Friday Harbor

CASE STUDY

Waterstone Mortgage expands underwriting capacity
with Friday Harbor

ABOUT

Waterstone® MORTGAGE

Founded in 2000 and lending in 48 states, Waterstone Mortgage is a national retail lender offering a full range of conventional, government, and specialty loan products. A recipient of numerous awards for leadership, production volume, and workplace excellence, Waterstone prioritizes continued investment in tools and technologies that strengthen the loan experience for both customers and staff.

For more information, visit **waterstonemortgage.com**.

THE CHALLENGE

Strengthening early file quality to support nationwide growth

Waterstone Mortgage supports a nationwide sales force of more than 200 loan officers with a lean team of about 20 experienced underwriters. While Waterstone's underwriters are highly respected internally for their judgment and ability to find solutions, the imbalance between production scale and underwriting capacity created a familiar industry challenge: files needed to be as clean and complete as possible before ever reaching underwriting.

Like many lenders, Waterstone had evaluated a growing number of AI-driven underwriting and automation tools. Many promised sweeping efficiency gains or claimed they could replace underwriting functions altogether. In practice, those tools often fell short, producing inaccurate income calculations, over-flagging issues, or requiring teams to work in unfamiliar systems.

Waterstone needed a way to surface issues earlier and improve initial file quality without disrupting workflows or undermining the expertise of its underwriters.

> "Our underwriters are very strong. This was never about fixing underwriting. It was about removing unnecessary manual work so they could focus on the judgment calls that matter.
>
> —Jake Rowoldt, VP of Information Services

AI pre-underwriting that moves insight upstream

Jake Rowoldt, vice president of information services at Waterstone, first encountered Friday Harbor as part of a showcase of AI-driven automation tools in late 2024. Friday Harbor stood out by acting as a supplement to underwriting, not a substitute.

Friday Harbor is an AI pre-underwriting platform that reviews loan files early in the origination process to identify missing documentation, flag potential conditions, and provide preliminary income insight before a file ever reaches underwriting. The goal is not to automate judgment, but to help sales and operations teams surface issues sooner and deliver cleaner files downstream.

Waterstone began piloting Friday Harbor before its integration with the Encompass® loan origination system (LOS) from ICE Mortgage Technology was in production, working directly in the platform. As the pilot progressed, Friday Harbor incorporated feedback from Waterstone's team and refined functionality based on real loan scenarios. Once the Encompass integration was live, it reduced manual file handling and made it easier to keep data and documentation aligned while continuing to use Friday Harbor for pre-underwriting.
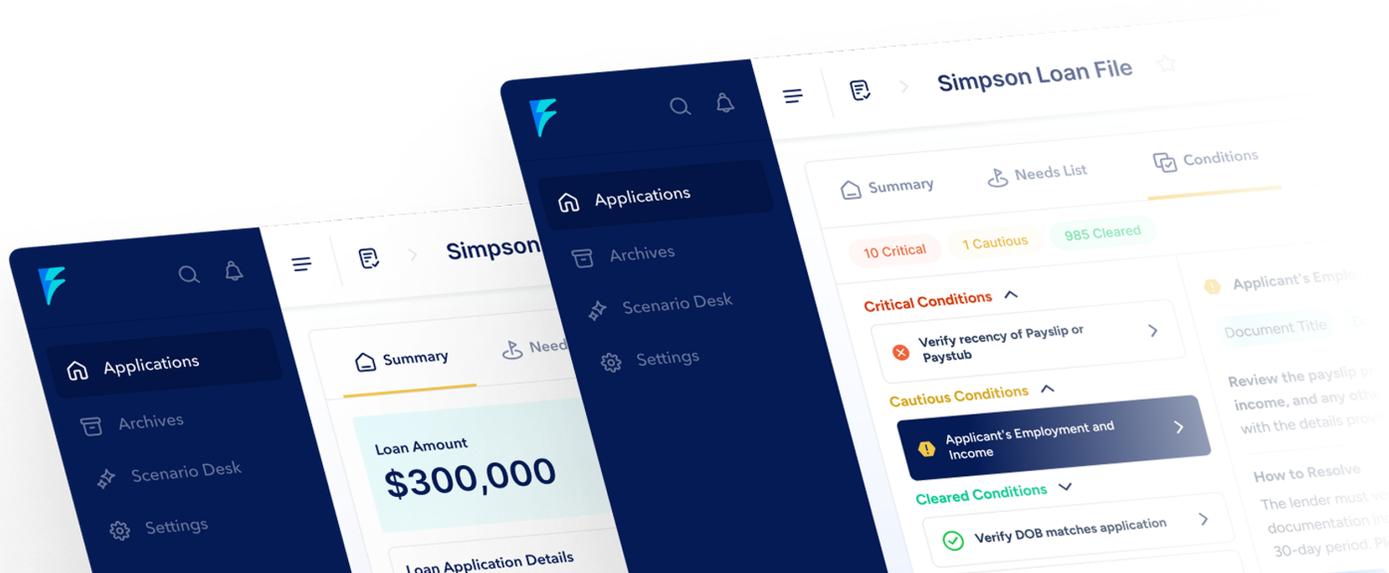
ABOUT

Friday Harbor

Friday Harbor is an AI pre-underwriting platform that helps lenders identify and resolve potential issues earlier in the origination process. By analyzing borrower documents, appraisals and income calculations against investor guidelines and lender overlays, the platform helps teams deliver cleaner files, achieve fewer underwriting touches and improve individual productivity.

For more information, visit **fridayharbor.ai**.

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> **Friday Harbor is the first AI solution we've tried that actually delivers on what it promises.**

Earlier insight, cleaner files, and strong adoption

By bringing AI pre-underwriting earlier into the origination process, Waterstone has seen practical improvements across pre-approvals, underwriting, and day-to-day operations.

More confident pre-approvals and cash-to-close calculations

Loan officers have found Friday Harbor's income and asset calculations to be consistently within a few dollars of both their own and underwriting's, even when working with complex borrower scenarios. Because the calculations are trusted, unexpected results prompt teams to take a closer look, often uncovering incorrect assumptions or overlooked details that need to be addressed.

Greater underwriting throughput

Since implementing Friday Harbor, loan teams are delivering cleaner files into underwriting. This enables Waterstone's lean underwriting team to support higher production volumes by focusing their time on high-value decisions rather than clearing avoidable conditions.

Sustained adoption across the organization

Friday Harbor has seen rapid, sustained adoption across Waterstone's sales and operations teams. Voluntary training sessions drew unusually high participation, and within two weeks of organization-wide rollout, the platform was being used to review virtually the entire pipeline of loan files. That level of adoption reflects how quickly teams recognized the value of surfacing issues and income insight earlier.

With stronger files, earlier insight, and broad internal adoption already in place, Friday Harbor is helping Waterstone scale production while maintaining the underwriting standards that define its business.

> "
> We've seen a clear reduction in the number of conditions that are on a file when it gets to underwriting.

> "
> Even on more complex borrower files, the income and asset numbers coming out of Friday Harbor are within a few dollars of what our team and underwriting calculate.

See what Friday Harbor can do for you.

From dynamic needs lists to real-time issue resolution and guideline support, Friday Harbor empowers originators, processors, and assistants to deliver perfect files from the start, reducing friction, compressing time-to-close, and increasing pull-through. We also help your new hires ramp up faster by providing on-demand guidance, turning sales talent into confident, high-performing originators.

To request a consultation, visit **fridayharbor.ai** or **scan this QR code**: