

# CASE STUDY:

Client profile: A top-five national originator and bank with market capitalization of approximately \$1.8B

## CHALLENGE

A top-five national mortgage originator and savings bank (Bank) provided a construction-financing program as part of their customer offerings.

As a nationwide lender, the Bank discovered that each construction lending title process was laborious with a wide breadth of statutory requirements and title agency requirements that changed with each title company. The state title processes coupled with changing preliminary quotes often resulted in disclosure issues for the Bank. They sought a standardized title and settlement solution for their construction-lending program to help minimize operational losses, closing delays and challenges in scalability.

## SOLUTION

The Bank found a solution with Altisource's Construction Title Pro® (CTPro®), powered by Premium Title™ and Granite Risk Management™.

CTPro is a nationwide industry-leading solution for construction lenders to help standardize title and settlement procedures, expedite the draw process and simplify title requirements while reducing costs throughout the construction management process. Altisource® served as a lender advocate, providing risk mitigation through evaluation, inspection and management of its construction projects.

Moving the construction lending services from the Bank's management to Altisource helped to deliver a significant process solution through a number of key factors, including better business practices and processes to mitigate risk through its management approach, resulting in significant savings for the Bank. The CTPro solution helped the Bank to:

### 📌 IMPLEMENT A BETTER RISK MANAGEMENT APPROACH THROUGH:

- Utilizing builder ability as a basis for assessment
- Reducing draw documentation provided for the Bank's quality builders
- Ability to navigate the state-compliant process across 50 states



PremiumTitle™ AN ALTISOURCE® BUSINESS UNIT  GRANITE Risk Management™ AN ALTISOURCE® BUSINESS UNIT

## METRICS



**30%\***

savings over the traditional model

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The relationship between Altisource and the Bank expanded over the past year, supported with customized training and document support, helping the Bank's team to offer a better client experience and broadly expand its construction loan program.

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- Knowledge of construction industry and processes, including bidding and pricing

### ⬆️ IMPROVE BETTER BUSINESS PROCESSES BY:

- Streamlining processes for the Bank with optimal results
- Saving time with a site map review and foundation inspection rather than a traditional survey requirement
- Managing and controlling onboarding and integration, resulting in a smoother transition processes for the Bank's customers

### ⬆️ IMPROVE CONSTRUCTION MANAGEMENT AND REPORTING WITH:

- Granite acting as the construction project manager and contractor reviewer (including budget and costing, project underwriting, inspection, draw recommendations and draw accounting) reporting routine updates to Bank
- Title policy endorsements at each draw delivered on average less than one business day from request; previously, draw requests were often delayed by more than a week due to title update delays and inconsistent title requirements
- Significant reduction of the Bank's legal fees achieved by working across multiple states and utilizing their relationships and knowledge of each state's requirements
- End-to-end management of the construction project

FEE NAME	CTPro	TRADITIONAL
Settlement Fee	\$595	\$595
Notary Fee	\$150	\$150
Lender's Coverage	\$3,252	\$3,252
Recording Fee	\$34	\$30
Effective Date Endorsement	\$250	—
ALTA 32-06 Endorsement	—	\$500
ALTA 33-06 Endorsement	—	\$1,500
Pre-Close Inspection Fee	—	\$150
<b>Total Fees</b>	<b>\$4,281</b>	<b>\$6,177</b>

## RESULTS

### Significant title cost savings of 30%.

Working with Altisource helped this top originator standardize processes, improve lending capabilities and simplify construction loan transactions all while reducing title and settlement costs. With a \$2 million construction project, working with CTPro can result in a 30% savings over the traditional model.

\*With a \$2 million construction project, working with CTPro can result in a 30% SAVINGS over the traditional model