



Borrower Communication Comes Of Age

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Recently, the Consumer Financial Protection Bureau announced a new electronic closing pilot program to allow consumers the ability to review mortgage documents prior to reaching the closing table. This follows closely on the heels of changes to Regulation B back in January that required lenders to provide borrowers copies of appraisals or other written valuations promptly upon completion. Add these to the existing regulations requiring documents to be delivered to the borrower within three days of application, and it seems that you are being asked to send information to your borrower at every turn.

The intent of these regulations isn't to just provide borrowers with the appropriate documents, but to give them time to review, analyze and ask questions. The last thing anyone wants is for the borrower to be surprised when they get to the closing table. An informed borrower is a happy borrower.

So how exactly do you accomplish this? The answer is with a secure communication platform. A secure communication platform allows you to not only deliver documents to the borrower throughout the entire loan process, but also allows for the borrower to securely ask questions and return documents back to you if needed.

When considering a secure communication platform, there are several things to consider. The first of course is security. While many lenders would never consider sending sensitive information via e-mail, it is amazing how many sensitive documents are delivered back to lenders in this manner. Paystubs, W-2's and previous year's tax returns all contain information that should never be sent via e-mail. Unfortunately, many borrowers have no other option of delivering this information back to the lender.

The next thing to consider is availability. Today's borrowers are always on the go. For any communication platform to be effective, it must be able to be accessed via mobile devices. By

making sure that your platform is mobile ready, you are assured that you can always reach your client, and more importantly, they can always reach you.

Workflow is another factor to look for in a communication platform. What happens if a request goes unanswered? What if the borrower doesn't consent to receiving their documents electronically? To stay compliant with all of the regulations it is very important to be notified when manual intervention may be required.

The last, but definitely not the least, thing to look for is a complete audit trail. Being able to produce proof positive that documents were delivered on time and that all ESIGN requirements were met, along with a history of messages exchanged between lender and borrower will keep you in good graces with your auditors.

As I mentioned earlier, lenders are being asked to deliver information to borrowers at every turn. By installing a secure communication platform you can not only meet both the letter and intent of these regulatory requirements, but make the entire loan process faster and smoother for the borrower.

About The Author

Randy Schmidt is President of Data-Vision, Inc. and is responsible for overall operation and strategic planning for the company. Randy became involved in the IT side of mortgage banking almost 30 years ago and has been involved in numerous projects on both the origination and servicing side of the business. In 1993, Randy co-founded Data-Vision, Inc., in Mishawaka, Indiana as a Web design company. He then combined his previous mortgage experience with Internet knowledge to bring the speed, power and availability of the internet to the Mortgage industry. He can be reached at rschmidt@d-vision.com or by calling (888) 925-8625.