

The Multi-State Advantage

By Lovina Worick

Ace Mortgage Funding, Inc. is set to close three billion dollars in residential transactions in 2005. During the last 12 months, www.Acrefi.com received over 1,500 applications online. In August 2005 they closed approximately 2,100 loans. Now that's "big business." While Ace Mortgage handles the full range of residential and commercial loans, approximately 80 percent of their business is the debt consolidation market.

I spoke with Richard Hall, president and CEO of Ace Mortgage Funding, who got his start in the industry in 1995. In February of 1998, he and his partner Robert L. Gregory, Jr. put in \$25,000 each and together started Ace Mortgage in Indianapolis, Ind. They quickly hired 20 employees, and in 1999 they opened a new office and launched their Web site. By 2001 they had opened three more offices. Currently, they have 21 offices and lend in 44 states.

In the midst of their growth, what made them decide to get a Web site? "Back in '98 we were getting calls from people interested in doing loans on Sunday and we realized that many of those borrowers were interested in talking about loans right then," says Hall. "We were missing opportunities to do business with people on the weekends because we weren't fully manned during those hours or even after hours on weekdays. They would leave a message and then we were stuck trying to get back to the prospect and the hit ratio was really low. So, we thought that maybe these after-hours callers would be willing to fill out an online form, and decided to put our Web site address on our telephone hold message."

His theory panned out. "The majority of our apps are filled out after hours (on weekends and evenings). I think a lot of people don't want to talk to a company for all services," he

says. "Here, in the U.S. especially, we tend to lean more towards e-mail. We all shop online. I'd prefer to e-mail someone rather than call. It makes me more efficient. I think many other

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consumers feel this way, too. On our site, they can go in and price out the loan and get good information without having to speak to anyone."

The Web Site

Hall remembers the process of finding the right Web site provider. They received pricing from 10 different companies and finally went with one that required a \$2,000 investment. "It would have cost us at least \$10,000 to get all the programming we needed, so we went with a pre-made Web site and adjusted it to our needs," he recalls. "We recouped our costs in the first month. There is some business we wouldn't have gotten if we didn't have a Web site."

Ace Mortgage currently advertises their Web site everywhere: on billboards, mailers, radio, TV, direct mail, and various sponsorships. "We consider our Web site a huge success," says Hall. "It has enabled our clients 24-hour access and gives them a large amount of data they can reference before applying."

Ace Mortgage loan officers use the Web site as an origination tool,"

says Hall. "If they are out on an appointment and receive a call on their cell phone, they can say, 'You know what? You can jump on our Web site really quickly and just fill out part of the application—you don't even need to fill out the whole application.' Especially if they are not with their laptop." Hall continues, "Our real estate agents can get online with their customers and sometimes they will actually call us and tell us they are filling out the application. When I get to my office, I'll download the application into Point, merge the credit file, then export it to Fannie Mae or Freddie's Web site. Then I'll get the file approved through underwriting and e-mail the print-screen of approval right back. Our customers are often pleasantly surprised," Hall says. He obviously loves getting this reaction.

He also appreciates the mobility and flexibility that comes with originating applications online. "Sometimes I'm at home in flip flops," he continues. "And I can run approvals all online—everyone thinks we're so efficient. The site has really helped us. So many people compliment us on our site."

Business Partners

Hall certainly considers the site a contribution to the company's success. "Any time we are closing 1,500 loans per year through one conduit, we definitely consider it a success." But going forward, Hall would like to look for more ways for the site to generate business.


Like all successful business people, Hall is looking to do more with less, evaluating ways to increase productivity while offloading non-revenue and labor-intensive activities. He seems particularly proud of how they've leveraged their site in working with their business partners. Hall and his

team reviewed the large volumes of calls they were getting and looked for ways of reducing them. Currently, their site is the primary avenue available to vendors or companies interested in doing business with Ace Mortgage. Anyone calling in this regard is directed to the Web site. "Using our site in this way really makes our company more efficient," says Hall. Some partner features include:

- Vendors and wholesale reps can get updated license information for each office. Hall adds, "Now some of our vendors know to go to our site and not call us!"
- Prospective service providers like appraisers or courier services are also directed to a specific section under the "Business Partners" link.
- Companies that want to offer marketing and lead generation services are directed to the Web site and asked to click on "Business Partners" then click "Lead Co's/Marketing."

"All the stuff we're talking about applies just as much

to any loan officer. I think it's also extremely important for someone who uses referral partners like Realtors," says Hall.

"An originator shouldn't have to be available all the time," he continues. "If they are able to use the site correctly, they can quote rates and take apps. I think an individual originator can benefit even more than a company like ours because we have different departments that vendors or borrowers can call if they need something. But someone in a smaller office has to do everything themselves. In our case, we encourage our LOs to have their customers go to the site because we know how much time it saves the company overall." 



LOVINA WORICK

is executive vice president for client retention at Myers Internet Services, San Jose, Calif., 408/321-5444, e-mail: lworick@myersinternet.com