Podcast Transcript:

Automation in Origination: How client and partner delivery enable integration and partnership across the industry

Phil Treadwell, Host of The Mortgage Marketing Expert Podcast
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Phil Treadwell (00:03)
All right. Welcome back to the Mortgage Marketing Expert podcast. I'm your host Phil Treadwell. Mortgage Marketing Expert is a proud founding member of Industry Syndicate podcast network. Our Mortgage Marketing expert today is Kevin Kaufman. He's the Vice President of Client & Partner Delivery at Freddie Mac Single-Family division. More specifically, he's part of the strategic delivery, data operations and technology division. He has more than 20 years in both mortgage operations and technology with leadership roles at places like Citi, Chase, FIS, and now Freddie Mac. And he and his team oversee Freddie's client and partner engagement strategy and help optimize Freddie's business capabilities throughout the entire mortgage ecosystem. So Kevin, welcome to the podcast my friend.

Kevin (00:43)
Thanks for having me. I appreciate it.

Phil Treadwell (00:45)
Well, I'm excited because we had Michael Bradley recently who's also part of Freddie Mac Single-Family and these have been awesome conversations because the industry has changed a lot over the last 18 to 24 months. Obviously COVID has played a part in that and in how we're bringing in more automation technology and things of that nature. So I'm excited to continue that conversation with the client partner delivery and engagement side of the business. But before we get too far into that, if you would take a second and talk about your background, how you got in the industry and what you're up to these days.

Kevin (01:20)
Awesome. Yeah. And the Michael episode was great. I went and watched it. I mean, just the topics around AI are extremely important.

Phil Treadwell (01:27)
Yeah.

Kevin (01:28)
Not just for our industry, but the growth of all of what we're trying to do as a society.

Phil Treadwell (01:30)
Definitely.

Kevin (01:31)
So it's cool. So my background or origin story is a bit different than I think a lot. I think, one thing that we all do have in common is I don't think anybody went, "You know what, I'm going to go work in mortgage. I'm going to go work in mortgage technology." And we all find our way here no matter where we were. And I was actually in school to be a teacher. I wanted to teach kindergarten through fifth grade was my goal in life. And just ended up in technology, actually. And I was originally just... It was funny. I think I heard on one of your previous pods, answering a ad in a newspaper and that's exactly what got me into just technology.

Kevin (02:13)
And from that aspect, it was, "Hey, you want to move some boxes over the holidays?" And as somebody was trying to be a teacher, poor kid and just trying to figure it out, it was move boxes. It turned into a technology job. And so that just spun

from there. And I got into software development and a couple different things. And so just decided at that time I wasn't ready. I was like 19 and they had offered me this incredible job, just teaching me software, making incredible money that just was more than I ever made actually as a teacher. And what had happened was I was selling cellphones as they first started to come out. I was making good money there.

Kevin (02:54)
And I said, "You know what?" I just packed up and put all my stuff in my car. And I just drove around the country and lived in my car, lived on some couches, lived in Flagstaff, Arizona, Leadville, Colorado, moved to Lake Tahoe. But within the mortgage industry, I mean, it was weird when I just got fed up with just living out of a car for a few years. I came back with selling phones, doing my student teaching and had sold a phone to a mortgage guy and he just shared, he's like, "You should come do this." And I was like, "Yeah, I don't know." And so I ended up in a broker shop and as part of that broker shop, I saw what was going on. The opportunities were great. You get that feeling of high when you close the deal and you go ring the bell.

Kevin (03:36)
Right? It's a really, really cool thing. But the one thing that I noticed back then, because we're still talking in the '90s is there was so much to learn about the industry. And that was one thing I was never afraid of was taking steps backwards in order to figure it all out. And so, from there I just made my way around as a loan officer. I've done pretty much everything in the industry, from knocking on doors to collections when we were still allowed to do that, to underwriting, to processing, lot of different things. And to me it was always about that knowledge base. And I even did accounting for the firm that I was in just simply from the standpoint of I wanted to learn. And so whether it was compliance training to origination and I can recall it was real funny.

Kevin (04:20)
I had left the loan officer job. I applied for a compliance trainer in our head of our region. It said to me, he was like, "What are you doing? You're the number one guy in this part of Pennsylvania. There's no way we're going to let you go do this." And I was like, "I just want to learn." And it was so cool. And for me just to be able to go do it and that just evolved. So from that aspect, I saw another opportunity to get back into technology which from technology, it was mortgage technology and my mind was blown that this company existed. It was local to the Philadelphia area, which I grew up in and live in. And so the fact that you had these firms and people that I knew across the industry, working on mortgage technology, I felt like I finally had the thing that I was most interested in.

Kevin (05:08)
Right? I mean, you know what it's like you chase month ends, month after month after month. I wanted the chase release cycles. It became unique and different, but it actually gave me great perspective because it gave me an opportunity to work with of such a broad landscape of lenders in the market and think about problems different than actually being a user. And so from there, it allowed me to end up here at Freddie Mac and just couldn't be any more excited. I'd done some research on you as well. I know you guys were big into Dual AUS and some of your prior spots that you've been. And so for me, when I heard that story about Dual AUS, just being able to leverage both and thinking about Freddie Mac at the time as an underdog and the potential for growth and what we wanted to do, it gave me the chance.

Kevin (05:55)
This is a job that I ran too. Right? And so it was just amazing to have this opportunity. And for me, I get to work with every ecosystem provider from Credit to POS, to LOS to everything in between the data validation, but at the same time getting to work with lenders. And it's like, it's one of those things where you sit back and you go, if you can influence in industry, that's where you want to be. So for me, this is just... I couldn't be happier. The culture at Freddie Mac ending up here is just amazing, right? It's just one of those things of, I love my job. I love the people I work with. It's really, really cool.

Phil Treadwell (06:31)
It's interesting. Freddie Mac was that kind of underdog for a long time. And it's just not the case anymore. The programs that are being rolled out, the... I don't want to say aggressiveness, because there's a negative connotation there, but I think the emphasis and the very intentional and deliberate, I guess the intentionality is probably the right word that Freddie Mac's putting out in technology, in automation, in that consumer experience and the lender experience I think is pretty incredible. And yeah, I don't... Whenever you were logging on, we were talking about that. Most people didn't raise their hand in kindergarten and say, "Hey, I want to be in the mortgage business." Right? We all ended up here in some way, shape or form. And yeah, my stories, I answered a newspaper ad and a lot of people have heard that.

Phil Treadwell (07:17)
So it's interesting how a lot of us got here because something you said we're all drawn to the fact that we get to continue to keep growing and evolving in a lot of different things. And you talked about technology several times and I'd love to ask because I think especially 18, 24 months ago, but maybe not as much now. The mortgage industry was pretty far behind. A lot of industries and verticals when it comes to our adoption and engagement within technology, not just in the loan process, but in the lead conversion and in post close and all those types of things. I'd love to get your perspective on where you think we're at as an industry in adopting technology and how far we still have to go.

Kevin (07:59)
Yeah. So, I'll step back and everybody thinks of the initiatives within the GSE world, right? There are these mandates, but what I don't think folks have realized is whether I'm working with our clients or partners on the importance of this, and you think about it, it's the digitization of our industry. And so creating those standards from a technology standpoint, whether you were a broker, you take this file. I export this file. I submit it to here. And then I maybe get a response and everything's manual and you start to do it. Well, that's because there was really no standardization of our data. And you think about where we've come. And this has been 15 years where that's really come from, has allowed some of the FinTech providers that are really startups to get into the industry.

Kevin (08:47)
And so I'll share, we had... When I see some of the things that are available now, I go back 12 years ago, the company I was with, we had built a point of sale solution with direct connections to core banking that allowed us to prefill loan application data and get asset data. What didn't exist is the ability for the GSE's to accept it for like... So I look back and I went, "Wow, what a missed opportunity. We were a few years ahead." But when you think about how we've been able to come through now, it's truly about that bidirectional integration. And so, I mean that because I think what's changed is your expectations. And I talk a lot about at different events and different things of... So what do you do in the industry? What do you do in the industry?

Kevin (09:31)
How many underwriters we have? How many processors we have? Now, what do we all have in common? So raise your hand if you're a consumer. Our demands as a consumer has just changed so dramatically. So as tough as it is for the mortgage process. And I try to put it in perspective like this. So Phil, you could drive up and get a brand new car. You could spend $150,000 on a car, speed away and drive it off, right? That maybe took you a few hours. Mortgage industry. Your house is settled. It's not going anywhere. You're not driving it away. It's never going to go anywhere. And it's going to take you on average 50 days in today's world. That's insane. And so when you think about it, you put it in perspective is how do we compartmentalize every step in the process and make sure we have that digitization in place.

Kevin (10:20)
And so how we've gotten here has been creating standards, which was really, really important. And then allowing people to come in from outside the industry and start to provide solutions that really made sense, which has really taken us over the past five years to a place that we haven't been. But the one thing, and just to mention on this topic is how do we get people to realize how they get from A to B. That's the biggest challenge I actually think we have is people are aware of the tools that are out there. I just don't think people know how to get started on that, if that makes sense.

Phil Treadwell (10:55)
Let's talk about that for a second, because I think you're right. I think there's plenty of technology available for our industry. I think there's a lot of tools to create the efficiencies that people are looking for, but they're either choosing not to use it or they don't have the know how, or the desire to learn. So what is the solution to that problem? Is there incremental steps people can take? Do you just have to dive ahead first? From a GSE per perspective and the tools that you guys have available, what's the easiest way to adopt those?

Kevin (11:22)
Yeah. So there's nothing easy other than to say that. You can't just jump both feet in and say, "We're just going to take our whole organization from soup to nuts." And one thing I've talked about is just been, right, start small, but you have to think big, right? And so you have to understand what it is you are looking to achieve, but when you are starting small enough to say, "You know what, not the whole thing's going to work for us, our footprint, our client, whatever it is." So you have so many different types of organizations. And so you have some that are top down from, we're going to tell the loan officers how to work. You got others where loan officers are going to dictate how the organization is run. And I think at the same time, what do they both care about? And they both care about is that customer experience more than anything.

Kevin (12:11)
And so when you think about that, to circle back to what I had mentioned, we're all consumers. And so when we talk about implementation of the tools, it can't just be that we're just going to implement this thing and it's going to take off. I mentioned earlier, you have to change your behaviors. And so if you want to validate income, employment, assets, and you're going to take advantage of all these awesome tools that are on the market that we provide, even within our aim solution. What you can't do is just go, "All right, I'm still going to request, pay stubs W-2's tax returns and all of this," because you've now eliminated it. And so the thing that I have people to asked themselves is just start there, just with the origination process and evaluate if we're going to implement some of these tools, we have to evaluate what we're asking from the consumer. And you have to look at it as that simple of your request for documents has dramatically changed if you're going to take advantage of the digitization of the tools that are out there, does that make sense?

Phil Treadwell (13:15)
Absolutely. But I think that the value that some of at least the origination side is missing is that by changing that process and resetting those expectations, you are in fact providing a better consumer experience, where I think a lot of times they think, "Hey, this isn't what I deem the right consumer experience to be by asking for more information up front or different information," because that's not what maybe the industry as a whole has shown consumers for so long that this isn't the right thing. And I think that that behavior changes exactly what we're talking about here. The industry is different. What we can provide consumers is different. So even the communication, the expectations we set also need to be different.

Kevin (13:57)
That's right. And you had asked, "What do we do? How are we helping influence in it?" And so what we've done, we have something coming out sometime later this week is a cost to originate study. And we break it down based upon just simple tools of what you can leverage from Freddie Mac, how you can just optimize. And so, as we talk about optimization, what we like to do is just the purpose of this cost to originate study is just to be thought provoking. Where do you sit? And so what we do is we have enough data that we can tell. So are you at the highest end of the origination charge? Because we can just see what those calculations are. Your cost per processor, per underwriter, per originator, we can work with lenders to put that together of what is your cost as an organization.

Kevin (14:47)
And just you fill in a model that can tell us exactly where you sit and identify those opportunities. So, as we talked about how do you get started and it really just becomes about engagement. And the one thing at Freddie Mac, and we've been joking about it, but it's like, "We're not your parents, Freddie Mac."

Phil Treadwell (15:04)
Yeah.

Kevin (15:05)
And as you mentioned we're trying to engage on a very different level that we want our clients to understand. We want to be a trusted advisor. We understand this is about providing liquidity. As you mentioned, it's being aggressive but being smart. We all share the responsibility of risk in this industry, because we know what happened the last time. I don't know about you, but I felt terrible during the last meltdown. you see people on the news and these mortgage people in their bad, and you're like, "Wait a minute.

Kevin (15:31)
The policies that affect that don't reflect me as a person and the things that my organization has dictated." And so making sure folks understand that shared risk responsibility is extremely important. And that's what we try to do is really work with a lender soup to nuts to say, we can help you simplify parts of your process. And so whether it's you have a repurchase and you have this QC cost or origination cost, you have to break it down fundamentally. And I've used the example a couple times in the past. I can remember coming up. And it was like, red file equaled X, right? Green file equaled Y. And every file was different, whether it was a Texas 50(a)(6), and you were on the condo team and whatever it was. But so you had to work on them in a different way.

Kevin (16:20)
And those are parts that I think we have to go back to as thinking from a mentality of, even though you don't have a green folder anymore, you have to look at it from the standpoint of how do I eliminate the bottlenecks from the types of loans

that I'm doing. And if we can tell you that on average, originating a loan can be 14 days for certain types of loans. And you've created a streamlined process that's not streamlined from, we're going to ignore risk, but streamlined from a, we've taken the steps to evaluate. I did get an appraisal a waiver. I did get income and assets evaluated. I did follow this, but am I going to just dump it back into the same closing process as a whole? The answer can't be, because you're just going to funnel it into the bottleneck and kill that consumer experience.

Phil Treadwell (17:08)
You brought something up there in talking about the meltdown. And I think a lot of us in the industry were looking at what was happening and the villainization of the industry as a whole. And we're like, "Listen, this is not how this went down." And I remember thinking at the time, I even changed when people asked what I did, as opposed to saying I was an originator in the mortgage business. I would say, stuff like real estate finance or anything to distance myself from it.

Kevin (17:35)
Right. That's right.

Phil Treadwell (17:35)
And I think it taught us all a lesson. And I know that right now, as property values are increasing and we have this real estate boom, because money's cheap and things of that nature, you get a lot of people talking about a bubble. You get a lot of people talking about a crash.

Phil Treadwell (17:52)
I can't tell you the amount of articles and posts that I've seen about this conversation. And anytime I give some narrative around it, I'm saying, "You have to understand the difference in where we're at now and where we're at 12, 13, 14 years ago." The biggest part being the as sets that are the collateral in this are actually good assets. And the loans backing them are good loans and qualified loans. I'd love from your perspective, especially as you work with the industry, right? Because you have this client and partner side of things. What is the conversation around this as we continue to go into the Q4 and first part of 2022 with prices that have appreciated a substantial amount, money that's still very cheap. We still have this big wave of millennials coming. What are the conversations around that? And what's the narrative that you guys are talking about?

Kevin (18:43)
Yeah. And I had mentioned it earlier. It's just a realization of shared risk in all of this. And I think as the previous time, I mean the number of repurchases and process, right? So, that had really opened the eyes. It changed the business as a whole. And when you look at it, we're staffed and structured differently. But the mindset of the industry is so different because you now have layers of pre-closing QC, underwriting all along the way, but the make of the requirements of the borrower is fundamentally different than it ever has been. I mean, some of the things that we are looking towards in the industry now is creating access to credit. Those are positives, but this isn't about creating a subprime market. This is about creating a way to create access to that credit and sustainability in housing, right?

Kevin (19:36)
Sustainability is find tools and ways to keep people in their homes and find ways to provide access to credit not by saying, "We're just going to ignore what has happened," but looking at other pieces of data in order to make better informed decision. And so, at Freddie Mac, what we care about is looking at it from a risk perspective and looking at it from what makes sense by leveraging data. So us as an industry, there's always going to be ups and downs. There's always going to be a bubble that starts to form based upon historical notions. But today where we are, that growth has been because of demand. So more than anything, we're sitting at a demand standpoint, we're still under in regards to availability of homes and that's not changing. And that's what's driving up the values versus what we saw in 2008, 2009, which is, "I have to get this number.

Kevin (20:31)
This is where my appraisal has to come in." This is truly a supply and demand type of view into where we are. And I think more than anything, what we try to do is put an additional focus on risk. Make sure we're educating. As I mentioned before, it's trusted advisor. We're not just talking about technology. This is not just, "Here's Freddie Mac's product." This is working with lenders to really become better at what they do holistically because we can't as an industry or as a country afford to have happen what happened last time.

Phil Treadwell (21:03)
Oh, I totally agree.

Kevin (21:04)
Make sense?

Phil Treadwell (21:04)
Absolutely. So, I'd love to get your take because obviously a collateral valuation, those are hot topics in the industry all the time. When I look at the historical increase in appreciation of homes, right? You had a little bit of a spike in the mid 2000 and you had a drastic drop and we've gone back up and we've had a pretty aggressive spike if you will. But where we're at is still in line with where it should have been trending, had all of that stuff not happened over the last 10 years or so.

Phil Treadwell (21:36)
But as we continue to have these conversations about collateral and valuation, there's a lot of automation that's involved. I mean, you mentioned a second ago, property inspection waivers, right? Because you guys have so much data and the industry is leveraging data in a completely different way that it has before. What is the next iteration of that? What's the progression as we continue to have these conversations about, even COVID restrictions that we had for a good year, 18 months. What is the next step in that process for collateral?

Kevin (22:07)
Yeah. And I think part of it is just continuing to become smarter. So you had Michael Bradley on who's looking at data and models and AI. And so for us automated collateral evaluations, we call ACE is really, really strong model in that evaluating collateral from that standpoint, going to really make us smarter. So humans are going to make mistakes in driving what those values are. And so if we can validate even what appraisal data we have, where we are as whole as an industry, we can look at it from a combination of between people on site, historical data and where we are today really allow us to become smarter. And one of the things you had mentioned was, that growth and then the big drop. And I think that was market driven more than anything. There were certain pockets that were hit hard. In those pockets it was Florida, it was Las Vegas, it was parts of California.

Kevin (23:08)
But there were majority of the country had actually stayed and remained exactly where they were. And so if there was a dip, that dip may have been 5% and that was just from speculation as a whole. And so where we go next is creating a means to be able to look at combinations of different things, leveraging data with expertise. And you think about what an appraiser's job is, their job is they go out and they inspect the home. They take measurements to see, "How do I compare it to something else?" Which is by the way, looking at data from public record information. And so how do we take a look at what the best of both worlds is going to be? That's what the definition is, right? For where we go as an industry is how do we take just really people in homes, people spending more time looking at data, creating smarter, better models to take us to the next step?

Kevin (24:02)
But as we look at the current growth now, it's not out of line with where we should be as you mentioned. So there is a sense of comfort in what we are growing towards. It's never going. It needs to continue to evolve is really what it's going to be. And we'll see that. But it is that combination. There's less appraisers available today than ever historically. There are some markets that are seeing, prices are absolutely through the roof just to get an appraisal done now. Part of that's supply and demand, part of that's availability of the appraiser. And so how do we meet the somewhere in the middle of the best of both worlds? But really again, it's going to come down to process change because we're already where we want to be in the future and that's leveraging data and leveraging individuals.

Phil Treadwell (24:53)
See, I know a lot of people aren't a fan of these types of conversations, but I love them because we're continuing to talk about the growth and evolution of the industry, which is what I'm super passionate about. Continuing to make us more modern and relevant especially compared again, to a lot of other verticals. It's been your grandpa's mortgage industry or your dad's mortgage industry for a long time and I think we're primed to continue to do these things. And I love what you're talking about when you're talking about shared risk and you talk about compromise, because this isn't just a GSE or liquidity, lender side versus origination side, or even clients and consumers versus the industry, right? It is all together.

We're all trying to do the best for each other involved. And I know a huge part of your job is working in the partnership side and the engagement side of it.

Phil Treadwell (25:41)
You guys have a ton of tools and I'd love just for you to talk about what are some things that you guys are excited about for this coming year? What are some existing either platforms or tools that people need to be aware of and start utilizing. Because I wrote down your quote earlier, "Start small, but you have to think big." And I think that's huge because a lot of this are not, we're hesitating to adopt anything because to your point, it's not necessary easy. So I'd love you just to talk about some things that people need to be aware of and somewhere where they can start small.

Kevin (26:13)
Yeah. So, that's perfect. There's a couple different ways I can take this. And the partnerships of all of this are extremely important. So as I mentioned about becoming trusted advisor about working with lenders in a very different way, that's not just Freddie Mac. It can't be. And so whether we're talking about aim and our partnerships, whether it's FormFree, Pointserv, Finicity, Blend from the asset side of the house, as well as the income side. We understand that their individual pieces that again are contributing to a greater piece. And so when we talk about engaging, what we want to do is really engage with a lender that allows us to look at it and say, "What's your configuration? You use this POS, this LOS, this aim solution. Now come together as one voice to you and really find out what that optimization looks like for your organization."

Kevin (27:13)
How do I turn it on? Now, how do I use it? This data's going out, what data's coming back? And so if we look at it from that standpoint and create a message of optimizing the implementation of these tools, which will be the digitalization of all of this, of how it comes together. That's really going to be the focus point of where we go is put our arms around every lender that wants to work with us with every partner. We all stand something to gain. And so whether it's we increase, we leverage asset data to look at income information today. What is historical ability to pay? What are all the different things that are available from that data set allows us to really think in an innovative way, but the idea is we don't want to compromise your compliance. We don't want compromise other compartments of what you see within that data.

Kevin (28:08)
So it could be data that we work with you that says, "You're not going to ingest this, but we're going to use it for levels of evaluation." And those are the types of things that we want to work with lenders, just to say, "We're all coming together as a community to make sure you can adopt it in the way that makes the most amount of sense." And so for us, it's just really deploying the resources in a way to say, "Where's your cost at today? Have you figured it out? Now, where do you want to go next?" You want to think big, but start small. And so where are we going to start small? And it really comes down to training in order to really affect that behavior as we talked about. And so, as we're growing our initiatives and working with our regulator to determine how we really move the ball forward on affordability, sustainable housing, they're all really, really great opportunities to leverage our existing partnerships and to work with our lenders in a way that creates a configurable atmosphere for your environment as a lender.

Kevin (29:09)
And those are the things we're going to do throughout the rest of this year, what we can do. But it's really just amazing from the partnership community, how many people will stand up and go, "We want to go get in front of that lender." We want to, right? Because it helps them increase their revenue. If we help you as a lender, decrease your cost while the provider's increasing their revenue, they can innovate. What is the next thing they want to innovate on? And when we talk about innovation, it's not just technology. It is risk. It is the access to credit. It is so many different things, but we can't get there if people stay in that world of, "You know what? I've always underwritten this way. I'm going to continue to underwrite this way. I've always asked for the documents. I'm always going to ask for the documents."

Kevin (29:53)
And it's like, those are the types of things that we have to change. And whether it's our LOS partners, our POS partners, our data partners, all of us are going to actually have an opportunity to work with our lenders to really make a difference and make a change and how people implement the tools. And that's our focus. That's going to be our innovation is actually make it simple, right?

Phil Treadwell (30:16)
Yeah.

Kevin (30:16)
Just make it digestible for lenders. Because as we started out the conversation, that's the hardest part is for people to go all of these tools, all of these different pieces, we just want to help you implement. And I think if it's you need PM resources, if you need risk resources, if you need... Let's all come together because your success reach the success of the rest of the industry. And that's really where we want to be. And really what we're going to work on throughout 2022.

Phil Treadwell (30:44)
I love that. I totally agree. We do have a lot of people that this is the way it's always been done. And that's probably one of the most frustrating things that anyone in this industry can say. My company Thrive Mortgage, our owner, Roy Jones has a big sign. It's a poster outside of his office that has the Pot Roast story. And if anyone's not heard the Pot Roast story, it was Thanksgiving and the daughter asked the mom, "Hey mom, why do you cut the ends off the pot roast before you put it in there?" And she's like, "I don't know. Let's go ask grandma." And so they go ask grandma, "Hey grandma, why do you cut the ends off the Pot Roast?" And she goes, "I don't know, that's the way my Mom always did it."

Phil Treadwell (31:25)
So they had great grandma on there comes in and said, "Hey, why do you cut the ends off the Pot Roast?" And she said, "Because that's the only way that would fit in the pots." And the moral the story is if you don't ever ask why, you're probably doing something just because it's the way it's always been done. And I think that there's a lot of people in our industry now, again, they're much fewer number than they were a year ago, let alone two years ago or four or five years ago. But I love what you guys are doing. I love what Freddie Mac is doing as a whole, because at the end of the day, when you talk about innovation, I love what you said. It's not just about origination. It's how do we look at risk?

Phil Treadwell (31:59)
How do we look at the way we underwrite? The way we process. How do we not just use when we talked about AI with Michael Bradley. How do we use other types of automation? Can we make it easier to send appraisal checks out? Can we automate the order out process? How do those integrate with other platforms out there? At the end of the day to provide a better consumer experience. And so, I love what you guys are doing there. Got a couple more core questions for, and I want to let you out of here. One, I want to see if we can get an inside scoop. There's been a lot of conversation about max conforming loan limits. You want to scoop them here and tell us what the answer's going to be on that?

Kevin (32:36)
We don't drive it. We just consume it at the end, but at the same time, those outputs have an impact on other things.

Phil Treadwell (32:43)
For sure.

Kevin (32:44)
So nothing available yet.

Phil Treadwell (32:46)
Nothing yet. I thought maybe there was an internal memo that we could leak out here or something like that on the podcast.

Kevin (32:52)
No. Like I said before, I love my job. I love working at Freddie Mac.

Phil Treadwell (32:56)
Fair enough. Fair enough. Well, like said I want to be a good steward of your time. One last question. We asked this of all of our guests and it's pretty simple. If you could just give one tip to mortgage professionals today to go out, to use, to build their business, what would it be?

Kevin (33:11)
Yeah. And I think it's just, again, focus on changing your behavior. You gave the Pot Roast story. The idea is we have to evolve in order for this to change. And so, no matter what you are, where you sit in the origination process, it's... You want to create a better borrower experience. That's going to make you as an originator more money, right? You want to identify those opportunities of risk, direct data from the source is that opportunity. And so by leveraging third party's to get data from the source is going to create that atmosphere for you. Create a better borrower experience, as well as mitigate my risk as an organization, again, that we all share. And at the same time it's going to reduce cost. And I think the more and more we start to compress that cost, the more and more we're going to succeed.

Kevin (33:57)
You want to get that back into the consumer's hands. And so, I would tell you, embrace the technology change, embrace the behavior change. That's what folks need to really, really think about is how do you change your behavior? And we're here to help. I mean, that's one thing we talk about, please reach out to Freddie Mac, reach out to me, would love to have that conversation. We can put together just even simple material of how you can get started, but it does have to make a change from you as an industry.

Phil Treadwell (34:31)
Love that. Kevin, you've been an incredible guest. Thank you so much for the information.

Kevin (34:34)
Thank you.

Phil Treadwell (34:35)
We'll put some links in the show notes for folks to take a look at some of the tools that Freddie Mac has to offer, both for lenders and brokers and everyone in between, but we appreciate you being here and I look forward to catching up again soon.

Kevin (34:47)
Appreciate being here. Thank you so much for having us. Have a great day.