The background features abstract, overlapping geometric shapes in various shades of purple, ranging from light lavender to deep, dark purple. These shapes are primarily located on the left and right sides of the frame, creating a modern, layered effect. The central area is a plain white background where the text is located.

What does the future hold?  
OR  
The FUTURE is HERE

Then . . . . .NOW



Then . . . . .NOW



Then . . . . .NOW



Then . . . . .NOW



Then . . . . .NOW



# Changing times



# Changing times - TECH disruption is here

- ▶ Borrowers have more convenient lending options





# Changing times - TECH disruption is here

- ▶ Loans are processed more efficiently - Fed Reserve Bank of NY 2018 study found that tech based lenders processed mortgage applications 20% faster than other lenders
- ▶ The market share of fintech lenders has grown from 2 percent in 2010 to 8 percent by 2016 • Mortgages offered by fintech lenders close about 20 percent faster than others
- ▶ Default rates for fintech loans are 38 percent lower for purchase loans and 29 percent lower for refinances
- ▶ These lenders also appear to alleviate capacity constraints during periods of high mortgage demand

# Changing times - TECH disruption is here

- ▶ Lenders are saving money - less humans, more automation
- ▶ Lenders use more 3<sup>rd</sup> party vendors to provide the automation
- ▶ Automation can
  - ▶ Identify anomalies,
  - ▶ Assess risk,
  - ▶ Explore non-credit bureau data to enhance prediction of loan performance, and
  - ▶ Answer customer questions (e.g., search tools and chatbots)



Jacks David  
Thank you for visiting all the way from New York.



Steve Alex  
Thank you for visiting all the way from NYC.



Andrew Filander  
Thank you for visiting all the way from New York.



James Cordon  
Thank you for visiting from an unknown location.



Tye Simmon  
Thank you for visiting all the way from New York.

Send

# Changing times - TECH disruption is here

- ▶ Borrowers save money too - offered lower rates, less underwriting, service fees and closing costs



# Changing times - TECH disruption is here

- ▶ Lenders are rethinking the user experience - showing various rates at one time



# Changing times - TECH disruption is here

- ▶ Paperless mortgages - remote online mortgage closing, esigns



# What are we going to do about this disruption?





# What are we going to do about this disruption?



# Conquer it

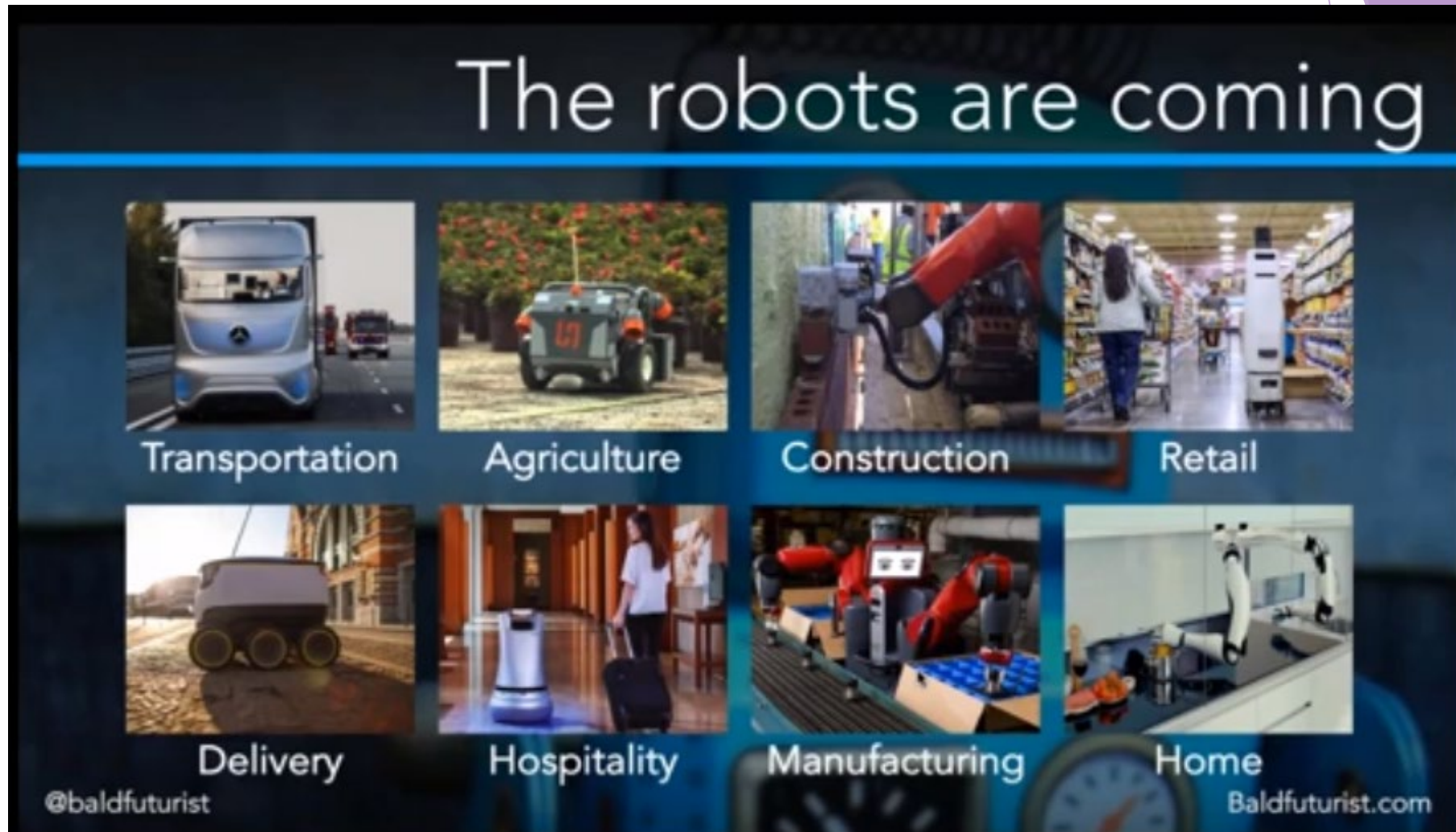




# Artificial intelligence

- ▶ Voice recognition
- ▶ Facial recognition
- ▶ Fingerprint recognition

# Artificial intelligence



# Artificial intelligence

- ▶ Gather data on your customers
- ▶ Gather data on consumers - leverage database
- ▶ How to communicate with your customers (phone, email, text)
- ▶ Customers asking for services and products that are personalized & customized
  - ▶ Customized - person buying specifies what they want (ex. Starbucks coffee)
  - ▶ Personalized - person delivering the product/service studies customer to know what customers want (ex. Apple products)
- ▶ Watch retail sector - impact of digitization (Amazon & Walmart/Google)
  - ▶ Leveraging data to provide recommendations learning your buying habits
  - ▶ Walmart uses a weather app to display items in the front of the store

# Artificial intelligence

- ▶ Mortgage sector
  - ▶ Comfort in using a human in the origination transaction
  - ▶ High touch, trust, confidence in human
  - ▶ Capture data on your customers
  - ▶ Annual check-ins (AI does this)
- ▶ MLO roles changing
  - ▶ Customers looking for reassurance through trust
  - ▶ Customers looking for guidance for the right mortgage product
  - ▶ MLO need to know the rules of the mortgage process - explanations

# Artificial intelligence to Machine learning

More efficiently analyzing that collected data and pull key insights

- ▶ to deliver personalized guidance to customers in the moment, wherever they are

My new car or Alexa

- ▶ Paired with an app to assist in parking, finding the car, alert me to servicing
- ▶ It will remember the most frequently asked questions at various times of the day

# Artificial intelligence to Machine learning

Learning the Life cycle of your customer

- ▶ First home buyer - now has children
- ▶ Need a bigger home; close to schools? Yard space?
- ▶ Children graduate from school - need a smaller home?
- ▶ Life change - one borrower passes on let AI systems ask all the right questions and review the responses

# Artificial intelligence to Machine learning

- ▶ Late last year, a group of small lenders created a group to leverage tech opportunities.
- ▶ Pooled resources with an eye on shared opportunities.

# Artificial intelligence to Machine learning

► <https://youtu.be/LrS5YURwJO8>



# Questions????

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