Scry AI's Collatio for Straight Through Processing in Conventional Mortgage Lending

Scry AI's software converts incoming loan documents into electronic format, classifies them, and extracts key-value pairs with more than 95% accuracy.

SAN JOSE, CALIFORNIA, USA, June 13, 2023 /EINPresswire.com/ -- Existing home sales surged to a fifteen-year high in 2021, an 9.6% increase from 2020, with 6.12 million homes sold. However, primarily due to a rise in interest rates, only 5.03 million homes were sold in 2022 [1].

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> Scry AI's software classifies incoming documents accurately and quickly, thereby alerting borrowers immediately regarding missing or bad quality documents, which saves time for borrowers and lenders."
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> *Dr. Alok Aggarwal, CEO and Chief Data Scientist, Scry AI*

Conventional mortgages are residential loans comprising 82% of the mortgage market in the United States. Despite being the most common type of mortgage, conventional loans are difficult to obtain because borrowers need to qualify regarding many factors, which include having a minimum credit score of around 620, a debt-to-income ratio of no more than 43%, and a down payment of at least 20%. In addition, their credit reports should not have any significant issues like bankruptcy. To achieve these goals, borrowers need to provide many documents like W-2s, pay-stubs, financial statements, tax returns, and verification of employment letters. This makes the entire process extremely unwieldly, costly, and manually laborious. In fact, a recent report shows that this cumbersome process, low housing inventory, and affordability challenges in 2022 forced lenders to lose an average of 301 Dollars per loan. Keeping this in view, Scry AI's software, Collatio®, which is a leader in Intelligent Document Processing (IDP), provides a fast, inexpensive, and accurate process for handling conventional loan applications.

Collatio® uses more than forty proprietary AI-based algorithms and pre-built ontologies that enable the classification of around sixty types of loan-related documents. These documents include W-2s, bank statements, tax returns, credit reports, preliminary title reports, appraisal reports, property tax bills, homeowner's insurance policies, and various financial statements. Collatio®'s AI powered algorithms classifies all incoming documents, and immediately lets the borrower know the ones that are missing or are of bad quality. Since this classification and validation reduces the overall time from several hours to a few seconds, it provides a splendid experience to the borrowers. It also saves lenders more than 80% of their cost and time spent

asking borrowers to provide the missing documents.

According to Dr. Alok Aggarwal, CEO and Chief Data Scientist of Scry AI, "Since Collatio®'s advanced AI trained models can classify incoming documents very accurately and very quickly, it alerts the borrower immediately regarding missing or bad quality documents. Hence, it is a blessing because borrowers save time during this agonizing process and lenders do not need to repeatedly request them for missing documents."

After classification, Collatio® extracts the required key-value pairs from each document and uses AI-based algorithms to reconcile the extracted values. For instance, it reconciles the total income from pay stubs, W-2 forms, and tax returns. Because of AI-based reconciliation, it achieves straight-through processing for more than 60% of the input documents, thereby freeing up analysts' time so that they can attend to more complex tasks. Furthermore, it provides alerts regarding abnormal situations such as errors in the paperwork or potentially fraudulent transactions.

"While Collatio® provides valuable insights and data-driven analysis, its human-centric approach can help mortgage advisors to offer more personalized, timely, and effective services to their customers. It also helps credit underwriters spend more time on higher value-added tasks," said Srinivasan Bharadwaj, Head of Digital Transformation of Scry AI.

Finally, Collatio® can be integrated with almost all end-to-end software lending solutions and processes and it comes with a configurable set of APIs and a rich user interface. It is sold in SaaS (software as a service) mode but can also be installed on-premises and behind a firm's information technology firewall.

Company Details –
Scry Analytics, Inc. ("Scry AI") was founded in 2014 and builds innovative AI-based enterprise applications that enable clients to rethink and automate their data-driven and manually intensive business operations. Scry AI's families of enterprise apps include Collatio® (for ingesting, extracting, and reconciling unstructured and structured data), Anomalia® (for detecting anomalies and potential fraud), Concentio® (for ingesting and harmonizing IoT data), and Vigilo® (for predicting operating and marketing risks). Further details can be found at www.scryai.com.

Reference: [1] https://www.nar.realtor/research-and-statistics/housing-statistics/existing-home-sales

Srinivasan Bharadwaj
Scry Analytics, Inc.
+1 781-929-0669
srini.bharadwaj@scryanalytics.com
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