CASE STUDY  COLUMBUS CAPITAL LENDING, LLC

Columbus Capital Lending Shaves Four Days Off of Lending Lifecycles While Maintaining Tough TRID Compliance Standards

The challenge
Columbus Capital Lending is not your typical mortgage company. Since the start of its operations in 2014, this Miami-based company has served the specialized needs of an underserved Hispanic market. Its mission is helping as many people as possible to sustainably own a home they can afford. Its differentiator is offering the type of personal service that goes above and beyond.

Encompass has been part of that journey from the beginning.

“Encompass helps us stay efficient, stay compliant, and ensures we have thorough and complete documentation of our loans throughout the process,” explained Tino Diaz, Senior Vice President, Columbus Capital Lending. “But, it’s also flexible enough to let us be creative. Our VP of IT and his team are continually dreaming up things to help us improve loan quality and closing speed, and do difficult things more simply.”

The most recent example is the way the company reacted when TRID regulatory changes replaced HUD-1 with a new closing disclosure, a change that added days to Columbus Capital’s lending lifecycle. Instead of accepting the increase as the norm, the IT team looked for a way to stay compliant without extending its loan timelines.

The solution
“In the past, most lenders waited for loans to be cleared by an underwriter, prior to clearing files for closing and generating a closing disclosure,” explained Jorge Vidaurrazaga, vice president of information technology for Columbus Capital Lending. “We believed that if we could request a disclosure without waiting for underwriting to complete a final review of the loan, we could close loans more quickly.”

Vidaurrazaga and team researched the idea.

“By automating the checklist for ordering closing disclosures, we could gain the efficiency we needed to keep our service levels high, while maintaining our excellent loan quality standards,” Vidaurrazaga said.

The team created a custom Loan Processor—Initial CD Request Input form within Encompass. Now, when a loan goes to underwriting for finalization, that form automatically triggers a closing disclosure request. By simply adjusting a two-step process to one that happened simultaneously, Columbus Capital not only solved the problem, but had a better-than-expected impact on closing timelines.

“The quicker you close a loan, the more loans you close, and the more people you can get into homes.”
The results

Every year, Columbus Capital continues to generate some impressive results, fueled by an innovative staff and the flexibility of Encompass.

Reduced Loan Processing Time

The company’s original goal was to reduce loan processing time while maintaining compliance, with minimal disruption to the overall operation.

By automating the checklist for ordering closing disclosures (so these documents could be generated while the loan was going through its final review with underwriting), Columbus Capital reduced average loan timelines by nearly four days.

“We’re actually closing quicker than we were pre-TRID after making this adjustment,” Vidaurrazaga said.

Increased Productivity

The decreased loan processing time had a ripple effect, generating a 9.1% increase in annual productivity. As a company that closes approximately 150 loans per month, this means that Columbus can close an additional 164 loans per year, with the same staff, at the same service levels.

Innovation

At its core, Encompass gives the team at Columbus Capital the freedom to innovate—to come up with brilliant ideas and execute, taking full advantage of the flexibility the system gives them.

“I tell people that Encompass is like a LEGO® set, which lets the user go from a very basic level to a very advanced level, depending on capability.”

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Look for more innovations to come.