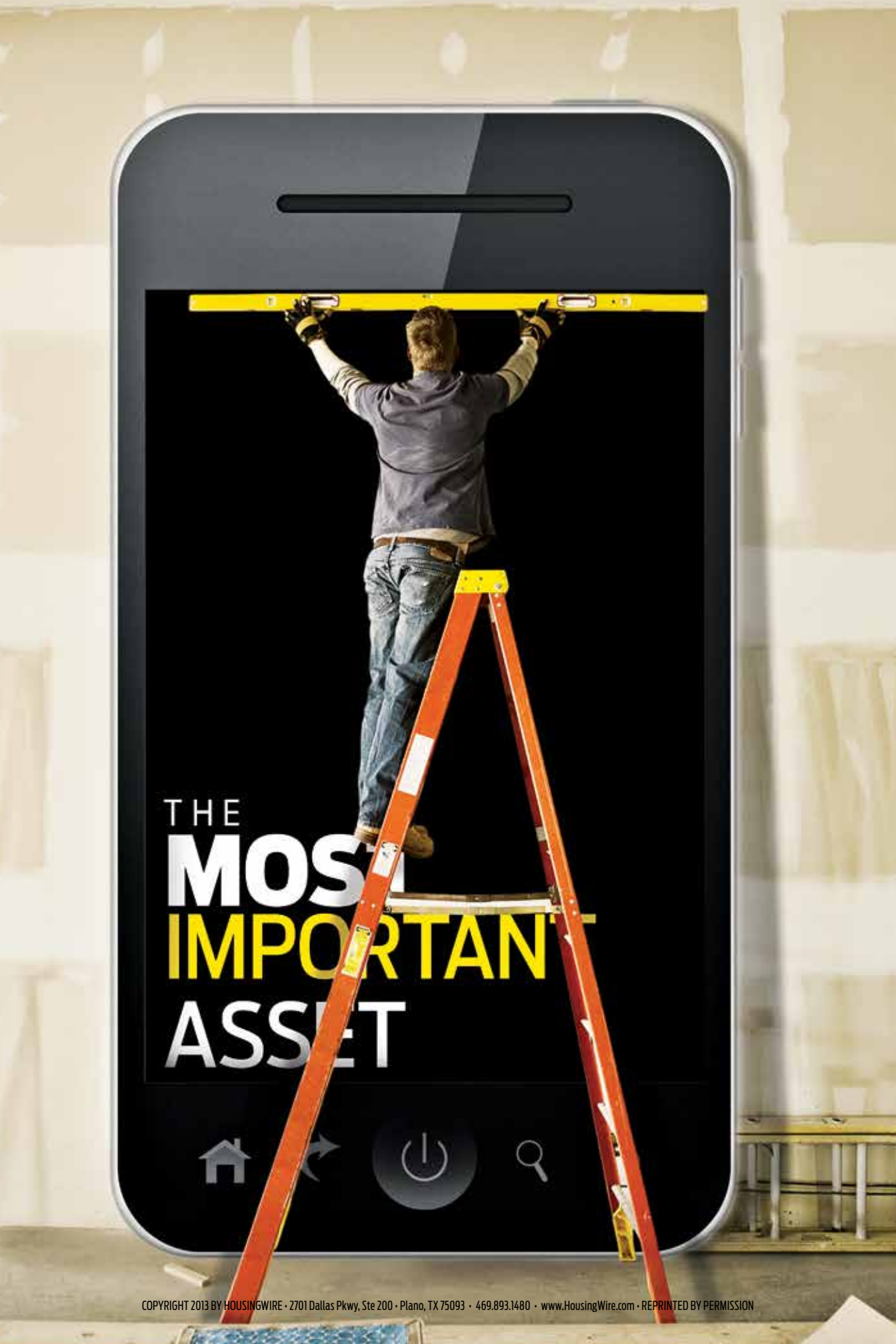
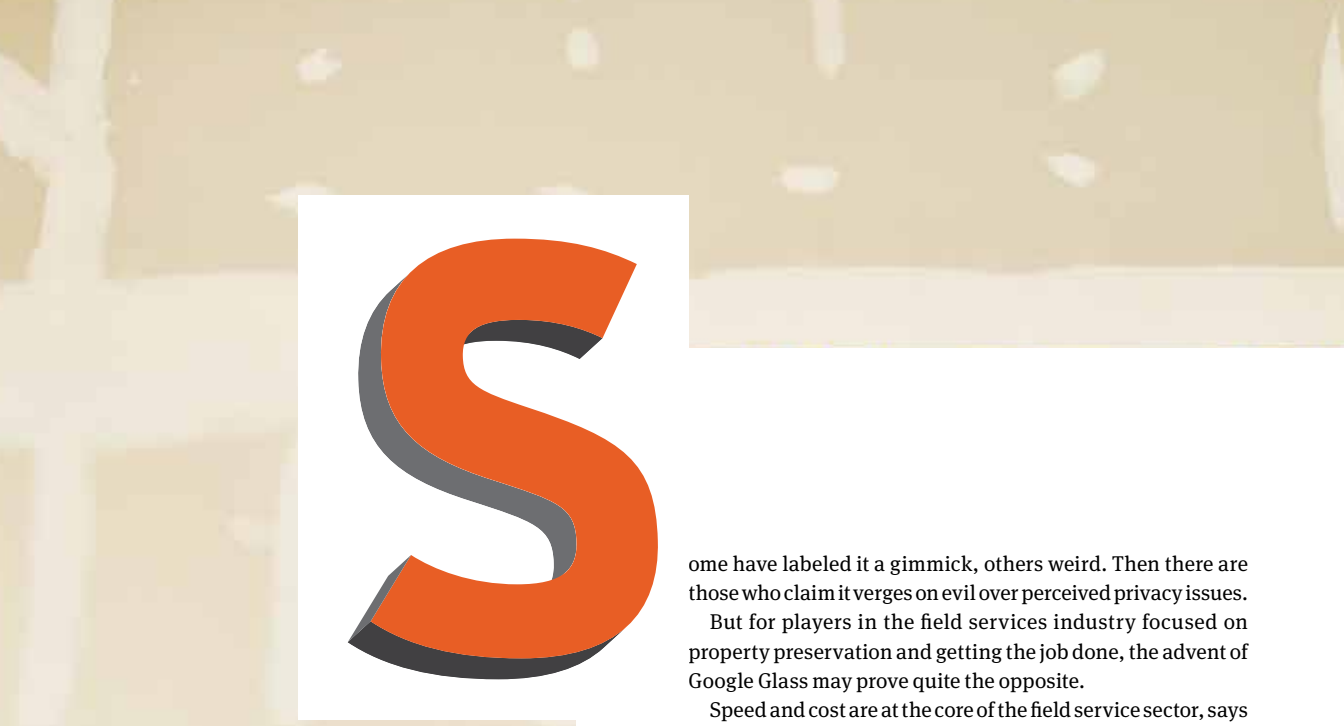
HW focus

HOUSINGWIRE'S CONCENTRATED LOOK AT INDUSTRY ISSUES
JUNE 2013 › **FIELD SERVICES**

A raft of new technologies strips days off property preservation work, transforming turnaround times, say field service practitioners

By Bryan Kay





ome have labeled it a gimmick, others weird. Then there are those who claim it verges on evil over perceived privacy issues.

But for players in the field services industry focused on property preservation and getting the job done, the advent of Google Glass may prove quite the opposite.

Speed and cost are at the core of the field service sector, says Eric Miller, executive director at the National Association of Mortgage Field Services. "The old mantra," he calls it.

Pre- and post-foreclosure inspections. Grass cutting. Snow removal. Trash outs. Window boardings. Swimming pool maintenance. Security checks.

In just a matter of years, the intelligence gleaned on these jobs has gone from notepad and pen plus days between information delivery, to quasi-real-time video and reporting to mortgage servicers.

So the promise of further reduced delivery times, cost savings and upticks in accuracy holds wide appeal.

Google Glass in all its space-agey computerized spectacle glory would represent another rung climbed on the technological ladder, transferring data from smartphones, tablets and computers directly into the view-field of wearers.

Already, smartphone and tablet technology has revolutionized the sector, spawning a slew of advanced applications that firms have been putting to use in a bid to boost efficiency. It's an advance propelled by the creep of advanced mobile networks and the falling cost of devices like smartphones. Almost everyone owns one, notes Chad Mosley, the senior vice president of business development at Mortgage Contracting Services, a Plano, Texas-based field services firm in the business for 25 years.

There is a lot at stake. Statistics indicate foreclosure inventory is on the downward spiral, but there were 1.69 million as of April, according to Lender Processing Services. The total noncurrent inventory has fallen below 5 million for the first time since 2008, LPS said.

Though it's not due out until next year, NAMFS, the industry advocacy group which counts servicers, field services companies, contractors and inspectors among its members, has requested a prototype of the Google technology. Miller says a "universal portal for delivery of work and results would allow individual companies to retain their identities while reducing errors and allow the focus to be on those properties that are truly exceptions."

"Google Glass is similar to the smartphone ability — a single device solution — but with the power to connect to end systems at the site, possibly saving data processing lag, as well as the benefit of flagging issues upon submittal which could

prevent return trips," the former LPS Field Services assistant vice president continues.

For now, processing lags and return trips to properties are among the glitches firms hope to weed out as they put in to practice their new mobile applications.

A LOOK AT WHAT'S NEW

In February, Ohio-based Safeguard Properties — the industry's largest property preservationist — rolled out its INSPI mobile application to "improve the efficiency and speed of field and insurance loss property inspections."

In April, Field Asset Services of Austin, Texas, unveiled its Flexible Mobile Survey, described as an advance on the company's FAStrack Mobile, a photo management app.

MCS, meanwhile, recently launched two new mobile technology solutions for use in the field: a free proprietary system called MCS Mobility and a third-party-provided app.

Mosley sees the tech advances as key to improving delivery time and accuracy.

"Now you have vendors in the field using devices that can inspect a property, upload the results, take photos, QC (quality control) it right there on the spot and electronically transfer that information right into our proprietary system, which then feeds into our client system," he said.

"So we're able to get information more timely and we're able to get more real-time information," Mosley said. "And then it also improves the accuracy when a vendor or inspector is at a property and is taking photos. They can use some of the geotracking to verify the right location; they can QC their photos right there and upload the results right there."

In the case of Safeguard, the INSPI technology could strip days out of a reporting process that involves thousands of occupancy inspections per day, says George Mehok, the company's chief information officer.

On a typical day, they might receive a work order from a servicer to verify occupancy, which would then be sent on to an inspector through the firm's "intelligent routing system." In the process, the order is prioritized in order of urgency, with routing instructions carried out by mapping technology.

"But what's really innovative about this is when they're completing the occupancy inspection — and in this case let's say last month it was occupied but this month it's now vacant — the system will, on the device, indicate if there is a discrepancy between the last inspection and the current inspection to ensure that the inspector is at the right home," says Mehok.

"In the past, there wasn't any real-time interaction between the systems, its information and the inspector. Remember, they would have had a white pad and a camera," he said. "So if, for example, the last inspector reported the property was occupied and it had a two-car garage and this time they report it vacant with a one-car garage, the system will automatically, on the mobile device say, 'Are you sure this is a one-car garage? Because last month it was a two-car garage.' The only reason that mobile device can do that is because it is fully integrated."

QUALITY CONTROL

Compared to the methods employed before, the new technology boils down to an on-the-spot quality check. That's huge, Mehok explains. "Let's take that a step further. In the old scenario, (the vendor) would have taken the pictures and sent the results that night to Safeguard. We would have then reviewed that order because our systems will auto-recognize that there was a two-car garage. So there is no problem. We have internal quality control."

In the final analysis, Mehok says, the time savings amounts to three days: the first lost because the inspector has attended the wrong property, the second due to the fact another visit is required to verify the correct house and the third is the time-lag between re-submission of results and Safeguard's review. Safeguard plans to extend its tech options with the release of a maintenance version called Vendor Web Mobile, now in beta mode.

Meanwhile, FAS lauds the customization potential of its new technology. This allows the firm, explained FAS President and CEO Dale McPherson in a recent press release about the system, to "move beyond generic work orders and drill down to specific details about a property that needs to be verified."

Clients, he says, "receive additional value because of the efficiency at which we're able to operate — days instead of weeks — from creation to deployment of the surveys, including delivery of customized reports in whatever format a client prefers."

NAMFS' Miller points out an industry-wide challenge — one that the likes of Safeguard and MCS say they are already surmounting — centers on technology that works across operating system platforms "for Android, Apple, Windows and Blackberry."

A CHALLENGING FUTURE?

But what if the falling foreclosure number statistics are prophetic? Does an industry that proliferated in tandem with the foreclosure crisis now contracts, with some players seeking alternative revenue streams? The executives are coy.

"Now you have vendors in the field using devices that can inspect a property, upload the results, takes photos, QC (quality control) it right there on the spot and electronically transfer that information right into our proprietary system, which then feeds into our client system."

— Chad Mosley, senior vice president of business development at MCS

"Regardless of what happens with delinquency and default trends, pre-foreclosure and post-foreclosure services will continue to be critical processes and FAS will be there providing next-generation solutions with our core real estate service products," said Paul Carlson, FAS chief operating officer, in a statement.

Mosley, of MCS, is more direct, painting a different picture of the foreclosure climate. "We haven't seen [a foreclosure wane] in regards to any type of trends in the amount of work. We're actually seeing quite the opposite. There's actually more inspections and more property preservation types of services that are being done right now."

Nonetheless, at Safeguard, Mehok says the same technology advances could be put to use in other "inspection-oriented lines of business."

At NAMFS, Miller — who speaks for practitioners both large and small — sees diversification as an opportunity to those only plowing the field services furrow. "There is also the reality that some may leave the industry due to a variety of reasons," he says, pointing to pricing, volume of work and the lure of previous employment or industries as possible exit points. Other opportunities might include consumer loan inspection, construction draw inspections, direct work with banks and brokers, code compliance abatement or even work as simple as handyman services, Miller suggests. "These are some that NAMFS has presented to our membership through our annual conference or webinars," he adds.

But, as things stand, thanks to tech advances, there are also new dynamics at work, says Miller. He highlights accuracy and auditability.

"By accuracy, I do not mean to imply old data was not accurate, just that there is now an ability to take this to a higher level, for example with geo-coding and video. Geo-coding can provide an increased level of certainty that the correct property was inspected or preserved," he explains. "Video can more accurately demonstrate the condition of the property and surrounding areas. As far as auditability goes, with the increased scrutiny and regulation, this is the new reality of mortgage field services."

Still, Miller says new technologies pose challenges, something that would likely steer minds should a device like Google Glass take off in the industry. "Technology does have limitations," he concedes, "one of which is time to market, and this is magnified in the current state since regulations are so fluid. This challenge has resulted in greater communication within the industry to ensure proper time for implementation of these changes to the various technology systems." ■