



SINGLE POINT OF CONTACT

By Barbara Perino and Rebecca Walzak

There is nothing more difficult to take in hand, more perilous to conduct, or more uncertain in its success, than to take the lead in the introduction of a new order of things, said Niccolo Machiavelli.

Do you know SPOC? No, it's not a character in an outer space science fiction movie, nor is it the name of your new neighbor's dog. "SPOC" stands for Single Point of Contact, the requirement that every borrower have one individual who is their link between themselves and the servicer when working through a default management issue, be it forbearance, loan modification or short sale. It first became a requirement when established by the Treasury Department as they struggled with the massive delinquency and loan modification programs which began in 2008 and continue to this day. This concept, the idea that a borrower can call one representative of the servicer at any time and receive information as to the findings, issues and status of their problem or requested option, has not been an easy one or even a welcomed one by servicing organizations. Yet it seems, at least on the surface, to be a win-win for everyone. The borrower can get up-to-the-minute information with just one phone call and servicing personnel are freed from the handling of numerous interruptions and frequent phone calls made by frustrated borrowers. Yet servicers, from largest to smallest, seem to be slowly working through this "evolving process" rather than stepping forward to embrace the idea as they implement a single point of contact program. Is this concept so new that we are struggling to understand exactly what is required? Is it so labor intensive that the volume of work completed comes to a near standstill in order to take a customer call? What exactly is the problem?

The idea of a single point of contact was not a new concept developed by regulators in response to mortgage consumer complaints, but has been adapted from other industries faced with an overwhelming volume of calls that they attempted to manage through dysfunctional, outdated methods for providing customer support. Technology companies were among the first adaptors of implementing a structured unit within an organization whose objective was to be the communication link be-

identify what the “real” issues were. This allowed the customer service representative to more easily address the core problem and resolve the callers’ issues. Ultimately this produced results showing higher productivity numbers for companies as other employees were not haphazardly interrupted with phone calls that took them away from their assigned work load. It also eliminated the customers receiving redundant responses or conflicting information which ate up even more of employees’ time

Today there are world-wide call centers for just about every major industry and global company. While the number of companies that assign specific representatives to specific callers is smaller, the overall nature of the calls has moved from one of calling when a problem arises to one of seeking resources and information in implementing some new aspects of the services provided or attempting to answer a question that may arise.

Unfortunately the status of the mortgage servicer “SPOC” programs does not appear to be quite as successful. The implementation of the single point of contact program by servicers programs have received only mediocre reviews and lawmakers have been focusing on national foreclosure reform legislation. Although this legislation seems to be stalled, many states have or are beginning to consider this issue.

Servicers in the meantime have been working on and experimenting with ideas for the best method for implementing the program. Not all of the plans have materialized into effective programs while some have been more successful than others.

The most common implementation approach appears to be the expansion of the more traditional call center. In this scenario, the standard 800 number is still used as the primary point of contact for the borrower. Once the borrower has reached a representative of the company, they identify the reason for the call and determine which employee would be best able to address the issue. In the case of modifications in progress, the individual assigned to handle the application then becomes the single source of contact. This process may attempt to minimize the modification specialists’ phone time, by arranging for a call back time, but the process still requires a great deal of consumer interaction time. There are several other iterations of this approach as well. One of these is to advise the consumer that the individual who is handling the case will call them back. Unfortunately, many times this results in a game of “telephone tag.” Complications further occur when the individual to whom they are assigned calls them and leaves a message to return the call. Then when the borrower returns the call, they are sent to the main number and the individual answering the phone has no idea about the issue and cannot transfer the caller to the modification specialist.

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tween the company and those that it served. The focus of the “customer service” unit was a means to provide information, accept orders, resolve issues and satisfy customer needs in an organized, efficient environment that is easily scalable to meet the ebb and flow of customer volume. Once initial implementation was achieved, the satisfactory rating of consumers skyrocketed. Companies continued to enhance the use of these units and expanded them to include assigning specific “order” numbers to calls so that any responder could identify the issues in the customer service program and answer questions and/or give updates. The next step of course was to assign each individual caller with their own service provider. This individual would take responsibility for a specific caller, their needs and concerns, until such time as the caller was satisfied with the result.

Despite concerns about the potential costs associated with creating this special unit the use of “call centers” proved very successful. Management found that through this process they were able to remove the ambiguity of issues and quickly

as they attempted to untangle the issues and resolve the problem.

One of the most beneficial results of this single point of contact concept was the move from constantly being in a reactive state to one of proactivity. Customer service representatives began to more effectively manage the process of correction and improvements as requested and took the initiative to begin placing calls to customers on a regular basis to advise them of the status of their issue. The responses to this type of proactive calling were overwhelmingly positive.

This practice also had more easily quantifiable economic benefits as well. As the data on issues and problems was collected in a single source database, it was much easier for management to identify the common issues and sources of problems. Once these were isolated, improvements to processes and new technological innovations could be developed. Funding for opportunities established through this information source was routinely successful in creating more effective and/or efficient products and services.

Another approach is to create a program that will update information about the status of the application or request. Then when the consumer calls into the assigned number, any individual answering the call can refer to the system to identify the status and provide updated information. Unfortunately these calls often leave the consumer with unanswered questions because the individual on the phone has no knowledge of the required steps in the process or cannot provide specific information on how to address a problem. Ultimately these approaches are not successful because they do not meet the standard established by the requirement; a single point for the consumer to call and get questions answered and issued resolved.

How do we move beyond the stumbling

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blocks of today’s approach to SPOC? One way is to look at those who have been successful in implementing such a program. In reviewing information about other programs similar to what is required of servicers, there is one common thing that stands out. These companies see the person answering the phone, as the most important in the company since they are “customer facing.” In order to be assigned to these positions, individuals at these companies are assessed for their level of professionalism and overall attitude. In addition, they are required to have a comprehensive knowledge about the products and services that the companies provide so that questions can be answered correctly the first time. However the most stringent requirement mentioned consistently within these companies was the ability to communicate. These employees must be skilled empathetic communicators; not just talking, but excelled at listening to the customers to isolate and identify the issues so that they can be resolved. Training for these positions is in many cases extensive and rigorous. As a result, these employees are highly-valued and highly compensated.

In today’s servicing world many managers see these positions as entry level and low paying positions. They are hesitant to invest in these individuals who openly admit they are looking to advance to other positions in the organization. While some may have training in call center work, rarely do they have anything but a limited knowledge of the mortgage industry and/or the servicing process. While there are attempts to overcome this with prescribed scripts, the end result is less than effective.

In addition to the lack of appropriately trained and skilled professionals to work in a SPOC center, our industry has not yet grasped the opportunities that this type of function can provide. As mentioned earlier, many companies utilize the data obtained from documenting and tracking these calls through to final resolution to identify where there are productivity and cost-reducing gains to be made. While today’s servicing managers worry about absorbing the costs associated with hiring and training these individuals they have failed to balance these costs against the savings that can be achieved.

While today’s focus is on providing a single point of contact for the servicing organization, it is impossible to overlook the

potential of this approach for the origination end of the business. One of the biggest failings of the mortgage boom was the borrower’s total comprehension around how these loans would work; what future payments would be and how they would affect the borrower’s equity in their homes. It is not a large leap to envision a resource for borrowers beginning the process of originating a loan to want and/or demand this type of resource from their chosen lenders. This idea has great appeal to consumer advocate groups. An originator whose approach provided this level of support and knowledge to their customers would undoubtedly be able to draw consumers to them.

Whether you think of SPOC as an alien here to take over your organization or as an opportunity to differentiate yourself from the competition, it is safe to say that the idea is not going away any time soon. And with the repercussions from regulators and state legislative interest in this idea growing, management, ready or not, is going to have to implement these programs.

So bottom line is; there is tremendous opportunity to embrace the value of putting a highly effective SPOC program in place in your company and create benchmarks that can be tracked for success, allowing room for any needed adjustments. It starts at the top. Leadership has to embrace the importance and value of this new requirement. If you don’t have leadership buy-in on the significance of this program you are going to be in the spotlight, under scrutiny and setting your company up for failure. Some things to think about:

- Leadership creates a strategic meeting of the leadership team to talk about how they can implement a highly effective customer centric program. What needs to be done to get this in place? Who are ideal candidates for our SPOC program?
- Leadership has to get very clear on the ROI of doing this process and exemplify it throughout the company. (walk the talk)
- Possibly create a survey to be given to every employee in the organization to flush out possible candidates for these positions, including managers. Craft questions about what SPOC means, how it works; and some questions (or personality assessments) to find out which

employees are perfect candidates to be the SPOC because of their knowledge of the loan programs, policies and procedures and just as important, their customer service, relationship building, organized skills, great with follow up, etc.

- Create benchmarks and matrixes on the goals and results that will be needed and designate timeframes when to review how well the program is working going forward.
- Create chain of command for problem solving if something gets escalated and a manager needs to get involved
- Create ongoing training, motivational exercises, coaching of the SPOCs.
- Compensate these people as they aren't just answering phones and passing on calls; this position is a very important position that will impact the success of the SPOC program so promote and hire the best.

ABOUT THE AUTHOR

Barbara Perino is a Certified Professional Co-Active Coach guiding her clients who are executive leaders and their staff. Barbara has been trained through The Coach Training Institute (CTI) and the International Coaching Federation (ICF). Prior to becoming a coach, Barbara was a 16-year veteran of the residential mortgage industry in a national sales management capacity for property valuation and residential mortgage service providers.



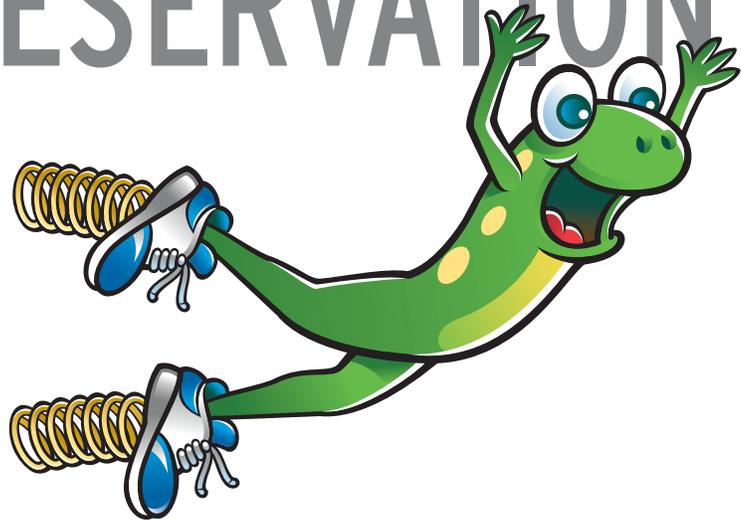
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rjbWalzak Consulting, Inc. was founded and is led by Rebecca Walzak, a leader in operational risk management programs in all areas of the consumer lending industry. In addition to consulting experience in mortgage banking, student lending and other types of consumer lending, she has hands on practical experience in these organizations as well having held numerous positions from top to bottom of the consumer lending industry over the past 25 years.

The government is here to stay for a long time and these types of programs are not going to go away so find how you can embrace this change and decide you are going to do it well. Take the bull by the horns and go for it. It will serve you in the long run. ❖

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