

Three STEPS TO WINNING NEW CUSTOMERS

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The mortgage industry has had a long run of good luck thanks to the low interest rate environment and consumer demand for homes. With rates remaining near historic lows and home prices rising, lenders have been handed a great growth opportunity. But not all lenders have chosen to or been able to take advantage of this opportunity.

We only have to look at the rankings of the industry's top lenders, which used to be dominated by the big commercial banks. Now there are a lot of new names on the list, such as Quicken Loans and loanDepot, which either didn't exist 15 years ago or were just a fraction of their current size. Not coincidentally, they happen to be the most innovative lenders in the business.



How have these lenders been able to make this jump without the benefit of a large servicing portfolio or wide brand-name recognition? The answer, simply put, is technology. These lenders have embraced the latest automated systems to make the mortgage process easier and faster for their customers and more economically efficient, which has paid off in increased volume that has pushed them to the top of the league tables.

But these lenders don't have a monopoly on this technology. In this article we will review three strategies that any lender can easily employ with what's available from today's technology providers.

Consumer habits have changed ...

First of all, we need to appreciate how consumer buying habits and expectations have changed drastically over the last 15 or so years. Most consumers now shop online for everyday goods, while many prospective home owners search for a

... and so has financial technology

Financial technology vendors are now offering all lenders what used to be only available in costly proprietary systems. Now any lender can simply pay a monthly fee to access the same technology that the top lenders have deployed. It's both easy to use and has a huge return on investment.

How can lenders leverage this technology to grow their business?

One way technology can help is by creating customers for life. Lenders work hard to find each borrower and to close each loan. If you deliver good service and stay in contact with your clients going forward, they will likely come back to you when they need to refinance or when they purchase their next home, even if you don't have the lowest rates. It's all about having the best service and staying connected.

Automated marketing

How do you keep your name in front

collateral can help you get started.

An additional benefit to using an automated system is compliance. With compliance being so important with today's lenders, having uniform material and messaging can help ensure you are being compliant in your communications with consumers.

Credit triggers

Another tactic employed by many top lenders in holding onto existing customers is by using credit triggers. This involves monitoring all of your closed-loan customers to see if and when their credit report is pulled for a loan application. This can help ensure that when your customer is in need of a new loan, you are there to help.

Monitoring past customers is actually fairly simple. Several technology providers can monitor credit inquiries for you. Simply send them your customer list, and then anytime a credit inquiry is made, they will alert you, usually within

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home online without the help of real estate agents. Borrowers seeking to refinance a mortgage either apply for a loan online or call a lender's 800 number.

Today's consumers want to be able to shop on their terms and on their own schedule. Many home searches take place after regular business hours and on weekends. How do lenders respond to this? The companies we've mentioned have adjusted to these changes in consumer buying habits by leveraging technology in all aspects of their processes.

On the other hand, many lenders have not adapted to this new reality and have failed to take full advantage of increased originations fueled by low interest rates. They have not realized the substantial ROI yielded by new technologies that help them adapt to this new reality.

of them? The easiest way is to use a system that allows for lifetime automated marketing, whether through email, direct mail or a phone call from the loan officer. Technology can help you do this by ensuring that your customers get the message you want to send, when you want to send it, automatically.

But the message is just as important as the medium. Lenders must communicate compelling, relevant content at the right time. Fortunately, there are many technology providers who can help with this. They have the content and a system that will automate the communication. Many can also help with your communications strategy, providing guidance on when and what to send to customers. This can seem like a daunting task if you try to do it yourself, but today's technology providers and their pre-built campaigns and

24 hours. It's important to note, however, that if you monitor credit reports and get alerted of an inquiry, you must make a firm offer of credit to the consumer. So when setting up your program, make sure you outline your credit criteria, so only those customers who meet your requirements will be sent to you.

But you also must be able to respond promptly. Using this data and integrating it into your customer relationship management (CRM) system can alert your loan officers when customers are in the market so they can quickly respond with an appropriate offer.

Getting new customers

So far we have focused on how to get more business from your past customers. You may now be asking, how can you win new customers? There is good news on that front, too.

One of the largest growth areas is in consumer direct lending. Today 50 percent of all refinances and 20 percent of all purchase transactions come through a call center. Purchase mortgage volume alone has grown 10-20 percent through this channel in just the past five years. What's driving it? Consumer buying behavior has changed. Most people are very comfortable with buying things online or from a remote business. And that includes getting a mortgage.

What's needed to take advantage of that change is adopting technology that can offer a better customer experience. It starts from the initial contact. It's imperative to reach your prospect quickly and have a compelling script the sales agent can use. Once that's accomplished, the process then moves to getting the application from the prospect. But whether it's done online or over the phone, creating a great user experience is critical. An easy-to-use CRM can help you capture the application easily and painlessly.

Once you have the application, you will need to provide and collect disclosures and borrower financials. This, too, is an area that demands a better consumer experience and where technology eases the process. There are several vendors that can obtain the applicant's paystubs, W-2s, tax returns, bank statements and many other required financial documents online instantly.

Whether you are trying to retain more of your past customers or grow new busi-

ness, there are many technology options for lenders that provide the experience consumers demand and expect today. The fact is, though, that many lenders aren't responding to this demand. Instead, they are sitting back and letting their competitors steal their business. That's good news if you're one of those companies that is embracing this change. Not only will you see your volume and profitability grow, but you'll be eliminating a lot of the competition. ❖

ABOUT THE AUTHOR

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