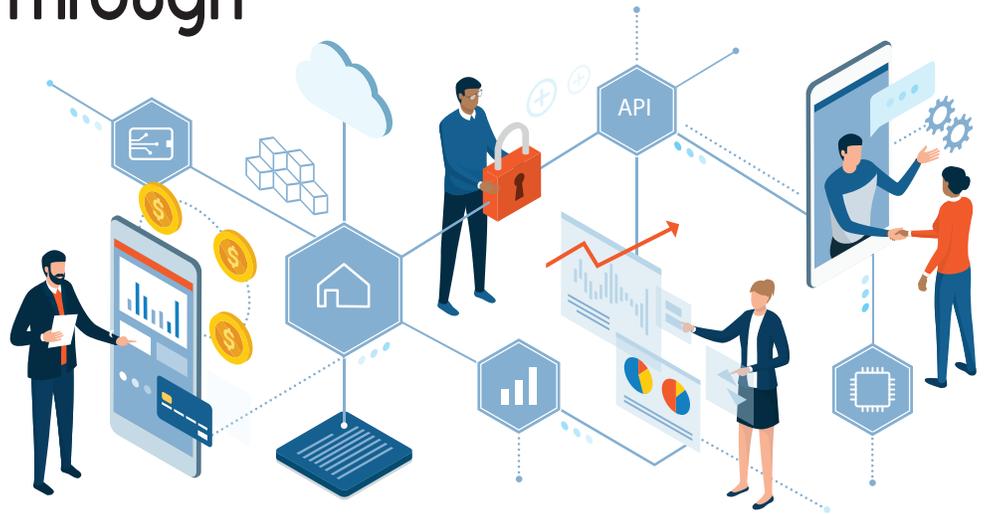




Discover New Competitive Advantages Through Advanced Secondary Marketing

By Bob Brandt
Optimal Blue



In an era where competitive differentiation and a compelling member experience matter more than ever before, an automated and well-functioning secondary marketing operation is critical to the success of any highly effective credit union organization.

Today's leading secondary marketing solutions are broad in reach and deep in functionality, managing many core functions in mortgage lending such as decisive product eligibility and sophisticated pricing strategies, propelling the rate lock process and fully automating otherwise manual processes for the hedging, committing, trading, and delivery of mortgage loans.

Especially when fully automated, these core functions greatly influence the efficiencies and outcomes at each stage in the mortgage process. Due to dramatic advances in secondary marketing automation and the increasingly more granular functionalities they offer, lenders are quickly adopting these platforms and see them as a successful conduit to enable meaningful competitive advantages.

This article explores three recent

concepts that can deliver significant and impactful results to today's credit union space: a "lights-out" lock desk, true best execution and actionable data and analytics.

REALIZE DRAMATIC WORKFLOW EFFICIENCIES WITH A 'LIGHTS-OUT' LOCK DESK

Lock desks must manage a myriad of processes with great precision, often in a high-volume environment. For that

reason, the lock desk is both a mission-critical and often labor-intensive part of any mortgage operation. These attributes also make it an ideal function to benefit substantially from automation.

The complexity of the lock desk stems from the fact that every change to a loan has the potential to impact loan product eligibility and pricing, and it is the lock desk's responsibility to assess the impact of such changes.

Managing this process can become unwieldy when changes must be processed manually, because key loan terms can change multiple times and investor policies vary. Should an influx of change requests occur, a lock desk that lacks automation can become a bottleneck in the lending process, exposing the credit union to risk and reducing the level of service provided to the member.

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To address these issues, the most comprehensive secondary marketing solutions deliver a myriad of capabilities that enable users to automate most aspects of the lock desk. This can include functionality to automatically accept changes that do not affect product eligibility or pricing, or systematically recognize when change requests have no impact on rate, price, lock period, or product, and then automatically process the modification—eliminating the need for manual review.

Ideally, this capability is also supported via Application Programming Interface (API), either directly or through a third-party vendor. Credit unions that enable this automation note significant time savings and streamlined workflows, as well as the ability to allocate the valuable time and resources saved toward other strategies, creating additional efficiencies across the credit union.

INCREASE PROFITABILITY AND GAIN ON SALE WITH 'TRUE BEST EXECUTION'

In many ways, the lack of seamless system integration has hindered the mortgage industry in the past. Systems traditionally used by credit unions have not always integrated well, leaving the user in the unnatural position of relying on inefficient workarounds or processes.

Leading industry technology trailblazers have made significant investments to break down these silos with robust libraries of secondary marketing APIs. The results have been dramatic, providing access to real-time pricing, lock functionality and much more.

In addition to elaborate integrations with leading third-party mortgage technology vendors, the most comprehensive technology solutions also deliver unprecedented, real-time integrations across their own product offerings. By leveraging a fully connected, end-to-end secondary marketing platform, credit unions can experience significant competitive benefits, including a powerful new concept called “true



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best execution.”

What is true best execution and how is it achieved? Once a loan is locked, the loan pipeline is seamlessly synced into a favorable hedge position. When necessary to advance the feed of loans that are ready-to-sell, the loans are exposed to investors that the lender is contracted with, while also offering a secure invitation to non-contracted investors to join in the bid process.

By including all opportunities, the user can act on the execution that will maximize gain on sale, including best efforts. Trade confirmations and commitments are also part of this process, which further serve to keep all transactions in one system.

GAIN NEW INSIGHTS AND ADVANTAGES WITH ACTIONABLE DATA AND ANALYTICS

Until recently, credit unions have had few solutions available to adequately assess internal operations or the success of secondary marketing strategies like market pricing, product offerings, markets served, or concessions offered. New insights and greater transparency help leading credit unions make more effective and strategic decisions.

It is advised to employ a mortgage technology vendor that is uniquely positioned to provide hyper-representative data and analytics that are based around the actual rate-lock event.

Here are just three examples of actionable data-and-analytics solutions available in the credit union space today:

1 ENTERPRISE ANALYTICS

Through an interactive analysis of volume, locks and change requests, credit unions can gain complete managerial and operational visibility into their daily business. Actionable data enables them to evaluate trends, monitor activity, and strategize more effectively.

2 COMPETITIVE ANALYTICS

Interactive benchmarking analyses can allow the user to truly understand

where they stand in every market. Further, they can leverage this sort of sophisticated industry benchmarking to illustrate market performance, as well as enable the comparison of margins and the effectiveness of organizational strategies.

3 MARKET ANALYTICS

An interactive analysis of industry performance and trends informs decision-making and provides the earliest and most comprehensive profile of the primary mortgage market for investment, operations, and marketing professionals.

To conclude, credit unions that deploy advanced secondary marketing automation can capture a host of benefits, including lower costs, more efficient workflows and enhanced member service.

Today's leading mortgage technology providers recognize the importance of continuous innovation and remain heavily committed to creating unrivaled functionality through deep automation and granular functionality. ▲

Bob Brandt is the Vice President of Marketing & Strategic Alliances at Optimal Blue. He has more than 20 years of experience leading successful, high-performing sales and marketing teams in the financial services industry. Prior to Optimal Blue, Brandt managed the sales and marketing efforts at Mortgagebot, a leading technology service provider in the mortgage industry. He can be contacted at bbrandt@optimalblue.com



Bob Brandt

About the company

Optimal Blue's Marketplace Platform connects the industry's largest network of originators, investors and providers. More than \$750 billion of transactions are processed across the platform each year, facilitating a broad set of secondary market interactions like pricing, locking, hedging, and trading of mortgage loans. For more information, visit www.optimalblue.com.