

SUCCESS STORY FOR GOVERNMENT/FINANCIAL SERVICES

## Colorado Housing and Finance Authority (CHFA)

Colorado Housing and Finance Authority unlocks unprecedented visibility into its loan authorization process with Kofax solutions. Newfound efficiencies have enabled the organization to cut loan decision processing time from 3-7 days to under 43 minutes on average, boosting lender satisfaction and helping drive a record \$777 million in business in 2015.

### Challenge

Since 1974, CHFA has helped more than 84,000 Coloradans achieve homeownership, and has supported the development or preservation of over 143,100 affordable rental housing units. CHFA provides its home mortgage loans through a statewide network of lending partners, and, like many financial organizations, relies on document-intensive business processes.

With business volumes growing steadily, CHFA found that largely manual, paper-based processes were slowing loan cycle times. The organization's Integrated Records Management (IRM) team embarked on an ambitious initiative to digitize the loan production process, using Kofax document capture and management solutions. Today, loan production is a streamlined, effectively paperless process—driving considerable cost savings and boosting responsiveness to lenders and customers.

Most organizations would have been content to stop there. But CHFA saw an opportunity to refine its systems and processes even further, as Brian Mueller, Integrated Records Management Manager, explains: "While we had made great strides in optimizing loan production, we were still concerned about the lack of visibility into the status of individual loan applications. When one of our lending partners submitted a loan application, it would take anywhere from three to seven days before they received an update on the approval status—up until that point, they had no insight into what was happening with that loan.



*Colorado Housing and Finance Authority (CHFA) finances the places where people live and work. Its mission is to strengthen Colorado by investing in affordable housing and community development.*

### Products in Use:

- ◆ Kofax Capture™
- ◆ Kofax Analytics for Capture™
- ◆ Kofax Transformation™

### Focus:

- ◆ Customer onboarding
- ◆ Mortgage processing

**Partner:** Buddha Logic

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***"We have cut the time taken to process a loan application and return a decision to lenders from three to seven days to 43 minutes or less. This is a tremendous achievement, and it would not have been possible without the insights revealed by Kofax solutions."***

Brian Mueller, Integrated Records Management Manager, CHFA

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"The lack of insight into the approval process created a great deal of uncertainty for lenders, and we wanted to provide them with stronger customer service by increasing the transparency into the process

## Solution

CHFA set out on an effort to make the First Mile™ of the loan production process more transparent and convenient for lenders. With support from its partner Buddha Logic, the organization built a series of dashboards—using Kofax Analytics for Capture™ —that deliver new insight into document capture and processing operations. As part of the project, CHFA developed a web portal service that allows lenders to gain up-to-the-minute visibility of the status of individual loan applications.

Brian Mueller elaborates: "With Analytics for Capture, we can understand how long it takes for a particular application to move through the system and how accurately it is processed. As a result, we have been able to identify areas where bottlenecks tend to occur, and take action to resolve such issues."

Thanks to the newfound visibility, the IRM team was able to make targeted improvements to both underlying systems and the way its analysts work.

Brian Mueller notes: "As a first step, we increased the size of our computing infrastructure so that we could process jobs in parallel instead of taking a 'first in, first out' approach. In addition, we identified that there was a lag time of more than 15 minutes between the document review and validation touchpoints. We established a KPI that set all our analysts a target of getting document batches from review to validation in three minutes and five seconds or less on average. Since making these changes, we have seen a marked improvement in loan processing speed."

He continues: "Perhaps even more importantly, introducing Kofax analytics solutions has brought about a culture shift within IRM. Now that we can pull data on our processes and see how long each step takes, and discover where delays are occurring, people have become much more aware of their performance. It has really motivated the entire team to step up their game, to deliver better service and to do it faster and more accurately."

## Results

Today, CHFA provides lenders with unprecedented visibility into the status of their loan applications, and is turning around decisions faster than ever before.

"Our lending partners now have complete transparency around the application process," says Brian Mueller. "Using our service portal, they can see exactly when a loan package was delivered and all the associated documents. They can check an application's status at any time and see if it has been received, in review, accepted or rejected. If an application is rejected, the system will notify lenders as to why. For instance, if an application was rejected due to missing information, the lender gets immediate feedback so he or she can correct the issue and re-submit the application."

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***"These solutions have changed the way that we do business. Now that our analysts can work more efficiently and accurately, it means that we can deliver a great service to our partners on time, every time."***

Brian Mueller, Integrated Records Management Manager, CHFA

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He continues: "We have set a new corporate KPI to turn around loan decisions on the same day that they are received. We have cut the time taken to process a loan application and return a decision to lenders from three to seven days to 43 minutes or less. This is a tremendous achievement, and it would not have been possible without the insights revealed by the solutions."

In addition to boosting the satisfaction of its lending partners, faster and more transparent loan processing is helping to increase business volumes at CHFA.

Brian Mueller explains: "On average, we handle roughly \$444 million in business every year. Thanks to the efficiency gains that we have made around loan processing, we recorded approximately \$777 million worth of business in 2015—the highest in CHFA's history. What makes this all the more remarkable is that we have achieved this without increasing headcount. We have subsequently set a target to accomplish \$800 million in business in 2016."

He concludes: "These solutions have changed the way that we do business. Now that our analysts can work more efficiently and accurately, it means that we can deliver a great service to our partners on time, every time. The result is that our partners

are driving more business towards us, so that we can ultimately serve more customers, providing homebuyers and businesses with the capital they need to flourish."

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