5 Elements Every Mortgage Experience Must Include

While Borrower Expectations Vary, These Provide the Keys to Success

By Michael Detwiler

One way to look at mortgage borrowers is by breaking them into segments and studying the resulting personas. Three such "personas" were identified in recent survey work with Accenture Research:

- The Digital Enthusiast.
- The Digitally Curious.
- The Traditionalist.

While their expectations may vary, the research indicated they do agree on five key elements every mortgage experience must include.

1 SPEED

The mortgage process is too slow. There is no shortage of explanations for the snail's pace, and there's been precious little progress made toward consistently shortening the period between application and closing, which is what borrowers really want.

What do the various borrower "personas" expect?

Let's start with the Traditionalists, the group that expects human interaction. They are not interested in automation, yet they want the process to happen faster.

So do the Digital Enthusiasts, those on the other end of the persona spectrum. There's no real evidence yet that the digital mortgage experience is inherently faster than the traditional approach. No matter, the Digital Enthusiast cohort wants us to speed it up.

Borrowers don't care about our processes, nor should they. Their expectation for speed is dictated by the pace of today's commerce in other industries. We're lagging behind.

2 CLARITY

All borrowers expect to be kept informed during the trip their mortgage makes down the assembly line.

The Digital Enthusiast and the Digitally Curious expect digital updates. Self-service is preferred; text is good; email is an option, though, increasingly, it is under scrutiny in the mortgage business because it's the favored tool of fraudsters.

The Traditionalist, and to some extent the Digitally Curious, expect the personal touch. They tell us, "Call me with updates, or call me to ask me for the information you need, but don't call me for that reason too often. Making the mortgage is your job. My job is paying it back."

3. PERSONALIZATION

Nothing makes the point about focusing on borrower experience vs. digital mortgage more poignantly than the personalization expectation.

And 85% of today's borrowers—the Digitally Curious and the Traditionalists—expect the human touch throughout the mortgage process. Nothing reinforces the point about "focusing on customer delight rather than fixating on digital" better than that fact.

Buying a house is big deal. Financing a home is frightening. Borrowers want reassurance from human beings that they are doing the right things and doing them the right way.

Will technological reassurance replace human understanding? That seems unlikely for the foreseeable future. More likely, I suspect, the Digital Enthusiast will come to realize financing a home isn't the same as one-click shopping for shoes, and, in the end, they'll want some personal assistance, too.

4. CONVENIENCE

Like speed, convenience is a universal expectation.

Bluntly put, borrowers are not interested in doing what they perceive as lender work. Moreover, borrowers are well aware of the interconnectivity between today's systems. And they believe, rightly or wrongly, that lenders should be able to obtain every possible piece of information about them and the house they are buying without them having to lift a finger.

If we're honest, borrowers have been waiting for this since the beginning of Internet commerce, and they remain disappointed. Convenience is the great promise of transacting online. Why should a mortgage be any different than anything else they buy online? In the borrower's mind, it is not.

5. SAFETY

Cybercrime's rise in our industry has been nothing short of shocking on one hand and painfully obvious on the other.

To the latter point, of course perpetrators would target housing finance. Individual transactions are large, the payoff is enticing. Borrowers, all borrowers, want to know that their lender is as concerned about their privacy and personal data as they are.

While safety is a reasonable role for technology, the recent spate of criminal activity is another people *and* process *and* technology proof point. No technology available today can protect our borrowers without the help of trained mortgage professionals.

SOME TAKEAWAYS

There are at least two more broad takeaways from what borrowers told us about themselves and about their wants.

First, borrower "wants" are borrower dependent. While their wants may be ahead of our ability to deliver, they told us what they are, which means we have to work toward meeting them if we want to delight them.

The second is that borrowers will consume the precise amount of technology they want to consume.

These two broad points lead me to this conclusion: the true definition of a digital mortgage is the individual borrower's definition, not something we create.

Borrowers are going to satiate their digital appetites their way, not ours, based on the experience they want to have. Focusing on their experience, therefore, rather than on our own idea of what a digital mortgage looks like, is the better play.

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