

Is Your LOS Right for You?

By Alexis Anderson
and Craig Bechtle
MortgageFlex Systems



First-time home buyers can make mistakes. It's easy to get lost along the path when applying for a loan.

That's why lenders pay close attention to their customers and help guide them through the process. As important as it is to close a loan quickly and efficiently, it's also important to have the efficient technology supporting you throughout the process.

Some lenders say that their current Loan Origination System (LOS) has cost them more time and money no matter what the channel. They say they are paying more for a LOS that isn't configured or tailored the way they want it.

LOS CHECKLIST

When looking for a LOS vendor, it's important to keep a checklist of your wants and needs. Three components that should be at the top of the list are efficiency, security and cost-containment.

1. Efficiency: An effective LOS allows differentiation. The key is a balance between controls that ensure a quality loan and the freedom to adapt to changing conditions.

One way to accomplish this is by automatic workflow, business rules and an image-based function. This creates an efficient digital environment to get the job done.

Another helpful function when managing your pipeline is a direct CRM integration. It allows easy access to follow-up with leads without having to exit the platform.

By having these functions, you can assert your business structure and have full control of your model.

2. Security: With the most recent news of security breaches happening everywhere, it's important to take

preventive measures.

Microsoft Cloud Services is a good platform for hosting. It can protect you. Its cost-effective method provides an encrypted and reliable database that keeps information safe.

Access to the Cloud Services infrastructure is managed and monitored by experts 24/7. It uses active geo-replication, which creates a second copy for the database in a different region from your primary.

3. Cost-containment: Origination is where money is earned, as well as where it's spent. If operations were

“As important as it is to close a loan quickly and efficiently, it's also important to have the efficient technology supporting you throughout the process.”

more efficient, less earned money would be spent and would instead be retained. The way lenders eliminate run-ups isn't the pay-per-loan model; instead, it's allowing for multiple people to access multiple loans at once.

But people can waste time and money on multiple screens. It makes sense, then, to use one screen that has multiple functions. This all leads into trusting a reliable vendor.

Platforms exist today that can originate all types of loans, including mortgages, HELOCS, consumer, auto, 203Ks, USDA, 203Bs, construction, bridge and manufactured housing loans.

Relying on a single LOS means the lender has better information on every borrower being served, giving customers the feeling that their financial institution really knows them. It also reduces overall maintenance and training costs.

WHAT MAKES A GOOD VENDOR?

Having the most advanced technology doesn't make a LOS vendor the best choice. It's having the right people behind the LOS that makes it great.

That's why lenders should be aware of monetary-driven LOS vendors. They are not people-focused. Choose a vendor that has integrations and values that align with your own.

It's important to provide lenders with digital tools to support them throughout the process. In two years will they still talk about a great online application process? Or will they mention that their mortgage rarely crosses their mind because "the process just happens."

If your LOS isn't right for you, venture out and see what else is there.

Keep in mind the checklist when doing your research. If you keep your focus on efficiency, security and cost-containment, you'll find the vendor right for you--one that will help accomplish the process of working with a first-time homebuyer quickly and efficiently. ▲



When looking for a LOS vendor, at the top of the list are efficiency, security and cost-containment.



Craig Bechtle is the COO of MortgageFlex Systems with more than two decades of experience. Alexis Anderson is the corresponding marketing executive at MortgageFlex Systems. Visit www.mortgageflex.com for more information.