LAND GORILLA

Your Complete Guide for Construction Loan Management Software

What You Need To Get Started And Grow

What is Construction Loan Management Software?

Construction loans have many moving pieces throughout their life cycle. It can be especially complex to efficiently manage them during the post-close draw process.

Construction loan management software is specifically designed to maximize productivity of your draw administration team, reduce risk, and provide better reporting and visibility to all stakeholders. It is also referred to as Construction Draw Software and Construction Lending Software.

When should you invest?

This ebook will help you take into account your strategy and business indicators to determine the right time to invest in software for the most return. The topics to review and consider include:

- **Indicators you need technology**
- **How software will benefit your business**
- **Implementation best practices**

PART 1

Indicators You Need Technology

While spreadsheets are the go-to tool for construction lenders, they come with hidden risks and costs. Spreadsheets take a lot of time to manage, are error-prone, and they have no built-in tracking, risk monitoring or reporting. Let's examine the signs you need a more purpose-built solution.

1. No single source of truth

If your team is using spreadsheets to manage draws, chances are your borrowers, builders, contractors and other stakeholders are working off their own copies of the construction budget and other documentation. It's impossible to ensure everyone is referencing the same information and will lead to frustration and errors throughout the draw process.

2. No structure to scale

Utilizing spreadsheets can be an ideal solution if you have a small pipeline (<10), the projects are fairly simple, and you have no plans to grow your construction programs. However, as your volume builds, the cracks will begin to show in your manual process, resulting in poor experiences and possible financial loss.

3. Limited visibility

With information living in email inboxes, papers, and spreadsheets, it's impossible to see the full picture of your construction loans. It also leads to more calls and emails from your borrowers and builders looking for status. It becomes impossible to identify risks before they happen or deliver a good experience.

4. Reports are difficult to generate and share

Accurate and current data is critical to running your business. With information spread across disparate systems and often compiled through a manual process, the result is hours and hours to create reports that could be full of errors and outdated information.

5. No app or web portal for your customers

Without a connected portal for your customers to access draw and budget status and submit their draw requests and change order, they must rely on communicating via emails and calls. This can be very time consuming for your team and customers and an underwhelming experience for everyone involved.

PART 2

How Software Will Benefit Your Business

Construction loan management software will support a wide variety of your business goals. Many of these benefits you will see soon after launching. This next section will explore common returns financial institutions receive, which typically includes a combination of team efficiency, visibility into risk and performance, a centralized system, better customer experience, and more interest income.

Improve productivity

By eliminating most of your manual processes, you'll find a streamlined workflow for your team to receive, evaluate, communicate, and approve draw requests and change orders. Every step of your process will see a lift in efficiency and your team will have more time to spend on more value-added tasks and projects.

Delight your customers

Your customers expect answers at their fingertips and a dedicated customer app is a must for today's construction lenders. The best software will provide an easy way to exchange information with stakeholders and simplify draw requests. It will provide customers a view of real-time information, including the budget of record, documents, and communications.

Tip: Look for a solution you can white-label with your logo so the exceptional experience your customers have is equated back to you.

Better intelligence and monitoring

Identifying risk early is key to maintaining a healthy construction program. There is no better way to proactively monitor these signals than with a software solution designed for just that. Be alerted on days since last draw and expired licenses before they become a problem.

Fast, accurate disbursements

Construction loan management software enables you to streamline tasks and workflows for your team and your customers. All parties are on the same page throughout the draw request and approval process. As a result, payments move faster (and safer) and your customers are never left wondering about the status of fund requests.

Automate processes

Stop spending valuable time on tedious manual tasks. The automation power of construction loan management software will ensure important steps aren't missed or delayed. Configure workflows with event-based automation and hard and soft stops for your team to make sure the correct tasks are completed at the right time.

Centralize information

Software will bring communications and shared documents into one central location for your team and customers to access. Messages and documents will no longer be stuck in inboxes or paper files. Each of your team members can instantly pick up where another left off, never leaving your customers waiting for answers.

PART 3

Implementation Best Practices

Your plan for implementing software with your teams and customers is just as important as deciding to invest in the first place. Following are the top best practices other financial institutions have employed during implementation to ensure a smooth transition and company-wide (and customer) adoption.

Executive Support

At the top of this list is executive support—often in the form of an executive sponsor. It must be made clear to your company that the management team stands behind the implementation of the new software platform and shows a level of dedication. Most importantly, the executive sponsor should communicate the importance of the project and the requirements of all end users to make a full and complete switch to a new process.

Tip: Have the executive sponsor speak at your internal kick-off call to communicate the points outlined above.

Department Representation

It is also important to include representation from each team attending training sessions and other calls. This ensures everyone stays up-to-date on progress and no one is left unaware of the changes and new processes taking place.

Dedicated project manager

The most successful implementations include those who have assigned a dedicated project manager. This is not necessarily an end user, but this person drives progress and deliverables internally. They take ownership of commitments and ensure timelines are followed and met. Their responsibilities may include executing the communication plan with borrowers, scheduling meetings and ensuring attendance, and compiling outstanding questions.

Launch plan for stakeholders

Make sure you outline a plan to communicate your new processes with loan stakeholders (such as borrowers, builders, contractors) to maximize adoption. To deliver the best experience, it is important to utilize an online portal for your stakeholders to communicate with you and submit requests, documentation, and other information. This will ensure your stakeholders are submitting accurate and complete information every time and data is kept in one centralized system. Your team and customers will be on the same page and projects will move forward with minimum disruption.

Conclusion

Financial institutions with a solid technology foundation for construction lending will allow them to scale, maximize productivity, reduce risk, and deliver a superb customer experience. Not all software solutions will deliver the same level of benefits. Be sure to evaluate internal and external friction points in your process and align those with the best-fit solution that will streamline and simplify your operations and create a great experience your customers won't forget.

Land Gorilla's Construction Lending Platform

- OneSite Web & Mobile App
- Draw Management
- Servicing
- Automation
- Reporting
- Payment/Accounting
- APIs & Integrations
- State Resources

Land Gorilla is the leading technology provider of construction loan management software, giving financial institutions confidence to make safe, fast, and profitable construction loans. Land Gorilla technology reduces the frustrating back and forth between loan stakeholders, while giving lenders complete control over draw management and reporting tasks. Our proven platform enables faster disbursements and seamless exchange of information between stakeholders all in one place.

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For more information on how Land Gorilla can help you, visit LandGorilla.com