

# Don't Ignore the Future of LOS Computing



By Daniel Liggett

A top concern for many lenders today is the cost of technology, both upfront and ongoing. Lenders interested in reducing the total cost of ownership should explore hosted solutions. Hosted Loan Origination System (LOS) solutions can provide all the functionality of traditional LOS applications. They allow access over the Internet and reduce internal IT requirements, all for a low monthly fee. Loan officers, processors, even back-office staff need nothing more than a PC and an Internet connection to have the best of both worlds: a fully-robust "desktop" application with the ease-of-deployment of a Web application. Leading hosted LOS solutions are secure, fast and offer lenders many advantages in front-end mortgage technology.

## Why Deploy a Hosted LOS?

A hosted LOS represents an important breakthrough in deployment, because it delivers the full flexibility and power of a client-based LOS via the Internet. An Internet-based LOS preserves the capabilities such as the ability to make changes via business rules. This flexibility is vital and provides lenders with a distinct advantage in the speed in which they can react to the changing lending climate. A Hosted LOS also has the ability to process any type of loan, including consumer loans, from the same system.

A centrally managed Hosted LOS provides instant access to staff from virtually anywhere, requiring only a PC and an internet connection to take an app, lock a loan or generate docs. Price, rates, and related updates from the home office are near instantaneous, giving loan officers a jump on the competition.

Hosted systems also offer a significant reduction in internal IT related costs. The need for servers, software and the trained personnel to maintain them is eliminated. Hosted systems use off-site technology to deliver fast, secure service with virtually no downtime. The ability to outsource the many tasks related to system maintenance alone is very desirable and significantly contributes to a lenders return on investment in a very short period of time.

By subscribing to a Hosted LOS, lenders incur a manageable monthly fee allowing them to easily budget for their lending technology. Historic costs associated with software, access, upgrades, servers, backups and support are all included.

## How Does a Hosted LOS Work?

Desktop applications pose a deployment challenge because the application software has to be installed on every PC. Despite this requirement, lenders historically accepted this burden for the superior performance and ease-of-use that desktop applications provide. But now, thanks to "virtualization" technology, desktop applications no longer need to actually reside on a PC.

In house or third-party hosting services provides the servers, databases and Web portal (which allows for full-function Internet access). Users simply click on a specific URL, log in and start working. They also handle the security, data backup, redundancies, and software upgrades to provide service without interruption.

## Benefits of a Hosted LOS

A Hosted LOS provides all of the functionality and flexibility without the usability and/or deployment hassles associated with other systems. It can be customized just like traditional solutions. Screens, forms, reports, loan programs, workflow, data validation, etc. can be fully tailored to specific requirements. Loan officers are only a login away from all the tools necessary to perform all the steps involved in mortgage and consumer lending, from prequalification to post closing.

Plus, with hosted, there's no in-house computing infrastructure required, just a PC with Internet access. Smaller lenders have now leveled the playing field in terms of their ability to compete in terms of technology by employing a Hosted LOS.

Hosted LOS Technology offers lenders significant savings in many areas and provides them with many competitive advantages that today's lending climate dictates.

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