

Turning First-Time Borrowers into Lifetime Customers

How to navigate today's market realities and borrower expectations

As mortgage lenders close on a projected \$3.18 trillion year, they are looking ahead to a similarly busy 2021. While short of this year's records, the Mortgage Bankers Association estimates \$2.49 trillion in opportunity next year. Opportunity to engage customers, deliver remarkable experiences, and set the foundation for a lifetime financial relationship. Cornerstone Advisors experts Ron Shevlin and Daryl Jones joined the Basis Point's Julian Hebron for a discussion on how today's volume has impacted the customer experience, digital challenges lenders face, and how to create a consistent customer journey.

Focus groups reveal consumers do have high digital expectations, said Daryl Jones, senior director at Cornerstone Advisors. But areas where lenders drop the ball are more tactical and process driven. "I always say that the online application isn't the borrower experience. It's not everything," he added. A lot of lenders rely on any given loan officer or processor to dictate the journey or customer experience. It's not standard. It's not automated. That's what leads to a lot of borrower frustrations.

Common Borrower Frustrations:

- Requesting basic customer data.
- Asking for data multiple times.
- Lack of communication from closers.
- Unclear process/timing.
- Bumpy transition to servicing.

Customer expectations not just around experiences, but around digital experiences have reset fundamentally, said Hebron, founder of The Basis Point. He illustrated the mindset differences between ordering vitamins online and that of making complicated financial decisions around a home purchase. "I may want to do something on my phone, but the nanosecond I have trouble I want to talk to my advisor instantly."

"It's not an either-or situation," added Shevlin, Cornerstone director of research. "You don't do something online or in person. You do both. Even when you talk to someone, you're on a smartphone or maybe video chatting."

Deploy Technology to Create Consistency

How to meet these ever-evolving customer expectations? While there's no one single solution, where can lenders start?

Jones suggested three initial steps:

1. Step back and gather borrower feedback.
2. Outline the ideal customer journey.
3. Automate to engage consistently.

The root of having a good borrower experience is a journey with clear, repeatable, and borrower-friendly steps, Jones explained. "Once you line up everything

that has to happen, automation of those trigger points creates a better digital process," he said. "That's how you create consistent experiences."

Hebron further outlined the importance of experience as it relates to retention. Black Knight reports that mortgage lenders only retain one in five borrowers. Once lenders create the ideal experience for new customers, they can take that journey automation to the post-close and servicing to really capture the full opportunity of today's successes.



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