VanDyk Mortgage Improves Pricing Accuracy, Compliance, and Efficiency with Encompass Product & Pricing Service

The challenge

Since 1987, Michigan-based VanDyk Mortgage Corporation has been committed to providing optimal pricing, fast approvals, and outstanding service to its borrowers. Now, with 80 locations in 39 states, this direct lender continually seeks out ways to do things a little bit better.

However, VanDyk’s original pricing provider couldn’t keep pace with the company’s high level of excellence.

“The way we work, our loan originators never see the pricing options. They plug in the scenario and we give them a number that’s an aggregation that has commission and profit margin already factored in,” explained Jonathon Barnes, chief secondary officer for VanDyk Mortgage Corporation. “Although pricing accuracy is critical, our previous provider wasn’t always 100% reliable. Even if you have 99.9% accuracy that means one out of every 1,000 scenarios is going to be wrong. With as many loans as we write a year, those errors add up.”

That’s why this long-time Encompass® user moved to Encompass Product & Pricing Service” in 2012, and has never looked back.

The solution

“The pricing we get with Encompass Product & Pricing Service is very reliable. Ellie Mae® really stays on top of keeping things current,” Barnes said. “Encompass Product & Pricing Service also makes it much easier for our LOs to plug in a basic scenario to get the pricing they need. They’re filling out six fields instead of 12 or more. That improves productivity, too.”

Integration with Encompass and AllRegs® streamlines operations, reduces steps, and simplifies compliance management.

“The integration with Encompass makes everything more efficient. For example, our profit margins are consistently mapped to Encompass Product & Pricing Service as they appear in Encompass. Our previous vendor had to adjust their system for this,” Barnes said. “If something comes up as ineligible, we can click on AllRegs to see what triggered that ineligibility. We don’t have to search around to identify the cause.”

VanDyk also uses Encompass Product & Pricing Service as its primary lock desk.

“Not only does Encompass Product & Pricing Service make it easier to make revisions and changes on the fly, but it also enables us to monitor lock desk efficiency,” Barnes said. “We can see average turn times and potential bottlenecks, and add staff if we’re falling behind.”

And Barnes appreciates the fact that with user input Ellie Mae is continually making the service better.

“I’ve been one of the major voices asking for changes and enhancements to Encompass Product & Pricing Service, and Ellie Mae has listened and...
responded,” he said. “We’re now able to access historical pricing, so if the date is April 3 and we want to go back and look at what pricing was on March 15, we can see that pricing. They’ve also made changes in terms of granularity, so we can dial in deeper on specific scenarios and make adjustments.”

The results

Since transitioning to Encompass Product & Pricing Service in 2012, VanDyk has seen some significant results in the areas of accuracy, efficiency, and the service levels they provide to their customers.

Improved Accuracy

At the time of this writing, VanDyk has been using Encompass Product & Pricing Service for five years, and Barnes still touts its accuracy.

“The accuracy of the pricing in Encompass Product & Pricing Service is extremely reliable,” he said. “Going from one error every 1,000 scenarios with our previous vendor to no errors per thousand with Encompass Product & Pricing Service probably saves us a good $4,000 a month,” Barnes said.

Increased Efficiency

With Encompass Product & Pricing Service, inputting a scenario is far more streamlined for VanDyk’s loan originators.

“They input what the house is worth, the FICO score, how the house is used—six fields later, they get an accurate quote,” Barnes said. “With our old pricing system, there were twice as many fields. That saves between 30 seconds and 45 seconds per file alone—and gets the customer an answer more quickly.”

On the operations side, VanDyk uses Encompass Product & Pricing Service as its primary lock desk, which gives the company the ability to revise and change pricing on the fly, when circumstances change.

“We save probably save a minute or more at the lock desk, and when you combine that with the originators’ time savings, we’re saving at around two minutes per scenario with improved accuracy,” Barnes said. “When you consider our loan volume is 7,500 units a year, valued at $1.4 billion, those minutes really add up.”

Enhanced Customer Service

Today, consumer expectations have significantly changed, as does the way they interact with their mortgage lenders.

“Consumers want to do things on their own schedule using technology. They want to fill out an online application and communicate with their lender by email or text,” Barnes said. “On the flip side, when they want to speak to you by phone or face-to-face, they want you to be there and have the answer.”

Encompass and Encompass Product & Pricing Service put the information VanDyk’s staff needs at their fingertips.

“We have one place to go for research when a customer calls,” Barnes said. “If you can answer a customer question accurately in 30 seconds, that’s a huge advantage that sets you apart from the competition who can’t.”