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EXECUTIVE BRIEF

Unlocked: Top Competitive Advantage for Credit Union's in 2022

How Credit Unions Can Take a Page from Large
Commercial Lenders to Achieve Game-Changing Speed

...larger competitors are bringing their traditional advantages in sophisticated technology to win new business...

A Changing Competitive Landscape for Large Commercial Lenders

More than ever, lenders are facing unprecedented pressures to enhance the customer experience while improving their own margins. Despite the high volumes, big banks are relentlessly raising their origination targets and issuing as many loans as possible. That's pushing them into smaller, local markets where they're having a significant impact using ramped-up marketing efforts to unseat local lenders and expand their market share.

Credit Unions have long relied on their ability to provide personal banking services, building on the affinity of their members to earn long-term loyalty. However, larger commercial competitors are bringing their traditional advantages in sophisticated technology to win new business – technology that has largely been outside the reach of the regional players.

But in mortgage closings, that dynamic is shifting.

Title Curative: The Need for Speed

For too long, the service-intensive, paper-driven world of mortgage closing has suffered from a lack of innovation that has hampered lenders and perplexed customers who increasingly bring the high expectations of their e-commerce experiences – only to endure weeks of frustrating, seemingly needless, delays in closing their transactions. And virtually all stakeholders and participants agree that, with its outdated manual processes, getting a title commitment is one of the needless bottlenecks.



Is That Really Instant Title?

Some title-insurance providers are striving to achieve an instant title experience using rules-based decision-making to pull in publicly available data to discover liens or encumbrances.

This form of underwriting may slightly accelerate the closing process, but it has notable drawbacks. In some cases, the curative process is still not eliminated — just shifted earlier. And since this method relies on strict data input, it does not apply as widely since data is limited in most states or counties.

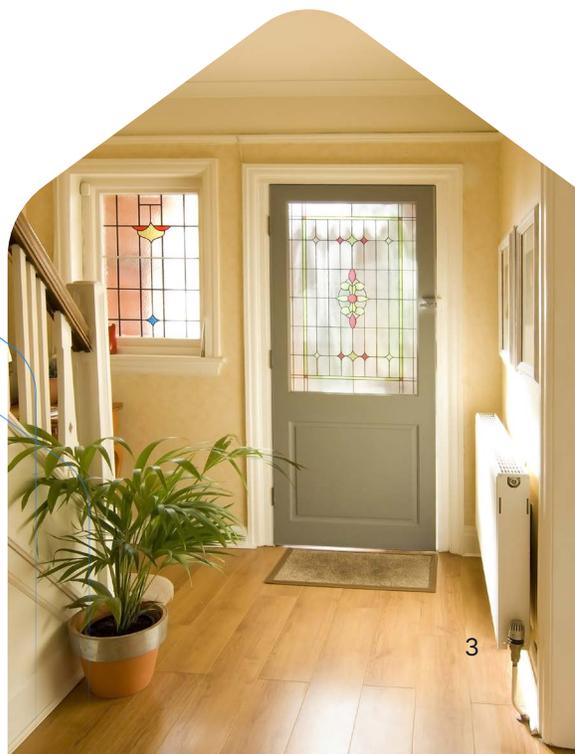
Instead, what if you could confidently clear a title within seconds – not weeks – to achieve unprecedented speed and accuracy in a closing process that meets the approval of the secondary market? Through a uniquely powerful combination of machine learning, public and private data sources, and predictive algorithms, instant title can determine how safe a property is from potential liens and other liabilities and provide a title commitment for 80% of refinance transactions – in less than one minute. That means your lending team can tap into a streamlined process to finance more loans for a wider variety of homes in a shorter period of time.

What Instant Title Means for Your Business

Instant title means a whole lot more than simply searching files of digitally scanned PDFs or crawling through other electronic files. True instant title means quickly analyzing relevant data for the property, assessing risks, and applying probabilities to render immediate decisions.

Faster Closings

For 80% of refinancings, you should expect a title commitment in less than one minute. Instant title removes several days – even weeks – from your workflow and accelerates loan closings.



That leads to higher member satisfaction and increased deal flow, putting you in a better competitive position against the major commercial competitors.

For **80%** of refinancings, you should expect a title commitment in **less than one minute**.

No-Hassle Improvement to Lending Cycle

For the lender, instant title translates into a significant process improvement – but one that doesn't require any changes to workflows. There's no added software to integrate or learn. Just by selecting the right provider, you can immediately deliver the same breakthrough title-curative experience that has provided major lenders a major competitive advantage.

Approved by Secondary Market

The latest generation of instant title solutions goes beyond simple rules-based decisions to apply sophisticated risk-based assessments – and that means faster decisions across most of your loan portfolio. Just as importantly, your institution doesn't have to assume the risks of encumbrances, potential liens, or other liabilities. And when choosing your partner, be sure your instant-title solution is approved by state regulators and fully accepted by the major players in public and private secondary markets, including Fannie Mae and Freddie Mac.



Customer Story: The Transformative Power of Instant Title

This case study shows how one major lender achieved success with instant title. More importantly, it underscores how Credit Unions can leverage the same technology, techniques, and processes in their own mortgage businesses to gain unprecedented speed in their residential lending activities and level the competitive playing field.

A major nationwide lender sought to enhance its refinance origination process. Since only 5% of applications required additional attention regarding title, the lender wanted to touch only those loans with exceptions and get an instant clear-to-close on the other issue-free properties. The goal: complete mortgage refinancing in 15-20 days.

Breakthrough Results

The lender seamlessly integrated the Doma solution into its existing systems — with zero downtime or disruptions for loan officers and processors. Within three months, the lender integrated order acceptance, document delivery, and messaging with its title production system (TPS) and in-house loan origination system (LOS). At the same time, the mortgage division partnered closely with Doma's customer support team to optimize workflows and ensure smooth operations between the lender and title company. This allowed all participants to increase operational efficiencies, reduce expenditures, and move quickly toward achieving the 20-day cycle for most refinance transactions. Just nine months later, the lender's mortgage division was reporting impressive results:

- Achieved instant clear-to-close for 84% of transactions
- Cut closes by three business days
- Reduce fees for mortgage customers by 15%
- Increased closed loan applications by 5%
- Raised capacity per processor by nearly 20%
- Recorded a 93% customer satisfaction score — greatly outperforming the industry standard average of 77%

Doma Title: It's About Time

It's no secret that consumers find the process of closing a refinance to be a notoriously confusing, cumbersome, time-consuming, and frustrating experience. Despite gains in recent years, Ellie Mae reports that the average closing time remains 47 days for refinances – but it doesn't have to be this way.

Doma Title transforms the time-consuming title search process with a modern solution that combines predictive analytics and a future-based risk insurance model. As a result, you can receive title commitments in seconds, achieving the speed and simplicity that borrowers expect and that your margins require. What's more, the streamlined Doma intelligence-driven process eliminates curative work with a 100% guarantee against tolerance cure discrepancies. Plus, through other machine-intelligence powered workflows, Doma reduces back-and-forth communications between the parties to create unprecedented efficiency allowing lenders more time to focus on what is important: building a lifelong member relationship.

About Doma

Doma is architecting the future of real estate transactions. The company uses machine intelligence and its proprietary technology solutions to transform residential real estate, creating a vastly more simple, efficient, and affordable real estate closing experience. Doma and its family of brands – States Title, North American Title Company (NATC) and North American Title Insurance Company (NATIC) – offer solutions for current and prospective homeowners, lenders, title agents, and real estate professionals. Doma's clients include some of the largest bank and non-bank lenders in the United States. To learn more visit doma.com.

Contact lender.sales@doma.com to learn more about how you can reduce turnaround times and achieve operational efficiencies.

Contact us!