

Willow Recovers \$100k+ in Lost Payments

Willow's platform recovers unpaid funds on transferred loans, a common issue experienced by interim servicers

The Problem

All too often mortgage originators find themselves writing off uncollected first payments, resulting in tens to hundreds of thousands of dollars in annual losses. For one lender in particular, Willow Servicing's platform was implemented to reduce first payment losses.

During COVID, access to low interest rates created a significant increase in origination volume. Our lender lacked technology and processes to manage first payments, quickly resulting in hours of manual tasks that overwhelmed their accounting team. "Prior to Willow, we didn't have access to bulk reporting that we could drop into our accounting software. Now, it's a one-click task across all loans," Accounting Manager.

"We were limited by the fact that we didn't have technology to send out payment reminders and couldn't offer the ability to collect ACH payments."

- Servicing Manager

After implementing Willow, the lender focused on both streamlining operations for newly originated loans and collecting payments missed over the past 3 years.

The Solution

The loan transfer process is often confusing for borrowers, who may receive conflicting instructions and notices within a short period of time. To not cause further confusion, the lender needed to carefully craft their messaging when collecting on loans that were now owned by another servicer.

To alleviate this issue, the lender implemented custom mortgage statements and notices to use for their past due loans. The documents clearly stated that a payment was missed prior to the loan transferring, and outlined how much is due and how to make a payment. Every borrower was provided a white labeled

payment portal to make their missed payment online.

“We were limited by the fact that we didn’t have technology to send out payment reminders and couldn’t offer the ability to collect ACH payments. With Willow, we don’t even have to think about sending notifications, statements, or how to collect payments anymore; it has been such a benefit to us,” Servicing Manager.

In addition to Willow’s automated outreach, the lender utilized Willow’s engagement data to identify specific customers to call. By focusing on borrowers who did not engage with email communications or online tools, the lender was able to increase collections while minimizing time investment from their staff.

While the lender had borrowers on the phone, they were able to use Willow’s pay-by-phone functionality to collect payments on the spot. This eliminated the need for borrowers to send check payments and ensured accurate & prompt payment.

“Not only has Willow saved us money in many areas, but it has recovered funds as well.”

The Outcome

Within the first 2 weeks of sending automated past due notices, over \$27,000 was collected via Willow’s online portal. To-date, the lender has been able to collect over \$100,000 in payments that were previously written off. “Not only has Willow saved us money in many areas, but it has recovered funds as well.”- Chief Financial Officer.

With Willow, our lender now has visibility into their portfolio and confidence in their processes. Through automating core workflows, the team has been able to redirect focus to closing loans and growing their business.