

## Canada Guaranty Strengthens the Property Appraisal Process with Precise Location Data



CANADA  
GUARANTY

## Case Study

Ontario, Canada



### INSURANCE



#### PROBLEM

Canadian mortgage insurer, Canada Guaranty, needed a more accurate way to reference property addresses so that more mortgage insurance applications could be processed using automated valuation model data rather than conducting a property appraisal.



#### SOLUTION

DMTI Spatial's Software-as-a-Service (SaaS) Location Hub® with its Unique Address Identifier (UAID™) integrated seamlessly with the company's automated valuation model solution for accurate matching of mortgage insurance application property addresses.



#### BENEFITS

Reduced processing and appraisal costs and improved efficiency through reliable matching of property addresses with real estate valuation data, reducing the risk of errors and speeding adjudication for the mortgage insurer. and appraisal costs and improved efficiency through reliable matching of property addresses with real estate valuation data, reducing the risk of errors and speeding adjudication for the mortgage insurer.

**DMTI Spatial's UAID enhances the potential for collaboration among workers involved in the mortgage lending process by pinpointing locations in a standardized way and with complete accuracy.**

#### Looking to Improve the Adjudication Process

Canada Guaranty was founded in 2010 through the acquisition of AIG United Guaranty Mortgage Insurance Company Canada by a private investor group comprised of the Ontario Teachers' Pension Plan and National Mortgage Guaranty Holdings Inc.

As the only 100 percent Canadian-owned private mortgage insurer, Canada Guaranty benefits lenders, mortgage professionals and consumers by fostering a competitive market dynamic and creating more choice among mortgage insurance providers. With a comprehensive suite of products, mortgage insurance from Canada Guaranty protects lenders and investors from losses related to borrower default and foreclosure.

Canada Guaranty was utilizing the Automated Valuation Model (AVM) data of Teranet, a land registry system operator and Canadian real estate data solutions provider, to access accurate home valuation data in order to make faster and more informed adjudication decisions concerning insured mortgages. To improve the solution even further, Canada Guaranty and Teranet decided to partner with DMTI Spatial, the Canadian market leader in location-based information and data quality to enhance address matching for the AVM solution.

**"Teranet's AVM solution helps us improve the accuracy of our adjudication process and reduces costs significantly by eliminating the need to send out an appraiser to evaluate a property," said Randal Slavens, Director of Adjudication Strategy at Canada Guaranty. "When Teranet provides the AVM data, we can appraise a property at a fraction of the cost of a physical appraisal. But the address data we get with a mortgage insurance application is not always reliable and usable by Teranet's system, so we wanted a way to improve that, which is where DMTI Spatial entered the picture."**



### End Confusion and Improve Data Matching

A mortgage application received by Canada Guaranty from a mortgage lender may have the property address recorded on it in one of many potentially valid ways or it may be recorded erroneously. For example, the second King's Highway 123 in Northeastern Ontario, which was decommissioned in 1974, is currently called Airport Road. A valid address may reference either of these names or additional variations based on the location's history. Canada Guaranty utilized DMTI Spatial's technology to match addresses to the data in Teranet's AVM solution.

**"DMTI Spatial was able to bring certainty to the address matching process by providing a unique address identifier for any land parcel that is referenced on a mortgage insurance application, which then integrates with Teranet's solution to pinpoint the right AVM data," said Slavens.**

DMTI Spatial's Unique Address Identifier (UAID) provided with its Location Hub software-as-a-service (SaaS) solution assigns precise geographic coordinates to every address in Canada with rooftop accuracy through its address cleaning and geo-coding technologies.

### Achieving Hard Dollar Savings

Using DMTI Spatial's UAID has resulted in an approximately three to five percent increase in the address match rate for Canada Guaranty. "That's very significant, because each address we can match saves us not only hundreds of dollars in appraisal costs but also saves time for our underwriters and enables us to speed the decision process for our customers," said Slavens. "Plus, the unique identifier gives us complete certainty about the address, which reduces the risk of errors in our decision-making and by using the UAID number we don't need to share identifying customer information."

Looking forward, Slavens sees additional ways that DMTI Spatial's unique address identifier can be used to improve processes. "We are looking right now at combining the UAID and Teranet's real estate data to analyze our risk concentration in condominium buildings and similar high-rise multi-dwelling properties. DMTI Spatial's mapping technologies can give us a true visualization of what our exposure is in a given instance—and we can overlay that view with Teranet's property data for even more granular analysis."

DMTI Spatial currently supplies UAID identifiers for 100 percent of the insured mortgages in Canada. More and more, lenders, mortgage insurers, registries and others involved in the Canadian mortgage industry are turning to DMTI Spatial's UAID to identify their properties. "It is a common denominator that benefits everyone in the mortgage process by eliminating errors and streamlining workflows when it comes to property addresses. It really gets us all speaking the same language, and that's a significant benefit," said Slavens.