Think back. A little over four years ago, I authored a Progress in Lending article discussing how the industry had changed in the twenty years that followed the publication of the cover story article in Mortgage Banking Magazine in 1991 titled "Technology: More Systems, Less Paper." I noted that in twenty years, many of the technology issues plaguing the mortgage industry remained unaddressed. Unfortunately, another four years later, the industry has not changed that much.

I decided to look at some of the Technology issues of Mortgage Banking Magazine from the last ten years to see what concerns and objectives were in focus back then and evaluate if the industry has made any significant progress in those areas since then. Following is the title and summary description of some of the articles in those issues.

**2004 Sophisticated Applications (cover story):** The mortgage industry has moved way beyond simple applications of technology. The quest is still on for the elusive eMortgage, but headway is being made in standards-setting and the adoption of enterprise solutions. The next two years should bring stunning technological change.

**Taming the Paper Tiger:** The technology is here to banish paper from the archaic mortgage approval process. The future lies in a paperless collaborative platform of doing business.

**From Fragmented Technology to Enterprise Integration:** The mortgage industry, for a long time, has been struggling with a patchwork of different systems that can’t communicate. Now the time has come for a different solution.

**Data Management’s Day is here:** Here are some different perspectives on how data management can produce significant benefits in the mortgage business.

**2005 Tying the Industry Closer Together (cover story):** Technology has linked the various players in the mortgage business like never before. Communication between borrower and lender, originator and wholesaler, servicer and investor, has never been tighter. The old mortgage business has been replaced by a newly wired-up community. Technology has made it possible for outsourcing mortgage tasks to other countries, for instant credit decisions and for appraisals done by models, not people. In many ways, it’s faster, cheaper, better, and it’s not done yet.

**Streamlining the Process: What’s Possible?** Here are 10 benchmarks to gauge how far along your company is in its efforts to truly streamline the mortgage process.

**Business Process Outsourcing in Mortgage Banking:** New survey findings show mortgage lenders are thinking very carefully before jumping on the outsourcing bandwagon.

**Building a Best-Practice Organization:** Lending organizations today face complex challenges in building value for consumers in a commodity business. Yet the best companies are tackling organizational change that will leave them in the best-of-breed class.

**Manage Cyclicality:** Here’s how to build an organization that stays profitable no matter what the origination market is doing.

**2006 Retiring Yesterday’s Technology (cover story):** Lenders for a long time have been handcuffed by their old legacy systems. The costly maintenance and integration demands have restricted them from making the most of newer technology. The web and service-oriented architecture are helping them discover newfound management freedom.

**A Story of Empowerment:** Industry executives are starting to break the chains to their legacy systems. By deploying their systems around a service-oriented architecture, a new era of management freedom is being born. The Technology behind Captive Settlement Services: Now even small to mid-sized lenders can get in on captive settlement services subsidiaries. Technology is helping smooth the
Future Trends

wringles in the closing process in these ventures. **2007 Collaborative Progress (cover story):** Small groups of industry players are laying the groundwork for mutually beneficial progress in the mortgage industry’s technology sector. MISMO® is certainly one example, but there are others. Investors, settlement-service providers, servicers and originators are all making small steps that eventually will lead to industrywide adoption of an eMortgage. Technology vendors too, are making great strides in readying the latest technology for that moment when the industry finally decides to banish paper for good. Debunking eMortgages: The full adoption of eMortgages is inevitable. The Web Services Advantage: The data-access challenge long associated with legacy systems is being addressed through the growing use of Web Services. The New Risk Revolution: A much broader approach to measuring mortgage risk holds great promise for lenders. Risk-behavior scoring can help assess the global risk of a mortgage transaction, including collateral, third-party and borrower-related risks. WOW! The list is daunting, to say the least. The primary goals and objectives were eliminating paper, streamlining the process (especially in the origination and closing arenas), focusing on data quality by developing industry standards, incorporating third-party solutions, and building a collaborative platform all in the pursuit of the elusive eMortgage. Everyone is aware of the housing crisis and mortgage meltdowns starting in 2007 that put everything in a tailspin and lead to the recession. As the industry climbed back up from the abyss we were confronted by major problems of delinquencies and foreclosures. Consequently, not much happened for a few years as the industry struggled to come back. Lenders didn’t have the time or bandwidth to consider any organizational or structural changes.

So let’s skip ahead and look at the Mortgage Banking Magazine technology issues from 2010 to 2015. This is after the start of the housing crisis and mortgage meltdowns that led to the recession. Following is the title and summary descriptions from some of the articles in these issues. **2010 Smart Solutions:** In today’s mortgage business, there is no greater pain that what’s being felt by distressed borrowers and those trying to help them. So, this month, we pay tribute to all the technologists, vendor companies and innovators working hard to fix the massive problem with delinquencies and foreclosures. A Tale of Two Technologies: How necessity mothered two innovative inventions to address some of the mortgage industry’s stickiest problems. Attacking the Dirty Data Dilemma: The mortgage business needs some serious help with its data quality. **2011 Going Mobile:** A few leading players are moving mortgage solutions for smartphones. These new apps and other tools for mobile devices may well become a fixture sooner than you think. Next-generation borrowers love their mobile phones. So lenders need to reinvent themselves to reach wireless customers. The Mortgage App: Smartphones have become a game changer in the universe of mortgage banking. Loan Quality-No Longer Optional: A massive wave of new requirements mandating better loan quality is hitting the origination business all at once. Luckily for lenders, there are some tools and processes that can help dig them out from under this huge compliance burden. **2012 Blowing up the Old Model:** On so many fronts, the industry needs better tools to handle its countless challenges. In every corner of the business, technologists are at work trying to innovate and automate. Rethinking Servicing Technology: Is it time for an upgrade of mortgage servicing technology? Many experts agree servicers need help from some new and innovative solutions. Success in a Digital World: Today’s mortgage borrowers are demonstrating a clear preference for the online channel. **2013 Guided by the New Borrower:** Adapting to the online preferences of today’s borrower will help lenders capture more of the growing new purchase market. Disruptive Innovation: At the core of the problem is the traditional refinance process. The Industry’s Technology Priorities: Today’s regulatory environment is creating more than just a series of new guidelines for mortgage firms to follow. Finding ways to deal effectively with regulations is separating market leaders from their peers. **2014 Mortgage Shopping’s Digital Divide:** Fannie Mae studies looked into the online mortgage-shopping habits of consumers across a range of income groups. Too Much Information: How data expansion is changing the lending industry. TPO Loans - Born Again: While many lenders fled the wholesale and correspondent channels, some stayed. Others even took a chance and entered. Now they’re thriving. Here’s why. **2015 Keeping the Devil Out of the Details:** Ernst Publishing Co. ensures and guarantees that the fees lenders charge mortgage borrowers are 100 percent accurate—a role made even more important by new CFPB disclosure requirements taking effect on
August 1st. To the Edge and Back: Cincinnati-based eLynx today is well positioned to offer lenders solutions to pressing challenges like the coming Integrated Disclosure rule. The Mighty Millennials – Passing the Torch: The mortgage industry can be a magnet for the entrepreneurial millennial generation. Someone just has to explain it all to them.

So where are we today? Changes are coming from all directions. Regulatory compliance and risk management will always be at the top of the list. The CFPB, in response to the consumer’s dissatisfaction with mortgages, brought a new sense of urgency to the industry to be innovative and use technology to improve and automate the process. Data and loan quality will and should be the focus point for business and technology convergence. But probably the biggest question to be answered was how to address the inability, or even the reluctance, of lenders to make any significant overhaul to their technology platforms. “Technology is at its best when it’s relieving the greatest points of pain in any industry.” Did we succeed? I would say not in any significant fashion. “The mortgage business always seems to be playing catch-up when it comes to technology.” Why do we find that so difficult as compared to other industries?

Did we accomplish anything over the last 10 years? Most of the challenges pointed out in the articles are still prevalent, at least in some variation. In fact, the process has changed very little over the years. We are very document oriented and haven’t significantly reduced or eliminated the paper in the process. We have been very slow in adopting eSignatures. Very little has been achieved in the pursuit of the elusive eMortgage. We have made significant progress in building MISMO® standards. That led to collaboration for some transactional protocols for exchanging appraisals, credit, mortgage insurance, etc., based on MISMO. Loan and data quality continue to be a challenge. The emergence of mobile technology and the need for rapid change can be problematic for some legacy systems. The list is endless and repetitive.

So where do we go from here? To quote Rich Seehausen from his article in Mortgage Banking Magazine in October, 2014, “We’re an industry with a problem: The demand for our products is down 40 percent while the cost of manufacturing them has increases by approximately 280 percent over the last three years. Until we discover the transformative potential of technology and the will to innovate again, the outlook for profitability — even sustainability — will be challenging and the prospect of real growth illusive.” Rick goes on to say, “This not to suggest that our problem can’t be fixed, nor that, as an industry we can’t regain control over our destiny. But to get there, we need to broaden our focus and expand our priorities beyond just keeping up with compliance (something easier said than done). We have to find the means to once again apply technology and ingenuity to productivity and operational efficiency. At the same time, we’ll need to make our products and processes more attractive, less expensive and more consumable for a new generation of customers. Oh, and that generation is still trying to decide if they even want them.”

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