

CUSTOMER FACT SHEET

Company



Technology



Solution

- Zia's In-Process Capture + Interfirst Portal
- Zia's ACE™ for HUD-1 Classification
- Zia's Extraction-as-a-Service

Results

- Increased worker productivity by 700%
- Reduced closing package processing times by 67%
- Reduced HUD-1 processing time by 67%
- Reduced human errors on HUD-1 forms
- Streamlined the Conditions Clearing process
- Redistributed staff from manual tasks to high value projects
- Achieved target data accuracy rates exceeding 90%
- Increased closing capacity without adding headcount



The Company

For more than a decade, Interfirst Mortgage Company has been providing specialized mortgage services and low mortgage rates to brokers around the United States.



The Situation

As one of the largest mortgage wholesalers, Interfirst receives between 15,000 to 25,000 documents monthly from brokers during the Conditions Clearing process of a mortgage application. Previously, once brokers uploaded the required closing package using Interfirst's secure online portal, an Interfirst employee reviewed each document to verify it was classified correctly before sending it to the underwriter. This manual process was time consuming, costly, and error-prone. During busy periods, the Conditions Clearing queue could range into the hundreds of documents, delaying the entire mortgage loan process.

Interfirst's CIO, Alex Ulyanov, wanted to automate the Conditions Clearing process using Optical Character Recognition (OCR) technology to automatically classify, separate, sort, and extract data from loan documents regardless of format, be it paper, PDF, or other electronic file types formats. **"After researching OCR and intelligent document capture technologies, we selected Ephesoft for its ease of use, rich capabilities, and affordability," commented Ulyanov.** He also saw the potential to use Ephesoft in other areas of the closing process from being able to classify and extract data from HUD-1 documents to streamlining the Loan Closing documentation process.



The Process

"We met Zia Consulting through Ephesoft," says Ulyanov. "It was clear from our first meeting that Zia had tremendous domain expertise. More importantly, they had implemented OCR solutions for other financial institutions and understood the unique demands for the mortgage industry."

The experts at Zia initially worked with Interfirst on a discovery and process assessment. Zia was able to partner with Ulyanov's team to understand their specific needs and develop a project roadmap to implement OCR technology across multiple process steps including the Conditions Clearing queue, HUD-1 and Closing documentation. As part of a phased approach, Zia helped Interfirst implement and configure Ephesoft for each area. In addition, Zia trained Interfirst's IT team on the software, so that they could test and train the system themselves to achieve accuracy ratings above 90 percent.



The Solution

Conditions Clearing

Focusing first on the Conditions Clearing process, Zia was able to leverage Ephesoft's Web Services API and incorporate advanced document classification and extraction capabilities directly into Interfirst's portal leveraging Zia's In-Process Capture (IPC) methodology. Unlike other OCR technologies, Ephesoft's API allows for seamless integration into other platforms for a one-step capture process. Zia customized the document upload section of Interfirst's portal to map directly to common Condition Clearing document types. Now, when a broker uploads documents during the Conditions process, the user sees the document type requested in the drop down menu. Once the document is uploaded, it automatically goes through OCR document recognition confirming the document type.

Interfirst has trained the system to achieve an accuracy rating of more than 90 percent for most document types. Today, the company only requires one staff member to review the remaining ten percent of Condition Clearing documents. As a result, Interfirst has redistributed seven staff members to higher value projects, delivering an immediate ROI to the organization.

"We have seen a seven-fold increase in productivity by implementing OCR as part of the Conditions process," says Ulyanov. "This is a huge savings for the company and provides instant verification of documents eliminating any process delays during this stage."

"We have tested ACE with millions of documents and are excited to roll it out across the organization once it's fully integrated into our current systems," says Ulyanov. "We anticipate tripling closing capacity without having to hire additional headcount."

Advanced Closing Extraction

To streamline the closing process, Zia partnered with Interfirst to co-develop an "out-of-the-box" Advanced Closing Extraction (ACE) tool based on Ephesoft that is tailored to classify common closing documents, eliminating the need for bar codes or separator pages. Since closing documents are standard across the industry, Zia created customized OCR guidelines and trained the ACE system to classify more than 200 document types using documents from Interfirst.

Closing documents sent to Interfirst using mail/hard copy, PDF, scanned or electronic, are automatically split into individual documents, sorted, stacked or imaged using the Zia ACE tool. Interfirst has fine-tuned the system to their specific company requirements for a document accuracy rating of 95 percent. Interfirst estimates it has cut down the processing times for closing documents from 15 minutes to five minutes per loan.

HUD-1 Extraction

As one of the most important documents in the closing, HUD-1 forms are carefully reviewed and verified by Interfirst before each closing in accordance to governance guidelines. Traditionally this requires a loan officer to manually review the document and key in the information into a custom-built Interfirst system that leverages sophisticated business rules to verify the calculations.

Working with Zia, Interfirst plans to leverage the ACE tool to extract and export data from HUD-1 and GFE documents. Zia is setting up the system to extract over 1600 different types of data contained on three-page HUD-1 form. By integrating ACE directly into Interfirst's current HUD analysis tool, the data can be quickly analyzed and reviewed by the loan officer. The system is testing at 95 percent accuracy and Interfirst anticipates a 67 percent reduction in HUD-1 processing times.

"Data accuracy is critical on HUD-1 documents," says Ulyanov. "Using OCR technology, we are able to meet compliance regulation and add another layer of protection into our process by significantly reducing, if not eliminating, human errors. This translates into thousands of dollars saved for the company."