



MORTGAGE SOLUTIONS SUCCESS STORY

Mortgagebot Online Mortgage Solutions

The Bank

Illini Bank, Springfield, Illinois

\$275 million in assets

12 branches throughout central Illinois, with eight in rural areas

The Opportunity

In order to find a way to handle mortgage application volume without adding staff, and to serve their rural customers more effectively, Illini Bank decided to implement Mortgagebot's online mortgage application solutions. In 2003, during the refinance boom, the bank elected to exit the mortgage business because it could not keep up with the volume. The bank soon realized that they were losing retail customers because they were not meeting their mortgage needs. Before they re-entered the market, Illini Bank needed to address the issues that caused them to previously leave the market.

The Solution

The main issues that led Illini Bank to leave the mortgage market previously were an inefficient mortgage origination process and a lack of staff resources. Through Mortgagebot's online mortgage solutions, Illini found a product that solved those problems. Prior to implementing the Mortgagebot solutions, mortgage applications were taken by hand, entered into a system that generated disclosures, entered into the Bank's loan origination system and finally sent to Fannie Mae Desktop Underwriting System (DU)[®] for a decision. The Mortgagebot online application solutions eliminated those four steps. The customer now completes the application online; the system automatically generates the disclosures, while populating the bank's loan origination system and transmits the application directly to DU[®] for a decision. If approved, the customer receives the results directly from the system in 30 seconds.

By implementing the Mortgagebot solutions, the bank was also able to deploy more resources as "originators." Illini Bank realized that some of its customers still preferred to complete a mortgage application face-to-face. But with only two originators to cover 12 branches, it was virtually impossible to serve their customers without adding additional originators. The Mortgagebot solutions enabled Illini to begin using their branch managers as origination facilitators. These solutions eliminated the need for the branch managers to go through extensive training before taking applications. The software guided the branch managers through the application process by giving the managers the appropriate questions to ask borrowers. Depending on the response, the Mortgagebot solutions provided the managers the next step in the mortgage application process.

Illini Bank also employed the compliance solutions offered through Mortgagebot. When the secondary market began introducing new loan level price adjustments and fees, Illini used Mortgagebot to better disclose all applicable price adjustments and fees, therefore providing a better customer experience. The Mortgagebot solutions relieved the Bank of this problem by capturing all the adjustments in their system and correctly disclosing them to the borrower during the mortgage application process. Now the bank can be confident that their disclosures are consistently correct and always in compliance.

The Outcome

Since implementing the many solutions offered by Mortgagebot in 2005, Illini Bank began to attract many new customers. Not only did the customers appreciate the ability to do an application on their own time and convenience, they also could start an application right away without having to make an appointment with a loan officer. This latter aspect proved to be very beneficial to Illini Bank in retaining and capturing new customers when the next refinance boom occurred. With the online application and branch manager's now taking mortgage applications, the Bank was also able to better serve their rural customers. As a result of all these factors, Illini Bank's closings went from \$9 million per year to \$12 million per month.