Borland®

Borland Delphi at FNC, Inc.

"The flexibility of Borland Delphi enabled us to customize our solution to meet the specific requirements of some of the country's leading mortgage lenders, including Dime Savings Bank of New York, Washington Mutual National Bank, Bank of America, and Charter One Bank."

—Duncan Chen
FNC, Inc.
Oxford, Mississippi

FNC, Inc.

FNC builds Web-integrated software for real estate mortgage lenders and their collateral service providers. The FNC Collateral Management System (CMS) automates the processing of the appraisal, inspection, flood, environmental, title, and other mortgage services that support a lender's evaluation of the collateral risk associated with each loan. While a Web-based solution provides lenders the capability to quickly and conveniently reach their service vendors, they also need a fast and completely automated system that can integrate each step of the process with their multiple management systems inside the bank, while communicating with the vendors they depend upon. Borland® Delphi™ is the platform FNC, Inc. chose to provide this complex solution.

Situation

Historically, the processing of mortgage collateral—the appraisal and related services to estimate the value of the property–has been a time-consuming, paperwork-intensive process that increased back-office costs and exposed lenders to risks presented by ever-changing interest rates, while frustrating customers, who had to wait for all the paper to get shuffled into the appropriate hands.

The processing of real estate loans requires action by many specialists—a mortgage broker or loan originator to kick things off, appraisers, title insurance companies, home inspectors, underwriters and others—with possible mail, phone, fax and filing delays all along the way. The process often takes from 30 to 60 days, sometimes even longer.

FNC saw the opportunity to automate this cumbersome process by incorporating the lender's business rules into a fully integrated system with interfaces electronically linking all the bank's departments participating in the collateral property valuation, while providing them with Web access to their service vendors outside the bank's security firewall. This system is FNC's CMS.

Flexibility is key to the success of the CMS. FNC chose Borland Delphi to deliver this sophisticated application to top-ten lenders.

Results

The Delphi-built CMS has greatly reduced the time needed for lenders to complete the collateral valuation stage of the mortgage application process, significantly cutting the risk posed by changing interest rates, while making loan applicants very happy by processing their loans in a matter of days rather than weeks.

The Delphi application also reduced the need for paper storage and made it possible for managers to generate real-time reports on the status of the loans that were in the collateral management process.

Furthermore, the wide range of database connectivity provided by Delphi reduced the development time needed to provide communication across multiple databases, facilitating connection to any of the client's databases whenever needed.

In only four months, five FNC developers recently completed a new thin-client version of the Delphi application, enabling lenders to provide connectivity to vendors such as property appraisers and employees located at remote sites.

Delphi™

The FNC Challenge

When analyzing a mortgage application, a lending institution must navigate a complex evaluation process to determine whether making the loan is a good business decision. Two numbers contribute to the lender's decision. The first, a credit evaluation on the buyer, is highly automated. But the second element, evaluating the collateral backing the loan, typically the value of the property itself, is often beset with multiple software systems within the bank and poor connectivity between the lender and its service providers. Lenders must assure themselves that the value of the property exceeds the amount of the loan, to evaluate the risk to the bank in the event that a borrower defaults. An additional complication is that each lender applies its own business rules and practices to guide the evaluation process.

FNC also discovered that the infrastructure within the bank was poorly adapted to the improved information exchange needed to support faster loan decisions. Many banks have invested in custom mainframe solutions to assist in the collateral evaluation process, but the proprietary nature of the mainframes themselves have limited those institutions to a paper-based evaluation process. Ultimately, FNC Inc. needed a solution that consumes less time and manpower, and provides much needed integration and automation, serving both lenders and consumers well.

To develop a truly automated system within this context, FNC had to accommodate the many unique business rules that govern the decisions of each institutional client, while providing the framework for all communication and information exchange required by multiple networks inside and outside the institution.

Technology

Application	Collateral Management System (CMS)
Tool	Borland® Delphi™5 Enterprise
Other tools evaluated	Microsoft Visual Basic
Database server	Microsoft SQL Server
Number of users	100 to 1,000, depending on customer
Team size	4 persons
Development time	4 months

The Borland Solution

FNC's Collateral Management System provides digital data management tools for automating mortgage origination, servicing, and foreclosure. The system provides networking capabilities across multiple software systems inside the institution and greatly reduces the need for paper handling and storage. Reports may be instantly generated from archived data, and the best service provider for a job can be selected by a decision-engine that learns as it goes, and even features an online auction function for appraisers and other vendors to bid on jobs over the Internet.

One client expects the FNC collateral management process to help reduce their loan cycle from three to four weeks to just three to five days.

FNC, Inc. has used Delphi since 1995, when this leading-edge development environment was first introduced. Originally, the company had also considered Microsoft® Visual Basic™, but opted for Delphi because its object-oriented solution allows for continual modification to accommodate customers' unique business processes. FNC developers have since revisited their original decision, choosing each time to remain with Delphi.

The objected oriented model of Delphi has helped FNC create a series of modules that can easily and quickly be customized to the requirements of any customer's specific application. Tailoring their own applications to be fully consistent with the object-oriented model makes it easy for FNC to quickly accommodate each customer's business practices.

Recently, FNC conducted a major application overhaul by moving to a thin client environment. This move allowed customers to roll out the application to larger numbers of users while also reducing administration costs. The new version features a server layer, written in Delphi, which encapsulates extremely complicated business logic in a middle tier that still takes advantage of the object-oriented model, providing for quick customization to a customer's specific business process.

Time-to-market for the new version was dramatically decreased because developers used the rapid application development environment of Delphi to prototype modules of the new application. FNC developers made extensive use of the Delphi Visual Component Library (VCL) and third-party components, saving time during user interface development. Delphi's rich set of GUI and web components provide a simple and seamless way to connect to the database and the relative database classes, meaning very little time must be devoted to this aspect of the project.

The new Delphi CMS now offers banks a solution that provides rich reporting and management tools to ensure high-quality final report, enabling banks to make better and more efficient lending decisions.

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