



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

Focus on Mphasis-Digital Risk
October 2020



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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

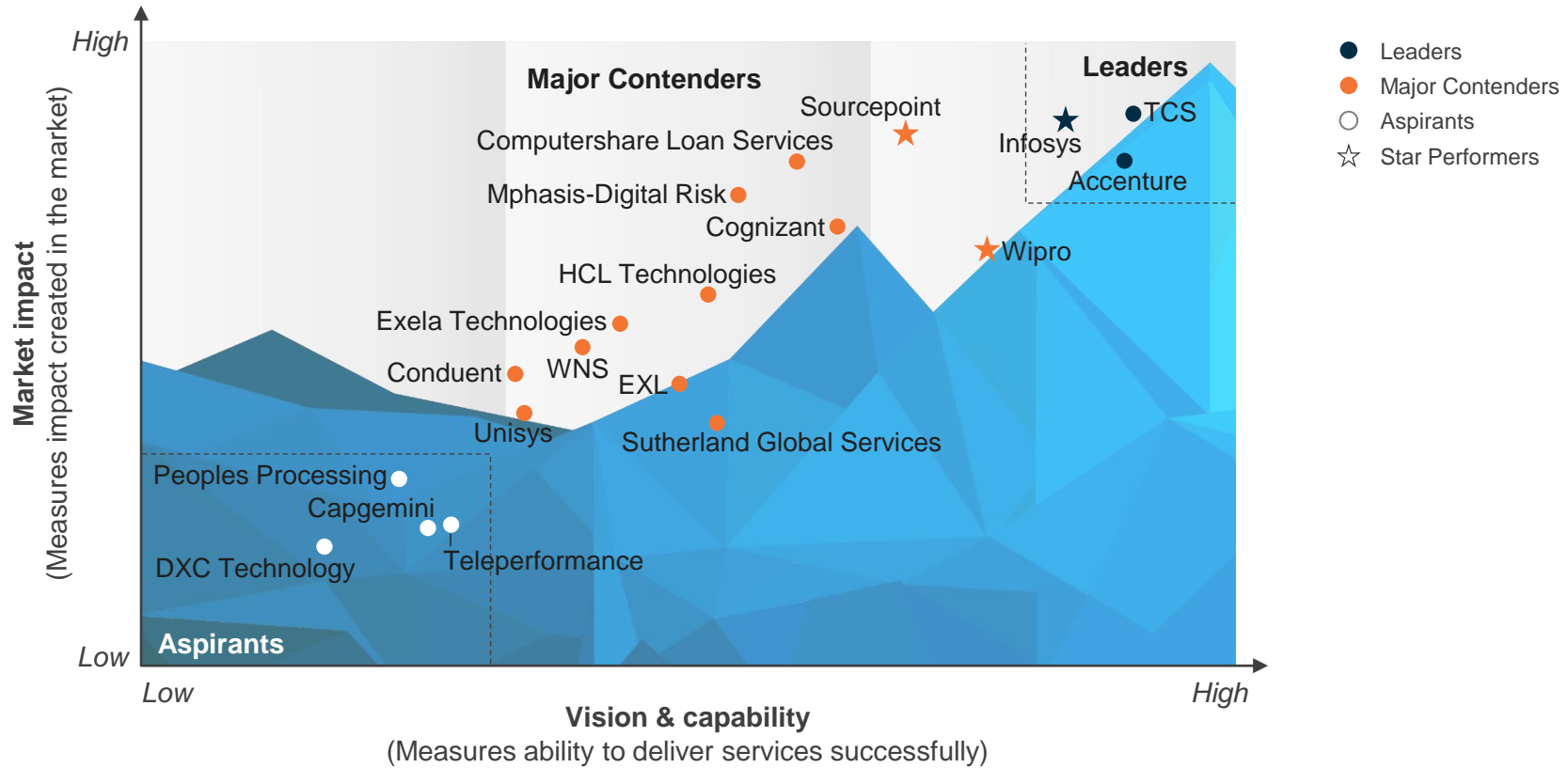
Aspirants:

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 | Mphasis-Digital Risk positioned as Major Contender

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

Mphasis-Digital Risk | Mortgage operations profile (page 1 of 6)

Overview

Company overview

Mphasis is a leading end-to-end originations, diligence, compliance, and technology services company that offers differentiated solutions to the mortgage, consumer lending, financial services, and other regulated industries. In 2013, Mphasis acquired Digital Risk, a provider of risk, compliance, and transaction management solutions for the mortgage industry. Its Business Process Services (BPS) span from end-to-end mortgage fulfillment and due diligence to point of sale solutions and origination components.

Key leaders

- Nitin Rakesh, CEO and Executive Director
- Dinesh Venugopal, President, Direct Business Unit & Digital
- Ravi Vasantraj, Global Head – Business Process Services & Digital Risk

Headquarter: Bangalore, India

Headquarters of Digital Risk: Maitland, Florida

Website: www.mphasis.com; www.digitalrisk.com/

Suite of services

- Mortgage fulfillment
- Mortgage servicing
- Commercial and consumer lending
- Analytics

Lending operations ¹	2017	2018	2019
Revenue (US\$ million)	135	121	142
Number of FTEs	2,348	2,416	3,378
Number of clients	46	64	71

Mortgage operations ¹	2017	2018	2019
Revenue (US\$ million)	92	84	107
Number of FTEs	1,094	1,202	2,067
Number of clients	40	59	67

Recent acquisitions and partnerships

2018: Partnered with Ellie Mae, a leading cloud-based platform provider for the mortgage finance industry, to leverage Encompass, an all-in-one mortgage management solution, Mavent compliance service, and data and document delivery service to enable seamless ordering, delivery, findings interface, and quality control of loans reviewed

Recent developments

- **2019:** Opened a delivery center in Dallas to cater to the increased demand for origination underwriting services
- **2019:** Opened an operation center in Bangalore due to volume demand and to have a robust Business Continuity Planning (BCP)
- **2018:** Deployed Luminare, a fully-automated mortgage document processing platform, for client deliverables on OCR/ADR and data extraction. Deployed RPA to streamline and reduce redundant processes across digital risk

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

Mphasis-Digital Risk | Mortgage operations profile (page 2 of 6)

Location landscape

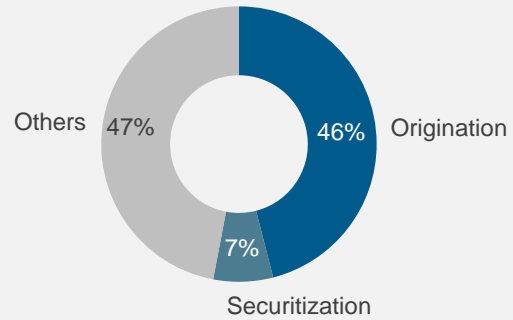


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Capabilities and key clients

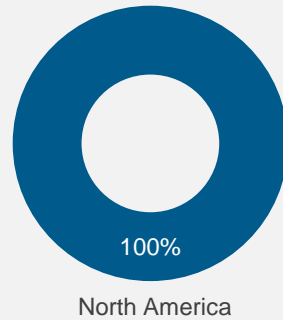
Mortgage operations FTE mix by segment
Number of FTEs

100% = 2,067



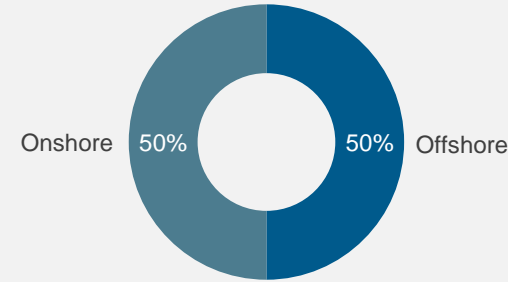
Mortgage operations revenue mix by geography
Revenue in US\$ million

100% = 107



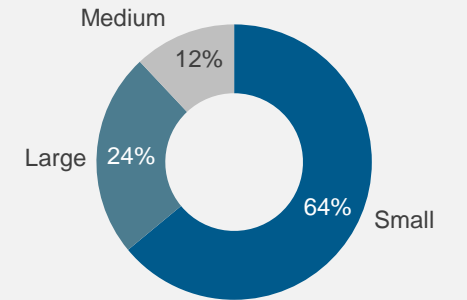
Mortgage operations FTE split by delivery location
Number of FTEs

100% = 2,067



Mortgage operations revenue mix by buyer size¹
Revenue in US\$ million

100% = 107



Key mortgage operations engagements

Client name	LOB (origination, securitization, servicing, or others)	Region	Client since
One of the top 10 banks	Securitization	North America	2018
A top investment firm	Securitization	North America	2018
A mortgage company	Origination	North America	2016
A West Coast-headquartered bank	Origination and servicing	North America	2016
A mortgage company	Origination	North America	2014
A mortgage servicer	Servicing	North America	2013
GSE	Origination and securitization	North America	2010

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)

Mphasis-Digital Risk | Mortgage operations profile (page 4 of 6)

Technology solutions/tools

Application	LOB	Year launched	Description	No. of operations clients
RPA	All	2018	Leveraging Mphasis' expertise to deploy Robotic Process Automation (RPA) to streamline and reduce redundant processes across the organization to support cost take-out initiatives	2
LoanFx	Origination	2017	A digital point of sale platform for loan origination	1
QCynergy	All	2017	A platform designed for investor clients, lenders, and servicers to perform due diligence, quality control, and TILA RESPA Integrated Disclosure (TRID) reviews	5
Amplify/LUSY 3.0	Origination	2017	A technology wrapper for boosting lender performance. It wraps all operational tasks being performed in a Loan Operating System (LOS), reduces cycle time, improves customer delight, enhances process quality, monitors performance, and creates additional levels of compliance and accountability	5
Luminate	All	2016	Automated processing for document classification and data extraction that then runs rules to automate human evaluations	5
iVue	Origination	2015	It is a proprietary pipeline management tool that iterates through thousands of data points the client provides, and transforms them into actionable data, providing valuable management and intelligence tools	3
Lusy 1.5	Servicing and securitization	2009	Loan data collection application that allows multi-client customizable form design, custom labeling of data fields, and custom data scripts with user-defined business rules	15

Mphasis-Digital Risk | Mortgage operations profile (page 5 of 6)

Risk management & regulatory reporting

Application	LOB	No. of operations clients
Operations risk	Digital risk helps operational readiness review testing, which includes Consumer Financial Protection Bureau (CFPB) operational readiness, operational assessments, state-specific reviews, and ongoing targeted reviews	5
Regulatory risk	Digital risk's compliance system helps to operationalize near real-time data used for legal compliance. It combines people, processes, and technology supporting financial regulatory requirements at the federal and state level	5

Regulatory reporting support	List of regulations	Description	No. of operations clients
The US regulations	CFBP, Federal, State, DOJ, etc.	Mphasis has two in-house compliance attorneys and two clerks who monitor all mortgage regulations in origination and servicing. New regulations and changes are cataloged and entered as business rules for use in compliance testing for our clients	5

Mphasis-Digital Risk | Mortgage operations profile (page 6 of 6)

Everest Group assessment – Major Contender

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

- Mphasis has broad-based capabilities spanning mortgage processing, underwriting, closing, and securitization, and has witnessed growth in its mortgage revenue with addition of new client logos. It also has a strong set of offerings in risk and regulatory management services
- It has extended its global network of delivery locations by setting up centers in Dallas and Bangalore, to cater to the increased volume demand in its mortgage fulfillment engagements
- It continues to invest in enhancing its in-house technological capabilities with offerings such as Amplify and Luminare to drive process efficiency and quality improvements, and its proprietary pipeline management tool, iVue, that leverages analytics and automation to streamline operational time
- Backed by its acquisition of Digital Risk, Mphasis, has built specific process capabilities on due diligence, quality control, and TRID reviews through its Qcynergy platform, and is also providing support to GSEs to improve loan quality

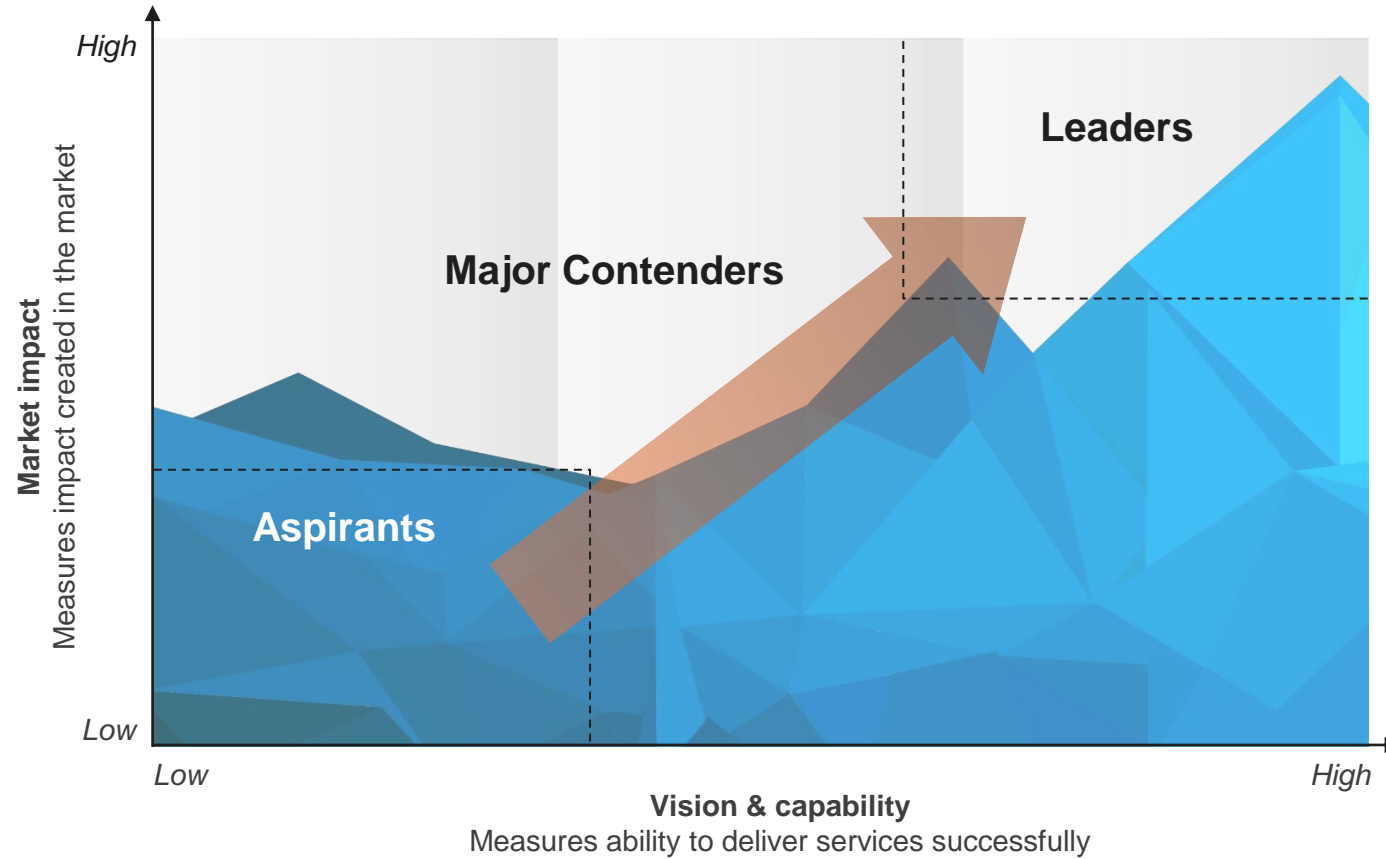
Areas of improvement

- Though Mphasis has built a strong clientele base in North America, it is yet to test its ability to serve clients in other geographies such as the UK and Europe, where other players have started gaining traction
- Its existing leverage of partnerships and strategic alliances with FinTechs and BigTechs, to offer technology-led solutions faster in the market, is not as extensive as some of its peers
- Clients would like Mphasis to focus more on talent retention, and work toward expanding its talent pool in more complex processes such as underwriting

Appendix

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

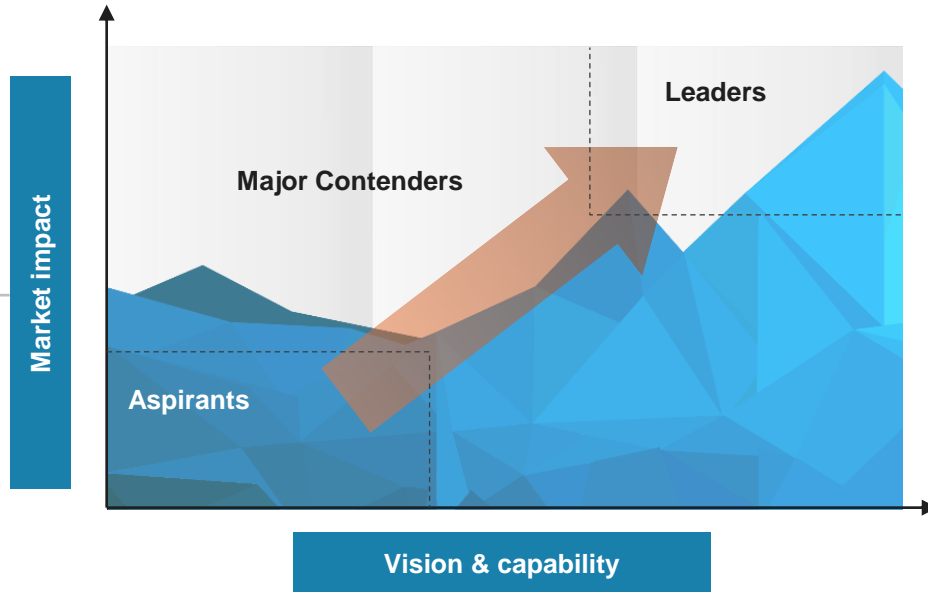
Everest Group PEAK Matrix



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



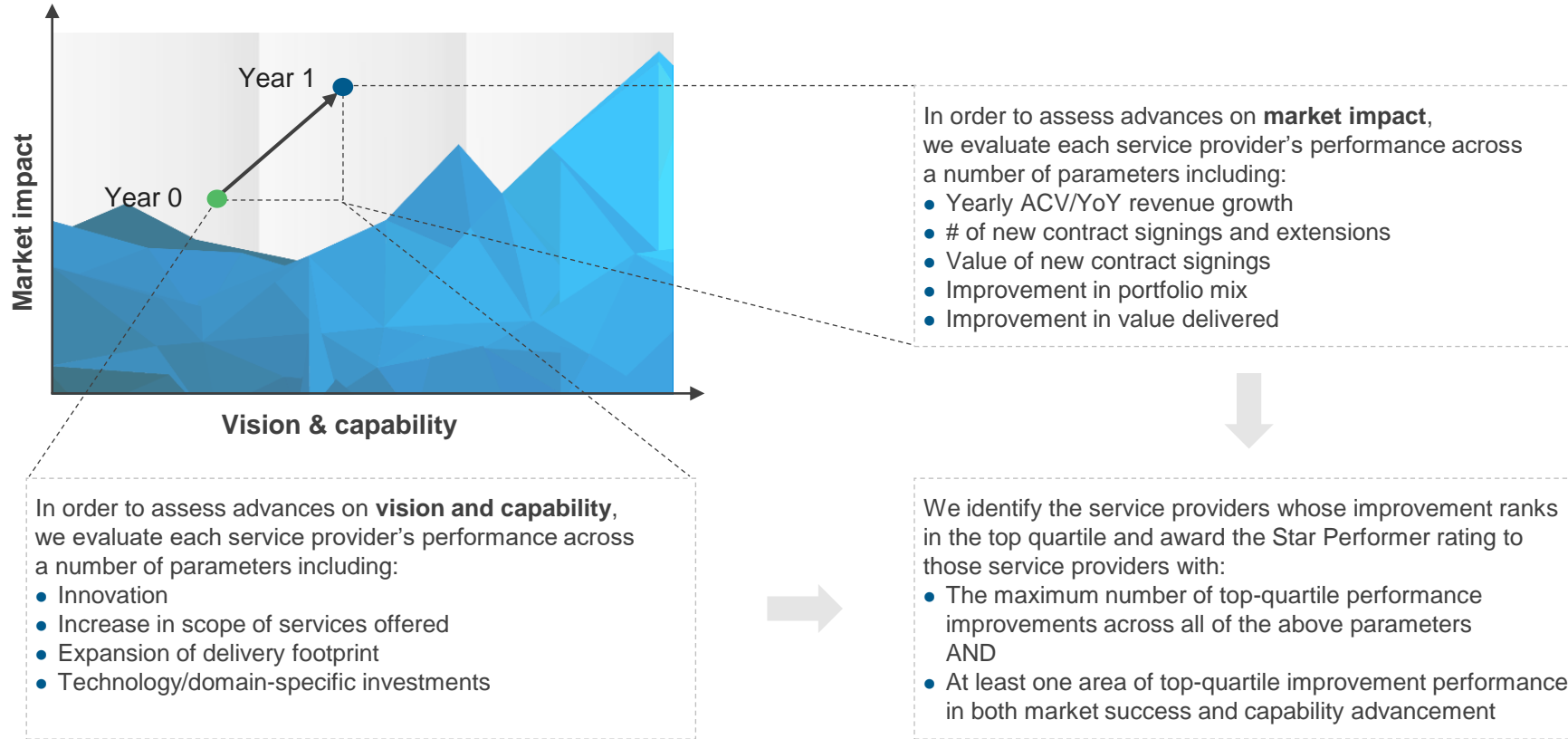
Measures ability to deliver services successfully. This is captured through four subdimensions

- 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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