

HW REVERSE MORTGAGE DAILY

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Property preservation firm MCS sees reverse channel as a growth opportunity

Craig Torrance and Chad Mosley of MCS talk about the company's place in the reverse mortgage space

By [Chris Clow](#)

Earlier this year, Lewisville, Texas-based property services company [MCS announced that it acquired](#) Five Brothers Asset Management Solutions, a deal that brought MCS into the [reverse mortgage](#) industry for the first time. Soon after, CEO Craig Torrance [offered an early look](#) at what he hoped to achieve with the move.

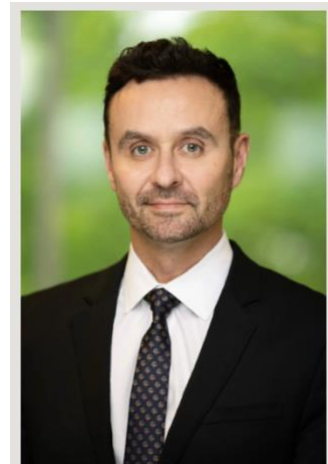
Roughly six months later, Torrance and Chad Mosley, the company's president of mortgage services, attended the [National Reverse Mortgage Lenders Association \(NRMLA\)](#) Annual Meeting and Expo in San Diego to get some face time with industry professionals.

The company now has a clearer vision of the reverse mortgage space, and these leaders sat down with HousingWire's Reverse Mortgage Daily (RMD) to explain some of what they've learned about where the industry is at while also gauging where it could go.

Chris Clow/RMD: How have things been going in the reverse space since the acquisition of Five Brothers?

Craig Torrance: We're still learning the reverse mortgage space. I think one of the things that struck us when getting into Five Brothers is that there are certainly differences between forward and reverse, but from our perspective, there's a lot of similarities from the actual service that we provide.

When you get down to the nuts and bolts of the kind of work that we do as a company, I think that we've been happy with it. We felt then that our services could translate well into the reverse space. Five Brothers did both forward and reverse, and we were certainly very interested in the reverse piece, because we have an established forward presence. But we also didn't really know how different it would be until we got into it.



Craig Torrance

We found that a lot of the services that we offer and the way that we offer them are the same. Now, I think that's the service itself. But it's also everything that's wrapped around that in terms of the process, the customer interaction, the client processes. That's where I think we see the differences from our group of forward customers.

Clow: How does that look from your end, Chad?

Chad Mosley: The thing I've been really impressed with, being new to the reverse industry, is being able to interact with several of the reverse servicers that we now work with and getting to see how they execute on a daily basis.

Just based on the senior clientele, their processes, procedures or communication is very much geared toward that consumer base. And that's been really interesting and refreshing to see their focus on their customers.

How we can support that, to me, has been the big difference. All of the reverse servicers that we have the privilege of working with are very tight on that and really have some great strategies. That's made for a great learning process and something we're excited to continue to be a part of going forward.

Clow: How have the differences between forward and reverse been most visible in terms of what your company does?

Torrance: If I fundamentally take reverse versus forward, the reverse space generally appears to have a much higher level of interaction and communication with their customers. That may sound fairly obvious, but I think that the hook from the consumer perspective lies in the experience.

When you go and get a forward mortgage, you get a mortgage, buy a home and live in the home. All you're supposed to do is write a check every month, which the vast majority of us today do on a recurring payment. I never, ever talk to my servicer. I don't think I've talked to my mortgage servicer in 10 years. But when you flip it to reverse, there is still a healthy hook and connection between the reverse customer and the reverse servicer.

Clow: How do those experiences compare based on what you've observed?

Torrance: What I see from the reverse servicers is that business is built around that level of interaction and communication. Their processes, team, training programs, software, everything seems to be structured around making that connection work. And it's not that forward customers don't care about customer service, but I do see a level of depth to the reverse connection versus the forward connection.

Even from our perspective, we get high volumes of work coming into us, and it's very mechanical and transactional. But on the reverse side, I think it's more human, and the connection is just built differently.

Clow: Do you see reverse business currently punching above its weight in terms of how it can contribute to overall company revenue and profitability? Or are you in this to get in on the ground floor, considering the trend of demographics?

Mosley: I think how we see it is in terms of the future and growth. We're bullish on the reverse industry, and being out at the NRMLA conference and having some conversations with a lot of different people — not just servicers but originators — there seems to be a lot of buzz and a lot of excitement [about growth in the industry](#).

Ultimately, more volume and a larger industry turns into revenue and profitability. But it seems like there's interest from new originators to get into the space, and more people there that were first-timers interested in it, just by the nature of the demographic.

We have a growing senior population and more folks [aging in place](#) that would have a need for the product. I think, just by the nature of the demographics and some of the macroeconomics, I think we see it as a growth engine.