

Industry Outlook

May 1, 2008

Why Lenders Need to Take a Proactive Approach to IT Staffing

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Before the subprime collapse mortgage institutions were booming with projects for online improvements, upgrades, integrations and various compliance initiatives. Since then, many employees in the mortgage industry have been riding a roller coaster ride of job insecurity thanks to the housing slump and the subprime lending debacle that caused many IT professionals within the mortgage industry to make unwanted career changes.

Since late 2006 lending institutions have faced complexities including financial losses, mergers, lower loan volumes and layoffs, which caused many important IT projects to be put on hold. Thousands of mortgage-related jobs were eliminated in 2007 leaving many employees justifiably discouraged. But for mortgage IT professionals things look much brighter.

With a recent jump in mortgage applications being recorded and a strong desire among lenders to leverage technology into cost savings, many mortgage institutions have restarted these IT projects that were put on the back burner, increasing the demand for talented staff with the necessary skills to

complete these projects.

IT professionals nationwide have only experienced a 2% unemployment rate. The need for professionals with computer science skills is growing because information technology underpins every function of the business community including market research, product design, finance, strategic planning and practically every aspect of day-to-day business function. All of these industries are now competing for top tech talent.

Attracting IT professionals to the mortgage industry is proving to be a hurdle. Many previously left positions within the mortgage industry and flocked to other fields, making it difficult for these mortgage companies to win them back. Public opinion has been adding fuel to the fire with all the negative attention toward mortgage institutions, discouraging anyone from seeking positions within the industry. With mortgage lenders becoming more technical, IT professionals are critical components who are increasingly in high demand.

To attract the best IT professionals, lenders may want to consider the following:

- **Increasing wages:** When the housing slump began many IT professionals migrated to other industries, which now compete with lenders for the same IT professionals. The mortgage industry will have to boost salaries if it wants to attract good talent.
- **Full-time rather than temp:** Although many projects may only be on a short-term basis, the staff hired to tackle these tasks may want to stay in a permanent position rather than work as temps. Lenders need to consider hiring IT professionals on a permanent basis if they want to attract and keep them.
- **Plan now:** Evaluate future hiring needs immediately – do not wait. Some lenders are still putting off major projects. These lenders will have a harder time finding experienced IT professionals in a year, when the economy has improved and there are more companies competing for the same

limited pool of talent.

- Offer flexible working arrangements (e.g. work from home, commuting): Many IT professionals dislike working conventional hours or want to work from home. Some people may even live hundreds of miles away from future employers. Giving IT professionals the option of flexible work hours or the right to work from home are ways to make jobs within the mortgage industry more attractive.

IT professionals searching for job opportunities need to consider the condition of the real estate market where they live and work. Current trends indicate that the best locations for jobs in the mortgage industry are situated in the Midwest. Employment in this industry, especially in the Midwest is expected to remain strong.

A few things to consider when searching for an IT position in the mortgage industry:

- Be flexible about relocating: There are huge differences in the employment rates for IT professionals within the mortgage industry depending on geographic region; some areas are experiencing layoffs while the others are understaffed. Being willing to relocate makes it much easier to find a job.
- Submit resumes on job boards and Web sites: Online channels offer job seekers a way to increase marketability, find request from institutions for positions to be filled and create networks.
- Evaluate your current position: Take a look at your current job satisfaction because other opportunities are arising. If a current job is not meeting your needs, keep your eyes open because the job market will get much tighter for IT professionals by 2009.

Despite the downturn in the mortgage industry, the strong demand for IT professionals continues to grow. Lenders can cope with the shortage of talent by following a few, simple recommendations, such as evaluating staffing requirements for upcoming projects at the earliest time. Taking a proactive approach to staffing helps position lenders for success and

ensures greater market share and profitability in the future.

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