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Incremental E-Mortgage is Key to Market Survival

By Sharon Matthews, President and CEO, eLynx



There's no shortage of anxiety in the mortgage industry today. The marketplace is changing rapidly and drastically in many areas, as are the demands facing lenders, vendors and anyone else involved in the business. In their attempts to address the current sense of crisis, many are shifting their efforts away from long-term goals such as the e-mortgage and focusing instead on immediate, day-to-day survival.

This is an unfortunate development, since those mortgage originators whose foresight kept them moving along the path to the e-mortgage are today finding themselves comfortably positioned to withstand the current chaos in the market and secure their operations for the long haul. The same potential still exists for those who choose this path, even now in the midst of turmoil.

Faster, streamlined and error-free electronic processes are helping lenders improve customer satisfaction, become more efficient, provide faster service, strip costs from operations, and centralize the management of multiple related tasks. By focusing on incremental adoption of eMortgage components, lenders not only position themselves for the future of mortgage lending, but very quickly see benefits to their processes, overall operations and bottom line.

A Streamlined Path to Success

The reason is simple: all of the immediate benefits which come from the incremental adoption of e-mortgage-enabling technologies are exactly the capabilities lenders and others need to make it through the market turmoil. The truth is, these capabilities provide an advantage regardless of the market conditions. Up or down, introducing best practices and centralizing collaborative abilities into lending operations brings real, tangible benefits.

Reduced costs, increased efficiencies, a greater flexibility to adapt to change and perhaps most important, a consistently improving customer experience are all byproducts of e-mortgage components. They are also exactly the qualities necessary for survival in the downturn. The crux of e-mortgage technologies - stripping paper from and eliminating manual management of lending processes - show an immediate return on a lender's investment.

Automated paperless processes not only improve workflow and cost significantly less than their manual, paper-based predecessors, but they also result in faster service and therefore a much improved customer experience. Since quality borrowers are nothing less than the lifeblood of the lender, it makes strategic sense for lenders to do everything in their power to court, capture and retain this business. In today's dampened market this is more important than ever.

The current environment brings greater impetus to cut costs wherever possible, without hindering the organization's ability to function efficiently. Just the ability to transform fixed costs of doing business to variable, transaction-based pay-as-you-go models - as the best e-mortgage services are offered almost universally - brings an immediate degree of cost-cutting to the lender, and with it a significant amount of breathing room for those struggling in today's environment.

Step By Step To the Goal

Additionally, the ability to approach e-mortgage components via incremental adoption - as opposed to requiring expensive major systems overhauls or upgrades and complex implementations - reduces risk and emphasizes early success of e-mortgage-enabling solutions. Simply put, components can be "turned on" with little disruption to operations and incredibly short implementation and training periods.

With an incremental approach, there is no need to chase risky, "all or nothing" e-mortgage scenarios. Rather, by simply deploying a single component at a time, e-mortgage costs are kept well controlled, while providing a significant return on the incremental investment. Piece by piece, the lender is strengthening operations, streamlining processes and preparing for end-to-end e-mortgage fulfillment, even if the ultimate goal of totally electronic end-to-end fulfillment lays somewhere in the future.

A lender can begin by employing an all-electronic closing document delivery component and see immediate savings and productivity increases. A second step could eliminate paper from the disclosure end origination, leveraging e-signatures and technology, speeding the loan process and decreasing cost-per-loan even further. While these two pieces alone do not an e-mortgage make, they do represent immediate, tangible, real-world benefits that also strengthen a company's ability to compete - and indeed thrive - even in times of market contraction.

The path to survival in today's market follows the route to the e-mortgage very closely. Those already on the path to end-to-end electronic mortgage fulfillment stand the best chance of successfully navigating the dramatically altered mortgage landscape and positioning themselves for new business opportunities. For those who've been on the fence, it's still not too late. In fact, there's no more pressing time to begin the journey than right now. The way things have been going, taking those first incremental steps toward the e-mortgage may actually turn out to be a question of survival.

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