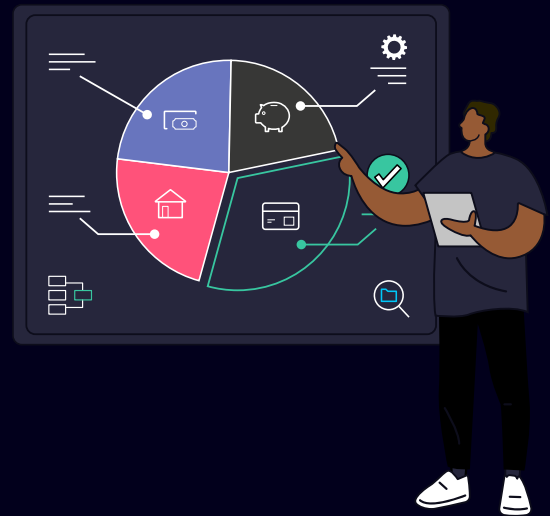


CASE STUDY

Deephaven Mortgage brings Day 1 certainty to mortgage lending



Background

Deephaven Mortgage LLC is a pro-borrower mortgage lender that offers loans through a network of 1,000+ independent mortgage brokers. Headquartered in Charlotte, North Carolina, they use ingenuity and common sense, instead of a narrow set of criteria, to qualify borrowers' incomes and credit-worthiness. They also buy loans from more than 200+ correspondent partners.

Challenge

Teaming with a network of independent mortgage brokers, Deephaven provided \$5 billion in private capital liquidity for mortgage loans in 2019. **“We’re essentially a business-to-business operation,”** explains Matt Lehnen, Chief Technology Officer. **“We don’t interact with borrowers directly, but rather with sellers, brokers, and other mortgage originators, buying and securitizing mortgage assets.”**

The lender frequently services borrowers locked out of the GSE market due to certain standardized requirements like non-W-2 income or short credit histories. To service these traditionally excluded borrowers, Deephaven uses bank statement analysis to obtain a more accurate assessment of income, measuring the borrower’s actual cash flow. “In the GSE world, these are the kinds of borrowers that depository originators won’t consider touching,” according to Lehnen.





Solution

Deephaven integrated Ocrolus into its loan origination process to capture, verify, and analyze the data on borrower bank statements and calculate real income in minutes. Then, Deephaven conducted internal research into underwriter productivity, showing that the company saved over 2 hours of underwriter's time for each mortgage application.

“Underwriters no longer had to act as data entry clerks, meaning they could focus on the work that matters,” summarized Matt Lehnen.

“Ocrolus increased efficiencies across the board, introducing a new level of speed, accuracy, and scalability into our underwriting,”

- Matt Lehnen, Chief Technology Officer at Deephaven

Result

The Ocrolus platform ensured the authenticity of borrower bank statements, isolating potential fraud such as Photoshopped data, invalid dates and amounts, abnormal fonts, irregular formats, and other malfeasance. Unlike the manual process that excluded data due to resource constraints, the solution captured bank account transactions for a comprehensive audit trail.

“We had a goal to digitize our bank statements. With Ocrolus comprehensively, we gained operational efficiencies and scalability and effectively brought a Day 1 Certainty experience to the Non-QM world.” Deephaven also saved 2+ hours of the underwriters' time per mortgage application.





Conclusion

Adopting Ocrolus' document automation solution revolutionized Deephaven's mortgage application process, enhancing overall efficiency. Ocrolus put Deephaven's toolset on parity with the conforming world and the GSE sector, which meant Deephaven outpacing most mortgage lenders.

“ It was a core technology goal to bring Day 1 certainty to all our mortgage operations. With Ocrolus, we could leverage the kind of verification technology traditionally exclusive to conforming and GSE-backed lenders.”

- Matt Lehnen, Chief Technology Officer at Deephaven