

STRAIGHT TALKING

Kelly Purcell and Roger Gudobba discuss the pressing issues of the day as well as a new project the two are working on together.

With over 50 years of combined mortgage technology experience, PROGRESS in Lending is proud to call Kelly Purcell and Roger Gudobba Board members and industry visionaries. Both executives have tirelessly advocated on behalf of more smart automation in the mortgage space. Both are always looking to find new ways to improve the mortgage space. The next step in this mission for both of these true believers will be to participate in a new monthly video segment to air within the PROGRESS in Lending Video Newscast called Straight Talk. Roger and Kelly talked to us about what to expect from this new initiative and also about current industry trends.

Executive Interview



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Q. How would you define the new Straight Talk segment? In other words, what's it all about in your mind?

ROGER GUDOBBA: As members of the Board for PROGRESS in Lending Kelly and I along with the rest of the Board have been extremely pleased with the growth of the organization over the past year. The goal was to provide a forum for thoughts and ideas. This is another endeavor to get people thinking differently.

KELLY PURCELL: Straight Talk will be about industry commentary- pure and simple. Because PROGRESS in Lending is an independent association- the Straight Talk segment is very bipartisan and neutral. Unlike turning on a certain channel or person and knowing exactly what position they are taking, Roger and I will be approaching the segment from very diverse backgrounds, therefore tackling views and ideas from different perspectives.

Q. For the viewer watching Straight Talk, what do you hope they get out of it?

ROGER GUDOBBA: Kelly and I will have the opportunity to discuss a wide variety of topics. We both are very open-minded and have an insatiable curiosity. We are always looking for a better and perhaps different way to solve problems. I am constantly both intrigued and mystified about the rate of technology adoption in our industry. So, most of my thoughts will be technology related. I'm interested in how we can utilize technology to forward the progress realized in the mortgage industry.

INSIDER PROFILE

Roger Gudobba is Chief Executive Officer of PROGRESS in Lending Association and Chief Strategy Officer of Compliance Systems. When asked what the industry significance of PROGRESS in Lending is, Roger believes, "The mortgage industry has always lacked strategic thinking. It's slow to embrace new ideas. PROGRESS in Lending Association provides a place for thoughts and ideas to flow freely. It's easier to move things forward when you're in a group. This association is a central place for industry participants to have discussions."



central place for

INDUSTRY PREDICTIONS

Roger Gudobba thinks:

1 There will be a continued and heightened focus on data that will spawn solutions not imagined at this time.

2 Social media will persist and lenders and vendors will find many ways to benefit from their use.

3 The consumer will be vigilant in becoming more knowledgeable about mortgages. This will be driven by changes from the CFPB and the lenders attempts to get closer to the consumer.

KELLY PURCELL: With any topic- when I form a platform or opinion, I like to hear what "others" are saying about it. Everyone applies their own unique experience and knowledge to current affairs. From there I pick and choose from the various inputs on a given topic and formulate my personal opinion/stance. I hope the viewer will incorporate "Straight Talk" as a part of their "go to" for industry commentary and have a little fun with it!

Q. Going forward, how do you see this video segment evolving and why should mortgage executives watch?

KELLY PURCELL: Well, I think with an election year upon us, there will not be a shortage of topics! I hope that our viewers will see our segments as relevant, and more importantly thought provoking. They might not agree with our comments, which is fine, but hopefully it will inspire them to

turn around and ask the same questions of their management team or Board of Directors- whomever their "Trusted Advisors" may be.

ROGER GUDOBBA: There are a lot of different pressure points facing the mortgage industry today. We hope to bring a different point of view and encourage our viewers to take a step back and look at the topic with a new perspective. We want people to think outside the box.

Q. With origination expected to be at a 15-year low this year, how can originators use technology to thrive?

KELLY PURCELL: Regional banks will continue gaining momentum and velocity on the origination side of the business. I see this sector seeking out technology solutions where they may not have in the past. I recently asked a SVP of a pretty significant bank- why were they finally ready to deploy eSignatures – he said simply, "The time is right and we are finally confident we can maintain the steady volume of originations of the past couple of years." In addition, the housing recovery in the hardest hit areas such as Arizona, Nevada, etc. will see a significant comeback in 2012 with values slightly increasing and more importantly the markets stabilizing. So, while the prediction for overall origination volume is low- there will be a slight shift in where the volume is occurring and who the players are to capitalize on that .

ROGER GUDOBBA: The primary focus should be on consumer education. Considering all the new regulations that will be coming, the confusion around foreclosures and short sales, both first time buyers and long time buyers are a little overwhelmed and confused by the process. It benefits both parties to guarantee quality loans. The importance of validated the data supporting the loan transaction will guarantee acceptance from the investor community.

Q. What technology is out there that lenders

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need to adopt? Is there a must-have technology tool or trend?

KELLY PURCELL: I am simplifying here because most people know my stance, but I believe the eMortgage is the ultimate best execution tool for the mortgage process. All parties benefit, from the borrower through to investor delivery. This goes back to understanding the basic benefits of electronic signing, vaulting and delivery within each sector of the mortgage process. This results in quality data and audits – marry that with some great analytic tools and you have an improved process at every step of the way.

ROGER GUDOBBA: They need to select technology that will be flexible and easily modified to meet the ever-changing landscape. They need to select technology that reduces or eliminates manual interventions. They need to embrace e-mortgages, including e-signatures and e-delivery. They need to have a clear idea of where they are currently and what areas need to change. They need to set priorities. This is why the rolling 3- to 5-year plan is so important. They need to execute against that plan. Every lender is at different stages and has different requirements. There is no one solution that fits all.

Q. With the influx of new rules and regulations, documents are harder to maintain. How can technology help lenders overcome document-related issues and enhance the borrower experience?

KELLY PURCELL: Great question. As we have witnessed in the past several years, the cost of lost, misplaced or inaccurate

INDUSTRY PREDICTIONS

Kelly Purcell thinks:

1 There will be continued modernization. There are really only two approaches to survival these days, complete a core systems replacement or modernize existing legacy systems with a “wrap/extend” approach. The latter approach is what we are seeing most.

2 If your company’s end user is the consumer then you should ask yourself the question: Are consumers the driving life force of your company or are they just a group of people that need a mortgage? Companies that marry the customer voice with their brand by offering a positive experience will ultimately win.

3 Data quality will continue to be a driving force for those that win in 2012. I would also add that “analytics” wrapped around the data will be even more of a requirement as the enterprise moves forward with improved data quality initiatives.

documents has been tremendous and has resulted in expensive settlements and bad press for many companies. With electronic signing, vaulting and the audit trails around the document process, the management of the “documents” is much easier and ultimately more compliant. In addition, the ability to capture a set of data from the document is a tremendous advantage that an electronic document has versus a paper document. As Roger always says- it is all about the data!

ROGER GUDOBBA: I’ve always felt that in the

past documents were considered a necessary evil. It was one of the steps in the loan process that caused the most angst. Electronic templates eliminated some of the errors generated in the paper process, but it presented other challenges. It was easier to create documents so many new documents were added to the process to cover a problem rather than determine what led to the problem and was there a better way to solve the problem. We are looking at a new paradigm.

Q. E-signing adoption has been slow in the mortgage industry. What do lenders need to fully understand to reap the benefits of e-signatures?

KELLY PURCELL: Well I would agree and disagree with your statement on adoption. In the origination sector of the mortgage industry eSignatures are alive and well. It is a “must have” not a “nice to have.” If you are implementing eSignatures or eDelivery in 2012 of disclosures, you are playing catch up with your competition. eSignatures and eDelivery as it relates to the closing sector is a different story. What we see happening here are eSignatures on the non-notarial documents, and then at closing the documents requiring a notarized signature being “papered out” for a traditional wet signature. If you are a company today engaged in this hybrid process you are in a leadership position in the market. The ultimate “leadership” position is with those companies that are eSigning the eNote and utilizing the MERS eRegistry for eDelivery to Freddie Mac and Fannie Mae. They are reaping the benefits of better data quality.

ROGER GUDOBBA: The most important fact is that if we are e-signing documents we are dealing with an electronic process and not a paper process. I don’t need to go into all the benefits of “e”, as it has been documented many times by others. The need to streamline the process, eliminate bottlenecks and improve the consumer experience should be so obvious to the lender community. It’s a no-brainer. ❖

INSIDER PROFILE

Kelly Purcell is Chief Information Officer at PROGRESS in Lending Association and Executive Vice President, Global Sales and Marketing for eSignSystems, a division of Wave Systems Corp. eSignSystems is a provider of e-signature and e-vaulting solutions. In detailing why PROGRESS in Lending Association is different and needed, Kelly said, “While associations are a great resource, they tend to be regulatory and education focused, which is their core competency. PROGRESS however is a nonaffiliated association, resulting in people freely expressing new ideas and behaviors.

