

SEFCU Mortgage Services Drives Sustainable Growth and Productivity with Optimal Blue's End-to-End Secondary Marketing Platform

OVERVIEW

In seeking real-time integration across their mortgage technology stack, as well as enhanced functional depth and efficient workflow automation, SEFCU Mortgage Services upgraded their secondary marketing automation by migrating to the Optimal Blue platform. With access to the industry's most comprehensive functionality, SEFCU Mortgage Services realized significant benefits, such as:

- + Access to the largest repository of configurable mortgage products and up-to-date guidelines and pricing from leading investors
- + Significantly enhanced secondary marketing workflows that enable confident execution of the most profitable lending strategies
- + Configurable initial-lock and post-lock management policies that are fully automated
- + Automated data flow across the secondary mortgage operation, reducing manual data entry
- + Turnkey integrations with comprehensive marketing and CRM solutions to ensure compliant LO marketing campaigns with real-time pricing
- + Robust two-way integration with leading POS and LOS capabilities that ensure accuracy and compliance for price and lock management
- + The ability to monitor, value, and manage hedge positions, reducing pipeline interest rate risk

- + Improved accessibility and speed of servicing valuation required for audit controls
- + Flexible, on-demand reports that reduce month-end reconciliation efforts and deliver the visibility that company stakeholders require to make informed forecasting and strategic decisions
- + Enhanced employee training and extensive educational resources

LENDER PROFILE

SEFCU Services, LLC dba SEFCU Mortgage Services, was formed on October 30, 2009, for the purpose of selling and servicing originated mortgage loans. SEFCU Mortgage Services is a Credit Union Service Organization (CUSO) wholly owned by SEFCU, a Federal Credit Union located in Albany, NY. SEFCU Mortgage Services is a licensed mortgage banker in the state of New York and a Federal Housing Administration ("FHA") approved Title II lender, giving it the ability to process or service single family loans.

On September 1, 2010 SEFCU Mortgage Services purchased the assets of Home Funding Finders, Inc., a residential mortgage lender providing services including mortgage processing, underwriting, closing, and funding. SEFCU Mortgage Services offers a full range of mortgage products from the best providers in the mortgage industry.

In 2018, SEFCU Mortgage Services discovered the advanced secondary marketing automation capabilities of the Optimal Blue platform. Implementation of the company's leading product eligibility and pricing engine, hedge analytics, and MSR valuation services soon followed.

"Change is the one true constant in the mortgage industry," explained Joe Senecal, Treasurer of SEFCU Mortgage Services. "In order for SEFCU Mortgage Services to stay ahead of that curve, we needed to take a hard look at our current processes. Once we discovered Optimal Blue's sophisticated enterprise platform, we were quick to realize that it was the only technology equipped to accommodate our specific needs."

CHALLENGES BEFORE OPTIMAL BLUE

Prior to introducing the Optimal Blue platform, SEFCU Mortgage Services found themselves contending with numerous issues related to their technology, connectivity, workflows, and managerial visibility that were holding them back and limiting growth opportunities:

Lack of Automation and Innovation

SEFCU Mortgage Services was unable to take advantage of a variety of modern innovations their competitors benefit from, such as lights-out lock desk, True Best-X™ pricing, hedging, and delivery, as well as modern, system-to-system connectivity.

System-to-System Incompatibility

Without the ability to connect real-time, accurate, and compliant pricing to other mortgage technology systems, marketing initiatives were exceedingly difficult. System incompatibility led to loan officer inefficiencies when developing and presenting borrower loan scenarios.

Limited Technology, Manual Processes

The secondary marketing technologies used prior to Optimal Blue required a significant amount of work to take place outside of the system, creating heavy, manual data entry, numerous missed opportunities, and a high risk for error.

Increased Exposure to Interest Rate Risk Across Loan Pipeline

Pipeline coverage was limited by evaluation reviews which could only occur twice a day, restricting visibility during potential market fluctuations.

Overwhelming and Delayed Data Reports

Prior systems had ineffective reporting capabilities. Critical metrics could not be easily ascertained from the information provided and further manipulation and dissection of operational data was difficult, thus delaying strategic and financial decisions.

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CHOOSING OPTIMAL BLUE'S END-TO-END SECONDARY MARKETING PLATFORM

In light of these challenges, SEFCU Mortgage Services leadership reached the conclusion that maintaining their existing technology configuration was simply not practical given their long-term growth milestones and strategic objectives.

As a result, SEFCU Mortgage Services looked to Optimal Blue as their solution to revamp their mortgage operation. David Lang, Secondary Manager at SEFCU Mortgage Services, dedicated meticulous thought to the alignment of SEFCU's business model and the capabilities of Optimal Blue's Secondary Marketing Platform. The company's most pressing challenge was to resolve connectivity issues between their Secondary Marketing, LOS, and CRM systems.

Significant financial resources were allocated to these systems. However, due to functional limitations of the Secondary Marketing system, the mortgage technology stack was not properly integrated, and the LOS and CRM systems could not be used to their full potential.

As Lang and SEFCU Mortgage Services continued the process with Optimal Blue, they quickly realized that the company's Secondary Marketing Platform was far more advanced than they had initially thought. This discovery opened numerous additional opportunities to further automate manual or inefficient areas, such as the lock desk and the bulk bidding process.

"Our decision to partner with Optimal Blue has exceeded all of our expectations," concluded Senecal.

"We are having our most successful year yet. Optimal Blue's robust automation, real-time connectivity, and unique data insights have certainly played a critical role in that."

The executives at SEFCU Mortgage Services selected Optimal Blue's End-to-End Secondary Marketing Platform due to their state-of-the-art technology and their proven track record of ensuring system connectivity, creating efficient processes and seamless workflows, and improving managerial visibility with real-time reporting.

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BENEFITS OF SWITCHING TO OPTIMAL BLUE

Optimal Blue's robust secondary marketing automation has remedied all of the previous challenges that SEFCU Mortgage Services was experiencing and delivered many new benefits. By leveraging the modernized tools and new innovations inherent in Optimal Blue's technology, SEFCU Mortgage Services is now able to accelerate processes, make better use of the functionality across all vital systems, and quickly adapt to shifting market forces.

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Some of the unique advantages created by the deployment of Optimal Blue include:

More Competitive Mortgage Offering

With Optimal Blue, SEFCU Mortgage Services has access to thousands of mortgage products and hundreds of investors. Unlike their prior solution, product or investor changes can quickly and easily be added to their configuration at no additional cost.

Automated Workflows, Process Efficiencies

Manual processes have been replaced with flexible, built-in configurations that easily allow for product and price changes, investor management, and lock desk automation. Native prompts guide users through more efficient pricing and lock workflows, improving speed and efficiency across the mortgage organization.

Integrated Mortgage Technology Stack

Seamless integrations to the organization's CRM and LOS systems provide loan officers a seamless way to deploy compliant marketing and automate vital processes like pricing, locking, and hedging across the mortgage technology stack. Additionally, real-time integrations with all mortgage insurance providers leads to more precise quotes.

Risk Mitigation, Fully Hedged Loan Pipeline

Significant advancements in hedging capabilities have replaced a disjointed and manual bid tape process with Optimal Blue's automated bulk bidding and trade tracking functionality, instilling confidence with SEFCU Mortgage Services' executives and bringing real-time visibility into their hedge position.

Executive Visibility, Forecasting, and Operational Transparency

Another major benefit was the ability to monitor performance in real-time to identify strategies that maximize gains and avoid losses. On-demand and customized dashboard reports have dramatically improved SEFCU Mortgage Services' ability to make financial decisions quickly. Optimal Blue's comprehensive reporting capabilities enable SEFCU Mortgage Services to prepare monthly financial statements more efficiently by providing a baseline for forecasting future results and making mark-to-market numbers readily available.

Streamlined Servicing Valuations

By transitioning to Optimal Blue's MSR Valuation Solution, SEFCU Mortgage Services is now able to more efficiently and timely value mortgage servicing rights and produce audit results within days - much faster than previously experienced.

Training, Intimate Support, and Strategic Guidance of a Proven Partner

SEFCU Mortgage Services has come to rely on Optimal Blue's extensive educational webinars and training resources to expand the knowledge and opportunities for secondary mortgage operations personnel.

SUMMARY

SEFCU Mortgage Services' implementation of Optimal Blue's End-to-End Secondary Marketing Platform has fundamentally changed their business operations and enhanced the day-to-day productivity and user experiences of employees and members alike, while saving substantial time and resources along the way. As a result, SEFCU Mortgage Services is now better positioned competitively and can more easily discover and take advantage of new opportunities.

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ABOUT OPTIMAL BLUE

Optimal Blue's Marketplace Platform connects the industry's largest network of originators, investors, and providers. More than \$750 billion of transactions are processed across the platform each year, facilitating a broad set of secondary market interactions like pricing, locking, hedging, and trading of mortgage loans. For more information, please visit www.optimalblue.com.