

WHITE PAPER

Approve Mortgage Loans Faster with eCBSV



SentiLink

Executive Summary

Mortgage lenders processing SSA-89 forms are switching to eCBSV because it's faster, cheaper, less error-prone, and requires less manual work.

This digital SSN verification service has been in pilot phase since July 2020, and the Social Security Administration ("SSA") has announced that full rollout is expected in 2022. Many service providers, financial institutions, and mortgage originators will be adopting this service soon.

SentiLink was the first service provider to integrate with the SSA to offer eCBSV to mortgage lenders in July 2020. As a result, we have developed a deep knowledge base—including insights around typo rates, match rates, and latencies that need to be considered when implementing eCBSV into workflows.

Forward-thinking mortgage lenders are asking:

- How much faster is eCBSV than SSA-89 forms?
- How much cheaper is eCBSV than SSA-89 forms?
- Does eCBSV have a better match rate than SSA-89 forms?
- Are mismatches necessarily fraud?
- What practices should be implemented to improve mismatch rates with eCBSV?

This Executive Brief answers those questions based on our experience processing eCBSV requests.

eCBSV Refresher

Electronic Consent Based Social Security Number Verification or eCBSV is a service that the SSA launched in the summer of 2020. It is an API that validates a name, date of birth, and SSN combination in milliseconds and indicates whether the individual is deceased. The program can be accessed through specific service providers, and accepts electronic signatures on SSA-89 forms.

With digital consent from a consumer, a mortgage company can send an applicant's name, date of birth, and Social Security number to the Social Security Administration via API. The SSA responds to that API call in less than a second and indicates whether that exact combination exists in their databases as well as if the individual is deceased.

In many cases, guidelines from [FHA](#), [Fannie Mae](#) and [Freddie Mac](#) require SSN validation with the SSA-89 specifically, and eCBSV is the only digital, real-time validation that satisfies their requirements.

The State of eCBSV

As of November 2021, the SSA has processed more than 30M eCBSV request from its pilot participants. The overall mismatch rate is around 5%. Full rollout is expected in 2022.

SentiLink Insight on eCBSV

SentiLink has significant subject matter expertise on eCBSV. We've written [several blogs](#) on the topic and hosted a [webinar](#) to share early results in Oct 2020.

We are also constantly analyzing the performance of eCBSV and the benefits to mortgage lenders over paper-based SSA-89 forms. Let's start with speed.

Faster: eCBSV takes seconds vs. days for manual SSA-89 forms

When processing SSA-89 forms digitally with eCBSV, mortgage lenders using SentiLink as an eCBSV service provider are averaging response times of 305 milliseconds. This includes the time from when they submit an identity to SentiLink for verification until they get an answer from the SSA. Manually processing paper-based SSA-89 forms can take up to three days, including the time to get an ink signature from customers and get a response from the SSA.

Percentile	Response (ms)
Average	305
95%	482

Cheaper: It is possible to save over 30% when switching to eCBSV

Processing SSA-89 forms manually is as costly as it is inefficient. Depending on volume, mortgage lenders who process paper-based SSA-89 forms may be charged anywhere from \$5 - \$10 per request. While eCBSV pricing is volume-based as well, pricing ranges from \$1 - \$5 per request.

Less manual work: For lenders and borrowers

Processing manual SSA-89 forms involves multiple back-and-forths with borrowers. This process can take days. With eCBSV, the SSA-89 form can be digitally presented in platforms like DocuSign for immediate digital signature from the borrower wherever they are, even from their phone. This more seamless, consumer-friendly process may also result in fewer applicant drop-offs.

Less error-prone: Lenders have fewer corrections to make on mismatches

Processing a digital form compared to a manual form is inherently prone to fewer errors. When it comes to eCBSV, the mismatch rates — the percent of name, DOB and SSN combinations sent to the SSA that don't match what's in their database — are considerably lower than with the manual SSA-89 form despite implementing the exact same matching logic. The SSA's mismatch rates processing manual SSA-89 forms are around 10%, but are only about 5% with eCBSV.

This is a key differentiator because our analysis has found that 90%+ of mismatches are NOT fraud, but are the result of errors that can be corrected upon manual review. The majority of mismatches are due to typos in the SSN or date of birth fields. Name issues account for the rest of the false mismatches. Examples of name issues include marriage, divorce, or complicated names with hyphens.

Our research into mismatches explains why some applications with over 10 years of credit history may actually come back as a "no match" from the SSA. Because the eCBSV mismatch rate is half that of SSA-89 forms, there are far fewer erroneous applications to correct and resubmit to the SSA for a match response.

Optimizing for eCBSV

In order to maximize the benefits of using eCBSV, there are a number of considerations to be made prior to implementation.

Placement of eCBSV in application funnel

Consent can be obtained anywhere during the mortgage lenders' workflow, providing maximum flexibility. Some mortgage lenders send every application through eCBSV, while others only send applications through eCBSV as required by guidelines or if they suspect fraud. Where eCBSV is incorporated in the origination process will influence match rates.

Amount of data validation prior to eCBSV

Data validation prior to eCBSV will naturally improve match rates. Is the date of birth and SSN valid? For example, is the SSN a 9 digit number, and is it truly an SSN or is it an ITIN (which starts with the number 9)? Doing some simple data validation checks prior to eCBSV can significantly increase match rates and improve overall approval rates and conversion.

Targeted products/ segments

The products offered and segments targeted will influence your eCBSV experience. For example, mortgage lenders with more exposure to immigrant demographics may experience a lower match rate due to complications with naming conventions and date formats. Including this factor in your eCBSV implementation plan will help you appropriately plan and staff for eCBSV.

Conclusion

eCBSV is a game changer for mortgage lenders processing SSA-89 forms. For the first time ever, digitally-signed SSA-89 forms are possible with eCBSV, shaving days off loan processing times, saving costs, and reducing manual work.

Overall, eCBSV is a major leap forward in quickly verifying identities as part of the mortgage loan origination process. It is certainly becoming table stakes for mortgage lenders who process SSA-89 forms.