

Case Study – Summit Funding

LoanLogics **IDEA™** & **LoanHD®** Loan Quality Management

Summit Funding's move to technology enabled, in-house quality control gave them a 40% savings over outsourced QC.



Summit Funding Company Profile

- Founded in 1995
- Headquarters in Sacramento, CA
- National lender, licensed in 36 states
- 100% retail
- No. 21 on Scotsman Guide's Top Mortgage Lenders 2017 Retail Volume
- Seller / Servicer FNMA, FHLMC, FHA, VA, USDA, Jumbo, Conventional and Reverse Mortgages

The Challenge

Summit Funding is a growing mortgage banker with a purchase driven business model focused on the long haul. They have a high touch, customer centric approach that fulfills a borrower's dream of homeownership, while keeping them smiling the whole way.

For years they had been using a 3rd party provider for post close quality control. As the company grew they found they needed more robust, granular reporting, but were constantly met with roadblocks.

Philosophically, they also needed a re-calibration. Their QC company had more of a focus on compliance versus a broader approach to quality that they wanted. Since ownership of quality is with QC department, regardless of who does it, it was time for a change.

The Solution

Following a vigorous due diligence effort, Grant Petersen, Summit Funding's Director of Quality Control, led an effort that looked at no less than 14 companies to find the right solution. He initially ruled out full service QC companies because of the cost and found that few used any type of QC software to make their capabilities more efficient.

Narrowing the search to QC technology providers, he also found embedded functions, such as credit and compliance, were lacking. In addition, some vendor's software would have required them to add 2 people because OCR/Data Extraction automation was not included.

Summit Funding was looking for a provider that could improve data integrity, enable better reporting and support broader QC insights for the company. After all their due diligence, they chose LoanLogics and its superior technology, including LoanLogics IDEA™ (Intelligent Data Extraction and Automation) and the LoanHD® loan quality management platform.

The Result

Summit Funding's move from outsourced QC to a technology enabled internal operation resulted in a 40% decrease in costs and scalable productivity.

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“Part of the culture of our company is to develop people’s best, with LoanLogics technology we have exceeded that expectation, finding new ways to make the Quality Control process better.”

Grant Petersen, Director of Quality Control

The QC team’s expanded support of post close reviews and continued support of prefunding and servicing QC only required the addition of one analyst. They also did not need to add extra staff for data and document processing. LoanLogics technology enables a 100% comparison of loan file data across sources, identifies any missing documents and runs automated business rules so analysts can focus on exceptions.

System configurability has also enabled them to modify and add audit tests and clarifying remarks for findings. A scrub of all tests allowed them to reduce their active tests by 20%, improving productivity. Petersen stated, “the flexibility of the system allows productivity improvement without losing the comprehensiveness we desire.”

Because the LoanHD® platform is the centralized point where all things happen, they also didn’t need to use multiple systems for the procurement of specialized services related to TRID compliance and credit. This functionality and integrations to third-party providers was already built-in.

The QC department of Summit Funding didn’t know what was being missed in their quality control until they began to do it themselves. “The level of findings has been eye-opening and are now far more encompassing than what we had,” said Grant Petersen.

Using the platform’s built in stratification tool for sampling and robust reporting, they have been able to provide insights and value to a broader group of departments, including their compliance team and post closing department. Monthly QC / risk meetings are now focused on discussing critical findings, such as unexplained large deposits and tax liens, and drilling down into their root cause. This level of detail was not something they had with their former provider and is being used to inform action plans related to training and other process improvements.

Independent verification, done by their former QC provider, of three to four months of QC findings using LoanLogics technology has found no significant findings were missed. They now have

more control over their QC function, more flexibility to scale and the ability to change their practices at a moment’s notice.

The envy of their peers, Summit Funding’s QC department ranked No. 1 among a group of companies due to their headcount and improvements that they have been able to realize using the LoanLogics IDEA and LoanHD platform. Looking to the future, Grant Petersen stated, “I have a solid vision for this department and LoanLogics will be a significant part of that.”

Schedule a demo today to see how LoanHD® can work for you. Call us at 866.557.6959 or learn more at loanlogics.com.

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