

EXTRACTING SAVINGS FROM TROUBLED HOME LENDING ASSETS

A global bank's home lending portfolio was losing significant value every month. The bank has millions of mortgages at risk of default and must determine what actions to take—whether to foreclose, modify, or forgive the loans—which calls for complex decisions. Existing solutions were designed to address operational challenges and cannot be repurposed to treat home lending accurately as an asset management problem. To solve it, the bank turned to Palantir's analysis platform for disruptive innovation.

THE PROBLEM

The home lending environment presents a complex and dynamic data universe. As a result, it is difficult to understand. The bank had multiple systems of record and dozens of huge-scale data sources, all of which were necessary to comprehend the full details of the home lending problem. Complicating matters further, these data sources were disparate, disconnected, and full of dirty data. The bank also wanted to integrate external data sources such as on-market house listings, Valuations, Automated Valuation Models, market forecasts, and others. If it did not improve its ability to study its home lending assets, the bank would continue to incur substantial losses to its default portfolio. However, building a bespoke solution to solve the bank's home lending problems would take as long as two years.

PALANTIR'S SOLUTION

Our engineers delivered an operational solution within three months. After identifying strategic initiatives with experts at the bank, we used our platform to integrate over thirty distinct data sets. The product continues to integrate over a terabyte of data each month. With Palantir, bank analysts received a daily priority list of loan-level actionable information. Bank analysts leveraged Palantir's enterprise analytics and visual representations of problems to reduce friction between systems and push insights to operation teams. As a result, the bank now has accurate loan-level pricing, creating a more liquid portfolio. The bank systematically treats each loan on an individual basis, quickly and fairly. In an area of high pain, the bank has been able to implement Palantir-tested strategies to achieve significant returns. The bank's total savings attributable to Palantir are already in the hundreds of millions of dollars.

PALANTIR'S IMPACT & RESULTS

- » The customer is realizing **hundreds of millions of dollars in savings by using Palantir.**
- » Palantir delivered **dramatic savings** over REO and accelerated the customer's portfolio disposition.
- » **Palantir delivered significant improvements** in loss mitigation, analytics, operations, and fraud detection and prevention.
- » **The customer started additional Palantir programs** in parallel with Strategy, IT, and Operations.

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