

## Earning Discounts for Being Efficient

While it sounds too good to be true, many vendors and wholesalers are offering discounts on their products and services if you'll simply enhance your own efficiency. These companies are quickly recognizing how much more profitable they can be if their customers will use their latest ecommerce solutions. Many companies have wisely invested in enhanced ecommerce solutions so that you, their customer, can be better served with technology. It's truly one of those win-win situations and these companies will go so far as to discount their products if you migrate to use their Internet applications. Before we mention some of these juicy discounts, let's first look at why these companies are so willing to give you these great deals.

The mortgage industry is highly labor intensive with the majority of communications going by phone and fax. Each call can run a vendor or wholesaler over \$20 in all-inclusive costs. For many companies, they might get many calls for each transaction. This is especially the case for wholesalers and title companies where many conversations are a standard part of each closed loan. Of course, it's a dicey proposal to start asking customers not to call. Instead, these companies are investing in technologies that help reduce the need for making the calls in the first place. The trick now is to get mortgage origination companies to use these new solutions. Obviously, dangling a carrot like a discount is one great way. Below is a list of companies and some sample discounts. This list isn't all inclusive and you should ask your favorite vendors if there are any discounts available for using their ecommerce solutions. These discounts were available at the time of this writing but could change at any time.

New Century Mortgage offers 1.25% off the rate for their loan products in addition to a free credit report.

Master Financial offers a \$450 discount on their loan products

America's Flood Services offers three free flood certificates

Flagstar Bank offers \$50 their underwriting fees

Birchwood Credit Services offers 25 free credit reports or 10 free flood certificates

Impac Lending offers a 50% discount on their Administration Fees

GN Mortgage offers \$50 off their underwriting fees

Of course, all of these are related to connections to your Loan Origination System (LOS). These vendors and wholesalers will build these ecommerce engines for the more popular LOS's first and while the least popular LOS's may be unlikely to ever see widespread support. At some point, the data integration between the LOS will become so tight, the solutions will actually predict your next move. Changes made by either vendor/wholesaler and the mortgage originator will automatically flow to the other. For example, let's say a loan is locked with your favorite wholesaler and sometime later, the interest rate is changed in either the LOS for the mortgage originator or in the wholesaler's back office system. The system could automatically notify both parties that there is a mis-matched rate on a locked loan alerting all to a potential problem. Another example might be that when an underwriter signs off on any given condition, the systems communicate and the LOS automatically then shows the condition as being signed off. When title companies build better internal solutions, they'll be able to communicate each step of the title process to the mortgage originator.

These solutions have the potential of saving hundreds of dollars per loan when all combined together. While these solutions are sure to come, the question is how long will it take. Some vendors and wholesalers are really leading the pack and are giving their customers some real incentives to use their leading edge solutions. Those listed above certainly recognize the benefits of technology. Other vendors and wholesalers are pitifully behind

the times with hardly a web site. For the mortgage originators, these systems will make you more efficient as well. Thus, it pays you to use these systems and earn these discounts. And as we all know, discounts flow right to your bottom line.