



Are Credit Unions and Members Ready for eDelivery?



By Jason Sorochinsky
Digital Federal Credit Union

Credit unions continue to provide members with a mortgage process that is faster, easier, more convenient and less expensive. However, how do we know if members will actually adopt and utilize eDelivery?

Until recently, the mortgage industry has been slow to adapt to digital mortgage efficiencies embraced by other industries such as Amazon and Uber, a shift that brings to the forefront updates that focus on improving the member experience from point-of-sale (POS) through closing.

A major benefit of eDelivery is the ability to send and receive eDisclosures and eSign documents, such as initial disclosures prior-to-closing, and at-closing items. This process is completed via eDelivery, which subsequently has allowed the fulfillment process to move away from a prolonged (45-60 days) and complicated experience for members.

More members are getting their mortgages in unprecedented time frames (less than 21 days). This means more dream homes, better financial situations and happier results--something every credit union can get behind.

Digital Federal Credit Union, better known as DCU, has long lived at the forefront of the digital mortgage lending space. With total assets of more

than \$9 billion, 23 branch locations throughout Massachusetts and New Hampshire, and more than 850,000 members nationwide, DCU's annual new membership growth is comprised of 40% Millennials who generally prefer online account openings and digital experiences.

However, what if data reveals your membership base generally prefers face-to-face interactions when completing the mortgage process or other interactions? Are leaders of your organization debating on implementing new technologies because of personal "buying preferences" or has COVID-19 forced you to react quickly?

These questions certainly can be challenging for all organizations to answer regardless of size, geographic location or membership demographics. Most importantly, we make these decisions based on our ability to help and serve our members' best interest.

eDELIVERY @ APPLICATION

Many credit unions have identified that having a “one-size fits all” approach does not work well with their membership base. Traditional application methods include members completing their application:

- Online at the credit union’s website.
- Face-to-face, usually in a meeting with a Mortgage Loan Officer.
- By phone, contacting the credit union through an MLO, call center or Member Service Representative.
- Through the mail, by filling out a paper document and returning it by postal service to the credit union.

Data analytics and artificial intelligence (AI) have shown that member preference differs when it comes to application method and eSign preferences.

In today’s digital lending environment, members can self-serve their requests online by picking the type and term of their desired mortgage without needing guidance from a Mortgage Loan Officer to complete the mortgage application. Members will continue their experience by eSigning upfront documents and only communicating through an online portal if they choose.

Other members prefer to start the application process online and follow-up via phone call or face-to-face at a branch location to receive consultation and answers from a Mortgage Loan Officer.

Of course, there are some members that still prefer paper documents throughout the lifecycle of the mortgage fulfillment process. However, given COVID-19, this will most likely force member preferences to change from face-to-face interactions to online application methods throughout the remainder of 2020.

eDELIVERY @ CLOSING

Considering COVID-19, utilizations rates of eSign during the mortgage closing process have skyrocketed exponentially. Prior to March 2020, eSign

“Data analytics and artificial intelligence (AI) have shown that member preference differs when it comes to application method and eSign preferences.”



firms were quoted by saying:

“Your members really appreciate how they have the opportunity and time to carefully review their closing documents in the convenience and comfort of their home and how quickly they can get through the actual signing process on their closing day.”

—Anne W., Massachusetts Attorney

“The member feedback is positive. The process is simple and allows the borrowers to physically sign less documents which is extremely helpful for the elderly. The younger generation thrives on technology, so they really enjoy being able to review their documents prior to closing and ask any questions prior to our attorney arriving at their home.”

—Elizabeth C., National Settlement Agent

When credit unions utilize eSign and eDelivery methods at closing, there is a positive impact. Members can take their time to review documents and ask questions before the ceremony date or simply opt to close remotely using RON or RIN if their state permits.

and eDelivery were mainly used to deliver the Closing Disclosure (CD) three days prior to the ceremony date if members elected to eSign.

Today, eSign and eDelivery are used in combination with Remote Online Notarization (RON) or Remote InkSigned Notarization (RIN) to perform virtual mortgage closings.

In a recent survey to a group of attorney and nationwide settlement partners, the following question was posed, “How was the member experience when in conjunction with eDelivery methods?” A few

eDELIVERY TECHNOLOGY CHALLENGES

So, your credit union is ready to make the big leap forward. Now what?

A major pain point for most credit unions comes from understanding how technology will connect to their existing mortgage LOS/POS and core servicing platforms.

There are dozens of vendors in the industry today that provide specific use cases with regards to eDisclosure, eDelivery and eSign. Do the proposed technology partners your credit union is considering require different logins for members or have a separate user interface from your LOS/POS?

If members are forced to use different platforms, along with managing multiple user IDs and passwords, this will be problematic for your organization. Also, how will your member support team troubleshoot issues regarding password resets, browser incompatibility (Explorer vs. Chrome) or challenges while using desktop vs. tablet vs. mobile?

With members’ urge to have instant validation, providing timely support will be critical.

Finally, given COVID-19, many technology vendors have a significant backlog of requests from various lenders across the country. It is safe to say that implementations of this type will be extended for a prolonged period (6-12 months), including vendor due diligence, information security review and general contracting efforts.

“A major pain point for most credit unions comes from understanding how technology will connect to their existing mortgage LOS/POS and core servicing platforms.”



Jason Sorochinsky serves as the Vice President of Mortgage Lending and is a member of the executive leadership team at Digital Federal Credit Union (DCU), based in Marlborough, MA. Sorochinsky can be contacted at (508) 804-9532 or jsorochinsky@dcu.org.



Jason Sorochinsky