

► Company

Alethes LLC, based in Austin, Texas, operates and funds loans as both a mortgage banker and a mortgage broker. Its more than 700 loan officers originate 500 to 600 mortgages each month.

► Situation

Alethes pays its loan officers within 48 hours of closing based on a complex formula and a stack of supporting documents. The resulting paperwork drained company resources and was susceptible to human error.

► Solution

Eureka and Alethes partnered to develop PDF SmartForms, a web-based interface that loan officers use to enter information and track documentation. Eureka also created an application that digitizes and stores documents loan officers fax to Alethes.

► Benefits

The automated system is faster and less prone to errors. It allows loan officers and processors to access and share information without transferring mounds of paperwork.

Mortgage Lender Transforms Company with Paperless Process

“It’s really mind-boggling to think about how it simplifies the process.”

Richard Woodruff, Chief Financial Officer, Alethes LLC

Imagine a stack of paper about 12 feet tall – thousands of contracts, reports and legal documents all needing to be filled out and signed, faxed, received, filed, checked, scanned and stored. Missing documents and errors need to be identified, corrected and re-faxed.

Imagine doing that every month – under the eye of tight regulation – and you can appreciate the magnitude of mortgage lender Alethes LLC’s paper problem.

“All this paper and all of the phone calls and emails – we wanted to find a way to make the whole process more efficient,” said Alethes’ CFO Richard Woodruff.

The Austin, Texas-based firm decided it needed help and called upon Eureka Software. Alethes and Eureka worked together – getting the project scoped and defined.

At the heart of the challenge was the loan transaction sheet, a complex worksheet used to calculate commissions paid to all loan officers participating in a transaction. It takes into account a large number of variables such as expense reserves, split percentages, and monthly deductions for the company’s various health care options.

Alethes has more than 700 loan officers originating 500 to 600 mortgages each month. For every mortgage there is a loan transaction sheet. And for every sheet there is about a ¼ inch stack of supporting paperwork.

When Alethes was founded in 1998 loan officers filled out the sheets by hand and used calculators and about 25 variables to determine their commission before faxing the mound of documents to loan processors. In 2005 Alethes implemented an Excel spreadsheet that performed the calculations automatically, reducing the chance for user error but still required loan officers to print and fax the forms.

Loan processors checked the forms and their supporting paperwork, flagged incomplete items and returned them to the loan officers. This process would repeat until everything was perfect taking time and resources.

Compounding the problem was Alethes’ commitment to pay loan officers within 48 hours of closing each deal.

“It’s a high-speed, highly paper intensive operation so obviously it lent itself to automation,” Woodruff said.

Eureka Software engineers considered the challenge and quickly found a solution – PDF SmartForms. The documents let loan officers and processors access and share information without emailing (and possibly confusing) copies of the same file. The Microsoft .NET-based web application used asynchronous JavaScript and XML

Partner with Confidence



(AJAX) to achieve a rich and responsive user experience, said Andrew Caldwell, a senior solution developer with Eureka Software.

AJAX is a programming technology that has evolved over the past decade but recently gained wider attention. AJAX allows web pages to update small amounts of data without reloading each time something changes.

Now, loan officers log onto an Alethes account and enter the approximately 25 variables into a PDF SmartForm. Many of the SmartForm's data fields are automatically filled in via an integration with the company's loan management system while others feed from user-specific profile data. As with the Excel worksheet, the SmartForm calculates everything automatically.

The application also includes a comprehensive checklist of documents loan officers must provide to Alethes to complete each transaction. Many of the items include helpful instructions to assist loan officers with providing the correct documentation.

"By requiring loan officers to fully complete the checklist prior to submitting their transactions, we've minimized the opportunity for missing or incomplete documentation," Caldwell said.

The system allows loan processors to identify problematic documents and notify the loan officers that there are errors requiring their attention.

With the loan transaction sheet solution in place, Eureka Software faced another challenge. After Alethes received the finalized sheets and supporting paperwork, it needed to store these documents in a database, requiring another set of Alethes employees to spend their days scanning mounds of paper into the computer.

The problem was intensified by the uneven nature of the mortgage business. Home sales spike at month's end, and so did the paperwork volume. Again, Eureka Software engineers considered the challenge and found a solution – a faxed document attachment module.

Now, loan officers still feed their supporting documents into a fax machine, but when Alethes receives them the files remain digital and link automatically to the corresponding transactions, allowing the documents to be viewed directly within the application.

"This completely eliminates the need to turn the paperwork back into data," Woodruff said.

Woodruff said he expects the custom-designed software to pay for itself in one year. He also expects it will change the way Alethes works. Now that the entire system is web-based and collaborative, loan processors can work from home with greater flexibility.

"That's our dream," he said. "We're really excited about it. It's really mind-boggling to think about how it simplifies the process."

Eureka Software Solutions Inc. partners with clients to deliver business-critical software and technology solutions. Started 20+ years ago in Austin, Eureka relies on a culture of excellence based on decades of experience, expert capabilities and a relentless spirit of innovation.