Mortgage Technology Adoption In The Age Of Covid

GLOBALDMS®

Vladimir Bien-Aime,
CEO and President

Although COVID-19 has had a dramatic impact on the U.S. economy, and disrupted so many businesses, the mortgage industry had a remarkable 2020. However, there is a silver lining. According to a new McKinsey Global Survey of executives, their companies have accelerated the digitization of operations by three to four years, and the amount of technology products in their portfolios has accelerated by a shocking seven years. One thing that is certain, change in the mortgage industry is inevitable and lenders that want to stay competitive need to get ahead of the curve.

The mortgage industry has traditionally been very slow to embrace new technology. This line of business has been historically affixed with individuals that are part of the late majority and laggards and not the innovators and early adopters of the technology adoption curve. These industry participants often resist change and impede the forward movement of their organizations as a result – only driven by regulation, GSE policy and necessity. It's hard to believe that it took until 2011, when the GSEs mandated the MISMO 2.6 GSE format for appraisals, for Adobe PDF to become the standard for delivering appraisals.

One of the unexpected ramifications of the pandemic was the necessity for businesses to deploy technology to continue to operate effectively. This game changer forced many mortgage lenders to reevaluate their current processes and technologies to better facilitate managing remote employees, vendors, and clients while adhering to social distancing guidelines and restrictions. Many lenders were ill prepared and had to scramble to implement even common technologies, like VOIP phones, to facilitate essential business functions. This shotgun approach often caused significant disruptions to their business operations, which shows that acquiring technology under significant pressure with a limited staff can be extremely tough.

Lenders that never would have considered cloud-based technology solutions had to quickly reconsider their viewpoint, since traditional in-house implementations on considerably compacted timeframes were virtually impossible. Many lenders gravitated to solutions that replaced their legacy client-server technologies and opted for versatile, mobile, and plug-in-play solutions that could be implemented quickly and remotely. When you consider the numerous platforms lenders must utilize to conduct their business, it's not surprising that many are still in transition. Lenders were forced to prioritize the replacement of critical systems and have been systematically migrating parts of their infrastructure to maximize their efficiency in this new environment.

Of course, lenders must allocate the appropriate resources to facilitate so much change, meaning they should only focus on projects that yield the most return on investment (ROI). The traditional appraisal process is extremely manual, time-consuming, and resource intensive – thus allowing significant opportunity for improvement. This process, if not managed properly, can delay closings, frustrate borrowers, and kill deals. However, the right appraisal management technology can deliver remarkable ROI by automating manual processes, connecting systems, cutting hard-costs, and reducing man-hours.

Global DMS' EVO cloud-based platform is revolutionizing the way lenders manage collateral by streamlining the entire appraisal process through workflow automation, smart logic, transparent communication, and system connectivity. EVO gives clients the ability to easily implement and change their valuation process independently without costly and time-consuming IT projects. This next generation appraisal management platform can also completely automate the entire real estate appraisal process and provides the industry's only Compliance Guarantee Program. Best of all, EVO's complete configurability allows for a seamless implementation experience that can be completed in days.