

Powering Today's Lender

SaaS Levels the Playing Field



By Daniel Liggett

A Service-as-a-System or SaaS LOS offering can level the playing field by providing lenders of all sizes with the power and functionality that was once only available to the largest national lenders. At a time when lenders are being inundated with managing and implementing new rules and regulations, their technology infrastructure costs and administration can escalate out of control.

Today's lenders need to maximize technology while reducing costs. A hosted LOS, deployed over the Internet, requires a modest up-front investment and provides manageable ongoing costs. The hosted environment assures lenders that the system can grow as their business grows and provide benefits previously afforded to only large lending operations.

Leading SaaS LOSs can have a dramatic impact on the service level lenders provide their borrowers. This is largely because process efficiencies often result in improved customer service. Updates, prices, rate changes and the like can be rolled out simultaneously and instantaneously, providing loan officers at multiple locations with the latest product offerings.

A SaaS LOS should offer the ability to be customized to the lender's requirements without the need for vendor involvement. This goes for any LOS, but especially a hosted one. Lenders who can quickly adapt to ever-changing market, product and pricing conditions possess competitive advantages previously afforded only to large lenders with deep resources.

A quality SaaS deployed LOS will guarantee lenders that their systems are in regulatory compliance. In today's lending climate, regulations, clarifications and adjustments are a frequent occurrence. This feature alone represents a potential huge cost savings. The burden to monitor regulations and perform the required fixes can be a large, sometimes underestimated, drain on a lender's resources.

The SaaS (hosted) deployment model levels the playing field by delivering advanced functionality in a cost-effective format. The LOS provider hosts and administers it on behalf of the lender, managing, maintaining and performing upgrades on the software and hardware. This significantly reduces the lenders IT infrastructure burden in terms of time, resources and ultimately, money.

Hosted deployment also fulfills redundancy, recovery and other business continuity requirements. All backup processes, on-site and off-site, are managed by the vendor, who also attends to ongoing data security. Hosting also permits the lender's staff to use the LOS from any location authorized by the lender.

The reduction or elimination of expenditures for hardware and software plus IT staff salaries result in a lower cost of ownership for lenders. Another advantage to consider is the notion that the infrastructure and security levels maintained by SaaS providers are of higher quality than all but the extremely well-capitalized lending institutions, and are available at a fraction of the cost.

Since Hosted LOS vendors charge a flat fee per month, lenders pay only for what they use. They are free to use as much or as little as is required. And the scalability of SaaS systems means incremental or large increases in demand for product are evenly priced. Lenders can plan for and react to changing market conditions faster and more affordably than with traditionally deployed LOSs.

A hosted LOS offers today's lenders countless advantages in terms of both time and money. It also allows them to compete on a level with the largest of lenders with much greater resources.

Daniel Liggett serves as Director of Client Services for Associated Software Consultants' PowerLender Loan Origination & Processing System. He has more than 20 years experience in mortgage lending and loan automation systems. Danny oversees the installation, configuration, training, support and project management efforts for loan origination at ASC and serves as a development and marketing advisor. Read his column 'Powering Today's Lender at: <http://progressinlending.com/powering-todays-lenders/>