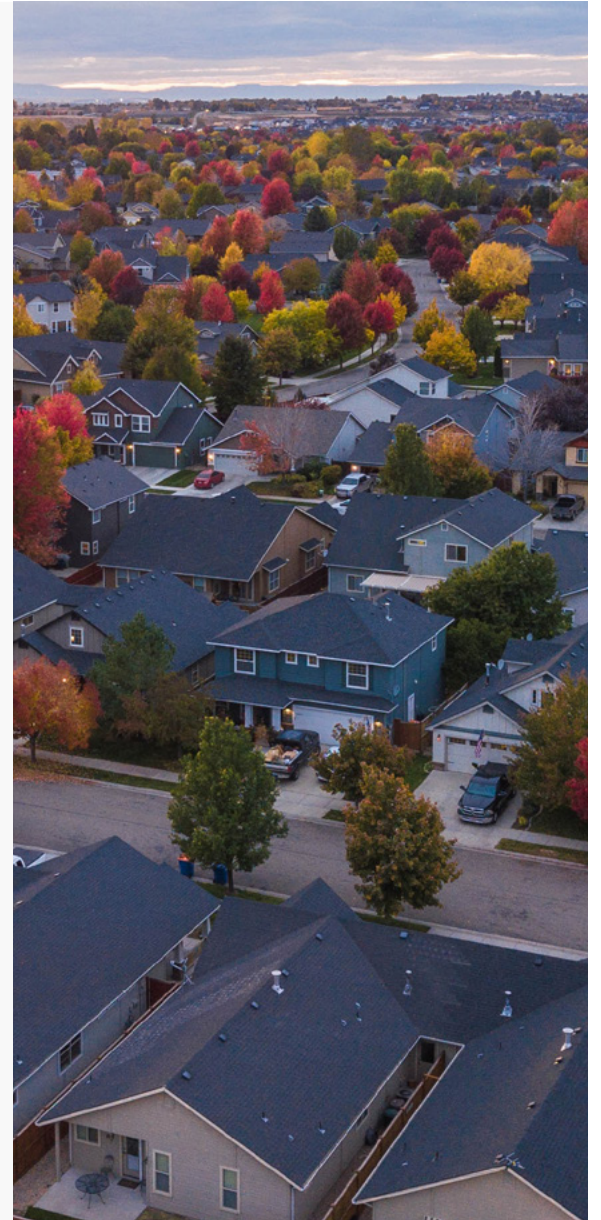


KALEIDICO

EBOOK GUIDE

Complete Guide to Consumer Direct Mortgage Sales



Complete Guide to Consumer Direct Mortgage Sales

If you're in the mortgage business, you're likely paying close attention to the current market and the emerging trends that might help you navigate it.

In recent years the mortgage industry has undergone a significant transformation, driven by major changes in consumer behavior, as well as advancements in technology.

This has pushed many lenders to transition from a traditional setup of running regional branches, to becoming a national consumer direct lender by reaching borrowers primarily online.

This has also shifted how loan officers run their sales processes. Consumer direct sales have become increasingly important for staying competitive, reaching more borrowers, and closing more loans.

That's why we've provided this comprehensive guide to give loan officers valuable insights, strategies, and tactics to help you maximize consumer direct mortgage sales.

Whether you're a seasoned sales professional or just starting in the mortgage industry, these tools and strategies will improve how you get ahead in this growing space and master the tools needed to successfully run consumer direct mortgage sales.

IN THIS GUIDE WE COVER:

- [What consumer direct mortgage sales mean for loan officers](#)
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What consumer direct mortgage sales means for loan officers

Consumer direct mortgage lending is emerging to meet the growing consumer demand for convenience and speed in a digital world.

Traditional lenders that aren't on board yet with consumer direct services could be left behind as technologies continue to evolve and digital processes improve the lending process.

Consumer direct mortgage lending comes with many benefits to lenders and borrowers, making it increasingly important that loan officers understand how it impacts sales and how they can embrace it to close more loans.

Understanding consumer direct mortgage sales in the mortgage industry

Lending is transitioning from traditional community-based or regional banks and lenders, where closing involves sitting at the same table as a borrower to sign the final paperwork.

Instead, borrowers connect with lenders located throughout the country because they only need to interact with them remotely, primarily online.

It's changing how consumers compare their options and choose a lender. This translates to evolving sales and marketing tactics as well, to meet changing consumer behaviors.

This helps consumers find the most competitive offers and gives them access to a wider range of loan products.

It might sound daunting but it's a positive shift that's important to understand. Consumer direct lending is improving the experience of loan processing for both borrowers and lenders, streamlining processes, saving time, increasing accessibility, and allowing for more closed loans.

Benefits of consumer direct mortgage sales to loan officers and borrowers

Consumer direct mortgage lending allows for faster loan origination, which gives borrowers what they want sooner and allows loan officers to close more loans, faster.

Streamlined processes also save time and resources, avoiding the need for several meetings, printed paperwork, repetitive tasks, conversations, etc.

With faster processes and lower loan origination fees, lenders can make more competitive offers to consumers to win more business.

Lenders can reach a much larger customer base. This also allows lenders to offer differentiated loan products to keep their business diverse in changing markets and adapt to consumer demand.

Consumer direct mortgage lending allows lenders to be more competitive and offer borrowers a more efficient, fast, and convenient loan origination process.

[Let's dig into how it all works →](#)

Understanding the basics of consumer direct mortgage sales

To offer your consumers the most effective and convenient loan process, loan officers need to know their consumer direct sales options.

From here you can choose the approach that best fits your business and understand how it fits into the broader world of consumer direct mortgage lending.

What are consumer direct mortgage sales?

Consumer direct mortgage sales is a term used to describe the process of mortgage loan origination, processing, and closing through digital channels, without the need for physical branch locations.

It includes working with borrowers through online qualification, loan applications, document sharing, and phone calls where loan officers rely on software like a CRM system to streamline processes and track leads and borrowers.

How have consumer direct mortgage sales evolved?

Consumer direct mortgage sales have been on the rise for the past several years as lenders work to meet changing consumer behaviors.

As consumers become more accustomed to a fast, simple, and convenient digital experience with many products and services, leading-edge mortgage lenders began to adjust their processes to meet these expectations.

It was initially limited to providing basic online applications and phone-based processing. As new technologies come on the market, the process has advanced further, allowing for things like e-signatures and digital document sharing and storage.

Now with new tools like AI and machine learning, lenders can not only track borrower journeys but also improve working and converting leads. This technology reveals opportunities that were previously hidden in data stored within lenders' customer databases.

Types of consumer direct mortgage sales

There are three main types of consumer direct mortgage sales:

- **Online mortgage model:** One growing model is the online mortgage platform, where consumers can apply for loans entirely online, from application to closing. This model can be used by lenders of all sizes but requires a focus on technology and online support, rather than in-person or over-the-phone sales.
- **Call center model:** Another type uses the call center model, where consumers connect with loan officers primarily through phone calls. As consumers are routed through a call center from an online inquiry, they're connected with an available loan officer quickly that can answer questions and provide support immediately. This is used more commonly by large national mortgage lenders that receive large call volumes.
- **Hybrid model:** This model, which might currently be used most commonly, combines online and call center models to give consumers a convenient online experience while still being connected directly to a loan officer, through phone, email, text, etc. It's being used by lenders of all sizes throughout the country.



Benefits of consumer direct sales for loan officers

The benefits of consumer direct mortgage sales involve helping loan officers increase productivity, close more sales, and reduce costs associated with loan processing. Let's see how it can give you a competitive advantage.

Advantages for loan officers

These are just some of the many advantages of consumer direct sales for loan officers:

- Reach a broader audience to serve more borrowers, in less time
- Process applications more efficiently
- Use software automation to save time and manage repeatable tasks
- Reduce the need for time-consuming in-person meetings
- Remove distractions and focus on selling to prospective borrowers
- Close more loans in a shorter period
- Increase productivity and revenue
- Reach borrowers you couldn't previously because of location limitations
- Offer more unique loan products to serve a larger customer base and differentiate in changing markets

Cost savings associated with consumer direct mortgage sales

As you might see, the many advantages of consumer direct sales listed also lead to many cost savings.

Specific cost savings include the following:

- Offer more competitive interest rates and fees with cost-saving processes
- Reduce the need for paperwork, physical documents, printing, and mailing
- Reduce overhead costs by eliminating the need for physical branch locations
- Improv ROI by using more digital platforms and tools

The new process for consumer direct mortgage sales

With a basic understanding of consumer direct sales benefits and functions, let's dig into how it works and how you can optimize consumer direct sales.

Overview of the consumer direct mortgage sales process

There are many similarities in how a loan is processed between the consumer direct mortgage sales process and a traditional loan process. The difference lies in how you engage leads in sales tactics and how the overall processes are implemented.

Consumer direct sales involve leveraging digital channels to reach and connect directly with borrowers. Because consumers are inundated with marketing, and likely researching multiple options, consumer direct sales needs to focus on engaging leads from the start and guiding them through the sales funnel to application and finally closing.

The process breaks down into 5 steps:

- 1. Lead generation:** Sales and marketing need to work together to generate online leads through various digital channels, including your website, social media, email marketing, digital advertising, etc. Clearly show prospects what makes your business different and what you have to offer that is better than your competition.
- 2. Lead collection, validation, and ranking:** To get online leads flowing into your CRM system, you need lead paths or forms on your website that consumers can fill out to connect with your business. This often involves a CTA to request a free rate quote. From there, you can rely on software to validate and rank each lead to help you prioritize which ones to contact first and how likely they are to close a loan.
- 3. Lead distribution:** Once leads enter your system and are initially assessed, they can each be passed to a loan officer. In a fully online model, leads will be automatically vetted and moved to the next step in the process in real-time — likely being asked to provide more information for a free quote or to begin the loan application. In a call center model, leads will be connected to a loan officer for a phone call.
- 4. Lead nurturing:** If leads aren't on board to begin a loan application immediately, you'll want to move them into the lead nurturing phase within your sales funnel. Lead nurturing involves engaging and educating leads to warm them up to becoming borrowers. Stay top of mind with regular and valuable touchpoints, showing you're there when they're ready to move forward.
- 5. Loan processing:** Once you have a lead engaged, and as you work through the loan process, don't halt your lead nurturing process. Continue to connect with and educate the borrower, from an application, through underwriting, approval, and closing.

Understanding the role of technology in consumer direct mortgage sales

Digital technologies are at the heart of successful consumer direct mortgage sales. Get familiar with the following technologies to make the most of your sales process.

CRM SYSTEMS

Your Customer Relationship Management (CRM) system might be a salesperson's most important tool for consumer direct lending. It tracks leads and can provide the capability to collect, validate, rank, qualify, and distribute each lead automatically.

With new AI and machine learning, CRM systems also offer predictive lead values in real-time that inform what makes leads most likely to close a loan. Sales teams use CRM systems daily to efficiently manage sales activities, lead management, and sales reporting.

Loan origination systems

Once leads are engaged in pursuing a loan, consumer direct sales teams use loan origination systems, or LOS, to automate the loan origination process. This includes tools for managing and automating steps within underwriting, loan processing, and closing.

eSign and digital document management

eSign and digital document management systems make it easier for loan officers to send and receive documents electronically, gather electronic signatures, and eliminate the need for printing, mailing, and filing the necessary paperwork needed for processing a loan.

MARKETING AUTOMATION SYSTEMS

These systems simplify how sales and marketing reach consumers to generate leads. This includes allowing you to manage automated email and social media campaigns, as well as tracking consumer behavior and engagement with various marketing digital collateral such as loan product landing pages, special offers, etc. It can be used for initial engagement and ongoing lead nurturing.



Best practices for loan officers in consumer direct mortgage sales

Between the overall process and the systems used to support it, you may begin to see patterns showing what is necessary to run consumer direct mortgage sales successfully.

Let's break down the best practices you can use.

- **Provide a personalized customer experience:** Rely on digital tools to track leads so that you can understand how best to reach them and when. Tailor your engagement depending on what phase of the sales funnel they're in. Remember that even if touchpoints are automated, they need to feel personal and custom. Also, provide a direct line to a loan officer for additional support beyond digital channels.
- **Keep up with compliance:** As you know, compliance is crucial to any lending business. Many of the technologies in the last section have built-in tools for navigating and keeping up with compliance needs. Don't overlook its importance. Find the right tools that help you keep up with relevant laws and regulations, including how you manage consumer data, privacy, and protection.
- **Prioritize educating borrowers:** At all stages of working with leads and borrowers, show them you're the resource they need. Let them do their research, rather than having to speak with a loan officer for all information. Build their knowledge base with helpful content and resources. Loan officers can help by guiding borrowers through each step of the loan process, the costs associated with borrowing, and the loan options available to help consumers make informed decisions.
- **Continuously improve processes:** To keep up in consumer direct mortgage sales, you need to always evolve and improve your sales system and strategies. Regularly review processes and technology to spot opportunities for improvement. Keep up with new software developments. Focus on implementing changes that can enhance the borrower experience and improve efficiency within the sales process.

Challenges of consumer direct mortgage sales for loan officers

We've covered the many benefits of successful consumer direct sales, but that doesn't mean there aren't unique challenges as well. Some of these challenges arise from continuously evolving technologies, as well as rapidly changing consumer behaviors.

We'll help you stay aware of the challenges you might face, as well as give you the strategies to overcome them with confidence.

COMMON CHALLENGES	STRATEGIES TO OVERCOME CHALLENGES
Limited personal interaction	Create clear paths and next steps within each digital interaction for clear communication
Difficulty building borrower trust	Provide exceptional customer service through multiple channels including phone, email, text, video, and chatbots
Trouble standing out from the competition	Provide niche offers, excellent customer support, and leverage technology that streamlines your processes for a positive consumer experience
Technical difficulties and limitations	Test tools regularly, invest in reliable software, and make sure it has user-friendly interfaces
Security and privacy concerns	Implement and communicate robust, up-to-date data security and privacy protocols like encryption, secure file sharing, and two-factor authentication
Meeting compliance requirements	Invest in software that automates compliance checks. Stay in the know on relevant regulations with ongoing training

Future trends and predictions for how they'll impact loan officers

As we continue to see more lenders increasingly transition to consumer direct, consumer behavior and advancements in technology will continue to impact sales.

We've summarized the emerging trends we're seeing as well as our predictions for the future and how this could impact loan officers.



5 emerging trends and predictions for how they could impact loan officers

- 1. Wide-spread adoption:** There will be more widespread adoption of digital mortgage tools across lenders, allowing borrowers to complete the mortgage process online using various systems and automation. As more borrowers expect it, loan officers need to adapt to offering it.
- 2. A move to mobile:** Mobile lending options will expand. As neo-banks and mobile banking grow in popularity, lenders will need to keep up and allow consumers to work through more of their loan process directly on their mobile devices. Loan officers should expect to familiarize themselves with new mobile systems to support borrowers.
- 3. More AI and machine learning:** The growing use of AI and machine learning will be used to intelligently automate crucial yet repetitive tasks, improve the accuracy of lead qualification, provide decision support for lead prioritization and sales strategies, and better customize engagement. This may present a learning curve for loan offices but it will also improve their capabilities and efficiency.
- 4. Regulatory changes:** We'll see continued changes to regulations to adapt to new sales processes, including a likely increase in regulations surrounding data privacy, disclosures, and consumer protection. Loan officers will need to pay attention to ongoing regulatory updates and find the right tools that protect lenders by automating compliance efforts.
- 5. Increased competition:** The competition will increase as more and more lenders transition to consumer-direct sales, causing each lender to try to differentiate themselves with niche offerings, streamlined processes, and excellent customer support. Keeping up with the latest technology can help you stay ahead, as well as keep a close eye on what consumers want.

Could you do more with consumer direct mortgage sales?

Consumer direct mortgage sales have become increasingly important for staying afloat in the mortgage industry because of changes in consumer behavior and advancements in technology.

Mastering consumer direct mortgage sales within competitive and ever-changing mortgage markets comes with a broader reach, more qualified leads and more loans closed faster.

This guide is meant to help you understand the full landscape of consumer direct mortgage sales, offering an understanding of how to optimize it for loan officers.

What could you do with consumer direct sales to stay ahead of the competition, increase your close rate, and improve your day-to-day work with borrowers?

Kaleidico can help with your consumer direct mortgage sales

If you want to reach more consumers directly, generate more leads, improve lead management, increase sales, and close more loans faster—[Kaleidico can help](#).

We get it, consumer direct marketing, lead generation, and lead management present unique challenges and opportunities as the landscape for mortgage lenders evolve.

Our team offers a full suite of marketing services to help you stand out from competitors, attract new borrowers, and keep close rates high. We'll ensure that the leads generated are qualified and that you're well-equipped to manage and convert them.

[Schedule a free discovery session with us](#) to see what we can do for you.