

HEXWARE

Legacy System Modernization in Loan Servicing: Enhancing Efficiency and Reducing Errors

Modernizing Loan Servicing Infrastructure
with RapidX™



Client

| Client

- Challenge
- Solution
- Benefits
- Summary

Our client is a government-sponsored enterprise based in the United States. It was established to expand the mortgage market by buying and guaranteeing mortgages from lenders. This helps make home loans more accessible and affordable. Our client plays a key role in supporting the U.S. housing market by ensuring liquidity, stability, and affordability.



Challenge

Client

| **Challenge**

Solution

Benefits

Summary

Our client faced several operational challenges:

- The loan management system (based on Oracle PL/SQL code), which is the backbone of the organization, was operating in a siloed data environment across the loan lifecycle.
- Manual reconciliations were time-consuming due to fragmented systems and a lack of integrated data.
- There were delays in supporting new file formats, leading to inefficiencies.
- The absence of real-time servicing data made it difficult to make timely decisions.
- Multiple time-consuming reconciliations were required due to discrepancies in data reporting from servicers.
- Exception handling was done manually, which increased operational costs and complexity.
- The system design was too complex, making it difficult to implement changes.
- Operational risks arose from failing to meet the Disaster Recovery Time Objective (RTO) for critical processes.
- There was no predictive analytics feature for loans.
- There was a need for enhanced resiliency, risk mitigation, and self-service capabilities to enable quicker response times.



Solution

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The solution involved a multi-phase approach using RapidX™:

- **Code:**
 - A pilot project was initiated, involving 20 PL/SQL stored procedures for the loan management system (covering a few key modules).
- **Knowledge Base Creation:**
 - A knowledge base was developed from code analysis of the Oracle PL/SQL modules.
 - The knowledge base supports visualization with drill-down capabilities for in-depth search and analysis.
- **Code Modernization & Deployment:**
 - Oracle PL/SQL code was modernized and converted into Java Spring Boot-based microservices.
 - These microservices were deployed in executable Spring Boot containers on AWS ECS Fargate infrastructure.



Benefits

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- Processing time was improved by 30%, leading to a better servicing experience for lenders and servicers.
- Data errors from servicers were reduced by 40%.
- The accuracy of loan positions was enhanced with improved borrower payment data.
- Complexity was reduced by consolidating processes from multiple applications, leading to the retirement of legacy systems.
- The solution enhanced system stability and resiliency.
- Efficiency was increased through process and control improvements, as well as the introduction of self-service capabilities.
- The modular, service-based design facilitated future scalability and easier system updates.



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The modernization of our client's loan management system through the migration from legacy Oracle PL/SQL to Java Spring Boot microservices has significantly improved operational efficiency, data accuracy, and system resiliency. By streamlining processes, reducing manual effort, and integrating real-time data access, the organization is now better equipped to support the U.S. housing market. The enhanced system design not only reduces operational risks and lowers costs, but also positions the client for future scalability and adaptability. Ultimately, the solution delivers a more efficient and stable infrastructure, improving the servicing experience for lenders and servicers while ensuring long-term success.



About Hexaware

Hexaware is a global technology and business process services company. Every day, Hexawarians wake up with a singular purpose: to create smiles through great people and technology. With this purpose gaining momentum, we are well on our way to realizing our vision of being the most loved digital transformation partner in the world. We also seek to protect the planet and build a better tomorrow for our customers, employees, partners, investors, and the communities in which we operate.

With offices across the world, we empower enterprises to realize digital transformation at scale and speed by partnering with them to build, transform, run, and optimize their technology and business processes.

Learn more about Hexaware at <https://www.hexaware.com>.

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