

ARTICLE

AI in mortgage compliance: moving fast while keeping humans in the loop

Bob Pinder, Chief Compliance Officer, ICE Mortgage Technology

Partner Insights from



The mortgage industry is under pressure to adopt AI quickly, and to do it in a compliant way. Lenders and servicers are right to be concerned, where a technological misstep could mean legal violations or an enforcement action. Here, many off-the-shelf AI tools fall short in terms of compliance expertise, governance controls, and mortgage-specific requirements needed.

At ICE Mortgage Technology (IMT) we have decades of experience in building technology for mortgage stakeholders and have seen firsthand the risks of well-intentioned automation. This has informed our view that AI in the mortgage sector should be assistive, explainable, and transparent, with final decisions made by trained professionals. It has also shaped our approach in developing our responsible AI enterprise framework, ICE Aurora. Aurora is integrated into systems the industry already uses - automating specific tasks to reduce costs and cycle times. This allows professionals to focus on distinctly human tasks, such as using personal judgement for outcomes of financial consequence.

Aurora supports both origination and servicing - both regulated domains - by applying the same, unified operating model from loan application to payoff. The assistive aspect of our model means human validation is required for critical decisions as specified by the user, so AI optimizes and augments rather than replaces human judgment. For example, when ICE's AI detects cash and escrow anomalies, it will flag them for human review while final cash movement and remittance are human-



The explainable aspect of ICE's AI means our clients should not face a black-box scenario of struggling to understand why the AI system performs certain actions, instead, it identifies data used to arrive at an outcome and provides a defensible audit trail.

authorized. The explainable aspect of ICE's AI means our clients should not face a black-box scenario of struggling to understand why the AI system performs certain actions, instead, it identifies data used to arrive at an outcome and provides a defensible audit trail. Underpinning this, Aurora includes a significant set of real-world questions that incorporate bias mitigation and hallucination controls.

The robust compliance standards of Aurora mean clients aren't left scrambling when new requirements emerge. For example, Fannie Mae recently published AI governance guidance for their sellers and servicers which Aurora already supports - because our framework was built based on industry expertise, creating a solid foundation as regulation evolves.

Granular AI controls, with humans at the center

As a new technology, the speed of AI development means that many stakeholders prefer phased implementation. Recognizing this, we have designed Aurora so customers can enable or disable AI actions based on their risk appetite, comfort levels and compliance needs. For example, lenders have granular control over actions they allow a chatbot to perform, such as interacting with borrowers but not accepting payments, and requiring human intervention in bankruptcy situations.

In addition to tailored controls, Aurora plans to offer different levels of AI application. The first level which we currently offer—conversational assistance without action, such as summarizing notes before a client call or predicting why a borrower may be calling based on recent loan activity—are a natural starting point for customers new to AI deployment.

The next level we plan to offer involves using AI to search systems, analyze documents and perform defined tasks. Examples here include accessing operational metrics within MSP®, ICE's best-in-class loan servicing system, and preparing the work to tee up actions, with human approval needed to complete all the steps.

Finally, ICE is developing autonomous AI agents which exercise skills within strict role based and regulatory boundaries. These goal-driven agents can run multi-step workflows and self-check, while humans maintain oversight and authority. Examples include ICE Servicing Agents, which can identify exceptions across cash, escrow, and investor workflows that humans then work to resolve.

For all the competitive advantages that AI offers, we know mortgage stakeholders don't want systems that replace human judgment for the complex choices involved in the single biggest purchase decision of most people's lives. That's the strategy behind ICE Aurora - allowing us to implement responsible AI across mortgage workflows, placing human decisions at its center with actions they can defend to a regulator or explain to a borrower. The result is faster innovation and AI that adds value, while reducing compliance risk.

Regulatory frameworks shaping AI adoption in mortgage lending

ECOA, the Fair Housing Act, and fair lending risk.

The Equal Credit Opportunity Act and the Fair Housing Act prohibit discrimination across credit, underwriting, and servicing - and both are implicated when AI influences those decisions. To address this, ICE Aurora incorporates bias mitigation testing as a core part of its governance model.

RESPA and servicing integrity.

The Real Estate Settlement Procedures Act governs escrow, payments, and borrower communications - areas where AI is increasingly deployed and automation can accelerate errors. ICE Aurora has been developed so trained professionals must sign off on all consequential actions.

UDAAP and AI-driven consumer interactions.

Unfair, deceptive, or abusive acts or practices rules apply to AI-assisted mortgage activities. The Consumer Financial Protection Bureau has indicated that this includes automated servicing communications, chatbot interactions, and AI-driven decision outputs. ICE Aurora's guardrails keep consequential consumer interactions within defined, auditable boundaries.

Trademarks of ICE and/or its affiliates include Intercontinental Exchange, ICE, ICE block design, NYSE and New York Stock Exchange. Information regarding additional trademarks and intellectual property rights of Intercontinental Exchange, Inc. and/or its affiliates is located [here](#). Key Information Documents for certain products covered by the EU Packaged Retail and Insurance-based Investment Products Regulation can be accessed on the relevant exchange website under the heading “Key Information Documents (KIDS).”