LENDING IN TODAY'S DIGITAL ERA

Providing dynamic and easy to use digital lending solutions enhances the borrower experience and provides originators with the chance to clearly explain product options and loan terms.

BY CURT TEGELER

In today's mortgage market, you can't pick up a trade publication or attend an industry event and not see or hear something about digital lending. While there is a great deal of hype about digital lending, instead of adding more fuel to the fire, let's discuss what borrowers are actually looking for and lenders are actually implementing in their digital lending solution.

Anyone who has gone through the mortgage process knows that it is extremely document driven, including loan files that can sometimes exceed 500 pages. For applicants, successfully navigating the mortgage process takes time and patience, as they struggle to fill out dozens of forms, dig up documents and financial records and then send in the mail, fax or scan them to their lender. Naturally, all this back and forth adds days of extra time, the potential for errors, and confusion to the closing process for the borrower.

Providing dynamic and easy to use digital lending solutions enhances the borrower experience and provides originators with the chance to clearly explain product options and loan terms to eliminate confusion for the borrower. Lenders are eager improve the borrower's experience while streamlining the lending process and reducing manual steps and costs. Let's dive into some of the key components that lenders are seeking in their digital lending solution and how that improves the borrowers lending experience.

One group that is driving this move to digital is the millennial buyer. Lenders understand that the millennial generation represents a significant opportunity for the mortgage industry in the form of first time homebuyers. Studies have proven that millennials are more likely to start their search for homes and the finance of homes online.

By providing a unique digital lending experience, mortgage companies can easily accommodate the digital demands of the millennial buyer. This enables the loan officer to take more applications and spend more time creating and cultivating relationships. One of the main accommodations that millennials are hoping to find throughout their experience is being able to conduct business electronically using a single access point. They are also looking to be able to sign documents electronically and access them on their mobile devices, ensuring the process is as fast and transparent as possible. As part of a tech savvy generation, the last thing millennials are looking for is the inconvenience of sorting through hundreds of documents at the lenders office at a time of day that doesn't work for them.

According to the Consumer Financial Protection Bureau, technology has helped individuals understand loans better. Because of this, they felt more confident about the digital process. This insight is important because it tells us that digital lending isn't a service only

suitable for millennials but almost any consumer. Increased efficiencies can reduce costs and these savings can be passed on to the borrower further improving their experience. Lenders can see a monetized value in this technology as well as new opportunities for lenders to expand their business and find ways to effectively communicate to the consumer. The right digital lending solution gives the lender control over that borrower experience so that they can continue to exceed expectations.

Today's advanced digital lending solutions enable lenders to provide borrowers with an enhanced level of service, one that is more timely, convenient and provides the borrower with the ability to interact with the lender when and how it is most convenient for them. The digital lending experience must bring together numerous data points from multiple sources into one location to deliver a seamless lending experience to the borrower while delivering key business intelligence to the lender. To be able to deliver on this promise, the right digital lending solution delivers the ability to easily integrate multiple systems. More and more companies are publishing application program interfaces (APIs) to accommodate this need for seamless connectivity.

APIs enable third-party developers to create helpful services and tools that customers can utilize. The introduction of API's provides lenders and borrowers access to all data from all programs in real-time, ultimately providing them more accurate and up-to-date information. Through using this solution, cus-tomers are not only able to compare and save but also have access to more personalized resources for making the right decisions regarding their mortgage.

Constant communication is also key in creating a successful digital lending experience. Adding video technology and instant messaging provides informative information to the borrower through a distribution method that they are accustomed to using. Constant access to check loan statuses, upload the necessary documentation, sign documents electronically and maintain a digital system of records are key aspects that can give borrowers the digital experience they are seeking.

When done right, digital lending is a simple and easy to follow process that educates the borrower through each step of the lending journey. This allows the overall process to become more self-guided and enables borrowers to seek out information on their terms. This empowers the borrower and improves their lending experience. While the borrower is doing some of work themselves, the role of the loan officer is not diminished but instead allows them to be more accessible when critical questions arise.

Loan officers can assist at any point in time and can confirm the accuracy of the borrower's data. Digital friendly applications streamline the process even more and confirm that information remains secure throughout providing improved levels of accountability. Borrowers can read and sign off through any device to move through it seamlessly. Manual tasks are then reduced and costs are significantly reduced for lending companies because of error reduction while delivering a better lending experience.

The user experience is an important factor as potential borrowers are applying for a loan through different channels. Reducing the time it takes to complete loan processes and enhancing the overall loan experience for the borrower differentiates one lender over another.

Technology is providing borrowers a faster, more transparent, mobile-friendly experience. By leveraging design and directing to source connectivity, applicants can navigate a self-guided experience and be offered real-time assistance from their loan officers. The right digital lending solution significantly enhances today's borrowers lending experience. ❖

ABOUT THE AUTHOR

Curt Tegeler is President at WebMax LLC. Curt has focused his career for over ten years within the Mortgage and Real Estate industries. Curt Tegeler is responsible for providing direction for action to all employees and business initiatives.

Index of Advertisers