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Make Your Business Tech-Savvy

When seeking a technology vendor, look for six traits that can help ensure your business' success

WITH MORE BANKS COMPETING FOR mortgage borrowers, many brokers are seeking ways to retain their market share. One way for brokers to do so is to ensure they maximize their company's output.

Relying on technology and technology vendors can help mitigate some of the time and risk involved with keeping your business strong in today's market. When looking at potential technology vendors and software, consider the following six key factors for ensuring efficient and productive mortgage loan origination and processing.

1. Compliance

Not keeping up with compliance is the kiss of death for the careless mortgage broker. How are top mortgage executives ensuring compliance with various state and federal requirements? The answer is technology.

Your technology vendor must provide you with timely information and critical updates regarding industry changes that not only inform you of upcoming obstacles but also provide solutions to overcome them. Compliance rules change constantly and sometimes only for certain states, types of agencies or types of loans. Brokers can't afford to ignore the significance ever-changing laws have on the mortgage industry and the impact those changes have on individual businesses.

Several new or revised federal regulations and other rules — such as the Real Estate Settlement Procedures Act, the

Truth in Lending Act, the Mortgage Disclosure Improvement Act, the Home Valuation Code of Conduct, the Secure and Fair Enforcement for Mortgage Lending Act, and the Nationwide Mortgage Licensing System — already have created compliance questions and uncertainty in the industry. You must be able to trust that your technology vendor is working to ensure that you meet all requirements.

Modern mortgage technology also can help you control user behavior to ensure that your company's front-line employees don't overstep the boundaries of compliant and ethical business practices.

2. Security and control

When determining the best technology for their company, mortgage brokers know their customers' loan information is safe and secure. The system you choose also should give you complete control of your customer database. After all, it's your lifeline, and it can pay dividends for years to come.

Look for a vendor and a system that allow you to maintain the integrity of loan documents with secure access and storage and to restrict separately who can copy, move, delete or e-mail loan files from data folders. You also should receive additional tools, such as an audit trail and field-level controls.

3. Interfaces

Although no single piece of technology can completely replace due diligence,

systems and procedures that maximize technology can reduce costs and improve efficiency. At a minimum, mortgage technology should perform third-party compliance screening, fraud detection, credit reporting, income and employment verifications, automated underwriting, and product and pricing selection. The system you choose also should allow for integration with Fannie Mae, Freddie Mac, lenders and other key industry players.

Ultimately, technology gets you the information you need to move forward with fast, accurate closings. Using multiple layers of products can immediately increase your bottom line and reduce your long-term costs by lowering the likelihood of buy-backs or other expensive mistakes.

4. Centralized data storage

Disasters can happen anywhere and unexpectedly, as can regulatory audits. Where are your data and time-sensitive loan files? If they are on an individual computer or laptop, you may be in trouble.

Centralized file storage can save your business in more ways than one. Having loan files in a centralized location — on a server, for example — provides a secure hub that allows controlled access and modification of critical loan information without creating confusing, duplicate versions of the data. Everything is saved to one customer file in one

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location. With centralized data storage, it is less likely that any disaster will wipe out weeks or months of processing.

5. Customization

Technology is a tremendous asset for businesses seeking to reduce long-term costs and to build profitability, but you will face an uphill battle if your technology doesn't work for you the way you need.

When you seek a solution for your mortgage company, look for a reasonable amount of customizable features. You should have the ability to create custom forms, craft business rules, incorporate marketing, maintain a strict security framework, and interface with select providers and partners. Your software also

should be flexible enough to adjust to your needs while remaining user-friendly and intuitive.

6. Sustainability

You're almost there if you find software with all the important features you need for business and the flexibility you need for growth and personal sanity. You'll need to consider price and sustainability as high-level requirements, as well.

Look for vendors that have long, established histories in the mortgage industry. Be diligent in comparing their revenue models. Some mortgage solutions may look reasonably priced upfront, but there could be additional fees for particular features and functionalities, which can drastically increase the overall cost.

Make sure the vendor you choose is responsive to your needs, provides specialized training and resolves your concerns proactively. You'll want to be sure your provider is knowledgeable about technology and the mortgage industry in general.

Finding a technology vendor that offers software with the right productivity and security features, complete visibility into your workflow, professional responsiveness and industry expertise will go a long way toward helping you achieve success. ●