



Success Story

Large Financial Services Company

Benefits

- The client can now create mortgage-backed securities faster than ever before, enabling faster response to market demand.
- They create securities that better meet the desired characteristics of the market, leading to higher prices and better margins.
- They get better utilization of their inventory. Profit Point finds ways to include more of the client's harder-to-move mortgages.

Objectives

This national bank trades securities every day, but it was taking them too much time to construct the securities. They wanted to respond more quickly to the market and do a better job including their less-desirable holdings in the securities they constructed. The bank needed a way to create mortgage-backed securities more quickly and profitably.

Our solution

Profit Point Inc. developed an optimization system for the client to select optimal sets of tax lots for securities very quickly. With each new security, the bank can specify multiple characteristics. The bank is getting much better usage of its inventory, tuning over older, less-desirable mortgages more often. They are also better able to build mortgage that have the characteristics they choose.