

Case Study

Countrywide Home Loans, Inc.

Countrywide Home Loans incorporates cutting edge technology and reaps the rewards



As one of the nation's largest mortgage loan companies, servicing 3.3 million homeowners, Countrywide Home Loans, Inc. prides itself in staying current with technology advances to serve its large customer base. In fact, Countrywide credits its penchant for having technology in place ahead of the curve as the key reason for its historical success. That is, technology has allowed this lender to efficiently and cost-effectively accommodate the unpredictable swings in loan volumes that accompany swings in interest rates. Today, Countrywide is so automated it's known as "a technology company that happens to be in the mortgage business."

Countrywide's goal in employing innovative technology is to extend to its customers' personal choices and convenience. "Consumers can interact with us on the Web, via wireless devices, over the phone, or at local branch offices," says Stanford L. Kurland, president and CEO for Countrywide Home Loans. What's more, with the help of CheckFree i-Solutions, Countrywide customers can also pay their mortgage bill via all these electronic mediums.

Technology for Customer Satisfaction

Because of a holistic corporate strategy intended to identify as many ways as possible to provide an electronic alternative for customer services, Countrywide entered into a new generation of technology services in 1996 when "Countrywide.com" was launched. Shortly after, supporting Web sites were added as consumers and business partners realized the value and convenience of this new Internet interaction. Today, Countrywide derives 40 percent of its loan origination business from the Internet via dozens of Web sites.

Countrywide set out to create a proprietary online billing and payment application for its Web site. According to Denise Sandoval, vice president, payment services, for Countrywide, "We were really pioneering in

this arena at that time, yet we understood there would be great value in offering our customers online access to receive and pay their mortgage bills." When Countrywide's direct bill site, "Mortgage Pay on the Web," was launched, the service proved to be a popular option with its customers. Almost immediately, the site began to accept an average of 600 to 700 requests for electronic billing each month. Today, there are approximately 24,000 enrollments processed each month at the site.

Extending its Offering

"Our initial EBP success proved that, for us, this was the wave of the future," says Sandoval. "Still, we wanted to make sure our solution stayed on the cutting edge. We did our homework and found that our more Internet-savvy customers showed interest in the ability to consolidate bill paying with their online banking. They preferred not being required to endure the mechanics of login at each individual billers' site."

To accomplish this portion of the offering, Countrywide turned to CheckFree i-Solutions and its i-ProcessingSM Services. Now, Countrywide mortgage bills are also distributed through CheckFree's vast Internet distribution network that includes: major national banks such as Bank of America, Internet portals such as Yahoo!, and a longtime paper bill distributor, the United States Postal Service. Implemented in March 2000, the new offering allows Countrywide mortgagees to receive and pay their loan bill, along with all their other bills, electronic or not, at any one of the more than 400 convenient CheckFree-powered consolidator Web sites.

CheckFree i-Processing allows customers to receive the same familiar bill that they are used to receiving in either electronic form at Countrywide.com or in paper format. Plus, should the customer want to see the bill detail, a link conveniently takes them

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Denise Sandoval
Vice President,
Payment Services
Countrywide Home Loans, Inc.

Your single source for e-billing and payment and e-statement delivery. Industry-specific software and services for:

- Insurance
- Financial Services
- Telecommunications
- Utilities

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to additional information. The CheckFree-delivered electronic bill can also contain teaser-advertising links directing consumers back to the Countrywide Web site for an upsell opportunity. By using the CheckFree-powered consolidator Web sites, Countrywide mortgage holders can control the exact

payment date, as well as keep a detailed history of bill payment activity.

Electronic Billing Takes Off

"We incorporated the consolidated billing model into our EBP offering because we wanted to establish Internet relationships with all our customers. But it is not just about customer convenience, we also save a lot of money by suppressing the paper bill for our electronic billing customers." When a customer establishes service through a CheckFree-powered portal, the electronic bill becomes the primary billing source.

It results in big savings for Countrywide — currently 23 percent of its mortgage payments are submitted electronically. That's more than 752,000 electronic payments each month. With the potential savings associated with paper-bill suppression, postage and processing costs for that many bills, Countrywide's savings are large and still growing. "Lately, our enrollments have taken a great leap, our monthly activation requests have almost tripled in the last two months," says Sandoval.

Implementing New Technology Pays Off

Not surprisingly, the popularity of this option combined with its longtime devotion to employing technology for customer convenience is paying off for Countrywide Home Loans. According to the inaugural J.D. Power

and Associates Home Mortgage Study, Countrywide Home Loans ranks highest in overall customer satisfaction among mortgage lenders for 2001. The study involved the largest national home mortgage providers and was based on more than 6,800 responses from home mortgage customers across the United States.

According to the study, dated December 10, 2001, since customers have very few occasions to interact with their lenders, each "touch point" is critical in influencing customer satisfaction. For those borrowers who interact with their mortgage lender beyond mailing a monthly payment, their experiences greatly influence their likelihood to recommend the lender to others.

Angelo Mozilo, CEO of Countrywide Credit Industries, affirms the award's merit; "Our associates deserve this recognition, both as individuals and as members of a remarkable team. But, our ranking is not just attributable to the great job our customer service professionals provide. Every decision we make is reviewed for its impact on customers, whether it's related to our superior technology, our highly efficient operations, or our relationships with business partners. Our priority is making the customer experience simple, easy and convenient."

Apparently, electronic billing and payment has done just that. Sandoval explains, "Our online bill-paying customers are our best customers. Once the service is established, online billing is simple and fast. We save money via reduced customer service interaction and paper-bill suppression. They are comfortable interacting over the Web and find their experiences less frustrating since they do not require telephone on-hold time. Our tracking shows that they also often visit other areas of the site after their transaction is complete. What could be better!"

To learn more about how CheckFree i-Solutions can improve your services offering, visit our Web site at www.checkfreeisolutions.com. Or, call 1-800-964-4552.



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