



Archive

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Outsourcing HECMs Through Technology

By Anthony Garritano

DENVER-Realizing the increased demand in the reverse mortgage arena, Titan Lenders Corp. has partnered with Bay Docs to create a complete HECM outsource solution.

Titan here is a mortgage back-office fulfillment services provider specializing in closing, funding and post-closing services. Bay Docs Inc., Novato, Calif., is a document services provider to lenders in the reverse mortgage industry.

"In your high-dollar areas people were getting priced out of the market. And even seniors going into retirement had some balance left on their mortgage. So, we wanted to get into the reverse mortgage market," explained Titan Lenders Corp. founder and chief executive officer Mary Kladde.

"When we were approached, we started looking around to see who had all the docs in all 50 states. We only found two providers. We liked that Bay Docs had solid reps and warrants. It's a big deal if the docs are wrong, especially with FHA on the rise."

Titan is an outsource variable cost solution alternative for mortgage bankers, brokers and investors seeking to reduce risk, errors and overhead in their mortgage operations, while remaining responsive to fluctuations in their loan closing pipeline.

A specialty provider of compliant reverse mortgage documents since 1994, Bay Docs is industry compliant in all 50 states and maintains an extensive document library.

The Titan/Bay Docs HECM outsource solution takes over when the originator completes the requisite HECM borrower counseling.

Its services include providing state-specific initial disclosures, vendor management, preparation of the HUD package including HECM-compliant docs for 20 servicers, funding and forwarding the case binder to HUD.

By outsourcing HECM fulfillment services, lenders avoid retraining staff or making additional hires with the required skill set, and eliminate the risks of noncompliance.

"We do fulfillment, but wanted to offer small lenders and credit unions a HECM presence," added Ms. Kladde. "We want to offer the same services here as we do on the forward side of the mortgage business.

"The baby boomer swell is in full force. Most are still in the workforce but they're talking about retiring.

"Over the next four to five years we'll see them move to retirement and quality-of-life issues.

"A lot of the retirement plan for this population is centered on stocks. Well, those stocks have been hit. Further, health care costs are rising.

"So these people do have wealth, but it's all in their house.

"Baby boomers want a sustainable quality of life without having to leverage their children.

"Over the next two to three years we'll be poised to capture this market," she said.

According to Ms. Kladde, Titan Lenders Corp. will absorb any cost or fees related to errors in its delivery of reverse mortgage services to lenders.

"Bay Docs aligns itself with companies that are looking to provide only the very best to their clients," said Kathleen Leonard, Bay Docs vice president.

"We were impressed that Titan Lenders Corp. has been willing to invest time in understanding all the ins and outs of this industry before jumping in," she said.

[Back](#)

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