



What's In Your Technical Toolbox?

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You've decided to build a new addition onto your home. As you interview builders, the first contractor drives up in a nice new truck, professional lettering on the side, and fully stocked with supplies including compound electric miter saws, laser-measuring devices, and pneumatic power air hammers. The second guy arrives in a beat-up '96 Chevy wagon with a handsaw, ruler and a hammer. Who are you more likely to hire?

The second guy could probably get the job done, but it may take him 6 months longer, and the quality might not be the same – because he lacks the most efficient tools for the job. Well, your customers are making those same judgments about you every day. If you don't have the right tools available to you, you can't do the job efficiently and professionally – and the customer knows it. Have you examined your professional toolbox lately? Are you still using a handsaw and dull drill bits? Yes, you're probably able to get the job done, but do you have the right assortment of tools for today's marketplace?

Anyone that's been in the mortgage business for longer than a month knows that the mortgage industry changes rapidly. New programs, changing guidelines, and evolving technologies are constantly improving the products and services we offer our customers. We can't do business the same way we did two years ago, and anyone who is still taking 30 days to get a loan approved should probably consider a career change.

Many new "power tools" have been developed to allow you originate, process and close loans more efficiently – and to market your services more professionally. Having access to, and using the right tools for the job, will place you ahead of the competition, increase your value to the customer, and contribute to your profitability.

Laptop Computer

One of the most basic but necessary tools for a loan originator today is the computer. Not only does a laptop computer offer convenience and flexibility with state-of-the-art origination tools, but you also have instant access to point-of-sale information. Investor pricing, loan programs, rates, terms and disclosures; credit reports; instant on-the-spot loan approvals; debt calculators and loan comparison reports; and to top it off, you also appear to be a professional.

Thank goodness, gone are the days of handwriting a 1003. Quality origination systems such as Genesis 2000, Contour and Calyx Point have simplified the art of originating the loan documents. When evaluating which LOS to use, use established systems and industry leaders – don't be a guinea pig or test case for new software. You need the support, resources, and immediate access to new changes. Fannie Mae, Freddie Mac and the big companies develop new technologies directly with these guys, not the unknowns.

The origination system also must have seamless integration with the Internet such as the ePASS system available through Genesis 2000 and Contour. This allows instant communication and data flow between the LOS (loan origination system) and all the lenders, investors, credit companies, underwriting engines, and scores of other services at the click of a button.

Professional originators also use laptops to work on loan files, marketing pieces, or communicate with customers and REALTORS® from anywhere at anytime. It also allows remote communication with the office to work on loan files, check file status or e-mail, or transfer important loan files or other important data back and forth instantly. The laptop has become as basic as having a hammer in the toolbox.

Computer Network

Just as important as having a laptop, is the ability for everyone in your organization to communicate effectively. A network allows multiple user real-time access (either on-site or off-site) to loan files, status reports, third-party reports, as well as underwriting and closing documents.

For small shops on a tight budget, networking doesn't have to be expensive, but it does have to be in the toolbox. For internal networks, wireless systems have now become practical where a base unit allows communication with users up to 300 feet away - without punching holes in the walls and running cable. But the Internet is also starting to play a greater role in basic computer networking.

While many companies still use dial-up networking for remote access, the worldwide web allows us to incorporate many tools on one platform. Using the web, we can eliminate the hassle of slow, expensive phone connections, and link up directly to the office as if we were sitting right there. Virtual Private Networking (VPN) technology uses the Internet to carry encrypted data between the network server and your laptop. Similar to the cellular phone concept, it allows transmission by borrowing public space to transmit private data, while maintaining data integrity and confidentiality. This technology is becoming more common as a means to communicate between headquarters and the branch offices.

Website

Another essential tool for your operation is a website. When looking at Internet technology as a way to increase your bottom line, there are two parts to the equation. The B2B (business-to-business) side of the web will help improve efficiency and reduce overhead costs as discussed above. The B2C (business-to-consumer) side is just as important as a way to increase volume and customer satisfaction.

As I travel across the country to train and consult with originators and companies in regards to using technology, it's amazing how much money – and how little thought, is invested in understanding the customer's needs and habits in using that technology. Websites do not have to be expensive, but there are three rules that are universal, and cannot be broken.

#1 – The domain name has to be simple and easy to remember for the customer. This creates wider use, name recognition, and more traffic to the website.

#2 – The customer must be able to instantly recognize your product or service, and the name of the company. Studies have shown that you have about 5 seconds to capture the customer's attention, or they're off to next site.

#3 – The website has to allow the customer instant "point-and-click gratification". You do not have to have lots of glitz and glamour, or fancy pictures and font styles, but it does have to be laid out correctly or the customer won't bother using it. They must be able to get fast access to the information they're looking for, with simple word and picture connections to on-line applications, rate and program information, loan/debt calculators, and access to *personal* communication when desired. Use e-mail links, and include company addresses and phone numbers as well.

Some LOS systems such as eSuite Solutions from Ellie Mae have combined websites and internet technology directly into the origination system, which allows seamless integration of customer data or on-line applications from the website into a loan or marketing tracking system, then directly into the LOS system, and then on into the processing, underwriting and closing Internet systems – all with point-and-click ease.

Internet Solutions

Other Internet solutions are available and others rapidly being developed, all to increase your productivity, efficiency, and the bottom line profits. The web not only provides instant AU approvals (both conforming and non-conforming) as well as the ordering and receipt of third-party reports such as title, appraisal, survey, flood, PMI, credit, etc., but companies are starting to combine these services together in one click access, such as First American's FastWeb or GEConnect.

Electronic communication and loan file status updates delivered instantly to the customer, REALTOR®, and loan officer with one click; or electronic document delivery of application docs, GFE's, mortgage forms, closing packages, and much more to the customer, investor, or title company, is but a small example of what the Internet has to offer. Some wholesalers (such as WMC Direct) only take electronic delivery of the loan file!

E-fax services that convert faxes to e-mail, electronic signature and digital storage systems, or instant electronic access to verification of employment, public records, taxes, property ownership, liens, etc. have a huge impact on loan management, operations, and customer satisfaction.

Use The Tools

Just like the professional builder who has a truck full of new cool tools, they don't do us any good if we don't get them out and use them. Not that we need to use every tool every time, but we must have a quality assortment available to us. Not only does this allow you to choose the right tool at the right time, but just the fact that you have all of these tools available provides comfort and security to your customers.

But just as the tools don't make the builder, technology alone won't make you a better originator or mortgage company. You must learn to use the tools that are available, and

understand the benefits of pulling out the right one for your job. Education and a commitment to continually re-evaluating present systems and new applications of technology, are what will set you above your competition.

Times are changing. We can no longer use the same rusty tools that we have in the past. A professional builder doesn't use a handsaw to cut 2x4's anymore. We need to understand which new tools are available to us, how to use these tools, and the ones to bring out when we need them. The technological tools are there – increase your professionalism and profits, and put them in your toolbox today.

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