Homepoint sets data in motion to streamline loan processing with Confluent on Azure

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homepoint

Headquartered in Ann Arbor, Michigan, Homepoint closed a company-record $62 billion of mortgage volume in 2020, a figure it nearly matched through the first half of 2021. This rapid growth is enabled by a cloud-native, microservices-based IT architecture founded on Microsoft Azure and Confluent. By incorporating Confluent and data streaming into its IT architecture, Homepoint is reaffirming the cloud-first strategy it adopted when it launched in 2015 with core operations running on Azure. Confluent has helped Homepoint tackle long-standing business challenges, lower costs by $800K monthly, improve the efficiency of key processes by 20 percent, and increase the pace of deployments by 40 percent.

customer
Homepoint

partner
Confluent

Products and services
Azure

industry
bank, securities

Organization size
Large (1,000 to 9,999 employees)

Country
United States

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Simplifying the mortgage process with a cloud-first strategy

In 2020, mortgage originator and servicer Homepoint closed a company-record $62 billion of mortgage volume, a figure it nearly matched through the first half of 2021. This rapid growth is fueled by Homepoint's focus on customers, as well as its commitment to continuously finding ways to simplify the mortgage process and make it easier to own a home. Additionally, the growth is enabled by a cloud-native, microservices-based IT architecture founded on Microsoft Azure and the Confluent data-streaming platform based on Apache Kafka and available in the Microsoft Azure Marketplace.

Plans for the next-generation architecture started in early 2020, when it became clear that the company's architecture based on application programming interfaces (APIs) showed signs of not keeping pace with the business and its goals. solutions we use for loan origination and servicing are mature, but we were limited by their APIs. We were at the mercy of how fast they developed features, and it was obvious that we could not continue with just point-to-point integrations using these solutions," says Chris Varro, Senior Managing Director - Systems Development at Homepoint. "We saw that we could build an event framework on top of those off-the-shelf systems to accelerate our own development and solve some of the business problems we were A prime example was our loan redisclosure process,which was at the time slow, costly, and required significant manual effort to complete."

Confluent on Azure boosts innovation with continuously flowing data

Built by the original creators of Apache Kafka, Confluent is a data-streaming platform that enables users to access, store, and manage data as continuous, real-time streams, enabling organizations to harness the power of continuously flowing data to innovate and thrive in the modern digital world.

By incorporating Confluent and data streaming into its IT architecture, Homepoint is advancing the cloud-first strategy it adopted when it launched in 2015 with core operations running on Azure. existing systems," says Varro. "Now instead of being limited to seeing data at just one point in time, we can see how it has changed over time, which is critically important for us operationally. Much like the weather radar that shows how your The situation has changed by the minute, seeing our data in motion with Confluent has enabled us to tackle long-standing business challenges, lower costs, and deliver improved customer experiences."

Although Homepoint is still relatively early in its data streaming journey, the company has already realized significant benefits:

- Costs decreased by $800,000 monthly; efficiency increased by 20 percent. "On the redisclosure project alone, we estimated that our next generation architecture, enabled by Confluent and running on Azure, would enable us to save $500,000 per month while achieving a 10 percent efficiency improvement, because our systems tell the agents exactly what they need to look at instead of having them 'stare and compare' for hours," says Varro. "When we implemented it, we found that we had underestimated: We're saving $800,000 monthly with a 20 percent improvement in efficiency."
- Near real-time insights enabled. "In the past, we only had snapshots of our data, every four hours or so, once it was loaded into Snowflake," says Varro. "With Confluent, we have much more visibility into loan data and how it's changing over time. As a result, we can answer much more sophisticated questions about our clients and the data they continuously feed us."
- Pace of deployments increased by up to 40 percent. "The core architecture that we have now, with dozens of microservices running in Kubernetes on Azure and integrated via Confluent, has many advantages over our old virtual-machine-oriented deployment model with one or two large code bases," says Varro. "It's easier to scale, and we can turn around features and changes 30 percent to 40 percent faster."
- Proactive support received. "The Confluent team has always been there for us, not only providing support when we needed help but also pointing out adjustments that we could make or suggesting alternatives to the way we were doing things," says Varro. 't find that with a lot of vendors we work with, and when we do it's a big multiplier for us."

Having simplified and improved the loan redisclosure process with Confluent on Azure, the Homepoint team is focused on doing the same for loan closures, underwriting, and servicing. "We saw a great return on investment with Confluent on rediscolures, and we expect that to only increase over the next year and beyond," says Varro.

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—Chris Varro: Senior Managing Director - Systems Development
Homepoint

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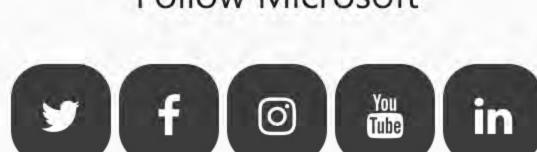### 大日本コンサルタント株式会社 NIPPON ENGINEERING CONSULTANTS CO.,LTD.

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