

# Mortgage Business Process Transformation 2026 RadarView™

Transforming mortgage operations  
through intelligent, efficient, and  
experience-driven processes

October 2026

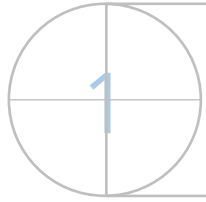
# Table of contents

|                                                                     |    |
|---------------------------------------------------------------------|----|
| • About the Mortgage Business Process Transformation 2026 RadarView | 3  |
| • Executive summary                                                 | 5  |
| • State of the market                                               | 9  |
| • Cognizant profile                                                 | 14 |
| • Appendix                                                          | 17 |
| • Key contacts                                                      | 21 |

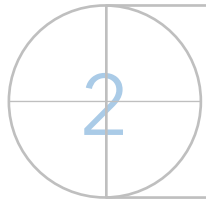


## About the report

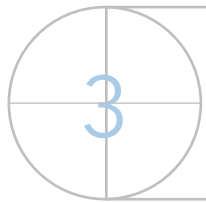
# About the Mortgage Business Process Transformation 2026 RadarView



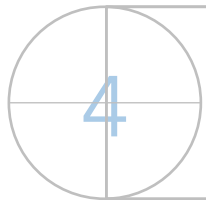
The *Mortgage Business Process Transformation 2026 RadarView* is a companion report to the *Mortgage Business Process Transformation 2026 Market Insights*. While the Market Insights report provides an overview of the current state of the mortgage market, this report showcases supply-side trends and features an analysis of the providers' capabilities in mortgage services.



Avasant used a rigorous methodology to evaluate 48 providers across the key dimensions of practice maturity and future-proofing. Through its analysis, Avasant recognized 21 providers that brought the most value to the market over the past 12 months.



The *Mortgage Business Process Transformation 2026 RadarView* aims to provide an in-depth capability assessment of the leading service providers offering mortgage services. Based on our methodology, we have categorized the service providers into five broad segments: leaders, innovators, disruptors, challengers, and tech pioneers.



To enable decision-making for enterprises, Avasant has provided an overview of the major service providers in the mortgage domain. This includes a list of their top enterprise clients, customer success stories, key IP assets/solutions and partnerships, and major industry verticals they serve. This is supported by an analyst's perspective on the provider across the key dimensions defined in the second point above.



# Executive summary

# Definition and scope

Key definitions

**Mortgage business process transformation:**

Mortgage business process transformation refers to the end-to-end modernization and management of mortgage operations across the full loan life cycle, from customer acquisition and mortgage sourcing to origination, underwriting, closing, servicing, and account termination. It supports banks, financial institutions, and other mortgage lenders in improving process efficiency, service quality, regulatory compliance, and scalability.

The transformation typically involves deploying a range of technology enablers, such as digital mortgage platforms, automation tools, advanced analytics, and AI-driven solutions, to reengineer workflows and enable straight-through processing. These capabilities help lenders enhance productivity, reduce manual effort and errors, improve borrower experience, strengthen risk and compliance controls, and drive digital-led operational transformation across the mortgage ecosystem.

| Scope of mortgage business process transformation | Sourcing                          | Fulfilment/ Origination              | Active servicing  | Default servicing                   |
|---------------------------------------------------|-----------------------------------|--------------------------------------|-------------------|-------------------------------------|
|                                                   | Leads and applications management | Risk assessment                      | Loan setup        | Forbearance/ loan modification      |
|                                                   | Loan pricing                      | Underwriting                         | Loan disbursement | Short sale/ foreclosure/ bankruptcy |
|                                                   |                                   | Document management and verification | Collections       |                                     |
|                                                   |                                   | Collateral securitization            |                   |                                     |
|                                                   |                                   |                                      |                   |                                     |
| Key transformational levers                       | Reporting and compliance          |                                      |                   |                                     |
|                                                   | Data and analytics                |                                      |                   |                                     |
|                                                   | Artificial intelligence           |                                      |                   |                                     |
|                                                   | Automation                        |                                      |                   |                                     |

# Key mortgage business process transformation trends shaping the market



Elevated production costs are accelerating the shift toward flexible, volume-aligned mortgage services

- Depository retail production costs averaged \$16,320 per loan in 2025, 34% higher than independent mortgage companies, while Q2 2026 expenses remained 38% above the historical average despite improved volumes.
- Persistent cost rigidity is increasing demand for per-file operations, elastic capacity, production support services, and outcome-based delivery that align operating costs with loan volumes.



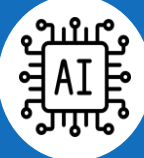
Insurance volatility is creating continuous collateral protection operations across the mortgage life cycle

- Inflation-adjusted homeowners insurance premiums increased 18.3%–43.3% across US regions, while insurer-initiated nonrenewal rates rose 96%–216% between 2018 and 2024, creating recurring coverage and payment exceptions.
- Mortgage insurance work is extending beyond closing to renewal monitoring, coverage gap resolution, escrow and lender-placed administration, disaster response, loss draft controls, and property restoration.



Data, quality, servicing, and complaint complexity are expanding specialist mortgage services

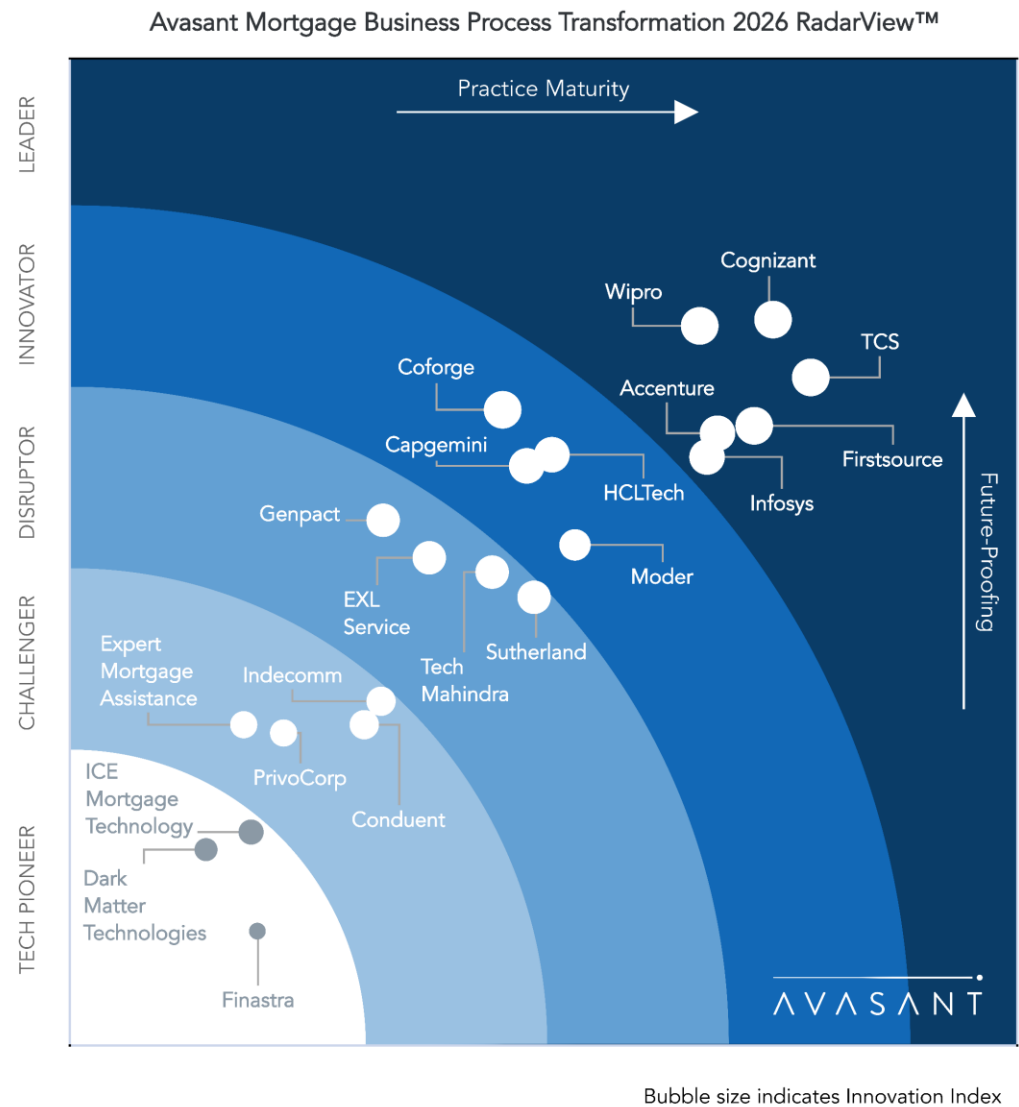
- In Q2 2026, Federal Housing Administration loans recorded the highest delinquency rate at 11.79%, while collateral issues accounted for 28% of defects in Freddie Mac loans repurchased after origination reviews.
- Buyers are expanding their use of specialist services for data reconciliation, pre- and post-closing quality assurance, loss mitigation, repurchase resolution, and complaint investigation.



AI adoption is shifting mortgage operations toward governed, exception-based delivery

- Sixty-one percent of surveyed mortgage firms had AI document extraction in production, but only about 25% had fully scaled at least one AI use case, showing that deployment is advancing faster than enterprise operationalization.
- Regulatory uncertainty and shadow AI use are increasing demand for specialist exception handling, human review, ongoing monitoring, model controls, and audit-ready governance across lenders and service providers.

# Avasant recognizes 21 top-tier providers offering mortgage business process transformation services



Note: Please refer to Avasant’s Mortgage Business Process Transformation 2026 Market Insights for detailed insights on the demand-side trends.

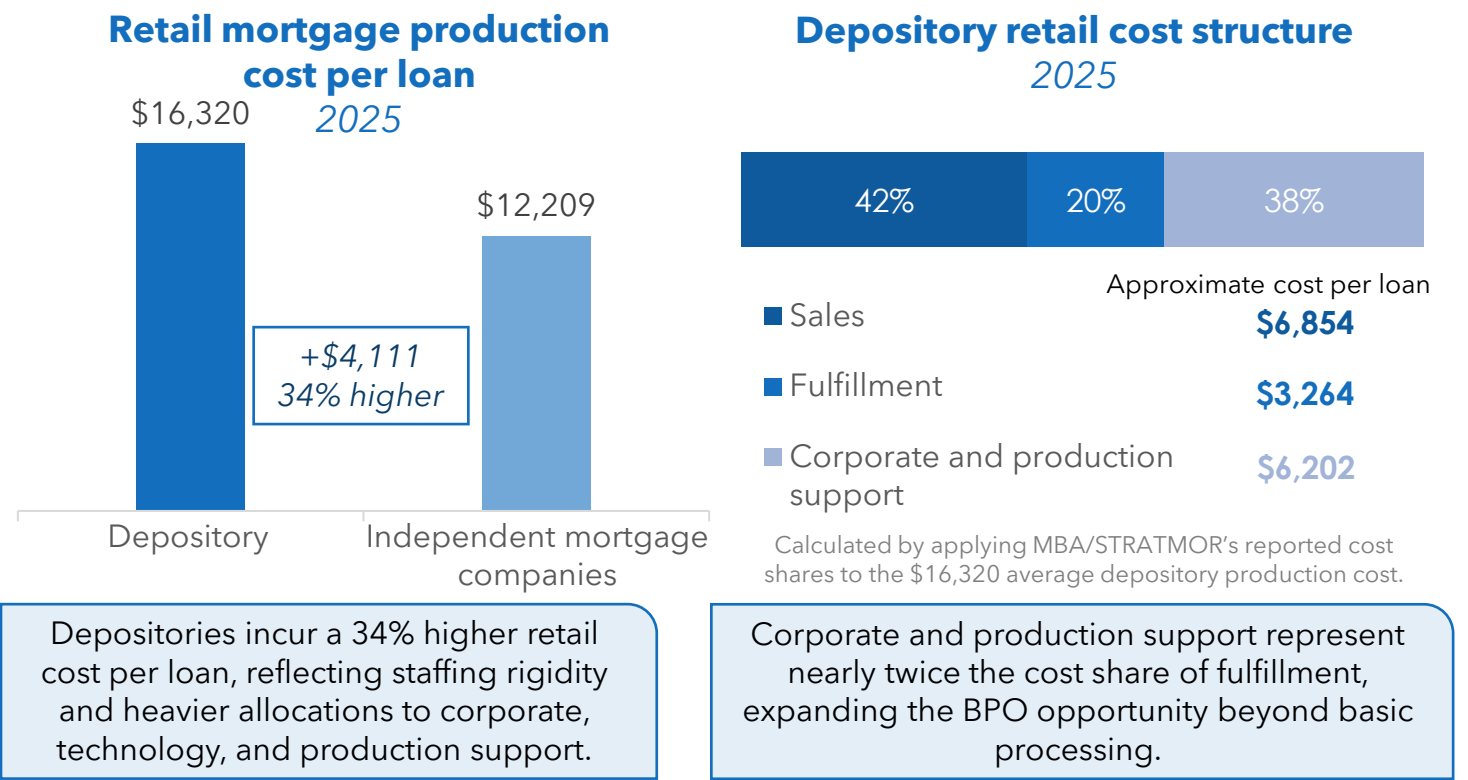


# State of the market

# Elevated loan production costs are pushing lenders to replace fixed operating capacity with flexible, volume-aligned mortgage services

A 34% cost gap between depositories and independent mortgage companies, combined with production expenses that remain above historical levels, is strengthening demand for workflow-led and variable-cost mortgage operations.

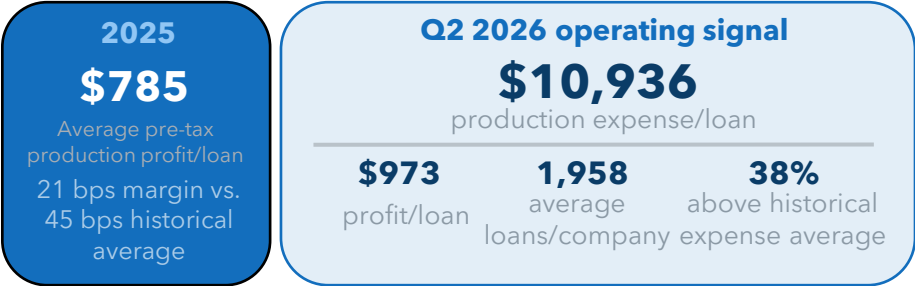
## High production costs reflect structural operating-model differences



### Structural drivers of cost rigidity

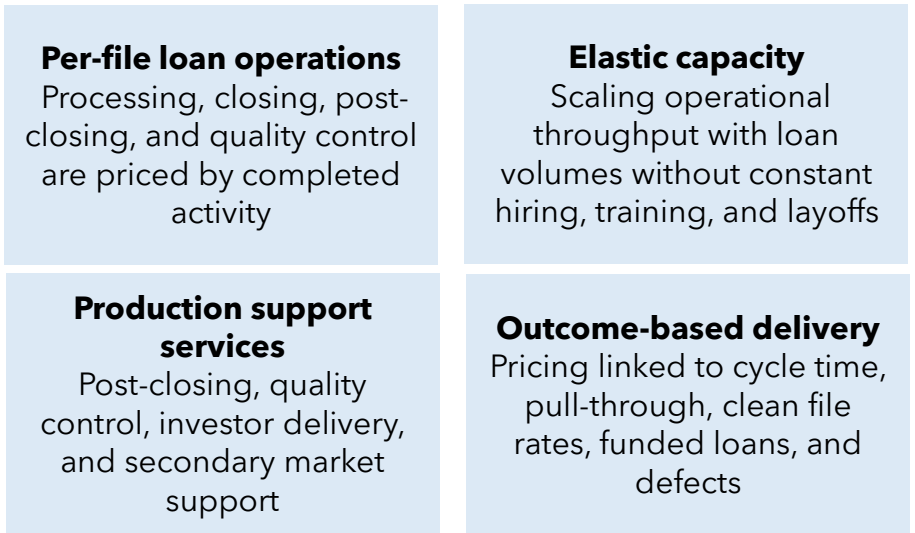
- Fixed staffing adjusts slowly as volumes change
- Technology and corporate allocations remain material
- Reduced pull-through spreads costs across fewer funded loans

## Profitability and 2026 operating signal



Higher volume improved cost absorption, but Q2 2026 production expense remained 38% above the historical average.

## Where the mortgage services demand is created



Sources: MBA/STRATMOR Peer Group Roundtables, June 2026; MBA Annual Mortgage Bankers Performance Report, April 2026; MBA Quarterly Mortgage Bankers Performance Report, Q1 2026, May 2026; MBA Quarterly Mortgage Bankers Performance Report, Q2 2026, August 2026

# Rising insurance costs and weakening coverage availability are expanding collateral operations across the mortgage life cycle

Premium increases, insurer-initiated nonrenewals, and disaster claims are generating recurring work across coverage validation, escrow administration, lender-placed insurance, and property restoration.

## Continuous collateral protection operating cycle

Insurance work repeats throughout servicing rather than ending at loan closing



### Lender-side collateral exposure

**28%**

Q1 2026

#### Collateral defects in repurchases

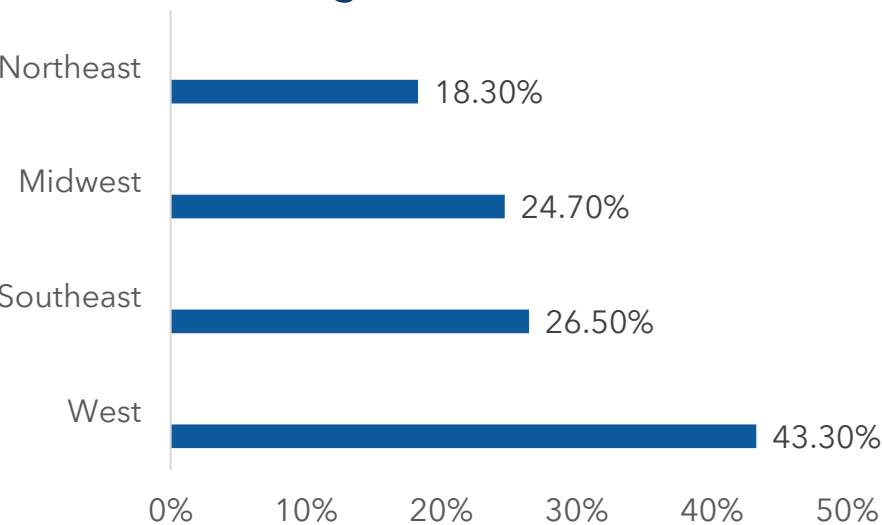
Share of defects on Freddie Mac loans closed with repurchase following origination reviews

#### Reported defect examples

Critical repairs | Poor property condition | Wet basements

**Services demand:** Property-condition review | Repair verification | Defect remediation | Repurchase support

## Real homeowners insurance premium growth by US region, 2018-2024



**58% | 8%**  
wind | wildfire

### High-risk premium differentials

Relative to otherwise similar homes in the medium-risk category

**25%+**

### Coastal premium growth

Inflation-adjusted growth in some southern coastal areas

**96%-216%**

### Regional nonrenewal rate increase

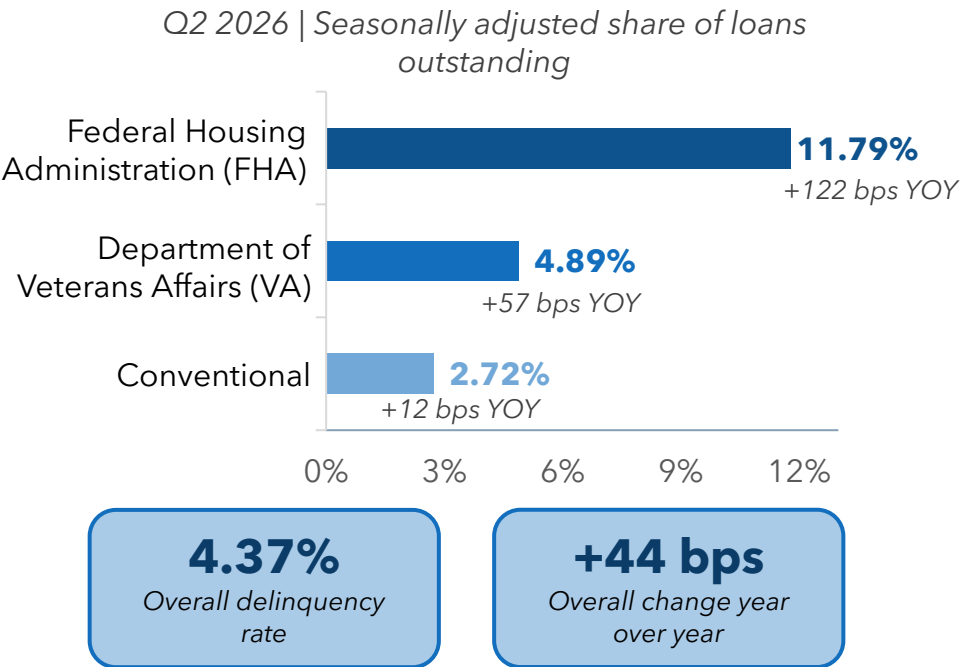
Expands replacement policy and lender-placed insurance operations

**Buyer demand:** Monitoring | Escrow and placement | Disaster support | Restoration

# As mortgage operations become more data-intensive and control-sensitive, lenders and servicers are expanding their use of specialist managed services

Fragmented mortgage data, heightened quality and repurchase exposure, evolving loss-mitigation requirements, and servicing complaint risk are creating demand for specialized operations, independent review, and audit-ready process controls.

## Mortgage delinquency rates by loan type



FHA delinquencies remain the most elevated, while serious delinquency increased for the fourth consecutive quarter, signaling a greater need for specialized borrower assistance and default-servicing capacity.

## Four demand areas for specialist mortgage services

### Managed data operations

**\$14.9T+ Residential mortgage balances**

Mortgage workflows combine borrower, property, insurance, tax, servicing, and investor data across multiple documents and systems.

**Services demand:** Ingestion, normalization, reconciliation, lineage, confidence scoring, and exception remediation

### Quality and repurchase assurance

**33%-41% GSE requests resulting in repurchase or replacement**

Income, collateral, fraud, and eligibility defects continue to generate costly investigation, remediation, and repurchase resolution work.

**Services demand:** Prefunding review, post-close audit, defect analysis, rebuttal support, and repurchase resolution

### Specialized loss mitigation

**11.79% FHA delinquency rate, Q2 2026**

Higher delinquency pressure expands work across borrower contact, application completion, eligibility waterfalls, notices, claims, and investor reporting.

**Services demand:** Early intervention, document review, decision support, notices, claims, and investor reporting

### Complaint and servicing QA

**98% CFPB-forwarded complaints answered timely**

Complaint handling requires reconstructing calls, letters, payment histories, account notes, servicing actions, and prior responses.

**Services demand:** Case review, response preparation, remediation, call review, and root-cause analysis

**Demand is shifting toward specialist mortgage services that combine data operations, independent assurance, complex servicing, and audit-ready controls.**

# AI's expansion into mortgage production is beginning to shift business processes from manual task execution toward governed, exception-based operations

AI adoption is expanding across mortgage workflows, but limited enterprise scaling and regulatory uncertainty are increasing demand for human-in-the-loop operations and audit-ready controls.

61%

Firms with document AI in production

Data extraction from mortgage documents

59%

Firms cite regulatory uncertainty

Leading barrier to scaling mortgage AI

~25%

Mortgage firms with scaled AI

At least one AI use case is fully scaled

## AI-enabled mortgage operating model

### AI-enabled routine processing

AI handles repetitive document and data work across intake, verification, underwriting preparation, and closing review.

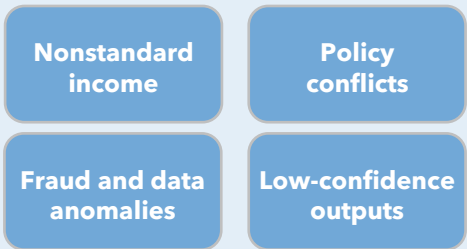


High-confidence files move through standardized workflows with fewer manual touches.

Document classification | Data extraction |  
Reconciliation | Condition creation

### Specialist exception operations

Low-confidence, judgment-heavy, and policy-sensitive files are routed to experienced mortgage specialists.



Human expertise shifts from routine processing toward interpretation, escalation, and exception resolution.

### Managed AI governance

Governance spans internal models, service-provider tools, and subcontractor use of AI.

|                |                                                  |
|----------------|--------------------------------------------------|
| Inventory      | Models, use cases, owners, and purpose           |
| Validate       | Accuracy, fairness, security, and controls       |
| Monitor        | Drift, overrides, incidents , and output quality |
| Control change | Models, prompts, data, rules, and versions       |
| Evidence       | Lineage, testing results, audit records          |

>1 in 4

Professionals report shadow AI

Use outside approved environments

Common control layer

- Confidence thresholds
- Quality review
- Audit trail
- Human overrides
- Exception reporting

Demand is shifting toward managed mortgage services that combine automated production, specialist exception handling, and end-to-end governance.

Automation does not transfer lender accountability

---

AVASANT

Cognizant profile

# Cognizant: RadarView profile



Practice maturity ★★★★★

Future-proofing ★★★★★

Combines licensed mortgage operations with AI delivery across origination, servicing, default, compliance, and utility services, supported by Cognizant Neuro®, Intelligent Document Processing, and iVerify.

## Practice overview

- Practice size: N/A
- Active clients: N/A
- Delivery highlights: Mortgage delivery locations across the US, India, and the Philippines

|                             |                             |
|-----------------------------|-----------------------------|
| \$1T                        | 75+                         |
| Mortgage portfolio serviced | Mortgage projects delivered |

## Key IP and assets

- Cognizant Neuro®: An automation fabric that orchestrates mortgage workflows, analytics, digital tools, and human work
- Intelligent Document Processing Suite: An AI-based suite that ingests, classifies, extracts, and validates mortgage-document data
- Claims Automation Engine: An AI-enabled engine that automates claims intake, adjudication, decisioning, and fraud detection

## Client case studies

- Supported a US mortgage provider facing fragmented, manual audit processes that increased errors, costs, and turnaround times. Cognizant integrated document flows and automated imaging, indexing, data extraction, and underwriting support, reducing turnaround time by 40%, increasing productivity by 50%, and achieving 100% delivery accuracy.
- Partnered with a nonbank mortgage lender to address inconsistent pre-underwriting and long approval cycles by establishing an offshore shared service and automating loan assignment. Reduced underwriting touches from 3.8 to 2.8, increased approvals by 28%, shortened approval time by 37%, and lowered loan costs by 30%.
- Helped a US origination and servicing provider optimize manual escrow and tax operations through a centralized command center, workflow automation, and smart-audit controls. Improved productivity by 30%, cut cycle time by 96%, lowered refund-related costs by 20%, and reduced positive-claim value by 60%.

## Key partnerships

### Domain-specific partners



### Technology partners



## Sample clients

- A financial institution
- A US-based mortgage lender
- A US-based mortgage origination and servicing provider
- A mortgage servicer
- A US-based mortgage provider
- A nonbank mortgage lender
- A US-based regional bank

## Value chain

Sourcing

Origination/  
fulfillment

Active servicing

Default servicing

Darker color indicates higher concentration:



# Cognizant: RadarView profile

## Analyst insights

### Practice maturity



- Cognizant delivers licensed mortgage operations across intake, verification, processing, pre-underwriting, closing, funding, servicing, collections, loss mitigation, and claims. Cognizant Mortgage Services Corporation supports regulated underwriting, customer service, and collections.
- Its mortgage assets include Cognizant Neuro® for orchestration, Intelligent Document Processing for document extraction, iVerify for income verification, Investor Accounting AI GPS for servicing automation, Claims Automation Engine for claims processing, and Gen AI Studio for operating-procedure generation.
- It executes mortgage work through \*NMLS-licensed onshore and offshore offices, global fulfillment centers, centralized command centers, operational dashboards, and quality controls. Its core-flex model and multiple commercial structures support changing process and volume requirements.
- It applies AI and automation across document extraction, tax research, income verification, pre-underwriting, and TRID (TILA-RESPA Integrated Disclosure) validation, investor accounting, email management, and quality audits. Production capabilities include Gen AI Learning Studio, Digital Workers, and Digital Automation Fabric, with other mortgage solutions in pilot stages.

### Future-proofing



#### Domain ecosystem

- Cognizant's mortgage ecosystem includes Ohpen for origination and servicing, LoanBeam for pre-underwriting, Brace for default management, Indico and Xtracta for document processing, and PAL Genie for standard operating procedures generation and quality audits. Cognizant integrates these platforms with its mortgage operations and proprietary assets through managed workflows and APIs.
- Its mortgage thought leadership focuses on agentic origination, context engineering, and end-to-end orchestration. Its "String of Pearls" model applies specialized agents across intake, processing, underwriting, closing, funding, and post-close quality control.

#### Investments and innovation

- Cognizant has expanded its mortgage delivery operations in Manila for collections and customer service, while increasing nearshore capacity in Costa Rica for better time-zone and cultural alignment. The company is enhancing delivery resilience across Europe, Canada, Latin America, the UK, Australia, and the Philippines, backed by initiatives such as the Mortgage Academy and AI readiness programs for training and deployment.
- Its recent IP includes county-data extraction, Gen AI servicing procedures, agentic tax-ID search, Digital Workers, and origination agents. Planned investment allocates 30% each to R&D and practice growth, 20% to human capital, and 20% to other activities, including potential acquisitions and strategic investments.

\*NMLS: Nationwide Multistate Licensing System



# Appendix: RadarView overview

# The *Mortgage Business Process Transformation 2026 RadarView* assesses service providers across the following dimensions

## Practice maturity

- This dimension considers the current state of a provider's mortgage practice in terms of its strategic importance for the provider, the maturity of its offerings and capabilities, and client engagement.
- The crucial aspects in this dimension are the width and depth of the client base, usage of proprietary/outsourced tools and platforms, and quality of talent and execution capabilities.

## Future-proofing

This dimension evaluates how the provider is preparing for the future by combining initiatives across the domain/partner ecosystem and investments and innovations defined below:

- *Domain/partner ecosystem*: This dimension assesses the nature of the ecosystem partnerships of the provider, the objectives of the partnerships (codevelopment and co-innovation), and engagement with solutions providers, startup communities, and industry associations. Vital aspects in this dimension are joint development programs around offerings, go-to-market approaches, and the overall depth of partnerships.
- *Investments and innovation*: This dimension measures the strategic direction of the provider's investments and resultant innovations in the offerings and commercial model and how it aligns with the future direction of the industry. The critical aspects of this dimension include both organic and inorganic investments toward capability and offering growth, technology development, and human capital development, along with innovative solutions developed with strategic partners.

Note: As innovation has become a critical provider selection criteria for enterprises, we have also included an "Innovation Index" in the RadarView representation. This index is derived from the provider's investments in IP, technology partnerships, domain partnerships, service and model changes, and training and development. It also incorporates market feedback about the provider's innovative approaches during engagements.

# Research methodology and coverage

Avasant based its analysis on several sources:

Public disclosures

Publicly available information from sources such as Securities and Exchange Commission filings, annual reports, quarterly earnings calls, and executive interviews and statements

Market interactions

Discussions with mortgage process outsourcing service providers that lead digital initiatives and influence AI and analytics selection and engagement

Provider inputs

Inputs collected through an online survey and structured briefings from June to August 2026

Of the over 48 service providers assessed, the following are the final 21 featured in *Mortgage Business Process Transformation 2026 RadarView*:



Note: Assessments for Accenture, Conduent, Dark Matter Technologies, Expert Mortgage Assistance, Finastra, Genpact, ICE Mortgage Technology, Indecomm, Moder, PrivoCorp, and Sutherland were conducted based solely on public disclosures and market interactions.

# Reading the RadarView

## Avasant has recognized service providers in five classifications:



Leaders show consistent excellence across all key dimensions of the RadarView assessment (practice maturity and future-proofing) and have had a superior impact on the marketplace. These providers have shown true creativity and innovation and have established trends and best practices for the industry. They have proven their commitment to the industry and are recognized as thought leaders in their space, setting the standard for the rest of the industry to follow. Leaders display a superior quality of execution and a reliable depth and breadth across verticals.



Innovators show a penchant for reinventing concepts and avenues, changing the very nature of how things are done from the ground up. Unlike leaders, innovators have chosen to dominate a few select areas or industries and distinguish themselves through superior innovation. These radicals are always hungry to create pioneering advancements in the industry and are actively sought after as trailblazers, redefining the rules of the game.



Disruptors enjoy inverting established norms and developing novel approaches that invigorate the industry. These providers choose to have a razor-sharp focus on a few specific areas and address those at a high level of granularity and commitment, which results in tectonic shifts. While disruptors might not have the consistent depth and breadth across many verticals like leaders or the innovation capabilities of innovators, they exhibit superior capabilities in their areas of focus.



Challengers strive to break the mold and develop groundbreaking techniques, technologies, and methodologies on their way to establishing a unique position. While they may not have the scale of the providers in other categories, challengers are eager and nimble and use their high speed of execution to great effect as they scale heights in the industry. Challengers have a track record of delivering quality projects for their most demanding Global 2000 clients. In select areas and industries, challengers might have capabilities that match or exceed those of the providers in other categories.



Tech Pioneers are tech-first providers reshaping services through technologies, ecosystem orchestration, and long-term bets. These providers demonstrate strong future-proofing capabilities, marked by significant investments in next-generation technologies, differentiated IP, and deep innovation pipelines. Tech Pioneers exert influence through their ability to shape customer road maps, catalyze new service models, and accelerate market transitions. While their service delivery maturity may still be evolving, their impact lies in their role as catalysts, introducing new paradigms, enabling rapid experimentation, and driving early adoption of transformative capabilities.

# Key contacts

## Primary contact:



**Vanshika Pahuja**

Research Analyst

vanshika.pahuja@avasant.com

## Contributors:



**Aditya Jain**

Associate Research Director

aditya.jain@avasant.com



**Haril Sadhu**

Lead Analyst

haril.sadhu@avasant.com



**Larry Godec**

Fellow

larry.godec@avasant.com



**Sahil Chaudhary**

Associate Research Director

sahil.chaudhary@avasant.com



**Swapnil Bhatnagar**

Partner

swapnil.bhatnagar@avasant.com

# Disclaimer

Unauthorized reproduction or distribution in whole or in part in any form, including photocopying, faxing, image scanning, e-mailing, downloading, or making available any portion of the text, files, data, graphics, or other materials in the publication is strictly prohibited. Prior to photocopying items for internal or personal use, please contact Avasant to ensure compliance with Avasant or third-party intellectual property rights and usage guidelines. All trade names, trademarks, or registered trademarks are trade names, trademarks, or registered trademarks of Avasant, its licensors, or the applicable third-party owner. No express or implied right to any Avasant or third-party trademarks, copyrights, or other proprietary information is granted hereunder. Avasant disclaims, to the fullest extent under applicable law, all warranties and conditions, expressed or implied, with respect to any content provided hereunder, including, without limitation, warranties of merchantability and fitness for a particular purpose. Avasant does not assume or guarantee and hereby disclaims any and all liability for the quality, accuracy, completeness, or usefulness of any information contained herein, which shall be inclusive of any and all direct or consequential damages or lost profits. Any reference to a commercial product, process, or service does not imply or constitute an endorsement of the same by Avasant. This publication is for information purposes only. By distributing this publication, Avasant is not engaged in rendering legal, accounting, or other professional services. If legal, accounting, or other advisory services or other expert assistance is required, the services of a competent professional person should be sought.

---

# AVASANT

EMPOWERING BEYOND

GET CONNECTED



[www.Avasant.com](http://www.Avasant.com)