

Everest Group PEAK Matrix[®] for Mortgage Operations Service Providers 2020

Focus on Infosys
October 2020



Background of the research

The landscape for mortgage operations is becoming increasingly competitive as enterprises continue to look for newer solutions to improve their capabilities, expand their footprint, and gain market share. Some of the factors shaping the mortgage industry landscape include interest rate changes, shift in consumer behavior, rise of digital elements, and the evolving regulatory environment. To stay competitive, enterprises are increasingly embracing digital technologies that include advanced analytics and cognitive aids, to provide customers a seamless and personalized experience. Consequently, their demands from service providers have also moved beyond cost efficiencies to value additions, to aid their transformation agendas.

In this research, we present an assessment of 19 mortgage operations service providers featured on the Mortgage Operations – Services PEAK Matrix®. The assessment is based on Everest Group’s annual RFI process conducted over Q2 and Q3 2020, interactions with leading mortgage operations services providers, client reference checks, and an ongoing analysis of the mortgage services market.

This report includes the profiles of the following 19 leading mortgage operations service providers featured on the Mortgage Operations – Services PEAK Matrix:

- **Leaders:** Accenture, Infosys, and TCS
- **Major Contenders:** Cognizant, Computershare Loan Services, Conduent, Exela Technologies, EXL, HCL Technologies, Mphasis-Digital Risk, Sourcepoint, Sutherland Global Services, Unisys, Wipro, and WNS
- **Aspirants:** Capgemini, DXC Technology, Peoples Processing, and Teleperformance

Scope of this report:



Geography
Global



Service providers
19 leading mortgage operations
service providers



Services
Mortgage operations

Mortgage operations PEAK Matrix® characteristics

Everest Group classified 19 mortgage operations service providers on the Everest Group PEAK Matrix® into the three categories of Leaders, Major Contenders, and Aspirants. The PEAK Matrix is a framework to assess the absolute market success and overall capability of service providers.

Leaders:

There are three service providers in the Leaders category – Accenture, Infosys, and TCS

Major Contenders:

The Major Contenders category has twelve service providers – Cognizant, Computershare Loan Services, Conduent, Exela Technologies, EXL, HCL Technologies, Mphasis-Digital Risk, Sourcepoint, Sutherland Global Services, Unisys, Wipro, and WNS

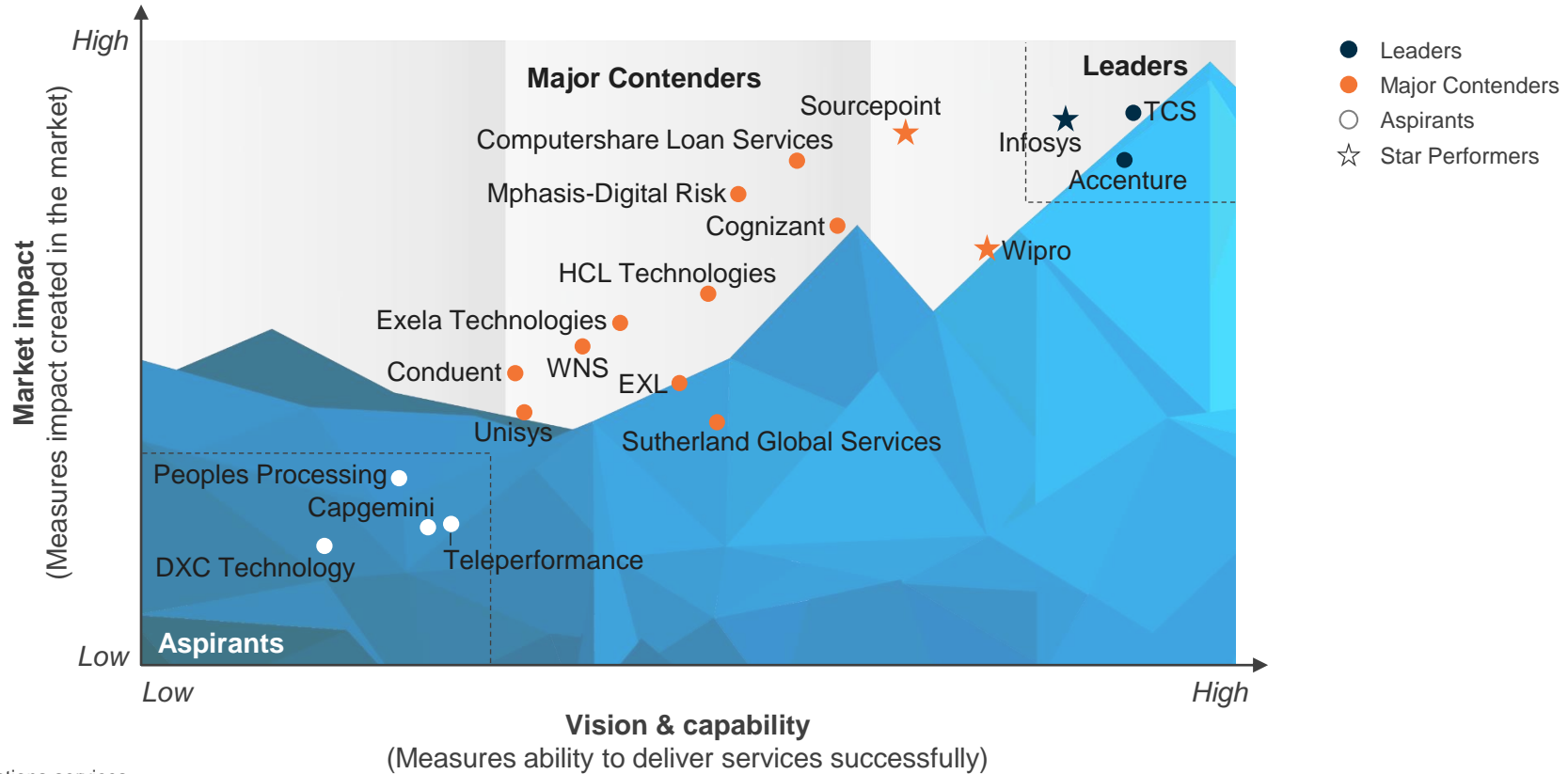
Aspirants:

Capgemini, DXC Technology, Peoples Processing, and Teleperformance are the four Aspirants on the PEAK Matrix® for mortgage operations

Everest Group PEAK Matrix®

Mortgage Operations PEAK Matrix® Assessment 2020 | Infosys positioned as Leader and Star Performer

Everest Group Mortgage Operations PEAK Matrix® Assessment 2020^{1,2}



1 PEAK Matrix specific to mortgage operations services

2 Assessment for Capgemini, Computershare Loan Services, Conduent, DXC Technology, Exela Technologies, Peoples Processing, Teleperformance, and Unisys excludes service provider inputs on this particular study and is based on Everest Group's estimates that leverage Everest Group's proprietary Transaction Intelligence (TI) database, ongoing coverage of these service providers, their public disclosures, and interaction with buyers. For these companies, Everest Group's data for assessment may be less complete

Source: Inputs from market players, recruitment firms, and investment agencies

Infosys | Mortgage operations profile (page 1 of 7)

Overview

Company overview

Established in April 2002, Infosys BPM is a subsidiary of Infosys Technologies Ltd., and provides integrated, end-to-end IT and BPO solutions. It has operations across Americas, Asia Pacific, Australia, and Europe and employs more than 34,000 associates from 14 different nationalities. It work with clients to identify, implement, and manage efficiency and effectiveness improvement initiatives.

Key leaders:

- Anantha Radhakrishnan, Chief Executive Officer & Managing Director
- Kapil Jain, Senior Vice President, Global Head of Sales & Enterprise Capability
- Binod Choudhary, Senior Vice President & Business Head, Financial Services, Insurance, Healthcare and Life Sciences, Head of Americas regions
- John Thottungal, Vice President – Financial Services, Insurance, Healthcare and Life Sciences
- Sanjay Nayak, Vice President – Strategic Business Practice Head – Industry Solutions
- Sreenath Ramakrishnan, AVP- Senior Solution Design Head

Headquarters: Bangalore , India

Website: www.infosysbpm.com

Suite of services

- Mortgage fulfillment
- Mortgage origination
- Mortgage securitization and servicing
- Analytics

Lending operations ¹	2017	2018	2019
Revenue (US\$ million)	49.92	57	180.21
Number of FTEs	2,354	2,688	4,970
Number of clients	14	14	62

Mortgage operations ¹	2017	2018	2019
Revenue (US\$ million)	44.93	51.3	169.4
Number of FTEs	1,922	2,278	4,514
Number of clients	13	11	60

Recent acquisitions and partnerships

- **2019:** Acquired 75% stake in Stater, a subsidiary of ABN AMRO
- **2019:** Merged with Eishtec, the Irish contact center company, to grow in the EMEA region
- **2019:** Partnered with two major US-based originators, to have access to the IT stacks and professionals to build and deploy its own platforms and to use its capabilities and knowledge in the mortgage space and co-create this unit
- **2019:** Partnered with a reputed mortgage originator in Australia to further strengthen its presence
- **2019:** Expanded onshore mortgage operation by partnering with a leading US bank there

Recent developments

- **2019:** Launched FinXedge Lend, a data-driven intelligence platform designed to help lending organization convert leads to customers
- **2019:** Launched FinXedge Collect, a data-driven intelligence platform designed to help lenders reduce delinquency rate and charge-offs, improve operational efficiencies, and enhance customer experience
- **2019:** Deployed an in-house mortgage servicing solution, launched as a client specific solution in 2017

¹ 12 months ending December 31 of any particular year, i.e., from January 1, YYYY to December 31, YYYY

Infosys | Mortgage operations profile (page 2 of 7)

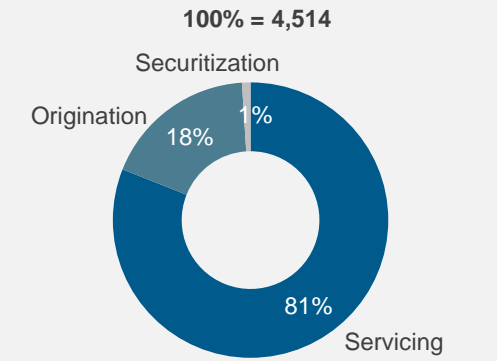
Key delivery Locations



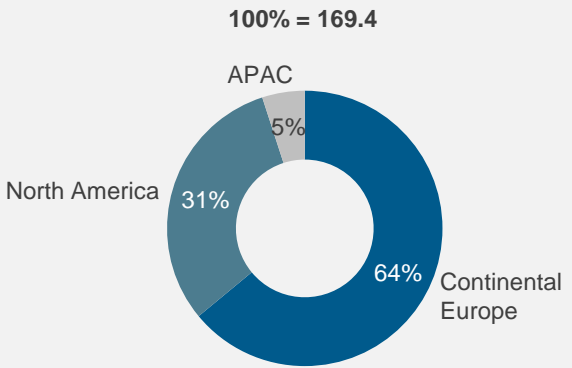
Infosys | Mortgage operations profile (page 3 of 7)

Capabilities and key clients

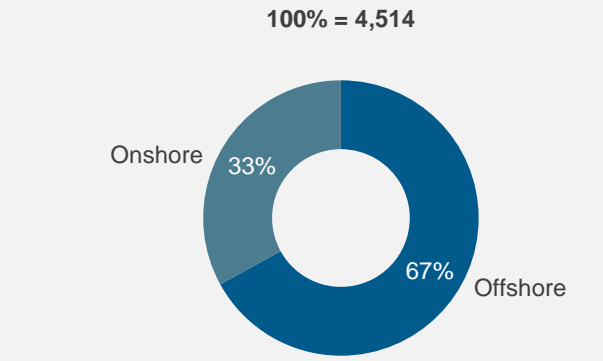
Mortgage operations FTE mix by segment
Number of FTEs



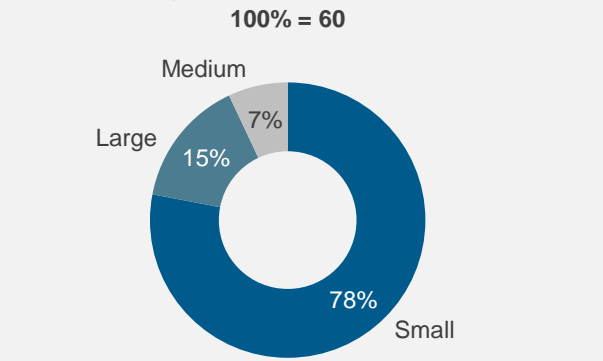
Mortgage operations revenue mix by geography
Revenue in US\$ million



Mortgage operations FTE split by delivery location
Number of FTEs



Mortgage operations revenue mix by buyer size¹
Number of buyers



Key mortgage operations engagements

Client name	LOB (origination, securitization, servicing, or others)	Region	Client since
A US-based mortgage originator	Origination	North America	2019
A US-based special mortgage servicer	Servicing	North America	2018
A leading US-based mortgage provider	Servicing	North America	2017
The largest mortgage service provider in the Netherlands	Servicing	Continental Europe	2017
A leading US regional bank	Servicing and origination	North America	2016
A leading national mortgage lender and servicer	Servicing	North America	2014
One of the top five Canadian bank	Servicing and origination	North America	2011

¹ Buyer size is defined as large (>US\$10 billion in revenue), medium (US\$5-10 billion in revenue), and small (<US\$5 billion in revenue)

Infosys | Mortgage operations profile (page 4 of 7)

Technology solutions/tools

Application	LOB	Year launched	Description	No. of operations clients
FinXEdge Collect	Servicing	2019	FinXEdge Collect (formerly CollectEdge) is a data-driven intelligence application powered by advanced Machine Learning (ML) that helps lenders and debt collectors reduce delinquency rates and charge-offs, improve operational efficiencies, and enhance customer experience	1
FinXEdge Lend	Servicing	2019	FinXEdge Lend is a data-driven intelligence platform powered by advanced ML. It is designed to help lending organizations convert leads to customers. It helps improve sales and operational efficiencies and enhance customer experiences	1
Customer 360	Servicing	2019	It uses call logs, emails, and loan activity to assess customer experience and sentiments to predict customer behavior pattern, satisfaction, churn, interaction, etc., and predict customer intention to proceed with loss mitigation strategy and preferred resolution recommendation	1
Due diligence for secondary market	Securitization	2019	Automates document-centric business processes such as document classification, data extraction, validation, analysis, and transformation using computer vision, Natural Language Processing (NLP), and ML	1
Mobile first solution	Origination	2019	Integrated the entire home buying journey through superior channels such as portals and mobile apps, to give more user friendly and personalized experience to the customers. It also includes integration with real estate portals. It assists the users with real-time credit decision, property insights, and branchless banking	1
Stater platform	Servicing, origination, and securitization	2019	Stater offers platform as-a-service that helps clients with end-to-end mortgage servicing. It also offers origination, securitization, and collections platform	29
Analytics-driven dashboarding solution to enhance customer experience	Servicing	2019(POV stage)	ML- and AI-based analytics solution to proactively predict the possibility of an unhappy customer approaching a regulatory body to resolve their issue. The solution helps with insights that enable banks to take necessary timely actions and reduce investments to further enhance customer experience	1
Letter audit	Servicing	2018	Uses Optical Character Recognition (OCR) Engine to automatically extract data and automation to eliminate redundant manual steps by auto reconciling the fields with check list. Letter quality check ensures all parameters of the letter are covered	1

Infosys | Mortgage operations profile (page 5 of 7)

Technology solutions/tools

Application	LOB	Year launched	Description	No. of operations clients
Payment history extraction & audit	Servicing	2018	Use of OCR-based automation to automate document classification, data extraction, and validation. It eliminates manual processing of payment history	1
Mortgage servicing solution	Servicing	2017	Data extraction and enrichment platform that uses a combination of OCR and automation to onboard loans acquired from correspondent channel and to perform post closing audit on direct origination	2
Infosys NIA	Servicing	2016	Infosys Nia is an AI and ML platform built to help businesses streamline data management and automate complex processes. It also offers an in-house analytics platform that allows for quickly gleaning insights from all types of data sources and uses them for decision support across industries	2

Infosys | Mortgage operations profile (page 6 of 7)

Risk management & regulatory reporting

Risk management support	Details	No. of operations clients
Operations risk	Handles the first line of defense across clients that includes inline checks, quality control, and process validations. It has deployed control and compliance framework across all engagements that help pre-empt potential risks, assess impact, and test/ implement necessary controls. Key attributes assessed are review mechanism, sampling checks, input/ output source, and effort analysis. This has helped reduced operational losses across clients	10
Regulatory risk	<ol style="list-style-type: none"> 1. Tolerance cure testing TRID: verify the Loan Estimate (LE) and Closing Disclosure (CD) to determine if the TILA RESPA Integrated Disclosure (TRID) requirements were followed for the fees charged to borrower and difference from initial disclosure 2. Quality Assurance/Quality Control process: verify the tax and insurance payment and making sure that borrower is not harmed due to miss-calculation / incorrect information updated by processor <p>Below are the specific disclosure requirement checks as per state specific or federal regulations:</p> <ol style="list-style-type: none"> 1. Final loan application signature requirements 2. Advance fee disclosure audit 3. Veteran Affairs (VA) counseling 4. Arizona withdrawal notice 	2
Market risk	Review loan documentation for fees and disclosures to ensure compliance to TRID regulations	2

Regulatory reporting support	List of regulations	Description	No. of operations clients
US regulations	CFPB, RESPA, and ECOA	It has a quality assurance team that audits various departments on scorecards created for each area. Its primary focus is to screen departments transactions, suggest if there are any failures as per regulations, and if yes, suggest action items to correct them	1
	TRID regulation	TRID: Reviewing all the versions of loan estimates and closing disclosures to ensure fees are charged within threshold and disclosed to the customer as per the TRID guidelines	1
EU & UK regulations	Mortgage regulations in Europe	Platform and operation services have a separate regulatory team that scans the market regularly and provides regulatory reporting services in compliance with Dutch and Belgium regulations	15
APAC regulations	NCCP and APRA	Project-based remediation activities conducted for a client in the Australia to check compliance to regulatory guidelines	1

Infosys | Mortgage operations profile (page 7 of 7)

Everest Group assessment – Leader

Measure of capability: ● High ◐ Low

Market impact				Vision & capability				
Market adoption	Portfolio mix	Value delivered	Overall	Vision and strategy	Scope of services offered	Innovation and investments	Delivery footprint	Overall

Strengths

- Infosys has a strong focus on mortgage operations as a business segment and has worked toward expanding its portfolio with diverse solutions and offerings in the origination, servicing, and default administration space. It has further strengthened its onshore and offshore delivery capability by opening new centers in both these regions
- In mid-2019, it acquired a 75% stake in Stater NV, a wholly-owned subsidiary of ABN AMRO, that offers end-to-end mortgage administration services in Europe. This has helped Infosys strengthen its mortgage servicing capabilities and further expand its presence in Europe
- It has developed multiple technology and digital offerings, such as FinXEdge Collect and FinXLend, with strong automation capabilities. Clients may also find Stater’s platforms useful for fulfilling collections and end-to-end servicing requirements
- Infosys has brought in Mobile First solution, Customer 360, for enhancement of end customer experience. It is foraying into analytics-driven dashboarding solutions and automation of document-centric business processes using NLP and ML, to aid efficient client delivery

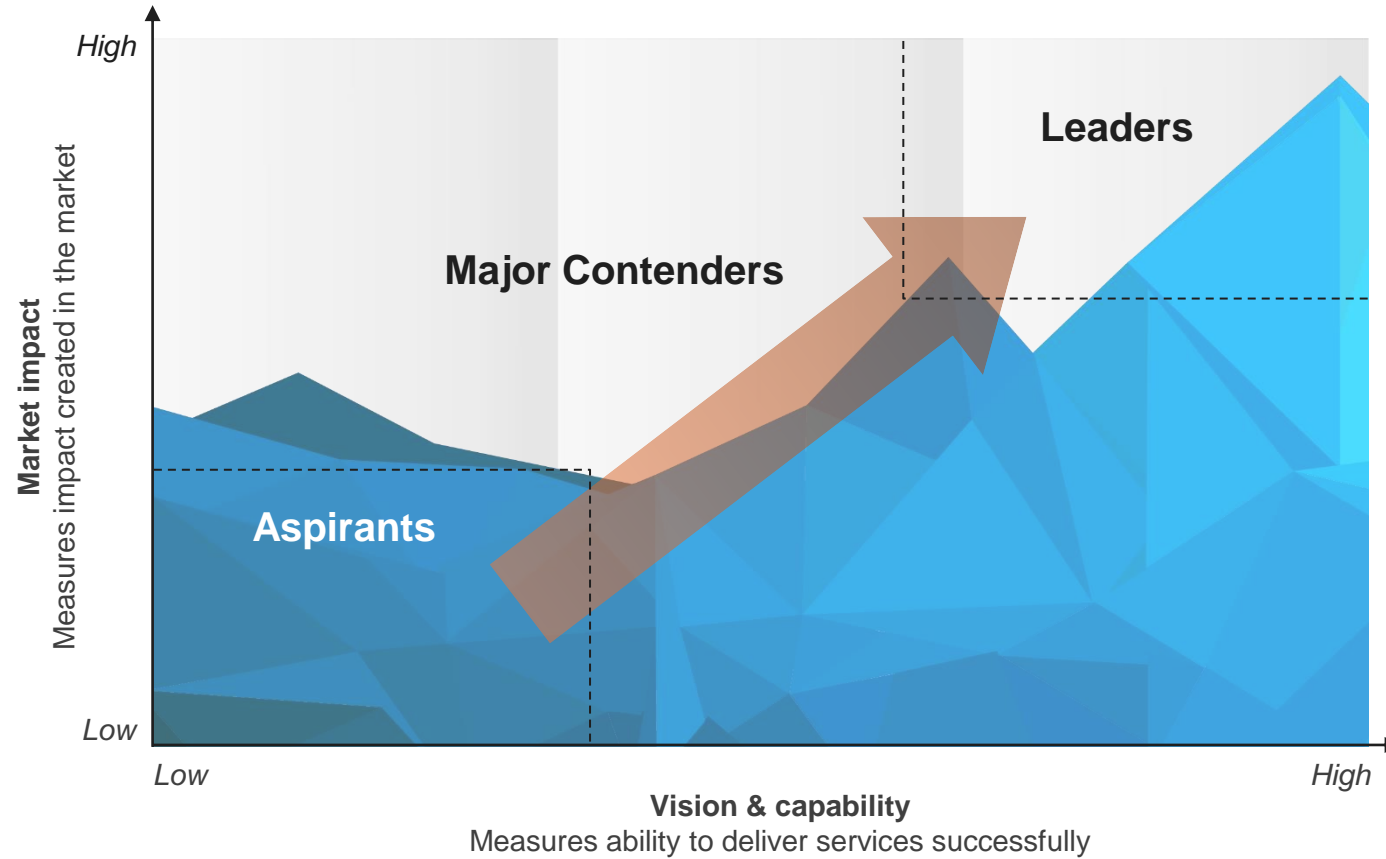
Areas of improvement

- Infosys’ mortgage operations client base predominantly comprises small and mid-sized buyers. Its clientele of large, mortgage-specific players and non-banks is relatively limited
- While Infosys is investing in acquisitions and in-house solution development, when compared to some of its peers, it lacks scale in building strategic FinTech partnerships and third-party alliances that can prove useful in developing capabilities across different mortgage processes
- Buyers would like Infosys to provide more cost-effective, innovative, and next-generation solutions

Appendix

Everest Group PEAK Matrix® is a proprietary framework for assessment of market impact and vision & capability

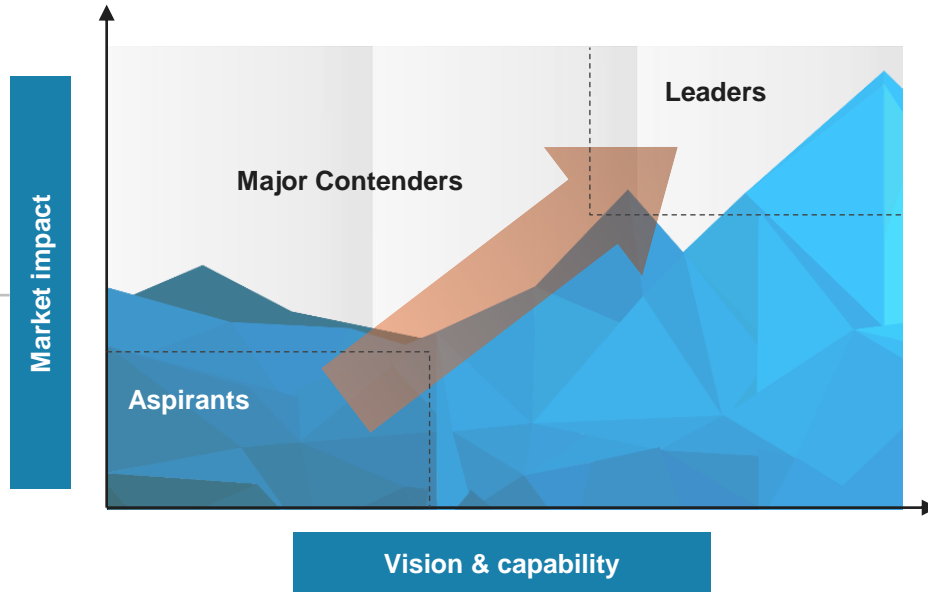
Everest Group PEAK Matrix



Services PEAK Matrix® evaluation dimensions

Measures impact created in the market – captured through three subdimensions

- Market adoption**
Number of clients, revenue base, YOY growth, and deal value/volume
- Portfolio mix**
Diversity of client/revenue base across geographies and type of engagements
- Value delivered**
Value delivered to the client based on customer feedback and transformational impact



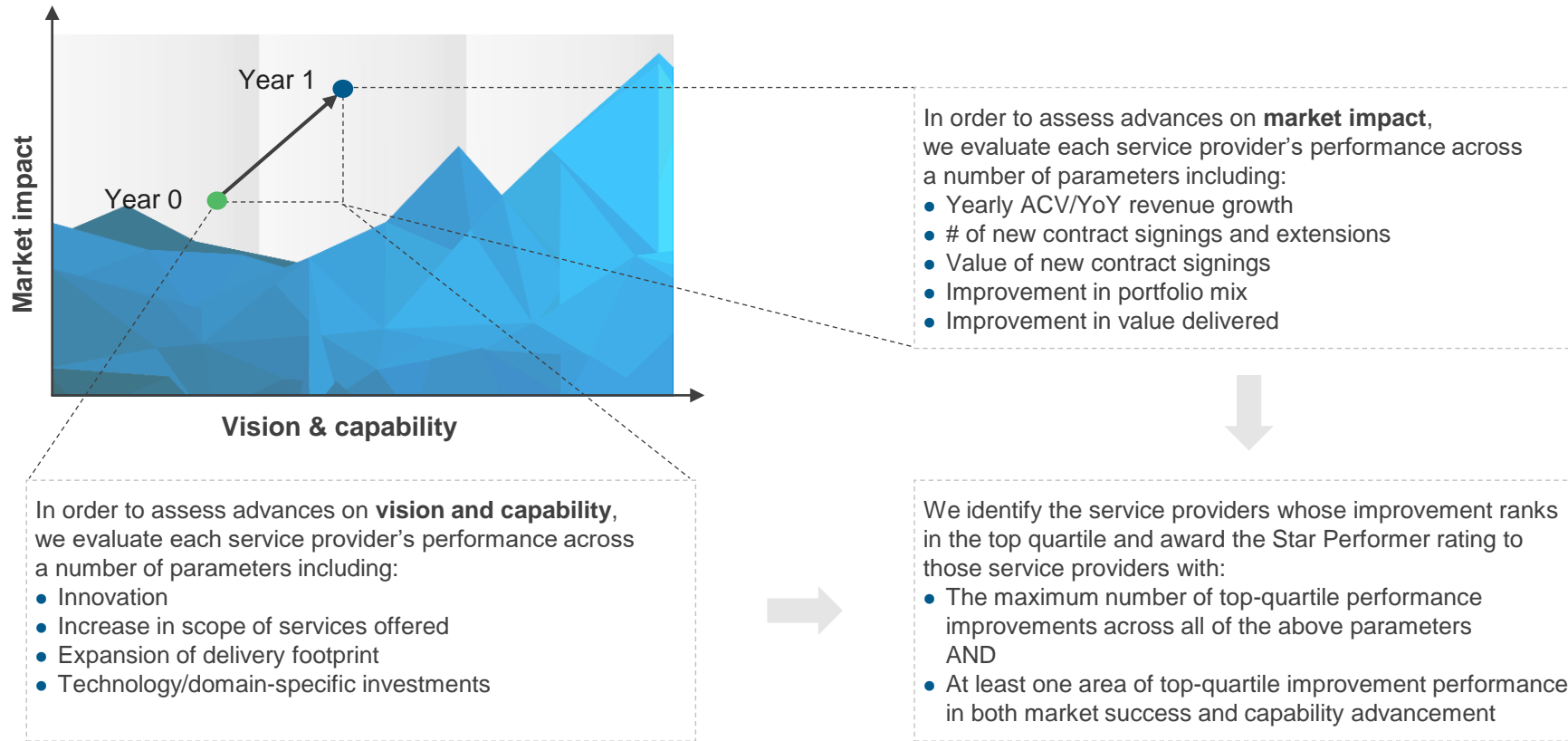
Measures ability to deliver services successfully. This is captured through four subdimensions

- Vision and strategy**
Vision for the client and itself; future roadmap and strategy
- Scope of services offered**
Depth and breadth of services portfolio across service subsegments/processes
- Innovation and investments**
Innovation and investment in the enabling areas, e.g., technology IP, industry/domain knowledge, innovative commercial constructs, alliances, M&A, etc.
- Delivery footprint**
Delivery footprint and global sourcing mix

Everest Group confers the Star Performer title on providers that demonstrate the most improvement over time on the PEAK Matrix®

Methodology

Everest Group selects Star Performers based on the relative YoY improvement on the PEAK Matrix



The Star Performers title relates to YoY performance for a given vendor and does not reflect the overall market leadership position, which is identified as Leader, Major Contender, or Aspirant.

FAQs

Does the PEAK Matrix® assessment incorporate any subjective criteria?

Everest Group's PEAK Matrix assessment adopts an unbiased and fact-based approach (leveraging service provider / technology vendor RFIs and Everest Group's proprietary databases containing providers' deals and operational capability information). In addition, these results are validated / fine-tuned based on our market experience, buyer interaction, and provider/vendor briefings

Is being a “Major Contender” or “Aspirant” on the PEAK Matrix, an unfavorable outcome?

No. The PEAK Matrix highlights and positions only the best-in-class service providers / technology vendors in a particular space. There are a number of providers from the broader universe that are assessed and do not make it to the PEAK Matrix at all. Therefore, being represented on the PEAK Matrix is itself a favorable recognition

What other aspects of PEAK Matrix assessment are relevant to buyers and providers besides the “PEAK Matrix position”?

A PEAK Matrix position is only one aspect of Everest Group's overall assessment. In addition to assigning a “Leader”, “Major Contender,” or “Aspirant” title, Everest Group highlights the distinctive capabilities and unique attributes of all the PEAK Matrix providers assessed in its report. The detailed metric-level assessment and associated commentary is helpful for buyers in selecting particular providers/vendors for their specific requirements. It also helps providers/vendors showcase their strengths in specific areas

What are the incentives for buyers and providers to participate/provide input to PEAK Matrix research?

- Participation incentives for buyers include a summary of key findings from the PEAK Matrix assessment
- Participation incentives for providers/vendors include adequate representation and recognition of their capabilities/success in the market place, and a copy of their own “profile” that is published by Everest Group as part of the “compendium of PEAK Matrix providers” profiles

What is the process for a service provider / technology vendor to leverage their PEAK Matrix positioning and/or “Star Performer” status ?

- Providers/vendors can use their PEAK Matrix positioning or “Star Performer” rating in multiple ways including:
 - Issue a press release declaring their positioning. See [citation policies](#)
 - Customized PEAK Matrix profile for circulation (with clients, prospects, etc.)
 - Quotes from Everest Group analysts could be disseminated to the media
 - Leverage PEAK Matrix branding across communications (e-mail signatures, marketing brochures, credential packs, client presentations, etc.)
- The provider must obtain the requisite licensing and distribution rights for the above activities through an agreement with the designated POC at Everest Group.

Does the PEAK Matrix evaluation criteria change over a period of time?

PEAK Matrix assessments are designed to serve present and future needs of the enterprises. Given the dynamic nature of the global services market and rampant disruption, the assessment criteria are realigned as and when needed to reflect the current market reality as well as serve the future expectations of enterprises



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