

Origination News

Watch and Learn on Your Computer

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By [Brad Finkelstein](#)

A long-time veteran of the mortgage industry is making the case that video clips, delivered over the Internet, are the answer to the problem of educating consumers, not only about the loan process, but financial services in general.

Garth Graham, who was a senior vice president at Mortgage.Com and later moved to ABN Amro Mortgage Group when it purchased the domain name, noted that each month, more consumers are tapping the Internet for financial education purposes. And this is a trend he expects will continue in the future.

Two years ago, he was a co-founder of Financial Literacy Solutions, Plantation, Fla., whose objective is to create a series of Web-based educational materials for consumers. It started to provide this information for mortgage servicers as part of foreclosure prevention. It began to get the not-for-profit housing counseling firms as clients. It now makes its service available for originators as well.

Those counseling firms gave him the realization that in most cases, the problem was not the mortgage itself, it is an overall budget, money management and lifestyle issue of which the mortgage is a part of, he said. There are financial literacy needs beyond the mortgage.

Financial Literacy Solutions' video menu expanded as it came to this realization. And the content goes beyond mortgage into those general financial issues.

The company's technology allows it to host the video as well as provide the video experience on any webpage on which it is installed, Graham said.

"Our research indicates that 80% of homeowners are regular Internet users, and 80% of Internet users regularly consume Internet video. It's very engaging, it's an alternative way to learn material. It is more likely people will stay on webpages when there is video," he said.

Video is also a good way of delivering a message of empathy and understanding, as well as information. That is Financial Literacy Solutions' objective and what it tries to build in its technology and content.

Its technology allows the video content to reside on any website. So users don't have to leave the host's website to see a video in a place where there could be links to competitors.

Graham explained that the owners of these Web properties have invested in delivering the right message and trying to put the right information on the webpage. Adding video to reside those pages is a best practice to deliver that information.

The company's clients embed a small bit of code on their website ("it is about as technically complicated as installing a banner ad," he said) that contains the video player.

He said the video players and widgets could be private-labeled. In fact, clients can distribute widgets on to other websites. For example, originators can do this to provide a value-added service for their real estate broker partners, Graham noted.

That video player, when accessed, connects with Financial Literacy Solutions' server and the video is streamed into that location.

For those consumers getting a mortgage, the content starts from the point-of-view of what they need to know before they start the home purchase process.

Financial Literacy Solutions is also able to provide "very robust tracking" regarding which videos are being watched, he said.

"We know how many times a video's watched, in what order it's watched," he explained, so clients can understand what education is being provided.

During April, there were 35,000 video interactions hosted with over 1,000 hours watched. For the first quarter, there were over 60,000 video views and 1,700 hours watched, which the company said was up over 30% from 2010's activity.

Graham added in the past year there has been 5,000 hours of video education provided. "If you tried to replicate 5,000 hours of video education with a call center or staff, that is an awful lot of people you would be hiring to do that," he said.

The library consists of around 150 videos. Sometimes the content is created by the users or in the public domain; other times, Financial Literacy Solutions has created the content.

There can also be interactive elements within the player, Graham said. For example, a video might tell the consumer as part of the process they need to fill out a 4506-T form for income verification purposes. A link will then pop up in the video asking the borrower to click here. When the user clicks on the link, the video automatically pauses and they are shown a copy of the 4506-T. The user can fill it out and then close the link. Once that happens, they can return to the video player and resume watching.

"When you're doing instructional videos, that has a pretty big impact. Because if you're saying to people, 'collect your documents, sign a 4506, you need to understand what a good-faith estimate is,' it's pretty compelling when they can click and see a good-faith estimate, click and get the 4506," he stated.

This is better than trying to take notes while watching the video and then when they are off-line, trying to figure out what to do with the information.

An advantage of Internet video is that it can be consumed in short bits, typically just a few minutes.

For example, the short sales topic is covered in seven videos totaling 20 minutes. It helps to keep peoples' attention and be understandable.

Also, the videos are designed to accompany written content on a web page, he noted.

Graham isn't the only person who sees the power of Internet video to get the word out about the home-buying process. Patricia Wangsness, a Realtor in Bellevue, Wash., has created her own Internet show.

"Video is the easiest way for us to deliver information buyers and sellers need before they start the process of buying or selling," adding her show seeks to be a vehicle to connect those people with professional resources.

Consumers can opt-in to be notified of new videos as they debut.