

eBook

Transforming Mortgage Decisions: Real-World Automation Success



Introduction

In today's competitive mortgage lending environment, financial institutions face mounting challenges to streamline operations, reduce costs, ensure compliance, and improve customer experience. Complex processes and outdated technology often lead to high error rates, slow time-to-market, and costly rework. This eBook explores how decision management solutions from Sapiens Decision have empowered leading mortgage lenders to overcome these obstacles.

By automating complex decision processes, managing exceptions efficiently, and enhancing operational transparency, Sapiens Decision is transforming mortgage manufacturing. Each case study demonstrates how Sapiens Decision's approach has delivered substantial improvements in productivity, compliance, and profitability.



Case Study 1:

Increasing Speed to Market and Reducing Loan Production Costs

Customer

National Mortgage Lender

Use Case

Mortgage Loan Origination

Challenge

To originate mortgages at lower costs, automate across channels, and reduce compliance risks.

Solution

Sapiens Decision extracted and auto-transformed legacy business logic for loan data validation, disclosures, and pricing to a decision model, ensuring integrity, accuracy, and reusability.

Results

Improved
speed to market
by 60%

Reduced
cost of change
by 40%

Eliminated loan
quality **discrepancies**
at closing

Key Takeways



Automating decision logic minimizes manual interventions and enhances quality at closing.



Centralizing decision logic across channels can significantly boost speed to market and reduce costs.

Case Study 2:

Ensuring Transparency and Compliance for Qualified Mortgages

Customer

National Mortgage Lender

Use Case

Qualified Mortgage Processing

Challenge

Integrate qualified mortgage conditions within existing LOS and compliance frameworks under tight deadlines.

Solution

Sapiens Decision automated the integration of qualified mortgage rules into the lender's systems, ensuring full traceability and compliance with regulatory standards.

Results



Key Takeways



Automating rule integration enables lenders to meet compliance requirements quickly.



Decision management reduces ongoing maintenance costs, making compliance more efficient and scalable.

Case Study 3:

Automating Mortgage Insurance Eligibility for Operational Agility

Customer

Top 5 Mortgage Bank

Use Case

Mortgage Insurance Eligibility

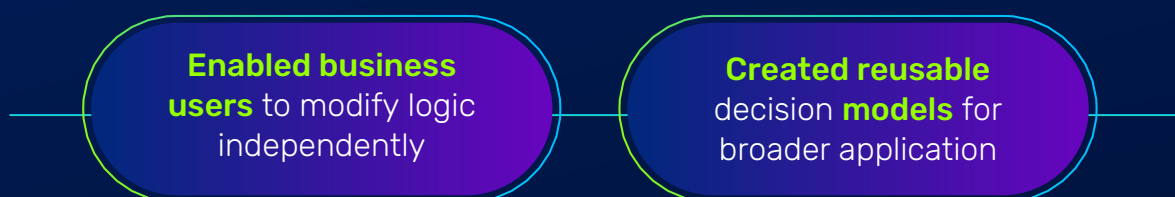
Challenge

An outdated system with no available support staff created risks in managing insurance allocation based on contractual obligations.

Solution

Sapiens Decision modeled eligibility requirements and implemented a “Randomizer” function for fair insurance allocation, allowing business users to manage updates easily.

Results



Key Takeways



Decision management systems provide flexibility, enabling business users to adjust eligibility criteria without IT dependency.



Reusable decision models save time and resources across multiple applications.

Case Study 4:

Reducing Backlogs and Improving Loss Mitigation

Customer

Top 5 Mortgage Bank

Use Case

Mortgage Loan Servicing - Loss Mitigation

Challenge

Compliance with multiple lender standards (CFPB, Freddie Mac, Fannie Mae) was delaying foreclosure alternatives and creating significant backlogs.

Solution

Sapiens Decision modeled collections, workout, and foreclosure alternatives according to each standard, including specific servicer overlays, for faster deployment.

Results

Improved default
resolution timelines
by 50%

**Completely
eliminated**
backlog

Reduced
exceptions
by 60%

Key Takeways



Centralized decision models for loss mitigation streamline complex processes and reduce exceptions.



Automated compliance with multiple standards allows for timely resolution, reducing costly delays.

Case Study 5:

Enhancing Investor Eligibility for Sale and Reducing Loan Repurchases

Customer

Top 5 Mortgage Bank

Use Case

Loan Classification and Investor Eligibility

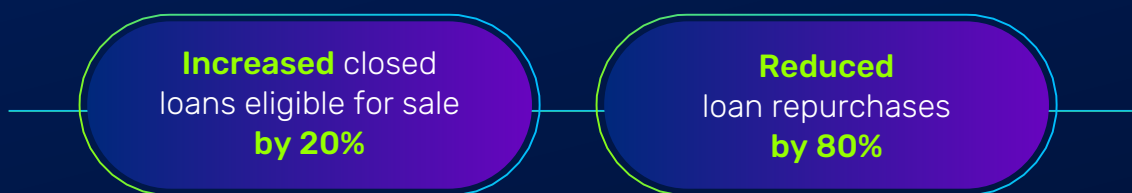
Challenge

Implementing a rule system for efficient loan classification, minimizing repurchase risks, and reducing manual corrections.

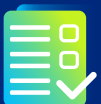
Solution

Sapiens Decision transformed legacy logic into decision models, ensuring accuracy, integrity, and full visibility for investor and risk management.

Results



Key Takeways



Streamlining classification rules for investor eligibility reduces repurchase risks.



Full transparency and accuracy in decision-making improve loan saleability and investor confidence.

Case Study 6:

Meeting New Mortgage Data Standards Efficiently

Customer

Top 5 Mortgage Company

Use Case

Mortgage Data Standards Compliance

Challenge

Implementation of new data standards with an increase in data elements, where failure would lead to compliance and reputational risks.

Solution

Sapiens Decision established decision-aware processes mapped to new data models, creating executable decision models for compliance.

Results

Reduced technology spend per employee
by 15%

40% faster implementation of new standards

Increased scope of implementation
by 66%

Key Takeways



Streamlining classification rules for investor eligibility reduces repurchase risks.



Full transparency and accuracy in decision-making improve loan saleability and investor confidence.

Conclusion

The mortgage industry is rapidly evolving, with increasing pressures to automate processes, manage exceptions effectively, and stay compliant with stringent regulations. The case studies in this eBook illustrate how Sapiens Decision's decision management solutions have helped major mortgage lenders tackle these challenges, leading to improved speed, reduced costs, enhanced compliance, and more effective exception management. By centralizing and automating complex decision logic, Sapiens Decision empowers lenders to transform their mortgage operations, making them more efficient, scalable, and responsive to market demands.

This eBook provides a practical look at how decision management can revolutionize mortgage operations, from loan origination to loss mitigation and investor eligibility. Each case study underscores the value of an automated, decision-driven approach that reduces dependencies, improves transparency, and enables mortgage lenders to better serve their customers and investors.

About Sapiens Decision

Sapiens Decision is a division of Sapiens International Corporation (NASDAQ and TASE: SPNS), a global leader in digital software platforms, solutions and services. Sapiens Decision transforms how businesses are approaching change through decision management. Sapiens Decision is used by major corporations in banking, insurance, retail, and public sector to implement process automation and drive digital transformation. For more information: www.sapiensdecision.com

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