

Why just a reminder that you're receiving this email because you have expressed an interest in Matchbox LLC. Don't forget to add ffiore@matchboxllc.com to your address book so we'll be sure to land in your inbox!

You may [unsubscribe](#) if you no longer wish to receive our emails.

igniting ideas for the mortgage industry.

matchbox  
matchbox



ELLIE MAE

EXPERIENCE 18

The matchbox & Ignite teams are comprised of mortgage bankers who take pride in understanding the industry changes and being proactive in how these changes can be supported within your workflow and technology. We have been working hard at many new offerings that are due to come out at the Ellie Mae Experience this month. Please let us know if you would like to set up a meeting to review these exciting new offerings.

### **matchbox....we speak mortgage**

Two months into 2018 and feedback is varied about how the year has begun. Whether volume is up or down from a year ago, there is one constant; this year is all about boosting productivity. Everyone wants to get more from the same or a smaller pool of resources. Many are looking to technology as the key. We believe there are a few P's that can help your productivity. At some level, productivity can be measured by doing more with less, but it can also be measured by increased profitability and proficiency. Our success is centered around not just helping lenders with their technology initiatives but also these other P's.

Let's dig in...

## **Profitability**

There is no other key to profitability than Secondary execution and margin management. As rates increase, originators face tougher competition, both from a pricing and product eligibility standpoint. The Secondary Department has always been key, but this year it will be the foundation of a banker's year falling in the black or the red. In past years, Secondary Departments have been able to stay the course and play the "what's not broke, does not need fixing" card. Not this year, the pressure is on as each basis point counts and each deal counts. Pricing exceptions have never been more active and neither has the hustle to dust off forgotten products because a Loan Officer is asking and writing up a 180-270 day lock policy - fun times. From initial lock management, post lock change requests, price matches, free extensions (with rising rates), new products, loan sale execution, and loan delivery; Secondary management must be on its game this year. There are many areas to cover but here are a few items that every banker should be reviewing or aware of this year:

### **Secondary Policies -**

Lock policies and adherence to such. Most companies have nice, clean lock policies. Truth is that they are rarely followed and managed effectively. When volume is strong, exceptions and some sloppiness can be overlooked. With rates rising, competition is fierce and so are pricing exceptions which add up quickly. These must be managed effectively, within compliance and carefully reported. Loan originators need more exceptions and continue to pressure lenders to lower margins across the board. Now more than ever, it is important to keep the Loan Officer's happy. Do you have the tools to track the number of requests and how many are given? Who's asking for them and why? Do not wait to total at the end of the month. The longer you wait the more expensive it becomes. For those zeroing in on their BI tools, how many have KPI's on this?

### **Agency Approval and Utilization -**

Agency execution has never been more important. Fannie Mae, with its Day One Certainty program and Freddie Mac continue to lead the market in innovation and product offerings. They can and will continue to provide needed options to remain competitive in this market. If you do not have your agency approval, you are missing a golden opportunity to grow and become more diverse, both operationally and in execution. If you have your agency approval but are barely using it, what are you waiting for? Both

Fannie and Freddie have incredible technology offerings, support teams, continuously evolving product offerings, and great research. Retained servicing and co-issue engagements pricing can be competitive, especially based on MSR values in a rising rate environment. In addition, they have GREAT support teams. If you are not taking advantage of both entities offerings, you are swimming against the tide. Oh and let's not forget eliminating investor fees, greatly reducing the ever increasing warehouse expenses, eliminating overlays, and minimizing post closing workload. Remember our more with less theme? If you are interested in obtaining your agency approval or looking for ways to make better use of your agency approval with a financial model based on agency delivery, we can help. We have both agency application and agency modeling and implementation packages that can help lenders convert their execution to be GSE focused.

**Secondary execution** - This cannot be a black box that only the Secondary Manager holds the key. The process, options, and protocols for managing margins, investors outlets, and timing of trading cannot be left to a sole individual working behind closed doors or offsite. Hedge execution, retaining servicing, exceptions, products, and rate lock changes should not be one person's decision in this market. There should be a fully transparent understanding of market conditions and Secondary reactions to ensure there is a common goal and strategy between the department and management. Our Secondary Review process can provide a third part review of your Secondary process and provide an independent review of policies, procedures, reporting, and strategies. This could be the most important realization of the year.

## **Proficiency**

An intangible way to increase your productivity is by investing in the training of your staff. Inexperience leads to errors that need corrections, repeated calls to others for the same answers, and in the worst case real losses on loans i.e. CURES! When viewing processes in real time, the trickle-down effect of inefficiency can so often be tracked back to a lack of good upfront training. Now you may say that you have a training process with classes and everyone gets trained, but what happens when a new employee gets placed next to someone that is loaded with bad habits and becomes your new employees go-to person. You invested in the up-front training, only to have it unwound over time by bad seat placement or a branch that does things 'its own way.'" What's the opposite of doing more with less? Doing less with more, and that's a recipe for disaster. This flawed process will repeat itself

with a lack of a strong training program.

We see an overall lack of consistency on the Operational side of many lenders. The workflow varies from branch to branch and sometimes desk to desk. This lack of consistency and lack of companywide tools leads to a breakdown of how lenders assume they're operating and causes unnecessary road blocks for client experience and profitability. Ultimately, loans sit in processing and underwriting for longer periods. They take up more time in the hedge. They sit in Ops pipelines for longer periods...and more.



A good training program starts with a strong on-boarding process where each new employee gets trained on the company's policies and procedures. They are shown not just the "how" but explained "why". Supporting documentation should be readily available and dare we suggest videos? Employee education must be engaging and should never stop at on-boarding. It has to continue as the market, offerings, and your business model evolves. The staff needs to be molded to be in sync with the changes implemented by administration via continued, internal education. A proficient staff will bring a better client experience, a more efficient process from beginning to end, and a better working environment. A proficient staff allows lenders to do more with less.

A good training process is not one that just trains new employees. It is one that speaks to your corporate culture, promotes the benefits of the company while displaying why its offerings are the best. It is one that continues to offer innovative and interesting ways for your employees to stay engaged and make them want to be more proficient by increasing their knowledge, value to themselves, and importance to the company. An educated staff pays dividends that are not obvious, but it comes through to investors, vendors, and clients. By investing in a training program this year, you will be building a foundation for years to come.

matchbox University was created to assist mortgage bankers with

their training processes and engaging staff through education. Contact us today to discuss how matchbox University can help you set yourself apart in 2018.

---

**The Ignite team is in the development lab improving our current tools and creating exciting new tools for 2018. Call us today for a demo of our full toolset.**

matchbox LLC | Ignite Integration Solutions | [ffiore@matchboxllc.com](mailto:ffiore@matchboxllc.com) | [www.matchboxllc.com](http://www.matchboxllc.com)

STAY CONNECTED:

