Improving Your Customer Service and Increasing Your Efficiency

Not to often can you actually increase your customer service levels and reduce your costs at the same time. When it happens, it's always related to a new technological achievement. For example, most consumers appreciated using a bank ATM to obtain cash 24 hours a day. At the same time, the ATM dramatically lowered the cost for banks in terms of manual labor related to cash withdrawals. This was a new technology that both improved customer service and increased the banks efficiency. A new technology is available for mortgage originators that has the same effect. Still, very few are actually using these solutions… yet.

Every mortgage originator uses a loan origination system. There are four primary vendors that offer these and they are Contour Software, Calyx, Genesis and Byte. Proper use of these systems means that you use them to store information that's often useful to your customers. Loan status information is the primary example. Your customers should know where the loan stands and should get a notification for each step of the process. They should know when a loan is submitted to an underwriter or when the appraisal was received. They should also have constant access to information that is still needed that they can help with. If last year W2's are still needed, that should show up on an electronic list of what's needed from the borrower.

There's two methods to distribute such information to your customers and actually both may be used simultaneously. The first is to use your web site and allow the consumer to log onto your site to view this information. The borrower is given a password that allows them to view loan status details from a web page. Allowing your customers to check in at any time on the progress of the loan is similar to being able to access your checking account information from your bank's web site. These types of solutions are becoming very popular and borrowers appreciate such a high level of customer service.

The second method gaining in popularity is sending complete loan status information via email every time something changes. Thus, when a mortgage verification comes in, an email would go out to the borrower letting them know. A borrower might receive 10 to 20 of these emails over the several weeks of a loan process. Using email is more proactive then just having this same information on a web page. However, both solutions can be used together for the ultimate solution.

Allowing your customers to access this information has several advantages. The first is that it makes them realize all the work you do and they feel they are informed. Second, it prevents many phone calls to your office which reduces your costs significantly. Third, the borrower no longer sees the loan process as a mysterious black box – it becomes understandable and more comfortable.

Fourth, because they can view this information the borrower should be more active in getting the paperwork you require. Fifth and most interesting, when your staff realizes that the customer can see this information then tend to me more attentive in insuring every proper step has been made and recorded. There's more pressure on the staff to perform the steps on time as the customer is watching.

Don't forget that Realtors also appreciate status information on the loan. Both options can work for them as well. Realtors greatly appreciate knowing what's going on with the loan and many mortgage companies make their status reporting to the Realtor a foundation of their customer service program. Of course, there should be different views for the Realtor and it even needs to vary for the Buyers Realtor vs the Seller's Realtor.

Most of the software vendors have solutions that perform the functions noted above. For example, Genesis offers Mortgagemail, Contour offers The Web Reporter and The Fax/Email Reporter and Byte offers the NetUpdate solutions. While the approach differs between the vendors, the end results for the borrower are similar. All these systems have the ability to take information from the loan origination system and make it available for the customers to view.

One current weakness of these solutions is that there isn't any method to automatically obtain status information from third parties. For now, your staff must enter details about the status of the appraisal, title report and underwriter comments. Several transaction networks are working to resolve these issues so this information is communicated automatically. Thus, every step that the title company makes and each stage of the appraisal process would be automatically fed back into your loan origination system, which would then carry into your customer loan status solutions. Underwriting conditions could be posted as well. If a wholesaler is involved, these new transaction systems could even transfer rate lock information and lender fee details into your loan origination system. Both Ellie Mae and Real EC are working to help facilitate communication among all parties involved in the loan process. When these systems are completed, a loan originator wouldn't ever have to re-enter information that comes from any vendor or lender. Someday, the loan process will be streamlined significantly by these systems, which will reduce the labor required on each loan.

As the refi boom slows, mortgage originators will compete heavily for the remaining purchase business. Having these systems to increase your customer service levels and reduce your costs will become crucial.