

As property technology innovation continues, field services companies must ensure they don't lose their commitment to the human element along the way.



As the U.S. economy remains strong, some experts predict that the housing market trends experienced in 2018—inventory shortage, rising interest rates, and rising home prices—will continue into 2019. They also predict that the number of people who choose to rent will rise as higher mortgage rates limit affordability when buying a home. Some people will

be financially unable or unqualified to buy and will have to continue renting. Defaults are projected to reach record lows, and some industry experts do not believe the U.S. will experience another foreclosure crisis anytime soon.

Economists and housing experts also predict that technology will have a significant impact on the housing market not just this year, but in the years to come. PropTech—short for property technology—will lead to significant innovations in the real estate industry. In the mortgage field services industry, a thriving economy and stable housing market have prompted field service companies to expand and evolve their services to meet the changing dynamics of the default and foreclosure market. Fewer mortgage defaults mean a significantly lower volume of foreclosed properties, and as volumes continue to decrease, field servicers must innovate to survive.

INNOVATION AND CUSTOMER COMMITMENT

The cliché that necessity is the mother of invention certainly holds true, as mortgage field services companies must now work to find ways to keep their businesses afloat. Often, they take

this downtime as an opportunity to utilize new technologies to improve processes and increase quality. However, the focus should not be solely on developing technologies. Field services companies need to ensure that they continue to provide optimum customer service and other amenities that foster good client relations to remain successful while default property volumes are low.

Over the past several years, the mortgage servicing industry and its field services partners have significantly benefitted from advances in technology. Mobile devices have completely changed the way field services companies do business, and they continue to help improve timelines and enhance the quality of the data submitted to mortgage servicing clients. Field services companies have taken advantage of the “smartness” of smart devices to build controls into their processes to ensure that work is done right the first time.

Another technological trend that helped propel field services is geo-location technology. When taking a photo with a mobile device, it captures the longitude and latitude of where that photo was taken. Field services companies have created applications to capture that data and apply it to the front-of-house photo requirement to ensure the inspector or vendor is at the correct property. If the photo is taken outside a pre-determined number of feet, it sets off a red flag within the app, prompting a request for additional location information from the vendor or inspector within the app. These apps also can collect date- and time-stamp data to help eliminate the possibility of vendors or inspectors accidentally using an old or duplicate photo.

Video and panoramic photo results to complement photo requirements for high-risk property conditions and integrated workflow systems are the latest innovations from the field services industry. Companies also are looking into using drones, and possibly robotics or artificial intelligence (AI), in the future. The industry has made great strides in using technology to generate more efficient results and improve the quality of services.

Field services companies need to refine and improve their processes as new technologies emerge. Technology has propelled the industry from notepads and waiting days for field results to mobile devices transmitting near real-time



ADAPT, EVOLVE, AND REMEMBER THE BASICS

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information. Some of the most significant advances are the quality and accuracy of the information being submitted and processed. The future of field services will continue to be influenced by emerging technologies. The key is how field services companies choose to employ it.

With all of these innovations, field services companies can get lost in building the most efficient or best systems, expending significant time and energy into utilizing the latest technology to improve their processes. While that, and technology itself, are not bad things, field services companies need to stay true to their roots and remain focused on client relationships. The latest gadgets and widgets that offer efficiency and automation do not provide that human touch that will retain clients and build better partnerships. It is the “family-owned” or “mom-and-pop” mentality, in addition to the one-on-one interaction, customer service, and additional communication that will keep a field services company thriving during the lull.

COMMUNICATION IS KEY

The practice of regular communication and providing fast and accurate information to mortgage servicing clients by field services companies is a critical component of quality customer service. With field service companies traditionally serving as the eyes, ears, and boots-on-the-ground for the servicing

industry, mortgage servicers have come to utilize their field services companies for more than just property preservation. Being aware of the additional resources companies can provide, servicers are now channeling them for information.

Effective communication and partnership are vital to ensuring clients remain up-to-date on disasters, industry news, and policy changes. Field services companies need to stay consistent in providing relevant, timely, and strategic information to clients, vendors, and the industry as a whole. They need to understand the challenges that mortgage servicers face in staying current, with frequent changes in the industry, investor and insurer guidelines, and a multitude of critical issues to assure compliance and reduce potential out-of-pocket costs.

In addition to general blasts of pertinent information to clients regarding industry news, legislative updates or policy changes, field services companies need to be better partners at identifying information relevant to individual client needs. For example, single vacant house fires often occur in many cities or towns across the U.S. The local news will report it, but how often does the mortgage servicer get that news, especially for occurrences in small towns or rural areas? Even if they receive the news quickly, they may not have all of the property information from previous inspections and work completed readily available. Field services companies should research the news for information on potential property damage and provide a report to the individual client with updated property results. This level of personal service and information is even more critical following a major disaster, such as a hurricane or the widespread wildfires in California near the end of 2018. Long lists of affected ZIP codes are readily available, but taking the next step to research damage at the individual address level provides the servicer with more targeted data and the ability to act quicker and make better business decisions.

Additionally, local governments across the country routinely draft and enact laws that directly impact the preservation industry, and field services companies should consider the importance of actively tracking relevant legislation. While servicers take the lead on compliance, proactive field services companies have an opportunity to serve as a secondary resource for acquiring critical information and taking the concept of protecting their clients’ interests to the next level. This includes not only arming servicers with legislative information

but also providing them with insights into the type of environment the legislation aims to effect. If any information brings to light an issue that servicers may speak to directly, an opportunity may present itself for them to get in front of the issue and reach out to that particular government.

Maintaining close working relationships with those government officials, in addition to investors including HUD, FHA, Fannie Mae, Freddie Mac, and the U.S. Department of Veterans Affairs (VA), is also imperative to remaining intimately aware of all new regulations and regulatory interpretations. As advocates for their clients, field services companies must proactively work with investors to develop strategies to improve operational efficiencies. Company leadership should be instrumental in assisting investors in creating rules and regulations that save time and money for both their clients and investors.

Other avenues created to foster constructive dialogue and provide better customer service within the industry include regular conference calls, webinars, and in-person events. Representatives from all facets of the industry, including the HUD, Fannie Mae, Freddie Mac, VA, mortgage field services companies, and mortgage servicing corporations should be invited to participate, providing attendees with the opportunity to engage in discussions that tackle the most pressing industry issues. By involving all facets of the industry directly through educational face-to-face presentations and outreach, field services companies can position themselves to successfully obtain and share information in near real-time for the benefit of not just servicing clients but the industry itself.

MAINTAINING BALANCE

While remaining innovative and embracing technology is essential for mortgage field servicers, companies need to walk a fine line and refrain from putting so much emphasis on it that it impacts customer service and the valuable relationships that have been built. Technology and customer service need to work hand-in-hand to ensure clients are receiving the highest level of service at all times. An automated system may be beneficial when working an order, but nothing is more critical than adding a human element to a business partnership. The most valuable assets at any company are the employees and, in field services, the inspector/contractor network as well. Offering additional communications or services that feature those assets will aid any company in remaining an industry leader, even when volumes decrease. **DS**