USING TECH TO MAKE A DIFFERENCE IN 2021

By Jody Collup, Global DMS

Based on the year we just experienced, I suspect the common phrase "hindsight is 2020" will become faux pas for a time. Kidding aside, there are significant takeaways from the dreadful pandemic year. Incredibly, even in 2020, many organizations were caught completely unprepared to handle the unintended byproducts of a pandemic situation and the need to go completely virtual or digital. Among the hardships that abounded, there were some good consequences, but still those good things caused extreme frustration and struggles in most organizations for a variety of reasons. I am speaking, of course, the lowered interest rates and the steep incline and year-long steady hold of the refi market.

It is ironic that out of a terrible situation also came a boom for the mortgage industry. Interestingly enough, that very gift caused extreme discomfort with present processes and workflows resulting in long delays and extended loan closures. One of the primary reasons this occurred is the utilization of the same processes and technology that was in place years ago. This can be said of just about every component of the loan process, but it became obvious to all, including borrowers, when it was time for the collateralization of the loan. The sheer numbers of appraisal orders were almost too much for most organizations to manage in a timely manner.

As I'm considering my next thought, I'm literally shaking my head, because here we are in 2021 and yet there are still numerous manual processes

organizations that were plowed under the last year with high volumes take the time to consider how they can utilize technology to make their workflows more efficient and thereby increasing their profitability. While this is true for each of the numerus processes needed to complete a loan, let's focus on the appraisal process specifically.

Real estate appraisal technology is one of the most competitive segments within the mortgage space offering numerous options to consider with vast differences in innovation available. Some platforms in the space are 'forms only' applications, some are basic appraisal ordering systems with limited management functionality, some systems competed quite nicely years ago, and a couple compete at the very top level today. For those who are interested in utilizing the best-of-the best, or most innovative products available, I imagine your question is, "how do I know what is actually innovative and what is really just a standard offering available in most platforms?" It's a good question and it gets tougher by the day to discern what is just 'marketing spin' and what seems like it might be innovative but is just old hat. Some of you might be thinking you don't necessarily need the most innovative solution, but you are interested in using technology to shorten cycles and ultimately create more profitability for your organization. Innovation is precisely the thing that delivers that particular wish list item. Now that we have established that, what you need now, are the questions to ask yourself and questions you should ask of your prospective tech providers as well as types of feature sets to look for.

Take a moment to list just the top five things that caused so much stress for your team when volumes hit a feverish peak last summer. What antiquated processes can you »

coupled with emails and spreadsheets being used to manage entire lines of business. Organizations justify this because 'it is how they've always functioned' or their need for manual control supersedes the desire for automated efficiencies or outright fear of change. What is truly sad about this is that technology is ever evolving and is easier and easier to manage, even for us slightly older than the millennial age group. I am hopeful

kick to the curb? The most obvious question but least likely to be asked is, "if I could start from scratch, what would my most optimal process look like?" If I shared that almost 90 percent of organizations seeking change through technology literally try and mimic exactly what they used to do in their old system using their old processes, would you be surprised? Don't be, because it's true. We find time after time, when we ask a new client how they would like their appraisal process to flow, they literally have no idea, and they must spend time mapping out what their process should look like before we can begin their implementation cycle. No wonder most appraisal processes are a little inefficient…

When you are engaging in an implementation cycle for any new technology, ask your provider what the best practices are. They should know how to guide you, and if they do not, run away. Can you be up and running in days, not months? Yes, you can if you select the right provider. Even some of the most complicated workflows can be implemented rather quickly if the software is nimble enough. I'm getting ahead of myself though, far before you implement, you need to interview providers and decide which is best for you. Make sure you inquire about what recent improvements they have deployed. What is it that makes them proud of their offering? What makes them stand out from their competitors? What problems can they solve for you? I find that basic interview-style questions are rarely asked, rather folks assume that all platforms are the same, which is incorrect.

Does the platform look like a standard printed out form superimposed on the computer screen? Most everything did until recently, but there's more intuitive user experiences available. These newer user interfaces not only look better, but they also facilitate better performance across the variety of roles within your department. Not everyone needs to see everything all at once all the time. User role-based designs ensure that individual staff members see what is most urgent in their individual workflow in real time.

Always ensure that your system properly manages ECOA as many fall short. Inquire if your provider offers a compliance guarantee backed by insurance. Hardly any do.

Does the system allow you to configure changes on the fly? Can you add fields or forms as you need them in real time? Or do you have to order custom work from a support group or a development team? When you make any additions or tweaks, are they immediately reportable? Speaking of reporting, does the system offer real-time intuitive reporting features as well as automated scheduling and delivery? Does the system offer an accurate QA tool? If so, does it come standard or does it cost more?

I encourage you to embrace automation. Gaining efficiencies through proper automation does not mean you give up control. Quite the opposite is true. The most innovative systems offer sophisticated decisioning algorithms that fire unlimited if/then sets of parameters that will literally operate the way a traditional manual assignment by a human would, only more accurately and much faster. Your appraisal technology should allow you to utilize this type of tool to ensure you have the best appraiser selected for each order and each subsequent appraisal review. **MB**