

GOING GREEN

for the



By **JAMES HENNESSY**

Everyone is talking green, and it's not just because people are thinking about inconvenient truths, with all due respect to Al Gore. People are thinking green for many reasons and most of them revolve around money, or lack of it. People are more energy and waste conscious than ever before, thanks to our friends at Big Oil and Opec. It is a great time for originators to look at ways they can serve this growing awareness with products and services.

The two most evident categories for mortgage industry green-itude are in the ways we make loans and the way we market our services. Our worst waster of natural resources is in the way we make loans. It's also the worst money-waster and the place we look first for the maximum amount of green savings with the minimum amount of effort. It's paper.

Paperless Mortgages

By the time all documents for a loan are completed, 500 pages of paper or more have been used. We also know the mortgage process does not live by paper alone. Next time you make a Staples run, check the bill for all the things that go along with paper.

So, as you accommodate the baby boomer in your office who simply *has* to use hard copy paper files in order to process or underwrite a loan, keep in mind all that the paper file represents in cost and waste. In addition, going paperless and/or electronic is easier, faster and a lot less work. You are already using an LOS that starts you off paperless, and if you avoid the usual step of printing off the file's documents, you can keep it that way. You can load the LOS documents electronically in one of many paperless, Web-based programs that allow you to view the documents and perform basic workflows that can replace the checklists and status sheets you are accustomed to using. Many lenders accept and even insist on electronic submissions, having realized the deathtrap that is paper long ago, and uploading happens in moments—much more convenient than using FedEx and 100 percent cheaper. Additional supporting documentation is sent in by fax or scanned and uploaded to the electronic file, and when ready for closing, an electronic package is sent to the closing agent who then either prints it out for a live signature or if an eMortgage, has it electronically signed.

An interesting item about eSignings: they take about 10 minutes and are simpler than the paperwork for buying a car. There are typically no mistakes because of the nature of SmartDocs, and borrowers have a much more pleasant

experience. No more surprises at closing for borrowers because the data "travels" with the documents and when a data element is updated, so is the document, completely unlike a dumb piece of paper. And contrary to what you still hear, about half of the counties that see 80 percent of the recordings are capable of recording an eMortgage.


Green Marketing

When marketing your services, how much are you doing with e-mail versus paper-based means? Chances are your printing and mailing efforts are dwindling some, given the ease and economy of e-mail campaigns. Paper, printing and snail mail distribution is expensive and getting more so, making e-mail lists more attractive.

A Positive Cause for a Positive Image

Green businesses tend to get a lot of attention these days and how about the concept of mortgage originators getting *positive* attention for a change? As GreenBiz.com puts it, "While much of the focus on the environmental practices of companies has focused on large corporations, smaller firms, which make up 98 percent of all companies in the U.S., have a key role to play. Although they may individually be small resource users and waste emitters, they cumulatively are a force, environmentally speaking." GreenBiz and others have a wealth of free advice. EcoBroker (www.ecobroker.com) has established a regimen to complete before being certified as an EcoBroker. It's mostly aimed at real estate brokers, but it includes a wealth of energy and environmental information.

Some obvious eco-friendly options for mortgage originators include: reducing or even eliminating paper by going paperless, paper-light, or by originating eMortgages. Live recycling—use bins to separate paper, plastic and cans in the office. Aligning with builders who are building green homes, positioning yourself as a "green originator" who understands and supports their efforts. Supporting green causes, such as Earth Day. But don't just observe it—contribute your time in your community. Chances are you'll be the only green mortgage business there, and all those volunteers will need your services sometime.

Green makes sense both philosophically and financially. There are thousands of dollars in tangible, highly meaningful cost savings to be had, a good business differentiator to be leveraged, and a world to be saved. That's a lot to be gained from a single business strategy. 

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