Overcoming the Top Barriers to AI Adoption in Mortgage Lending

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HousingWire and TRUE

Executive Summary

A Data-Backed Roadmap for Leaders Ready to Operationalize AI

Artificial intelligence has evolved from hype to high impact in mortgage lending — and the real opportunity lies in how it is operationalized. Today's most innovative lenders aren't asking *if* they should adopt AI but *how fast* they can do it. Whether automating document classification, improving underwriting precision, or enhancing the borrower experience, AI is transforming the mortgage process for those ready to lead.

So, it's no surprise that such a high percentage of respondents are partially or fully digital in implementing an end-to-end digital mortgage process.

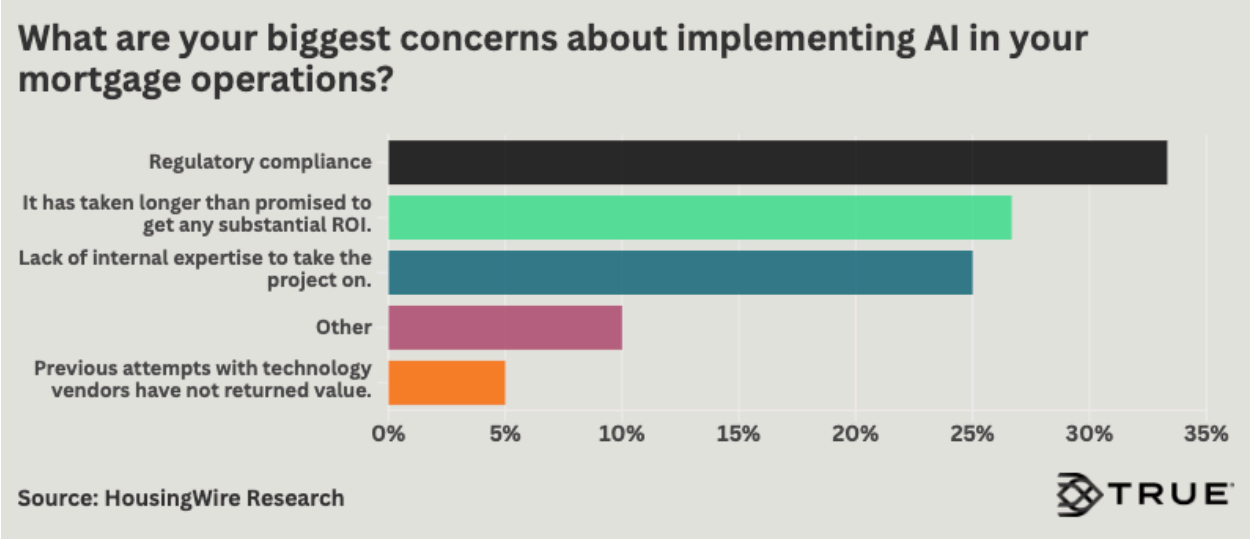
HousingWire Research partnered with TRUE to survey mortgage professionals about how and if they are integrating artificial intelligence (AI) into their operations. TRUE's mortgage automation platform helps lenders process loans as fast as AI-savvy lenders — without the $100M tech budget.

The survey responses highlight the real-world challenges lenders face and the opportunities that come with addressing them. Among the key takeaways:

- **Cost and ROI uncertainty** remain the most commonly cited obstacles by those who took the survey, with specific concerns about high-tech spending and the time it takes to realize value.

- **Organizational resistance** and entrenched cultural habits are slowing transformation efforts, especially among seasoned staff and leadership.

- **Integration complexity, legal and compliance friction**, and a lack of internal AI expertise round out the top pain points — but each comes with a viable solution path.

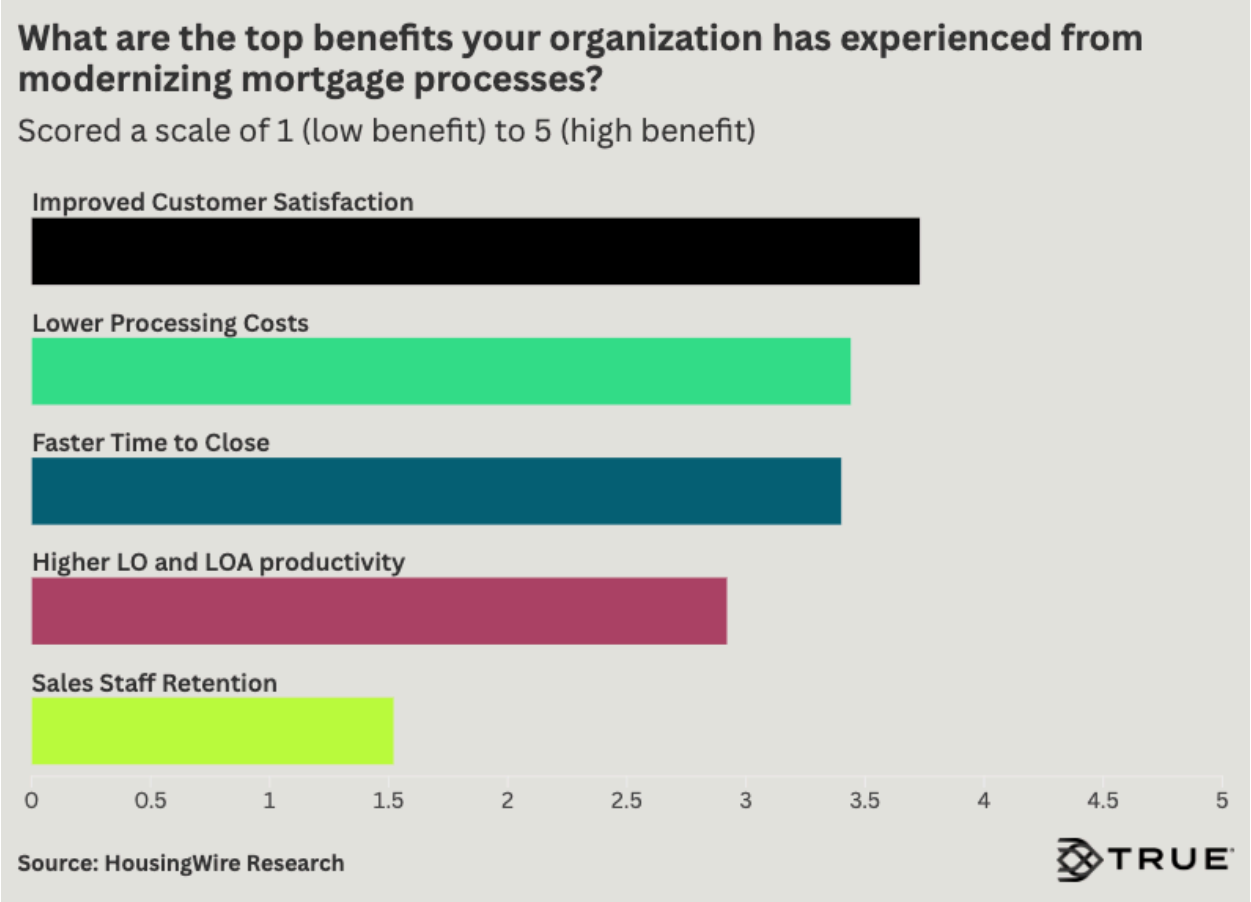


Despite the friction, the upside of operationalizing AI is both proven and profound. Industry leaders who've embraced AI are already seeing transformational results:

- **Rocket Mortgage:** Automates 90% of document processing, freeing up over 4,000 staff hours and enabling loan closings at nearly 2.5x the industry average.[1]
- **Rate:** Reports an average savings of $900 to $1,200 per loan through strategic automation across key origination touchpoints.[2]
- **JPMorgan Chase:** Uses AI-powered underwriting to analyze credit risk and borrower data at scale — accelerating decisions without sacrificing compliance or accuracy.[3]

These success stories aren't outliers — they're signals of where the industry is headed. The survey revealed that the upside of AI is substantial, and they are already receiving those benefits.

[1] https://ir.rocketcompanies.com/news-and-events/press-releases, "Rocket Companies Introduces Rocket Logic AI Platform to Make Homeownership Faster and Easier"
[2] https://www.rate.com/news/ "Rate launches rate intelligence to transform the mortgage experience"
[3] https://www.jpmorgan.com/insights/payments/ "Payments optimization ai payments efficiency fraud reduction"



The lenders making the most of AI aren't just investing in technology. They're aligning their digital strategies with business KPIs, empowering cross-functional teams and implementing modular solutions that show value fast. They're building governance into the process early, and they're thinking beyond automation to augmentation.

A Look Ahead

The takeaway is clear: The most innovative lenders aren't waiting for the perfect conditions — they're tackling challenges head-on and positioning themselves for long-term advantage. In the pages ahead, we'll share a roadmap informed by this data, with strategies for reducing friction, aligning tech stacks, and building organizational readiness to not only adopt AI but also lead with it. AI will power the future of mortgage lending, but people will lead it. This report maps out how to bridge that gap, starting with what's getting in the way.

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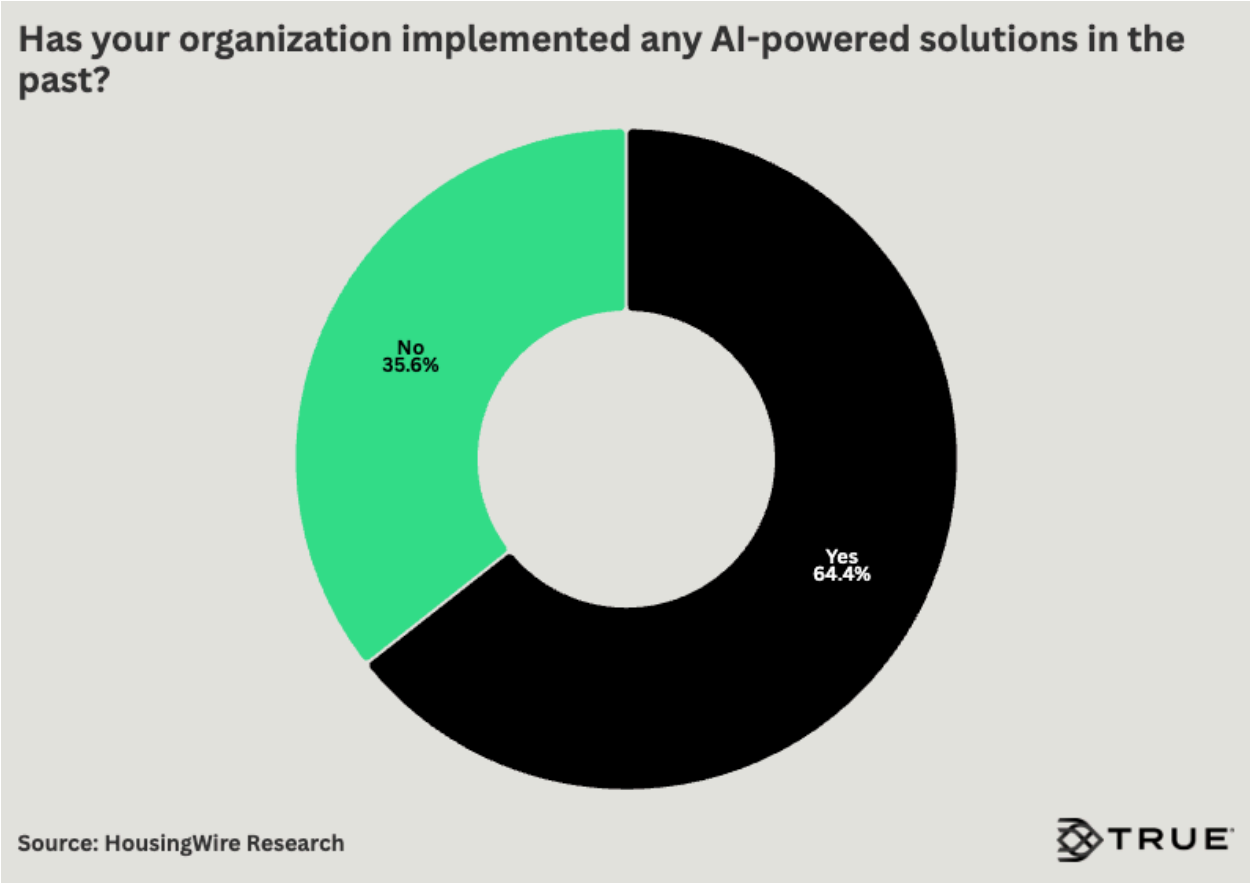
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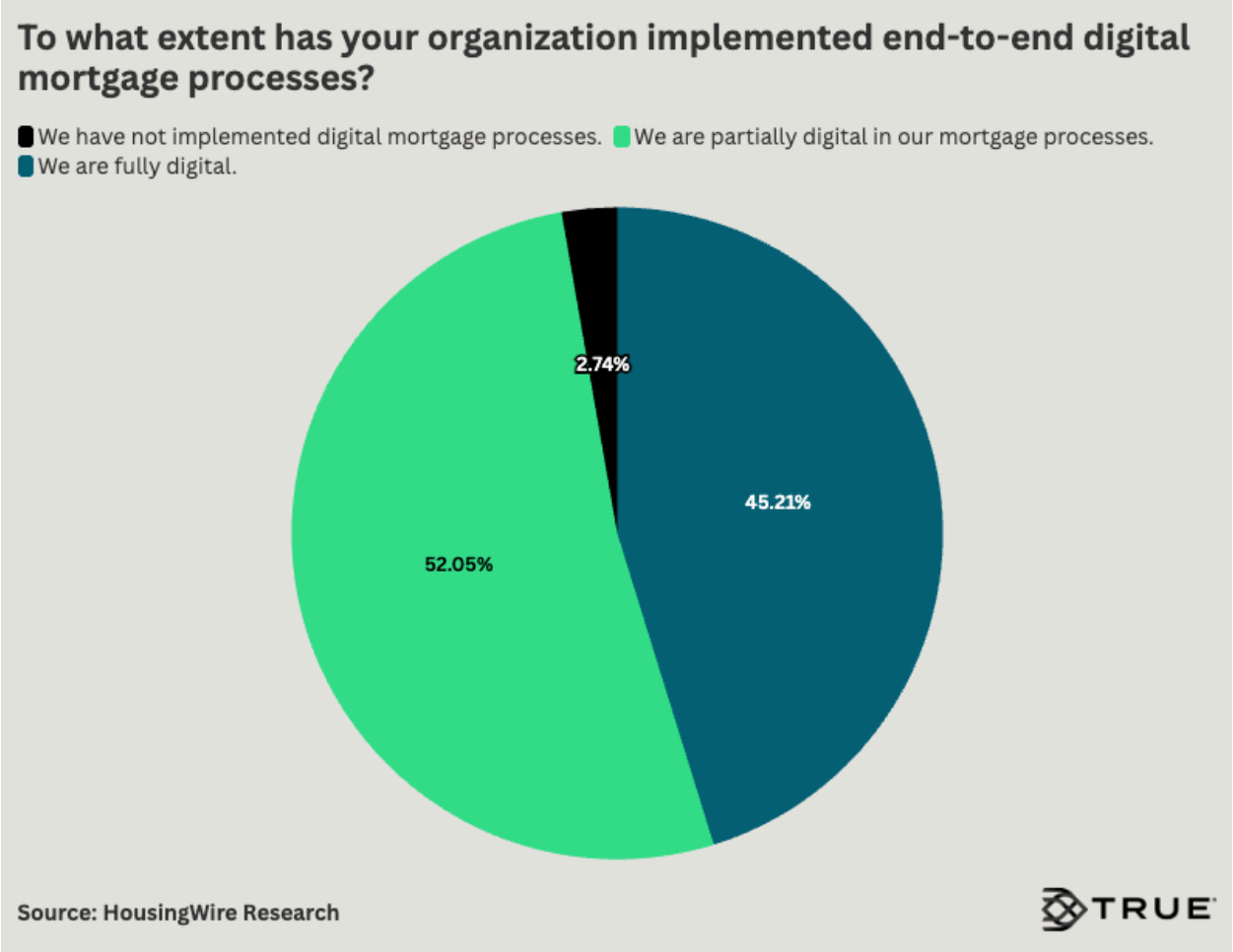
The State of AI in Mortgage Lending

Bridging the Gap Between Interest and Impact

AI is still evolving. While 64.4% of lenders surveyed have implemented an AI-powered solution, some 35.5% of lenders are still exploring implementation. They may be intrigued by the potential but haven't implemented any solutions.

The sentiment in the industry is clear: interest is high, but execution remains fragmented. Our survey found that while a notable percentage of lenders have incorporated AI into their technology strategies, many are still in the early research phases. And only a subset have seen tangible ROI from their efforts. So what's holding the industry back?





The Adoption Gap: Tool vs. Background Worker

For some lenders, AI is being treated like just another tool — one more dashboard, one more login, one more demand on staff time. As one industry leader put it, "If it is a tool [rather than a background worker], then it will take time away from your team."

But AI isn't meant to sit on top of your workflow. Its intended power is behind the scenes. When embedded correctly, AI becomes the quiet engine driving automation, insight, and speed.

The HousingWire survey of mortgage professionals shows that many tech-savvy firms are already realizing the benefits of automation.

Integration Challenges Undermine Progress

Another major hurdle is system integration or the lack thereof. Lenders are wary of piling new tech on top of already fragmented stacks. One respondent captured this perfectly:

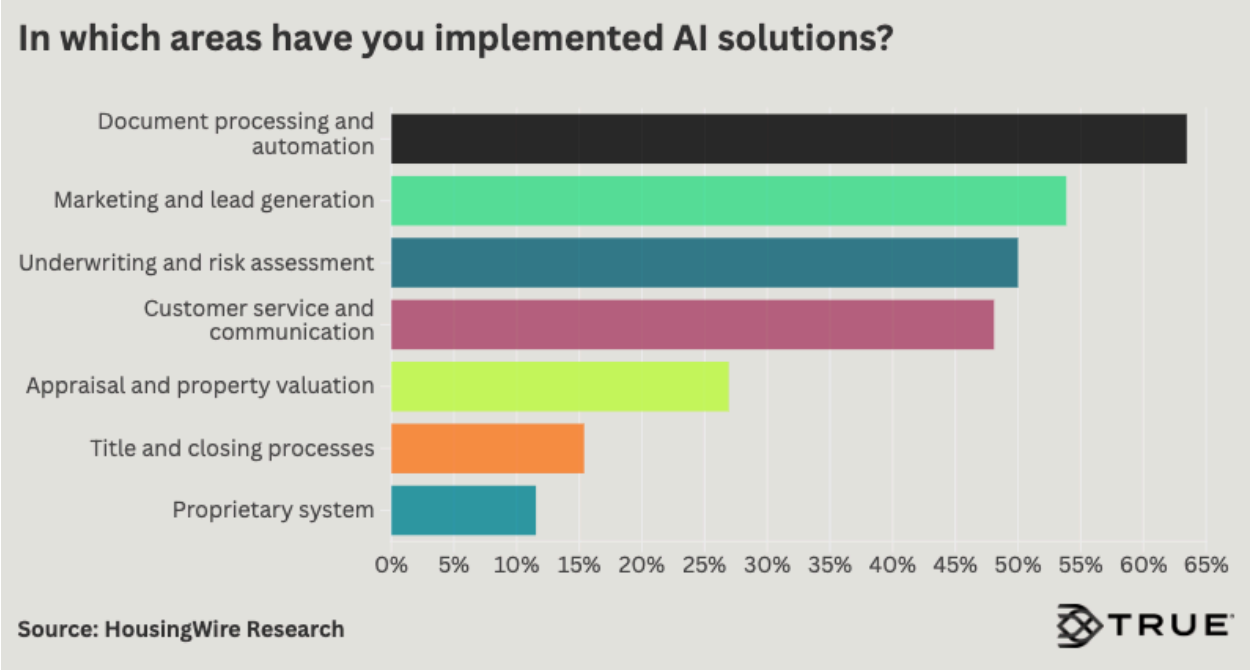
> "Too much technology overlaps. I need tech A to do X, Y. I need tech B to do Z, but it also does Y."

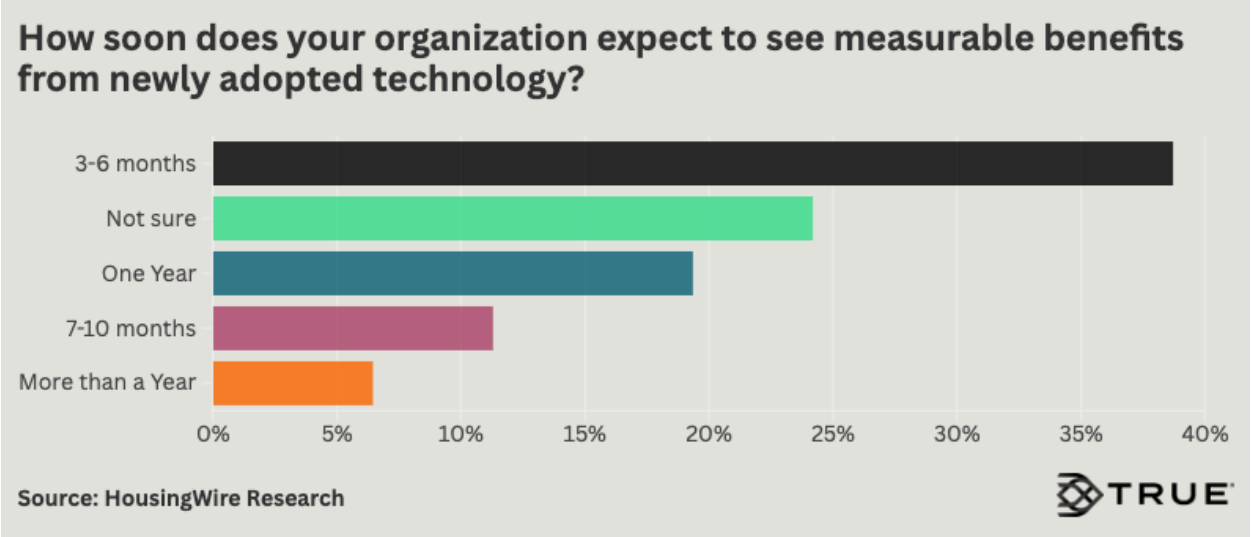
This redundancy creates inefficiency, frustration, and a risk of implementation fatigue. Moreover, the lack of trusted, unified data undermines AI performance. Without clean, accessible data pipelines, AI can't deliver consistent value.

That's why seamless integration is no longer a nice-to-have — it's a must. Solutions like the TRUE's Mortgage Operations Service (MOS) platform are addressing this head-on by offering a centralized, connected environment where AI can thrive without burdening users.

Survey Snapshot: Where Lenders Stand

- A significant percentage (64.4%) of respondents say AI is already part of their current technology strategy. Of those who have implemented AI solutions, almost 65% use it for document processing and automation.
- Only a limited segment of the reports achieved a measurable ROI — highlighting the need for stronger integration, better change management, and strategic implementation.



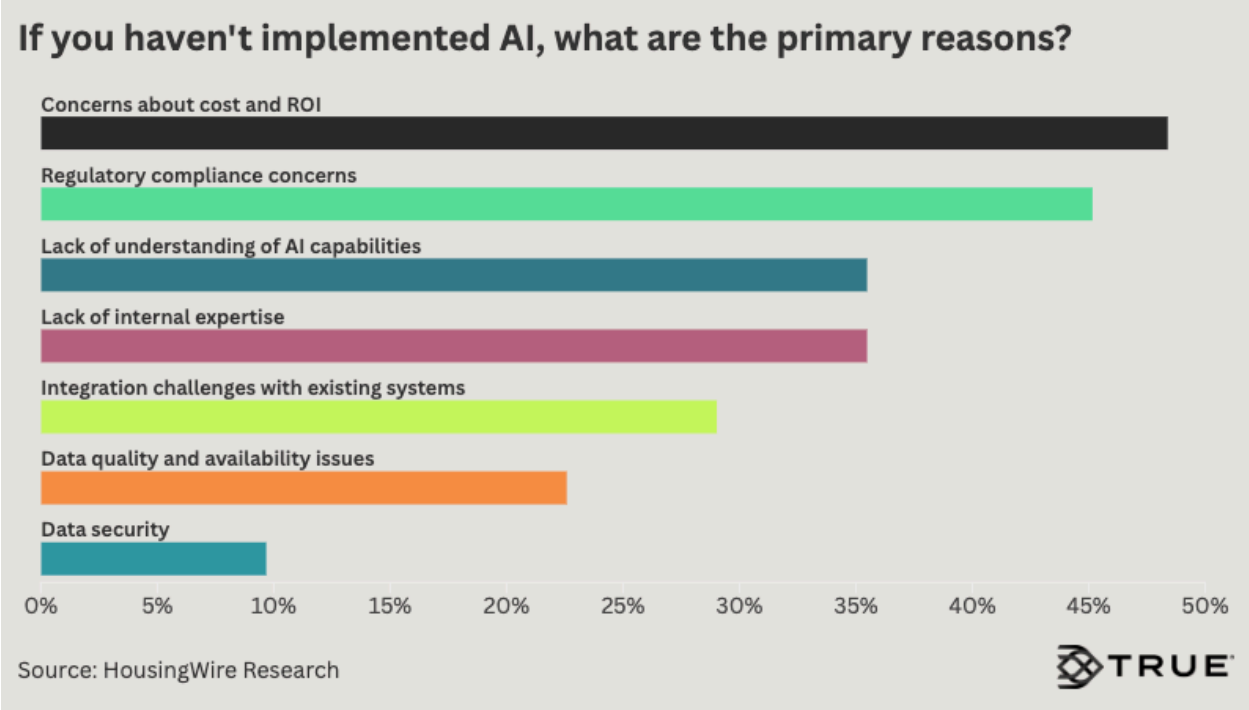


What Comes Next

AI's foothold in mortgage lending is solid, but not yet standardized. The opportunity now lies in helping lenders move from siloed pilots to operationalized platforms. The tools are there. The interest is there. The next wave of innovation will come from getting the architecture and the adoption strategy correct.

Top Barriers to AI Adoption—What the Data Reveals

While the mortgage industry is making strides in digital transformation, the adoption of AI remains uneven. The latest data reveals six consistent barriers that lenders face, each highlighting not just pain points but also opportunities for more innovative implementation.



1. Cost and ROI Uncertainty

The top-cited challenge in the survey? Cost. Phrases like “cost and time to implement,” “tech cost,” and “cost of technology” appeared repeatedly in responses. Add to that the pressure of margin compression, and it’s no wonder lenders are cautious about big-ticket tech investments. The return needs to be crystal clear.

What lenders can do:

- Start small with modular AI tools that deliver a fast ROI, such as automated document classification or income verification.

- Leverage strategic vendor partnerships that offer outcome-based pricing or shared risk models.

- Reframe AI as an investment in efficiency, not just a tech expense. When well-executed, automation reduces redundancy, cuts cycle times, and drives volume scalability without proportional headcount increases.

2. Organizational Resistance and Change Management

Change is hard — especially in an industry steeped in tradition. Respondents cited "old habits," "fear of tech replacing jobs," and "management" as core challenges — a generational divide in adoption mindset and broad change fatigue further compound resistance.

Solution Approach: Lenders who see success prioritize human-centered AI — solutions that support, rather than supplant, existing roles. Transparency in how AI augments workflows, paired with cross-functional ownership, is key to driving adoption.

One respondent said: "People [must] let go of decades-old practices where they have historically found their value." That requires a cultural shift where people see AI not as a threat to their roles, but as a tool to amplify them.

What lenders can do:

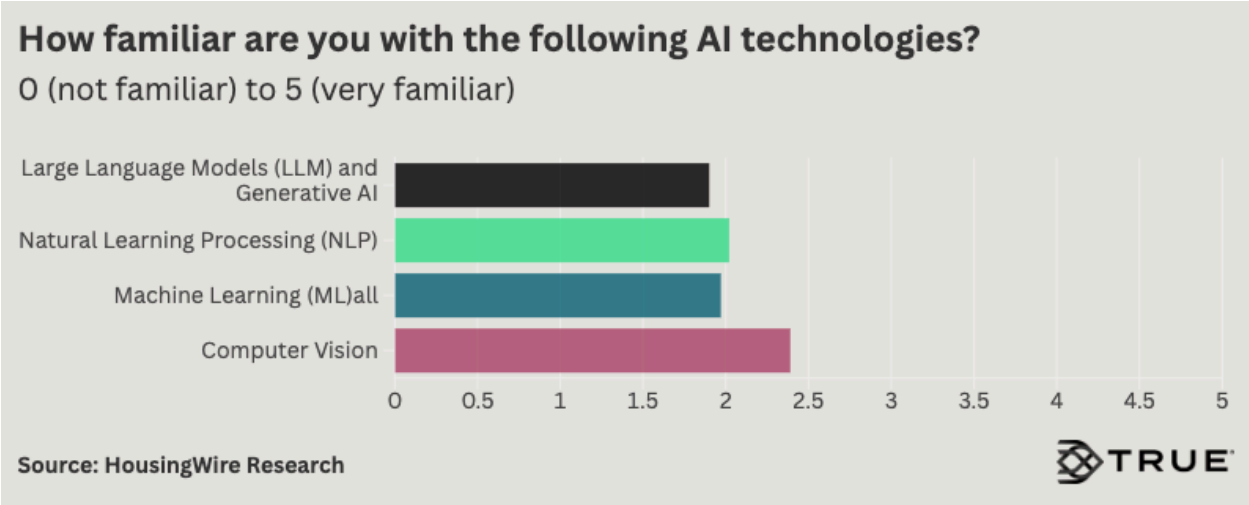
- Champion AI success stories internally. Highlight how tech is empowering, not replacing, team members.

- Include staff early in the evaluation and pilot process to build buy-in.

- Provide reskilling opportunities, so employees are prepared to shift into more strategic or advisory roles as automation reduces low-value work.

3. Integration and Tech Stack Confusion

Many lenders feel overwhelmed by overlapping tools and disjointed systems. As one put it: “Too much overlap,” while another pointed to “Encompass incompatibility.” Without seamless integration, scaling AI becomes a technical maze.



Solution Approach: The future is driven by APIs. AI should plug into existing platforms and enhance, not replace, what’s already working. The best solutions act as connective tissue across the tech stack.

What lenders can do:

- Prioritize platforms with open APIs and built-in compliance logic.

- Avoid vendor sprawl. Instead, consolidate tools under partners who offer AI as part of an integrated, mortgage-specific ecosystem.

- Invest in IT staff or consultants who can serve as translators between business needs and tech execution.

4. Legal, Regulatory, and Compliance Barriers

"Model governance," "notary issues," and "investor requirements" were flagged as common hurdles. Lenders also worry about the "explainability" of AI models — a non-negotiable for compliance-minded institutions.

Solution Approach: Digital compliance reporting tools and explainable AI models are giving lenders confidence. Clear audit trails and human-in-the-loop review processes ensure trust without sacrificing efficiency. These obstacles are real, but they're not immovable. Lenders who treat them as operational puzzles, not permanent roadblocks, are the ones pulling ahead. The data tells us what's standing in the way. The most successful players are using that same data to chart the way forward.

What lenders can do:

- Choose vendors who understand the mortgage space and regulatory requirements.

- Update your systems so they can easily work together and share information.

5. Lack of Internal Expertise

Many lenders are strapped for resources. Comments like "not enough people," "need more time and training," and "staffing to deploy solutions" point to bandwidth issues — not just technical knowledge gaps.

Solution Approach: The right AI partner matters. Look for providers, such as TRUE, with mortgage-specific expertise and white-glove onboarding support to reduce internal lift and speed up implementation.

What lenders can do:

- Choose partners who offer strong training programs to upskill your existing staff rather than hiring new teams.

- Prioritize easy-to-use platforms that require minimal technical know-how for day-to-day operation.

- Set realistic timelines for adoption to allow your teams to learn and adapt without feeling overwhelmed.

6. Consumer and Lender Adoption Gaps

Some consumers, and even loan officers, aren't fully comfortable with AI tools. A few firms noted that "customer adoption" and "older LOs less familiar with technology" are slowing progress.

Solution Approach: Invisible AI is the gold standard. You want tools that operate behind the scenes to speed service, reduce errors, and personalize the borrower experience without disrupting the human connection.

What lenders can do:

- Introduce AI gradually, starting with behind-the-scenes tools that improve speed and accuracy without changing the client experience.

- Offer short, targeted training for loan officers to show how AI supports, not replaces, their role.

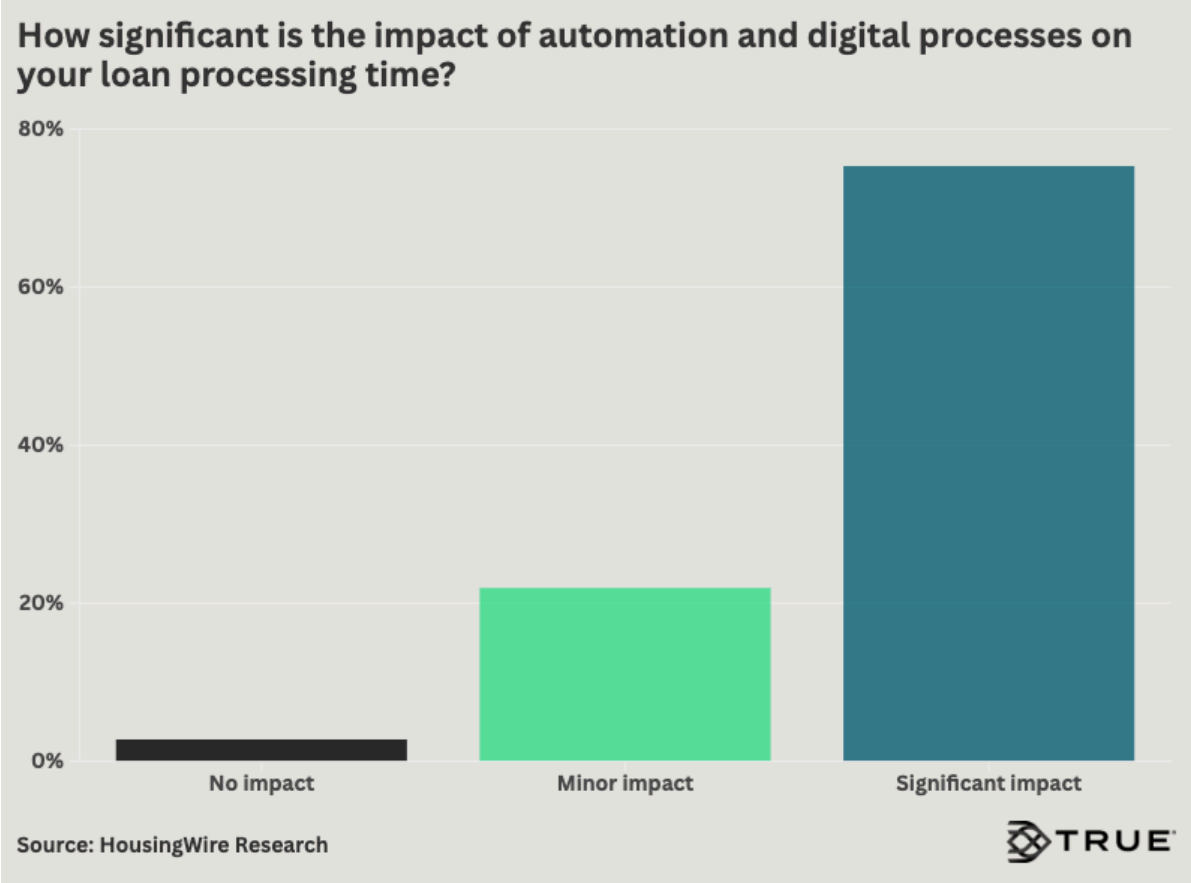
- Highlight customer benefits, like faster approvals and fewer errors, to build trust and excitement around the technology.

Reframing the AI Conversation: From Tech Investment to Business Imperative

The conversation has shifted. It's no longer "Should we adopt AI?" it's "How do we make AI work for us?"

Mortgage lenders aren't just competing against each other. They're up against industry giants like Rocket and Better, which are already leveraging AI to reduce closing times, increase pull-through rates, and improve customer satisfaction. The train has left the station, and standing still is no longer an option.

And, the truth is, most lenders understand this. Of those surveyed, some 75% agree that the impact of automation and digital processes on loan processing times is significant. A mere 3% claimed it would have no impact.



AI needs to be directly tied to your core business goals:

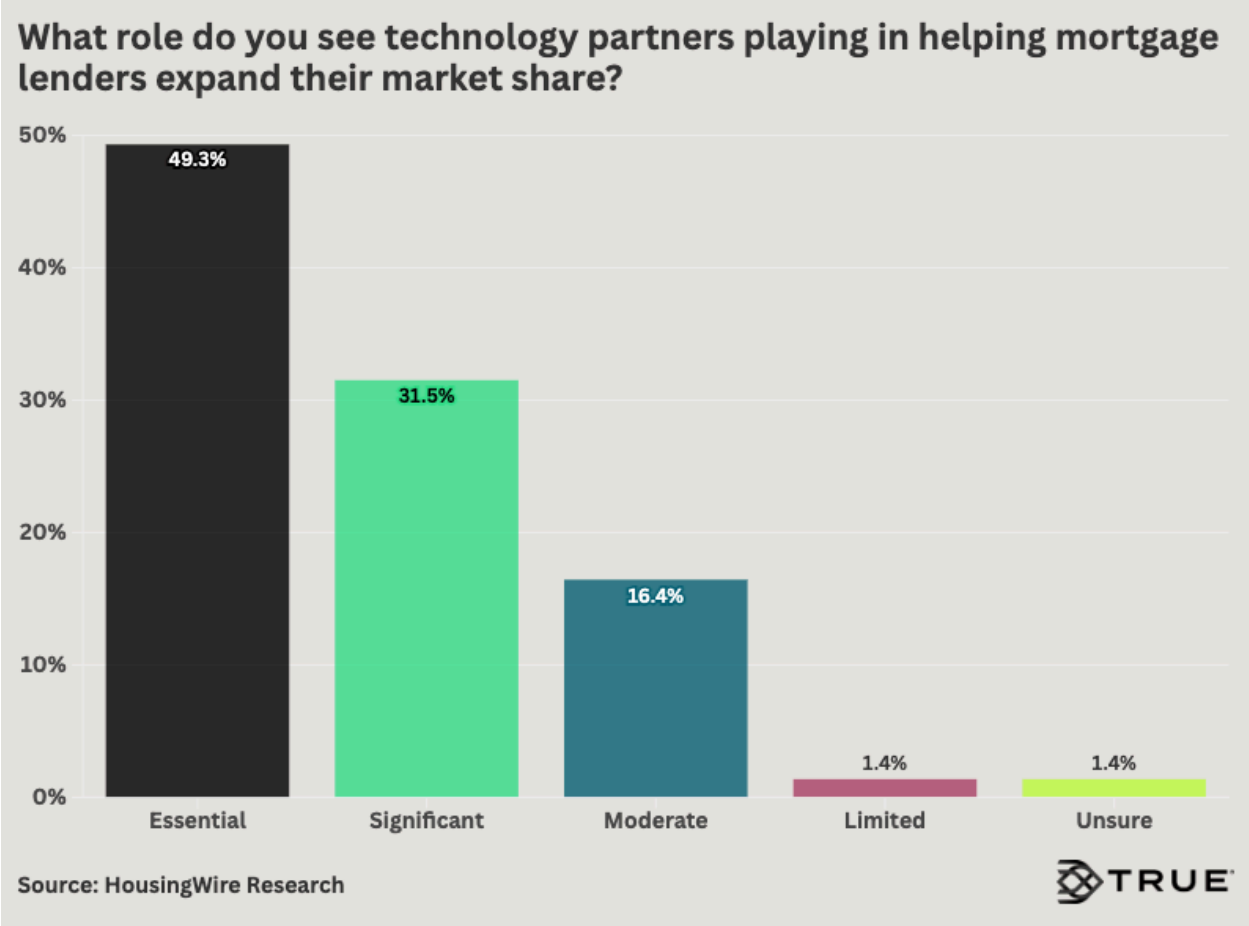
- Faster time to close
- Higher Net Promoter Scores (NPS)
- Increased pull-through rates
- Fewer defects
- Higher productivity per employee

TRUE specializes in trusted data automation that feeds your loan manufacturing workflows, enhancing speed, accuracy, and borrower experience, all without burdening your teams with extra work. It's AI-built *for mortgage lending,* not retrofitted afterward.

Building a Pragmatic Roadmap to AI Adoption

Step 1: Start with a Defined Business Problem

Don't chase trends — solve friction points. Automate critical steps like document classification and income verification, pulling trusted data from messy PDFs in seconds. When your data is clean from the start, everything downstream runs faster and smoother. The right technology partner can help you start the process.



Step 2: Ensure Explainability and Governance

Change management needs to start early.
A transparent AI model, such as TRUE, allows you to clearly explain how decisions are made — building trust with teams, customers, and regulators alike. Set up model accountability frameworks now so you won't be scrambling later.

Step 3: Align Tech with Talent

Technology should lighten your team's load, not add to it.
Low-friction solutions are designed to reduce cognitive workload, allowing staff to focus on higher-value tasks instead of babysitting AI systems.

Step 4: Empower Cross-Functional Teams to Execute

Modernization is not a one-team show.
AI systems work best when operations, tech, and compliance teams are aligned from the start. Pilot fast, learn, and scale thoughtfully.

Step 5: Measure, Iterate, Optimize

AI success isn't "set it and forget it."
A solid AI solution helps lenders set and track meaningful benchmarks: processing speed, cost savings, and accuracy rates. Regular evaluations ensure you're continually getting closer to your goals.

Checklist: 10 Steps for AI Adoption and Rapid Value

- ☐ Map your current loan manufacturing workflows.
- ☐ Document how you extract data today from PDFs and similar sources.
- ☐ Identify key documents and field-level information you use.
- ☐ Pinpoint the highest-value workflows to automate first. Then, find manual workflows and gaps where AI can fully automate.
- ☐ Define success criteria with consensus from sales, processing, and underwriting.
- ☐ Select a trusted data automation partner like TRUE.
- ☐ Draft detailed descriptions of your initial use cases.
- ☐ Assign project leadership and draft your project plan.
- ☐ Complete your first pilot project.
- ☐ Review production usage and measure rapid value delivery.

Conclusion: The Future Belongs to the Bold

Artificial intelligence is no longer an abstract advantage in mortgage lending, it's an operational reality. The lenders who recognize this shift and act decisively are already outpacing those who are still in wait-and-see mode.

Winning in the next era of mortgage lending will require more than just quickly adopting AI. It will require adopting it wisely. Moving with purpose means tying AI directly to measurable business outcomes, such as faster processing times, higher borrower satisfaction, lower defect rates, and improved profitability, even under margin pressure.

But AI adoption is not without risks. Selecting the wrong technology can create more problems than it solves, adding complexity, raising costs, and frustrating teams that were promised efficiency gains. It's critical to look beyond the flashiest features and ask more questions about each solution:

- Does the AI integrate seamlessly into existing workflows?
- Can its decisions be explained clearly to regulators, clients, and staff?
- Does it lighten the cognitive load for employees — or add another layer of complexity?
- Is it designed specifically for mortgage operations, or was it adapted from another industry?

Not all AI is created equal. Some tools are surface-level. Others function like reliable background workers: quietly automating repetitive tasks, delivering trusted data, and freeing up teams to focus on customer relationships and making strategic decisions.

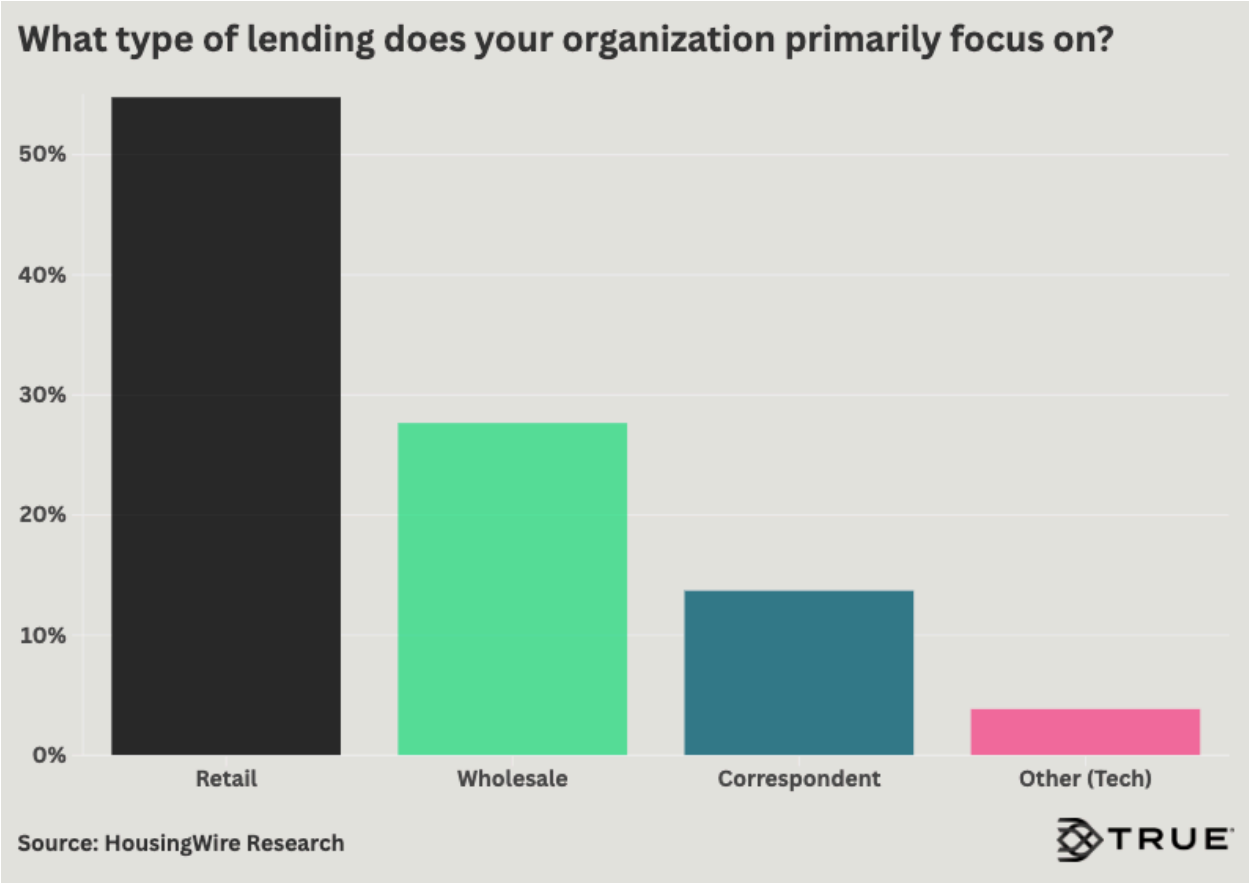
TRUE is designed specifically for mortgage lending workflows, focusing on trusted data extraction, document classification, and real-time automation. Its technology operates behind the scenes, powering critical processes without disrupting frontline staff or borrower experiences.

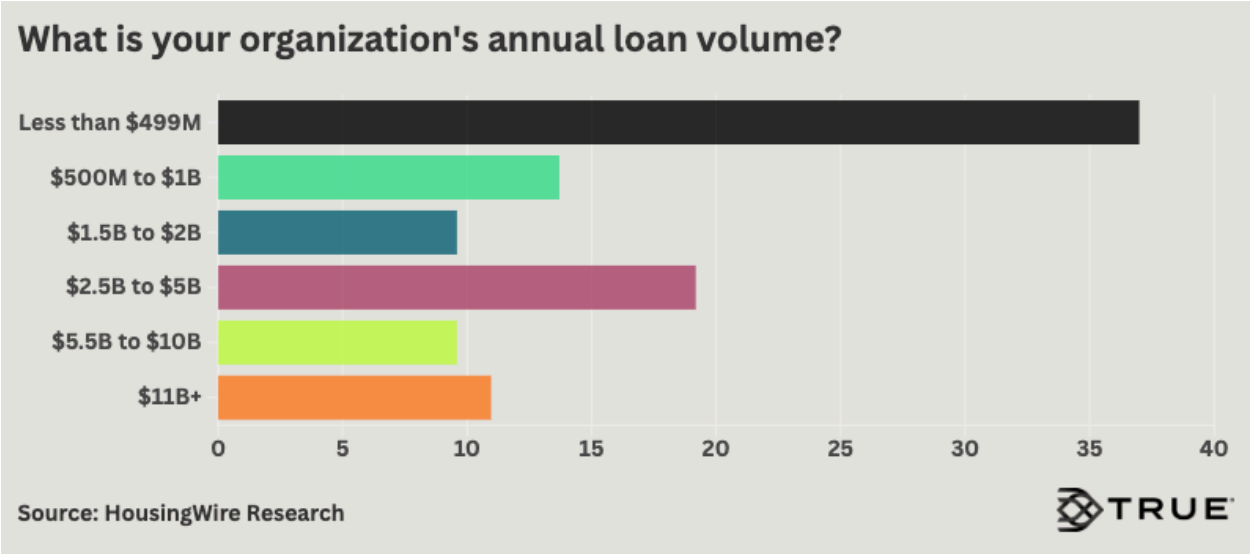
The future of mortgage lending will belong to the bold, those who are willing to modernize thoughtfully, transparently, and with a sharp focus on real business value. It's not about racing to adopt the newest technology. It's about building a foundation for sustainable, intelligent growth.

Lenders who take a strategic, business-first approach to AI today will define the industry's winners tomorrow.

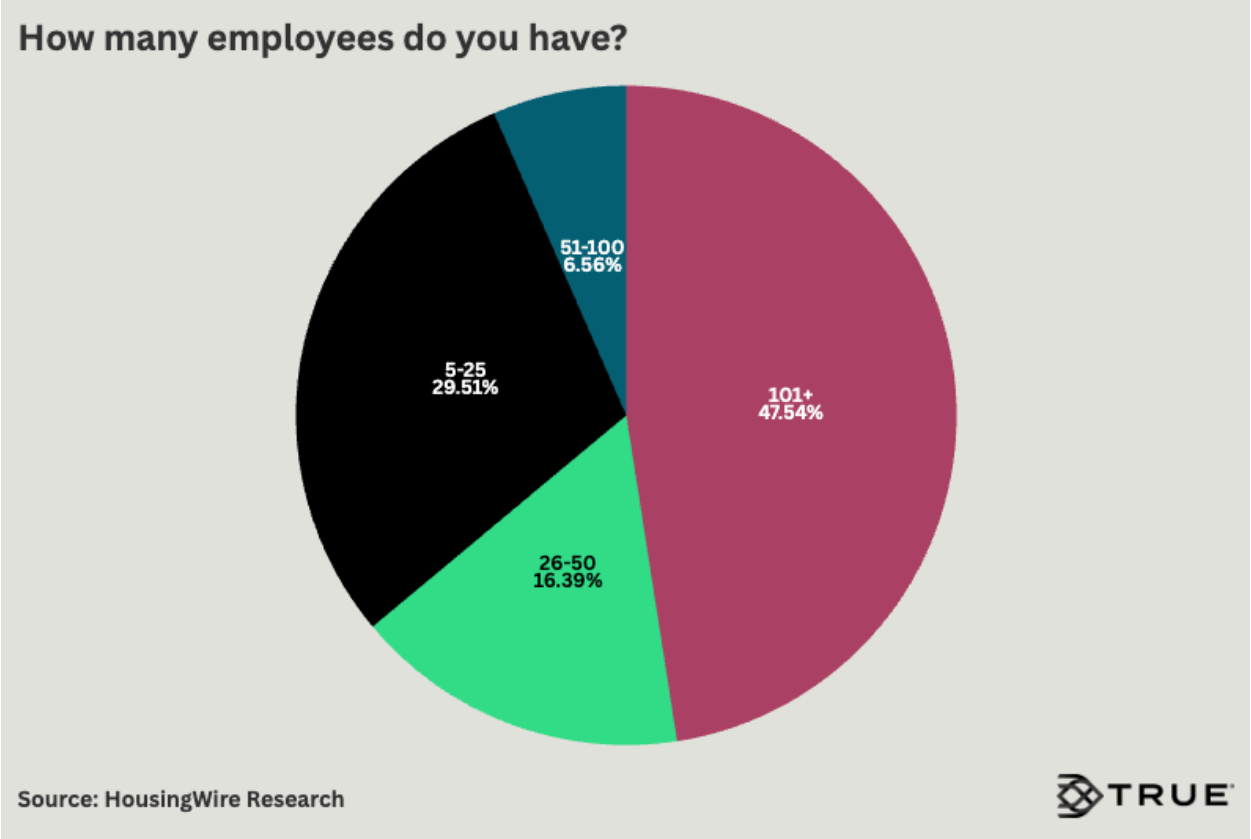
Audience Insights

HousingWire surveyed a select group of lenders. Here are some insights about survey respondents.




What is your organization's annual loan volume?
Less than $499M
$500M to $1B
$1.5B to $2B
$2.5B to $5B
$5.5B to $10B
$11B+
0
5
10
15
20
25
30
35
40
Source: HousingWire Research
TRUE


What is your role within the organization?
Chief Lending Officer
Chief Operating Officer
Chief Technology Officer
Head of Mortgage Lending
Loan Officer
Loan Operations
Owner
President or CEO
Strategic Initiatives
0%
2%
4%
6%
8%
10%
12%
14%
16%
18%
20%
22%
24%
26%
28%
Source: HousingWire Research
TRUE


How many employees do you have?
51-100
6.56%
5-25
29.51%
101+
47.54%
26-50
16.39%
Source: HousingWire Research
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About HousingWire

HousingWire is an information services company that provides unique data and research, respected business journalism and must-attend events for housing leaders to use to advance their understanding and business outcomes. Our vision is a world in which housing leaders have a complete view of the housing market, and a broad community of peers with whom they can connect.

We are committed to delivering the data, analytics, media, and events that advance this vision. Because housing is too important for narrow perspectives and missed connections.Informed housing leaders are better housing leaders. A connected housing industry is a better housing industry. And the full picture always reveals new opportunities.

About TRUE

TRUE is a software solutions company and AI lab on a mission to make home lending lightning-fast. Built by mortgage experts and AI engineers, TRUE's platform delivers instant borrower intelligence—enabling lenders to close loans faster, delight customers, and build a stronger, more profitable book of business. Since 2017, TRUE has set the industry standard for intelligent lending technology, helping lenders accelerate decisions, reduce risk, and unlock a true competitive edge. Learn more at www.true.ai.