

# How to deliver better mortgage experiences with compliant-by-design processes



The mortgage industry is balancing several strategic goals, but one reigns supreme: meeting your regulatory obligations. Frequently, this means adding people to an already manual and cumbersome process, which can lead to increased costs and poor customer experiences.

## Short on time? Explore the key takeaways:

- By taking advantage of compliant-by-design capability, organizations can meet regulatory requirements, drive down operational costs and give their customers improved experiences.
- When systems are built to be compliant by design and minimize the requirements on humans to fulfill interactions, there is a clear efficiency and cost benefit to the financial institutions beyond revenue protection and customer experience.
- Banks have digitized to create and allow apps to improve customer experiences, but most of those efforts have been focused on updating user interfaces. To maximize the opportunity, banks need to drive the solutions deeper into the post-settlement servicing space.
- Compliant-by-design digital mortgage processing can help you meet key strategic goals: regulatory compliance and a great customer experience that drives ongoing customer retention.
- Compliant by design allows organizations to set up their systems and processes in a way that rarely requires human intervention to achieve regulatory adherence.

While that mandate is constant, another has continued to be ever more important: improving customer experience (CX). After all, **54% of consumers** say they would stop doing business with a company after **one bad experience**. For millennials, that number increases to 57%. Customer leniency for bad CX might be on an even shorter rope when it comes to someone's money and home.

What does that mean for financial institutions and the mortgage industry? Mortgage lenders need to focus on customer experience as diligently as on compliance, which traditionally has competed for priority and funding — particularly in the post-settlement servicing space.

But that no longer has to be the case. Compliant-by-design digital mortgage processing can address both challenges. Investing in a compliant-by-design system capability can uplift CX while meeting regulatory requirements. It doesn't have to be a tradeoff for organizations anymore.

By taking advantage of compliant-by-design capability, organizations can meet regulatory requirements, drive down operational costs and give their customers improved experiences. Let's dive into why modernizing digital mortgage processing with compliant-by-design capability could help financial institutions meet several strategic goals simultaneously.

## It's not the same banking industry it once was

While compliant-by-design capability has been an industry goal for some time, the timing has never been entirely right for it to gain the traction it deserves. But the industry has changed and continues to change at a rapid pace. Big, traditional banks are no longer the only players. The evolution of the industry is geared toward focusing more on customer choice through new entrants and capabilities, such as open banking coming onto the scene.

Much of the focus to date in digitizing customer experience has been on the front-ended acquisition process. But why stop there? Why not ensure customers have a great experience through their lifecycle, particularly as customer retention becomes ever more important? By moving to digital mortgage processing in the post-settlement space, you can continue to meet the expectations you have set with customers through a digitized onboarding process.

More than ever, the focus needs to be on retaining customers through a great experience and driving down costs while ensuring you continue to meet your regulatory obligations. This is a complex equation to balance, and compliant-by-design digital mortgage processing can help.

## Survive in a market where customers have more choices

The banking industry's focus on risk and compliance enhancement sends a clear message: get it right and enable a fair and transparent process for customers. This obligation to ensure customers are educated and communicated to clearly so they are ultimately protected sits firmly with the financial institutions.

Compliance is non-negotiable. It protects customers after all, but why does it often come at the customer's expense through the service experience they receive?



Just as the banking industry has evolved, so have our customers' demands. Right now, it's easy for customers to move their loans from one financial institution to another. Customers have more choices in the current market.

Customer retention is vital for financial institutions in a fiercely competitive market. Supporting this goal through the experience we give our customers in a post-loan settlement servicing environment is now more crucial than it was. Customer acquisition and revenue generated through new lending is a clear strategic focus for most financial institutions. For a significant period now, efforts and funding have been focused on achieving this goal; however, extending the experience to cover the post-settlement servicing through digital mortgage processing is a significant opportunity to differentiate the customer experience while driving down cost and ensuring compliance.

The combined value proposition of this opportunity is a real chance to step ahead of competitors.

## Ensure compliance. Improve customer experience. Reduce costs.

To keep pace with regulations, many financial institutions have implemented expensive, manual processes that yield poor customer experiences. These processes are commonly inefficient, often lack transparency and come with limited customer communication capability. Customers can feel like they are in the dark.

Now is the time to move away from inefficient or manual processes and seize the opportunity to optimize the loan servicing experience. Compliant-by-design processes can be systemized to ensure they are failsafe to help financial institutions manage their obligations to the customer and the regulator safely and efficiently. It can be done in a way that serves as a fundamental customer experience driver that delivers the benefit of customer retention.

Compliant-by-design processes can help create a better CX with increased convenience and quality. These system-driven processes are more like what customers see in other aspects of their lives, making the process easier for them due to better communication and transparency that are aligned with their expectations.

## Get ahead of the market and address your critical challenges

The opportunity to step ahead of the market and take advantage of a common challenge for financial institutions is ever-present. Compliant by design could help financial institutions address their critical challenges: cumbersome compliance and the need to reduce costs while helping improve the customer experience.

But why stop at customer experience? Like so many industries, banking is dealing with the challenges of employee attrition and having to do more with less. The pattern of workers leaving their jobs in our post-pandemic world is here to stay. [Gartner estimates](#) that employee annual voluntary turnover is likely to jump nearly 20% this year — a void that has left organizations scrambling to find non-traditional ways to meet business needs.

Automating business and IT processes has long been a driving force in accelerating digital transformation and growth. Hyperautomation tools, such as AI and machine learning (ML), can fill the gap and alleviate the pressure to [do more with less](#). Compliant-by-design capability can help address this challenge by automating tasks, freeing up more of your team's time to devote to value-add initiatives, and helping improve the employee experience.

To learn more about how compliant-by-design digital mortgage processing can help your organization achieve its strategic goals, contact [Unisys](#).



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