

Commercial Mortgages Management System

Client

A top ten global investment bank

Business Area

Portfolio Management, Structured Finance, Front Office, Middle Office

Asset Class

Mortgages

Technology Set

Oracle, J2EE, Struts, Spring, Velocity, Hibernate, AJAX, SSO, Actuate Reporting, Clear Reporting

Integration

Misys LoanIQ, Document management system, Staff register, Reporting and Authorization applications

User Profile

Origination analysts, Traders, Closing officers, Underwriters (500+ users)

Geography

Worldwide

Relationships Status

Ongoing ODC, T&M

Services Provided

Full cycle: Business analysis, Development, QA/Testing, Maintenance with Production support

Team Size

7 team members

Duration

4+ years development and ongoing maintenance

Summary

Develop a centralized commercial mortgage entry and tracking application to manage the loan initiation, underwriting, securitization and asset management business processes.

Business Challenge

To improve the profitability of its worldwide commercial mortgage business, the bank needed to streamline and accelerate the business processes from loan initiation to the management of the portfolio across all departments within the bank. The high-level requirements were to:

- Improve and integrate the workflow (initiation, underwriting, securitization, asset management) for both internal and external users around the world.
- Decrease the loan processing turnaround time.
- Improve portfolio risk management.
- Improve decision-making by providing customizable access to comprehensive data about the loan.

Luxoft Delivered Solution

Luxoft's team of financial business and technical experts developed and deployed the commercial mortgage management system on time and within budget. In addition, the Luxoft team successfully integrated the new application with the bank's existing internal systems, including document management and data repositories.

Luxoft's talented engineers designed a highly scalable and flexible architecture to support the performance requirements of over 500 users in the Americas, Europe, and Asia. Its financial systems analysts delivered all critical core functionality, along with new and innovative capabilities designed to provide additional benefits to the bank. The highlights of the bank's new system include improvements to the workflow, data access, and portfolio management.

Workflow Improvements

- The entire workflow of loan origination, underwriting, securitization, and asset management is supported through a centralized, integrated system.

- The loan status is monitored at each stage of the lifecycle of the loan to facilitate prompt resolution by the proper owner of issues that may arise in registration, quotes, due diligence, approvals, rate locking, closing the loan, securitization, and selling, foreclosing or writing off the loan.
- Tasks in the workflow can be assigned to specified internal or external users with automated notification of upcoming or missed deadline dates.

Data Flow and Data Access Improvements

- All financial information used to build the amortization and repayment schedules is maintained and tracked.
- All contact information related to the loan is maintained and tracked (i.e., borrower, principal, guarantor, registered third parties, custodian, and trustee).
- General property information is maintained and tracked (i.e., location, rentable and total area, number of freight and passenger elevators, number of open and covered parking stalls) with tracking of detailed property information is performed by a dedicated, Luxoft-developed due diligence system.
- The balance of payments information (current account, capital and financial account, and change in reserves account, and escrow analysis) is tracked and maintained.

Portfolio Management Improvements

- Major economic parameters and ratings are automatically monitored to facilitate proactive risk management of the portfolio.
- The securitization pool is structured and managed with automated calculation of major risk parameters and tracking of the prepayment penalty terms.
- Asset management is facilitated through ongoing calculation and monitoring of various AM ratios, indicators, and data points.
- Executive reporting includes a variety of scheduled, periodic reports and financial statements, along with user-configurable, ad hoc reports.

The system's architecture consists of the three main modules: the application server and UI, the reporting framework, and the management server. This framework provides easy integration with other systems and low cost maintenance while maintaining high performance levels.

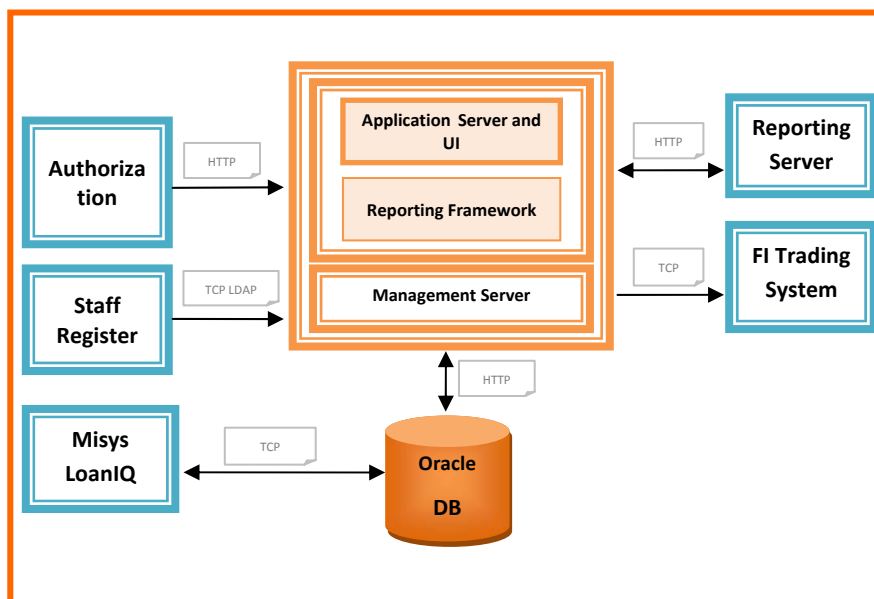


Figure 1: Solution Architecture for Commercial Mortgage Management System

Benefits

With Luxoft's technical expertise and advanced business domain knowledge, the client realized the following benefits:

- Significant improvement of the workflow resulting in acceleration of the commercial loan administration process
- Improved data quality and transparency as a result of integration with the bank's existing systems
- Reduced operating costs as a result of centralizing commercial mortgage management for a worldwide user base
- Improved productivity and decision-making with advanced data access, portfolio monitoring, and reporting capabilities

Customer Feedback

Detailed feedback is available upon request.