



# Getting Virtual With Data Storage

Server and data virtualization through the use of a storage area network, or SAN, is the latest trend, and **it's paying off** for lenders.

**MOST SPORTS FANS KNOW THE TERM "SWEET SPOT."** In baseball, for example, the sweet spot is often the spot on the baseball bat where the batter is able to get the cleanest, most powerful hit. In tennis, hitting the ball in the sweet spot of the racquet has a similar effect. In other arenas outside of sports, a "sweet spot" often refers to a confluence of factors and events that produces an optimum result.

Recently, at Fairway Independent Mortgage, we hit the sweet spot of our own when we found ourselves able to leverage our success in the refinance market to streamline a key business process – namely, the storage and management of our mortgage data.

Today, our data is both easier and less expensive to manage, more secure and has much more room to grow.



First, a little background on our organization: Fairway Independent Mortgage Corp. is a mortgage banker with over 80 locations and more than 700 employees nationwide. We will fund over \$5 billion in retail mortgage volume in 2009.

We continue to grow – yet until recently, our data storage strategy was not unlike many similarly sized financial institutions. We relied on the traditional physical servers to store data, and when we needed more room, we simply added more servers on the fly.

This strategy worked for years, even though there were obvious drawbacks. Due in part to the explosion of electronic documents in the mortgage industry, our data load grew by 400% over the past five years. In 2004 we were storing 500 gigabytes of data.

Today, we have 2.5 terabytes. By early 2009, we had amassed a total of 29 servers, including both e-mail and Web servers. Our data storage capacity was constantly shrinking, yet became more expensive and complicated to maintain. It was either time to buy new servers and stick with our existing server model, or adopt new technologies that would allow us to consolidate our stored data in one central place.

The perfect solution, it seemed, was server and data virtualization through the use of a storage area network, or SAN. Typically employed by large organizations that store and manage enormous amounts of information, a SAN enables data to be consolidated into storage arrays at a remote data center, where data can be managed virtually over the Internet, while giving the illu-

sion of locally attached servers. While the “server” would appear to our user community as if it were a physical metal box sitting in a corner somewhere, it’s actually a snapshot of the data stored remotely – yet that data can still be called up instantly, at any time, and put into service.

The question for us was, could we afford it? Virtual storage solutions happen to be cost effective, but they are not cheap.

Until recently, virtual data storage and SANs were the sort of solution used by only the largest organizations. Fortunately, two things had happened that made this solution attainable.

The first was our financial situation. During the most recent refinance boom in the mid-2000s, Fairway underwent explosive growth. In addition, our early move to do a direct endorsement for FHA lending and our decision to stay clear of risky loans when they were popular has been keeping us in relatively strong financial shape during the recent mortgage crisis. This has enabled us to invest in technology during a period of general belt-tightening across the mortgage landscape.

The second factor was good fortune, at least in terms of timing. The price point for SANs had dropped in recent years to where it made financial sense for a company our size. Several years ago, a storage area network solution similar to the size we are using would cost several hundred thousands of dollars. Today, 4.7 terabytes of data – roughly double our current data load – costs about \$40,000.

We looked at our hardware life cycle and decided it was an ideal time to take that hit. Instead of multiple physical servers, with their inherent and potential problems (not the least of which is power consumption), we moved toward consolidation across a virtual storage environment.

The benefits for us have included:

- Fifty percent savings across the

organization in hardware and ongoing maintenance costs, and reduced administration costs.

- Easier data management – data is stored on disks and moved and copied faster than on physical in-house servers.

- Near limitless scalability and the ability to add storage without any hardware changes.

- Stronger security, as data is hosted remotely in a secure location and data backups are automated.

Although we investigated other vendors – and I would encourage others to do the same – for our solution, we went with Dell EqualLogic, which is Dell’s proprietary SAN solution. Our decision came down to two reasons. First, Dell came out to our offices and provided an in-person demonstra-

tion of their solution. Second, Dell is an existing vendor of ours and we felt comfortable there would be few if any integration issues as we made this transition. We were right – the transition was smooth, and there was no impact to end users.

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spent if we stuck to our old storage strategy, we actually saved money. It would have cost about \$105,000 to replace our previous storage infrastructure, and doing so would give us zero room for more data. Instead we spent \$114,000 on our SAN solution, and yet got 70% more storage capacity – plus an unlimited ability to expand.

Considering how much data mortgage bankers create and store, and how long they’re required to store it, data management is a chief concern for most lenders. Yet many organizations our size still host everything in their own buildings. In my mind, that’s a recipe for disaster. With our data center, if our main office was swept off the face of the earth, three-quarters of our work could still be performed by

people working from home, using our storage area network.

I truly believe SANs are the wave of the future. The good news is they are as affordable as ever, and they’re likely to get even less expensive as competition in the data storage sector continues to grow. The benefits industrywide are enormous, particularly when one considers the explosion in electronic documents currently transforming our industry. While we feel we hit a home run with data storage, I believe there are opportunities for everyone to score. **MT**

Randy Allen is the director of information technology for Fairway Independent Mortgage Corp., where he oversees all data and telecommunications infrastructure operations for the company’s full-service mortgage brokerage and banking operation. Fairway Independent Mortgage has over 80 locations and more than 700 employees nationwide.

With virtualization, there have been cost benefits, too. In fact, when one considers what we would have

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