

Leading Mortgage Lender Increases Payment Rate While Lowering Costs

Boosting collections on delinquent accounts and improving customer satisfaction, a leading mortgage lender turns to automated communications.



How do you create a positive experience when calling customers to collect a debt?

A top-ten mortgage lender, with over \$50 billion in servicing volume throughout the United States, asked this very question as it implemented a new collections strategy. In an effort to boost payment rates while simultaneously increase customer satisfaction, the lender faced the familiar challenge of collecting more while creating a consistent and positive experience from an increasingly dissatisfied customer base.

To test their business-as-usual strategy, they implemented Varolii Interact™ for Collections to compare against their existing outsourced collections agency. The results were significant – and immediate. The lender increased payment rates by nearly 100% within five days of contact, improved customer service satisfaction, and redeployed internal staff to higher revenue generating activities.

Balancing Mortgage Risk and Customer Service

Prior to launching Varolii, the lender primarily relied on a third-party collections agency (agent and dialer combination) along with internal contact center agents for late-stage delinquencies. This collections environment created several challenges. First, managing their outsourced contact center required significant time and resources – from training and retraining agents, to damage control resulting from poor and inconsistent agent performance. Moreover, the lender needed more insight into the strategy, results, and overall performance of their agency.

Collection rates were well below their target, their customers were frequently complaining, and they weren't getting adequate metrics or benchmarks to judge performance.

They also faced challenges in getting customers in various delinquency stages to pay. They learned that savvy customers were quite skilled at dodging collections efforts, and through independent research they also learned that customers typically respond well to automated collections notifications. The lender opted to compare their current practices with an automated solution.

CLIENT

Major Mortgage Lender

CHALLENGE

Increase payment rate on delinquent accounts, lower costs, improve customer satisfaction, and gain visibility into collections performance.

SOLUTION

Implementing Varolii Interact to contact customers for early stage delinquencies (0-15 days).

RESULTS

- 96% increase in payments within five days of RPC or message
- 65% increase in payments within 10 days of RPC or message
- 51% increase in RPC rate
- Significant decline in customer complaints

Contact Us:

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“In addition to having the best available solution, Varolii uses a best practices approach based on years of collections experience, which creates excellent results quickly.”

- Operations Manager
Top 10 Mortgage Lender

Pilot Results: Collecting More, Spending Less

To evaluate the automated approach against their existing business practices, the lender launched Varolii Interact for Collections in a 90-day pilot against its existing outsourcer. Both groups called on a random selection of customers for Home Equity Loan (HELOC) collections. The Varolii difference was immediate. The Right Party Contact (RPC) rate rose above 10%, compared to 4% from the outsource contact center. After 90 days the RPC rate increased to 12%.

Critical measurements, ranging from payment rates to promises-to-pay showed marked improvement as a result of choosing Varolii. And customer complaints significantly decreased. Within ten days of the right party contact or message, Varolii beat the outsourced agents by 65%.

Varolii delivered these results at a cost significantly below that of outsourcing. Not only did Varolii reach more customers, the cost of each RPC was about 70% less than the agency.

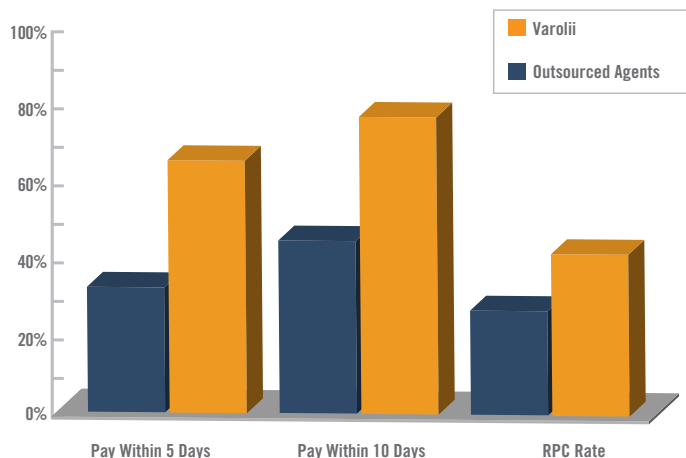
Leveraging Internal Staff

Using interactive customer communications to provide cost effective management of early stage delinquencies, the lender is able to deploy its agent resources more effectively, focusing on high priority delinquent accounts, where agent resources are critical.

The lender also integrated Varolii Interact with its contact center, so they can transfer right parties into their IVR at the point of making a payment or transfer directly to an agent.

Varolii vs Outsourcer

Varolii helped one of the nation’s leading mortgage servicers get the following return in a head-to-head contest against an outsourcer.



ABOUT VAROLII

Varolii® provides on-demand communication software and services that enable organizations to more effectively reach and interact with their customers and employees, getting the best result from every interaction.

www.Varolii.com

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