lendinvest Mortgages

For intermediaries only

Revolutionising the mortgage industry with technology.

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Revolutionising the UK mortgage industry

Technology has continued to drive opportunities throughout its deployment within the UK mortgage industry, with this comes additional speed and certainty.

Looking back - it was just a few years ago when paper based decisions in principle (DiPs) were common practice. The evolution of technology must not be underestimated, and has changed the way we work together to bring customers simple, fast mortgages.

Why are the advancements in tech important to mortgage brokers and their customers?

Technology is often overlooked, and plays an important role in the application process for customers and their mortgage brokers. In recent years, it has become the new norm to experience this in a digitised format. However, there is more going on than meets the eye.

Lenders that leverage technology help process applications faster, allowing for quicker decision making and minimising time wasting. Additionally, technology enables lenders to assess the case at the DiP stage, reducing the likelihood of rejections later in the process. These key factors free up time for mortgage brokers to focus on providing better support and guidance for their customers.

In combination with the right people, technology helps provide a seamless mortgage journey for all involved parties - providing a higher level of service throughout the process.

> ***'Technology plays a crucial role in the evolution of specialist lending - enabling a better customer experience and service'***
>
> Sophie Mitchell-Charman,
> Commercial Director,
> LendInvest Mortgages

The then and now - a technological evolution

By **Jason James**, Corporate Account Manager at LendInvest Mortgages

Technology has revolutionised our industry, and as a result, brought the topic of efficiency to the forefront of our minds.

My journey started as a mortgage broker 20 years ago - for those that remember, these were the days of the first UK toll motorway, Matrix Reloaded, and un-digitised signatures. Since, I have witnessed the evolution of tech and how this has impacted the application process we now know today.

The specialist mortgage industry was founded on innovation, and technology offers an excellent opportunity to achieve this goal. To illustrate this point, I can share with you a real-life example where the use of technology enabled LendInvest Mortgages to help more borrowers, faster.

2019

In 2019, LendInvest Mortgages relaunched its Buy-to-Let products taking the market by storm. Our products were an instant hit. However, just a week in, we discovered the demand was far greater than what we could keep up with.

Despite the demand for new business, we decided to focus on delivering what had just come in, and this required a whole company effort.

Our pipeline had grown rapidly. As a result, our underwriters worked tirelessly (including weekends) to manage applications and bring back LendInvest Mortgages' impressive service levels, aided by team members from across the business covering their admin for them.

2024

Since that week, we have made significant improvements towards expediting the application process for mortgage brokers and their customers. We have introduced credit-backed DiPs, AVMs, Open Banking, and Digital ID verifications to refine our processes, enhance our services, and provide simpler mortgage solutions to brokers throughout the United Kingdom.

In January 2024, we launched a newly updated Buy-to-Let product range that created a buzz in the market, achieving more than twice the amount of business compared to the same period that forced us to close our doors in 2019. Nevertheless, due to the technology integrated into our portal, the tech carried the leg work of each application, resulting in our underwriters only having to work one additional day to maintain service levels.

The focus on technology has brought a significant amount of transformation to our business and the industry as a whole. Technology has played a pivotal role in driving growth and enhancing our application process. As we look towards the future, it is evident that technology will continue to be the driving force behind innovation, and its impact on the specialist mortgage industry will only continue to grow.

How could AI change the mortgage industry?

'AI' is the buzzword in every sector at the moment, and the world of mortgages is no different.

Machine learning - a somewhat clunkier, earlier word for AI - is something we've used for a while, mainly around our rules engine in the portal which helps power instant decisions on enquiries.

But what are some of the ways we think AI could be applied in the future in a way that brings benefit to lenders, brokers and customers?

Here's a few ideas:

1 Mortgages at the click of a button?

By pulling in data from criteria guides, recently approved applications, and live mortgage market data, we could show more detail in the DiP form. For example, indications on how successful the deal would be at application, or any additional information that might be needed to get lenders comfortable with a deal before you need to speak to an underwriter.

2 More comprehensive automated valuation models (AVMs)

AVMs at the moment pull in information from property search services like Zoopla or Rightmove. AI could enrich this data to show not just data from land registry or recent valuation data, but up-to-date trends in the buyer's market and local income information. Enhanced information could increase confidence scores when lenders are looking for a fast valuation.

3 Speeding up underwriting

A lot of the tasks when processing a deal can be slow and clickboxy. Then there's lots of other things to consider, like valuer reports, correspondence etc. AI is already being used in workplaces to quickly summarise email chains, to turn calls into text and then summarise the main points. There are plenty of applications for this in the underwriting process: reviewing valuation reports, recording and summarising conversations with the broker to understand client needs, and all of this can free up underwriter time to make better, faster decisions.

4 Predictive modelling for risk management

For lenders managing their loan book, they could use their data and market data to improve credit risk assessments by predicting the likelihood of loan defaults and look at when a loan is likely to complete based on performance data and feed that into teams' hedging pipelines.

5 Loan Portfolio optimisation

Further still, lenders can benefit from applying intelligent analytics to optimise loan portfolio composition, efficiently and effectively balancing risk and return. AI models can simulate a range of economic scenarios to analyse their impact on portfolio performance, supporting strategic decision-making regarding loan origination, portfolio diversification and final sale of units.

6 Real-time case monitoring and data retrieval

Lenders want their experts doing what they do best, supporting brokers and their customers who need it to get the right mortgage completed when they need it. Unfortunately, time can be taken up by small interactions or calls from brokers looking for quick updates or criteria information.

Now there have been some interesting uses of AI chat bots in recent months, but done well, this can be a huge step forward for lenders and brokers alike, with questions answered quickly freeing them up to focus on delivering deals.

Building the future of mortgages

2023

2024

Q1

Residential Mortgages Beta

Buy-to-Let goes live in Mortgages Portal

Adding Buy-to-Let with 4 applicants

Adding simpler Buy-to-Let Product Transfers

Q2

Residential Mortgages Whole of Market Launch

Make DIPs and FMAs more accessible for smaller devices

Q3

Buy-to-Let integrated into Mortgages Portal

Corporate Buy-to-Lets added

Bridge to Buy-to-Let transitions in the Mortgages Portal

Q4

Buy-to-Let Beta Launch in MortgagesPortal

Bringing Calculators into the Mortgages Portal

Support turning calculator quotes into DIPs

What does it take to revolutionise the mortgage industry?

By **Peter Wallis**, Chief Technology Officer

For us, it all starts with the broker experience. We do everything we can to make mortgages smoother, simpler and faster, to benefit both brokers and their customers.

Since 2021 this has been the laser focus of our team, to identify pain points across the whole mortgage process and implement changes to make it simpler at every step.

Much of this is done through the technology and automations:

- Instant quotes
- Credit-backed DIPs
- Open Banking and Digital ID Verification
- Automated valuation models

Then it all comes down to how we build our Mortgages Portal, Case Management and Underwriting processes to connect brokers more easily and effectively with our experts.

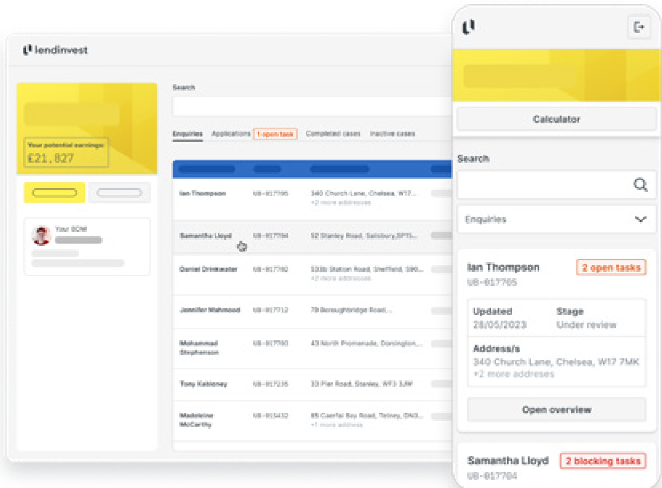
We've done this through working really closely with our broker partners to understand their workflows, studying their behaviour on our Portal. This means technology enhancements deliver changes we know will make a significant difference.

Last year we introduced our redesigned Mortgages Portal layout that helped brokers find application updates up to 5 times faster.

Technology working in partnership with people is key throughout the process.

A lot of our most impressive technology is in the background, being used by our underwriters to surface information quickly so they can focus on the complexities and specificities of each application, rather than completing admin which our system can automate for them.

Revolutionising the mortgage industry doesn't happen in one fell swoop, it is too big and antiquated for that, but it does happen with incremental changes like those in our roadmap that support people to get the most out of technology.



Mortgages made simple.

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