



Case Study: Document Processing Automation

# How BSI Financial automates bulk loan boarding using Vaultedge

# INTRODUCTION

As millions of homeowners are set to exit the forbearance program - CFPB is maintaining a strict oversight on MSR transfers to prevent avoidable foreclosures. Such foreclosures may rise due to mishandling borrower information or loss mitigation applications during MSR transfers. This is because loan boarding is largely a manual process that requires tedious 'stare & compare' analysis of several non standardized paper based loan documents.

This puts mortgage servicers under tremendous pressure to board such loan files accurately, within just weeks so that servicing can start on time. Being labor intensive, the loan boarding process is error prone that makes it vulnerable to compliance risk arising from servicing guidelines under CFPB, Regulation X, RESPA, TILA etc.

## Case Study Introduction:

In this case study, we will explore how BSI financial successfully streamlined its bulk MSR acquisition workflow to minimize manual intervention. As a result, it not only managed to mitigate compliance risks but also was able to scale its loan boarding volumes to 1000+ loans per day.

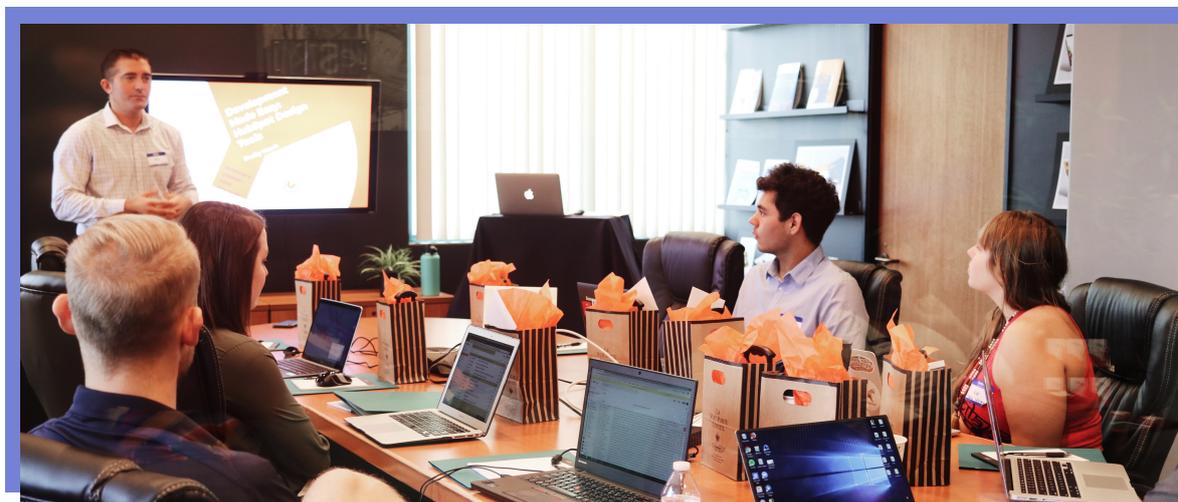


# BSI'S LOAN BOARDING REQUIREMENTS

BSI Financial is one of the leading mortgage servicing companies in the US. BSI grew rapidly in 2020 by acquiring Mortgage Servicing Rights (MSRs) aggressively in the market. Once the MSRs are purchased, they need to be boarded before the corresponding mortgages can be serviced.

Boarding of loans was a very time-consuming process involving – manual review of each loan file, identifying 23 critical documents from the loan file, separating them into individual files and uploading them into the correct folders in the document repository. Not boarding the loans on-time would hold up and adversely impact downstream processes.

In order to manager the large volume of loans that are being acquired, BSI wanted to automate its document processing capabilities in such a way that it could seamlessly board these loans into their system, without increasing headcount and time to board.



# PARTNERSHIP WITH VAULTEDGE MORTGAGE AUTOMATION

BSI Financial evaluated several Intelligent Automation software to automate their Loan Boarding process, before finally selecting Vaultedge Mortgage Automation – based on Accuracy, Cost and Scalability.

Vaultedge took four weeks to configure/implement the software to BSI's needs. This involved:



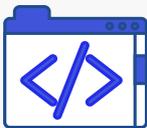
Understanding BSI's document taxonomy / nomenclature



Mapping BSI's documents to Vaultedge document library



Testing software with real loan files to check accuracy and identify gaps



Custom training the software to address the gaps



Establishing a process for file transfer, automatic indexing, and exception handling

# AI POWERED DOCUMENT INDEXING & DATA EXTRACTION

The three features that helped BSI achieved its objectives were:

## **Automated Document Indexing:**

Vaultedge automatically splits loan packages into individual documents and indexes them by type, such as: 1003, Loan Estimate, Closing Disclosure, Deed of Trust etc. These are then checked against a dynamic checklist to identify missing documents – for user to take necessary action.

## **Built to Scale Solution:**

The solution deployed can handle 100,000+ pages per hour. This can further be scaled up with ease. This served BSI's requirements of processing millions of documents a month.

## **Exception Handling:**

Vaultedge has an easy-to-use UI that lets the users verify indexed documents and rearrange mis-placed pages just at the click of a button.

# RESULTS

Within a few months of implementation of Vaultedge's Loan Boarding Automation solution, BSI was able to achieve remarkable results - processing more than 1000 loans per day with an accuracy of more than 99% across 23 different document types.

**1000 +**  
LOANS PER  
DAY

**99%**  
ACCURACY

**23**  
DOC TYPES  
PER LOAN

“*Vaultedge is helping us automate the MSR boarding process. Vaultedge Mortgage Automation is able to classify and split mortgage documents with more than 99% accuracy and it has an elegant UI to review output and take care of exceptions.*”

*- Michael Kittyle, CIO, BSI Financial*

# CONCLUSION

With Vaultedge, BSI was not just able to automate their MSR boarding process but also build best in class document indexing, classifying and extraction capabilities. Given the success in automating Loan Boarding - BSI Financial and Vaultedge are now exploring extending this capability to other processes.

## About Vaultedge

Vaultedge is an AI powered ADR / ADE software that automates the splitting, indexing, data extraction and validation of mortgage documents saving up to 80% of time & cost in Loan Processing, Post Close and Loan Boarding.

Website: [www.vaultedge.com](http://www.vaultedge.com)

Email: [sales@vaultedge.com](mailto:sales@vaultedge.com)

Ph no.: 254 354 2540

## About BSI Financial Services

Established in 1986, BSI Financial Services is an experienced financial services company specializing in loan subservicing and special servicing, loan quality control, REO / asset management and loan loss mitigation services. It is licensed in 50 states, BSI Financial maintains its headquarters in Irving, Texas, with major operations in California, Pennsylvania and India. To learn more, visit [www.bsifinancial.com](http://www.bsifinancial.com)