



A leading mortgage banking firm whose clientele includes many borrowers who have been disqualified from traditional loan sources wanted to improve customer satisfaction and increase investor confidence. In addition to establishing a CRM initiative to solve this challenge, the firm introduced Six Sigma quality into key business processes through targeted training of in-house Six Sigma experts to lead critical process redesign projects, which not only addressed customer and investor issues, but also produced significant and unsought increases in revenue and reductions in costs.

Balancing Growth and Risk

A mortgage banking firm involved in the origination, purchase, sale, and servicing of residential mortgage loans to borrowers with hard-to-document income or imperfect credit histories has experienced exponential growth over the past several years. With more than 3,500 employees nationwide and a national network of 15,000 brokers, the company funded almost \$15 billion in mortgages in 2002 and services a portfolio of \$28 billion. Because the home loan business grows more competitive almost daily, the company wanted to improve its customer service. Because of the risks involved in the nature of its loans, it also wanted to increase investor confidence.

Customer Satisfaction

To help implement the improvements that they were seeking, the company turned to Six Sigma Qualtec for the training of selected personnel to lead more than two dozen improvement projects in critical back office business processes. Initially, the effort targeted customer satisfaction and investor confidence. Individual projects designed to boost investor confidence included better management of high risk foreclosures, an improved correspondence process, reduced process redundancies, expanded loan numbers, and a reduction in loan modifications. Projects designed to increase customer satisfaction included improved loan retention, reduced abandoned call rate, and reduced cycle time for reinstatement.

Business Improvements:

- Enhanced customer satisfaction
- Increased investor confidence
- Improving customer response time by 350%
- Increasing loan retention by 20%
- Reducing abandoned call rates from 12% to 4%
- Eliminating process redundancies by 66%
- Eliminating \$21 million in risk exposure