

IMPROVE CONSUMER RELATIONSHIPS

Empowered lenders and their customers will know more, have enhanced data security, and strengthen trust in each other through electronic adoption.

For consumers, obtaining a mortgage is often a complicated and difficult process – full of requests for more information, forms, legal documents, unfamiliar requirements, signatures, and unknown parties. It's not just a transaction between a home buyer and a seller. There are realtors, banks, appraisal companies, inspectors, lawyers, insurance companies, and settlement agents involved. Knowing who to trust and what to do is hard. That's why having a relationship, or devel-

By Sharon Matthews

oping a relationship, with a bank is so important. If a consumer learns to trust the bank involved in their mortgage transaction, because the bank makes the process simple and clear, they can go on to have a long-term relationship involving other products and services.

The mortgage industry is stressed by constant change and new legislation. Changes necessitated by RESPA are in effect and new changes are already on the horizon. The Dodd-Frank Act has



led to the emergence of a new Consumer Financial Protection Bureau that will shape new regulations and mandates. To simplify the mortgage process for consumers, the bureau has already begun consolidating the TIL and GFE disclosure forms into a single document – something that will affect every mortgage lender.

At the heart of these changes and legislation is improving the information provided to, and therefore the experience of, consumers. Lenders that embrace this philosophy and find ways to gracefully deal with compliance, security, and efficiency issues will realize a competitive advantage.

EASE COMPLIANCE BURDENS

Non-compliance with regulations around consumer interactions can result in delays, penalties, and rework. According to an article by Bloomberg, the time needed to close a mortgage loan has nearly doubled to 60 days. It's critical that lenders find ways to reduce this lag time and get to the closing table in a quicker fashion. We've

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found that automated tools to manage document-intensive processes, with reporting and compliance capabilities, are key.

eLynx's electronic delivery, signature, and print-and-mail fulfillment services streamline processes and are compliant with regulations like the Housing and Economic Recovery Act (HERA), as well as the Real Estate Settlement Procedures Act (RESPA). In fact, these integrated services ensure disclosure packages are delivered securely and immediately, remaining in compliance with time-based regulations and with ESIGN and UETA regulations for electronic signatures. Not all states, however, have adopted the legislation, so we took things a step further, validating our compliance measures through multi-state audits.

Realizing that not all consumers have e-mail addresses and that some chose to not receive documents electronically, eLynx's integrated print-and-mail services provide a failsafe solution. If a borrower fails to pick up the documents in the allotted timeframe, this service automatically takes over, delivering hardcopy disclosures within RESPA timeframes. The model of “send it and forget it” is important to your compliance measures and ultimately your peace of mind. Regardless of the circumstances after electronically sending disclosures, you can be assured that the intended party will receive them.

Studies show that implementing electronic mortgage processes is a strong, sustainable investment: Lenders who provide customers with web-based services tend to promote customer retention and increase their ROI, but most importantly, the security enhancements that come with electronic processes can't be matched.

For consumers, knowing that sensitive data is protected is critical. Since 1994, eLynx has protected customer data and

has ensured that your customers' data is secure. Our electronic offerings are far more secure than the average email, as well as mail by post.

Before customers can access the documents sent electronically, they must first establish their identity. We offer several methods for identify authentication including out of wallet questions, Knowledge-Based authentication (KBA), and username/password schemes. The customizable security offering confirms a borrower's identity before they see the contents of packages sent to them.

Furthermore, our robust audit trail time-stamps documents and records every event and action taken in the system. The feature provides a level of transparency for lenders so they can see where bor-

rowers are in the process, who has taken action, and how documents are changing. This is a much more secure method than wondering if the mail was delivered to the consumer, where the lost document is, and trying to figure out who has the latest copy of a mark-up document.

EFFICIENCY & EMPOWERMENT

Speed and service are important, and lenders need tools and workflows to maximize operational processes and profitability. A recent eLynx analysis of workflows for sending documents to consumers revealed several best practices that affect efficiency. For example, having the generation of disclosures disconnected from the application process, or performed by a different group, can lead to issues. Consumers who had recently spoken to a loan officer or someone at the call center had no reason to trust an email notification from an unfamiliar person and email address. This frequently led to staggering delays. Automating the mortgage workflow, so that loan officers or call center staff were empowered to send documents immediately had a measurable impact on the process.

Furthermore, the research showed that getting a borrower to sign the upfront disclosures electronically has a significant pull-thru effect. Additional analysis has shown that electronic adoption can shave up to 12 days off the average time to close a loan. Direct involvement with consumers, use of electronic tools, and workflow improvements empowers both parties to know more and be active in the process.

The eLynx electronic delivery and signature offerings were designed with consumers in mind. The user interfaces incorporate lender branding to provide consumers with the familiarity needed to move processes forward. Whether electronically, or paper-based, our services will automatically meet the needs of consumers and get documents where they need to be on-time. The enhanced visibility and transparency that is given to both parties allows bi-directional communication. Everyone knows where documents are in the process, who has them, and how

they have changed. Our tailored notification system lets each party know when action is necessary to strengthen the trust between lender and consumer, as well as significantly shorten process time.

THE NEXT GENERATION

eLynx is currently investing its energies in a new offering that will provide a single streamlined, integrated, and intuitive experience for the consumer. This offering, aka Consumer Inbox, will automatically include services such as integrated print and mail. The Inbox will improve communication and document exchange between lenders and consumers. Consumers will be able to receive documents electronically, then sign and return them using an intuitive interface. Consumers can also use the system to respond to requests

for additional information from the lender for documents such as W-2s and income verification. Looking to the future, the Inbox may be offered on mobile devices to make consumer interactions as simple and convenient as possible.

Using technology to improve interactions with consumers is an effective strategy for a mortgage lender. The immediate benefits of process efficiency,

greater transparency, elimination of lost documents, improved compliance, and enhanced security are achievable. And lenders that use technology effectively will get a competitive advantage by cementing a solid relationship with their borrowers. It's no longer a question of if you improve your customer experience, but how you go about it and how fast you can see results. ❖

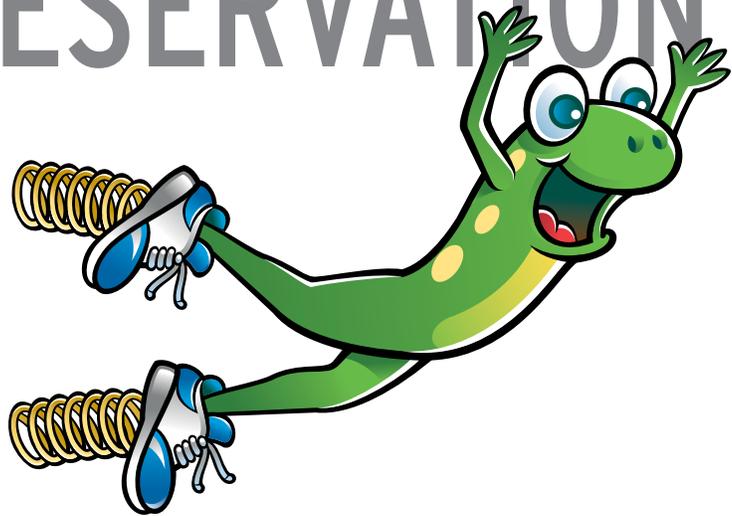
ABOUT THE AUTHOR

As President and CEO, Sharon Matthews oversees the overall operations of the company and is responsible for the growth of eLynx's market leadership position providing data-driven document distribution, collaboration, and connectivity services for the financial services, mortgage banking, and real estate industries. Matthews came to eLynx with more than 25 years of senior executive experience running profitable large technology and software companies.



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