

Entrepreneurs / #NewTech

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## This Company Uses AI To Help Lenders Automate The Mortgage Loan Process



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*I cover entrepreneurs and startups disrupting industries.* [FULL BIO](#) ✓

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(Photo courtesy of Floify)

A recent report by the National Association of Realtors revealed that homeowners under 36 years-old make up the majority of buyers in the United States at 34%, with 66% of these home buyers purchasing for the first time.

Additionally, 49% of these buyers are raising children under the age of 18 in the home, with 66% of this demographic representing married couples. More significantly, home buyers between the age of 37-51, considered to be peak earning years, have the highest average income of any buyer type at \$106,000.

As the purchasing power among millennials continues to increase, there has been a bigger push for young people to purchase property and acquire assets that will not only provide stability but further generate wealth. Seeing these shifting trends in the housing market, mortgage lenders are in a rush to close home loans faster than ever before.

However, low mortgage rates only lead to increased competition amongst lenders. Consequently, for mortgage lenders to remain competitive in the flooded market, they must leverage automation and other tech tools to efficiently expedite the lending process. Noticing this need and growing opportunity, one startup emerged to offer an automated solution.

[Unisource](#) is a national title and escrow company that uses machine learning and artificial intelligence to provide tailored lending solutions for mortgage and real estate agencies. By using machine learning, Unisource can customize transactional services around the individual needs of each client. Their proprietary technology also allows mortgage and real estate firms to automate the lending process and adapt to regulatory changes while maintaining compliance.

Unisource CEO Michael Cohan explains the vision behind his company, the future of the real estate market, and how the rise of automation is transforming the lending industry.

### **What specific void or opportunity did you discover that inspired the idea behind your company?**

**Michael Cohan:** I have a very tech heavy background, which submersed me in an environment that had a process for everything. As I researched industries that could use more process and automation, it was apparent that title and escrow had a significant void. Specifically, automated technologies like artificial intelligence and machine learning. I wanted to provide faster, more efficient services using a turnkey solution that would benefit the real estate sector.

What were some of the challenges you faced getting your company off the ground and what lessons did you learn from this process?

**Michael Cohan:** I started Unisource in 2003, and had a few years to build a solid foundation for the company. However, it didn't feel like long until one of the biggest financial meltdowns this country has seen set in.

As a result, the investment we were making into our technology became difficult. There was no stability in the industry. We managed to carry on in a down market, and in surviving that downturn, the most important lesson I learned was to invest in your company. Specifically, in technology and operations, putting all of your focus into your business. Denying any distractions or naysayers will bring you out stronger on the other side. We never stopped investing in our company and our processes, even though buildings and high rises were crumbling around us, we stayed focused.

### **Describe how your services work and what is the strategic thinking behind your business model?**

**Michael Cohan:** One of the biggest challenges the industry faces is compliance on a national level for our customers. We come in as a strategic partner that specializes our technology to help maintain compliance while streamlining and automating the loan process. Helping our customers maintain compliance is a huge driver of Unisource as well as providing customized technology solutions to help maintain a competitive structure. Mining data in some constituencies is so archaic that in order to mine data, an abstractor must be hired to physically go through the courthouse and source records. We believe that by making data readily available through artificial intelligence, specifically artificial intelligence and machine learning, we can excel in the lending process.

### **What went into the process of developing your proprietary technology and what specific problems were you looking to solve for when building it?**

**Michael Cohan:** We worked hand in hand with our customers to see what challenges they were dealing with, particularly challenges that could be automated, such as paperwork. It was and still is a 'help us help you' scenario. We also sought out internal title and escrow experts and sourced their knowledge on what was lacking in the market both operationally and technology wise. This gave us the prowess we needed to improve the industry from an internal standpoint. Some of the brightest developers in our industry helped design and execute the vision that our customers and consultants created.

### **How does the use of machine learning give you a competitive advantage in the space and what added benefits does it offer to clients?**

**Michael Cohan:** There is both an internal and external competitive advantage to automation in our industry. Internally, the processes are far more efficient. There is less human error, and a larger workload can be completed in less time. This drastically reduces costs for us to produce documents, such as reports, which is then transferred into savings for our customers.

By leveraging technology to streamline operations, the real estate sector as a whole will be much more efficient. Externally, we are able to provide higher levels of service to our customers. We can quickly pull all documents, reports, transactions, etc. and query those documents to gather data efficiently. As investment in technology goes on, overhead costs will be drastically lower, therefore providing the consumer a lower price point with faster turnaround times.

### **What are the core principles or central mission driving your business?**

**Michael Cohan:** Delivering individualized solutions to every customer has always been a driving force for me. In this industry, there is little pattern to follow. We aim to speed the lending process by staying on top of rules and regulation in all 50 states to make sure our customers can execute loans as quickly as possible. The ability to deliver individual solutions to each client quickly means we can continue to provide a lower cost to the consumer.

How do you see the company evolving in 3-5 years and what impact do you hope to have on the industry?

Michael Cohan: In the next 3-5 years, there's going to be a relatively smaller number of providers. Those that remain must adapt to better processes, such as going entirely electronic, in order to stay competitive both operationally and cost offerings. Besides, state and federal regulations are becoming more and more difficult every year. The more digital title and escrow companies get, the more streamlined they will be when it comes to stricter compliance. We will continue to develop streamlined processes for staying on top of national and statewide regulation. Lastly, I can't wait to see a paperless, mortgage closing. While I don't dictate the policy on this, I see the future as completely electronic. Imagine the lender working with their customer on an iPad; they can sign and upload docs immediately into the Unisource system and expedite the lending process into a matter of days, not weeks.