

Hudson City Savings Bank Increases Loan Volume, Productivity with New Loan Origination System

The Challenge

Until March 2007, Hudson City Savings Bank's loan submission process was for third-party originators to e-mail loan applications which then had to be reentered into Fiserv's UniFi® Pro, its internal loan origination system (LOS). This redundant process increased overhead for the Paramus, N.J.-based bank, and also opened the submission process to increased manual error. Management at the \$46 billion asset bank determined that it needed a secure, Web-based mortgage software interface for its broker channel that offered seamless integration of loan data to expedite the approval process. Fiserv recommended two vendors, including OpenClose.

Hudson City Savings Bank examined both systems carefully, and OpenClose became an instant frontrunner when scalability, security and cost were considered. OpenClose also offers a complete Web-based LOS that automates all loan tasks from open to close. Included in the platform is a robust banking operations core, providing support for originating, pricing, closing, secondary marketing, funding, shipping, post closing and reporting. In addition, Web-based channel portals centralize the loan origination process, allowing connections with retail, wholesale or correspondent originators.

"Brokers now provide 75 percent of our lending business, and we needed a more efficient system for taking applications and locking rates," said Bernadette Wiese, vice president of Mortgage Origination for Hudson City Savings Bank. "OpenClose offered safer, seamless loan registration with the security we needed. These features--combined with its appealing cost--cemented our decision."

The Solution

Hudson City Savings Bank selected OpenClose primarily for broker access to pricing and loan registration. OpenClose allowed loan information from brokers to be submitted and automatically entered electronically, eliminating the extra steps of keying in information from e-mails. The software also added a layer of security by pulling loan information directly into the underwriting engine, reducing the number of people with access to valuable consumer data.

"Through OpenClose, we have the ability to stabilize rates and improve our registration process," said Wiese. "We initially set up our top 60 brokers with OpenClose to streamline registrations while also protecting borrower data."

The Results

OpenClose has helped Hudson City Savings Bank speed up the loan process, while reducing time-wasting data entry and eliminating manual entry errors. As a result, the bank has seen an increase in loan volume. In one particular instance, Hudson City Savings Bank successfully registered 100 loan lock requests in one hour following an announcement of a pending interest rate increase.



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Mortgage Origination
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“Being able to handle 100 loan applications on a LOS that did not crash or lose any data was outstanding,” Wiese said. “Going forward, we’re going to mandate that all our broker partners, not just the top 60, use OpenClose to submit loans.”

Hudson City Savings Bank has also saved on its staffing needs thanks to its new technology. Due to the timesavings, they have been able to reassign one data entry position, and once the remainder of their brokerages are submitting loans through OpenClose, another data entry position will be reassigned. The capacity for increased volume, time efficiency savings and lower cost of the software compared to other systems will continue to help Hudson City Savings Bank’s profit margin.

“We have been using OpenClose with 60 brokers for the past year, and the reliability that the software has afforded is helping us improve profitability during the mortgage industry’s downturn,” Wiese said. “OpenClose has provided us with a more affordable operating system and that has helped us attain a higher volume, while being able to reduce staff. I would recommend OpenClose to anyone, because they have saved us a great deal of time and money.”

About Hudson City Savings Bank

Hudson City Savings Bank, which maintains its corporate office in Paramus, N.J., is the largest savings bank headquartered in New Jersey and the third largest thrift in the United States. The bank is a well-established community banking institution with a long-standing tradition of service excellence. For more information, visit the bank’s Web site at www.hcsbonline.com.

About OpenClose®

West Palm Beach, Fla.-based OpenClose® Solutions has been a pioneer of on-demand mortgage solutions since its inception in 1999. The company’s Web-based, end-to-end mortgage banking platform, OpenClose®, and loan pricing engine and automated underwriting software, DecisionAssist™, can be customized to any lender’s workflow, business model or terminology. For more information, visit the company’s Web sites at www.OpenClose.com or www.decisionassist.com.

Who: Hudson City Savings Bank, Paramus, N.J.
Bernadette Wiese, vice president, Mortgage Origination

When: Hudson City Savings Bank went live with a solution from OpenClose in March 2007

What: Hudson City Savings Bank selected OpenClose to provide a better loan process to its third-party originators and immediately pushed access to the loan origination system to their broker network. With OpenClose, the bank gained a secure Web-based LOS that could handle high loan volumes without an increase in staff or need for redundant data entry. How effective has it been? On one occasion, Hudson City Savings Bank was able to lock in 100 loan applications from 60 brokers in one hour. Due to the success of the system in streamlining the loan process, Hudson City Savings Bank will soon mandate that the entire broker network with whom it works submit loans through OpenClose.

AME Financial Increases Loan Volume, Reduces Expenses with OpenClose

The Challenge

In 2007, AME Financial, a Norcross, Ga.-based wholesale lender, needed loan origination software (LOS) that could handle all aspects of mortgage funding. Despite a slowing market, the company was growing so it needed a scalable solution that would reduce overhead. James Pefanis, CEO of AME Financial, said the company conducted an extensive search before it eventually selected OpenClose Solution's Web-based end-to-end mortgage software in July 2007.

"We learned about OpenClose about a year ago and were eventually sold by the positive experiences of other lenders," Pefanis said. "We liked that the software was developed completely by one company, based in the U.S. We had heard horror stories of other lenders trying to piece together software that ended up being incompatible. Having one software, with one source code was very important since we wanted one complete solution."

AME's IT Department cited OpenClose's Web-based .NET architecture as a key factor in the decision. The ability to access the software from any Internet connection fit AME Financial's nationwide originator network. The flexibility of .NET software also enables the company to add features as needed as the company grows.

The Solution

OpenClose gave AME Financial one mortgage software to automate every key front office origination through back end secondary marketing and post closing functionality. Web-based channel portals centralize the loan origination process and enable connections with AME Financial's originators. Included in the platform is a robust banking operations core, providing support for underwriting, closing, post-closing, secondary marketing, funding, shipping and reporting. AME Financial also opted for Decision Assist: a loan decisioning engine that combines managed product guidelines and pricing with rules-based decisioning. The engine, part of the OpenClose system, allows AME Financial to give prospects underwriting and pricing decisions immediately.

"OpenClose's team provided a clear, concise implementation plan, and they were willing to veer from that plan when necessary to adhere to any special features we needed," Pefanis said. "One great thing about the software is that it can be adapted to our business needs. The whole back-end banking piece is robust enough to be sold as a stand-alone software, but it is part of our basic package."

The Results

Pefanis said AME Financial has been able to streamline its entire loan process. The company is able to process all the loans received faster and more accurately. Loans are funded in minutes now – not days. AME Financial has also been able to process more loans without having to increase staffing. It has also eliminated the clerical errors in secondary marketing and underwriting, saving the company money and increasing the salability of its loans.

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AME Financial Corp.

CASE STUDY

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CEO
AME Financial Corp.

“It’s hard to compare this down market with the boom of recent years, but we are able to originate and process more loans with less people,” Pefanis said. “By eliminating duplicate data entry and guideline changes, we’ve eliminated costly errors, shortened the amount of time needed to process the file and increased our volume capacity.”

Pefanis also praised OpenClose’s staff for being able to provide support beyond the initial implantation.

“OpenClose has immediately addressed any question we’ve had,” Pefanis said. “Each team member has a mortgage background, so they understand our issues and needs. We worked closely with them during integration and training, and we continue to consult with them today, because I trust their expertise. Their experience has helped us learn how we can improve our own processes.”

About AME Financial Corp.

Hudson City Savings Bank, which maintains its corporate office in Paramus, N.J., is the largest Norcross, Ga.-based AME Financial Corp. is a nationwide wholesale lender providing brokers with a variety of loan products. In 1989 James Pefanis, a former Atlanta Realtor, along with Wayne Bonertz formed Georgia Mutual Mortgage Corp. Georgia Mutual Mortgage quickly became one of the top five brokers in the Atlanta market. Out of this success story, Georgia Mutual Mortgage transitioned into a nationwide wholesaler as AME Financial. For more information, visit the company’s Web site at www.american-mortgage.info.

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Who: AME Financial Corp., Norcross, Ga.
James Pefanis, CEO

When: April 2008 (OpenClose customer since July 2007)

What: AME Financial Corp., a nationwide wholesale lender, needed a true end-to-end LOS that was affordable yet robust enough to grow with the company. They selected OpenClose, a Web-based LOS using the flexible .NET architecture to automate every banking function in the life of a loan from open to close to the secondary market. Using OpenClose, AME Financial has been able to eliminate costly clerical errors and process a higher volume without increasing staffing.