Mortgage Automation with Proven ROI

How digital technology has helped lenders increase production, reduce workloads, and reinvent the borrower experience

Floify

Executive Summary

The mortgage industry is going through extraordinary times. With historically high mortgage origination costs and increasing consumer demand for a smoother, simpler lending experience, it is clear that automation is the solution to these challenges. However, the large number of technologies to choose from and the lack of evidence that these technologies are worth their investment make it difficult for lenders to choose the correct solution.

This white paper addresses the return on investment that lenders have experienced from a particular digital mortgage automation technology: the Floify point-of-sale platform. It also shares the results of a major survey that measures ROI of the Floify platform and explains the detailed findings.

At a high level, the average survey respondent was able to close loans at least 50% faster. The majority of mortgage lenders, mortgage brokers, loan processors, and other users of the automation technology were able to originate loans more quickly, reduce per-loan workload, and improve their annual sales volume.

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The Mortgage Automation Challenge

Over the past 20 years, the mortgage industry has seen an explosion of technology products and services. To a fault, each of these technologies have been promoted as being able to reduce costs and accelerate the lending process. In spite of their widespread adoption, however, mortgage production costs have risen tremendously.

During the same time frame, a major shift has taken place in the mortgage lending landscape. As consumers increasingly have opted to obtain their goods and services online, they have demanded similar ease and convenience when shopping and applying for mortgage financing. More recently, our industry has seen the emergence of new mortgage business models, including online lenders that have leveraged technology to offer borrowers a faster, more convenient mortgage experience. Each of these trends have placed enormous pressure on lenders to increase sales and sales opportunities.

Theoretically, the application of technology throughout the mortgage production life cycle can help lenders overcome these challenges. In practice, such answers have proven elusive for a combination of reasons.

For one thing, lenders have many different technology products and services to choose from. The vast majority of mortgage originators use a combination of technologies, piecing together various solutions to manage different processes and tasks. For example, a typical lender will use a loan origination system in combination with a product and pricing engine, CRM sales software and borrower-facing software with which borrowers can shop and apply for mortgage products online. However, many of these technologies do not work well together, requiring lenders to spend extra time and expense on experts to integrate them properly. Oftentimes, lenders have to switch technologies because they are incapable of keeping up with their needs, which results in unnecessarily wasting time and money.

Determining the ROI on different technologies has been difficult as well. Most lenders spend significant amounts on different technology systems and platforms, yet there is very little evidence to show exactly what they get for their investments. For this reason, many lenders are reluctant to adopt new technologies. Clearly, hard statistics are needed to clarify and quantify how much of an improvement lenders are realizing from a specific technology platform.

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Automating the Mortgage Point-of-Sale

One of the most difficult and labor-intensive areas of a lender's operations is engaging prospective borrowers and filling loan pipelines. This challenge has led to the growth of point-of-sale technologies, which leverage automation to streamline the sales and communication needs of lenders while creating a simpler, more convenient process for consumers.

One such solution is Floify, a digital mortgage automation and point-of-sale that streamlines the loan origination process by providing a secure application, communication, and document portal between lenders, borrowers, referral partners, and other mortgage stakeholders. Floify is an intuitive and flexible platform that simplifies and accelerates the ability of lenders and mortgage professionals to collect, verify and manage loan documents, track loan progress, and communicate with relevant parties in the mortgage process.

The developers of Floify designed the platform to serve multiple purposes, one of which is security. Regardless of the technology they choose, lenders must have confidence that the privacy of their borrowers' data and integrity of their loan files will be protected. For this reason, the engineers of Floify equipped the platform with highly secure methods of document collection, verification and cloud-based technology.

Another key factor that lenders consider when choosing technologies is cost. Floify was made available for monthly or annual subscription plans, and includes unlimited data storage, which enables lenders, bankers and mortgage brokers to scale their businesses without incurring additional expenses.

Another increasingly important consideration lenders have when choosing point-of-sale technology is the ability to improve the borrower's experience. To address this need, Floify includes an intuitive, interview-style, digital 1003 mortgage application, which is fully embeddable on any website, and instantly syncs borrower data with their respective loan file. This functionality means lenders can create a branded and seamless mortgage experience starting with the moment their borrowers begin the application process. Floify was also designed to keep borrowers and other loan stakeholders immediately informed of changes in loan status via automated email and text updates, alerts, and notifications.

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Lastly, lenders need technologies that are device agnostic and capable of working seamlessly with other technologies. In response, Floify has been outfitted with mobile apps for Android and iOS devices, which allow more tech-savvy borrowers to securely access their loan information and upload supporting documentation from anywhere. Floify is also capable of integrating with dozens of third-party technology and service providers, including Dropbox, Slack, DocuSign, Byte, and LendingQB, as well as dozens of credit reporting and VOE/VOA/VOI solutions.

Measuring the ROI of Automated Point-of-Sale Technology

Since launching in 2013, Floify has seen widespread adoption of its industry-leading mortgage point-of-sale platform, with its user base skyrocketing to more than 1 million users worldwide. Every month, more than 55,000 loans are originated through the Floify platform, which equates to nearly $15 billion in loan value – numbers that continue to grow as more lenders integrate the Floify platform into their mortgage operation.

Of course, the popularity of a specific technology alone does not necessarily mean a lender will save time or money. Having a relatively large client base, however, does provide the opportunity to measure the impact of Floify's automation capabilities. Because of this, a survey was commissioned of Floify users to identify and quantify the benefits of using the platform among mortgage lenders and mortgage professionals.

Mortgage lenders, mortgage brokers, bankers, loan processors and office assistants took part in our survey, which was conducted in Q3/Q4 2019. Survey participants were asked specific questions about their use of Floify's automated point-of-sale platform, including whether it was helping them save money, time and increase efficiency. Participants were also invited to submit comments in their responses.

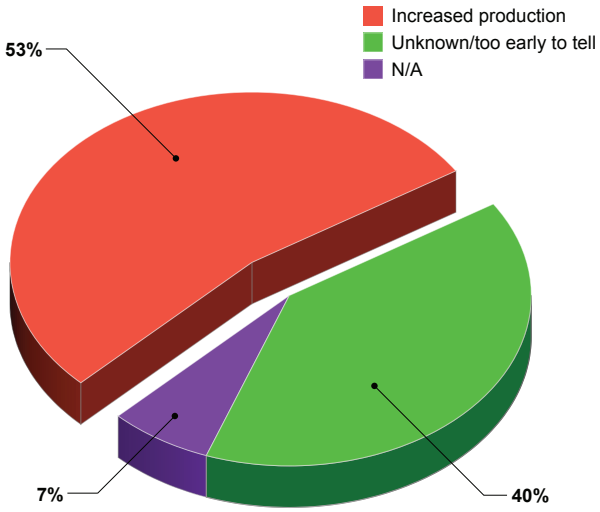
Survey results were broken down into three core areas:

- Loan production
- Time savings
- Efficiency

Production Increases of 20–50%

Floify's pricing model is unique to the mortgage industry. While many competitors in the space require loan originators to pay a fee for every closed loan, Floify offers multiple pricing plans, including Business, Team, and Enterprise, for either a fixed monthly or annual fee. The intent behind Floify's pricing structure is that clients are not charged a fee on a per-loan basis, so they are never penalized for higher levels of loan production. The purpose of this pricing structure is to enable a lender's ROI to increase as its volume increases, helping to make their mortgage operation even more profitable.

According to our survey, 53% of all lenders said Floify helped increase their annual sales volume. 40% said they weren't sure whether Floify was helping their loan production; however, among this group, a significant number left comments stating they had not been using the platform long enough to measure its impact on volume.



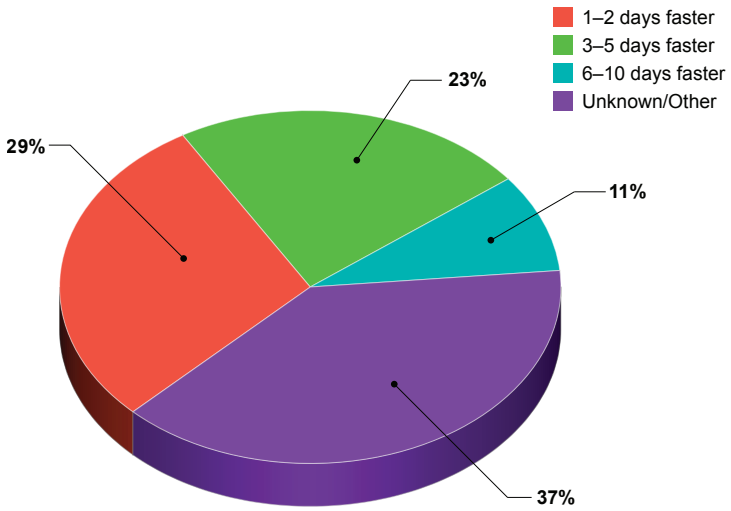
Among lenders that saw an increase in annual loan volume as a result of using Floify, all but one realized at least a 21% increase. One lender said Floify helped them become more efficient, which resulted in a doubling of their loan volume.

These responses align with the results others have seen with the platform, such as Calum Ross, Principal Broker and Wealth Advisor at The Mortgage Management Group, who signed up for Floify in 2015 and has since seen his mortgage production increase by 65%. "I have averaged over $165 million in personal

production and never had to email a client for documentation," Ross said. "The $50 monthly subscription cost contributes to my revenue of over $100,000 per month."

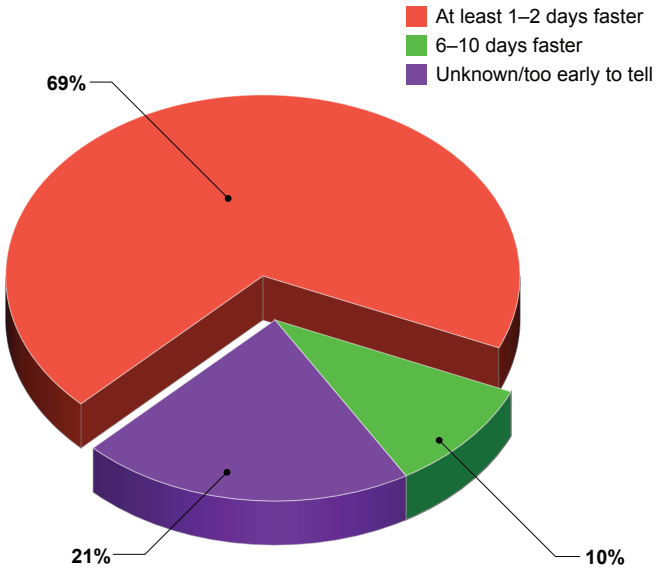
Massive Time Savings

With Floify's mobile-responsive point-of-sale and accompanying mobile apps for iOS and Android, both lenders and borrowers are able to upload, download, inspect, and approve sensitive documents from the comfort and convenience of their desktop, laptop, or mobile device. According to the survey, this innovation has helped loan officers cut mortgage processing times by more than 50% and double the productivity and profitability of their operations.



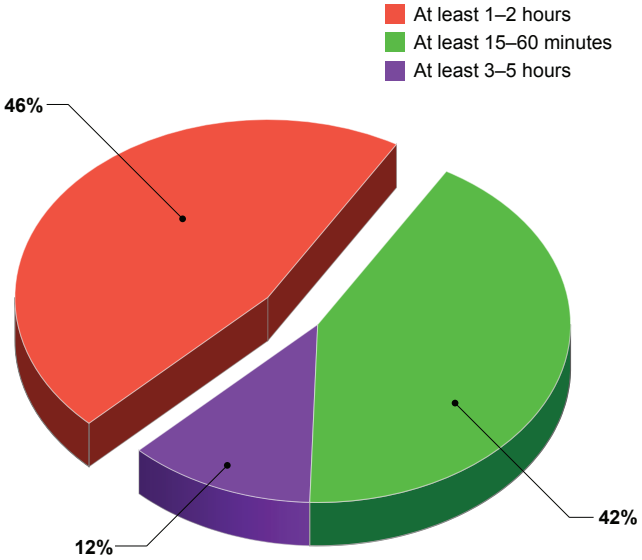
According to our lender survey, 29% of Floify users said they were able to close loans at least 1–2 days faster, while 23% said they were closing loans at least 3–5 days faster, and 11% were closing loans at least 6–10 days faster.

Among mortgage lenders, 69% said they were closing loans at least 1–2 days faster, while 10% said they were closing 6–10 days faster. It bears mentioning that, when asked, "How much faster do you estimate you are able to close loans by using Floify," roughly one-quarter of respondents said, "I don't know." Several respondents stated that they had not used the platform long enough to adequately measure its results in time savings.



We also asked respondents how long they spent originating a single loan. More than three-quarters of mortgage professionals, or 78%, invested 5 hours or less on every loan. We then asked how much less time

respondents spent working on each loan file since using Floify. Almost all respondents reduced time on their per-loan file work. 42% said they saved between 15–60 minutes, while 46% said they saved at least 1–2 hours. 12% of respondents said they saved at least 3–5 hours per loan file.

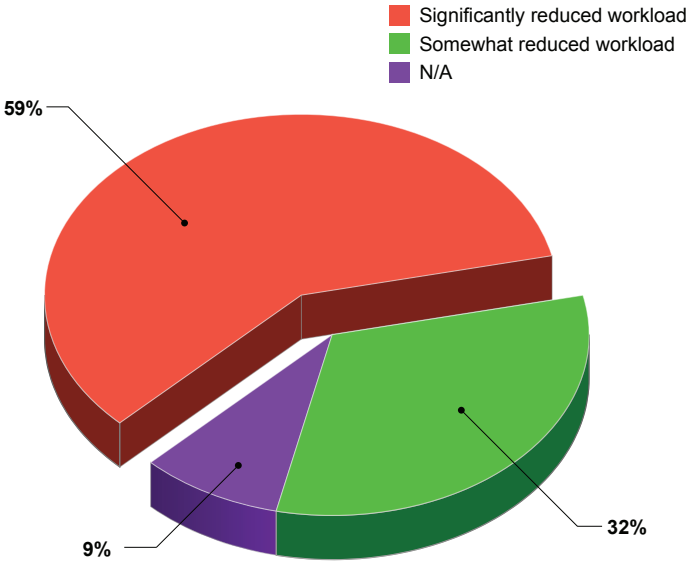


Given that most survey participants spent under 5 hours on every loan, we found the time savings most participants realized when using the Floify platform to be significant, as nearly half of all respondents were spending 20% less time in the loan origination process.

Increased Efficiency and Reduction in Workload

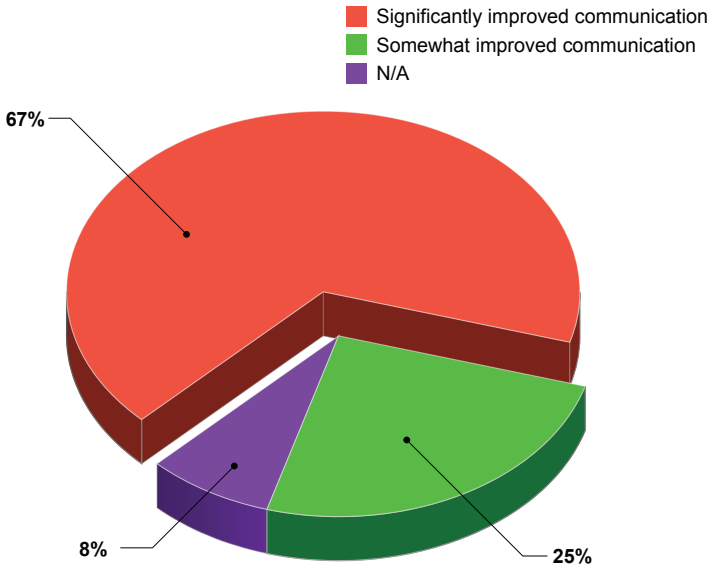
Prior to the days of digital mortgage automation, exchanging sensitive documents via fax, email, and snail mail was commonplace. Unfortunately, these old school methods of document sharing are riddled with security concerns and increase the possibility of mishandling, misfiling, or even theft. Floify's secure digital document sharing and storage portal, combined with intuitive communications and notifications functionality, were designed to reduce per-loan workloads while ensuring loan documents never got missed or mishandled.

When asked, "Has using Floify helped reduce your per loan workload?" 59% of respondents answered "yes," and an additional 32% answered "somewhat." Mortgage brokers were most likely to agree that Floify helped their workload, with 96% responding it had improved efficiency at least somewhat. Commented one mortgage lender: "We could not handle the capacity of loans if it were not for Floify. Previous to Floify, we would close 8–14 loans per month. Now we can easily close over 20. Floify just manages borrower paperwork more effectively."



Nearly two-thirds of mortgage lenders that participated in the survey and 60% of all survey respondents also found Floify helped better prepare borrowers for the closing process. As one mortgage broker commented, “We are not scrambling for documents at the last minute. Borrowers are aware at an early stage of what docs are required and can gather them.”

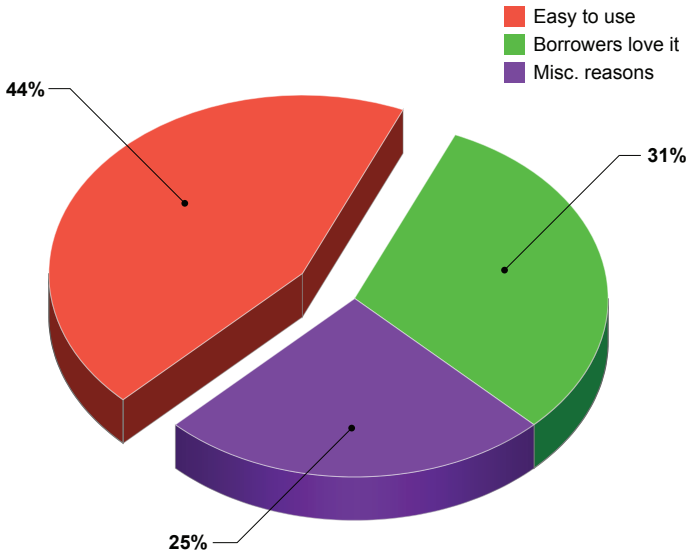
We also asked participants whether Floify made it easier for them to communicate with borrowers and third parties, such as the borrower’s real estate agent or title company. 67% answered “yes,” while another 25% said “somewhat.” One mortgage broker commented that with Floify “it is easier to stay on top of docs owed and consequently easier to keep borrower and third parties informed.” Another lender commented, “My Realtors absolutely love it!”



What lenders like most about Floify

Among all survey respondents, when asked what they like best about Floify, 44% of respondents cited that it was easy for its sale team to use, while 31% said “our borrowers love it.”

Such comments mirror the experience of other Floify users, such as Alex McFadyen, a top-producing mortgage professional. “Floify helped separate me from a lot of the other mortgage brokers and any other people in my field who were sending manual updates and manual emails... It has allowed us to leverage our staff more efficiently and more effectively than we had in the past. As a byproduct of this result, Floify allows us to go and focus on the activities that grow our business.”



Conclusion

The challenges lenders face when choosing a technology strategy will likely never disappear. New regulatory challenges and competitive pressures, along with the constant introduction of new technology products and services, all but assure us of this fact. Before selecting a technology, however, lenders should be encouraged to ask providers for proof that their products and services can produce the results they are seeking.

As our survey has found, the ROI of automation is clearly measurable. When using Floify to facilitate the mortgage process, we found the average user was able to close loans at least 50% faster while simultaneously reducing their workload, increasing annual loan volume and improving profitability – all while dramatically enhancing lender-borrower communication and overall satisfaction with the mortgage process.

About Floify

Floify is a digital mortgage automation and point-of-sale solution that streamlines the loan origination process by providing a secure application, communication, and document portal between lenders, borrowers, referral partners, and other mortgage stakeholders. Lenders use Floify to collect and verify borrower documentation, track loan progress, communicate with borrowers and real estate agents, and close loans faster.

To learn more about the Floify platform, or to schedule a demo, visit **floify.com/demo**.