Five levers for lenders to increase sales velocity

fileinvite

Introduction

As 2022 nears, there are several indicators that strongly suggest the road ahead will require lenders to direct their focus to and invest more in operational efficiencies and improving the customer experience in order to gain market share.

The first indicator is rising mortgage rates from last year's record lows. The final week of September 2021 saw the average 30-year-fixed mortgage rate move above 3% for the first time since June 2021. Interest rates are expected to further increase after the Federal Reserve communicated its plans to begin tapering bond buying before the end of the year. This trend has been driving the volume shift from refinances to purchase mortgages.

The increasing volume of high-touch purchase originations and a stronger competition for that business are causing margin compression for lenders. The Mortgage Bankers Association reported that production revenues on a per-loan basis decreased by $634 from the first quarter of 2021 to the second quarter. "Production revenues have declined for three straight quarters, and per-loan production expenses have increased for four straight quarters," said Marina Walsh, CMB, the MBA's Vice President of Industry Analysis.

With the decrease in refi volume and the turn to purchase, as well as compressed margins, lenders need to stay competitive in order to be as profitable as possible. Lenders who can get to pre-approval faster with the same levels of diligence and a smooth customer experience will have an advantage and be better positioned to win market share.

This white paper covers five important tools that will help lenders increase sales velocity, close loans faster and improve the customer experience.

---

[1] http://www.freddiemac.com/pmms/
[2] https://www.mba.org/2021-press-releases/august/imb-production-profits-decline-in-second-quarter-of-2021

Levers to increase sales velocity

In 2022's more competitive mortgage space, lenders will need to pull multiple levers to accelerate sales velocity. Focusing on just one particular area neglects the bigger picture, which is long-term, sustainable growth. There are five key areas—the sales playbook, email marketing, external client portal, internal tech stack and data analytics—that, when optimized, can have a tremendous impact on a lender's operations and drive efficiencies that support increased volume, a shorter sales cycle and an overall better borrower experience.

Sales playbook

The first step toward increasing sales velocity is to conduct a workflow analysis of your sales process, including borrower touchpoints, key signals of intent to purchase and main compliance elements. Gather stakeholders and those knowledgeable about your sales playbook and clearly document the workflow in detail.

Next, review the material for opportunities to outsource activities, eliminate ineffective tasks or leverage technology to your advantage. This step will require more contemplation than the first. The challenge with an internal review is being able to approach it with an objective perspective in order to effectively identify opportunities to tighten your workflow.

To be successful in this effort, start by zeroing-in on the manual functions that appear throughout your process. Is there an integration or automation capability that can replace these human touch-points? Improving workflows by way of technology not only speeds up processes, but also greatly reduces errors and expands employee bandwidth for higher-impact tasks.

Then, critically question the impact of other tasks, processes, hand-off points, data collection, etc. Do they have the intended ROI? What effect would it have if you completely eliminated them? Can they benefit by being handed off to another team or external third party? Only by questioning every step of the process can you ensure the workflow is as efficient and effective as possible.

Replicable templates

A key element of an efficient, well-standardized process is replicable messaging. This can be in the form of an entire email template or shorter text blocks.

Marketing automation and customer relationship management (CRM) software like Hubspot offer a productivity tool called snippets that allow its users to quickly insert pre-written text into an email. For example, if you often include a disclaimer in your emails, you can set it up as a snippet in the CRM and apply a keyboard shortcut to quickly insert the pre-written text (example: typing #disclaimer will actually insert the entire disclaimer into the body of the email).

Merge tags (also known as personalization fields) now come standard in platforms like Hubspot and are useful in single emails, mass emails and email templates. This tool allows users to pull in any number of unique data points, as long as they exist on the contact record or database. Merge tags also use specific symbols and text to insert words, numbers and other variables into emails (example: *|FNAME|* will pull in the recipient's first name). This is a useful tool when sending mass emails to prospects or clients who are in the same journey stage, although it is equally useful when writing one-off emails, as the sender won't need to refer to the contact record for a data point or worry about misspelling a name. Merge fields can also be used to populate a sender's signature field. Marketing automation and CRM platforms also support the creation and execution of conditional workflows. A conditional workflow is used to send a series of messages and follows "if this, then that" logic. It can be simply illustrated as:

Has uploaded documents → **if YES** → *workflow A*

        ↓

     if NO

        ↓

   workflow B

Conditional workflows can contain any number of steps over a predetermined period of time and include a mix of contact types, including emails, text messages and push notifications.

The recipient list depends on the goal of that specific set of messages. Conditional workflows allow targeting to be dynamic, meaning that clients or prospects can enter or exit any messaging stream as soon as their qualifications change. These qualifications are based on pre-defined parameters set by system administrators. For example, an event such as the sending of a text message can either be triggered by an action that has or hasn't been taken (e.g.: document upload), or scheduled based on profile characteristics stored on the contact record (e.g.: household income).

Conditional workflows can also automate internal tasks, such as updating contact record properties or triggering an internal notification when an account takes a noteworthy action or needs to be contacted for next steps.

Guided client portal

It's easy to forget how cumbersome and confusing the mortgage application process can be for borrowers. Lenders understand it very well, but it's important to remember that borrowers are not going through this process every week, month or even year. That's why there are dramatic benefits to implementing a document collection platform that guides borrowers through each step in order to get lenders the due diligence documents they need in a timely manner. These platforms use automated follow-up to remind borrowers about outstanding files and notify them of next steps, which provides the added benefit of freeing up internal bandwidth for higher-impact tasks.

A cloud-based platform also offers the ability to triage documents prior to selecting a lender, as well as the flexibility to request additional information if the need arises. In this age of changing regulations, it's important to be able to adapt quickly and update the required documents list without delay.

Workflow integration capabilities

Application programming interfaces (APIs) and direct integrations connect key platforms—like cloud storage, CRMs and LOS systems—and allow for bi-directional data transfers.

When systems are properly integrated, they work in tandem to drastically improve process efficiency and reduce margin for error, which is quite large when it comes to manual data entry and stare-and-compare tasks.

As an example: A lender's guided client portal will submit newly uploaded documents to the cloud storage system. It will be communicated electronically to the CRM that all necessary files have been collected. The CRM will update a checkbox field on the correct contact record, which will trigger the removal of that person from one conditional workflow and enter them into another. Every step is completed through automation and occurs instantly.

Dashboard and analytics

Centralizing the most important data in a single, easy-to-review dashboard is the final element to improving operational efficiency. A dashboard positions all deals and key metrics in one place to facilitate effective oversight. In a click, you can approve or reject documents, track what's been received, see approval workflows, view analytics on deals and monitor team performance metrics.
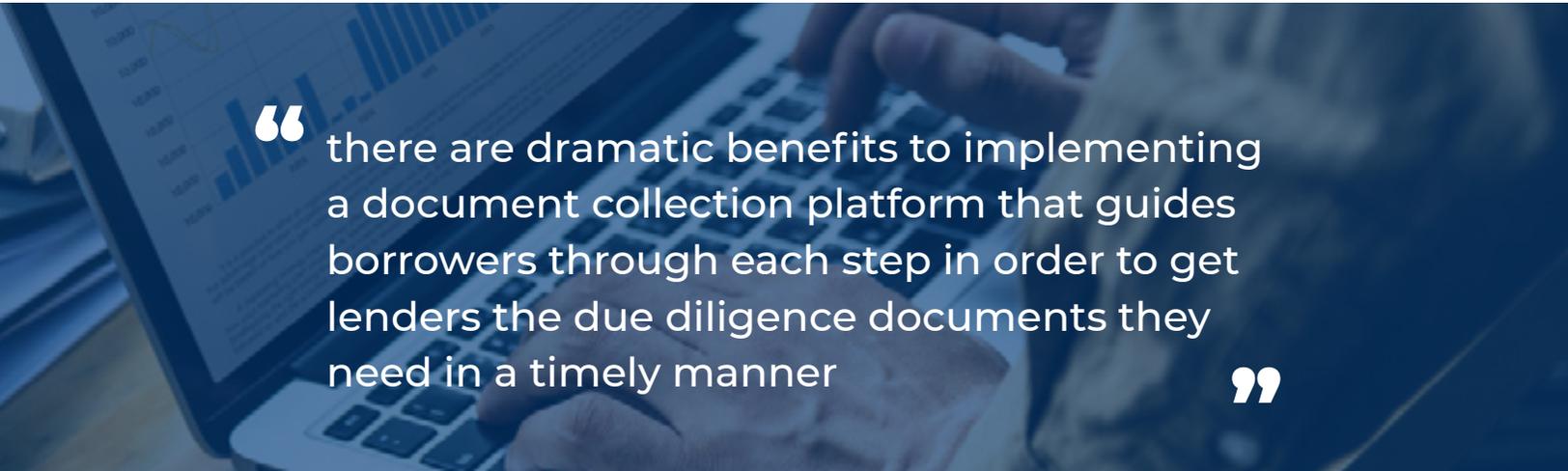
> **there are dramatic benefits to implementing a document collection platform that guides borrowers through each step in order to get lenders the due diligence documents they need in a timely manner**

Automate your client information collection

> Mortgage-industry professionals are increasingly turning to solutions like FileInvite's cloud-based document and information collection platform to streamline the labor-intensive process of document collection. Its technology simplifies this process for mortgage brokers and lenders through use of online forms, digital signatures, automated follow-up, cloud storage, system integrations and more.

Save time

Automating workflows using tools like FileInvite saves users at least two hours per loan application by eliminating manual tasks and providing better visibility across the entire lending pipeline.

Close more deals

Expanded loan officer bandwidth can accelerate sales velocity—with 30% more deals closed on average. Additionally, an improved customer experience with shortened turn times greatly increases the likelihood of positive referrals.

Increase privacy and security

Personally identifiable information and sensitive data should not be transmitted via email, which is highly vulnerable to security breaches. FileInvite stores sensitive documents in the cloud, not in inboxes, to ensure your clients' personal information is stored in a safe, secure place.

Improve the client experience

A digital, contactless client portal meets the expectations of today's borrowers and provides them with a seamless, easy-to-navigate experience. Document collection is simple and mimics the upload experience that people are used to elsewhere online. Automatic reminders ensure progression to scheduled due dates to keep everything on track.

Conclusion

As interest rates gradually rise, there has been a shift to a higher volume of purchase originations than refinances. This has caused production expenses to increase and revenues to decline across the industry. To be competitive and accelerate sales velocity in 2022, lenders will need to focus on optimizing operations in five key areas, and investments in technology will be imperative for success. FileInvite's cloud-based document collection platform helps lenders save hours per loan, scale operations and improve the customer experience. Start a free 14-day trial to see firsthand how FileInvite simplifies and streamlines the mortgage application process both internally and for borrowers.