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THE LOS OF THE FUTURE

*Lionel Urban,
PCLender*

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A man in a dark suit and blue striped tie stands in a modern office hallway. The hallway features glass walls and white columns. The man is smiling slightly and looking towards the camera. The background shows a reflection of the man in the glass wall.

THE LOS OF THE FUTURE

Lionel Urban of PCLender breaks down the state of the LOS market.

EXECUTIVE INTERVIEW

There are a lot of LOS companies active in the mortgage market, but few LOS companies have the longevity of PCLender. We talked with the company's CEO, founding partner and chairman Lionel Urban about this technology sector. Here's how he described the LOS of the future:

Q: You have been in the mortgage industry for over 20 years. How has lending changed over the years?

LIONEL URBAN: There has been an expansion of the utilization of technology in multiple aspects of the process. In the most recent years, the role of compliance and regulatory burden has begun to have a significant influence on financial institutions and the cost of lending. This has specifically impacted the processes for identifying when disclosures are required, the accuracy of how they are prepared, and the delivery method. Additionally, lender's have raised their expectations on how all of their technology tools work together.

Q: With the flood of new rules and regulations, is lending becoming too complex for small and mid-sized lenders?

LIONEL URBAN: The complexity of the ever-changing regulatory environment does pose an increased burden on small to mid-size lenders. The challenge for these types of institutions is being able to manage multiple lines of business and liability threats from federal regulators, state regulators, as well as the new abilities for consumers to bring action for perceived wrong-doing. Small to mid-size lenders that need to manage policies and procedures, operations, and technology is what makes the new environment far more challenging, pushing the boundaries of manageability. The solution for lenders is to identify and implement comprehensive “packaged” technology and loan fulfillment solutions that are managed with best practices on their behalf.

Q: How can technology allow small and mid-sized lenders to compete and thrive in today’s current lending environment?

LIONEL URBAN: By leveraging the ability of technology platforms, small to mid-sized lenders can implement business rules and work flow processes to operationalize and automate their compliance. Small to mid-sized lenders can rely upon and leverage the expertise from their technology partners to manage these system configurations and additional burdens, allowing them to focus on their core businesses of lending.

Q: What mortgage technology trends do you see for 2016?

LIONEL URBAN: I see the movement towards a paperless process through electronic documentation and more attention on the controlling of data becoming a higher priority for organizations as compliance becomes more of a focus for lenders.



INSIDER PROFILE

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.

Additionally, we see more effective tools for recognizing when disclosures are required, preparing them accurately, delivering them efficiently, and keeping an auditable log. This will streamline a significant source of pain for lenders that are using older technologies.

Q: What should small and mid-sized lenders be looking for in an LOS today?

LIONEL URBAN: They should be looking for an LOS vendor that can be a true partner in their operations, not just a hands-off provider of technology. They need someone that understands their business and can be there not only to help them implement the right technology that best fits their needs, but also can act as an advisor to help them navigate the ever-changing and complex lending environment we see today. The right LOS provider can play multiple roles for lenders from IT and security, to secondary marketing and compliance management. The LOS provider should offer comprehensive solutions from the online application process all the way through secondary marketing delivery. It should have seamless vendor interfaces, paperless support and advanced reporting/dashboard features.

Q: How does the right lending technology impact the borrower experience?

LIONEL URBAN: A smooth and efficient internal process can easily equate to a smooth and efficient borrower experience, not only by progressing through the transaction efficiently, but also by allowing the lender to be transparent to the borrower and all stake holders by providing clear communication and updates along the way. Online tools need to be intuitive and comprehensive for transparent communication and applicant interaction.

Q: Everyone can agree that 2015 was a very trying year for lenders and vendors. What can we expect to see from PCLender in 2016?

LIONEL URBAN: PCLender is further enhancing integrations with the industry’s best service providers to enhance the automation of when services are ordered. Compliance and fraud solutions will run real time and proactively alert the lender when issues arise. Loan disclosures are automatically prepared and delivered to applicants with enhanced audit trails that ensure compliance. Additionally, fulfillment service vendors will allow lenders to outsource processing, closing, or other back office services on an a la carte basis with a simple menu request. This removes a lenders need to recruit, train and manage specialized staff for loan volumes that are consistently changing, making PCLender the most user-friendly LOS on the market. ❖