

BUILT ANSWERS

How to effectively prioritize compliance without sacrificing productivity and profitability

First, let's begin by evaluating the construction loan administration process today, without a collaborative online solution. For a lending officer, the work begins at the close of a construction loan. A builder works on their checklist — ensures the proper insurance and documents are in place. Where do those land? In a loan officer's email inbox.

That's just the start of the storm of documents that stream in from any number of sources, all of which are required for compliance. The last thing a lender wants is to have an auditor visit and be caught without necessary documentation in hand.

This single aspect of construction loan management can be an enormous timesuck. Loan officers and loan administrators don't have the time or space to sufficiently track loan activity — to catch a stale loan before it becomes an issue — or to perform an analysis of their loan portfolio to see what opportunities will be most profitable in the future.

There are three keys to ensuring procedures are followed so that you're in compliance and your team can do the work they're best at.

1. A single home for all documents and communication: The days of looking back at old emails for PDF attachments should be behind us. Getting lenders, borrowers, inspectors, and other interested parties on a single platform changes everything. Every point of communication is documented so one-off text messages aren't lost or ignored. Every document is saved in its proper place for easy lookup and sharing.

Built's construction draw administration software even has built-in document expiration tracking so that your team knows when something needs to be updated. There is no audit risk when everything is transparent and proactive.

2. Automate alerts on loan activity: Make sure your team is updated when they need to be. Do you want them to check on loans that haven't had activity in 2 months? Automate alerts to fit your schedule. Do your procedures call for an inspection every month? Automate inspection requests. Get the low-level administrative work off your team's hands so they can better serve your clients. Built's platform gives every lender the flexibility to configure their project workflow to fit their unique policies and procedures.

3. Wrap up every project with compliance file. Built actively tracks every activity on a loan-by-loan basis, down to the user level. Once your project is complete, you can download it to your server (it's kept in perpetuity on Built servers). If you do get a visit from the auditor, it's dead simple to share the entire file with them to prove you're in compliance.

Once these steps are in place, lenders can work on proactively managing their construction loan portfolio toward maximum profitability, rather than reactively fixing problems as they arise.

Too many lenders have stayed on the sidelines of construction lending because of its perceived risk. That doesn't have to be the case. With the right tools, any team can build a profitable construction loan portfolio while staying sane and safe.



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