

EXECUTIVE SUMMARY

The Goal

- Gain a competitive edge in the cut-throat mortgage business by focusing on the customer experience

The Problem

- Over 32 paper documents needed to be signed, creating delays, errors, and poor customer experience

The Solution

- Enable customers to review and sign the loan package over the web

The Results

- 98% of loans now completed electronically
- Applications processed in 24 to 48 hours vs. 7 to 10 days
- Loans closed in < 25 days vs. industry average of 45 to 60 days
- Revenue is up over 100%
- 85% reduction in shipping costs
- Increased loan officer morale and confidence
- Reduced shopping around and customer drop-off

HOW A SMALL REGIONAL MORTGAGE PROVIDER IS GOING HEAD-TO-HEAD WITH NATIONAL LENDERS

**By Bob Catlin**

CEO and founder of Signature Mortgage

Company Vision

When I founded Signature Mortgage in 1996, my vision was to build a great mortgage company, not a big one.

Having worked in the industry for 15 years, I had seen firsthand the poor service being offered by many of the big banks and lenders. Inflexible hours of operation, slow service, and unclear terms and conditions were just some of the problems customers had to contend with when applying for a mortgage.

I vowed to do things differently by focusing on giving customers the best possible service in the Ohio and Florida areas. This philosophy has served us well over the years. Our small 15-person team has closed over \$2 billion in residential loans since it was founded.

Market Meltdown

The market, however, has changed dramatically in recent years. While it has always been a cut-throat business, it has become even more competitive since the housing meltdown of 2007.

With new purchase business at record lows, a smaller pool of qualified buyers, and less revenue to be made on each loan, it is much more difficult for mortgage providers to survive, let alone thrive, in the industry today. That's why over 800 lenders have gone under since 2008.

Many lenders have responded by offering rock-bottom pricing and sensational guarantees, ones that they know they can't possibly honor. Common in the industry today is hooking customers with low rate promises, while failing to turn around the paperwork fast enough to lock in the promised rate.

Raising the Bar

To ensure our survival, I knew that Signature Mortgage needed to raise the bar on customer service, and going digital was key. Consumers were increasingly using the web to research mortgage products and begin the application process, however, they couldn't complete their application over the web because of all of the documents that needed to be signed.



My husband and I usually work with our local bank for financing and refinancing our home loan. Signature Mortgage offered us better terms and conditions, but most of all we were sold on their e-sign capabilities. We have careers and kids and we just couldn't find the time to go to the local bank branch between 9am-5pm. This was the fastest and smoothest process we have experienced."

John and Kathy Mitchell

Cincinnati, OH

This was frustrating for customers, because with the rising popularity of sites like Amazon, eBay, Facebook, and Twitter, there was a growing expectation to be serviced and interact with companies over the web.

The sheer number of documents that customers have to review and sign (32 and growing!) meant that they either had to travel to the mortgage documents, meaning the retail branch or broker office, or the documents had to travel to customers.

Since customers didn't want to take time out of their busy work or family schedules to go to Signature Mortgage's office to sign documents, that meant that our loan officers had to drive out to them, or the documents had to be couriered to their homes. Either way, it was an inconvenient, time-consuming, and costly process for both our customers and loan officers.

We knew that we needed to provide customers with the ability to review and sign mortgage documents electronically over the web from the convenience of their home and office.

Cloud: The Great Equalizer

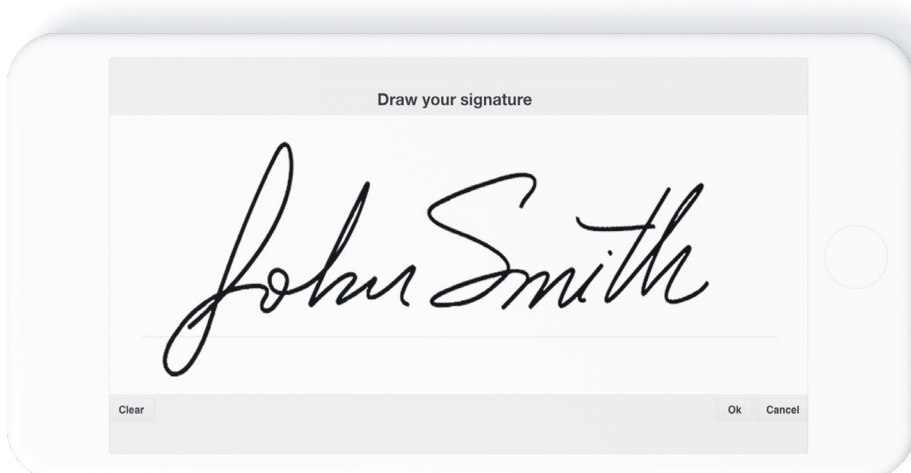
As a small regional operation, we did not have the budget or IT resources needed to build, purchase, or support the types of electronic signature solutions that our large national competitors were investing in.

We turned to OneSpan Sign for help when we heard they were bringing electronic signatures to the cloud as an online service. Because there was no hardware or software to purchase, integrate, or deploy, we were up and running within 48 hours.

Tangible Benefits

Over 90% of our loans are now signed electronically by our customers. The benefits of moving to paperless mortgage processing surpassed my initial expectations. The tangible benefits include:

- **Faster loan processing:** Applications are now completed within 24 to 48 hours versus 7 to 10 days, which means loans can be closed in less than 25 days compared to the national average of 45 to 60 days. This means customers are guaranteed to get the rate quote that Signature Mortgage promises them.
- **Increased revenues:** Signature Mortgage's revenue is up over 100 percent. This is due to e-sign technology and, of course, the record-setting low interest rates certainly help. But without our streamlined loan origination process, including e-signatures, there would be no way we could keep up at this pace.
- **Reduced processing costs:** By maintaining a fully electronic process, we have reduced our shipping expenses by 85% for a cost savings of approximately \$20,000 per office.
- **Ability to do business nationally:** We're no longer limited to serving the Ohio and Florida regions. Moving to the web has enabled Signature Mortgage to expand our mortgage business across the country.



The Unexpected Benefits

What I didn't expect, however, were the intangible benefits that enabled us to transform our operations.

- **Improved loan officer morale:** The technology has improved the morale of our loan officers. Because they know that they can get the loan processed in a fraction of the time compared to the competition and that rate quotes will be honored, they communicate more confidently with clients and with more impact.
- **Improved customer experience:** The technology has also created a sense of urgency amongst our customers, and they sign the documents right away.

Because the application process is so efficient, customers are less likely to shop around. They feel that they have made the right decision by going with Signature Mortgage, so the relationship begins on a strong foundation and prevents the competition from sneaking back in.

Our customers love the technology so much that we are getting unsolicited emails saying how they had the best mortgage application experience and that they are going to recommend Signature Mortgage to their family and friends.

Using OneSpan Sign

Our loan applications are generated by a third-party system. We produce the loan application package as one PDF file. We then upload the PDF file to OneSpan Sign and prepare the package for e-signing. The service allows us to create as many packages as we need – one for each mortgage application.

Using the graphical interface and a Web browser only, we add the names and email addresses of each of the signers. For each signer, we select the authentication method. Out of three available methods (SMS, Q&A, and email), we chose to use the Q&A method since we would have already interacted with the borrowers and can agree with them on the answer to the security question. Although OneSpan Sign offers up to two Q&As, we decided to use one Q&A for each borrower.

All added names are now available for us to “drag-and-drop” on the document where we need signatures or initials. We can also add the signing date and the signer's name that are then automatically and securely inserted into the signed PDF document. Since this is a consumer transaction, we also add a consumer consent document that must be accepted before starting the signing process. The OneSpan Sign service also allows us to define disclosures that only need to be accepted, not signed.

When done, we activate the package and email invitations are automatically sent out to all the signers with a link to the documents. When borrowers click on that link, they are directed to the package and are asked to enter the answer to their respective security question.



“I was intrigued by Signature Mortgage's e-sign technology and was a little skeptical in the beginning. Wow! Now this is how applying for a home loan should be! Easy, fast and hassle free. Our loan was closed in 18 days. It's funny, our local Credit Union called about the status of our refinancing with you and we told them we already closed our loan. They couldn't believe how fast everything was completed. They are taking 45 days or more! Thanks for everything.”

Mark Bishop
Cleveland, OH

At this point, the borrower is allowed into the OneSpan Sign service and is guided step-by-step through the signing process. Familiar yellow stickies provide visual cues that easily identify where the signer needs to click to sign or capture the handwritten signature using a mouse or an iPad.

There is no possibility for errors since the document package only shows the signatures to be signed by that particular borrower. This saves us a lot of effort and headaches, but most importantly, it saves our customers much time and makes for a very nice mortgage experience!

When all parties have finished signing, we get an email that the document package is ready to be closed. Clicking on the link in the email takes us back into the package where, upon closing it, an email is sent to each party. The email has a link that invites the borrower to download their signed PDF documents. Both our customers and our employees find this process very easy and quick. Come to think of it, it takes more time to describe it than to do it!

Leveraging Social Business

Going forward, Signature Mortgage is going to explore how we can leverage social networking and use the web to create even more personal online experiences for our customers.

Technologies such as video conferencing, file sharing, and online surveys have the potential to further transform our operations by enabling our loan officers to have virtual face-to-face meetings with customers where they can then guide them through the application process, just as if they were sitting next to them in a rooms, and get their immediate feedback.

We will also look into expanding the use of e-signatures to mortgage closing, so we can realize additional benefits.

The Future Looks Bright

Fully servicing customers over the web is no longer a luxury; it's a necessity. Mortgage providers that do not embrace the web to connect with consumers, to deliver faster and more convenient service, and to foster longer lasting relationships will certainly fail.

Thankfully, Signature Mortgage has a good head start over the competition, and we will continue to leverage e-signatures in order to thrive and grow in the mortgage industry.



I was very impressed with your e-sign capabilities, timeliness, and organization of the entire process. Great job! I will definitely recommend you to my friends and family. Unbelievable technology.”

Steve Temple

Liberty Twp, OH



OneSpan enables financial institutions and other organizations to succeed by making bold advances in their digital transformation. We do this by establishing trust in people's identities, the devices they use, and the transactions that shape their lives. We believe that this is the foundation of enhanced business enablement and growth. More than 10,000 customers, including over half of the top 100 global banks, rely on OneSpan solutions to protect their most important relationships and business processes. From digital onboarding to fraud mitigation to workflow management, OneSpan's unified, open platform reduces costs, accelerates customer acquisition, and increases customer satisfaction.



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