



Recovery Tips

Leverage Technology to Grow

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By **Odette Marra**

Today's banking customers are demanding more from their banks. They want advanced technology, mobile banking and the ability to bank when and where they want, but they are also tired of poor, impersonal service currently being delivered by larger lenders.

At Belmont Savings Bank, our strategy of combining the same technology and services of big banks with the service levels and local neighborhood commitment of a community bank has been the catalyst for our rapid growth.

We also converted from a mutual bank to a stock-ownership holding company in 2011. The additional capital raised in this effort enabled us to expand our market presence with a focus on consumers, small businesses and commercial real estate companies.

To accommodate growth and deliver on the promise of advanced technology with high service levels, we needed to re-evaluate our technology platforms. This included our antiquated loan origination system (LOS) that was slated for sunset.

Our first objective was to minimize the technology burden of supporting multiple platforms with a large IT footprint. We wanted a solution with a small IT footprint so that our technical resources could be dedicated to delivering support and services to our customer base. That meant going to a hosted solution for our lending platform.

HOSTED - LOS

We were concerned with the upfront and ongoing costs associated with implementing a new loan origination platform. Hosted solutions, operate as a Software as a Service (SaaS), enabling us to deliver its leading edge loan origination software "on-demand" – without the cost of deploying an expensive technology infrastructure. A hosted solution alleviates our investment and costs related to maintaining the

LOS, hardware, operating systems, security, backups and network operations.

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Hosted advantages include:

- Lower Initial Costs – We did not have to purchase a large software license.
- Fewer Personnel – The hosted solution reduces the need for specially trained personnel to handle maintenance, monitoring, software updates and configuration changes. The hosted provider has a dedicated team to handle these tasks.
- Lower Infrastructure Costs – We do not have to store software or data files on our hardware so investing in additional hardware (servers, routers), newer operating systems, and database licenses (i.e. MS-SQL) is no longer required. There is also the convenience of no longer needing to constantly backup data because storage is the responsibility of the hosted provider.
- Secure Database Technology – The Hosted services are certified, reliable and secure, having received SSAE16 SOC 2 Type II Certification using industry leading security vendors that offer the most comprehensive and most advanced security available.
- Access from Virtually Anywhere – A Hosted LOS increases productivity and furthers green initiatives because lender-controlled access can be provided to

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anyone with a device an Internet connection. Loan officers, managers and even auditors can access the system and monitor specified data and reports remotely without having to physically be in the office, which saves time and the environment.

Once the decision to go with a hosted solution was made, we began researching possible solutions and speaking with our peers in community banks, all while leveraging the expertise of our senior management team.

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they're trying to sell a new LOS, but the proof is in a proven track record of actually delivering on the promise, specifically to the community bank market. The LOS vendor should be able to provide you with an extensive list of successful community bank implementations. Not just new sales but more importantly, peers that are successfully running live and lending on the proposed solution.

During our extensive due diligence process we developed five criteria that would lead our selection

process. This included:

1. Single Platform for Residential and Consumer Lending
2. Configurability
3. Strong Compliance Support
4. Comprehensive Reporting Capabilities
5. Highly Engaging Vendor Services / Customer Support

SINGLE PLATFORM

We looked for a lending solution that could perform all of our consumer and mortgage lending requirements. Many of the systems available on the market today only handle mortgage loans, which would have required us to purchase, support, train and maintain multiple lending systems. It was easy for us to see that in light of today's constantly changing regulatory environment, it would prove to be very costly and highly inefficient.

CONFIGURABILITY

Configurability was critical to the effectiveness of our lending platform. We didn't want a hard-coded system that couldn't do anything but 'vanilla' lending. We discovered an LOS that employs flexible "business rules" to provide configurability and flexibility. These business rules are easy to understand and help customize every phase of the lending process. Flexible solutions like these are able to streamline workflow and create greater efficiencies. More importantly, the business rules can be easily modified as market conditions change, allowing for faster responses.

Additionally, rules-based systems allow for easy implementation of required fields within the lending processes to ensure data integrity while delivering a faster, more streamlined process for customers.

STRONG COMPLIANCE

Due to today's regulatory lending environment, we required the ability to easily and effectively respond to constantly changing rules and regulations. Compliance is now a business imperative for lenders of all sizes. We were looking for a partner that is constantly monitoring the changing regulatory environment, including the GSEs, and delivering solutions to help us ensure compliance.

We maintain a very vigilant perspective when it comes to compliance and we are fully cognizant of its potential impact on our business. Specifically, we required an LOS provider with comprehensive compliance expertise, specifically one that keeps

ahead of all regulatory actions and can deliver timely solutions and services. Having in-depth knowledge and working relationships with the GSEs allows the LOS provider to deliver fully tested and approved solutions to clients well in advance of mandated deadlines.

COMPREHENSIVE REPORTING

It was also vital for us to have comprehensive reporting capabilities. A single, dynamic LOS platform capitalizes on in-depth reporting that allows us to better manage our business, productivity and risk which lowers costs, speeds up loans and makes customers happy.

For us, the ability to centralize and simplify our HMDA reporting capabilities was vital. This functionality simply did not exist in our previous system.

HIGHLY ENGAGING SUPPORT

Exceptional and highly engaging customer support is a vital element in our business and was a

significant factor when we chose a new LOS partner. We searched for a vendor who had extensive experience working with community banks, and who could deliver the same personal experience and business expertise to our organization that we provide to our customers.

Part of the experience requires establishing a good working relationship with the vendor to assure the quality of on-going service. As important as the implementation phase of a project as large and important as an LOS replacement is, the continuity of service is vital. Having direct access to support resources and maintaining the vendor/client relationship are keys to success.

The ideal solution for Belmont Savings has been the RemoteLender LOS, supported by Specialized Data Systems. This provides us with the same advanced technology of big banks with the local support and service that we have come to expect. ❖

Odetta Marra has been the Director of Residential and Consumer Lending at Belmont Savings Bank since 2012. Before joining Belmont, Odetta owned a compliance consulting business. As a Senior Vice President at RBS Citizens, she played a significant role in supporting the dramatic growth and success of a \$35 billion division. She has more than 30 years of experience as a senior manager in the mortgage and consumer lending industry.

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