Reggora

How a Regional Bank Saved $225,000 Per Year and Eliminated Revenue Leakage in Its Appraisal Operation

A customer success story

Introduction

This regional bank headquartered in Lubbock, Texas has more than 40 branches across Texas and New Mexico and offers a variety of services including mortgage lending, trust, insurance, investments, indirect lending, and private banking.

Founded in 1941 as a community bank, it prides itself on providing customers with innovative technologies in banking and unsurpassed service from staff.

Company Profile | **Annual appraisal volume:** 5,000 | **Branches:** 46 | **Appraisal source:** Direct appraiser panel and AMCs | **LOS:** Encompass

Challenge

Long cycle times had long been a key source of frustration for the bank's borrowers and employees. The main culprit, they discovered, was actually their appraisal operations technology. The platform was unable to fully integrate with their LOS, Encompass, which required them to click between different programs to manage appraisals. The bank's workflows were forced to lean heavily on manual inputs and duplicate data entry, causing bottlenecks when it came to completing tasks such as appraisal payment collection, managing order invoices, and delivering appraisal reports to borrowers.

"The system we were using wasn't quite nimble enough to be able to adapt to what we were doing," said the bank's VP of staff appraisal.

"The level of [client] support wasn't really there either. It was kind of sporadic, and we tried multiple times for years to get some things done, and what we were being told was that it wasn't going to get worked out."

In addition to negatively affecting the bank's operations and customer satisfaction, the shortcomings of the appraisal technology also impacted profitability. "We had some [revenue] leakage due to uncollected appraisal fees on transactions that would ultimately choose another lender, or not be one that we could proceed with," the bank's senior vice president of loan operations explained.

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They estimated that in 2019, prior to the refi boom, their annual loss was approximately $75,000. Then in 2020, when volume spiked 60%, their annual revenue leakage correspondingly rose to an estimated $125,000.

The frustration with their legacy technology left the bank's appraisal team open to exploring alternative, more capable appraisal management solutions that would increase operational efficiency and improve cycle times.

Solution

The bank explored a number of potential appraisal management solutions, but ultimately they recognized several core features in Reggora that would alleviate their core pain points.

1

Bidirectional integration with Encompass. This not only allows the sales team to work solely within that system but also eliminates the slow and error-prone manual data-entry process.

2

Streamlined payment collection and remittance capabilities. Flexible and reliable payment operations ease the strain on the accounting team and stem revenue leakage.

3

Ease of use. An intuitive user experience made decision-makers confident that adoption would be high across the appraisal management and operations teams, as well as their panel of appraisers.

The team highlighted Reggora's standalone mobile app as an unexpected added benefit, as it enables the bank's sales team to stay connected to the appraisal process any time, anywhere.

Once it came time for Reggora to onboard the bank and its panel of appraisers, the Reggora team presented a structured and transparent implementation schedule. "They had it all planned out, very systematic," the VP of staff appraisal recalled. "We were doing this right when volume was through the roof. To be honest, there were a lot of times when we didn't get [Reggora] what they needed or asked for, but it was fine. They were patient. I think that process in itself was really good."

The bank's real estate valuation specialist, added that the level of support they received during and after implementation has been a welcome contrast to that of their former provider. "The help center support, it's super responsive and super fast — it's within the same day, if not within the same hour or two," he says.

As suspected, internal adoption has proven easy due to Reggora's modern, accessible user interface. "It's really just a program that's easier on your eyes," the real estate valuation specialist commented. "I think any user can jump in there and learn it right away within a couple hours if they're brand new to it. I definitely like the user-friendliness of it overall."

The overall flexibility within the Reggora platform has positioned the bank to manage their panel of appraisers the way they had envisioned and streamline their appraisal operations, from ordering through automated delivery of the appraisal report.

"The actual implementation project went very smoothly, and I cannot speak highly enough about Duane Morris' attention to detail and understanding of what we set out to accomplish."

– SVP of loan operations

Results

20 hours saved processing invoices, the equivalent of $100,000 in annual overhead

As a comprehensive platform that addresses each aspect of the appraisal operations workflow, Reggora can be leveraged to close efficiency gaps that span departments. Automation is a key component of that.

Prior to implementing Reggora, the bank's past-due appraiser invoices required the attention of multiple full-time employees—from operations, revenue, accounts payable, and others—and consumed up to 20 collective hours per week, or the equivalent of $100,000 in annual overhead. Now, automated payment processing has relieved that burden, so those employees are able to focus on more high-impact tasks within their core responsibilities.

Automated order allocation has also led to a notable efficiency gain. The SVP of loan operations explained: "In our more metropolitan markets, with more available appraisers, they've seen a drop in turn times. It's roughly one day less for those markets compared to what the branches stated their turn times were in our previous solution."

The bank's revenue leakage has also been stemmed, saving the business an estimated $125,000 annually. "By having our process set up to default to collecting at the time of ordering, we have seen significant improvement on this front compared to our previous platform," the SVP of loan operations explained.

By reducing the man-hours required to manage appraisals and eliminating revenue leakage, the regional bank **saved $225,000 in annual loan costs**. The added value of cutting appraisal turn times by one day brings the estimated savings to **$66 per loan** for the lender.

Key to these outcomes is the successful adoption of Reggora. The loan operations manager pointed out that the bank has experienced an adoption rate of more than 95% among their panel of appraisers. Additionally, panel management is easier in Reggora, in part due to the customizable nature of the platform and access to data that helps the bank monitor each order and better understand appraiser performance.

The bank has observed notable improvements on the borrower side as well. Two features, in particular, have made the process more convenient, leading to increased satisfaction. One is the ability to collect payment at the time of the order. The second is the ability to have the appraisal report instantly emailed to the borrower.

$125,000 annual revenue recovered from unpaid appraisal fees

With the ability to effectively manage volume at scale, the team at the bank positioned itself to achieve these benefits during one of the busiest periods in recent memory.

"[If we hadn't switched to Reggora], we might have all lost our minds," said VP of staff appraisal. "The fourth quarter of 2021 was just brutal for us. There was so much demand, so many loans. I think we were able to provide much better customer service and handle that crazy time much better with Reggora. Had we not, I think we probably would've lost out on a lot more business."

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