



Transforming Loan Origination

Orchestrated solutions that handle end-to-end workflows offer lenders an accelerated path to automation.

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Transforming Loan Origination

Over the past decade, automation has offered a tremendous benefit to financial institutions – including a faster, more transparent customer experience, more efficient use of administrative staff and streamlined compliance reporting – deploying it and extracting the most value from it takes effort. Before they can realize those benefits, banks and credit unions must first research the technological solutions available, set up an implementation plan and either integrate the solution within their existing workflows or redesign their workflows around the solution itself. These challenges take time and resources, both of which can be in short supply with current pressures on financial institutions. The rising tide of non-bank competitors focused on speed and outstanding customer experiences makes it all the more urgent for banks to overcome these barriers, and deliver tangible products faster to their constituents.

The challenges can be even greater for regional banks and credit unions, which lack the resources larger banks have to make major technology investments. Due to these constraints, mid-sized and smaller banks may opt to adopt off-the-shelf point solutions that automate discrete parts of a process, an approach that is often fraught with integration headaches and bottlenecks. This is especially true when multiple, different point solutions are deployed across a single process or series of workflows. The resulting “spaghetti” effect is often cited for slowed adoption by architecture and risk groups.

If streamlined processes are the goal, financial institutions are more likely to achieve success with automating entire workflows, that is adopting end-to-end automation. This type of automated workflow takes the same inputs and produces the same outputs, it just does so more efficiently and, often, more transparently.

We believe the logical starting place for this is in high-value portfolios, like loans, mortgages, LOCs and HELOCs to start. Pre-built, orchestrated solutions can provide end-to-end automation capabilities, intelligent document processing and workflow management, integrating with existing systems and providing compliance and audit trail features. In a world where a potential borrower has access to any number of lenders literally at their fingertips, a fast, easy, secure loan origination process can be a major competitive advantage.

Accelerating the process from onboarding to issuance

The loan origination process represents low-hanging fruit for creating automation wins that will generate returns which can be both measurable and significant. Despite its relatively straightforward nature, loan origination tends to be plagued by manual data collection and review bottlenecks. At the same time, customers are aggressively shopping among lenders and expect fast, transparent digital experiences delivered at the speed of a fintech. Too often, customers aren’t getting prompt answers about whether they have been approved for a loan because human review is slow and handoffs between people takes time. If a bank or credit union can’t provide this level of service, customers will go elsewhere.

Automation is vital for meeting customers’ loan-origination needs. The right solution can help lenders minimize downtime and manage what traditionally has been siloed implementation of approval and adjudication processes. A good solution helps lenders collect and organize data and documents, find upstream issues and resolve bottlenecks so borrowers spend less time in line waiting for human review, and move loans to underwriting faster.

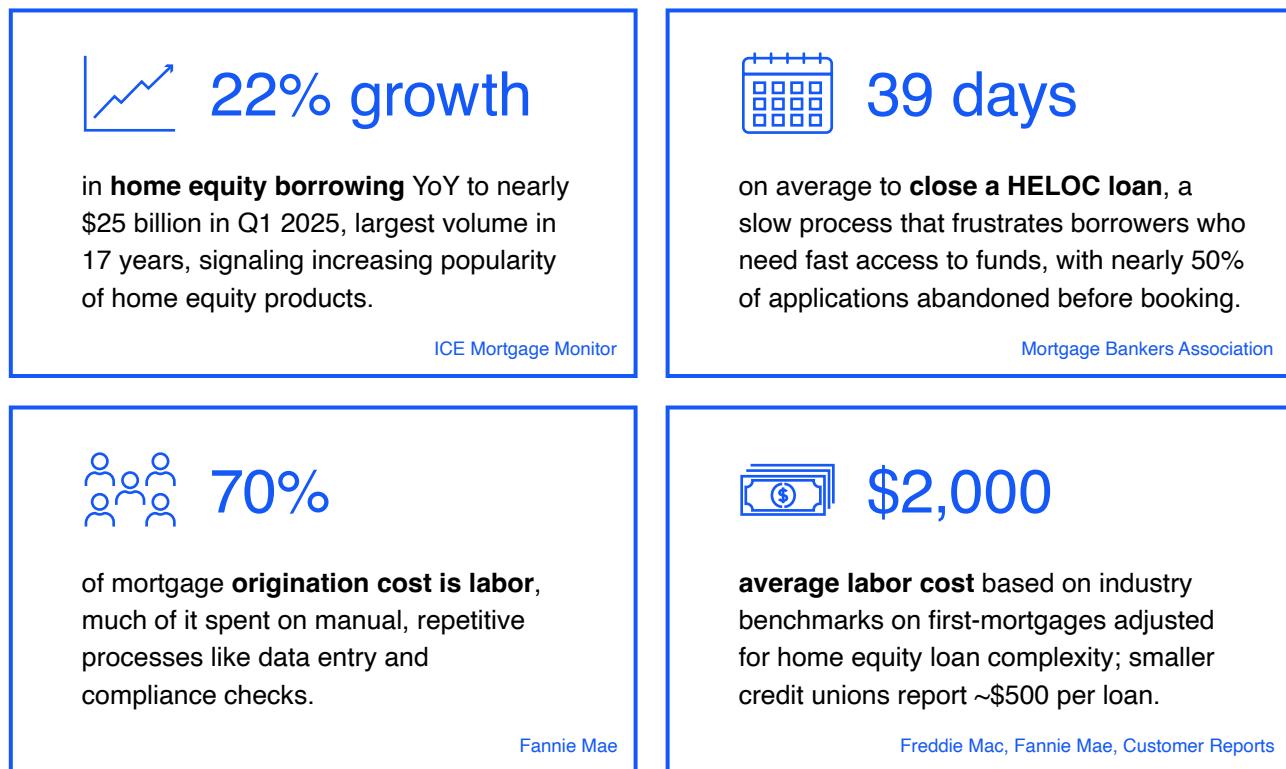
Automation also makes the process more transparent. When borrowers can see where their application stands at all times in the approval process, they also are more likely to understand what they need to do to move things forward.

Automate home equity lines of credit first to build momentum

Home equity lines of credit (HELOCs) offer banks and credit unions a way to pilot an orchestrated, end-to-end solution on a process that offers immediate and ongoing benefits. HELOCs represent a major portion of most banks' and credit unions' loan portfolios, which makes them a good fit for investment and innovation among institutions of all sizes.

HELOCS are a particularly attractive market for lenders looking for an evergreen source of loan growth. They're always an option for homeowners, but they're especially attractive in the type of low-inventory, high-rate environment that suppresses new loan originations. Even though lenders should theoretically have better access to the information they need to close on HELOCs, the process remains stubbornly slow and labor-intensive industry-wide (see Figure 1).

Figure 1: Home equity demand is surging, but origination remains costly, slow and labor-intensive



Automating HELOC originations offers bank leaders an opportunity to initiate loans on very quick cycle times. Since first mortgages are only incrementally more complicated, HELOCs are a logical first step to an expanded process that prepares lenders for the next origination boom cycle.

Overcoming the manual processes that slow HELOC originations

Manual processes generate challenges for lenders in many ways. Document review, verification and data entry across multiple systems frequently create bottlenecks, not to mention rework on files that had typos, and other manual entry – induced errors. These processes also must account for the complex compliance requirements as regulations continue to evolve. Manual underwriting processes also create risk in underwriting, with potential errors and inconsistent decision-making.

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The right smart automation tools can transform many of these steps. AI agents can improve document processing efficiency and validation by analyzing and extracting data from loan applications, income verification documents, credit reports and supporting materials. A different set of agents can then validate the extracted information against multiple systems, flagging discrepancies for human review. Since those human resources are no longer involved in more mundane collection and analysis tasks, they can turn their attention to these discrepancies and deal with them more quickly.

Additional tools can provide automated underwriting support, with AI agents assessing application data against lending criteria, identifying risk factors and providing recommended next steps. This automates the gathering of additional verification data from external systems, freeing up loan officers to make final approval decisions and handle any additional work needed to resolve complex applications.

The value of an orchestrated approach to automation

An orchestrated approach to automation makes it easier for lenders to integrate tools into their existing workflows. Instead of finding point solutions that solve for process chokepoints piecemeal, lenders can partner with a vendor offering prebuilt elements that take the data a bank already has and produce outputs that they already use. This approach can be especially helpful for regional banks and credit unions that need to close the speed and quality gap in loan origination and processing with larger competitors, but lack the resources for a comprehensive overhaul of their legacy systems.

At UiPath, we've had success engaging clients as co-design partners so that we can customize solutions based on their specific needs and desired outcomes (see Case Study: Orchestrating Speed and Efficiency). This partnership allows us to fine tune AI agents and intelligent document processing to improve accuracy and speed in underwriting. The solutions then use custom APIs to integrate into existing workflows, technology stacks and data structures.

Case Study: Orchestrating Speed and Efficiency

UiPath, in partnership with Lake Michigan Credit Union (LMCU) and Greenlight Consulting, is working to modernize a home equity loan origination process that had become increasingly slow, manual, and fragmented across teams. The initial focus has been on the setup and disclosures phase — historically a key bottleneck — where repeated handoffs, manual data collection and compliance checks extended timelines and consumed significant staff effort.

By introducing agentic automation, LMCU has streamlined loan setup and disclosures, reducing friction between teams and accelerating time to member-facing outcomes. Agentic robots now orchestrate data gathering and disclosure preparation, while intelligent agents support exception identification and determine when human review is required. Employees remain engaged for final verification and judgment-based decisions, ensuring accuracy and compliance without slowing the process.

This system is expected to reduce cycle time for setup and disclosures from approximately 2.5 days to just one day, enabling faster disclosures and a smoother experience for members. This expected reduction in hands-on-keyboard time allows staff to redirect efforts toward higher-value activities, including member engagement and complex loan scenarios. These gains are especially meaningful for an organization that funds more than 5,800 HELOC applications annually.

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Looking ahead, LMCU plans to expand agentic automation across the full loan origination lifecycle. As additional stages are automated, the credit union expects to further compress timelines, reduce manual effort and improve consistency end to end. Over time, these improvements are expected to support higher loan volumes by reducing member drop-off and making the HELOC product more attractive, particularly as the overall origination timeline moves closer to a two-week experience rather than the traditional 30 days.

By combining agentic robots, intelligent agents and targeted human expertise, LMCU is building a modern, resilient lending operation — one designed to deliver faster outcomes, maintain strong compliance and provide an improved member experience as the business continues to grow.

To make this approach to agentic orchestration as flexible as possible, we make the most of AI agents, robotic process automation (RPA) and people across systems. This technology operates complex processes end-to-end to cohesively execute and manage workflows. It also functions across a variety of systems, apps and technologies, while operating within established guardrails and in compliance with company policies.

Benefits extend beyond efficiency

Orchestrated solutions provide benefits beyond operating efficiency and faster loan originations. Automation can also improve data quality by reducing opportunities for data-entry errors. By ensuring automated processes happen transparently, automation can also make quality and compliance audits more efficient (see Sidebar: Automation Beyond Origination: Modernizing QA/QC). Discrepancies between the data used to originate a loan and authoritative datasets get identified in real time. This process ensures quality and flags any parts of the process that regularly produce discrepancies or potential compliance issues so the organization can address them quickly and directly.

Automation Beyond Origination: Modernizing QA/QC

As a rapidly growing U.S. credit union works to scale lending while staying true to its mission of improving members' lives, it is turning to automation to support sustainable growth. Increasing loan volumes are placing pressure on post-closing QA/QC teams responsible for manual compliance reviews. Using the UiPath Solution for Commercial Lending, the organization is automating its QA/QC process with AI-powered agents tuned to perform data comparisons across dozens of loan documents and hundreds of rules. The solution includes securely retrieving loan files, comparing documentation against approved loan terms, and validating required compliance touchpoints at scale. This approach is reducing manual effort, improving consistency and audit readiness, and enabling compliance teams to focus on exceptions rather than routine checks. In the context of broader loan origination modernization, this initiative illustrates the power of enabling automation across the full loan lifecycle to achieve scalable, compliant growth.

Beyond efficiency gains across related systems, orchestrated automation solutions provide a template financial institutions can use to address other high-priority workflows. These solutions are also scalable and durable. Keeping people focused on higher-value tasks means lenders should have less need to add or reduce staff in response to the evolution of the lending cycle. Meanwhile, the data produced by automated systems provides the operational transparency needed to improve processes and find opportunities to upsell and cross-sell banking products.

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Putting a loan origination solution in place can generate a key early win and demonstrate the potential value of end-to-end automation. Adding orchestrated agents to deal with incremental parts of the process unique to new home loan originations could provide a second big win and establish a roadmap banks and credit unions can apply elsewhere in the organization, including auto loans, refinancing opportunities, and other lines of business.

About UiPath Solutions

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