

# Surfing the Sea Change

Remember Web 2.0? The same lessons apply to the evolving mortgage industry

By **Layne Sapp**, founder and CEO, Credex

**F**OLLOWING THE DOT-COM BUST, the term Web 2.0 was coined to indicate a second generation of Web-based communities and hosted services — e.g., social-networking sites, wikis, etc. — that aimed to spur creativity, collaboration and sharing between users.

It wasn't that the Internet changed. Rather, the way people used it changed.

Similarly, with the housing industry in a slump and lending regulations growing tighter, the mortgage industry must now change how it does business. Looking at the challenges in front of us, it's clear that the rules have changed.

Like with Web 2.0, to adjust to this new mortgage climate, our industry's transformation must include collaboration and integration. We also should consider bundling our services to help the different areas of our industry work together more openly and seamlessly. And now more than ever, ours is a service industry. To differentiate ourselves, we must deliver unmatched service.

So how can we do this? Here are some suggestions for transforming our industry and keeping our businesses alive.

## Bundle up

Most mortgage professionals use many technology applications and loan processes for each potential client. From marketing and lead management to loan-origination-system integration and required disclosures, we've become so obsessed with process that even our processes have processes. It's a miracle we get anything done.

But if consumers can get their Internet, home

phone, satellite television and cell phone through one provider on one bill, why can't they also bundle their mortgage processes? Why can't we offer one flat fee that pays for all the necessary and nice-to-have features of our technology-rich mortgage industry?

We can. There are bundled services available that bridge our industry's tools at the point of sale and let us compete in today's tight market without breaking the bank.

## Simplify, simplify, simplify

Our world has become overrun by things that supposedly make our lives easier, better and more enhanced. People have cell phones, personal digital assistants and digital music players. They have nine remote controls and five TVs. Cars talk and tell drivers when they're out of gas, low on oil or lost. And when a new piece of technology comes on the scene, we search frantically for adapters and other gizmos to help us keep our balance between today and tomorrow.

It's time to simplify. There is no reason that we can't bridge all aspects of our work with a single tool that offers many solutions. Instead of looking for a quick fix, we should think about how we can build an adaptive technology into our processes so that when the "next big thing" comes around, we can handle it.

Through a single portal, we can manage our Web sites and communicate with Realtors, title agents, escrow agents and our clients, as well as sort and prioritize our leads. Simplifying also can help us finesse our clients' credit, deliver online loan applications and close deals with one tool.

## Collaboration

Technology can make it easy for our teams and our clients to access their loans. To succeed, we should bridge relationships instead of hindering them.

Part of Web 2.0's success is found in two seemingly opposing but equally important elements: anonymity and collaboration. Likewise, the mortgage industry could find ways to benefit from these elements.

Online loan applications have let thousands of borrowers anonymously — or at least, facelessly — get a glimpse of some of their loan options. But as they exist now, online applications don't do much for collaboration or customer service beyond the initial application.

Instead, we can work toward better aligning online applications with marketing on the front end and then scaling access to customer-relationship management and eventually to the actual loan. We can build teams that include as many or as few people in the process as we see fit, from referral partners such as Realtors and insurance representatives to processors, underwriters and loan administrators.

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By providing a safe and secure portal through which everyone in the process can work together seamlessly, we can deliver unmatched service that will help everyone on the team build more business.

The capability exists today to enhance our use of existing processes by working together. Ultimately, it not only will save us time and money, but it also will allow us to deliver unprecedented service to clients.

## Enhancing service

Technology can be a personal assistant that works when we don't. Consider online applications. They're a great tool — if you are at your desk and can respond quickly. But what if you are at your child's soccer game?

In the world of collaboration, your team will be notified of the loan. At the same time, you also will be notified via your handheld device. Plus,

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**Layne Sapp** is a 25-year veteran of the mortgage industry and founder and CEO of Credex, an online mortgage tool that provides industry insiders multiple solutions to handle today's complex industry. Credex is committed to the "super originator" as it leads the industry in transforming the way we do business. Visit [www.credex.net](http://www.credex.net) for more information. Reach Sapp at [lsapp@credex.net](mailto:lsapp@credex.net) or (425) 921-6398.

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your team can contact the borrower promptly to discuss the loan process, moving that prospect from “lead” to “client.”

And if you want to see where that client is in the process and who is working on the loan at any given time, you can access the file securely from any remote device.

Most people don't realize that a great deal of business is gained or lost before they even get to the loan-application stage. Customers walk away if loan originators don't respond immediately. Or brokers may not pull credit if a borrower doesn't “sound serious.” These scenarios occur daily and result in potential business left on the table.

Technology can work for us and help capture more of that business. It allows us to extend our reach, to deliver a rapid response with accurate pricing and ultimately, to close more deals.



The mortgage industry faces an identity crisis. The loan closings we once took for granted continue to dry up. Prospects are harder to qualify, and people are holding onto their homes longer than they might otherwise to wait out the downturn.

But mortgage originators' bread and butter still depends on one simple thing: closing loans. So if we can't change what we do, we must look at how we do it to survive this transformation. Just as the online world underwent a boom-and-bust revolution, the mortgage industry is living a similar shift. Now is the time to look at new opportunities and use technology to further them. 