

Flagstar simplifies lending with doc management

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Flagstar Bancorp Leverages Kofax Technology to Optimize Enterprise-Wide Processing of Mortgage and Loan Documents

January 21, 2009—As one of the country's largest originators of residential mortgage loans and the second largest financial institution headquartered in Michigan, Flagstar's corporate office is the primary loan processing hub for its enterprise network of home loan centers and wholesale lending customers in all 50 states. As part of its weekly operations, Flagstar efficiently categorizes and indexes more than 360,000 multi-page loan documents into its information capture and storage systems, while continually ensuring the accuracy of all mortgage data that is processed.

Kofax Intelligent Capture & Exchange, the foundation for Kofax's strategy to help organizations streamline business processes, significantly reduced the amount of time Flagstar staff spent indexing each loan document and provided a means of more accurately capturing large quantities of complex financial data that is typical of mortgage forms.

The Challenge

"Due to the immense volume of loan forms and mortgage documents that we process on a weekly basis, Flagstar needed a robust information capture system that was capable of managing our enterprise's different document types while maintaining our high standard of quick turnaround time for mortgage processing," said Charles Kirkpatrick, executive vice president at Flagstar Bank. "Kofax's Capture technology enables complete control over the loan processing workflow and consistently delivers high-quality images of customer loan data. With the reduction in errors that we see, Flagstar can process loans faster and move our customers closer toward home ownership."

Given the array of disparate loan document types that Flagstar processes, Flagstar employees previously spent copious amounts of time reviewing loan documents and correcting errors that were entered into the system during data entry.

Information capture to the rescue

With Kofax Capture serving as the information capture solution for processing each loan document, Flagstar has reduced the margin for human error because of the improved image processing, enabling staff members to process mortgages in a more efficient manner.

To help integrate the information capture system into their loan processing center, Flagstar contacted Pyramid Solutions, Inc., a Bingham Farms, Mich.-based software and systems integration firm, and Kofax Certified Solutions Provider (CSP) that specializes in helping companies achieve efficiency by streamlining business processes. The solution included:

Kofax Capture, the world's leading automated information capture platform and

Kofax Transformation Modules (KTM), which streamline the transformation of business documents into structured electronic information by automating the processes of document classification and data extraction.

Working with Pyramid, Flagstar implemented a robust information capture system that includes Kofax Intelligent Capture & Exchange along with several Kodak i830 and 9500 series scanners. In addition, Flagstar used Pyramid's assistance in establishing a seamless workflow that incorporates FileNet's Business Process Manager, an enterprise-strength product for managing the flow of data throughout the system. With these components, the solution assures Flagstar that loan documents are accessible for processing at the moment each loan enters Flagstar's loan processing center.

The Results

The installation at Flagstar demonstrates the power of Kofax's information capture technology in a high-volume capture environment, and illustrates how forward-thinking enterprise companies in the mortgage and home loan industry are optimizing their business processes to reduce operational costs. With Kofax Intelligent Capture & Exchange, Flagstar has created a more effective method of processing mortgage and loan data, and significantly increased the efficiency of its organizational infrastructure, which provides Flagstar with an opportunity to better serve its customers.

"Flagstar realized that in order to keep up with the volume of different documents that it was receiving from around its national network, the bank needed a means to capture data immediately and accurately," said Robert DuBois, vice president at Pyramid Solutions, Inc. "The resulting information capture solution provided Flagstar with an easy-to-use, seamless interface for managing its documents and significantly improved its mortgage processing operations."