

PriceMyLoan Delivers Immediate and Lasting Results for Home Capital Funding

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Home Capital Funding is a national mortgage banking firm headquartered in San Diego, California. Home Capital operates both a retail mortgage lending division with over 90 affiliated branches and five company-owned locations in Southern California, and a traditional wholesale lending operation.

for improvement, and sought various options for automated underwriting and loan pricing technology, eventually selecting PriceMyLoan (PML).

Results

From the speed of system deployment through recent market volatility, PML has had a positive impact on Home Capital Funding. “We made the decision to contract with PriceMyLoan in late February 2006,” says Buck Hawkins, managing director of capital markets at Home Capital. “By April 1, we were ready to roll. We were surprised that deployment took less than 30 days.”

Home Capital released a private-label version of PML, dubbed HALO (Home Capital Automated Loan Options), and the impact on submissions was immediate. “While the market was still hot, we saw our submissions increase by well over 50 percent,” says Hawkins.

Originators quickly adopted their new online channel for loan qualification, pricing and submission. Hawkins continues, “HALO took us from 600 units to 800 units within the first two months. And then we went from 800 units to well over 1000 units in 90 days.”

PML not only improved submission

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Challenge

Like many mid-sized lenders, Home Capital was operating off of manual rate sheets and faxed in loan applications. This process, while helping to fund over \$845 million of loans in 2005, was prone to errors and contributed to lower profitability and wasted productivity. Loans submitted for underwriting were declined due to simple mistakes in pricing and improper loan pre-approvals at an average fallout rate of 60 percent. Home Capital recognized the need

volumes, but the use of automated underwriting technology allowed Home Capital to enhance their image to originators. "PriceMyLoan allowed us to project a much larger image as a company," explains Hawkins. "As a full service ASP solution, all system maintenance and hosting are handled by PML, reducing IT costs and minimizing errors. PriceMyLoan's team of IT experts take care of the

As nonprime lending has diminished, Home Capital was able to quickly add conforming, government and Alt-A products to make up for the difference. "We're much more nimble using PML," says Hawkins. "In a matter of days we adjusted our product mix to reflect what is currently in demand. Before, it would have taken us weeks or months to make the transition."

anything that isn't pricing correctly or working the way it should, I send an email to support at PriceMyLoan. Within 30 minutes or less, it's corrected. PriceMyLoan is extremely quick at getting things fixed or communicating with you about any problem."

Frequent maintenance and updates of investor guidelines has been an even bigger advantage, in lieu of recent market volatility. "Even with all the changes in the market in terms of products, information and guidelines, PriceMyLoan has continued to just chug along, managing it all for us, and making it seem easy," explains Hawkins.

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The automation of product guidelines and matrices allowed Home Capital to broaden their portfolio of offerings and adapt to changing market conditions, especially important in today's mortgage environment. "Our wholesale AE's and retail loan officers are able to obtain accurate pricing and programs — even if they aren't experts in each different type of loan product," Hawkins notes.

As volumes increased, the effectiveness of PML as a sales tool played a large role in bolstering Home Capital's staff. Account executives and loan officers realized that PML was generating new business and enhancing their productivity, allowing Home Capital to attract top-notch staff. "Our sales staff was very receptive to learning how to work with the system," notes Hawkins. "We also were able to recruit some new, high-quality talent as a result."

Ongoing maintenance, service and support have been another key benefit. "PriceMyLoan service is excellent," says Hawkins. "If I see

Conclusion

Home Capital is convinced that PML has transformed their business and allowed them to be more competitive, both in the short term and the long term. "How can we offer higher quality loans with less overhead? I think that's the bottom line," says Hawkins.

Since deploying PML, Home Capital has reduced their production costs by more than 35 percent per loan. More importantly, the benefits of using PML will stay with Home Capital, whether market conditions are good or bad. "We're always trying to achieve more efficiency, and that's what we have been able to do with PriceMyLoan," concludes Hawkins.



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