

Hitting the Mark in Mortgage

How Big Data Can Drive Portfolio Growth



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As mortgage lenders, it's common to focus on an improved borrower journey.

Credit union members can quickly access an application conveniently through their phone. Optimizing the application reduces the number of questions and time it takes to submit, often reporting back a quick pre-approval and disclosures.

Integrations with third parties and streamlined communication between your lending team and back office speeds time to close and gets the homebuyer packing in no time.

But ... what about Step One? Large online and national mortgage providers are actively engaging in a tailor-made messaging approach, customized to attract new borrowers.

Big Data can help better understand relationships with account holders and prospects. In this age of technology, Big Data provides multifaceted insights into all the habits and needs of consumers, as well as a complex evaluation of an institution's strengths and weaknesses.

With the emergence of machine learning, artificial intelligence and data collection, mortgage loan providers find themselves well positioned to offer the best of both worlds with a customized approach to client relationships.

ENHANCED COMMUNICATIONS

It is estimated that nearly 85% of account holders manage their day-to-day banking relationships without ever interacting with a human. There is an intense demand for instant communication.

Instant communication isn't possible with human processes; there will always be phone trees, hold times, and closed hours. Automation, however, makes it possible to always be open and ready to engage with a borrower, and always able to provide the right offer to the right person at the right time.

Mortgage lenders are positioned to access a library of powerful borrower data. In fact, the standard mortgage loan application collects more than

1,300 pieces of data on the borrower.

The days of mass email and marketing communications that are not tailored to the specific demographic and need of the borrower are long gone. Leveraging data-backed insight helps identify opportunities for growth in specific audiences or geographical areas. Pairing this data with marketing technology can create customized client journeys that position your institution as the provider of choice.

POTENTIAL OF DATA ANALYTICS

The potential for growth and development in mortgage lending by using data analytics spans a myriad of categories.

By gaining access to deeper profiles of applicants for a mortgage, including credit scores, age and income, institutions can develop robust segmentation of consumers that can be used to expand marketing strategies and consumer targeting. The insights can also benchmark an institution's performance against peers and larger lenders, increase market opportunities, and describe risk trends.

Technology solutions are going to be necessary to stay competitive in this changing mortgage landscape, but technology is not the entire answer. It is a tool that mortgage providers should use to stay true to their strengths: superior service, pricing, trust and customer retention.

Credit unions should ask themselves, "How do we grow without sacrificing the approach our customers appreciate? How do we get better at being who we are and provide a truly customized experience for our clients?" ▲

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process. Putney brings more than two decades of knowledge and expertise in the mortgage and mortgage technology industries, having held positions in mortgage businesses including retail, wholesale and correspondent lending.