



## 4 Ways to Sharpen Your Competitive Edge with Embedded Home Insurance in the Lending Process

**T**he COVID-19 pandemic has resulted in extremes across the housing market, including skyrocketing sales prices and significantly lower inventory compared to previous years. In mid-2021, the [average new mortgage](#) was over \$411,000. But while loan amounts are on the rise, purchase volume is on the decline. In early September, [purchase applications were down 18%](#) year-over-year, according to CNBC.

With lenders competing for the same customers in an extremely limited market, it's more important than ever to offer customer-centric differentiators throughout the mortgage process. Mortgage companies also need to get creative by finding ways to replace lost revenue due to fewer mortgage applicants.

Exceptional customer service is imperative in reaching your goals, including faster loan cycle times that increase closings and reduce costs to close the revenue gap. In fact, a report by McKinsey & Co. revealed that most mortgage customers consider exceptional customer service nearly as important as getting the best rate.

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### How can you create a customer experience that works to your advantage in growing your sales pipeline?

In this whitepaper, you'll learn what type of experience modern borrowers are looking for, plus four actionable steps and resources to deliver exceptional value that creates lasting, loyal customers.

## Step 1: Empower your customers with digital tools

Mortgage lenders with the best digital tools have a competitive edge, particularly considering that customers in the McKinsey report cited reassurance as the most important part of the mortgage journey. Technology resources make the mortgage process easier and more convenient for the borrower. It allows them to communicate in the ways they want and check on their loan status at any time, even if it's outside of business hours.

Here are four digital tools that position your company as a tech-savvy lender in the eyes of borrowers.

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### Automated asset verification

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Offering faster approval times is a huge asset when looking for ways to differentiate your company from others; plus, it can decrease days to closing to improve your bottom line. Many companies offer digitized asset verification that streamlines a huge part of the mortgage application process: submitting account statements to verify income and

assets. Loan officers receive real-time data and confirm the borrower's ability to make a down payment and afford monthly mortgage payments. At the same time, applicants simply log into their online accounts through a secure portal, instead of having to download and encrypt email files or send in paper copies.

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### E-signature documents

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Many mortgage documents are time-sensitive and must be signed within 72 hours. Integrating a digital signature software gets disclosures and other forms directly in front of applicants quickly and securely. This technology makes it simple to track the latest versions of documents and stay in compliance with the latest regulations. Plus, it simplifies record keeping and keeps your applicants' personal and financial data safe and secure.

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### Appraisal workflow software

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The appraisal process can slow down the time it takes to close, especially with appraisers busier than ever and hard to book (not to mention finish a report). Look for appraisal workflow software that streamlines the process so that everything in your loan officers' control

is completed quickly and efficiently. Workflows automate things like creating an order and verifying vendors, ultimately reducing the number of days it takes to complete the appraisal process.

## 4

## Built-in home insurance estimators

Getting a homeowners insurance policy is often overlooked by borrowers, resulting in a stressful, last-minute scramble before closing. Remove this burden by incorporating a home insurance estimator widget into your platform. Providing customers with digital tools like this will help them comparison shop, purchase insurance, and feel good about their buying experience. Matic provides the tools needed to integrate home insurance into your process.

Matic's easy plug & play estimator adds a level of professionalism to your website while delivering content that actually adds value to your customer's day. Borrowers can input their new address to get quick home insurance estimates plus a free quote from Matic's carrier network.

You can try this interactive tool and [get a personalized home insurance estimate here](#).

The screenshot shows the Matic website's home insurance estimator. At the top, it says "Matic" with a logo and "Paying too much for homeowners insurance?". Below this is a form with fields for "Address" (with a placeholder "Enter your Address"), "Year Built", "Square Feet", and "My Credit Rating" (set to "Good (690 - 719)"). To the right of the form is a map interface with "Map" and "Satellite" tabs, a search bar, and a zoom-in (+) button. Below the form, there's a section titled "Estimated Premium" with three options: "Lowest Quote" (\$ ---), "Average Quote" (\$ ---), and "Highest Quote" (\$ ---). A blue button labeled "Compare Carriers" is positioned to the right of these options, with "on Matic" written below it. At the bottom of the map area, there are links for "Keyboard shortcuts", "Map data ©2021", and "Terms of Use".

## Step 2: Build loyalty by adding value to your customer's life

According to the McKinsey report, customers prefer to have an existing relationship when choosing a lender. It's crucial to develop new touchpoints that drive engagement and build loyalty. Take a holistic approach to the relationship by providing educational content that offers value using other products. Not only does this set up your mortgage company as a trusted resource, it also builds trust that you view your customers as more than an application number.

## Delivering value-based resources

How do you deliver value-based content in a way that feels authentic? Start by identifying areas of a borrower's life that are relevant to the home buying process, then introduce value from other products. For instance, you might send them tips on building and maintaining their credit score, particularly leading up to the loan closing. Also maximize your borrower portal features, including real-time application status and in-app messaging.

## Integrating home insurance quotes

You can also offer borrowers a complementary product like Matic that helps them save money and check off their home insurance requirement. The benefit here is two-fold: it's the borrower's responsibility to find a home insurance policy, so you're helping to take one thing off their plate in the days and weeks leading up to closing. Secondly, finding affordable home insurance gets the borrower to focus on their overall monthly housing cost, not just the mortgage principal and interest. On average, Matic saves customers \$625 per year, lowering their overall debt-to-income

ratio. Identifying low-cost insurance solutions early in the process helps avoid a last-minute delay or even cancellation of closing because the borrower couldn't find an affordable insurance policy. It also saves lenders money by avoiding costly rate lock extensions due to borrowers not getting a policy in time.

Similarly, refinancing customers typically start the process with the hopes of lowering their monthly mortgage costs. Building in an extra way to save can serve as a major differentiator when competing for customers.



## Step 3: Make the customer experience as quick and simple as possible

Another way to save time and remove friction for borrowers is to simplify the customer experience as much as possible. Be transparent about next steps and outline clear guidelines for eligibility requirements.

Follow these steps to stand out with a quick and easy closing process.

## ● Use pre-fill application data

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Avoid abandoned applications early on in the process by integrating pre-fill data software that verifies details such as identity and assets. It reduces friction for customers, plus speeds up the application process and ultimately, the time it takes to close.

Operating costs also drop, as do the risks of mortgage fraud. The right software keeps you in compliance while simultaneously setting the stage for a streamlined application process for your borrowers.

## ● Offer mobile digital document uploads

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Younger home buyers likely do not have a printer at home and rely on external printing for documents that must be signed or submitted in hard copy. Lenders can integrate mobile apps specific to the mortgage industry that allow borrowers to scan their documents via their smartphone camera and upload them directly into your application portal.

Your processing team can even request scanned documents through the app, giving borrowers instant notification that their application needs additional information to move forward. Digitizing this process can shave off a significant portion of time to closing.

## ● Reduce days to close with integrated HOI verification

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Finding home insurance is another area that causes friction in the borrower experience. The more you can do on their behalf, the simpler the process will be; plus, you'll be in the loop of where each applicant stands when it comes to home insurance.



Matic has been a great way for our borrowers to shop for HOI. For borrowers who are panicking at the last second, shocked at their current quotes, or have no idea where to start. It's been a life saver. And for LOs who hate being left in the dark when there are issues with HOI, the Matic team is great at putting out fires and being quick to respond when issues come up.

-Loan Officer





Additionally, integrating Matic into your system facilitates an average 12% decrease in loan turn time. The verification of insurance process is also simplified; a Matic agent promptly reaches out to your loan officer to verify four pieces of information required to produce an EOI/DEC page.

Plus, Matic's flexible technology solutions easily integrate into any technology stack and process. We already work with the most widely-known and utilized POS/LOS platforms and can customize a verification of insurance solution to fit your needs.

## Step 4: Empower your loan officers to become trusted advisors

Loan officers should be seen as trusted advisors that borrowers can rely on to guide them through the process. The relationship should feel more than just a transaction; after all, buying a house is not only one of the largest purchases someone will make in their life, it's also one of the most emotional decisions.

### Be active on social media

Social media marketing can be a major differentiator, not to mention one that's tied with significant results. One study shows that [78% of mortgage loan officers](#) with an active social media presence outperform their peers. It makes sense; most leads will perform an internet search as a way of confirming a loan

officer's reputation. Being active on social media legitimizes your expertise and cements your reputation as a go-to resource for others. Social media can also help you establish yourself in a certain area of specialization, such as a specific geographic area or a type of mortgage.

### Use accurate insurance estimates early in the process

Accuracy is another core value that customers expect. Using Matic at the beginning of the loan estimate process lets your borrower account for insurance quotes in real-time. For borrowers with a tight debt-to-income ratio, lower insurance rates can help them qualify for a higher mortgage amount, which increases pull-through rates.

Providing insurance as part of the loan estimate and controlling home insurance from the beginning helps the loan officer add value and show that "we're here for you."



Not only has Matic been able to offer competitive rates, they understand the urgency of our business. We have had to change closing dates on a couple of files and we received an updated policy within an hour of requesting.

-Loan Officer



## Create a segmented drip email marketing campaign

Building a lasting relationship with your borrowers doesn't end on closing day. Each loan officer should have an automated email marketing campaign that's segmented based on each stage of the customer's journey. It may start with house hunting after receiving a pre-approval, then move onto the application process and closing.

Even after closing, continue with a customized email campaign to set yourself up for repeat business when it comes time for borrowers to refinance as well as provide lender recommendations to family and friends. Send a celebratory message for home anniversaries. You can also integrate Matic's RateReview feature, which automatically analyzes a homeowner's insurance policy to see if there's a better rate available.

## Why Matic?

Matic is one of the largest and fastest growing digital insurance agencies in the U.S. Our proprietary quoting engine takes just seconds to process offers through our carrier network. Integration is completely turnkey, making it a complementary part of your existing systems. Matic accelerates closings and adds a RESPA-compliant revenue stream for each customer.

Plus, our customer satisfaction rates are 3X the industry average. Matic is truly devoted to easing pain points for every stakeholder, including lenders, loan officers, and borrowers. Matic provides the tools needed to integrate home insurance into your process.

## Partner with Matic

Interested in partnership opportunities? [Contact us](#) to learn more about how Matic can cut loan cycle times and generate additional revenue while adding authentic value to your customer's experience from start to finish.