

6 Essential Considerations When Choosing a PPE



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INTRODUCTION

In the dynamic mortgage industry, a robust product, pricing, and eligibility (PPE) engine is no longer a luxury – it's a strategic necessity. Regardless of size or scope, lenders rely on PPEs to navigate market fluctuations and maximize their revenue on every loan transaction so they can continue to help families achieve the dream of homeownership.

There are many PPE solutions to choose from. When weighing your options, these four essential PPE components are necessary to drive profitability:

- Real-time, accurate pricing
- An experienced and proven implementation process
- Access to secondary marketing tools and automations
- Seamless integrations

Additionally, consider these two critical aspects in a partner to ensure you are maximizing value and leveraging the latest technology:

- Use of generative AI to address real-world challenges
- A commitment to providing more value at no additional cost

Used to price and lock over 35% of mortgages completed nationwide, the Optimal Blue PPE stands out as the industry's most widely used PPE platform.

PRODUCT AND PRICING ACCURACY

Accuracy is paramount in achieving the goal of profitability and efficiency for loan buyers and sellers. When you have confidence in the accuracy of products and pricing, your PPE becomes a source of net gains rather than a cost center.

A PPE solution must enable you to present the best products currently available and help you explain why some products may not be eligible in specific scenarios. This allows you to deliver the best execution across all products and all investors in real time. The most advanced PPE solutions provide lenders with the tools to create and maintain an extremely competitive product offering.

The **Optimal Blue® PPE** allows lenders to choose from thousands of the leading conforming, non-conforming, jumbo, and government products. Within the platform, users can configure scenario-based margins and loan-level pricing adjustments (LLPAs) to maximize profitability. With the Optimal Blue® PPE, lenders can confidently identify the best fit using side-by-side product comparisons with the most updated product information possible.

More than anything else, your PPE solution should provide automated, real-time, accurate pricing. The process of rate sheet generation can be cumbersome, and any delay in accessing rate sheets can lead to potential pricing discrepancies between lenders and investors. This delay may potentially increase costs for clients and erode trust in the relationship. Therefore, your system's access to rate sheets should be as close to real time as possible.

In addition, given the industry's dynamic nature, your PPE should offer monitoring for changes in eligibility, rate sheets, and LLPAs. Without this close content monitoring, lenders and investors may not be promptly updated and, consequently, may not be able to offer the best execution of the loan. Lack of close monitoring may also result in lenders not having salable loans, creating significant liquidity constraints.

The **Optimal Blue® PPE** offers real-time, accurate pricing to all clients, downloading new rate sheets minutes after they post. The Optimal Blue PPE monitors for all changes in eligibility, rate sheets, adjustments, and expired pricing from investors, and notifies all related parties of the changes. This real-time responsiveness not only enhances profitability and efficiency but also fosters trust and confidence in the PPE, showcasing the product's true value.

Further enhancing your operational efficiency, the **Originator Assistant** within the Optimal Blue® PPE leverages generative AI to identify alternative loan scenarios, providing more competitive pricing and options for borrowers. By saving loan officers time and facilitating strategic discussions, the Originator Assistant supports your goal of maximizing profitability and efficiency.

EXPERIENCED AND PROVEN IMPLEMENTATIONS

You want a PPE from an organization comprised of teams with real-world experience and expertise – one that understands the business and market environment because they have worked in loan origination and on secondary teams. A group of experienced client service and implementation team members is uniquely equipped to ideate, develop, and enhance products that meet the industry needs of actual users and help to increase profitability.

An experienced team will have a clear and proven process for implementing the product into your workflow without disruption to your business. With the ability to understand your distinctive business model and requirements, your provider should give you a clear indication of the time to onboard your new PPE tool and how it can be used in your business operations. Be sure to fully understand the implementation process and timeline before choosing your PPE provider to avoid surprises or business interruption.

This team should also be accessible for questions not only during implementation, but during daily use, too. Even better, find a PPE partner that offers a chat option to quickly interface with client service team members when you have in-the-moment questions. Without these qualifications, you are left with a provider who may not understand your needs or questions, ultimately creating inefficiencies in your operations or sunk product costs.

The **Optimal Blue® PPE** is backed by decades of experience and a depth of resources, giving you access to unique benefits that other vendors cannot provide. With a team of over 100 client success representatives, Optimal Blue is equipped with experts who understand the business of mortgage lending, instilling confidence in lenders and investors about the product's reliability.

SECONDARY MARKETING TOOLS AND AUTOMATIONS

Your PPE solution should fit into your business operations without distraction. Therefore, lenders and investors should look for a PPE solution that offers the configurations they need. You want the ability to automate rules and decisions based on certain client-specific criteria. Choosing a tool without these capabilities can decrease business efficiencies, as it adds to the manual processes required to use the new tool. Find a tool that builds on your profitability and efficiency goals.

The **Rules Optimizer** tool in the Optimal Blue® PPE streamlines rule management by enabling lenders to create and apply rules across multiple products and investors. This reduces repetitive tasks and enhances operational efficiency, allowing you to focus on strategic growth.

Adding automation based on company-level specifics can advance your operations where processing speed and accuracy lead to enormous efficiencies and facilitate wins. For instance, imagine auto-accepting lock requests, price concessions, lock extensions, profile and product changes, and relocks. Tailored to your unique operational processes, the right PPE can automate your lock desk, improve workflows, and transform your business's efficiency. And when production volume changes based on the rate environment, the right PPE solution can scale along with the business.

Be wary of a PPE solution that requires you to manually add individual products, which will lead to issues when setting up new users, not to mention the high likelihood of encountering pricing accuracy issues. Find a PPE solution with a structured system configuration where options flow efficiently through a programmed folder system for more straightforward setup and maintenance. For instance, if you want to update rules, you want to be able to appropriately manage those changes without having to touch each product in your portfolio manually. Similarly, if you update a lock extension or price concession policy, you want a system where you do not have to apply those changes to previously locked loans manually.

The **Optimal Blue® PPE** offers configurable, granular functionalities that enable efficient workflows and eliminate manual processes. Its Lights-Out Lock Desk functionality provides complete automation of lock requests, price concessions, profile changes, relocks, and product changes. The Optimal Blue® PPE also allows for granular auto-accept functionality, saving valuable time and automating key workflows. With Optimal Blue, lenders can configure auto-accept policies for locking and relocking products with characteristics that do not require a manual touch, ultimately reducing lock desk involvement in scenarios where automated policies can do the work instead.

SEAMLESS INTEGRATIONS

Most lending businesses require the use of multiple tools in their processes, and some prefer to use specific tools over others. Because there are so many intertwining elements in the mortgage life cycle, it's imperative that your tools integrate seamlessly for maximum efficiency.

Choose a PPE backed by a company with integration and application program interfaces (APIs) at the forefront of product design. Without an API-first mindset and a dedicated integrations team, troubleshooting any integration issues can create a bottleneck in your operations and unnecessary downtime in your business. Using a PPE built for connection allows you to trust that it will integrate with your existing technology stack. However, it's important to note that some PPE solutions only offer search functionality and not the ability to lock loans. In your search, choose a PPE that can integrate with your tools but also operate as a standalone product, if needed. This provides flexibility and the ability to remain nimble in a dynamic environment.

With Optimal Blue's APIs, lenders can maintain complete confidence in the accuracy of the data feeding into their systems, offering a single source of truth for their data management. Through this open network approach, the Optimal Blue PPE makes it possible to host accurate product and pricing information virtually anywhere loan officers and consumers need it. This includes the option to incorporate it directly onto websites or within other interfaces via APIs. This access creates the pricing transparency consumers increasingly expect, equating to a better mortgage shopping experience.

Optimal Blue partners with companies that strengthen and broaden the value brought to the market. It has more than 70 certified integration partners, and development is maintained on both sides. Through an open-network approach, clients benefit from access to consistent capital markets data to power third-party software, such as loan origination systems, which provides a more accurate and seamless experience for the borrower. And with a dedicated integrations team, Optimal Blue safeguards the accuracy of pricing and compliance. This team's extensive and proven experience allows clients and partners to access quality consultation and best-practice sharing.

GENERATIVE AI SOLVING REAL-WORLD CHALLENGES

Choose a provider who creates value-driven innovation using the latest technology. It's crucial to select a partner who doesn't just innovate for the sake of innovating but focuses on practical solutions that address lenders' real-world challenges.

Optimal Blue leverages the latest technology to create value-driven innovations that help lenders maximize profitability on every loan transaction. Its generative AI tools provide actionable insights and streamline processes, enabling data-driven decisions that enhance operational efficiency.

Optimal Blue's premier executive AI assistant, **Ask Obi**, exemplifies this approach. Ask Obi creates a centralized hub for executives to gain comprehensive insights across Optimal Blue data and products. It presents results in an easy-to-understand conversational style with graphical data representations, enhancing your ability to drive ROI. With Optimal Blue's generative AI, you can tackle real-world challenges with confidence and efficiency.

MORE VALUE AT NO ADDITIONAL COST

When choosing a PPE, look for a provider committed to delivering additional value at no extra charge.

Optimal Blue is committed to making new innovations available to you without incremental fees. This commitment supports your business growth through comprehensive solutions that enhance profitability and efficiency, all while maintaining transparency and trust with your provider. Optimal Blue's value-driven approach helps you achieve your business goals without unexpected costs.

CONCLUSION

The mortgage industry's increasing reliance on robust product, pricing, and eligibility (PPE) engines has transformed them from a nice-to-have solution to a vital component for business.

PPE solutions are now used by lenders of all sizes and scopes to navigate market fluctuations and enhance profitability. When profitability is at stake, choose a partner that has weathered decades of varying market conditions while continuously adding value to its solutions across the complete loan life cycle. Flashy new user interfaces are nice to have, but without proven expertise driving the product behind the scenes, you could compromise your bottom line. Optimal Blue stands out as the only partner that can help you drive efficiency and profitability with a PPE that offers product and pricing accuracy, experienced and proven implementation processes, secondary marketing tools and automations, seamless integrations, and more. Optimal Blue is committed to offering more value at no additional cost and implementing generative AI to help solve real-world challenges.

With innovative AI solutions like Ask Obi and Originator Assistant, and a dedication to providing additional value at no extra cost, Optimal Blue provides lenders and investors with a competitive edge and enables all clients to optimize their advantage in the industry.



Ready to get started?

Contact Optimal Blue today to begin implementing these best practices into your hedging and trading strategies.

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