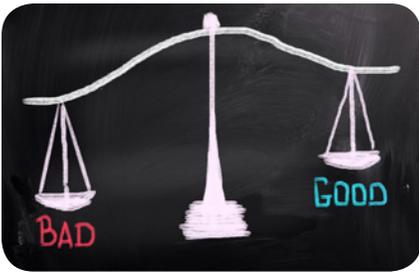




Post TRID – A Tale of Two Worlds

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A date which changed the industry forever. Are you doing well or is all hell breaking loose?

Having participated with TRID from the very beginning, through all the trials and tribulations of the writing, the debate, the CFPB eClosing Pilot, and the delay to October 3rd, I have heard so many different opinions that there's just not enough paper to write them down.

Much of this industry is confident they have this covered and that it's essentially a non-event. But then there's those who say it's a disaster! It's incredible to me that we even have people in both mindsets, who publicly state it's no big deal and then later cry in their beers about how terrible it is.

At the end of the day only one thing is for sure, TRID is well underway, whether you're ready or not. So let's take a look at the two possible situations you might find your business in today, then we can determine what you should be focused on next.

“I Was Prepared and It's Working”

Congratulations! How are you gauging that it's working? Because you are getting deals closed? Are you polling all the stakeholders to see how it's working for them? Has there just not been enough time to see how effective it is?

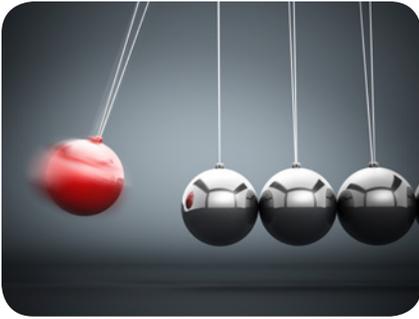
It's probably going to take until the end of Q1 2016 to understand the impact. But one thing is for sure, just because the deal is getting done, doesn't mean that it's going well. So ask yourself these questions:

- **Is it taking longer to get a deal closed?**

If it is, then it may not be going as well as you think. It's taking longer to pay the Real Estate Agent, and we all know that means they aren't going to be happy. It's not just good enough to get it done. We now need to watch closely to see how it is impacting that relationship. If the Real Estate Agent is unhappy in any way, they aren't likely to recommend you to their customers, and your business will suffer.

- **Is the Consumer satisfied?**

If you aren't measuring the satisfaction of the Consumer or



addressing their issues, you may find your name appearing in the CFPB complaint database. If the Consumer doesn't walk away feeling like you did a good job, how many people will they recommend you to? Zero.

- **How much is it costing to do the deal now?**

Just because it's getting done, doesn't mean that it's getting done profitably. You may find significant increases in costs that make this business unprofitable. How long will it take before you realize this is a trend and not a blip?

- **What is the impact on your partners?**

The same profitability holds true for your partners. You might be profitable, but they aren't. You would hate to see great partners fold in the middle of your growth, and it would be even more serious if this is a wide spread problem.

“I Wasn't Prepared and It's Not Working At All”

Oops! You are probably experiencing exponential impacts on your business, where not only can't you get the deals that you have done, but the deals keep falling apart half way through. My research suggests that there is a better than average chance that many deals will fall through in the middle, due to the fact that they're just not getting done in time to meet the closing date in the contract.

If you find yourself in the midst of this circumstance, you are faced with all the questions above, and you are at serious risk of losing your business completely. Unfortunately, we are seeing this situation as more often than you would expect, and in serious cases, Lenders who will likely cut corners to get it done on time, will result in issues down the road with the CFPB.

“How Do I Protect Myself?”

My recommendation is that you immediately begin an initiative focused solely on the Consumer, and protect that base so you have something to do business with. This would entail the following key objectives:

- **Reduce costs of Mortgage & Closing**
- **Increase Revenue**
- **Closing Process Control and Standardization**

- **Measure Consumer Satisfaction**
- **Align with CFPB Values: Education, Participation, Transparency, and Fairness**
- **Turn what has been deemed an “awful process” into a “celebration,” making it easy for Consumers to do business with you**
- **Create Customers for Life**
- **Offer something that Millennials want**
- **Manage your Partners actions; know what they are doing**
- **Market your capabilities to Real Estate Agents; make them want to do business with you**

By focusing on these topics as soon as possible, you will begin to create separation between your business and everyone else in the industry. The change is just beginning and we as an industry must realize it is not a sprint, it's a marathon.

“The End of the World”

If you find yourself in the worst of all scenarios and you cannot see any light at the end of the tunnel, there are things that can be done to get you through this. My suggestion is to get help, and do it today. Don't wait until the world is collapsing.

Pavaso is here to help and there isn't a solution or scenario we haven't considered. Call us and we will help you find your way forward. Right now, Pavaso has answers to the questions you haven't experienced yet. Let us show you the right way to not only succeed and get through this, but to become a market leader, because this is certainly not the same old Mortgage business anymore.





About Mark McElroy

After starting in Fortune 100 application development in 1984, McElroy moved to a partnership in 1996 at the multi-national SAP firm IT Services, Inc., where he helped grow the business to \$40M in annual revenues by 2000.

In May 2001, McElroy purchased RamQuest, Inc. with several other investors. During his tenure there as President and CEO, revenue increased 28 fold for 50 consecutive quarters of profitability, the user base exploded to 30,000 users nationwide, and several new products were developed and launched for the title industry.

In 2011, under McElroy's direction, RamQuest began to widen its focus and develop products and services for vertical real estate markets under the Guardian Consumer Services brand, which officially launched and separated in 2014 as Pavaso, Inc.



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