

Streamlining High Volume Collections

CUSTOMER CHALLENGE:

The Federal Housing Administration (FHA), the world's largest mortgage insurer, was spending over \$4 million each year in service fees for the collection of mortgage insurance premiums. The cost was driven by lockbox fees paid to banks that received payments and deposited them on behalf of the FHA. High volume lenders were effectively penalized by additional service fees for electronic payment submission.

DELIVERY:

ATSC implemented Pay.gov, a secure government-wide electronic collection service offered by the U.S. Department of the Treasury. Pay.gov supports electronic billing/notification, collections and reporting.



ATSC integrated the Pay.gov service with legacy FHA systems in order to process:

- Mortgage insurance premiums
- Lender branch addition fees
- Lender reinstatement fees

The new system collects both one-time and recurring fees. It is highly scalable and designed to support millions of transactions each business day.

ATSC delivered a distance learning solution to train the 3,000+ FHA lenders who use Pay.gov.

RESULTS:

The new system was implemented on schedule, within budget and with no interruption in collection service. The following benefits were realized:

- FHA recaptured its investment in just over 6 months
- Annual savings to FHA of \$4.1 million
- Fees to FHA-approved lenders eliminated

The system supports increasing volume, reflecting a market trend of greater reliance on FHA mortgages. In a single day, it has processed over 2 million transactions, collecting over \$100 million in insurance premiums.



FHA currently insures almost 5 million single family homes and 13,000 multifamily properties. As FHA operates entirely from self-generated income and costs the taxpayers nothing, this implementation infuses an additional \$4 million each year to support the FHA in strengthening the nation's housing market.