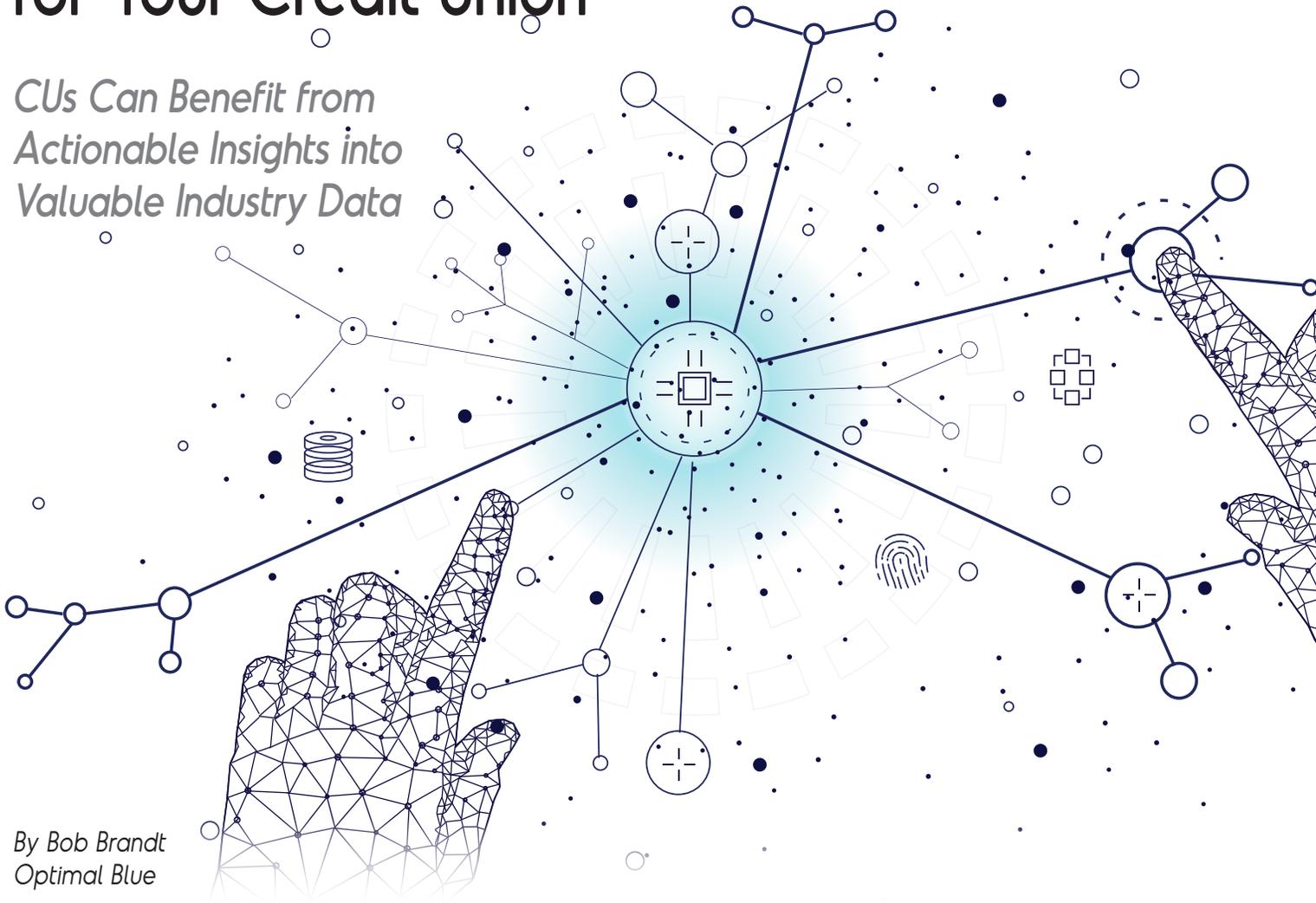


Create an 'Unfair' Competitive Advantage for Your Credit Union

CUs Can Benefit from Actionable Insights into Valuable Industry Data



By Bob Brandt
Optimal Blue

In any industry, it's hard to win if you don't know what your competition is doing.

Traditionally, lenders have relied upon just a few very limited options to do so, such as often flawed survey data based on a very small market sampling, latent servicing data illustrating what business looked like six or more months ago, or an annual HMDA ranking. Suffice to say, none of these resources enabled them to effectively compare the current state of their business to those they compete with.

THE FUTURE OF MORTGAGE BANKING WILL LEVERAGE DATA LIKE NEVER BEFORE

Today's leading technology providers have upended those concerns with powerful new business intelligence offerings. The most robust solutions tout daily updates of comprehensive transactional data and feature insightful visualizations that can be configured through a variety of highly granular filters.

These competitive analytics are powered by data from actual mortgage transactions across the country and updated every night, providing the most accurate, granular and timely view of mortgage transactions available in the industry.

Further, these solutions enable lenders to benchmark their results against the overall market in the areas that matter most, resulting in far more informed corporate decision-making and highly targeted lending strategies.

ANSWERING THE QUESTION: HOW COMPETITIVE ARE EACH OF MY LENDING STRATEGIES?

Leading technology solutions provide advanced filtering capabilities, often built and designed with extensive client feedback. This facilitates a lender's ability to easily determine whether their market share is growing or declining, as well as how it's evolving over any configurable range of time.

Ideally, lenders can leverage filters by loan type, loan purpose and loan amount. The best solutions also enable them to drill down by state, Metropolitan Statistical Area (MSA) level or a user-defined market area to gauge their performance as it relates to FICO range, LTV, property type, occupancy and more.

Such competitive analyses enable insightful decisions that can further ignite action by intelligently grouping large chunks of data for comparison, and then providing lenders the tools to slice that data however they want. Through interactive and interrelated data, lenders can observe trends



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across a diverse set of product and borrower profiles at the same time.

For example, a lender can see that they are closely aligned with the market in northwest Texas on conforming loans with credit scores over 680 and loan-to-value ratios above 80%, while also confirming an opportunity for growth in an entirely new market, like California, where the lender has been considering an FHA, non-conforming, or non-qualifying mortgage (Non-QM) product offering aimed at specific borrower profiles.

ANSWERING THE QUESTION: HOW DOES MY PROFITABILITY STACK UP TO MY COMPETITORS?

While it is important to leverage business intelligence solutions that provide visibility into market share, added value can be found in unique insights into lender profitability.

Why? With this data, users can compare rate and price to determine where they are operating at a higher or lower margin than others—with or without the impact of loan officer compensation. Then, directly next to those visualizations, they can also see what portion of their margins are being eroded by concessions and how concessions offered compare to the overall marketplace.

It is easy to become overwhelmed with data. For that reason, leading solutions offer out-of-the box capabilities to dig deep on front-of-mind questions, like whether a price is competitive and how margins or concessions compare to other lenders in their producing markets.

This really gets into profitability, not only providing lenders with the tools to highlight where they are most competitive, but—more importantly—illustrating where they can adjust resources and strategies to be even more competitive and profitable.

ANSWERING THE QUESTION: WHERE DO I RANK IN MY CURRENT(OR FUTURE) MARKETS?

Another unique feature to look for is the analysis into the efficiency of a lender's lock desk. Leading solutions will provide comprehensive "volume snapshots" that let lenders view their rank based on their number of locks and lock volume, as well as post-lock changes.

In leveraging this data, lenders are empowered with deep visibility into their operations and unique comparisons to the overall market to inform profitable strategies, drive new efficiencies and create competitive differentiation.

Ultimately, business intelligence that leads to improved efficiencies and a more competitive offering helps credit unions better serve their most important stakeholder: the member.

Daily insight into successful strategies to better serve members and grow their businesses is the differentiating factor that credit union lenders need in the current—and future—mortgage landscape.



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Bob Brandt is Vice President of Marketing & Alliance with Optimal Blue, the largest provider of secondary marketing automation to the mortgage industry. One-third of U.S. mortgage loans completed every year are priced and locked through the Optimal Blue platform, uniquely positioning the company to provide meaningful and unrivaled benchmarks. For more information, email bbrandt@optimalblue.com.



Bob Brandt

