



Technology Partners Group Helps RESIMAC Control Risk



Executive summary

RESIMAC Limited is an Australian, non-bank processor, broker, manager and securitiser of assets, primarily mortgages. To ensure it can process loans efficiently while ensuring its portfolio of loans has an acceptable risk profile, the company engaged Technology Partners Group to develop a Loans Management System.

The application provides workflow features to ensure swift loan processing and also offers advanced, automated underwriting features to assess the risk involved in each loan application to protect RESIMAC's portfolio.

These functions enhance RESIMAC's efficiency while also ensuring the risks inherent in its loan portfolio remain within acceptable limits.

Technology Partners Group's expertise in the financial services industry allowed it to meet RESIMAC's business needs, while its technical skills ensured successful delivery of the application and ongoing operations.

RESIMAC now has an ongoing relationship with Technology Partners Group, which will assist with the development of software to power new products.

A lender with a difference

Residential Mortgage Acceptance Corporation Limited (RESIMAC) is an Australian non-bank processor, broker, manager and securitiser of assets, primarily mortgages.

An unlisted public company, RESIMAC sources mortgages from a network of 150 originators. The company's loan book currently includes over 20,000 loans worth \$AUD4.7 billion.

Being a financial services company, risk management is integral to all aspects of RESIMAC's business and operations. The company securitises its loan assets where possible and finds that its ability to do so is enhanced if it can prove that the loans it underwrites have the lowest possible risk profile.

With a rapidly growing market for their loans and the increasing network of mortgage originators demanding rapid and accurate service from lenders like RESIMAC, the company recognised that to retain its strong position in the market it would need to ensure it could process new loan applications and assess the risks involved with greater accuracy and speed than was the case with its existing systems.

Despite the importance of risk management for RESIMAC, the software it used to process loan applications at the time did not include comprehensive tools its underwriters could use to assess the risks associated with loan applications.

Risk assessment features were available in the tools the company used to monitor its loan portfolio, but that software did not offer intuitive or consistent workflow, making it of little use for processing new loan applications.

A search for a suitable technology partner

RESIMAC therefore sought a partner to help it construct an application that would let mortgage originators submit loan applications directly to RESIMAC's staff for underwriting approval. Automated preliminary risk assessment was required to increase the speed at which RESIMAC could process incoming loan applications while also ensuring that RESIMAC's high standards of risk management were maintained.

RESIMAC engaged Technology Partners Group (TPG) to develop this new software.

New applications improve efficiency

The new software TPG developed is called the Loan Management System (LMS), and provides a complete suite of loan application and underwriting approval functions.

Mortgage originators can enter and submit loan applications securely via the internet, with the ability to provide immediate indicative approval for applications which meet RESIMAC's core risk criteria.

RESIMAC's credit and mortgage insurance rules are built into the LMS. Loan applications which fail to meet defined credit rules are referred to a RESIMAC Underwriter for further evaluation. The software highlights the specific criteria which have not been met. This allows the Underwriter to focus attention on critical high risk areas (as opposed to manually reviewing the entire loan application), and improves the efficiency of the credit assessment process.

LMS utilises internet connectivity to assist RESIMAC's interaction with other stakeholders in the industry such as panel solicitors and credit agencies, further speeding assessments and approvals.

During the application and approval process, LMS provides information which enables mortgage originators to follow the progress of their loan application up until the settlement of the loan. Faster, more powerful loans approval software increases efficiency.

LMS has delivered several benefits to RESIMAC, with the main improvement being a significant reduction in the time required to process loan applications.

The underwriting functions in the software enables faster assessment of risk, which in turn means staff can concentrate their efforts on the most important details of each loan application, reducing time spent on the routine aspects of assessments.

The provision of an online interface to mortgage originators makes it easier for originators to work with RESIMAC and therefore increases the likelihood they will choose the company over its rivals. The speed LMS brings to the loan application process is another lure for mortgage originators, as it enables them to respond rapidly to their customers' needs!



"Technology Partners Group was more than able to respond to my business needs."

Fiona Rankin, Chief Information Officer, RESIMAC

Success leads to an ongoing relationship

The success of LMS has seen RESIMAC and TPG forge an ongoing relationship.

Chief Information Officer Fiona Rankin said that "TPG's technical expertise and understanding of our business needs ensure that they remain a valued technical partner".

If system enhancements are required as the mortgage industry develops and expands, "We basically second a TPG person," Rankin explains. "And we engage TPG for ongoing technology work."

Some of that work includes the integration of new loan products into the LMS software.

"We're very pleased with the work TPG has done," Rankin concludes. "We expect to continue working with them into the future."

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