



CUSTOMER CASE STUDY



CUSTOMER PROFILE

INDUSTRY Real estate

EMPLOYEES 165

LOCATIONS Denver, Colo.

COMPANY Started in 1973 by Colorado legislature; self-funded with state-appointed board; manages close to \$3 billion in assets

WEB SITE www.colohfa.org

SOLUTION SNAPSHOT

CHALLENGE Residential mortgage division struggled with an outdated loan processing system that was too slow and not integrated with other enterprise applications

SOLUTION Captaris Workflow

INTEGRATION CHFA's STARSystem; Microsoft BizTalk, Visual Studio, DocTracking; future integration with Microsoft CRM and document imaging

RESULTS Re-engineered loan acquisition process; enables lenders to reserve loans in minutes, improves their sales and helps to retain them as clients; provides an enterprise platform for business process automation

Colorado Housing and Finance Authority Improves Lender Experience with Captaris Workflow™

Re-engineers Loan Acquisition Process and Aligns Organization with Industry Best Practices

The Colorado Housing and Finance Authority (CHFA) was created in 1973 by the Colorado Legislature to address the shortage of affordable housing in the state. Since then, CHFA has established itself as the front-runner in the affordable housing industry by financing single family mortgages for qualifying homebuyers. CHFA also provides loans to small and medium sized businesses.

The Challenge

It was a good news, bad news situation. Survey comments from CHFA clients—lenders who secure loans for borrowers—followed a common theme: “They were saying, ‘We connect with CHFA’s mission to help low income Colorado citizens, but it’s difficult to do business with you,’ ” said Karen Harkin, director of home finance with CHFA.

The feedback was not surprising. CHFA had processed loans via the same methods for years. Employees relied on an out-dated, text-based AS/400 system that did not support integration or flexibility for changing business processes. As a result, CHFA procedures were not current with industry standard practices for selling loans. In some cases, lengthy turnaround caused delays for loan completion. Even more problematic, CHFA chose not to offer some new products because it took too long to change software code in the old system.

“We were occasionally deselected due to functional issues,” Harkin said. CHFA underwriters tracked loan files via manual checklists, which could result in inconsistencies among the required documents and a lack of uniformity between closing and purchase conditions. Loan completion involved several rounds of back-and-forth phone and fax communication between CHFA underwriters and lenders, a situation which limited CHFA’s purchasing power. The organization could only acquire loans once per week and then only on the original principal balance, a restriction that occasionally rushed CHFA into servicing a loan before all the documentation was perfected. “Lenders will go where it’s familiar and easy to do business. We wanted to position CHFA for the future, so that when lenders think of CHFA, they would love our mission as well as doing business with us,” Harkin said.

“It’s one of the more successful projects with which I’ve been involved.”

The Solution

CHFA developed a plan for a whole new approach—coined the Home Finance STARSystem—driven by integrated and automated workflow. The IT team set requirements for the workflow vendor to be an established expert with a proven installation base. The software itself needed to integrate with Microsoft Server products and development environment.

The IT team issued a Request for Proposal (RFP), narrowed the field to three contenders and conducted extensive evaluations including scenario demonstrations. “At the end of the second day with the first two vendors we realized we didn’t like either one. Those products were too code-intensive or lacked everyday task functionality,” said Rod Hardin, IT director with CHFA. “Captaris successfully performed the scenario demonstration and beat the competition, fair and square.”

CHFA installed Captaris Workflow to automate its custom loan acquisition system for the Home Finance Division. Lenders now make a loan reservation using the STARSystem Web interface, and then Captaris Workflow kicks in, Hardin said. Electronic reservations are held until they are matched with corresponding loan files submitted for compliance underwriting. After underwriting, requirements are specifically defined and Captaris Workflow automatically notifies lenders of necessary information or tasks to meet closing deadlines.

At CHFA, residential mortgages comprise 65 percent of revenue but CHFA also maintains five other lines of business. Hardin said, “We addressed the area that has the biggest impact on our mission, but we also provided a framework to effectively integrate all line of business applications across a common platform.” As a .NET solution that natively integrates with the Microsoft platform, Captaris Workflow easily connects with CHFA’s infrastructure, including Microsoft BizTalk, Visual Studio and DocTracking. CHFA plans to integrate a document imaging system and Microsoft CRM in the near future. “Generally speaking, Captaris Workflow is less cumbersome and more ‘out-of-the-box’ than the other solutions we evaluated,” Hardin said. “It includes tools like Business Activity Monitoring and integration with the portals common in Microsoft enterprises.”

The Results

By re-engineering loan acquisition processes with Captaris Workflow, CHFA services are now aligned with industry best practices and the organization is providing a simplified experience to its lender base. Enthusiastic response to CHFA’s new online STARsystem has been staggering, according to managers. One lender wrote, “WHOOHOO for the new Web site! Locking (rates) is a breeze now. So much easier

to keep track of my pipeline.” Another lender shared her excitement after reserving two loans in less than 10 minutes. Future phases of the project will provide greater access for lenders into their pipelines, with enhanced reporting and abilities to recreate letters and reports. Captaris Workflow provides online visibility into case loads and processes, drives tasks and exposes bottlenecks. “When CHFA is able to turnaround loans sooner, our lenders require a smaller line of credit and get paid faster for selling them to CHFA,” Harkin said.

Using the new system, CHFA purchases loans every day instead of only once per week. The rule-based workflow allows loan acquisition only when all documentation is perfected. The process to enter new products into the system and comply with IRS and mortgage industry guidelines is also faster and easier. “It’s pretty amazing,” Hardin said. “It’s one of the more successful projects with which I’ve been involved.” Though performance metrics were not tracked on the old paper processes, CHFA looks forward to using Captaris Workflow tools to track response time, cost per loan and other statistics related to staff efficiency. Time-savings will certainly provide cost-savings as well. “But,” Harkin said, “even if the only benefit of using Captaris Workflow is to make it easier for lenders to do business with us, it’s a homerun.”

About Captaris, Inc.

Captaris, Inc. is a leading provider of software products that automate business processes, manage documents electronically and provide efficient information delivery. Our product suite of Captaris RightFax®, Captaris Workflow and Captaris Alchemy® is distributed through a global network of leading technology partners. We have customers in financial services, healthcare, government and many other industries, and our products are installed in all of the Fortune 100 and many Global 2000 companies. Headquartered in Bellevue, Washington, Captaris was founded in 1982 and is publicly traded on the NASDAQ Global Market under the symbol CAPA. For more information, visit www.Captaris.com.

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