



guaranteedRate[®]

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 ncino[®]

CASE STUDY

Guaranteed Rate

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Headquarters:
Chicago, IL



Annual Volume:
\$55 Billion



Founded:
2000



Commission-Eligible Employees:
5,000 employees



Overview

Guaranteed Rate relies on nCino Incentive Compensation for fast, accurate and transparent commission calculations

Guaranteed Rate is one of the largest retail mortgage lenders in the United States. Headquartered in Chicago, it has more than 10,000 employees in nearly 850 offices across the United States. Since its founding in 2000, Guaranteed Rate has helped hundreds of thousands of homeowners with home purchase loans and refinances. The company funded nearly \$55 billion in 2022 and has been named a top lender by U.S. News & World Report, Scotsman Guide and NerdWallet.

"Today, we have nearly 5,000 commission-based employees. We needed a solution that would not only save time and eliminate human error through significant automation, but also **allow our branch managers and loan officers transparency into their earnings in real time.**"

Emily Da Cunha

Vice President of Incentive Compensation,
Guaranteed Rate

Challenge

Consistently ranked among the top 10 lenders in America by mortgage volume, Guaranteed Rate employs thousands of loan officers, loan officer assistants, and underwriters who are eligible to earn performance-based commissions in addition to their base salary. Managing incentive compensation for such a large workforce was becoming increasingly difficult as Guaranteed Rate grew both organically and through the acquisition of existing mortgage operations with their own, unique compensation structures.

Chief Accounting Officer Ken Kane determined that Guaranteed Rate had outgrown spreadsheets as a compensation management solution and went looking for a better alternative. Although he briefly considered using the commission module built into Guaranteed Rate's general ledger software, it soon became clear that the company needed a more dynamic system capable of automating the highly complex array of pay structures common in the mortgage industry. An unsatisfactory trial run with a commission software popular in the hospitality industry only underscored the need for an industry-specific solution that could handle tiered payment structures, variable commissions, and caps based on loan source while seamlessly sharing data with Guaranteed Rate's loan origination system (LOS) and other systems of record.



"When you grow to our size, it's pretty hard to maintain commissions in spreadsheets," says Kane. "Other applications we tried proved clunky. They weren't real time, and we were still wasting time uploading and reviewing data. If you're not really automating, you might as well stay in the [Microsoft] Excel world."

"Managing things in Excel took enormous amounts of time and extensive manual data entry, which simply became impossible as we grew," adds Vice President of Incentive Compensation Emily Da Cunha. "Today, we have nearly 5,000 commission-based employees. We needed a solution that would not only save time and eliminate human error through significant automation, but also allow our branch managers and loan officers transparency into their earnings in real time."



Solution

After trying multiple avenues to manage incentive compensation more effectively, Guaranteed Rate discovered the nCino Incentive Compensation platform, formerly known as CompenSafe.

nCino Incentive Compensation is the premier Incentive Compensation Management (ICM) platform tailored exclusively for mortgage lenders. It consolidates all aspects of incentive compensation management into a single, intuitive system, serving as a comprehensive solution for administrators and employees alike.

"Commission statements populate within about 30 minutes of loan funding, giving our incentivized employees near **real-time feedback** and a more comprehensive view of what they are entitled to under their compensation structure,"

Emily Da Cunha

Vice President of Incentive Compensation,
Guaranteed Rate



No incentive compensation plan is too complex for nCino Incentive Compensation. At Guaranteed Rate, some incentive compensation plans pay commissions each pay period, while others pay out only once a month. Other plans are still more complex, paying out commissions 45 days after the end of the month in which they were earned.

nCino Incentive Compensation easily accommodates all these different pay schedules and supports tiered and split compensation, overrides, draws, and guaranteed minimums, too.

Results

Seamless LOS Integrations that Save Time and Increase Accuracy

Thanks to nCino's plug-and-play API integration with Guaranteed Rate's primary LOS, Encompass from ICE Mortgage Technology, the incentive compensation team doesn't have to waste time manually uploading data to calculate commissions.

Instead, calculating bonuses and loan commissions for hundreds of incentive plans is an automated and virtually error-free process. Loan data is automatically ingested by nCino Incentive Compensation and used to calculate and allocate compensation as soon as loans close and fund. Late-breaking changes to loan data fields that could impact incentive compensation, like the lead source, are transmitted from the LOS to nCino Incentive Compensation in near real-time.

In addition to its integration with Encompass, nCino also integrates with the Empower LOS from Dark Matter Technologies, which has proven beneficial when Guaranteed Rate has acquired or formed joint ventures with organizations using that system.

Commission Statements Delivered to Employees within 30 Minutes of Funding

Using Incentive Compensation's Verify Pay feature, commission-based employees can review their bonus and commission earnings up front, before paychecks are issued—typically within half an hour of a loan's funding.

This near real-time view into commissions has brought transparency to the incentive compensation process. Any questions that require resolution are automatically forwarded to the incentive compensation team along with the associated loan file, giving Guaranteed Rate a time-stamped audit trail and easy access to the information required to address disputes.

"Commission statements populate within about 30 minutes of loan funding, giving our incentivized employees near real-time feedback and a more comprehensive view of what they are entitled to under their compensation structure," said Da Cunha. "We're able to respond more rapidly to questions and concerns to ensure everyone receives the correct payments."



Flexibility and Domain Expertise to Automate Even the Most Complex Incentive Compensation Structures

nCino Incentive Compensation gives lenders unprecedented control over which data fields are pulled from the LOS to calculate compensation. Guaranteed Rate has leveraged this capability to build automation capabilities to manage even its most complicated compensation calculations.

For example, while some of Guaranteed Rate's incentive compensation plans specify a different commission payout for loans underwritten to self-employed borrowers vs. W-2 wage earners, the variation only applies to certain loan types. nCino Incentive Compensation is the only incentive compensation management platform capable of layering those requirements and if/then logic to accurately calculate commissions for even the most nuanced plans.

nCino Incentive Compensation also recently introduced a feature called Relationships that has allowed Guaranteed Rate's team to automate complex recruitment and referral incentives that previously had to be handled outside the system.

"It's very helpful to have a system that is **truly for the mortgage industry,**"

Emily Da Cunha

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"nCino Incentive Compensation is already highly configurable, and when we have needed a custom data field that doesn't automatically import from our LOS, nCino has worked with us to add those customizations," said Da Cunha. "It's very helpful to have a system that is truly for the mortgage industry and understands the specific factors used to determine commissions and the terminology we use to describe them. We've been on systems that were not built for mortgage before, and it did not work out well."

Centralized Compensation Management that Scales as Guaranteed Rate Grows

Implementing nCino Incentive Compensation has not only eliminated manual data entry from Guaranteed Rate's incentive compensation calculation process, it's also made it easy for Da Cunha's team to generate compensation reporting on demand.

"Department managers used to have to calculate compensation manually for certain roles. Now we focus on reviewing instead of doing, which saves a lot of time on the administration side. And being able to extract reporting has been huge, whether it's high-level reporting for executives or detailed down to the loan level for salespeople," says Da Cunha. "It's a centralized compensation management approach, which is exactly what we needed to accommodate our growth as one of the largest mortgage lenders in the United States."





The nCino Difference