 SOLUTIONS  
THAT FIT



# Mortgage Technology

Jill Tischendorf

# Top issues facing Credit Unions

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What are your Top Issues?





**Consumers**

# Population by Age Group

	2010	
	Number	Percent
<b>Total population</b> .....	<b>308,745,538</b>	<b>100.0</b>
<b>SEX</b>		
Male.....	151,781,326	49.2
Female.....	156,964,212	50.8
<b>SELECTED AGE GROUPS</b>		
Under 18 years .....	74,181,467	24.0
Under 5 years .....	20,201,362	6.5
5 to 17 years .....	53,980,105	17.5
18 to 44 years .....	112,806,642	36.5
18 to 24 years .....	30,672,088	9.9
25 to 44 years .....	82,134,554	26.6
45 to 64 years .....	81,489,445	26.4
65 years and over .....	40,267,984	13.0

Source: [www.census.gov](http://www.census.gov)

# Population/Labor Force by Generation

## The Generations Defined

### The Millennial Generation\*

Born: 1981 to 1997

Age of adults in 2015: 18 to 34

### Generation X

Born: 1965 to 1980

Age in 2015: 35 to 50

### The Baby Boom Generation

Born: 1946 to 1964

Age in 2015: 51 to 69

### The Silent Generation

Born: 1928 to 1945

Age in 2015: 70 to 87

### The Greatest Generation

Born: before 1928

Age in 2015: 88 to 100

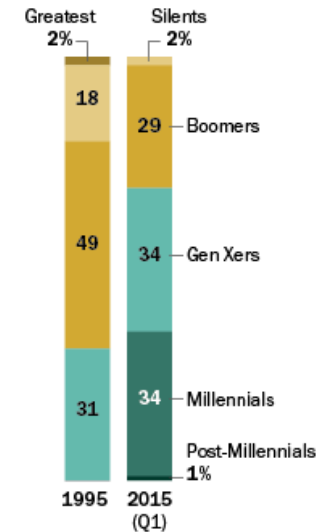
\* The youngest Millennials are in their teens. No chronological end point has been set for this group. For the purpose of following a cleanly defined group, Millennials are defined as those age 18 to 34 in 2015.

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## Labor Force Composition by Generation

### Labor Force Composition by Generation

% of the labor force



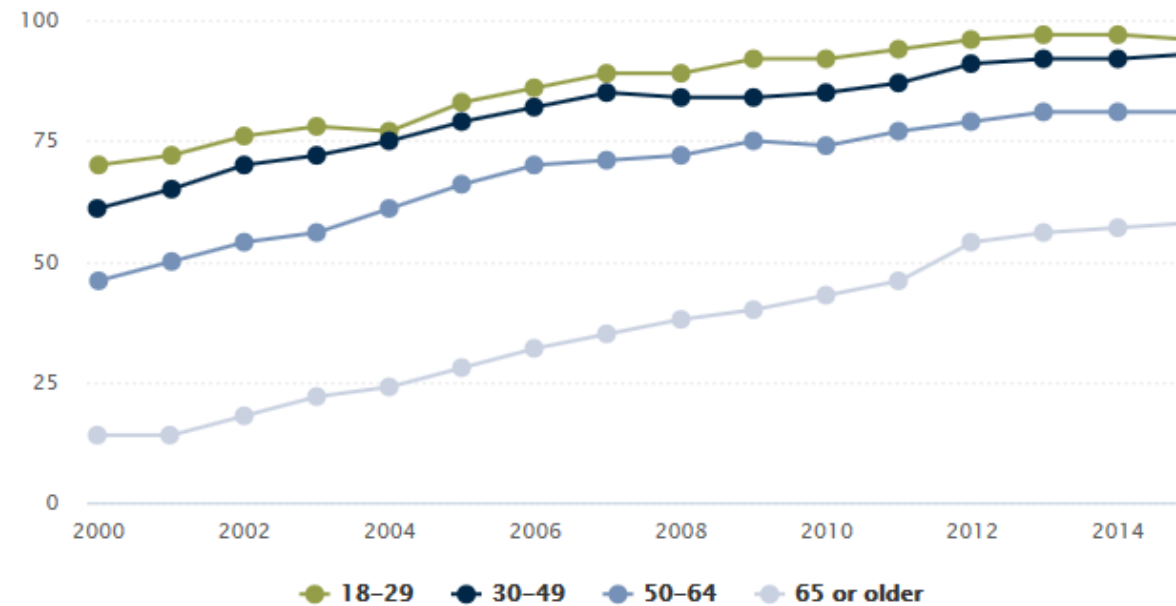
Note: Shares are based on the annual average in 1995 and the first quarter average in 2015. Due to data limitations, Greatest generation not identified in 2015 and Silent generation is overestimated in 2015. Source: Pew Research Center tabulations of monthly 1995 and 2015 Current Population Surveys, Integrated Public Use Microdata Series (IPUMS)

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## Young Adults Are Most Likely to Use The Internet, but Seniors Show Faster Adoption Rates

Chart Data Embed

*Among all American adults, the % who use the internet, by age*



Source: Pew Research Center surveys, 2000-2015.

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# Internet Activity

90-100%	40-49%
80-89%	30-39%
70-79%	20-29%
60-69%	10-19%
50-59%	0-9%

**Key:** % of internet users in each generation who engage in this online activity



	Millennials Ages 18-33	Gen X Ages 34-45	Younger Boomers Ages 46-55	Older Boomers Ages 56-64	Silent Generation Ages 65-73	G.I. Generation Age 74+
Email	Email	Email	Email	Email	Email	Email
Search	Search	Search	Search	Search	Search	Search
Health info	Health info	Health info	Health info	Health info	Health info	Health info
Social network sites	Get news	Get news	Get news	Get news	Get news	Buy a product
Watch video	Govt website	Govt website	Govt website	Travel reservations	Travel reservations	Get news
Get news	Travel reservations	Travel reservations	Buy a product	Buy a product	Buy a product	Travel reservations
Buy a product	Watch video	Buy a product	Travel reservations	Govt website	Govt website	Govt website
IM	Buy a product	Watch video	Bank online	Bank online	Watch video	Bank online
Listen to music	Social network sites	Bank online	Watch video	Financial info	Financial info	Financial info
Travel reservations	Bank online	Social network sites	Social network sites	Bank online	Religious info	Religious info
Online classifieds	Online classifieds	Online classifieds	Online classifieds	Rate things	Watch video	Watch video
Bank online	Listen to music	Listen to music	Financial info	Social network sites	Play games	Play games
Govt website	IM	Financial info	Rate things	Online classifieds	Online classifieds	Online classifieds
Play games	Play games	IM	Listen to music	IM	Social network sites	Social network sites
Read blogs	Financial info	Religious info	Religious info	Religious info	Rate things	Rate things
Financial info	Religious info	Rate things	IM	Play games	Read blogs	Read blogs
Rate things	Read blogs	Read blogs	Play games	Listen to music	Donate to charity	Donate to charity
Religious info	Rate things	Play games	Read blogs	Read blogs	Listen to music	Listen to music
Online auction	Online auction	Online auction	Online auction	Donate to charity	Podcasts	Podcasts
Podcasts	Donate to charity	Donate to charity	Donate to charity	Online auction	Online auction	Online auction
Donate to charity	Podcasts	Podcasts	Podcasts	Podcasts	Blog	Blog
Blog	Blog	Blog	Blog	Blog	IM	IM
Virtual worlds	Virtual worlds	Virtual worlds	Virtual worlds	Virtual worlds	Virtual worlds	Virtual worlds

Research by New York–based Deloitte Consulting confirms that the vast majority of consumers use the Internet to research mortgage loans before applying. Deloitte found that 93 percent of individuals who applied online reported they had conducted research online as part of the shopping process. Moreover, 71 percent of individuals who applied by phone and 60 percent of individuals who applied in person also performed online research.



# Smart Phones

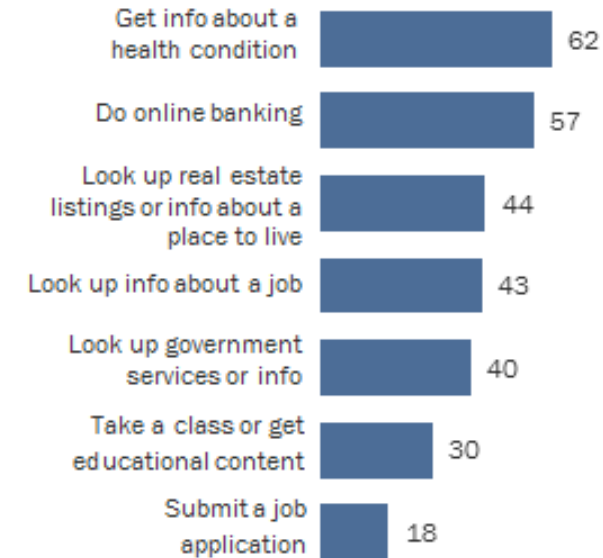
Beyond desktops, laptops, and tablets

Nearly two-thirds of Americans are now smartphone owners, and for many these devices are a key entry point to the online world



## More than Half of Smartphone Owners Have Used Their Phone to get Health Information, do Online Banking

*% of smartphone owners who have used their phone to do the following in the last year*

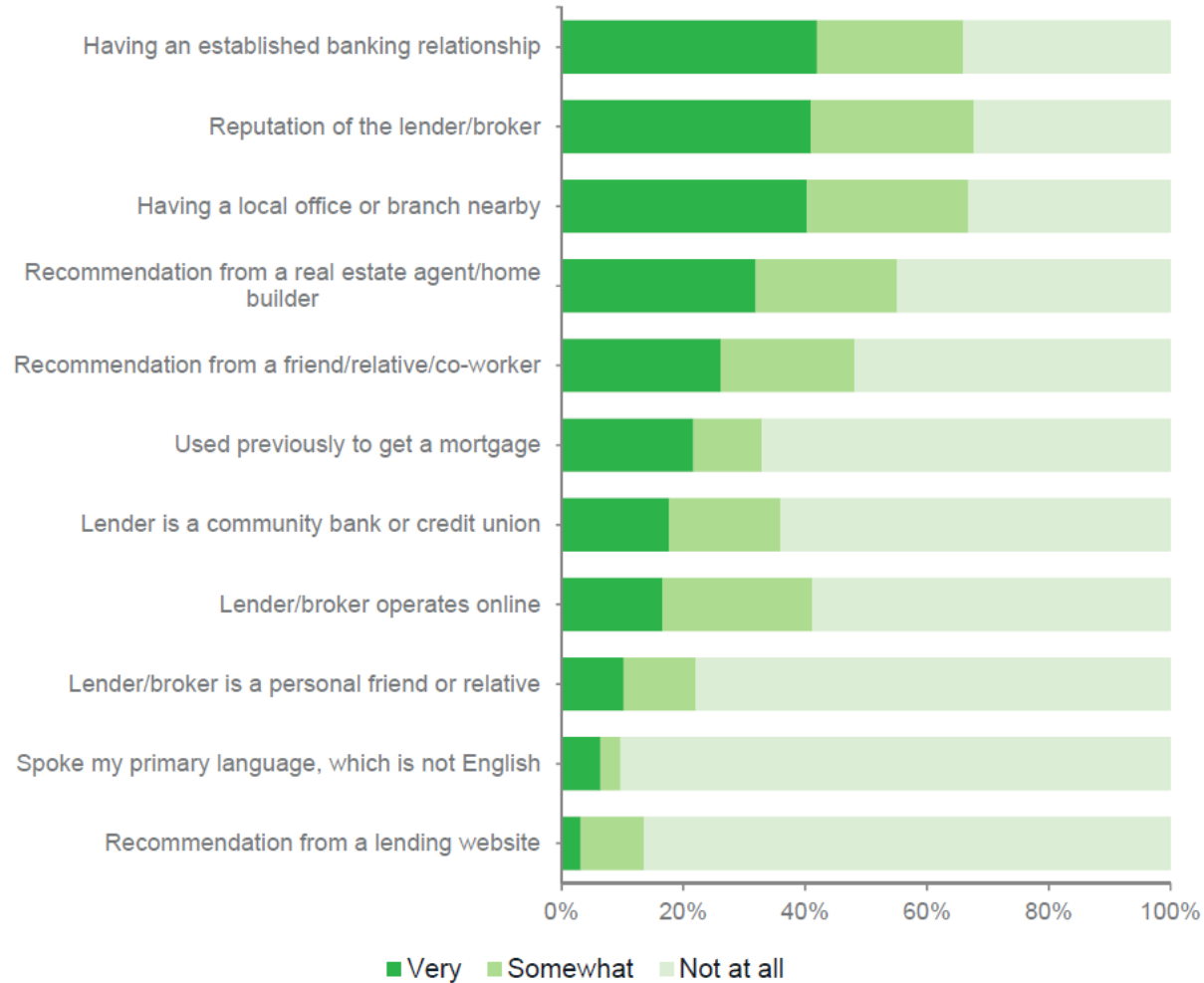


Pew Research Center American Trends Panel survey, October 3-27 2014.

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# Factors in Lender Selection

**FIGURE 13** HOW IMPORTANT IS EACH OF THE FOLLOWING IN CHOOSING THE LENDER/BROKER YOU USED FOR THE MORTGAGE YOU TOOK OUT?



Source: CFPB

# User Experience

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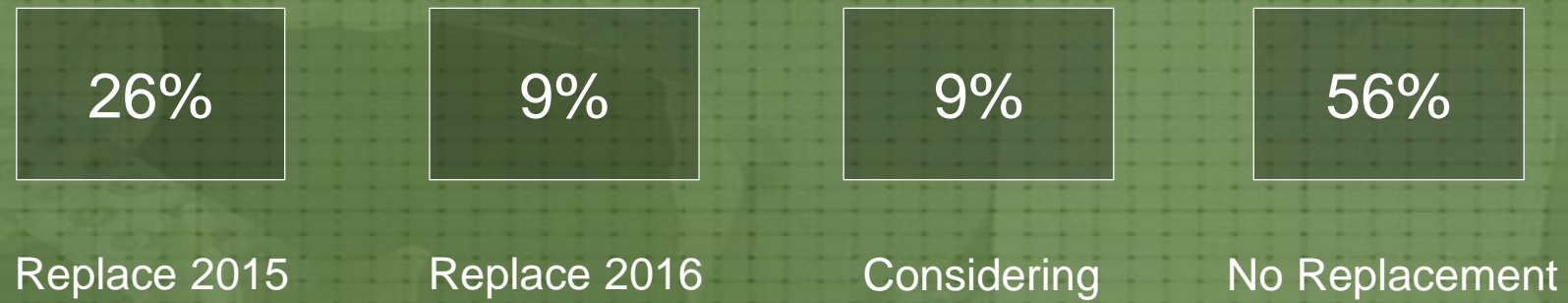
Today, we must bend to the expectations of the member. Things they are looking for are:

1. Exceptional service
2. Research materials
3. Application convenience
4. Visibility into status of loan
5. Data transfer tools
6. Knowledgeable staff

# Industry Insights

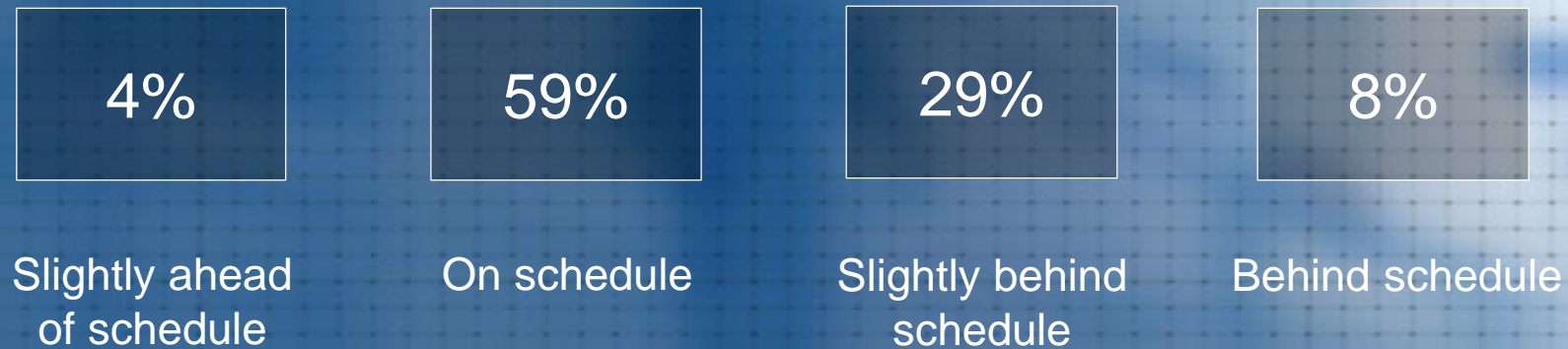


## Impressive Wave of LOS Replacements



Source: First Wellesley SurveyMatters Polling, May 2015

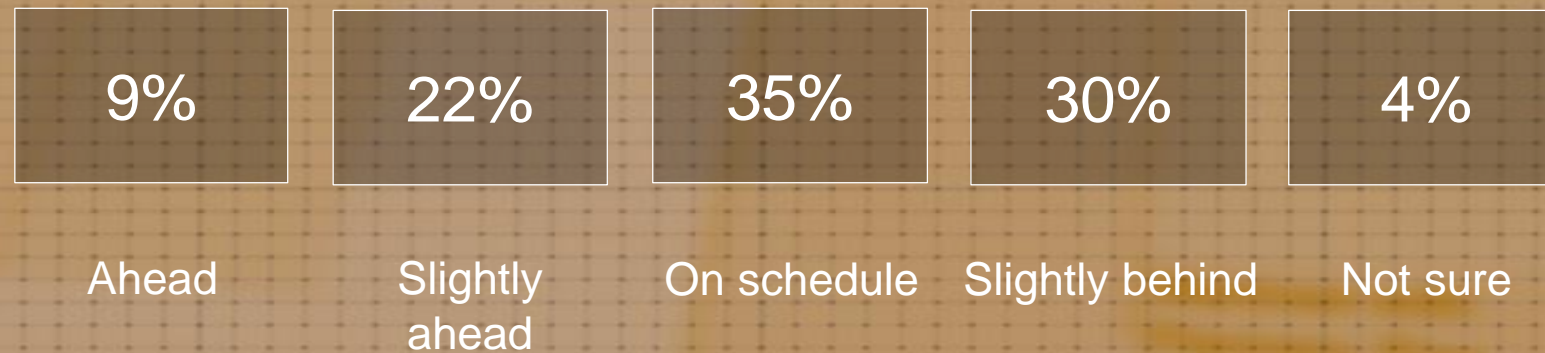
## How Prepared Are Lenders for TRID?



Source: First Wellesley SurveyMatters Polling, May 2015

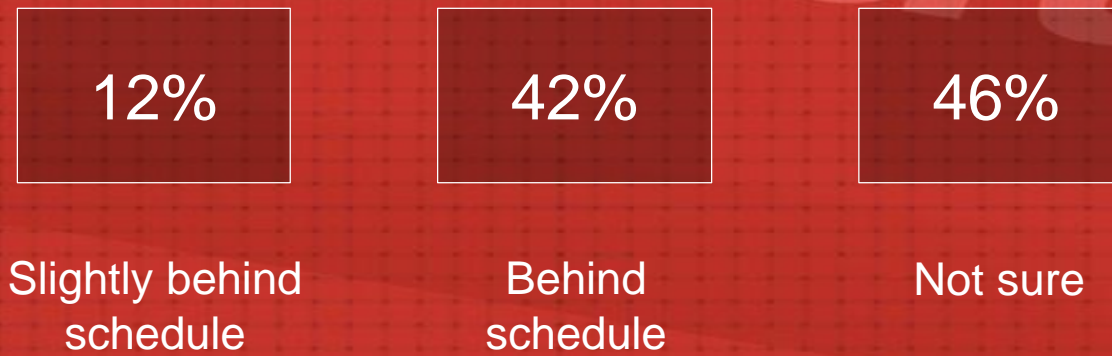
# Lender View of LOS TRID Readiness

## Are LOS Venders on Schedule for TRID?



Source: First Wellesley SurveyMatters Polling, May 2015

# Closing Agent TRID Readiness



**Some Agents Opting Out**

Source: First Wellesley SurveyMatters Polling, May 2015



# Mid-Year State of the Mortgage Industry

## Better than 2014

- MBA Forecasts:
  - 14.2% rise in 2015 total originations to \$1.28 trillion
  - Fueled by 14.4% purchase and 13.8% refinance loan increase vs. 2014
- SurveyMatters Polling Reports:
  - Twice as many lenders say YTD 2015 closings ahead of budgets versus lenders behind budget targets
  - Lender purchase mortgage share averaging slightly less than 40% of YTD originations

Source: Mortgage Bankers Association of America, First Wellesley SurveyMatters polling, May 2015

# Lenders Pursue Ambitious Objectives

## Major 2015 Objectives

- Increase originations, grow market share, achieve budget (73% report higher 2015 budgets vs. 2014)
- Improve efficiencies, build production capacity, reduce operating costs
- Improve or replace mortgage technology
- Add new and improve existing points-of-sale (online, loan officer, branch)
- Successfully implement TRID and consistently originate compliant mortgages

# How Lenders See the Future

## Lenders' Views

- 95% believe future competition will be tougher
- 71% believe it is extremely important to capture millennial (Gen Y) consumers
- 71% are optimistic about the long-term economy
- Technology, economic and competitive trends and disruptions will dramatically impact and shape the future of the industry

Source: First Wellesley SurveyMatters Polling, May 2015

# Achieve Budgets, Increase Originations

## Best Practices

- Seamless Omni-channel application strategy
- Efficient and effective POSs
- Convenient, viable POS technology for members (self-serve) and employees (face-to-face)
- Fresh, innovative branding and marketing
- Faster cycle times

# Lenders Compete on Speed

Average Cycle Time Calendar Days	Purchase Mortgages Percent of Lenders (%)	Refinance Mortgages Percent of Lenders (%)
<30	—	12.5
31-35	4.6	12.5
36-40	27.3	12.5
41-45	45.5	37.5
46-50	22.7	28.8
>50	—	4.2

Source: First Wellesley SurveyMatters Polling, May 2015

## Best Practices

- Improve or replace inefficient mortgage technology (e.g., point-of-sale platforms and loan origination systems)
- Deploy strategies to enhance efficiency across organizational structure, position-level activities, workflows and technology



A black and white photograph of a busy crowd of people walking, likely at a conference or event. The image is slightly blurred, emphasizing movement. In the center, there is a group of people in business attire. One person in the foreground is holding a small object, possibly a business card. The overall tone is professional and dynamic.

# What You Should Expect From Your Technology Partner

# Technology

## Integrations

Today, all integrations can be handled via system to system integrations. This reduces double entry, builds efficiencies, and reduces probability of errors.

### Systems that can be integrated

- Credit
- Mortgage Insurance
- Appraisal
- Title
- Core
- Automated Underwriting Systems (DU/LP)
- Flood
- MERS
- UCDP
- Undisclosed Debt Monitoring
- Compliance Checks
- FNMA Early Check

The screenshot displays the Mortgagebot LOS interface. The top navigation bar includes the logo, user name 'jillops', and menu items: Create, Pipeline, Rates, Reports, Bulk Delivery, and Resources. The main header shows 'Loan Pipeline' and '2000020301 - Solvay'. The left sidebar lists various services, with 'Order Credit - CBC' selected. The main content area is titled 'Order Credit - CBC' and contains a 'Refresh' button. Below this, a prompt asks for options for the credit report request, with a checked box for 'Copy liabilities to 1003'. A table lists the applicant 'Laura Solvay (Borrower)' with a 'Merged' credit type. Below the table are input fields for 'Credit Agency' (set to 'CBC'), 'Account Number', and 'Password', along with a 'Remember Password for login session' checkbox. 'Submit' and 'Cancel' buttons are at the bottom.

Select	Applicant	Credit Type	Reissue	Reference Number
<input checked="" type="checkbox"/>	Laura Solvay (Borrower)	Merged	<input type="checkbox"/>	



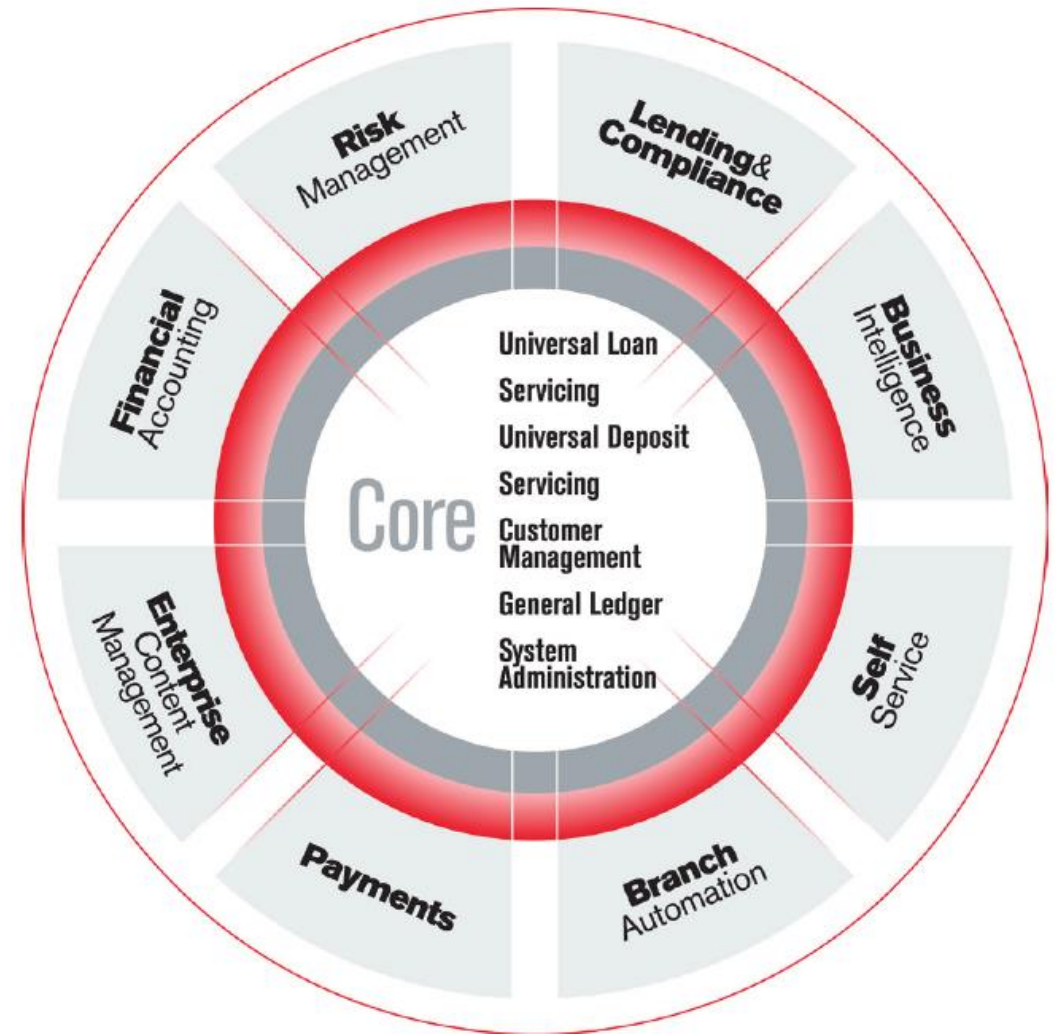
# Technology

## Products & Omni-Channel

When providing Products, technology partners should provide both all the products your institution might need as well as tools that are effective for each user.



back



## **Best Practices/Account Analysis**

**Providers work with many financial institutions that originate in many different ways.**

**While the technology provider shouldn't tell you how to run your business, they should be able to convey what they see as best practices in the industry. They can cite examples of what others are doing that is successful.**

**They should also be able to work with your to see what you are doing, potential methods to build efficiencies – reconfiguration, different integrations, altered workflows**

**If the system is hosted, the provider should also be able to do an analysis of your data to help you find areas for improvement.**

## Big Picture Resources

There is so much more a tech provider should be giving you beyond the product

- Simple access to the Due Diligence materials
- Communications (e-mail, accessible on the web, live webcasts) on
  - Product Updates
  - Industry Changes
- Training (available in multiple mediums – written, webcasts, recordings)
  - New Users
  - Refresher
- Information on all products that you might need

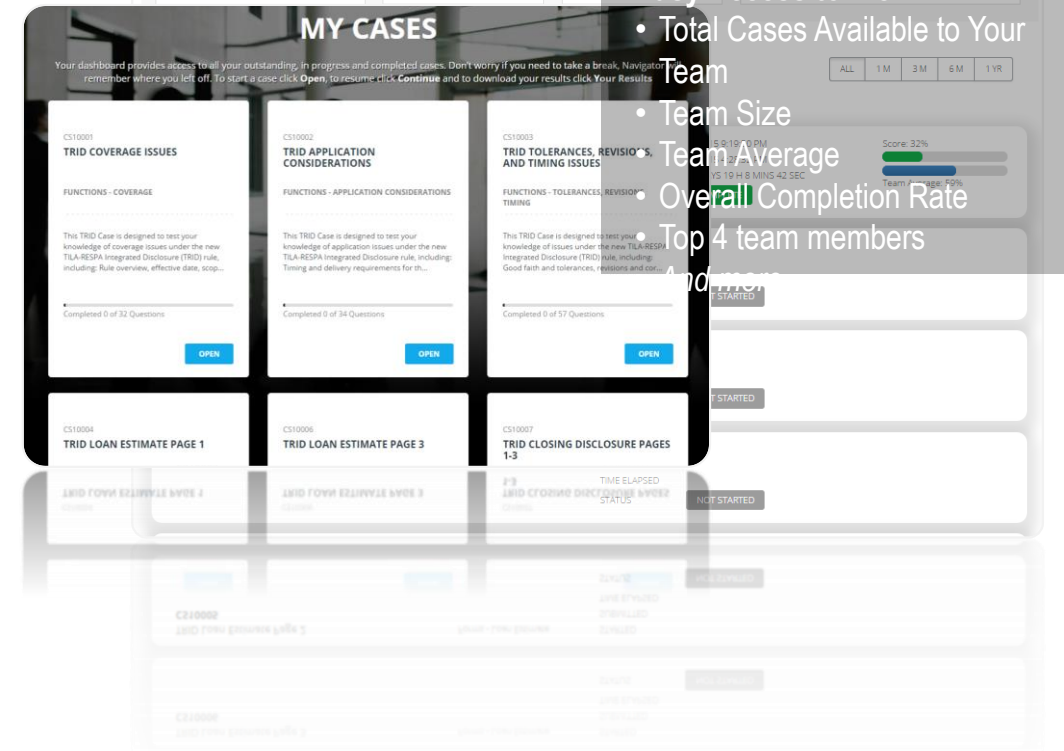
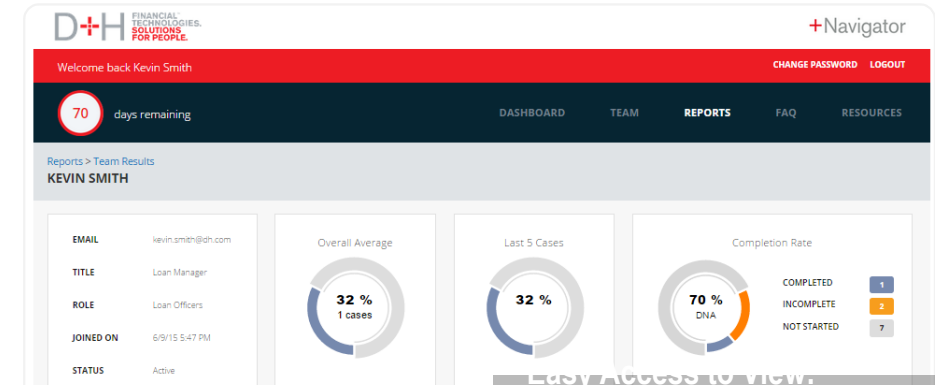
# Regulatory Assistance

Ultimately you are responsible for your own compliance with adherence to regulatory requirements

BUT.....

A good technology provider will:

- Have a strong legal team supporting them
- Be able to interpret the law as it would apply in any situation
- Configure their products to accommodate those interpretations
- Provide additional information and assistance to their clients during times of 'regulatory change or unrest' – what we did, why we did it, what your options are....
- Take feedback from clients
- Provide tools for Financial Institutions to train their own employees



# A successful vendor will do for you:

- Must Be Available Everywhere-Online, In the Branches, On the Go
- Must Provide an Omni-channel of Services to Accommodate All Your Member's Needs
- Must Provide Integrated Services to Provide Faster Services and Data Integrity
- Must Provide Support Above and Beyond
- Must Be Forward Thinking in Compliance, Industry and Members Needs

A group of people walking in a city square at sunset. The scene is bathed in a warm, golden light. In the foreground, a man in a suit is walking away from the camera, talking on a mobile phone. Behind him, two more men are walking, one carrying a briefcase. To the right, two women are walking away, one carrying a large bag. The background shows a large, classical building with many windows. The overall mood is busy and urban.

# Questions & Answers



*At D+H, we're not in the business of simply selling technology solutions – we believe in the power of partnership.*

*We work closely with you to truly understand and fulfill your business needs, with ongoing support along every step of the way.*



*Partnering with our clients to deliver trusted:*

**Lending  
Payments  
Core  
Channel  
Optimization  
Solutions**