

Case Study

Consumer Finance



Chase Manhattan Mortgage Cuts Recognition Errors From 45 Percent to One Percent

Chase Manhattan Mortgage has helped millions of Americans realize the dream of home ownership. The company is one of the largest mortgage originators and servicers and is a key component of JP Morgan Chase, the nation's third-largest bank. Chase Manhattan Mortgage manages thousands of paper documents each day. Charged with the task of updating the company's document management system, Rick Duff, Chase Manhattan Mortgage's manager of software development and imaging, deployed a technology solution to meet the company's growing content management requirements. With the help of Kofax, Chase now scans more than 2.5 million documents per month, a significant order of magnitude over the legacy technology capability that limited processing to 750,000 documents.

The Challenge

Chase Manhattan Mortgage developed Quest, its first document management system in-house in 1992 using a variety of applications. These included applications custom developed in the C and Visual Basic programming environments, the Informix database application and Plexus' optical/storage management product for storing and retrieving multimedia data objects. In 1999 the company added ImageFIRST Office, Plexus' integrated software solution providing document image processing (DIP), computer output to laser disk (COLD), production and ad hoc workflow, and document management technologies. The systems supported the company's loan default divisions and converted customer financial documents into images, enabling customer service representatives to immediately access customer account information.

"The prior solution used ICR for automated indexing, but its lack of image cleanup features led to error rates of almost 50 percent, which required costly manual intervention. Skewed documents were the biggest issue," Duff said. "Our bar codes were also obscuring important information. It was obvious that changes had to be made because we were scanning 100,000 new mortgage documents per day and growing fast."

The Solution

Chase Manhattan Mortgage chose Kofax Ascent Capture software and Adrenaline scanner controller boards for its next-generation system. Ascent Capture offered faster, more accurate document deskew and a wide range of other image enhancement options. Its production-oriented architecture, user interface and proven stability made it well suited for Chase's large and rapidly growing operation.

The Adrenaline scanner controllers provided reliable high-speed scanning and additional image enhancement features, plus fast, accurate bar code recognition. They worked so well that Duff changed his automated indexing method from hand-print recognition to Adrenaline bar code recognition. The enhancements dropped the manual correction rate nearly 50 percent to less than 1 percent.

Kofax solutions also gave Chase the flexibility to meet its future needs without forfeiting its initial investment. For example, Ascent Capture enables users to index, validate and release to back-end systems not only scanned paper, but also electronic documents, Web forms and other digital data streams, such as XML.

Chase also is taking advantage of Ascent Capture's new electronic data capture and optional polling capabilities. The company has begun to capture mainframe print streams using Ascent's Import Controller, converting them to image (TIF) files, and

"Chase has lowered the company's software and hardware costs and reduced scanning costs from 10 cents to 6 cents per page."



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then employing OCR to index values from the images. Ascent Capture permits Chase to run the same workflow process used on scanned paperbased documents. No additional applications or programming are required.

XML Processing Expands Business Opportunities

“Ascent’s ability to process XML streams enables Chase to service loans for other financial institutions. “When Chase purchases loan portfolios from other companies, data is sent to us as electronic document images embedded within an XML stream. With Ascent, Chase can quickly auto-import these images into our system, eliminating the need for the manual inputting of data and, in turn, reducing the chance for errors.”

New polling features offered by Ascent Capture enable Chase to automatically accept input from other applications. This capability can now be run as a service rather than a script.

“We are very excited about Ascent Capture’s new polling modules,” Duff said. “Because we do indexing before scanning using bar code prep sheets, users don’t have to interact with the validation queue. With the new Kofax auto poll feature in the validation queue, it now automatically processes all batches without manual intervention. Previously, this is something we had written as an interface to do ourselves and is now built into the product. It will enable us to boost our productivity significantly.

“The product’s new SQL server-based batch catalog also is a wonderful enhancement for our application considering we now have 40 PCs talking to Ascent at one time.”

In addition, by applying consistent indexing and validation processes to all data as well as using a single user interface for all media, Ascent Capture minimizes capture errors and streamlines the capture process. Since Chase buys and services a high volume of mortgages from other financial institutions, this integrated approach means Chase can quickly and easily assign loan numbers to mortgages from any source.

Chase has also begun to take advantage of Ascent Capture’s ability to integrate simultaneously with more than one document or content management system. Kofax offers free, fully tested and supported integration modules for dozens of leading back-end systems. Each sends images and index data in native formats and to the appropriate fields of the chosen data repository.

“Prior to the implementation of Ascent Capture, it was necessary for Chase to write a custom validation module to compare captured data with our existing database. This took a considerable amount of time and added to the overall processing

of loan documents,” Duff said. “Since a database validation module is embedded in Ascent Capture, it took Chase only minutes to get the system up and running and we no longer require custom programming to maintain the validation process.”

Because of the successful implementation of Ascent at its Louisiana office, Chase has implemented a duplicate system at its office in Ohio. In addition to using Ascent Capture, the Ohio location has implemented Kofax VRS image perfecting technology with Bell & Howell scanners. The installation of VRS has enabled staff to effectively manage documents at this location that have special processing needs such as hand-written data, documents with pictures or forms printed on colored paper.

“VRS enables our staff in Columbus to significantly improve the image quality of these special documents, sometimes even better than the original,” Duff said.

The Bottom Line

“The cost improvements are significant. Chase has lowered the company’s software and hardware expenses and reduced scanning charges from 10 cents to 6 cents per page,” Duff said. “The company also reduced its staffing requirements due to the system’s ease of use. Chase Manhattan Mortgage staff can now prep documents for scanning more quickly and spend less time on manual indexing. As a result, Chase has been able to scan 40 percent more documents using the same equipment.

“With the help of Kofax, Chase is well on its way to reaching its goal of becoming a completely paperless environment”

For more detailed product information, visit www.kofax.com, or call us today (949) 727-1733.

Solution Toolkit	
Monroe, Louisiana Processing 100,000 pages/day	
<ul style="list-style-type: none"> • 10 Ascent Capture Scan Stations • Four Ascent Capture Recognition Stations • Two Ascent Capture Validation Station • 23 Ascent Capture Release Stations • Two Kodak 923 scanners • Three Kodak 9520 scanners • Five Kofax Adrenaline 1700S scanner controllers • Plexus’ ImageFIRST Office software • Plexus’ Optical/Storage Management • Five Fujitsu 4097D scanners • Five Kofax 850S Adrenaline scanner controllers 	
Columbus, Ohio Processing 35,000 pages/day	
<ul style="list-style-type: none"> • Two Bell & Howell 8125 scanners with Kofax VRS • Two Fujitsu 4097D scanners • Two Kofax Adrenaline 1700V scanner controllers • Two Kofax Adrenaline 850S scanner controllers • One Ascent Recognition Station • Three Ascent Capture Validation Stations • One Ascent Capture Release Station 	



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