Gold Star Mortgage Leverages Encompass NG Lending Platform APIs to Create Digital Mortgage Offering

The challenge
Gold Star Mortgage Financial Group is one of the nation’s premier mortgage companies, originating billions in home loans nationwide. One reason for this lender’s success is its vigilant focus on innovation: using technology to improve life for customers, staff, and referral partners alike.

“We intentionally challenge ourselves to streamline our operations and look for ways to make our staff more productive,” explained A.J. Franchi, COO, Gold Star Mortgage Financial Group.

To that end, Franchi and team started dissecting exactly how the company’s loan officers were spending their time.

“Our LOs were spending a lot of time sending out status updates,” Franchi said. “We knew if we could automate that five-minute task to make it a zero-minute task, we could give our loan officers more time for human interaction.”

The team also noticed how much time loan officers were spending in transit. Because they didn’t have mobile access to Encompass data, they were driving back to the office every time a client needed a prequalification letter or had a question.

“We are a 24/7 business, so our loan officers get called on weekends and at night,” Franchi said. “We wanted our loan officers to be able to help, without having to say, ‘I’ll call you back.’ That’s a competitive advantage.”

The solution
Although the initial project focused on automating status updates, it quickly snowballed into something much bigger.

“The Encompass API gives us access to real-time system data. When we looked at all the possibilities, we expanded the project focus,” Franchi said. “Ultimately, that led to the creation of Connect GS, our proprietary, end-to-end digital lending platform.”

The platform gives loan officers secure access to Encompass system data, right from their mobile devices. So, they can send preapproval letters, cost estimates, and payment calculations in seconds, without logging into multiple sites.

For example, a loan officer can use Connect GS to pull a prequalification letter from Encompass, and electronically send it to the borrower and realtor. Then, that same prequalification letter automatically flows back into the appropriate eFolder in Encompass. Everything happens in seconds.

Instead of manual status updates, Gold Star borrowers and referral partners now automatically receive real-time alerts at specific milestones. These communications save the loan officers’ time, while easing borrower anxiety.

Gold Star leaders also looked at areas where its digital mortgage strategy could streamline internal operations. This resulted in a total revamp of the company’s appraisal process.
“Our underwriters were manually reviewing more than 80 different variables, which left an enormous margin for error and omission,” Franchi said.

By integrating with the Encompass API and its appraisal ordering hub, Gold Star now automates the review process by pushing all XML appraisal data points into Encompass. The integration provides an automated comparison and discrepancy reconciliation between appraisal data and the Encompass loan file. It also auto-populates additional underwriting conditions triggered by certain data points, like 1004D re-inspections or flood insurance.

“Instead of relying on one person to catch everything, we’re doing the initial scrub electronically, so our underwriters can spend the bulk of their time on exceptions,” Franchi said. “This improves our accuracy, reduces the need for re-disclosures, and makes better use of our underwriters’ time.”

The results

Using Encompass’s API, Gold Star transformed the way it does business. These results illustrate why the company was named a 2018 Ellie Mae Hall of Fame finalist for Digital Mortgage Excellence.

Saved Loan Officers Time

“Before the platform, when our loan officers needed to send a prequalification, that meant printing it from Encompass, grabbing it off of the printer, signing it, scanning, emailing it, and then saving that upload—a 15-minute manual process,” Franchi explained. “Now, they hit a button, and the prequalification is off to the realtor and borrower in about 30 seconds—from anywhere.”

Gold Star takes in about $200M in applications to close $100M in loans each month—with 25% of those being preapprovals. It’s easy to see how those minutes add up to big productivity gains every month, organization-wide.

Improved the Borrower Experience

Loan officer mobile system access, in combination with automated milestone alerts, have catapulted Gold Star’s customer satisfaction from good to off-the-charts great.

“Our borrowers routinely tell us that our swift, transparent, digital process is a refreshing change from anything they’ve previously experienced,” Franchi said. “I don’t have a metric that goes along with this, but it will definitely pay off in retention and referrals.”

Increased Operational Efficiency and Accuracy

Originally, Gold Star’s appraisal review was a lengthy, manual process. By automating the initial scrub, the company shortened underwriting review time by 11 minutes per file while reducing errors that cause closing delays.

Although the flexibility of Encompass was critical to the creation of Gold Star’s digital lending platform, according to Franchi it’s the relationship this lender has with Ellie Mae that makes all of the difference.

“One of the greatest things about Ellie Mae is that they are very supportive of innovation. At the end of the day, they are business partners who want us to succeed,” Franchi said. “The flexibility of Encompass is important, but having the Ellie Mae team as our partners in innovation—that’s everything.”