



matchbox (Op)erations (Ed)itorial Page
Thoughts and Observations on the Mortgage Industry
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matchbox consulting services - we speak mortgage...

Welcome to the second half of 2015. As we are thick in the midst of summer vacations and volume holds steady in the face of rates creeping up, it is time a good time for some self-reflection. We are sure most lenders are ahead of production and profitability goals which is a great but there are some items that should not be lost in the high-gives and pats on the back. It's our job to keep lenders forward thinking and protect themselves from future challenges or exposure. Where are you with your 2015 goals/projects? Have they been put on the back burner in lieu of supporting the added volume? The market helped lenders in Q1/Q2 but is posing challenges for the second half in the form of TRID and a rising rate environment, both of which will have an impact on both volume and profits.

What is the company strategy on staffing? Talent is scarce these days and it is good time to be a good underwriter; so what if volume drops? Have you improved your overall talent level this year? Lost in the TRID rollouts are many workflow and technology improvements that can be made. These all need to be addressed with talent. Are you adjusting your model with the best talent or just slotting the personnel with capacity for the new roles? These are just some of the questions that lenders should be asking themselves in meetings in addition to discussing the growing pipeline. Successful companies continue to look to the future while keeping the eye on today. We are in the second half of 2015, will it be as rewarding as the first?

I sit here writing to you today in preparation for my first half ironman triathlon this month. While this is not that important to you and has nothing to do with Mortgage Operations, I often find ways to convey my thoughts through life experience. While this race was a fear at the beginning of the year, it is now something that I am looking forward to, and hopefully

finishing. In one of my morning runs, where my mind often wanders, I began to equate my process of getting ready for the race to challenge that lenders have in preparing for TRID and believe it or not, there are bunch of similarities. I am not sure I will do a great job in connecting these two but here goes...

Preparation is key

There is no way that I could have been ready for this race if I started training this week or even a few weeks back. I had to begin training for a race in July in January to prepare my body and mind. In case you did not hear, the TRID implementation date was pushed back from August 1st to October 1st and then to October 3rd. I can confidently say that very little, if any, company's would have been ready by August 1st and the CFPB responded (even if they are classifying the delay as a technical oversight) and provided us with additional training time to get ready for the changes. I have seen some smart companies hold serve, moving forward as if the deadline was August 1st and I have seen others take a deep breath and say they will start looking at this again around Labor Day. Whereas I thought that the Aug 1st date was too early for multiple reasons, I do think that the October 3rd date provides a good amount of time to allow all lenders to prepare for the upcoming changes. If lenders are not ready by October 3rd, it will be their own fault.

Make a plan, and follow it

Prepping for the race required a plan of specific workouts to get to a point where you should be prepared by race date. Unlike TRID, there are multiple plans out there for this purpose but the thought process is the same. You should have developed a TRID migration plan which should include a due diligence period, development changes and implementation, testing, training, feedback and responses, and finally implementation. These changes are not ones that you can pick up a few weeks before and make the required changes without wreaking havoc on your staff and clients. Lenders need to have an implementation plan that leads up to October 3rd. If you have not drafted this plan already, it should be completed in the next week or so. Once the plan is created, then you are ready to move onto the next key. Note: Lenders should really be working through the guts of their plan now leaving the next two months for final testing, training and revisions. Fail to prepare and prepare to fail, right?

You cannot do this on your own. I would not be here today in prep for the race without a good support team. My group continues to push me and holds me accountable to the plan of being prepared and getting ready. There were many dark winter mornings where I would have much rather rolled over and stayed in bed but I knew there were multiple people waiting for me which pushed me to get out and stick to the plan. TRID prep is no different. The TRID changes cannot be implemented by Compliance and Technology departments alone. While they are important pieces, there are other vital people that need to be involved in the process. Loan Officers, Processors, Closers, Secondary, as well as management members need to be involved in the implementation, providing feedback and most importantly partake in the training plan. If you are a member of these departments and not being asked for your opinion, get involved. Your opinion matters and no one person or department should be managing the TRID project on their own. Oh, and these other departments cannot be 'too busy' with volume to play their part.

Invest some time to educate yourself

If you have some time try doing a Google search with the word TRID in it and see how many options just come up in the selection window. There is more content and resources out there than you can read by October so take some time to read up on the changes and prepare yourself. Do not wait for the company provided training email or guide. You should have a base of understanding before this comes out and will set you apart from your peers.

Expect the unexpected

We could have the best training plan, execute it perfectly and could still wake up to a thunderstorm or get multiple flats on the bike. Lenders could plan and test as much as possible and still have unforeseen bumps come up in the road that will cause you to adjust strategies. During your testing and training phases, you should be looking into the 'what ifs' as we approach October 3rd. Take real life scenarios that you are working through today

and run them through your TRID meter and see where they come out. If it is a major issue today, it is most likely going to be a major issue in October. The better you are in looking into potential bumps, the better you will be. This goes for Secondary, Lock Desks, Compliance, Closing, Disclosures, etc.

In summary, we received an additional two months to train and prepare for TRID. We need to make sure that we take advantage of this additional time and prepare and train accordingly. Delaying the training regimen for two months would be a tremendous mistake. Do not squander this additional time by putting TRID on the back-burner again. There is a racing term called, "BONK" which occurs when you do not have enough nutrition and your body basically hits the wall. You have the ability to not BONK by October but will you?

For all of our Encompass clients, we have a [TRID based Encompass program](#) that we have put together to assist lenders in navigating this stressful time. If you have any questions or concerns please let us know. We are happy to help you work through the issues.



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