

Case Study #1 – Housing Loan Application – Level 2

Bank ABC in Singapore offers housing loan. Their current time to process a housing loan application is six days on average, although it sometimes took as long as two weeks. From the bank's point of view, this turnaround was too long that a lot of customers have been seduced by other banks, especially OCBC, who promise application approval within an hour!

The current application flow is as follows:

1. A customer approaches the bank officer located in any of their 200 branches in Singapore.
2. The customer fills in the housing loan application form.
3. The application forms from all 200 branches are sent by dispatch at the end of each day to the HQ located at Raffles Place.
4. The dispatch dumps the forms (together with other mails) to the mailroom of the HQ.
5. There's a mailroom auntie in the mailroom that puts all the housing loan application forms in a dedicated pigeon hole in the mailroom.
6. At 10am every day, two admin girls from the HQ Housing Loan Department collect the application forms from the pigeon hole in the mailroom. They sort the pile of housing loan applications from all 200 branches into 2 piles: HDB (public) and private housing.
7. The 2 piles of application forms are then passed to the Head of the respective Housing Loan Group – one group specializing in HDB (public) housing and the other private housing. The Head will distribute the workload among the housing loan officers.
8. When the Housing Loan Officer receives an application, the first thing she needs to do is to key the application data into the Housing Loan System.
9. She will then check if all required supporting documents are present (e.g. a copy of NRIC, IR8A, CPF statement, etc.) If not, the application will be put on hold.
 - a. Check following documents are present and complete: NRIC (front and back), IR8A (latest), CPF statement (latest)
 - b. If document not complete – need to notify the bank officer
 - c. For documents that are still not in for more than one month – need to notify the bank officer
 - d. Do first round of check for eligibility

10. When all supporting documents are finally in, she will put everything into a physical folder, together with a printout of the application form, and pass the folder to Credit department for credit review. This is done through dispatch because the Credit department is located at Changi Business Park.
11. When the Credit department completes the review, the folder will be passed back to the Housing Loan Officer via dispatch.
12. If the credit review is ok, the Housing Loan Officer will then pass the folder to the Interest Specialist in the Finance Department to determine the interest rate. The Interest Specialist is also located at the Changi Business Park. So the passing of the folder needs to go through dispatch.
13. When the Housing Loan Officer receives back the folder with the interest rate from the Interest Specialist (via dispatch), she finally passes the folder to the Business Practice Department who is responsible for all the terms and conditions for each housing loan application. They will generate the Housing Loan Agreement and Letter of Approval. The Business Practice Department is located in the same floor as the Housing Loan Department. So no dispatch is required.
14. The Housing Loan Officer, on receiving the two documents (Housing Loan Agreement and Letter of Approval), will get the signature from the Head of Housing Loan and send these two documents by dispatch to the respective branch.
15. The bank officer of the branch will make a call to the customer.
16. The customer will need to come to the branch to sign the two documents.
17. The two signed documents will be returned to the Housing Loan Officer in HQ.