



How RON Can Keep the 'Great Reshuffling' from Dealing Your Credit Union a Bad Hand



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Many of the digital and technological advances made in the mortgage space over the past year are here to stay, even as operations begin to return to normal.

But there is an assumption that some technologies will no longer be needed and can be phased out. For example, as mortgage closings can be conducted in person once again, some may no longer see the need for remote online notarization (RON).

Unfortunately, in the long-term this stance could cost some credit unions, not only in mortgage volume but in membership retention numbers as well.

The term “Great Reshuffling” refers to first-time homebuyers seeking more affordable homes in “secondary cities” due to remote working capabilities seen in the recent Covid-19 pandemic.

A recent report¹ revealed that since early 2020, just before the pandemic began spreading, nearly 11% of Americans have moved and an additional 8 million households were prime to enter the current real estate market due to the pandemic. The report also noted that 75% of those who moved relocated for positive reasons, such as being near family or moving to a more desired location.

RELOCATION CHALLENGES

Often, these relocations have been hundreds or thousands of miles away, which usually requires those moving to find new services, such as doctors and grocery stores. For credit unions members, this can also mean looking for a new credit union or being forced to join a large, chain-like bank.

During the relocation process, credit union members may opt not to use their existing credit union for their next mortgage if they are planning to relocate outside of the credit union’s geographic field of membership. From there, it may be only a matter of time before these members transfer all of their accounts to a local credit union or other financial institution, especially if they value or prefer the experience of banking in person.

However, with the technologies available today, there’s no reason credit unions cannot continue to offer long-distance members the same great experience.

REMOTE SERVICES GROWING

For many, the biggest hurdle to offering a distanced experience to members is the ability to offer in-person services remotely. Credit unions and their

members have embraced digital services such as mobile deposit and online banking to help bridge this gap, and RON can help bridge it even further to include mortgage closings in the list of in-person services capable of being performed remotely.

To date, 33 states² have approved permanent RON legislation, offering credit unions a way to reach members beyond the limits of locality. As emergency orders issued in 2020 expire, organizations like the American Land Title Association (ALTA) and the Mortgage Bankers Association (MBA) continue to promote RON legislation at both state and federal levels.

Meanwhile, the Mortgage Industry Standards Maintenance Organization (MISMO) established a certification program³ for RON providers committed to complying with MISMO’s RON standards. These efforts ensure that as RON continues to expand, the foundation for consistency in legislation and technology is in place. And with efforts to revive the SECURE Act at the federal level, nationwide acceptance of RON may soon be a reality.

BUSINESS OPPORTUNITIES

Additionally, technologies like RON allow credit unions to attract new business when there is a customer preference on digital mortgage advancements. By continuing to support technologies, credit unions will supply their members with the full range of transactions, no matter where the member is in the world.

RON platforms are relatively easy and inexpensive to deploy as compared



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same physical location.

to other digital mortgage tools. As these platforms are designed to work with existing closing-related systems, credit unions can tailor their deployment to meet their needs and those of their members.

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Over the past year, these technologies were considered short-term solutions or something to keep on hand in case a member encountered a time in which a remote closing was the only option. Moving forward, embracing these digital tools will allow credit unions to provide the personalized service their members have come to expect, even if those members are no longer in the



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As Regional Manager at IDS, Clint Salisbury seeks to advance the software company’s larger goal of driving eClose adoption and providing the best “e” experience possible for both lenders and borrowers. Since joining IDS in 2008, Salisbury has served in many roles—including In-House Counsel and Director of Implementation—giving him unique perspective into the mortgage industry.



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Footnotes

- ¹ <http://zillow.mediaroom.com/2021-04-06-Zillows-2021-Mover-Report-The-Opportunity-Emotion-andTrends-Behind-the-Great-Reshuffling#Closed>
- ² <https://www.alta.org/advocacy/online-notarization.cfm>
- ³ <https://www.mismo.org/standards-and-resources/digital-mortgage-resource-center/ron-providers>