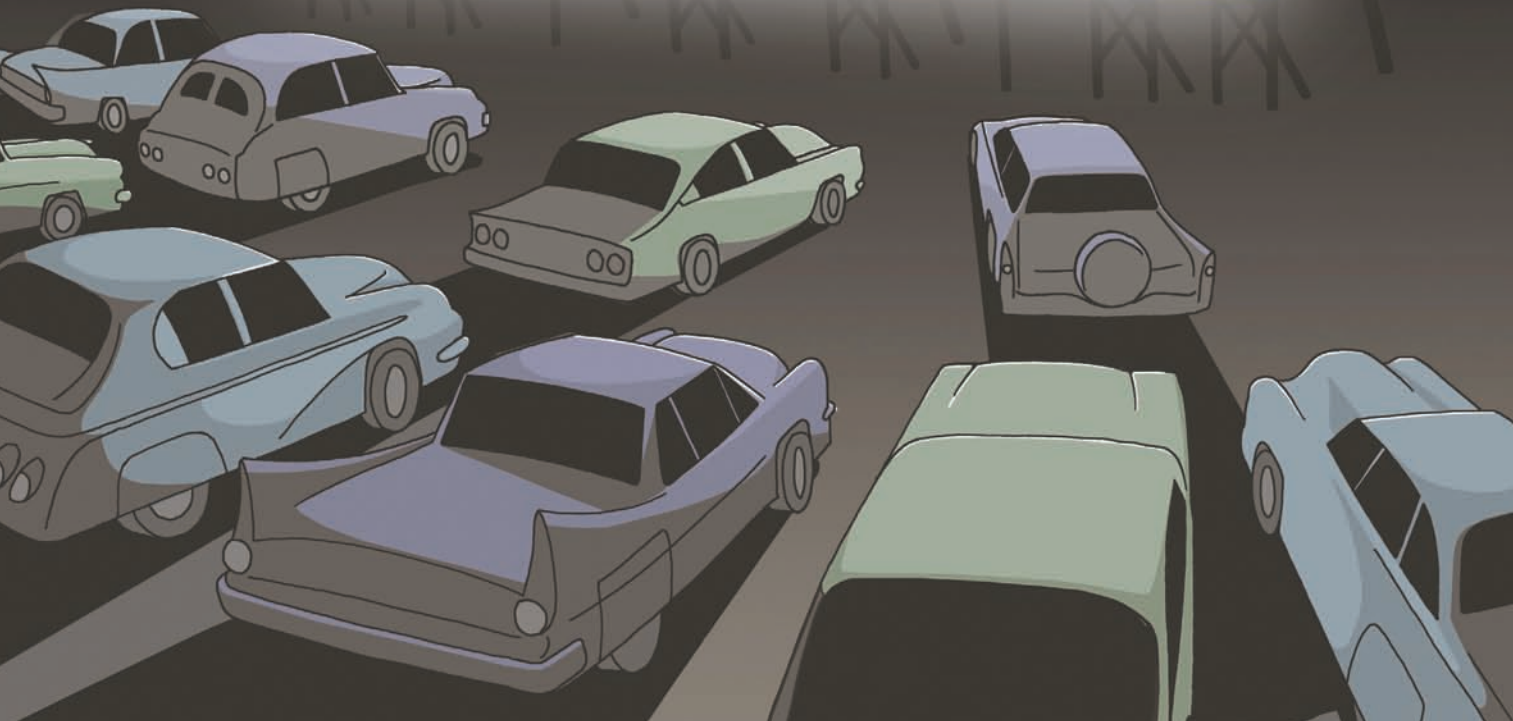
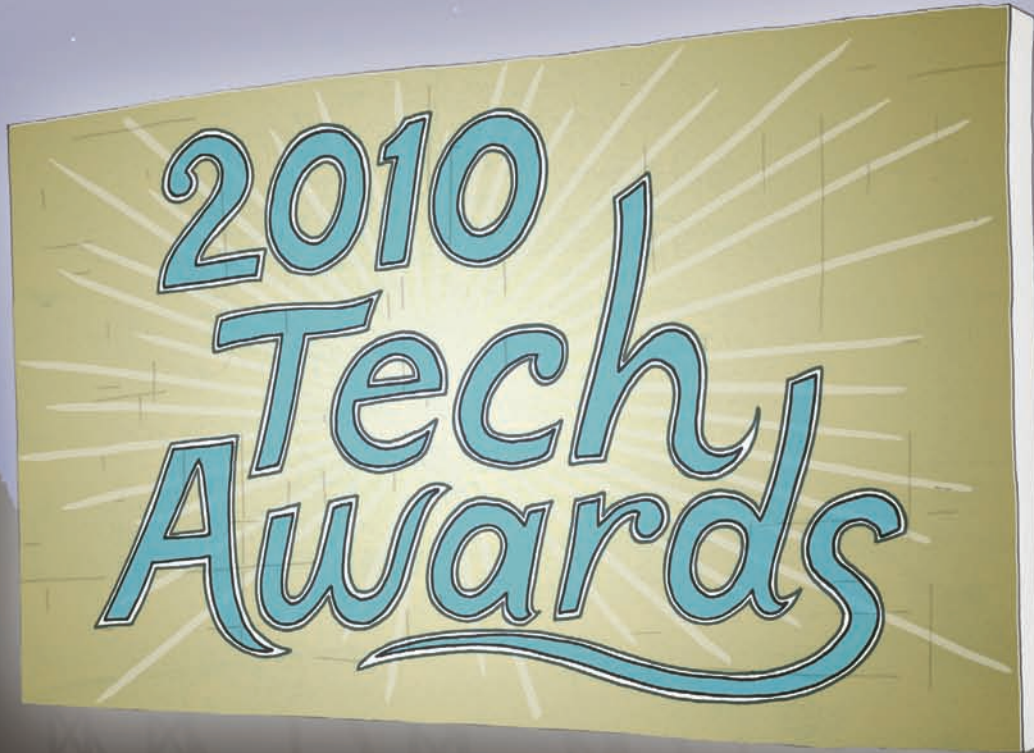




# MORTGAGE TECHNOLOGY



**T**he Innovative Lender Award goes to a lender that uses technology innovation as a way to be a market leader of the future. Our first winner is Torrington Savings Bank, a mutual savings bank and portfolio lender with six branches serving northwest Connecticut.

At a time when many of Torrington Bank's peers are struggling just to keep their heads above water as they cope with massive TILA changes, Torrington elected to embrace technology strategically by implementing an innovative Software-as-a-Service solution to lower initial costs of technology, lower infrastructure costs, enhance compliance, reduce downtime, and do more with less staff in a secure environment. "We strongly believe that this SaaS will be the technology model of the future that gives lenders of any size the ability to proactively lead the market," said Torrington SVP Jeffrey Geddes in Torrington Bank's awards contest entry.

With a \$428 million loan portfolio, Torrington originates around \$100 million annually. Not being a large bank with abundant IT resources, the bank was eager to leverage technology to level the playing field to compete with larger lenders. Torrington was faced with replacing an aging LOS system supplied by a vendor that was sunseting its system, replacing it with one that would require Torrington to purchase a server for the bank and another one for disaster recovery. Torrington elected instead to look for a hosted solution and settled on RemoteLender, a rebranded version of the hosted version of PowerLender released in 2009 by Middleburg Heights, Ohio-based Associated Software Consultants Inc. Hosted PowerLender is a robust Java-based system that runs as fast as locally installed software. Users log in via the Internet but they do not have to use a browser. With a minimal startup cost, the monthly subscription includes round-

the-clock customer support and interfaces to over 40 third-party service providers for flood, credit, title, AU, MI, compliance, doc prep, servicing systems and other services.

Torrington did careful due diligence in selecting an LOS vendor, one that would enable rules-based customization of the system to fit the bank's needs, and one that would have the patience to participate in on-site testing. "There are vendors that make unrealistic 'go-live' promises," said Geddes, "and we don't buy into that. Mortgage loans are not exactly cookie cutter." With readily available local support provided by reseller Specialized Data Systems, Torrington did careful testing. "You need to concoct seemingly crazy application scenarios, for instance multiple borrowers not all of whom are taking title, borrowers with more than two jobs, borrowers with a large real estate portfolio and with rental income and expenses on multiple properties. Applications that are not vanilla are the applications you will receive the first week you go live."

Torrington made wise technology choices by first figuring out what it wanted a new system to do. It shopped for a system "that was platform-neutral, standards-based technologies that enabled us to choose our operating systems, databases, content repositories and other system elements, and to upgrade any portion of our computing infrastructure as future trends dictate." The bank made sure that the business rules of the system were "easy to understand and help us customize every phase of our lending process," and could be modified as their processing requirements change. To make sure the system would help them build future business, Torrington picked one that "streamlines cross-selling and bundling efforts, helps us identify additional revenue streams, and consolidates business intelligence for future marketing initiatives." **MT**

### WE COMMENT:

Franklin American Mortgage Co. as a company with a number of internal technology initiatives. While the tide may be running strongly toward hosted systems, we salute Franklin American for rolling out an internally developed underwriting platform that accommodates all three of its national lending channels—wholesale, retail and correspondent. Franklin also is upgrading its imaging platform and leveraging an open-source rules engine to create workflow automation efficiencies across the enterprise. In Franklin American's development of technology to manage multiple warehouse lines, Motivity Solutions, a vendor partner, provided Franklin American Mortgage with an effective tool that enabled the lender to better manage this transition.