

DOES YOUR MORTGAGE OPERATION ADDRESS THESE FOUR KEY ISSUES?

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For many community banks, now is the time to review strategy and budgets heading into 2020. This process should include assessing mortgage operations – both from a profitability and customer experience perspective.

Even in the best of times, mortgages can be challenging for community lenders. Average origination costs hit a new high – \$10,200 according to the Mortgage Bankers Association – and added tech investment are squeezing margins even more. To be blunt, providing customers with a digital experience is no longer a luxury, it's a must-have.

Interest in outsourced fulfillment is intensifying among Kentucky banks and with good reason – Kentucky Bankers Association has officially endorsed Promontory MortgagePath's mortgage fulfillment services and point-of-sale technology for their ability to help community banks compete and manage origination costs.

Banks should explore outsourcing as an option during the strategic planning process for its ability to:

1. Address consumer demands
2. Maximize operational and cost efficiencies
3. Reduce compliance risk
4. Offer new and better options

ADDRESS CONSUMER DEMANDS

Today, a growing number of consumers expect a digital mortgage experience. According to the Boston Consulting Group, 79% of consumers want to get a mortgage exclusively online and 87% of consumers believe digital is faster.

Outsourcing to a partner with an advanced point-of-sale solution levels the playing field with the largest lenders and FinTech competitors – all without the added investment in technology or additional staff.

MAXIMIZE OPERATIONAL COST AND EFFICIENCIES

Outsourcing can dramatically reduce production costs. It also converts fixed costs – processors, underwriters, compliance specialists, and closers – into variable costs. Banks can comfortably scale up or down without variable-cost unknowns.

REDUCE COMPLIANCE RISK

An outsourced solution doesn't inoculate banks from compliance risk. But, teaming up with a partner with an outstanding reputation for compliance, innovative technology built with compliance at its foundation and best-in-class partnerships is an approach that can safeguard a bank's compliance – and its reputation.

The right fulfillment provider also brings consistent, repeatable compliance practices, standardized reporting, enhanced data quality and security and continuous monitoring. A strong outsourcing partner ensures changes in regulations and requirements are updated on time and with full transparency. Banks also have additional protection against compliance defects in the form of limited reps and warrants.

While banks still own the obligation to maintain oversight of any third-party partners and policies and practices, with outsourced fulfillment, the regulatory weight is significantly shifted off the bank.

OFFER NEW AND BETTER OPTIONS

Outsourced mortgage fulfillment isn't new. What is new, however, is the way technology and more-flexible fulfillment approaches are addressing many banks' past concerns – like consistent borrower experience, data integrity and cross-selling competition.

A good outsourced solution is built on flexible and scalable best-in-class technology capable of driving efficiency and data quality. A good partner should allow banks to set business and underwriting rules and provide complete transparency at every stage. Further, a good partner should also effectively capture the bank's culture in all facets of processes and procedures.

When executed correctly, outsourcing fulfillment can create efficiencies and address cost and compliance hurdles previously deemed unclearable. Even more importantly, such a solution enables banks to stay in – or enter – the mortgage business while enhancing the customer experience.



FOR MORE INFORMATION

Are you interested in learning more about boosting lending profitability and enhancing the customer experience? Learn more about Promontory MortgagePath's comprehensive solution [here](#) or by reaching out to Sherman Moore, regional vice president of sales at Promontory MortgagePath, at sherman.moore@mortgagepath.com.