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## Case Study - Mortgage Alliance - Finance

### Mortgage Alliance Canada

Obtaining a mortgage is one of the most paperwork-intensive endeavors that people will ever undertake. And for good reason. Before a lending institution is willing to hand over large sums of money, they want reasonable assurance they will be getting that money back, along with the interest that forms their revenue. To provide that assurance, applicants are expected to provide a wealth of financial information about themselves, essentially laying bare their lives for detailed scrutiny.

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Almost every piece of required documentation, including bank statements, investment records, tax information, employment verification and more exists in paper form. In cases where electronic records exist, applicants will print a copy rather than supply direct access to their accounts. The result is a mountain of paperwork that has to be gathered and submitted to the loan supplier - not to mention the additional paperwork that goes back and forth until the mortgage is secured. In order to keep deals moving along as quickly as possible to meet closing dates, the preferred method of moving these paper documents back and forth is faxing.

While faxes may be faster than regular mail or even overnight courier, sending documents over traditional fax machines is not without its challenges. In fact, the limitations of fax machines often become the choke point for document flow. If a fax machine is busy, nothing gets through until the previous fax is completed. Sending machines can grab two pages at once, thus missing a critical piece of information that has to be re-sent. Pages can fall on the floor or otherwise get out of order. And if the receiving machine is out of paper or toner there is a delay until the problem is resolved. Because fax machines sit in open areas there are also questions regarding the security of these sensitive documents. Then there's the issue that the sender or receiver must be in the same physical location as the machine in order to use it - a fact that runs contrary to the way mortgage brokers work. All in all, it seems fax machines present as many problems as they solve.

### The Customer

Mortgage Alliance Canada is the country's largest independent mortgage broker. The company's 1,600 brokers funded \$7 billion in mortgages in 2007 through programs that promise to provide the right mortgage on an individual basis for each customer. Customers have access to more than 50 monetary sources, from banks to private lenders, who offer hundreds of options for new home financing. Each Mortgage Alliance Canada office is an independently owned and operated franchise.



## The Challenge

One of those franchises is Mark Herman, whose office is based in Alberta, Canada. Herman and his underwriting partner Katie McDowell were the number two brokers in 2007, funding more than \$60 million themselves.

Actually, the singular term "office" is a misnomer, as Herman and McDowell actually work out of four offices total. Each of them has a home office, plus the company office and a real estate office where they spend much of their time. Herman also spends a fair amount of time working from other locations, including a customer's home and various lending institutions. This high level of mobility made staying on top of the paperwork an extreme challenge.

"Between customers and lenders we receive 7,000 to 8,000 faxed pages a year," Herman says. "Those documents could be needed at any of our four offices. It was nearly impossible to keep track of everything and make sure we had the right documentation in the right place at the right time. The cost and time involved in copying and filing alone was astronomical. And even then there was a good chance we'd have to drive from one office to another to pick up some other document. It just wasn't very practical."

Herman was also concerned about the security of documents being sent to fax machines in open areas. "People are exposing their entire lives in a mortgage application," he says. "That's not the kind of thing you want out in the open for anyone passing by to see. We're in a business where people count on us to take care of them and protect their privacy. I didn't think we were doing as good a job of it as we should."

One other challenge was storage of faxes. By law, mortgage brokers are required to keep all documentation for transactions for three to five years. With 100 percent paper files, the company had to find room to store 10 or more banker's boxes for every year, or 30 to 50 boxes total. That's a lot of space to devote strictly for old files, Herman says, whether it's at the office or an off-site facility.

Each of these factors was cause for concern by itself. Taken together, however, it became apparent that relying on traditional fax machines was not the most effective way to operate the business. Herman decided that it was time to look into alternatives that were more in keeping with the way he worked. That would help him grow his business while serving customers more effectively.

## The Solution

Herman's search for a solution led him to the MyFax Internet fax service. He was immediately intrigued by the concept of faxing over the Internet, a solution that included a low cost, and the ability to obtain a toll-free phone number for the business. "MyFax seemed almost too good to be true when I first looked into it," he says. "Being able to send and receive faxes through my e-mail account meant it didn't

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matter which office I was in - or even if I was in one of our offices. Wherever I was I could take care of things right away. Given how important it is to get documents to a bank within five to 10 minutes of receiving them, that alone was huge."

Herman says he no longer has to find or wait by a fax machine to receive a set of documents now that he has a MyFax account, As long as he has an Internet connection he is now able to receive faxes in his e-mail account, preview them to see what they are, and either re-fax or e-mail them immediately to the bank.

That saves a lot of time compared to having someone stand by a fax machine to re-send a 30 to 50 page fax, he says.

Forwarding as an e-mail also helps preserve the integrity of the documents. Herman says by the time some transactions are completed certain documents may have been re-sent five or six times. With traditional faxing a generation is lost each time, until the documents are barely legible. By using MyFax to forward them electronically, the documents remain as clean and readable as the original transmission, no matter how many times they are sent. And when working with remote clients, such as oil drillers applying for mortgages who don't have e-mail access, Herman and his partner can send the documents to a fax machine without losing much clarity.

Another feature Herman likes is the ability to have inbound faxes sent to more than one e-mail account.

"Katie is on my list and I am on hers, so we both receive the same faxes at the same time," Herman states. "That saves a lot of time right there. If we're in different locations and there's a problem both of us can open the fax, talk right away, and develop a resolution. The same with vacations. If someone in the office is going away, we forward faxes so we can stay on top of things. It's a very easy and efficient way to work."

In part because of the forwarding feature, signing up for a MyFax account is one of the first things all new employees are required to do. It's one of the few rules Herman has in place.

MyFax also solved the privacy concerns Herman had regarding faxes. Because all received faxes go directly into their e-mail inboxes, there is no chance of a customer's sensitive financial information being viewed by unauthorized personal. As an added precaution, every laptop is password-protected, making the documents on them even more secure.

"The people who are most concerned about the issue are those who have had their identities stolen before," Herman says. "Customers feel a lot more secure when they know their documents are going directly into a laptop rather than to a fax machine."

Going straight into the laptop makes document management much simpler as well. Herman says every client has a folder, and every faxed document relating to that client goes into the folder. The original is stored locally on a laptop, while a copy is placed on the shared drive so it's accessible to others in the company. They can then pull the fax up instantly, wherever they happen to be, rather than having to go to the right office and shuffle through reams of paper.

To meet legal requirements for saving documentation, Herman now burns one disk per customer.



"One hundred disks are roughly the size of a football," Herman says. "Paper files with the same information take up five or more banker's boxes, depending how many pieces there are to each. It's a lot easier and less expensive to store 100 disks than five banker's boxes."

As someone in the service business himself, Herman also has been very pleased with the level of customer service he has received from MyFax.

"The MyFax customer service people have always gotten back to me within a half hour of when I call," Herman says. "Usually when there's a problem it's operator error on my part, but they're still very nice and very helpful. The regular tips they send out come in handy too. Once I needed a hard copy of a fax at a customer location but didn't have one. I remembered a tip they'd sent out and faxed the document from my laptop to the customer's fax machine. In minutes we had what we needed. That probably saved me an hour's worth of driving back and forth right there."

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## The Result

Herman says that MyFax has made his business much more efficient and cost-effective. In addition to saving the cost of four fax machines, phone lines, paper and toner, there's the time element.

"We save a good three to five hours per week every week because of MyFax," Herman states boldly. "Not to mention the money we save by not having to have a person stand by a machine feeding faxes to it all day."

"With the high volume of faxing we do, there is no question that MyFax is core to our business. I can't imagine what we'd do without it. And I don't want to try."

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## About MyFax

MyFax is the fastest growing Internet fax service used by individuals, small, medium, and large businesses to send and receive faxes using existing email accounts or the web. MyFax offers services in North America and Europe, including the United Kingdom, to industries recognized among the fastest growing adopters of internet fax including finance, insurance, real estate, healthcare, transportation and government. More than 20,000 new customers subscribe to MyFax each month. Additional information is available at [www.myfax.com](http://www.myfax.com) and [www.myfax.uk.com](http://www.myfax.uk.com).

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