

Linking What Matters™

Linking you to the insights you need to move your business forward

2024
**ServiceLink State of
Homebuying Report**
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MOVING YOUR BUSINESS FORWARD

In this inaugural issue of Linking What Matters™ Magazine, we're focused on bringing you the insights you need to move your business forward. While volume continues to tick back up, competition remains fierce. Every transaction counts. Every consumer interaction is of critical importance. And you only get one chance to make a first impression. We wanted to deliver on our commitment to helping our lender partners reach their goals in a different format – by providing you insights in a tangible way. Something you can hold in your hands, read in-between emails or while on a plane ride to your next industry conference or client meeting. As you thumb through this magazine, you'll find insights direct from our in-house experts like Matt Woodhouse and Phil King, who discuss data collection and valuation products available to support your modernization initiatives (page 24). On page 5, we chat with Barry Coffin on the value of a comprehensive signing solution and why flexibility and transparency are key. Our flood experts, Natascha DeVries and Mike Hanson, tell us what we need to know about flood services today (page 28). And we also touch on some trending topics – manufactured homes (page 13) and consumer survey data that may change the way you think about how you're approaching homebuyers today (page 22). And much more. We hope you find these insights worthwhile. Thanks for giving our magazine a read.

◀ **DAVE STEINMETZ**
Division President, Origination Services

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From in-person wet signings to IPEN, RON and hybrid, it's good to have options that cater to varying borrower preferences. Barry Coffin discusses the why – and how – in this Q&A.

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Dive deeper into 2024 ServiceLink State of Homebuying Report findings.





**You can sign...
Where you want.
When you want.
How you want.**

One more way we're
Linking What Matters™

Learn more at ServiceLink.com

Linking What Matters™

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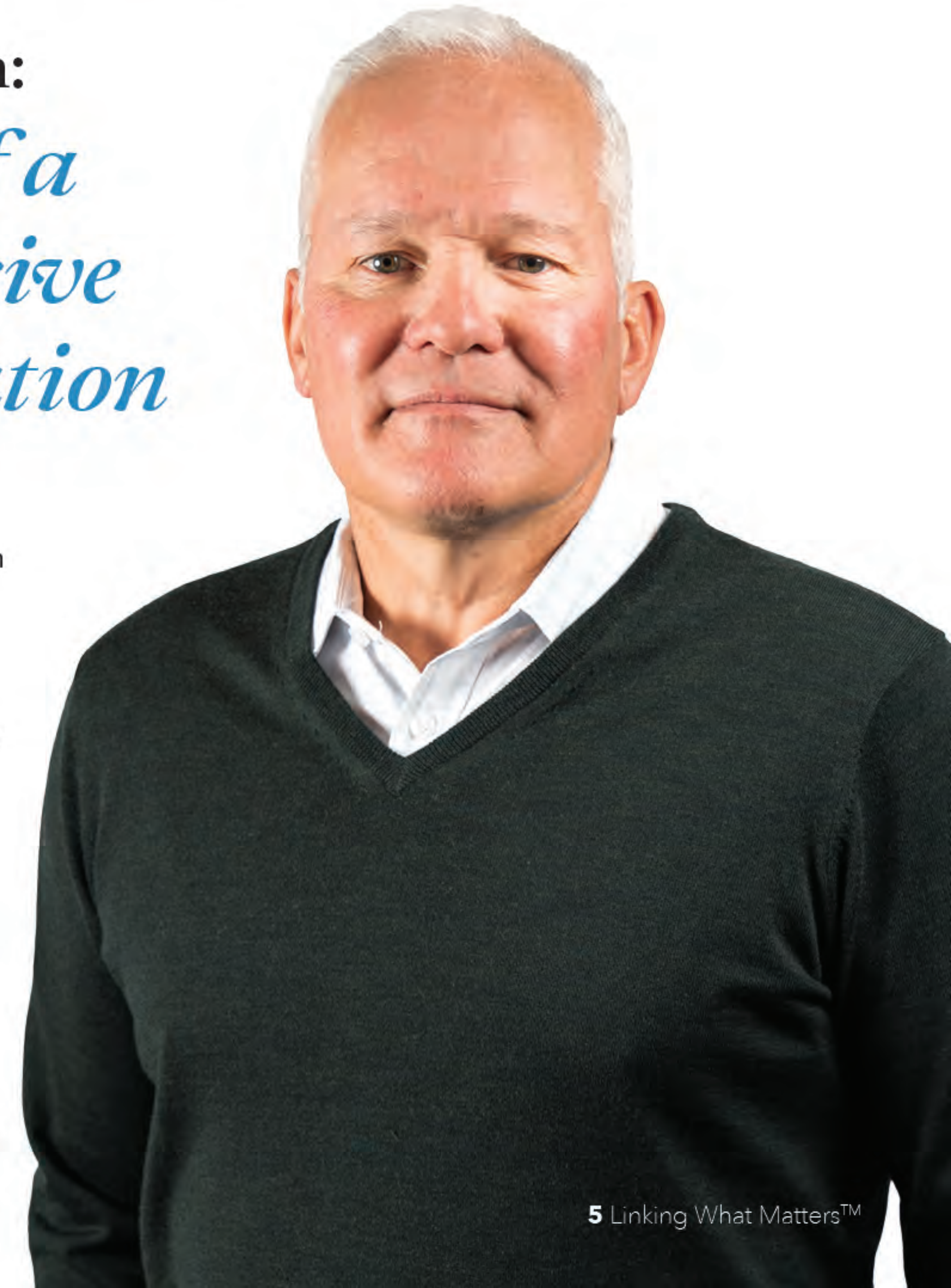


Q&A



with Barry Coffin:
*The value of a
comprehensive
signing solution*

Accommodating borrowers' varying preferences for signing their loans — from traditional wet signings to in-person electronic notarization (IPEN), remote online notarization (RON) and hybrid solutions — is fast becoming table stakes for lenders. Barry Coffin, managing director, home equity title and close at ServiceLink, shares insights into how working with a signing partner that covers all the bases can ease lenders' transition into virtual signing and deliver an exceptional customer experience.



Q: Does ServiceLink offer a comprehensive signing-only solution?

A: Yes. ServiceLink's streamlined signing solution simplifies and standardizes the closing process for purchase, first mortgage and home equity loans in all 50 states, and stands out from other options in several ways. Our advanced technology digitizes previously manual processes, including enabling consumers to control the timing of their closings through an easy-to-use solution. Our network of specialized real estate notaries and attorneys is experienced, accessible and held to the most stringent standards. And, we offer a full suite of in-person or virtual closing options.

Q: How does your solution support lenders looking to incorporate eSigning into their workflows?

A: Our vendor-agnostic, plug-and-play solution makes it easy to transition to an eSigning strategy, no matter where you may be in your modernization journey. Our proven network supports multiple signing programs for refinance, home equity and purchase transactions – including remote online notarization, in-person electronic notarization and hybrid signings. We can work with the doc gen and eSigning provider of your choice without disruption to your current workflows. For all types of closings, we closely manage signing agent professionalism, quality and performance through detailed score carding.

Our team also provides support as needed with your program management, training and launch. We

can help lenders transition to a more virtual closing experience. For example, some lenders prefer to start with in-person electronic notarization, which offers many of the same benefits of remote online notarization while still allowing for a face-to-face and/or in-branch closing experience.

Q: Can ServiceLink work with other title and escrow agencies?

A: Absolutely! Our vendor-agnostic solution is designed to fit into any processes you have in place. If you want to continue using your existing title and escrow providers, we will engage with them directly to ensure your closing processes are seamless and efficient.

Q: Does your signing solution work for home equity, refinance and purchase closings?

A: Yes. We know that your loan volumes and focus fluctuate with movements in the housing market. That's why we've built so much flexibility into our solution. Whether your current focus is home equity, refinance or purchase transactions, we can support your signings with agents who are experts in that particular area. This expertise, combined with the full range of signing options for both uninsured and insured title products, enables you to easily pivot based on consumer preferences and the market.



Q: How does ServiceLink's solution improve the customer experience?

A: When it comes to closing their loans, borrowers are straightforward about their needs: They want to get to the closing table quickly, have the assurance their loan documents are handled expertly and experience ease, transparency and seamlessness from start to finish. ServiceLink's signing solution helps lenders fulfill all of these needs.

First, ServiceLink's instant scheduling technology, EXOS® Close, empowers your customers to self-schedule their signings electronically at their convenience. After receiving a prompt to schedule via text or email, they can simply view appointment openings and select the time, date and location that work best for them. You have the ability to configure open appointments to your preferred date range. They then receive confirmation of their appointment, which includes the signing agent's name, photo, contact information and vehicle make and model. If you or your borrowers prefer, your representative can manage scheduling on their behalf using EXOS Close.

EXOS Close gets borrowers to the closing table faster – potentially cutting days out of the process – which is beneficial to them and you. Lenders that have integrated EXOS Close into their point-of-sale solutions have reported that almost 100% of borrowers select the first available date to close and reschedules are reduced by 98%.

Then, when signing day comes, the borrower benefits from working with knowledgeable, experienced signing agents, whether face-to-face or remotely. Every member of our dedicated panel has experience with real estate transactions, so they know how to ensure the signing process goes quickly, smoothly and with the utmost accuracy.

Finally, ServiceLink's closing processes, which include a rigorous pre-close quality check, dramatically reduce post-close document deficiencies and funding delays. 95% of executed closing documents are uploaded the same or next day. The process is swift, smooth and easy for the borrower, which leads to satisfaction, loyalty and referrals.

Q: What notifications are provided throughout the closing process?

A: You and your borrower will benefit from unparalleled transparency into your closing events. You receive notifications when the appointment is confirmed, when documents are delivered, when the agent checks into the appointment and when the closing is complete. The borrower receives instant signing agent confirmation, reminders on the day of the closing and a GPS-coordinated text notification that their signing agent is on their way, along with their ETA.

In short, ServiceLink brings decades of closing experience backed by proprietary technology, scalable processes and dedicated service teams to the closing table. Our unified signing solution fulfills the diverse closing needs of lenders and borrowers nationwide.

Barry Coffin
Managing Director,
Home Equity Title & Close



**Exceed the expectations
of tomorrow's borrowers**

Built with transparency in mind, instant scheduling from ServiceLink empowers your borrowers to digitally schedule their appraisal and closing appointments for the exact date and time of their choosing. Push notifications, customized to your liking, keep them informed along the way. Borrowers can also access information about their appraiser or signing agent, including their contact information, photo and car make and model, all within one easy-to-use platform.

Increasing transparency in the appraisal and closing scheduling process. One more way we're Linking What Matters™.



Learn more at [ServiceLink.com](https://www.servicelink.com)



The benefits of our enhanced ICE Mortgage Technology integrations – now with updated title/close offering

We're teaming up with ICE Mortgage Technology® to offer our unique real-time closing scheduling technology to a wider group of lenders.



“Lenders can now take advantage of ServiceLink’s unparalleled, proven tech-enabled services directly through Encompass Partner Connect without any additional work on their part.”

– Dave Steinmetz, Division President, Origination Services

Increased transparency, faster turn times and an enhanced consumer experience

The latest Encompass® integration for our origination title and close offerings brings increased transparency, faster turn times and an enhanced consumer experience to lenders of all sizes through ICE’s Encompass Partner Connect™. With the convenience of our instant scheduling technology, without leaving the Encompass® experience lenders will receive direct, real-time access to the calendars of our panel of highly qualified signing agents nationwide, allowing the lender or borrower to instantly book a closing, receiving confirmation that includes a photo of the agent and the make and model of their car, along with reminders and arrival updates. Orders can be made for either in-person or remote online notarization closings.

Access to this technology will save our lender partners days on the closing process, increasing flexibility, accelerating the ordering process and providing updates to improve transparency. Lenders can also access this scheduling solution for valuation orders. The integration features an easy onboarding experience for new clients of all sizes with streamlined order placement and the availability of self-onboarding with its one-click-and-you’re-in capabilities, giving new clients access to this technology within seconds. Trying our services has never been easier.

While our title and closing services were previously available on the Encompass platform, they now join our valuation and flood offerings in Encompass Partner Connect - the next generation of ICE’s integrations platform.

What our leaders are saying

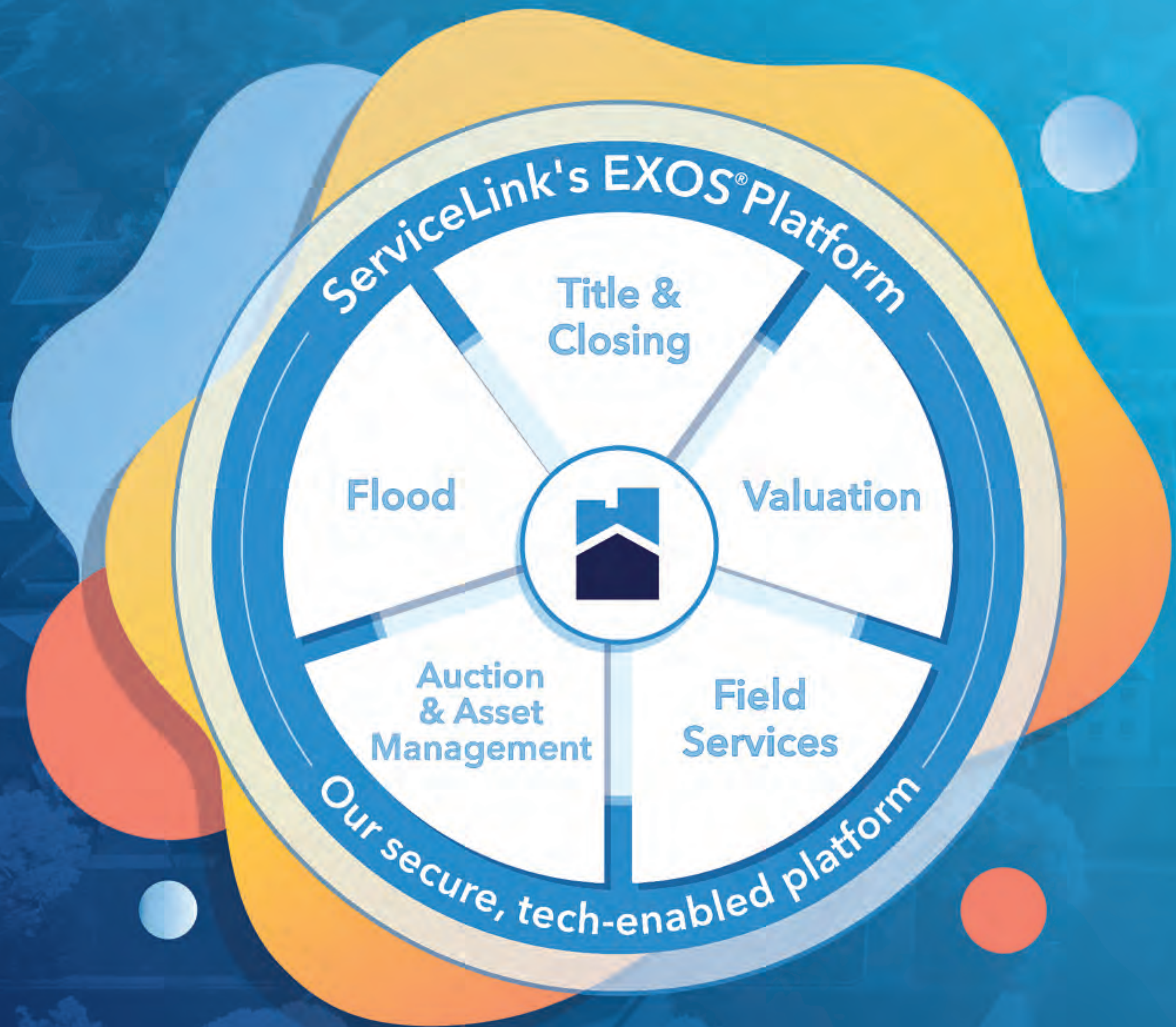
Our leaders are excited about the capabilities this integration offers to our clients.

As Kiran Vattem, executive vice president and chief digital and technology officer says, “ServiceLink’s integration with Encompass Partner Connect provides lenders with a reimagined, streamlined workflow where they can place an order with a single click, giving them access to ServiceLink’s unmatched instant scheduling capabilities. Right at their fingertips, they can onboard themselves, place an order and schedule a closing, with instant confirmation of the day and time. It’s quick, it’s seamless and it provides lenders with added value, saving them days on appraisals and closings, with greater transparency and enhanced consumer experience.”

Dave Steinmetz, division president, origination services, agrees: “Lenders can now take advantage of ServiceLink’s unparalleled, proven tech-enabled services directly through Encompass Partner Connect without any additional work on their part. This integration will increase efficiency, saving valuable time for lenders who can now build their processes with certainty around our top-tier technology. ServiceLink’s continued investment in technology is once again evident with this integration. Having direct access to our platform of services through Encompass is going to make a huge difference for lenders, as they experience the benefits of our calendaring technology.”

To learn more about our integration with Encompass Partner Connect, visit go.svclnk.com/servicelink-encompass.





Our specialized teams support our unmatched market diversification

We offer end-to-end services for every step of the mortgage process – including first mortgage, home equity and default.

Learn more at [ServiceLink.com](https://www.servicelink.com)



Manufactured homes present a new opportunity for homebuyers & lenders

As consumers see a more affordable path to homeownership, lenders see the potential for a new revenue stream.

Market conditions have made it tough for many consumers to achieve their homeownership goals over the past few years, as high home prices and interest rates, low inventory and bidding wars have stubbornly stood in their way. Manufactured homes are emerging as a viable, and increasingly popular, solution for first-time homebuyers as well as anyone looking for a more affordable option to traditional on-site building. “Manufactured home builders are stepping up to address the housing shortage and affordability issue to help satisfy demand for single-family homes,” says Dave Howard, executive vice president, origination services at ServiceLink.



*“While unit construction is nowhere near what it was back in the '90s, it has been growing steadily since the real estate crash of 2008. Our estimates, based on available data, reflect that **manufactured homes represent about 11% of the housing market right now.** As momentum continues, this market holds opportunities for not only homebuyers but also lenders looking for another potential source of loans.”*

— Dave Howard, Executive Vice President, Origination Services

Freddie Mac research confirms homebuyer interest. Notably, 68% of millennials and 62% of overall respondents to a recent Freddie Mac survey said they would consider purchasing a manufactured home in the future. Even more — 77% — shared positive sentiments toward manufactured homes, using terms including “efficient,” “affordable” and “easy” to describe them. It’s not surprising, then, that many lenders are giving

manufactured home mortgages a fresh look. Meeting borrowers where they are goes a long way toward building loyalty as well as revenues.

62%

of overall respondents would consider purchasing a manufactured home in the future

2022 Manufactured Housing Survey, Freddie Mac

The basics of manufactured homes

The term “manufactured home” includes both modular and mobile homes. In contrast to “stick-built homes” — wood-frame homes constructed on the property site — these homes are built inside a manufacturing plant or warehouse and later transported to the owner’s property. The controlled setting and production processes make them less expensive to build and less prone to vandalism than their stick-built counterparts. Plus, Howard adds, they take about 40% less time to build than a traditional site-built home.

Industry veteran Tamara Clawson, account executive, origination title and close, ServiceLink, explains the differences between modular and mobile homes: “Modular homes have a wood base frame. Section by section, they are placed on top of a trailer and taken to their respective properties for setup. Mobile homes, on the other hand, are steel-framed — the trailer is the base of the home — so it has wheels, tires and axles to transport it. Once the home is placed on the property, the wheels, tires, axles and hitch can be cut off and either removed from the property or stored under the home.”

Shattering myths, overcoming obstacles

For years, negative perceptions persisted about manufactured homes: They weren’t as well-built as traditional homes, wouldn’t hold up as well under severe weather conditions, weren’t considered “real property,” and offered their homeowners no choice in materials and options. And while some of those criticisms may have been true a decade or more ago, today’s modular and mobile homes have, in Clawson’s words, “definitely upped their game.”

“



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“In the past five to 10 years, the quality of the build has increased tremendously. The materials are high-quality, the homes are just as well-insulated as a traditional home, and manufacturers offer homebuyers customization options — marble countertops or brass fixtures, for example — just as they would for a stick-built home. As far as being considered a ‘real’ home or real property, modular homes are automatically considered real property, and mobile homes become real property through the titling and conversion process.”

Tamara Clawson

Account Executive,
Origination Title & Close

While homebuyer perceptions appear to be evolving, as evidenced by the Freddie Mac research, a January 2024 report by the Joint Center for Housing Studies of Harvard University cites a significant roadblock that continues to stand in their way: lack of widespread access to mortgage financing for manufactured homes. The complex and time-consuming titling process, which differs by state, discourages some lenders from offering mortgage financing for these home purchases. Susan Falsetti, managing director, origination title and close, ServiceLink, says, “More lenders are getting into this space. Those who are succeeding understand the differences of insuring a manufactured home versus a stick-built home, and have engaged experts in the titling and conversion process to ensure the work is done right. Manufactured home financing requires special care; taking shortcuts to get the loan closed quickly is not the right path.”

What’s different about titling manufactured homes

While modular homes can be titled as real property through the same process stick-built homes are, mobile homes must be converted from *personal property* to *real property*. This process can be quite different from state to state, Falsetti points out, and any number of variables can make it more complex and time-consuming. “If a lender is working with a title company that doesn’t take the time to make sure the title has been surrendered properly, they’re going to have a real issue in the event of a foreclosure. Doing the conversion correctly up front is critical.”

In short, manufactured home title processing entails first titling the home

in the same way a car is titled and then converting it from personal property to real property. Clawson explains, “The dealer who sold the home to the buyer provides them or their title company with the manufacturer’s statement or certificate of origin once the home is built. Depending on state, the title company then works with the buyer to apply for the title from the DMV, so that the home is placed in the buyer’s name, with or without a lienholder. Then the conversion process begins. Per state guidelines, the home’s vehicle title is canceled or deactivated, any recordable documents are sent to the county for recording, and the home is assessed with the land.”

Clawson details some issues that might arise in the event the conversion process is handled inappropriately:

In the case of foreclosure, if the home was not insured or converted to real property correctly, and the lender did not have clear title or full conversion of the manufactured home, they would not be able to foreclose because they did not have the vested interest in the home to foreclose upon.

In the case where the conversion process was never completed and there’s an open title at the DMV stating the home is in the previous owner’s name, that party could come back and physically remove that manufactured home from the property even though the new homeowner purchased it.

“Lenders should never look at a manufactured home transaction as just another purchase or refinance transaction,” Falsetti says. “This is a different, specialized process that requires people with the right expertise and experience.”

Partnering for success in the manufactured homes lending space

The right title partner can make all the difference to a lender looking to get into manufactured home lending, but it's important to understand that most title companies don't offer expertise in this area, Clawson says.

“ServiceLink is one of the few title companies that is willing to process and insure manufactured home conversions. We have a dedicated manufactured home team with decades of experience in processing these titles from point of purchase to real property conversion.”

— Tamara Clawson, Account Executive, Origination Title & Close

Adds Howard, “ServiceLink has not only more than two decades of experience doing manufactured home purchase and refinance transactions, but also a full-scale operation facilitated by technology that enables our team to be as efficient as possible. There are parts of this process that take a lot of time — dealing with local municipalities to get liens cleared, for example. Many other title companies have chosen not to step up to the challenge. We step up, not just doing the hard work, but also communicating with the lender and borrower so everyone understands why things are happening the way they are. As

ServiceLink lifts the burdens of time and complexity, lenders have an opportunity to establish new relationships as they tap into a new revenue stream.”

Falsetti says that having the right people in place is vital to ServiceLink's excellence in this space. “This process can be overwhelming for some borrowers, so having knowledgeable, patient representatives to help them understand the process and the nuances of their state, and explain that we will do the work on their behalf, reassures them at a time when they may be making the biggest investment of their lives.”

At the end of the day, Howard adds, it doesn't matter what type of transaction it is, whether a traditional site-built home, condo or manufactured home, there's a customer on the other end that needs to be cared for — treated with respect, expertise, transparency, communication and trust.

“Our ServiceLink team builds those things into all types of transactions — not just the easy ones,” he says. “From our perspective, there is always a person on the other end of that transaction who is trying to better their lives. It's not about the physical piece of property to them; it's a means to an end for something they want to do positively for their life. We approach our service with that in mind, never shying away from the difficult transactions, because we know we're making a difference.”

For more information on ServiceLink's title services and how we can support your manufactured home lending needs, visit [ServiceLink.com](https://www.servicelink.com).

A man and a woman are sitting on a bed in a room, looking at a laptop and a tablet. A dog is on the floor in front of them. The woman is wearing overalls and the man is wearing a t-shirt and shorts. They appear to be in a home setting, possibly a bedroom or a living area. The background shows a radiator and a window.

Innovation spotlight: Delivering a faster and more affordable home equity experience

How much home equity business can you handle? These two tools can help.

The demand for home equity products and services remains high, and borrowers have made their intentions clear: They want to work with lenders who can get cash into their hands fast. Lenders are giving themselves an edge in the competitive environment by adopting tech-forward solutions from ServiceLink that speed application to close and funding. That promise of speed helps lenders lock in potential borrowers early. Even better? They're cutting the cost of producing a loan in the process.

Two tools from ServiceLink have become a difference maker for lenders in the home equity space: tech-enabled title for home equity, using EXOS® Title technology; and Equity View, a three-in-one report that supplies lenders with all the information they need to underwrite a home equity loan. Each of these tools was designed to make the lending process faster and cheaper, supporting lenders' objectives of securing more home equity business, having capacity to process that new business and fattening home equity margins.

Tech-enabled title — Powered by EXOS Title technology

The refinance boom of the early 2020s was an ideal opportunity for lenders to give tech-enabled title services a try. Those who did found that ServiceLink's EXOS Title helped them accelerate qualifying loans by delivering title in seconds. Combining this time savings with efficiencies gained by using EXOS® Close, a platform enabling borrowers and loan officers to self-schedule their closings in real time, shaved days off the refinancing process.

This same industry-leading technology is available to home equity lenders – specifically for property reports and legal and vesting reports. As these lenders manage growing demand, instant access to this data offers a means for fast-tracking qualifying loan applications so borrowers can access their funds more quickly and lenders can take on more business, more profitably.



“A lender who uses tech-enabled title for home equity in conjunction with our self-scheduling app and streamlined closing solutions could streamline their cycle to a few days – a major improvement over the industry average.”

*Barry Coffin,
Managing Director, Home Equity Title & Close*

“That efficiency represents significant cost savings for the lender, which is particularly important in home equity, where lenders absorb so much of the cost of producing a loan,” says Barry Coffin, managing director, home equity title and close, ServiceLink.

Even with the emphasis on process automation and speed, ServiceLink's dedicated home equity team still offers hands-on service. Many lenders have individual custom requirements for title work. ServiceLink folds these more complex rule sets into their workflows as required.



ServiceLink's EXOS® Title decisioning allows for effective pipeline prioritization

We determine expected title completion and clear-to-close readiness in seconds on 100% of all title orders and issue instant title commitments in majority of cases.

We're ready to help you adapt your workflows to take advantage of this early information.



Visit ServiceLink.com to learn more.



ServiceLink has set a new standard by focusing on title-grade data as our primary source, meaning the data is more accurate and better aligned toward the true condition of title. As part of Fidelity National Financial, the largest underwriter in the country, we can draw from multiple years of historical data across millions of previously examined parcels of land. That historical data, coupled with the most current public records, helps ensure accuracy.



Sandeepa Sasimohan,
Vice President, Title Automation



Sandeepa Sasimohan, vice president, title automation, ServiceLink, adds that EXOS technology puts ServiceLink in the unique position of being able to extract data from images where the data doesn't exist electronically. This capability enables the technology partner to bring more depth to the quality of data they share with lenders.

Equity View: 3 reports in 1

One comprehensive report, Equity View, provides underwriters with all the information they need to make a home equity loan decision. It includes the following:

Property Report – Built on title-grade plant and repository data, this report, now available in seconds, includes vesting information, a legal description, any open mortgage or deed of trust information, tax information and the status of any involuntary liens of record.

Automated Valuation Model – The AVM simplifies and expedites the valuations process by providing market value data, property details, satellite photos, etc.

Flood Zone Determination – These materials include a Life of Loan Flood Certificate, Notice to Borrower and aerial images to support the flood insurance assessment.

“Noting that many home equity lenders were needlessly going to multiple providers to pull all of this information together, we decided to create a one-stop shop that would save them time and money,” Coffin explains. “With Equity View, they get a valuation product for determining the home’s current value, a title product to confirm the borrower is still on title and disclose any liens on the property, and a flood certificate to determine whether the property is in a flood zone and requires insurance. Streamlining the underwriting process is that easy.”

Experience, expertise and stability are vital to home equity success

Adopting new technology-based tools and processes comes with the caveat that they should always be backed by a technology partner who’s in it for the long haul. With so many companies coming and going, ServiceLink offers the stability of four decades in the business, as well as the commitment of FNF to continue investing in the technology and people making new products like tech-enabled title and Equity View possible.

“When you look at new-product development in the mortgage space, you can’t compare products at face value,” says Coffin. “For example, ServiceLink’s technology team started developing tech-enabled title more than 10 years ago, when the 2008 financial crisis spurred the establishment of the Home Affordable Refinance Program (HARP). We were the first to introduce tech-enabled title to the industry, and we’ve been perfecting it ever since, testing it through multiple market cycles and continually tailoring it to meet lenders’ evolving needs. Products that have come onto the scene in just the past couple years don’t have that track record to stand on.”

Equity View was also born out of decades of mortgage experience. ServiceLink has long offered a holistic home equity solution that includes customizable title, closing, flood and valuation products; Equity View was a natural outgrowth, bringing data across these areas together into one comprehensive tool. The report is an ideal example of how lenders can benefit from working with a single, stable, reliable technology partner.

“When lenders tell me they’re working with two, three or four providers, I ask them, ‘Why so many? Go to someone you can trust for all your needs,’” says Coffin. “Not every provider can offer that, but our ServiceLink team certainly can, and that simplifies things considerably for the



lender. Our overarching goal is to help lenders succeed by becoming as efficient as possible. That comes through in the products we develop, the service we deliver and the partnerships we build over time.”

A final note on technology in home equity lending

There’s a lot of buzz around modernization — process automation and new-product innovation — across the mortgage spectrum, but it is especially pivotal to home equity success. “Margins on home equity loans can be much smaller than those on purchases and refis,” says Coffin. “By saving lenders steps, getting them to the closing table faster and helping them scale to take on more business, modernization can make home equity a much more profitable enterprise.”

Adds Sasimohan, “Product innovation is essential in the home equity market, whether lenders are trying to gain or retain customers. Innovations can set lenders apart in this competitive environment, especially as borrower demographics lean heavily toward the mobile-first generation.”



Today's homebuyers' preferences by the numbers

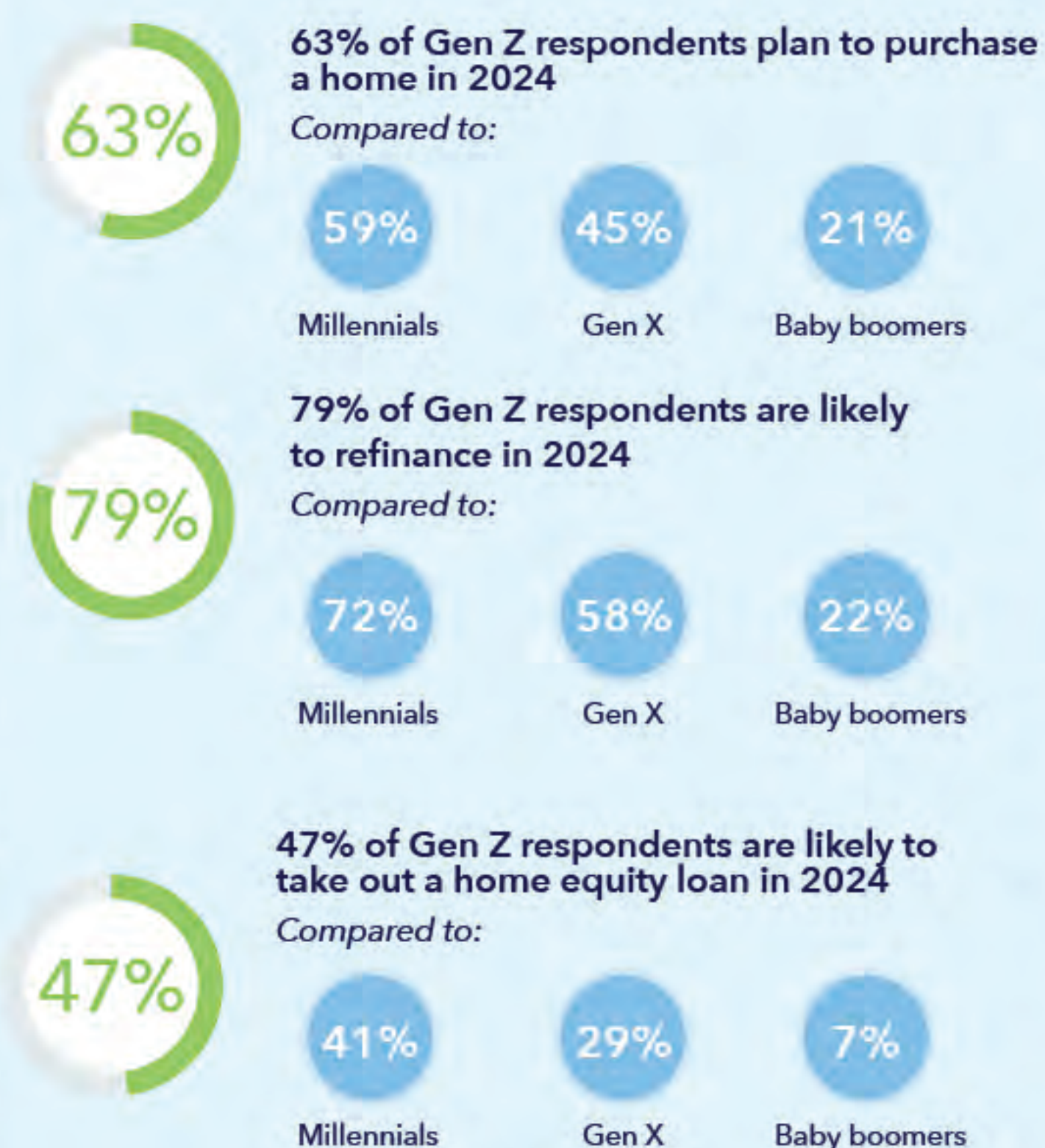
A snapshot of the most compelling data from the 2024 ServiceLink State of Homebuying Report

A generational shift: Gen Z is ready to make its move

For the first time in this survey's history, Gen Z has the biggest plans out of all generations to purchase a home this year. They also are the most willing to refinance and take out a home equity loan in 2024.

On the other hand, baby boomers, who are most likely to currently own a home and have the lowest interest rates, aren't planning much movement this year.

Gen Z is eager and optimistic



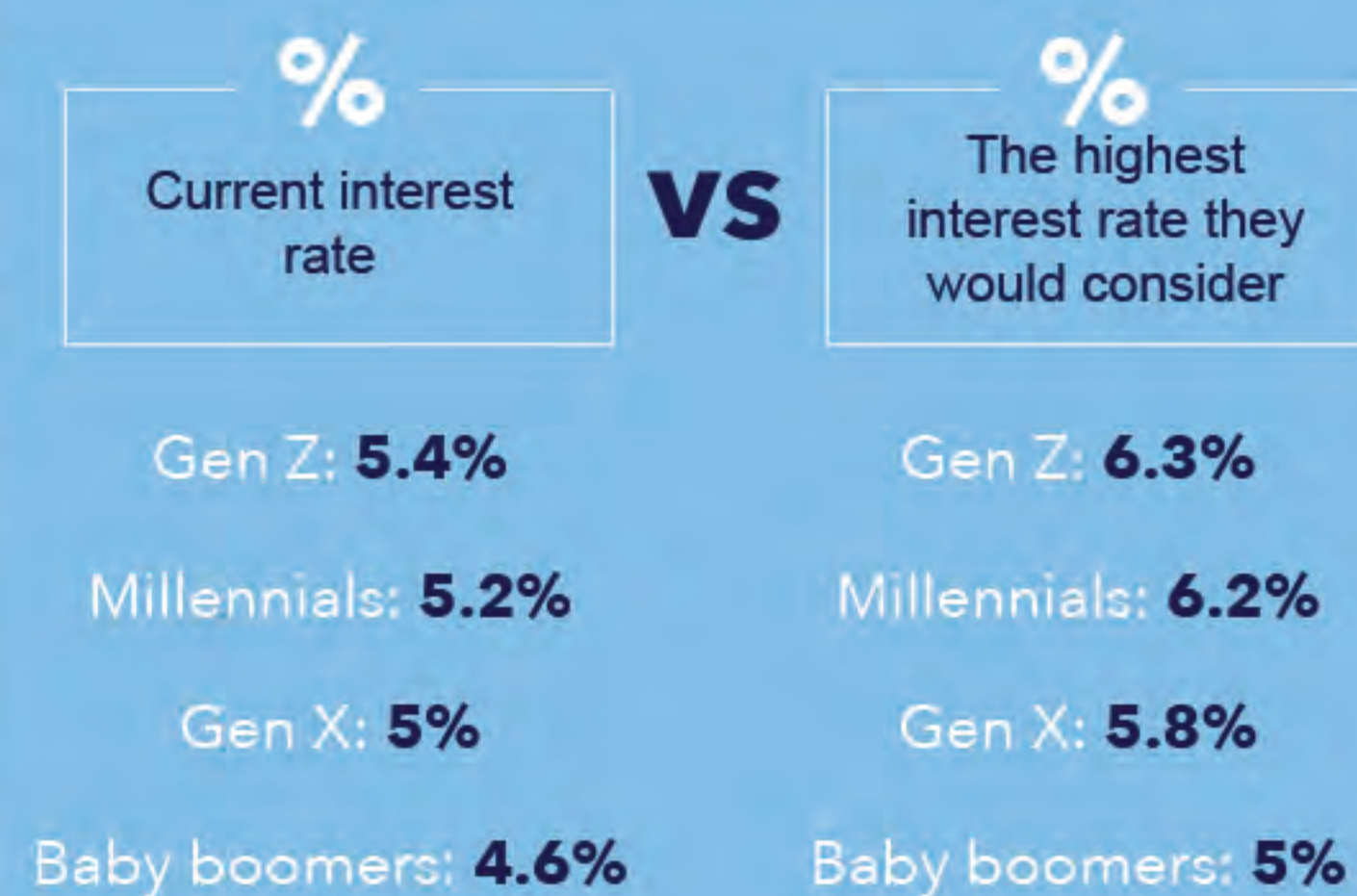
Gen Z has the most favorable view of housing market conditions in 2024. But can they afford to purchase?

Gen Z respondents:

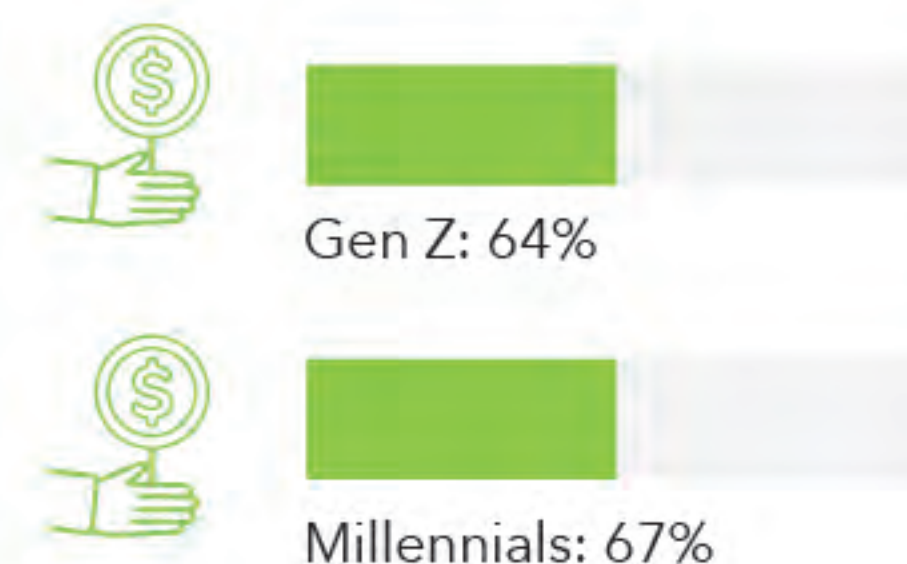


Interest rate tolerance

Despite typically having lower incomes, this youngest generation is willing to pay higher interest rates than any of its counterparts.



Millennials, followed by Gen Z, say they are the most willing to purchase a home at auction



(compared to 55% Gen X and 29% baby boomers)

Auction motivators include:

- 1 Potential cost savings
- 2 Faster home buying process
- 3 Ability to bid online

What buyers are looking for in their new home

Of all respondents looking for a new home in 2024:

43% want a larger home with more space



Current living situation

Out of all respondents who are interested in purchasing a home in 2024:



Down payments

While the number one source of a down payment for most borrowers came from cash or savings, Gen Z is leading another trend. This group is most likely to join with friends to come up with their down payment.



22%: Gen Z pooled money with friends to buy a home together (compared to 14% millennials, 10% Gen X and 3% baby boomers)



Check out the full 2024 State of Homebuying Report

TECH-ENABLED VALUATION SOLUTIONS STREAMLINE THE APPRAISAL PROCESS

A full spectrum of data collection and valuation products are available to support lenders' appraisal modernization initiatives. Here's what you need to know.

Agility and efficiency are hallmarks of successful mortgage lenders in today's dynamic market. Lenders must be prepared to not only pivot from purchase to refinance to home equity as consumer demand fluctuates, but also keep pace with GSE appraisal modernization initiatives.

Tech-enabled valuation solutions are key

"Tech-enabled valuation solutions empower lenders to expand their capabilities, rev up their processes and performance and make the best real-time decisions for their borrowers and their businesses," says Matt Woodhouse, managing director, origination valuation.



"Those that are moving toward a more digital valuation experience have more flexibility to respond to market opportunities as they arise."

Matt Woodhouse,
Managing Director, Origination Valuation

What that digital experience looks like can vary, depending on lenders' specific needs and risk guidelines, but across the board, the application of GSE-compliant, tech-driven valuation tools can result in time, labor and cost savings.

"Appraisal has historically been a manually intensive process, with a lot of back-and-forth between lender, appraiser and borrower, plus appraisers had to complete on-site inspections for every loan," says Phil King, vice president, valuation product management.



"Today, technology can do the heavy lifting. In fact, ServiceLink's EXOS® platform was built to do exactly that. Our platform and mobile technologies digitize many steps in the process to drive efficiencies for the lender and create a faster, more seamless experience for borrowers."

Phil King,
Vice President,
Valuation Product Management

Streamlined appraisal management

Fannie Mae and Freddie Mac continue to update standards for data collection and reporting as they encourage lenders to modernize their valuation processes. Freddie's property data report (PDR) and Fannie's property data collection (PDC) come together under the Uniform Property Dataset (UPD), which sets out the requirements for inspection-only valuations.

"When a loan doesn't qualify for a waiver, yet doesn't require a full appraisal, the lender or their valuation partner sends an inspector (rather than a licensed appraiser) out to the property to collect photos, measure the home, build out a floor plan and then answer

some questions about the property. This cuts not only the valuation time but also the cost by about half when compared with a full appraisal," says King. "At ServiceLink, we've updated our mobile inspection tools with features such as 3D capture, which provides 360-degree interior and exterior views, so all our inspectors can collect and report data in a UPD-compliant format. The lender can then submit this report to Fannie Mae, Freddie Mac or both."

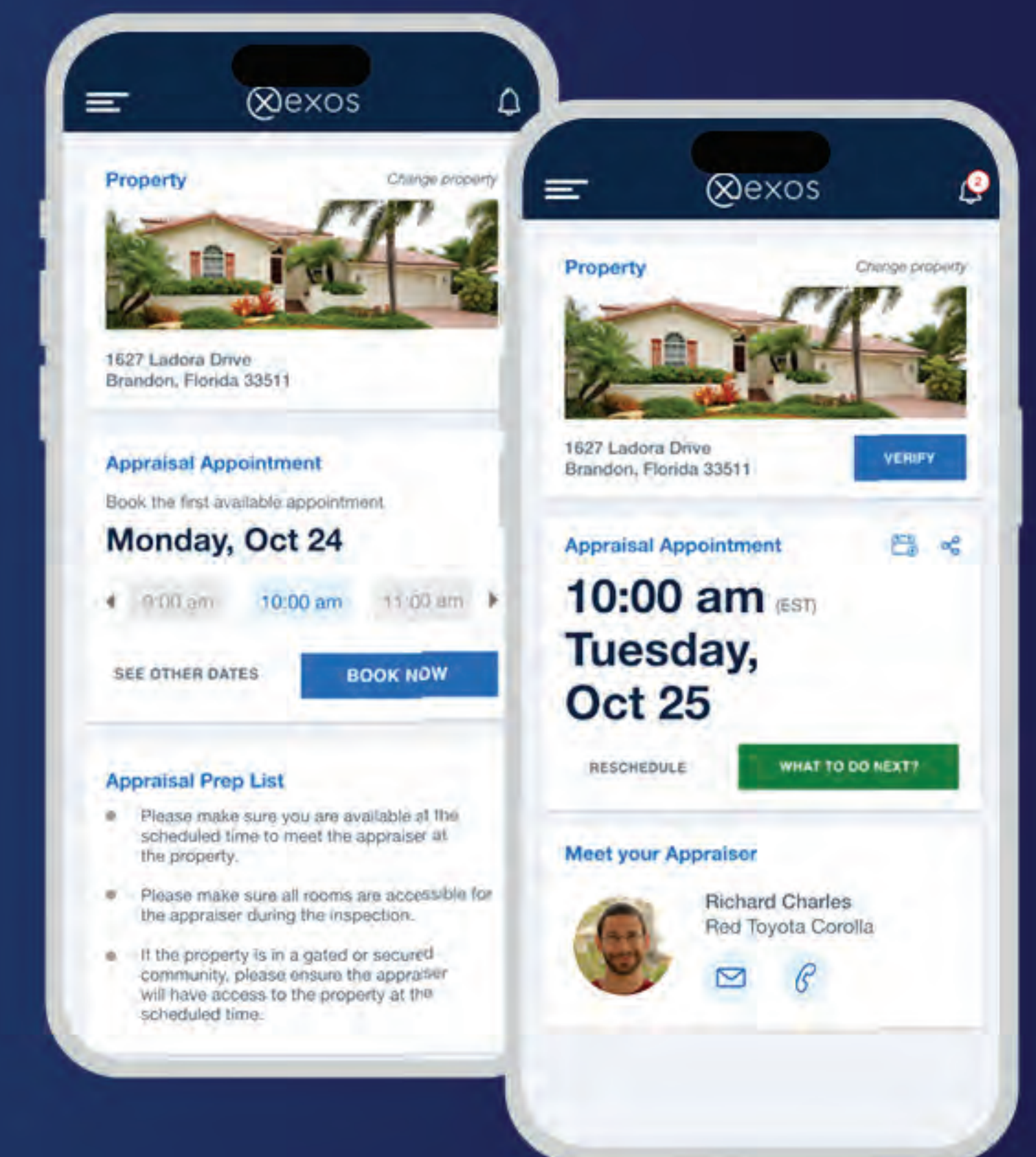
King adds that ServiceLink also supports lenders with desktop appraisals, which require appraiser expertise but no inspection, and hybrid appraisals (Fannie Mae 1004 Hybrid or Freddie Mac 70H), which combine data collection by an inspector with the development of a traditional appraisal by a licensed appraiser. ServiceLink has its own national panel of appraisers from which to choose.

"We can support lenders with any valuation need they may have — inspection-only, desktop, hybrid or full appraisal," Woodhouse explains. "In circumstances where a full appraisal isn't required by the GSE, tech-enabled valuation solutions allow us to avoid appraiser backlogs, quickly get an inspector out to a property and deliver exactly what the lender needs to keep their loan moving forward expeditiously."

Advanced scheduling systems and integration options

Another area where tech-enabled valuation solutions come into play is scheduling. In decades past, lenders understood that their valuation process could be bogged down for days as they tried to schedule each appraisal. Phone calls, emails and voicemails between borrower and lender, and lender and appraiser, proved to be an inefficient means of pinpointing the ideal date and time for the inspection.

Now flexible scheduling technology enables lenders that work with ServiceLink to book appraisals instantly. "Our platform, EXOS® Valuations, provides direct access to appraisers' calendars so borrowers can instantly schedule an appraisal. We're also embedding this scheduling functionality right into loan origination platforms so that loan processors can schedule on the fly or send a scheduling request to their contact. For example, lenders that use Encompass Partner Connect™ on the ICE Mortgage Technology® Platform can schedule the appraisal at the same time they place the order," King explains.



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Continued...

ServiceLink's commitment to facilitating the valuation process for lenders is apparent as accessibility to its technology grows. "We are connected to all the major loan origination systems (LOS) and can integrate with lenders' value-added networks (VANs) to make ordering as convenient as possible," says King. "We also offer direct integrations, right to the lender's platform, and provide appraisal ordering through our own website."

Preparing for what comes next

As appraisal modernization initiatives and tech-enabled valuation solutions continue to evolve, it's vital for lenders to have a partner that can help them integrate new technologies, pivot with market demands and anticipate what may be coming next.

"The landscape is changing quickly right now, as appraisal modernization becomes a priority. It's an exciting yet demanding time that requires industry experience as well as technology leadership," says Woodhouse. "ServiceLink has decades of experience helping lenders optimize their capabilities within the parameters of their unique processes and requirements. Our focus now is to help lenders adapt to the changes and adopt new technologies as easily and smoothly as possible."



What lenders need to know right now about flood services



Rising sea levels, the proliferation of extreme weather events and other issues related to flooding trends are top of mind among many U.S. homeowners and mortgage lenders, as it becomes clear that coastal and inland properties alike are vulnerable to flooding. For its part, the Federal Emergency Management Agency (FEMA) updates its floodplain maps to keep stakeholders apprised of flood risks. It's up to lenders to apply those changes, ascertaining which of the properties in their portfolio have moved into or out of a Special Flood Hazard Area (SFHA) to ensure borrowers are complying with the most current flood insurance requirements.

Fortunately, ServiceLink Flood offers lenders support, from guaranteed flood zone determinations to life of loan services that monitor FEMA flood map revisions throughout the duration of a loan. ServiceLink Flood senior vice president Mike Hanson and vice president of account management Natascha DeVries shared some insights into portfolio tracking solutions, leading-edge flood technologies and more.

Q: What sets ServiceLink apart from other flood services providers in the industry?

Hanson: While some providers will say they “provide flood zone determinations,” ServiceLink actually knows flood. The members of our Flood team are true subject-matter experts (some with 25-30 years of experience), prepared for any issue that may arise for a lender or servicer. We understand the critical nature of flood services, and we're committed to being our lending partners' go-to resource for flood information and reporting.

Unlike many other providers, ServiceLink doesn't outsource any part of the flood determination process. We have exceptional manual researchers on staff, as well as industry-leading technology, so we are equipped to complete any flood-related order in-house. In fact, other flood services providers often outsource certain steps in their processes to ServiceLink, tapping into our end-to-end capabilities to fulfill their customers' requests.

ServiceLink's expertise and commitment to providing exceptional flood services enable us to excel in a range of areas:

Breadth of services

ServiceLink offers a full suite of services, including flood zone determinations, life of loan tracking, customized reporting (monthly subscription or ad hoc), customized delivery solutions (private-label, audit and acquisition services), and specialized training and support.

Speed

Over 90 percent of the flood zone determination orders we receive from lenders and insurers are completed via our automated system, which delivers completed reports to these clients within seconds. The remaining 10 percent of orders require manual research that is conducted right on our floor, ensuring customers receive their completed reports more quickly than they might from a provider that outsources/offshores that manual process.

Flood compliance

ServiceLink is uniquely positioned to meet lenders' flood compliance and tracking needs. We have met every high standard set by lenders and insurance clients alike for accuracy, quality control, disaster recovery and financial viability, reflecting not only the strength of our own stringent internal audit processes but also the steadfast backing of Fidelity National Financial.

Technology

Well known for providing lenders with integrated data, servicing and technology solutions — from origination, title/settlement, default valuation and risk management to tax, flood and collateral protection — ServiceLink leads the industry in automation advances. We are always looking for ways to elevate the speed, depth and quality of our services through technology, which has brought about services and tools including WebCert, automated ordering, CertMap, Flood QuickCheck and the MSP IP1846 plug-in, which Natascha will describe just ahead.

Agility

The collective experience of the ServiceLink Flood team enables us to be nimble when a need arises for an upgrade, improvement or outright change. We bring the relevant experts together to develop a solution and then implement that solution immediately. No need for a half-dozen conference calls across a six-month span to iron out details: We know what needs to be done and, critically, how to get it done quickly.

Q: How is technology revolutionizing the flood industry?

DeVries: Automated flood processes have truly changed the face of flood services. For starters, FEMA, the U.S. Army Corps of Engineers and private engineers leverage technology to enhance how they measure flood risk. They then recreate their findings on a digital or paper map for ServiceLink and other flood services providers to use. Providers can then incorporate that technology into their flood zone determinations and reporting, as well as develop their own advanced tools.

Here are some of the innovations ServiceLink implements to support lenders:

WebCert

ServiceLink Flood's online ordering and tracking platform revolutionized the way lenders and servicers order flood zone determinations and manage their property portfolios. Completed orders can be corrected, transferred, disputed and recertified online, building convenience and efficiency into what was once a time-consuming process.

Automated ordering

Automated ordering takes efficiency one step further. ServiceLink enables lenders to set up rules so that, once an appraisal is ordered, the flood zone determination is automatically ordered. This cuts out a step for processors and helps streamline the mortgage process.

CertMap

This proprietary ServiceLink tool, which offers a visual representation of a property's proximity to a FEMA flood zone, incorporates high-resolution FEMA images, digital road layers, and full-color satellite and aerial photographs to illustrate why flood insurance is required. CertMap has been proven to reduce the number of disputed determinations.

Flood QuickCheck

This tool gives lenders a yes/no answer to the question *Is this property in an SFHA?* prior to ordering a full flood zone determination. Having this information up front sets the borrower's expectations and can improve the lender's fallout rate.

MSP IP1846 plug-in

Life of loan monitoring is easier with this enhancement, which enables lenders to receive revision updates, identify insurance changes, and track paid-in-full status, refinances and service transfers.

Q: Why should lenders audit their flood processes regularly?

DeVries: Continuous process improvement keeps lenders at the top of their game. That's why you should regularly reach out to your flood services provider to request an overview of your flood processes and ask what additional automated options are available to help you further streamline your workflows.

Forexample, if you are utilizing a loan origination system but are using the ServiceLink website to order flood zone determinations, you should inquire as to whether you may be able to order directly through your loan origination system (LOS) to streamline your ordering process. (ServiceLink interfaces with all the major systems.) Likewise, if you're utilizing a servicing system for life of loan tracking, you should ask about automating that process.

Q: What are some common misconceptions about flood insurance requirements and tracking?

Hanson: On the borrower side, people often believe they don't need to carry flood insurance because the previous homeowner didn't have it, their neighbors don't have it or there hasn't been a flood in that area in years. In reality, every property has a flood zone designation that determines its flood insurance rate and makes that insurance either voluntary or mandatory.

As mentioned previously, flood zones change — often. Human activity, such as the development of new subdivisions, can alter the flow of water, and emerging scientific and topographic contour data reveal new shifts of nature that can affect flood risks. FEMA does its best to keep up with these flood zone changes, but lenders need to do their part as well, paying attention to floodplain map updates to keep their borrowers protected and compliant.

Similarly, some lenders hold the misconception that they only need to track properties in their portfolio that require flood insurance. Not so — for the same reason stated above. FEMA updates its flood maps regularly. Properties that weren't a flood liability a month ago may suddenly be in the zone, or a property that was in a flood zone may suddenly not be. As a lender, you can't risk missing a map revision, whether it affects a single property or an entire community.

Q: What should a lender look for in a flood services partner?

DeVries: Flood expertise, leading-edge technology, stability and a strong commitment to customer service. Your flood partner should keep the lines of communication open and understand your needs at any given time. Make sure you have a great relationship with your flood services provider on the life of loan side especially, so you will be alerted quickly when a property's flood insurance requirements change.

Why work with ServiceLink?



Our commitment to service, quality and best-in-class technology and innovation is second to none in the industry. We untangle the complexities of the origination process and link all the people who matter in one tech-enabled ecosystem. But don't just take our word for it. Here's what our clients have to say about their experience working with ServiceLink.

"It has been great working with ServiceLink. The turn times have been very quick, the customer service has been top-notch and requests are returned back extremely fast. ServiceLink has been more than just an AMC to us, but a business partner."

Marty Andel

Vice President of Lending, Royal United

"I have been in the industry for roughly 12 years and have worked with many AMCs. ServiceLink is the best AMC I have worked with to-date. The ServiceLink team is always quick to respond and goes above and beyond to help us serve our clients. There have been countless occasions where I have needed appraisals back to hit certain goals and my relationship manager, Kate, has been instrumental in helping me make that happen. She has helped me close more loans and make more money than I would have working with another AMC with her promptness and go-to attitude."

Erin Lawson

Team Leader of Lending, Royal United

"Our partnership with ServiceLink is invaluable. We've been consistently impressed by ServiceLink's response times, top-notch customer service and ability to tackle one-off issues and challenging files. This partnership has allowed us to capture more production and freed up more time for our team to collaborate on more challenging deals before, during and after closing, as needed, which has saved us time and money when selling loans on the secondary market. The ServiceLink team goes above and beyond for us."

Desiree Kirkland

Senior Vice President of Closing, The Federal Savings Bank

A photograph of two women sitting on a wooden staircase. The woman on the left is wearing a light blue sweater and black pants, and the woman on the right is wearing a pink sweater and blue jeans. They are both smiling and looking at a tablet held by the woman on the right. The background shows a staircase with wooden railings and a white wall.

We're Linking What Matters™
by connecting you to the
future of mortgage services

Linking What Matters™ is our brand. But it's much more than a tagline. It's our north star and the foundation of all that we do, day in and day out, for our lender clients and the borrowers they serve, as well as our vendor partners who help to make it all possible.

We seamlessly connect the mortgage industry with proven technology and best-in-class service, giving our clients the competitive edge - in any market. We improve the origination experience for every participant in the process - the lender, the vendor and - most importantly - the borrower. What can a partnership with ServiceLink do for you?



Find out more at [ServiceLink.com](https://www.ServiceLink.com)

