The Mobile Movement:

The Role of Technology In Mortgage Business Continuity and Transformation

Introduction

In the past, lenders may have considered mobile technology to be an optional component of their digital mortgage strategy. But even those who have adopted some amount of mobile technology have found that the solutions available are incomplete and only address pieces of the origination process rather than the entire cycle. Incomplete resources, such as online 1003s that are accessible to but not optimized for a borrower's mobile device, can lead to high user fallout due to a weak mobile user experience.

Even fewer resources have been devoted to creating solutions that enable originators to conduct business from their smartphone.

With a shift to more remote work brought on by COVID-19 and social distancing needs, lenders now recognize the necessity of mobile origination technology that supports their current business continuity plans.

It's time for an industry-wide embrace of the benefits made possible through native mobile lending technology. This white paper will discuss recent advances in mobile origination platforms, the benefits mobile origination tech offers for lenders and borrowers, and how SimpleNexus helps lenders create a unified mobile experience from their disparate digital tools.

Recent Innovations In Mobile Origination Technology

The emergence of both cloud-based services and application programming interfaces (APIs) have paved the way for today's mobile origination capabilities. The ability to access business tools at any time from any internet-connected device is more than just convenient. The on-demand nature of mobile tech reduces friction points to help speed up the closing process while improving the experience for both loan officers and borrowers.

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Additionally, new technology integrations made possible through API's have made uniting different software platforms into a central interface a reality. Mobile technology is now capable of giving originators the tools they need to do their jobs away from the office.

Among the newest advancements in origination tech is mobile rate locking. In an environment where loan interest rates constantly fluctuate, the ability for originators to immediately lock in a rate from their phone is an efficiency gain as well as a win for borrowers. Mobile rate locking not only saves loan officers a trip to the office, but it also guarantees that borrowers secure an interest rate they are comfortable with, which could result in more favorable outcomes for applicants who have a higher debt-to-income ratio.

Closing documents have traditionally been wet-signed in person. New mobile solutions now make it possible to replace this option with its user-friendly counterpart, electronic signing (eSigning). Mobile disclosure eSigning technology allows loan officers and borrowers to work together — remotely — in one app to virtually manage disclosures. All parties are automatically notified when new forms are ready for review and eSignature, and the completed documents will sync back to the loan origination system (LOS).

True eClosing capabilities make it possible to give borrowers a completely digital closing experience. Closing documents are digitized, eSigned, eNotarized and immediately accessible to all parties on a secure cloud-based platform. By working in real time instead of waiting for scheduled meetings and relying on packages to arrive by mail, time to close is drastically reduced and lenders are able to fund loans faster. In 2019, a LendingTree study found that new purchase transactions closed in an average of 40 days, compared to 74 days just two years earlier. In its findings, LendingTree noted the "major role" of increased digitization in decreased time-to-close.[1]

What Lenders and Originators Gain From Mobile Origination Technology

The lending professionals who adopt a mobile origination strategy stand to benefit from a variety of advantages, both in terms of operations and client relationships. However, the degree to which businesses gain a competitive edge from these benefits depends on the pace at which they implement these mobile capabilities. Simply put, the businesses that move quickly will gain market share.

As mobile technology in general has become more common throughout daily life, consumer expectations have evolved. Borrowers now expect to be able to apply for a mortgage from any device, including their smartphone. In fact, Ellie Mae's 2019 Borrower Insights Survey revealed that 50% of borrowers selected their lender based on whether they offered an online application or portal.[2]

These findings indicate that lenders could potentially lose half of their prospects simply by not offering a digital option for applying. Plus, additional consumer friction occurs even with a digital application when the process lacks a native mobile option for a borrower's smartphone. As social distancing requirements continue to affect the way lenders work, mobile technology will only become more vital to capturing borrower business.

The J.D. Power 2019 U.S. Primary Mortgage Origination Satisfaction Study found that satisfaction scores are, on average, 140 points higher (on a 1,000-point scale) when borrowers have instant access to their loan status through an online portal.[3]

Lenders should note that mobile optimized portals and native mobile portals have their differences. A true native app offers advantages such as deeper engagement and tailored UX navigation as rather than just shrinking an existing interface to fit a smaller screen. The native app experience automates tasks around loan status so borrowers receive push notifications immediately, another time saving efficiency and engagement benefit.

Operationalizing the latest mobile origination technology can also result in significant back-end process and efficiency gains. More than two-thirds of lending professionals surveyed by Fannie Mae in 2019 say that their efforts to transition to digital have been somewhat or very successful in improving operations to reduce origination costs.[4] Mobile origination technology has played an especially vital role recently in helping preserve business continuity for lenders by keeping their producers connected to their tools through their smartphone.

Out-of-the-box tech integrations allow lenders to connect their tech stack (for example, syncing an LOS and CRM) and automate workflows and reporting. Many efficiencies are gained through automating manual tasks. While online options are nothing new, mobile technology can provide further competitive advantage for lenders who are willing to adopt.

Mobile technology helps originators give borrowers high-touch service, thereby increasing borrower satisfaction and engagement along the homeownership journey. For example, SimpleNexus found that mobile eSigned disclosures are returned in two and a half hours, on average, compared to a two-day turnaround for paper forms. Collective time savings from automation and mobile document collection will ultimately help lenders close quicker and fund loans faster.

What Mobile Originations Mean For Borrowers

For borrowers, the ease of filling out an application, checking their loan status or signing a disclosure any time from any device inherently equates to a more flexible and improved overall experience.

> " It allows an originator's entire business to be available from the palm of their hand, providing much more flexibility.

Some skeptics have questioned borrowers' willingness to conduct the homebuying transaction on a mobile device, but the empirical evidence proves their readiness. SimpleNexus found that preference for mobile loan applications reached a tipping point in the second quarter of 2019, when mobile accounted for more than half of the 37,157 mortgage applications submitted through the SimpleNexus platform.[5] This preference for mobile still held true in March 2020, according to SimpleNexus user data for more than 100,000 mortgage applications.

The sophisticated mobile technology that powers today's apps uses automation to minimize errors and make the entire process more secure, transparent and efficient. This has ultimately helped borrowers speed up closing times. Compared to 2018, U.S. homebuyers shortened their average time to close by 11 days in 2019, a change LendingTree attributed to digitization of the mortgage process.[6]

Consumers also prefer using an online mortgage portal because the process is simplified, information is readily available, and there's greater flexibility for time and pace, according to the 2019 Borrower Insights Survey conducted by Ellie Mae. The overall user experience continues to improve through native app offerings as mobile origination technology develops further.

How SimpleNexus Helps Lenders Create a Unified Mobile Experience

Lenders rely on a variety of tools to support their businesses, but those disparate systems weren't necessarily built to work together seamlessly or be accessible on mobile. Logging into separate accounts on a desktop computer and switching between applications may not be a hassle, but it reduces a loan officer's productivity and limits where work can happen.

SimpleNexus unites a lender's tech stack into a single platform and delivers a full-featured mobile origination toolset to drive productivity. Inside the app, loan officers are able to:

- Pull and view credit
- Issue pre-qualification letters
- Run pricing scenarios
- Manage appraisals
- Request and view verification of assets
- Sign disclosure documents
- View the loan status of their full loan pipeline

This functionality is available in tandem with real-time syncing between loan origination and CRM systems. It allows an originator's entire business to be available from the palm of their hand, providing much more flexibility in how and where they work.

Loan officers can work with borrowers in SimpleNexus throughout the homebuying journey — even as early as the initial home search. Once borrowers are ready to move forward, they can easily and securely submit a loan application, scan and upload loan documents, review and eSign disclosures, all with complete visibility into the progress of their loan.

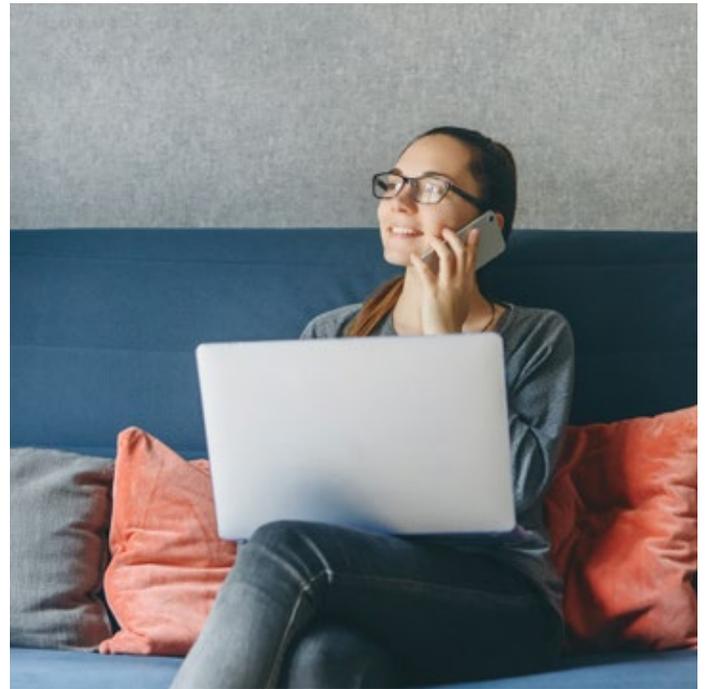## How SimpleNexus Generates Referral Business

SimpleNexus' custom app-branding feature helps loan officers stay top of mind with borrowers when they collaborate in SimpleNexus. The loan officer's personalized app can include their contact information, licensing details and quick-access web links that demonstrate mortgage industry expertise.

Loan officers can co-brand the app with real estate agents and other referral partners, who can in turn share the app with their clients. In the co-branded app, consumers can work jointly with their real estate agent and the loan officer and see the contact details and web links for both. Referral partners are able to use the app to run mortgage calculations, see a borrower's loan status and generate new referrals for their loan officer partner.

In 2019, more than 369,000 referrals were sent by real estate partners to loan officers through the SimpleNexus mobile app. The ease at which agents can share the co-branded app with borrowers results in earlier introductions to the loan officer. Another 169,000 referrals last year came from satisfied borrowers referring friends and family to their loan officer. Just goes to show the value lenders can derive from an easy to share, mobile first engagement strategy to connect borrowers and agents to the loan officer.

Conclusion

Mobile lending technology is poised to play an important role in business continuity for lenders, as well as offering multiple benefits for both lenders and their borrowers. In light of the changes brought on by COVID-19, there has never been a better time for the mortgage industry to embrace native mobile lending technology.

Sources

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