

Operational Agility to Serve the Canadian Mortgage Market

IMPLEMENT AN INNOVATIVE DIGITAL PLATFORM FOR OPERATIONS EXCELLENCE

- Implement digital overlay to leverage legacy infrastructure and streamline mortgage processes
- Drive transformational readiness with sophisticated tools for automation that mitigate manual controls
- Deploy enterprise grade digital capabilities to gauge/ minimize exposure to regulators
- Digitize with innovative low-code technology to attain agility in a heavily regulated environment

BALANCING MORTGAGE EFFICIENCY WITH REGULATORY COMPLIANCE

Canadian banks are recognized as the soundest banks in the world by the World Economic Forum, forming a model of stability in the global financial system over the past decade. Canada's bankers remain vigilant in deploying updates from domestic and global regulatory organizations, including rules for government-backed insured mortgages. These include: increasing the qualifying interest rate, reducing amortization periods and increasing the minimum down payment required for home buyers. The regulators also have guidelines that set out requirements for prudent mortgage lending and the amount that banks can lend through home equity line of credit.

Most recently, the government announced sweeping changes aimed at ensuring Canadians aren't taking on bigger mortgages than they can afford in an era of historically low interest rates. These changes are also meant to address concerns related to foreign buyers who buy and flip Canadian homes. The latest package of announcements is the sixth time since the onset of the 2008 financial crisis that Ottawa has taken policy action in response to concerns about Canada's housing market, indicative of bankers' proactive measures.

Recent major changes to Canada's housing rules include:

1. Expanding mortgage rate stress test to all insured mortgages
2. New restrictions on when the government will provide insurance for low-ratio mortgages
3. New reporting requirements for the primary residence capital gains exemption
4. Government launched consultations on lender risk sharing

With frequent and sweeping changes, how can banks implement comprehensive enterprise-wide technology to streamline mortgage renewals, while meeting regulatory mandates?

STREAMLINE MORTGAGE OPERATIONS

Canadian banks adhere to prudent lending standards and as a result have avoided numerous problems during the global financial crisis. However, the entire mortgage process remains predominantly manual and time consuming, mandating frequent supervisions with ongoing checks and balances. This includes notifying borrowers, collecting data and documents (appraisals, credit, check employment status etc.), underwriting, creating loan options, presenting offers, then tracking responses, updating relevant systems, adjusting the amount and rates, and closing.

At the same time, changing regulations require significant investment in newer and more sophisticated tools necessary for better modeling and liquidity risk management. To stay ahead of the game, banks will need visibility across all divisions and an accurate understanding of current and emerging regulations. Governance and automation technology will enable bankers to streamline the mortgage process and cut costs as a proportion of revenues by as much as 15 percentage points. As a direct impact, deploying relevant technology would also entail flawless customer experience based on efficient communication with borrowers around mortgage updates, leading to enhanced satisfaction and loyalty.



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CONSIDER A DIGITAL OVERLAY APPROACH WITH APPIAN PLATFORM

Appian's low-code digital transformation platform can help accelerate the delivery of business automation solutions and leverage technology benefits across the business, with customer-centric views across channels, products and divisional staff.

With a single, integrated digital platform, proven security and a powerful, intuitive interface, banks can focus on new technologies and drive existing mission critical legacy systems.

- **Improve productivity and efficiency.** Appian supports integration with multiple data sources, enables access to process optimization tools, and provides a full audit history of risk processes across multiple businesses and geographies, all on one platform.

FOCUS YOUR EFFORTS

Focus your efforts to meet all compliance challenges. With Appian, you can:

- Manage basic cases and more complex scenarios within the same process
- Create comprehensive views across events, departments, products and regions
- Conduct ongoing screening with reasonable review and escalation of exception cases

TAKE CONTROL

Take control of performance with the Appian application platform, a powerful yet easy to use platform for managing complex business processes. Quickly build and deploy enterprise apps for:

- Customer Acquisition
- Compliance
- Customer On-Boarding
- Product Management
- Business Operations
- IT and FinTech partners

PREPARE FOR THE FUTURE

- **Increase speed to compliance.** With the low-code Appian Platform – powered by Business Process Management (BPM) capabilities – you can quickly deploy applications to manage and control the gathering of data from multiple sources.
- **Integrate people, process and data.** Appian assembles data from all sources into a comprehensive view and can be modified without losing sight of the entire process. Appian's easy to build and change rules enables the bank to collaborate and manage simple or complex procedures across all businesses and geographies.
- **Achieve a comprehensive and integrated view.** The Appian unified platform enables management of risk processes on one low-code flexible platform, allowing improved oversight, accountability for decision making, and staff effectiveness in executing large scale data gathering programmes. With Appian platform you can implement processes to remediate issues identified during your data gathering and analysis.

- Pressure is mounting to deliver innovation in the financial services sector. Alleviate the pressure with Appian. Streamline operations, reduce costs, facilitate collaboration, and navigate change.
- Unify relevant information and systems to get work done with Appian. Achieve significant efficiency in work execution while leveraging your legacy IT investments.

LEADING ORGANIZATIONS TRUST APPIAN:



Appian delivers an enterprise platform for digital transformation that is changing the financial services landscape. Powered by industry leading Business Process Management (BPM) and Case Management capabilities, Appian's low-code approach can radically accelerate the time it takes to build and deploy powerful, modern applications, on-premises or in the cloud. The world's most innovative financial services institutions use Appian to revolutionize their customer experiences, transform their business operations, and master global risk and compliance. For more information, visit www.appian.com