

# NATIONAL MORTGAGE NEWS



## Canton Calls Technology a Must Have

By Jennifer Harmon

Customers are demanding change and mortgage bankers have to make a choice whether or not they want to lead clients into the future or play catch-up a few years from now, according to James Canton, chairman and chief executive officer of the Institute for Global Futures in San Francisco

A noted futurist, author and digital entrepreneur, Mr. Canton founded IGF, which provides research services and strategic consulting to *Fortune* 1000 companies, associations and governments. He is slated to speak with conference attendees at the Mortgage Bankers Association's National Technology in Mortgage Banking Conference & Expo during the first general session.

Mr. Canton recently told *National Mortgage News* that innovations in marketing will change how mortgage bankers do business through the power of the Internet. As the Web becomes more mobile and video rich, artificial intelligence will make business more collaborative for online transactions and e-business.

"Technology will only benefit the industry if people know what's coming. Right now, mortgage bankers are thinking about how they can do more business. They want to close more deals in real time. They are asking how they can make it more customer-focused. That means real time, more digital, more mobile," he said.

"We are migrating to a digital world. In the future, business will mean closing a transaction on a cell phone the same day, and having an agent send a real-time video over a wireless device for a house a consumer is interested in," he said.

Mortgage bankers are losing valuable time moving a lot of paper around, according to Mr. Canton, who believes a large amount of paper is still being generated and waster. And many businesses do not take digital signatures, he said.

"It is not fast and not efficient. Paper is scanned back and forth with a large amount of people who have touched the transaction – bankers, insurance people and the title company. The process needs to be streamlined and transformed."

Commercial and residential real estate is the fastest growing asset in the U.S. economy, he said, predicting that, during the coming years, the industry will remain robust, particularly because of the baby boomer generation. These borrowers are expected to invest more in real estate, resulting in high appreciation values out of that asset class, he said.

“It is very good news for mortgage bankers. But there are also more demands to become tech-savvy. The people who do these transactions need to be more efficient. Mortgage bankers need to become more agile and in sync with these emerging trends.”

Mr. Canton described four types of personalities when it comes to adapting to future change. The traditionalist includes companies and individuals who won't change unless they have to. These people have been business a certain type of way for years, and sometimes, generations. The maintainer is also resistant to change, he said, even when clients are asking for different products.

“The first two styles . . . tend to be deniers of change and don't cooperate. They think the world will stand still,” Mr. Canton pointed out.

He described adapters as willing to learn new things, while innovators are the ones who drive change. These types of mortgage bankers get more business moving forward over the next 10 years, he said.

In the future, Mr. Canton predicts that most homes will be wireless connected to the Internet. Every commercial building will be tied to a real estate grid, sharing underutilized energy, power and other kinds of resources that, according to the “digital guru,” are being wasted right now.

“If you drive through any city at night, the lights are on in 80% of the buildings. That's wasted energy. There will come a time when these buildings are mined electronically and energy is sent over a grid and resold over the Internet in an auction environment. Commercial owners on the West Coast, where it hasn't gotten dark yet, will be able to distribute the energy from New York,” he said.

The next generation of technology will also include the ability for homeowners to communicate from one room to another based on electronic chips. Residential properties and commercial buildings will be able to monitor fuel efficiency like heat and watch for intrusions through various security measures.

“As a futurist, I talk about security trends and global terrorism. There will be significant impact after the first mall is attacked. 9/11 was not that long ago,” he said. “Security is a big driver of shaping real estate and the appreciating assets of real estate. The financial infrastructure is the chief target of terrorists and the mortgage banking industry, which is financial-services driven, is vulnerable.”