

How can a mortgage lender shorten the time to clear-to-close?

Verify income, assets, and credit at application, track every condition, start each task when it is ready, and automate routine work. Underwriters keep final approval.

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A mortgage lender can shorten the time to clear-to-close by verifying income, assets, and credit when the application is taken, tracking every condition on every file, starting each task as soon as its inputs are ready, and automating routine processing, underwriting, and closing work. Underwriters keep final approval. Our team built LoanFlow, mortgage software that used this approach to cut the time to clear a loan for closing from 30 days to under 24 hours and cut back-office costs by 75 percent.

Where the time goes

A loan is clear to close when the underwriter has confirmed that every condition is satisfied and the file can move to closing. Conditions are the items underwriting requires before the loan can close, such as a verification of employment, a letter explaining a large deposit, an updated pay stub, or an appraisal review.

Most of the time between application and clear-to-close is spent waiting. Documents are requested late, files sit in a queue between the processor and the underwriter, and people re-key data from one system to another. The first step is to measure it. Trace a sample of recent loans from application to clear-to-close and time each wait. That shows which steps to remove, which to automate, and which need a person.

Collecting and verifying information at application

In LoanFlow, a borrower entered a name and address, and the software filled in the rest of the application from outside data sources. Income, assets, and credit were verified when the loan officer took the application, instead of weeks later in underwriting.

When you verify early, problems with income, assets, or credit show up at the start of the file, while there is still time to fix them.

Tracking every condition

LoanFlow tracked about 10,000 conditions across roughly 1,000 steps. When a step's inputs were ready, the file went straight to the next person or automated task.

A full map of every dependency takes time to build. A practical first step is to list the conditions your team clears most often, record what each one needs, and find which of them could be checked automatically from data you already receive.

Automating the routine work

In LoanFlow, most processor, underwriter, and closer tasks ran automatically, using more than 40 integrations with outside data and service providers. Underwriters kept final approval.

Your compliance team should review what each automated step does before it runs on live loans. Each step should record what it checked, so reviewers and auditors can see how a condition was cleared.

How we start with a lender

We work with a lender's current loan origination system and vendors. We start with a review that takes two to three weeks. We trace recent loans to find the work AI agents can take over, and we look at the AI products vendors are offering you and tell you which to buy, which to build, and which to skip. Then we automate one part of the process, such as condition clearing, document review, or income calculation, and measure it against your cycle time and error rate before doing more. See [how we work with lenders and our team](#).

[Talk with Allan about your loan process](#)