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Michigan State Housing Development Authority's Homeownership Division improves mortgage funding process

Content experts from Homeownership, Technology Services and Finance Divisions were brought together to analyze the current mortgage funding process and work to identify and recommend changes to the process.

The team identified updates needed within the current system to reduce redundant entry and created a streamlined process to assist in reducing the potential for errors. After the completion of a 5-week pilot, the team presented their findings and formal recommendations to the sponsors.

Weekly purchases: 2 times more

Households impacted in 2015: 1,800

Loan purchase process time: Reduced forms processing from 10 hours to 45 minutes

Prior to the pilot, there was one purchase per week and a purchase took 8 – 10 hours to complete. Now, there are two purchases per week and each purchase takes 45 minutes to complete. This was achieved by adding a purchasing tech role to the process.

Last year, 1,800 households benefitted and, in 2016, Michigan State Housing Development Authority employees hope to increase this number to 2,250 households.

By implementing E-docs, the team eliminated the manual review process for an estimated \$80,000 annual savings to the lenders in mailing and an \$80,000 cost savings to MSHDA.

After the proposed changes and formal recommendations go into effect, MSHDA also expects to have a higher purchasing volume per week, fund warehouse lines more quickly, streamline the internal funding process, eliminate duplicate entries and reduce data entry errors. This improvement is expected to create value for lenders and better align Michigan's fee structure with other states.



85%
Improvement in Purchase Time