eliminating paper from significant portions of the mortgage handling process. The decision was made to begin at the back-end of the process with post-closing review.

SunTrust initially partnered with another vendor to develop and implement an imaging solution. However SunTrust found that only 10 percent of its back-end post-closing process was being imaged.

According to Marvin Watts, Executive Vice President / Operations and Servicing Manager of SunTrust Mortgage, this was a disappointing realization. "Operating at a 90 percent non-imaged rate was unacceptable," he says. "We needed an environment where we could have multiple departments working on a file concurrently. We needed to track what the status of a file was at all times as well as track productivity rates."

Ultimately, the system was not sufficient to sustain the volume and complexity of the SunTrust mortgage operation. SunTrust knew a more robust system was needed to intelligently integrate image capture with specific workflows. SunTrust looked externally for this expertise and, after an exhaustive search, decided to partner with Pyramid Solutions for its workflow solutions, systems integration and deep understanding of the mortgage industry.

The Solution

SunTrust engaged Pyramid Solutions and deployed the Pyramid Loan eXpeditor™ (PLX™) to handle the post-closing review and quality assurance processes. PLX is the centerpiece of Pyramid's financial service product platform. Robust, intuitive and well-proven, PLX takes advantage of the full range of FileNet® platform functionality. The system pulls key data from a lender's LOS and other point solutions and moves all content into the digital domain. Then it manages and automates post-closing processing and loan sale export to the secondary market.

"We looked at several other vendors' solutions, but it was clear the flexibility Pyramid provided in conjunction with their specific mortgage industry expertise set them distinctly apart from the competition," says Watts.



Rated among the nation's top lending institutions, the SunTrust Mortgage division originates loans through 214 locations, maintains relationships with nearly 10,000 correspondents and brokers across 49 states and services loans in every state plus the District of Columbia. SunTrust partnered with Pyramid Solutions, Inc. for its business process reengineering solutions. The partnership achieved optimized electronic processes and the elimination of paper from SunTrust's post-closing review process.

With the guidance and support of Pyramid Solutions, SunTrust, with its other strategic vendor partners, successfully made the move to the Kofax® Ascent® Capture® solution for document capture and to business software paragon FileNet®, an IBM® Company, for enterprise content and business process management. For reports, SunTrust leveraged its existing Cognos® reporting tool. The best of breed solutions from Pyramid helped SunTrust better tie together imaging and document management *within the specific context of the mortgage process.*

Working with Pyramid, SunTrust deployed PLX to manage its post-closing review and QA processes. The pre-implementation period allowed the two organizations to work hand in hand on business process reengineering. Pyramid worked well with the SunTrust internal IT employees on testing and installation of the PLX application. Processes were examined from the working perspective of SunTrust and the unique expertise of Pyramid, with an eye toward determining and developing the most streamlined and effective workflows.

“We knew we would be more successful partnering with Pyramid. And we were right. Pyramid Solutions’ workflow system is easy, simple and it works well. What more could you want than that?”

*-Marvin Watts, SunTrust Mortgage
Executive Vice President / Operations and Servicing Manager*

Today 24 active workflow processes are enabled via PLX and further expansion is expected. With the administrative features of PLX, SunTrust can make changes to workflows and queues as necessary – with minimal engagement of traditional IT staff. This flexibility facilitates an ongoing improvement of workflows as day-to-day business needs change.

SunTrust primarily receives files in paper format, though the system also imports exceptions and trailing documents via fax. All paper closing documents are scanned via Ascent Capture, processed through the customized PLX workflows and then stored in FileNet and reviewed via PLX. Every post-closed document entering the system through Ascent Capture has an automatic work order created for it, guiding SunTrust staff through QA checks of documents.

From one simple PLX interface, SunTrust staff now view data pulled from a variety of LOS front-ends side by side with images of the actual original documents. Data is verified by staff reviewers and if necessary, exception reports are generated with a new work order automatically issued to address the exception. All exceptions are likewise automatically routed to the compliance department for review.

Once in the system, any of SunTrust’s 4,000 mortgage employees with the proper security clearances can access the files from any of SunTrust’s 230 mortgage offices – and multiple employees with specific, separate duties can work on the same loan at the same time. In addition, by moving to Pyramid Solutions’ paperless post-close system, SunTrust now also has greater flexibility in choosing third-party partners, since shipping expenditures are no longer part of the equation.

A key component of post-closing review is ensuring loans will meet the criteria of secondary market investors. Pyramid was able to handle the integration of SunTrust’s various LOS platforms with ease, allowing for the comprehensive automated review of post-closed loan documents from a variety of sources. As a result, SunTrust incurs far fewer repurchases of non-compliant loans sold to the secondary market.

The Results

SunTrust has made substantial gains with the implementation of Pyramid Solutions’ PLX to handle its post-closing review process, and the time and cost savings have been tremendous. SunTrust has risen to a 100 percent paperless post-closing environment for all production channels. Given the volume of business SunTrust does, this accomplishment is even more exceptional. Currently, SunTrust scans some 400,000 pages a day, with an astounding monthly rate of 10 million pages. In 2006 alone, the organization imaged and processed more than 105 million pages through the system workflows.

“I can’t think of a single other mortgage company that has centralized scanning, imaging and review to this degree,” says Watts. “Certainly no one who is doing in excess of 10 million pages a month!”

Additionally, the move to Pyramid’s PLX workflows has considerably increased tracking efficiencies. SunTrust employees are guided through specific workflows according to loan product, which makes both training employees and monitoring their productivity simple. A clearer and more informative picture of production lulls and hot-spots also allows for easy redistribution of staffing resources as needed. This advantage reduced SunTrust’s needs for temporary employees and helped decrease labor costs by more than 20 percent – even during periods of high mortgage loan volume.

In addition to the cost savings, cycle times have been significantly enhanced. The average time for post-closing from receipt of files has decreased from 10 business days to within 72 hours from scanning to completion of the post-closing review process. With Pyramid Solutions, SunTrust’s post-closing operations are now running like a well-oiled machine in continual motion.

PYRAMID SOLUTIONS, INC.

A premier software and systems integration company to the banking and financial services industry, **Pyramid Solutions, Inc.** specializes in designing and implementing Enterprise Content Management (ECM) and Business Process Management (BPM) solutions. Through its proven PLX platform, the company delivers innovative data/content capture and workflow solutions to the financial services industry across the continental United States. Pyramid’s vast industry knowledge, technology expertise and intuitive product design enable lenders to make a seamless, successful transition to a paperless environment. The company is focused on helping customers optimize operations for maximum impact, providing lenders with flexible and innovative approaches to the marketplace which allow them to respond quickly to changing conditions.