

Can Technology Vendors Improve Everyone's Lending Experience?

Is it possible to both provide a better experience for the lender and the customer? **Without a doubt.**

Much is being made these days about improving the borrower experience, and with good reason: Borrowers today have more options than ever before when it comes to choosing which lender to use. The more positive the borrower experience, the more likely the lender is to win the borrower's business. But one area that tends to be overlooked in the rush to improve the borrower experience is the lender's experience. On the other side of the interaction with the borrower is a loan officer or processor. If their job is complicated by changes to their workflow, they may be reluctant to embrace change no matter how it improves the borrower experience.

By Dewey Kelly



Lenders who take a more holistic view of the interaction between their employees and customers are the ones most likely to see improved workflow efficiency and reductions in the amount of paper in their lending workflow.

Take this scenario as an example: A financial institution's customer wants to get a loan preapproved for buying a new car. He calls the loan officer at the financial institution and provides the required information over the phone, which the loan officer captures in the institution's loan origination system. Then, with a single keystroke, the loan officer sends the loan disclosure to the customer in his office and to his spouse, who happens to be across the country on a business trip. In moments, the customer and spouse both receive an email with a secure link to the disclosure. The customer views and electronically signs the disclosure from his office desktop computer, and the spouse views and electronically signs the disclosure from her iPad. The loan officer is notified that both parties have signed the disclosure and she can complete the lending workflow. It was fast, convenient, and easy for the borrowers and the lender to get the loan locked without altering or adding to the loan officer's workflow creating a win-win for both the borrower and the lender.

SOUNDS SIMPLE, RIGHT?

For many lenders, making this scenario a reality is more difficult than it might first appear. It can take a lot of work on the lender's part to integrate solutions from different technology vendors into a seamless workflow. Too often, lenders don't have the time or resources to undertake such integration projects, so the projects get pushed off. Improving the borrower experience and implementing electronic delivery (eDelivery) and electronic signatures (eSignatures) are often higher priorities, usually at the cost of complicating the loan officer's workflow. eLynx's research into eAdoption shows that complicating the loan officer's workflow is one of the surest ways to inhibit adoption of paperless lending initiatives. (Contact

eLynx at mismo@elynx.com if you are interested in our eAdoption white paper.)

This is where technology vendors have an opportunity to work together to provide more complete solutions to lenders, making it easier and faster for their lender customers to realize the full potential of paperless lending initiatives. A case in point is the

residential and commercial real estate finance industries. MISMO identified hundreds of data elements that might be part of a real estate transaction, an eMortgage, or other consumer or commercial loan transactions. It defined the architecture and data dictionary based on XML encoding that provides a structure for classifying these many data elements.

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work Harland Financial Solutions and eLynx undertook to provide a seamless solution that supports the scenario above without integration work by the lender.

Harland Financial Solutions and eLynx have been working together for over a decade. As the relationship evolved, it became clear to both companies that a tighter integration could strengthen their relationship and provide substantial value to their clients.

Both companies have been heavily involved in the Mortgage Bankers Association's initiative to develop data standards for the mortgage industry. The initiative, the Mortgage Industry Standards Maintenance Organization, or MISMO, has been working since 1999 to develop standards to enable mortgage-related information to be exchanged between borrowers, lenders, service providers, investors, and servicers more efficiently and economically. The MISMO standard provided the platform Harland Financial Solutions and eLynx used to integrate eLynx's eDelivery and eSignature solutions with LaserPro® from Harland Financial Solutions.

IF YOU DON'T SPEAK MISMO

The MBA established MISMO to develop data definitions and business information standards for the

Entities or systems that adopt and adhere to the MISMO standard can pass data via structured XML text files to other MISMO-compliant entities or systems. The implication of this is profound. For one thing, it means that an entity need only map its data to the standard data definition documented in the MISMO standard, and any other MISMO-compliant entity will know how to use that data.

The MISMO standard has been steadily evolving since the group was formed in 1999, with a number of versions released over the years, each expanding on the previous versions. The release of MISMO Version 3.0 was a significant milestone for the industry because it established for the first time data standards that could be uniformly applied across all types of transactions and workflows. Earlier versions established standards at the role or functional level—appraisals, title, lender, etc.—but at the data level, adherents had to develop proprietary data structures, which resulted in proprietary interfaces. These were typically developed over a relatively short period of time by architects familiar with their local product or service and often did not reflect data requirements for the entire industry. In addition, there were not uniform guidelines for

extending the data structure to support custom data elements.

MISMO 3.0 changed all that. It was

of the work done by the two companies can be reused to integrate with other products and trading partners. They

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updated with new data definitions and structures driven by business trends from the entire mortgage industry. In addition, it has excellent extensibility for product- or project-specific data needs. Since its release, it has become the recognized industry standard with growing acceptance in both business and government. Fannie Mae and Freddie Mac adopted the MISMO 3.0 standard as the standard data format for the loans they purchase, and the CFPB is strongly supporting and leveraging the standard.

PUTTING THE STANDARD TO THE TEST

Both Harland Financial Solutions and eLynx have adopted the MISMO 3.1 standard for their architecture, so it was natural to use it for the integration between LaserPro and eLynx. However, both companies were surprised by how much it simplified the integration. Mark Kleingers and Jim Metzger, the data architects for eLynx and Harland Financial Solutions respectively, set up daily 30-minute calls to go over the interface. Kleingers remarked, "The message prototype was finished during the second call." Metzger added, "Using the MISMO 3.1 standard eliminated the need for the eLynx team to learn and understand our document structure and vice versa, saving days if not weeks of work." Both agreed that it prevented unnecessary work and potential trial-and-error attempts at how to integrate: The structure they needed was already there and ready to apply. The added benefit is that virtually all

presented their work at the MISMO Spring 2013 Summit in June as one of the first real cross-vendor implementations of MISMO 3.1.

What does this translate to in the real world? If we go back to the lending scenario presented earlier, the loan officer is able to capture all of

sary compliance data available to the loan officer, and they are on their way.

"We pride ourselves on making our solutions easy to use and one important goal in the work with eLynx was to make eDelivery and eSignature as transparent to the user as possible," said Gary Unger, Harland Financial Solutions vice president of development. "The MISMO standard was a big part of making that possible. It greatly reduced the complexity and amount of work involved in the project, and as a bonus, we are able to leverage the work done with LaserPro to add eLynx services to our other solutions," Unger added. eLynx senior vice president of business operation Andy Crisenbery agreed, saying, "The beauty of this integration is how easy it has made it for lenders to add eDelivery and eSignature to their workflow. By proactively working with Harland Financial Solutions on this integration, we have effectively eliminated the barriers to

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the data needed to originate the loan using the LaserPro software she has been using all along. She then selects the documents to send to the borrowers the same she would to print the documents. Then, instead of printing the documents, she selects the eLynx Consumer Delivery option in LaserPro. LaserPro creates the MISMO 3.0 compliant XML package containing the documents and the data required by eLynx to process the package and sends it to eLynx. eLynx decodes the package and submits the document for delivery to the two borrowers via eLynx's Expedite Inbox. The borrower accesses his Expedite Inbox and signs the disclosure from his computer; the spouse does the same from her iPad. eLynx notifies the loan officer that the disclosure has been signed and makes the signed documents and all neces-

entry for lenders who want to pursue paperless lending. I don't believe there is an easier way for a lender to add eSignature capability to their workflow than the LaserPro-eLynx integration."

Other technology vendors can and should use this model to offer more integrated, end-to-end solutions to their customers. We shouldn't make lenders choose between offering a better borrower experience to their customers and simplifying the workflow for their employees. Fortunately with the growing adoption of the MISMO 3.0 standard, we shouldn't have to. It makes integration between solutions from different technology vendors a viable option. If we want to provide the highest value to our lender customers, we need to be proactive with our partners in delivering integrated solutions to financial institutions. ❖