



Online Borrower Collaboration Best Practices

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Borrowers are frequently turning to the Internet to research, shop and apply for their home loan. As customers become more sophisticated, their expectations are rising on what tools should be available to streamline status updates or communicate with their Lender. Simultaneously, Lenders need to reduce costs and streamline operations with their workflow. The answer is offering a Borrower Portal.

Online collaboration should be viewed as a “Required alternative” and not necessarily a designated process. There are and will continue to be those applicants who want to meet face to face; however, “the times they are a-changin’”. When implemented properly, the right process makes a lender’s job easier and improves your service levels.

So what is important and how do you get there? The following is a list of seven objectives lenders should consider as they develop or refine their online borrower portal initiatives:

Messaging / Status updates – The first requirement of an effective portal is to ensure the lender’s staff is not required to do more

work to support loan updates. For a gain in productivity the portal should automatically identify and alert applicants based on LOS updates when key milestones have been met such as loan approval, appraisal received or time to schedule closing.

Staying compliant with the consent process – Lenders need to track when applicants opt in, opt out and consent for each individual applicant. To remain compliant, applicants should not see other applicants' sensitive data and be provided with individual disclosure delivery for loans with a rescission.

Applicant authentication – Lender's need to validate that logged in applicants are in fact, who they say they are. To accomplish this your solution should complete "out of wallet" identity verification to provide "challenge" questions from public records and or credit reporting that ensure compliance.

Disclosure delivery / e-Signing – The timing and cost of managing upfront disclosures, redisclosure of Loan Estimate's, locks, appraisal, MI changes, flood and closing disclosures is crucial. An effective online portal will ensure each applicant gets a timely delivery of disclosures and provides an integrated log within the LOS system.

Pricing / Locking – Giving an applicant the opportunity to check pricing and lock when authorized requires integrated rate sheets and or pricing engine functionality. Your portal strategy needs to be configurable to ensure loan status, specific conditions and or time of day are properly managed.

Loan Conditions – Real time loan conditions can start with the application and be managed through to loan approval. Borrowers should be able to easily understand what is needed and have a simple solution to upload conditions directly to the lenders paperless work queue.

Mobile Friendly and Real Time Alerts – The Lender's staff should be aware of incoming messages and loan documents with proactive alerts. The LOS needs to be configured to manage a queue for each user that identifies incoming alerts, when conditions are uploaded and need review, and the status of disclosures delivered online. This process should be available on smart phones, tablets and various web browser tools.

How can you get there? While there is no shortcut in implementing, Lenders with an interest in streamlining processes online should consider the efforts of developing a solution

internally or working with a vendor who specializes in the tools they need. Consider what is necessary for a long-term fully integrated solution. How will your vendors such as disclosure/closing documents or pricing engine be supported? Does their road map ensure you have a long-term partner? The right strategy allows a lender to grow into a solution as the consumer direct channel evolves.



About The Author

Lionel Urban serves as CEO, founding partner and chairman of the board for PCLender, LLC; in this role, he is responsible for the overall strategic direction and the vision behind the technology development of the company. Prior founding PCLender, LLC, Lionel was a co-founder and CEO of Navigator Lending Solutions, Inc. (NavPros) a fulfillment services company specializing in mortgage banking services. Prior to NavPros Lionel was the co-founder, president and CEO of PCLender.com, Inc. from 1997 to 2011. During this time, he supervised the development of a pioneering, Internet-based mortgage technology platform that supports banks, credit unions and mortgage companies across the country. Since 1987 Lionel has acquired mortgage banking experience in management, origination, operations, secondary marketing and compliance roles within banks, credit unions and independent mortgage bankers.