



Trend Watch

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Outsourcing's Impact on E-Mortgages

By Anthony Garritano, Editor, Mortgage Technology Magazine



When will this industry adopt e-mortgage process in a mainstream fashion? It's been a question discussed for the past 10 years or more. Fortunately, more lenders are actually doing e-mortgages this year. At the MBA Annual Fannie Mae reported that it was dealing with four lenders in the beginning of the year delivering the GSE e-notes and it is now dealing with 10 lenders, with more scheduled to come online next year.

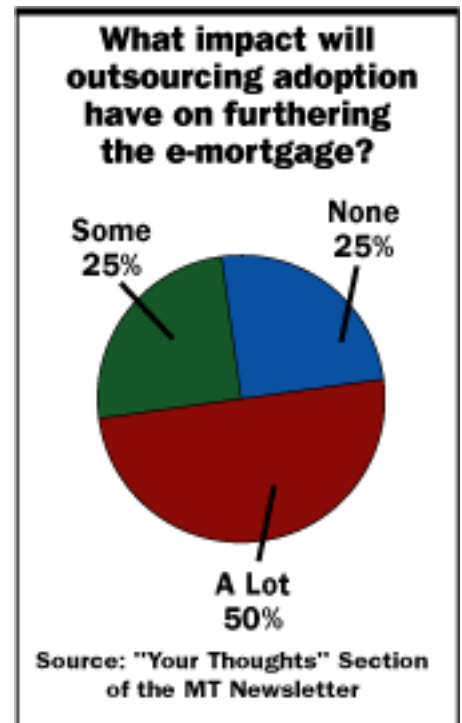
One thing that may make the process go faster is the increased demand to outsource. As lenders look to outsource imaging becomes a must have. Most think of imaging as an interim step to full e-mortgages, and 50% of 12 respondents think outsourcing will help move e-mortgage adoption forward.

"For my business to operate efficiently it has to be paperless," added Jim Gellasch, senior vice president in the fulfillment services division of ISGN. "We modularize loan processing, for example, and break it into baby steps for efficiency purposes. We use parallel processes where we have many people working on a single loan at the same time. To make this work and provide the visibility, it has to be paperless.

"The lender uploads a 3.2 file to our system and sends in a scanned package. We don't touch any paper until the loan closes. We may get a closing package back from the lender and deal with it from there. The note and collateral will be paper until the e-mortgage is adopted mainstream. To offer the efficiencies to the customer it has to be paperless. We drastically reduce turntimes through using parallel processes. It doesn't make sense to ship paper. If someone is interested in outsourcing they have to have some kind of scanning system at minimum."

According to Mary Kladde, founder and CEO at Titan Lenders Corp., mortgage back office outsourcing is ideal for wholesale brokers transitioning into banking, bankers experiencing profitability and expansion challenges, and investors requiring operational assistance for overflow and expansion purposes looking to go paperless as a first step toward e-mortgages.

Built upon the eSys Technologies platform, Titan Lenders Corp.'s Cerberyx application is a Web-based



information management tool providing a window into a lender's entire pipeline from application through the sale of the loan. Proven effective in managing back office processes, Cerberyx operates in a secure environment.

"Our technology is Web-based, allows the customer complete visibility, it's accessible 24/7. We fulfill all the work and the technology is used as a management tool, because closing isn't just drawing docs, it requires expertise. Right now, in terms of where the market is, a lot of people have gone out of business because they've held onto this bloated overhead. People are also looking for ways to both shun and mitigate risk. This is one solution," she concluded.

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