

Mortgage Lender Sentiment Survey[®] Special Topics Report

Lenders' Channels and Strategies for Customer Acquisition and Retention, Now and in the Future

Fourth Quarter 2019





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Executive Summary

For both the current state and the future state, mortgage lenders cited working with loan officers, using owned corporate channels (e.g., websites, branches), and partnering with real estate agents as the most important channels to acquire customers. In addition, compared to today, lenders envision digital media advertising playing a more important role in the future. They also overwhelmingly cited “providing great customer service” as the top strategy to retain and acquire customers, followed by “making the origination process easier.”

Top Channels Used Now and in the Future for Customer Acquisition (combined the three most important channel %)

Loan officers (personal networks)



selected by **67%** as one of the top 3 channels now

selected by **57%** as one of the top 3 channels in 3-5 years

Partnering with real estate agents



selected by **56%** as one of the top 3 channels now

selected by **48%** as one of the top 3 channels in 3-5 years

Channels my organization owns



selected by **46%** as one of the top 3 channels now

selected by **50%** as one of the top 3 channels in 3-5 years

Advertising on Digital Media



selected by **20%** as one of the top 3 channels now

selected by **39%** as one of the top 3 channels in 3-5 years

Relationship Effectiveness for Cross-Sell

(among lenders who provide a portfolio of consumer products/services)

57% said the **mortgage product relationship** is more effective in getting customers to obtain non-mortgage products

43% said the **non-mortgage relationship** is more effective in getting customers to obtain mortgage products

Top Strategies for Retaining/Acquiring Customers

(combined the two most commonly used action %)



66% of lenders said **providing great customer service**



45% of lenders said **making the origination process easier**



Business Context and Research Questions

Business Context

The mortgage industry has faced a number of challenges in recent years. Technological advancements, increased competition, and lack of entry-level housing stock have applied pressure to growth and profitability during a period of historically low unemployment and low interest rates. Over the past two years, lenders have continuously pointed to “competition from other lenders” as the most significant drag on their profit margin outlook.¹ Through its quarter Mortgage Lender Sentiment Survey (MLSS), Fannie Mae’s Economic & Strategic Research Group surveyed nearly 200 senior mortgage executives to better understand their customer-retention strategies and customer-acquisition channel strategies.

Research Questions

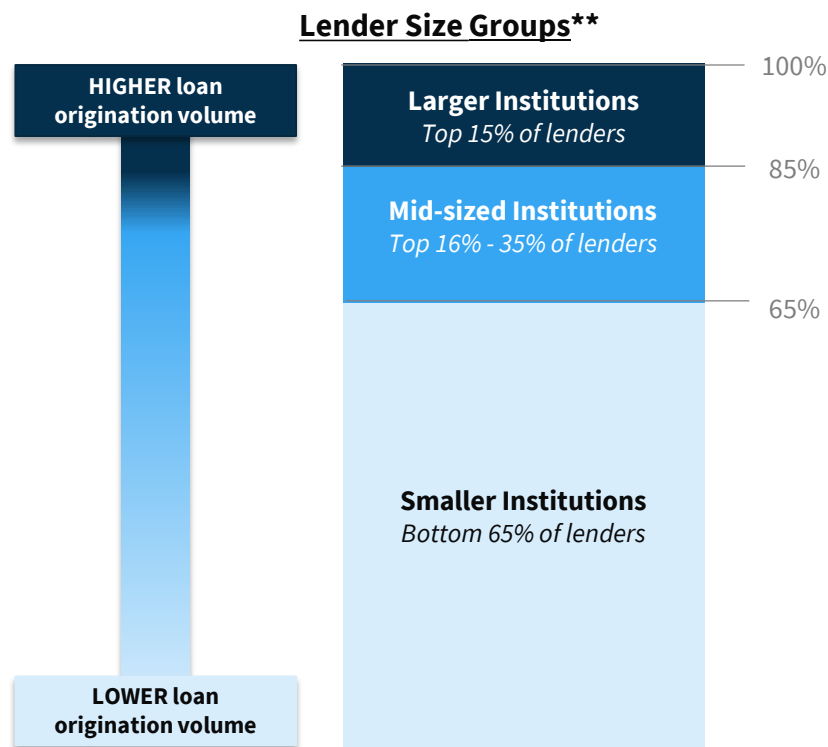
1. What are the most important channels lenders currently use to market mortgage products to acquire customers? What are the most important channels they plan to use in 3-5 years? In comparing the current state and the future state, what channels become more or less important and why?
2. What strategies do lenders use to retain customers, so customers will be more likely to get their next purchase or refinance mortgage with them?
3. (Among lenders who offer a portfolio of mortgage and other products) Between the mortgage customer relationship and the “non-mortgage” (e.g., banking) relationship, which relationship is more effective in getting customers to obtain additional products?
4. How widely do lenders use predictive analytics (in-house or via a third party) to help with marketing efforts to acquire mortgage customers? And, how helpful do lenders find owning a portfolio of products to be in acquiring customers?

¹ Mortgage Lender Sentiment Survey, <http://www.fanniemae.com/portal/research-insights/surveys/mortgage-lender-sentiment-survey.html>



Q4 2019 Respondent Sample and Groups

The current analysis is based on fourth quarter 2019 data collection. For Q4 2019, a total of 188 senior executives completed the survey during October 30-November 10, representing 168 lending institutions.*



Sample Q4 2019		Sample Size
Total Lending Institutions The "Total" data throughout this report is an average of the means of the three lender-size groups listed below.		168
Lender Size Groups	Larger Institutions Lenders in the Fannie Mae database who were in the top 15% of lending institutions based on their total 2018 loan origination volume (above \$980 million)	60
	Mid-sized Institutions Lenders in the Fannie Mae database who were in the next 20% (16%-35%) of lending institutions based on their total 2018 loan origination volume (between \$317.5 million and \$980 million)	38
	Smaller Institutions Lenders in the Fannie Mae database who were in the bottom 65% of lending institutions based on their total 2018 loan origination volume (less than \$317.5 million)	70
Institution Type***	Mortgage Banks (non-depository)	76
	Depository Institutions	60
	Credit Unions	30

* The results of the Mortgage Lender Sentiment Survey are reported at the lending institutional parent-company level. If more than one individual from the same institution completes the survey, their responses are weighted to represent their parent institution.

** The 2018 total loan volume per lender used here includes the best available annual origination information from Fannie Mae, Freddie Mac, and Marketrac. Lenders in the Fannie Mae database are sorted by their firm's total 2018 loan origination volume and then assigned into the size groups, with the top 15% of lenders being the "larger" group, the next 20% of lenders being the "mid-sized" group and the rest being the "small" group.

*** Lenders that are not classified into mortgage banks or depository institutions or credit unions are mostly housing finance agencies or investment banks.



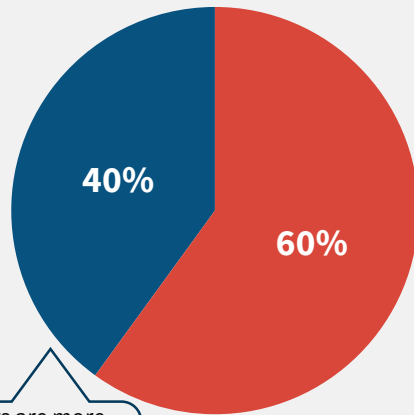
Strategy for Acquiring and Retaining Mortgage Customers

Only 40% of lenders reported using predictive analytics to help with marketing, but nearly 90% reported “proactively” building loyalty throughout their customer relationships.

Does your organization use predictive analytics to help with marketing?

N = 162 (among firms which interact directly with borrowers/consumers)

Yes No



Larger lenders are more likely to say they use predictive analytics than smaller lenders.

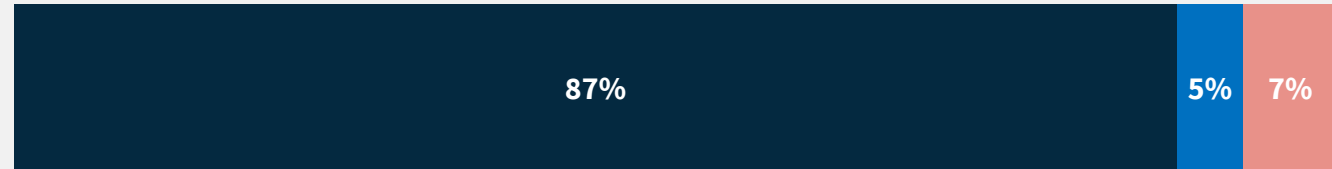
Business Approach to Retaining Mortgage Customers

N = 162 (among firms which interact directly with borrowers/consumers)

Proactively build loyalty with all customers throughout the customer relationship

Focus on loyalty building only when we think the customer might be in the market for a new mortgage or refinance

Reactively try to retain customers when customers approach us with inquiries



Q: Does your organization use predictive analytics (in-house or via a third party) to help with marketing efforts to acquire mortgage customers?

Q: Which of the following statements best describes your mortgage business's approach to retaining mortgage customers, so they will be more likely to get their next purchase or refinance mortgage with your organization?



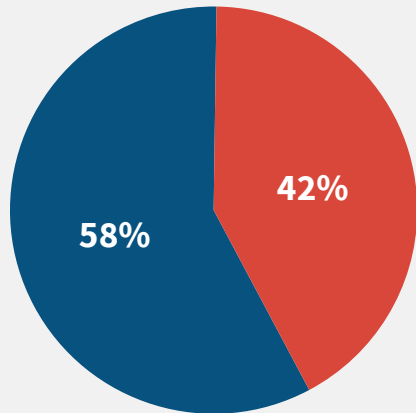
Role of Portfolio of Consumer Products/Services in Acquiring Customers

Of lenders that provide a portfolio of consumer products or services, the majority reported that having a portfolio of products is helpful in acquiring customers. However, lenders are split on whether the mortgage relationship or non-mortgage relationship is more effective in getting customers to adopt additional products.

Does your organization provide other consumer products/services?

N = 162 (among firms which interact directly with borrowers/consumers)

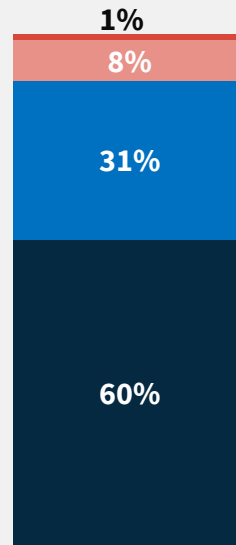
Yes No



How helpful is your organization's owning a portfolio of products in acquiring customers?

N = 89 (among lenders who provide other consumer products/services)

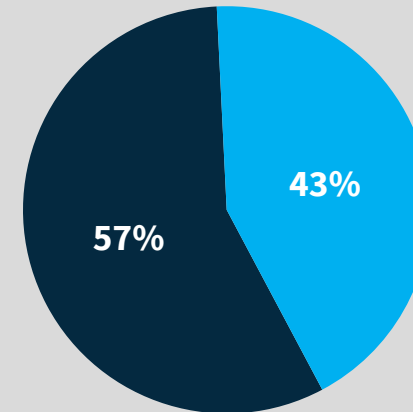
Very helpful Somewhat helpful
Not very helpful Not at all helpful



Which relationship (mortgage or non-mortgage) is more effective in getting customers to obtain additional products?

N = 89 (among lenders who provide other consumer products/services)

57% say the **mortgage product relationship** is more effective in getting customers to obtain non-mortgage products



43% say the **non-mortgage relationship** is more effective in getting customers to obtain mortgage products

Q: Besides your mortgage business, does your organization or parent company provide other consumer products or services (e.g., banking, credit cards, payments, etc.)?

Q: In your opinion, how helpful is your organization's owning a portfolio of products in acquiring customers, aside from mining customer data in the portfolio?

Q: Based on your organization's experience, between the mortgage customer relationship and other "non-mortgage" customer relationship, which relationship is more effective in getting customers to obtain additional products?

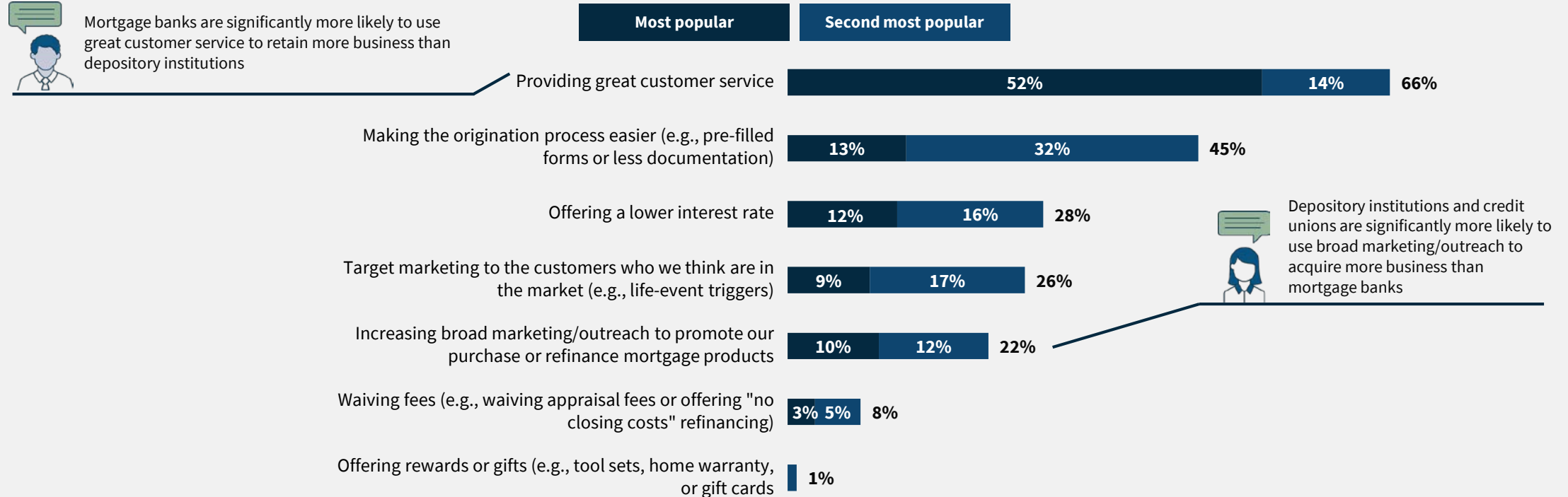


Top Strategies for Acquiring and Retaining Customers

Providing great customer service is the most common strategy used by the majority of lenders for both acquiring and encouraging existing customers to obtain a purchase or refinance mortgage through them, followed by making the origination process easier.

Top Strategies for Retaining/Acquiring Customers

Select up to two and rank them in order of popularity, N = 162 (among firms which interact directly with borrowers/consumers), Ranked by Most important



"Other" answer choice specified by respondents include: "Keeping in front of the consumer before they want to refinance or purchase a home," "We do not actively encourage repeat business," and "Follow up engagement so that the consumer remembers us"

Q: Listed below are some actions lenders can take to encourage their existing mortgage customers to get their next purchase or refinance mortgage with them. Which actions are the most commonly used by your organization? Please select up to two and rank them in order of popularity.



Most Important Channels to Acquire Mortgage Customers

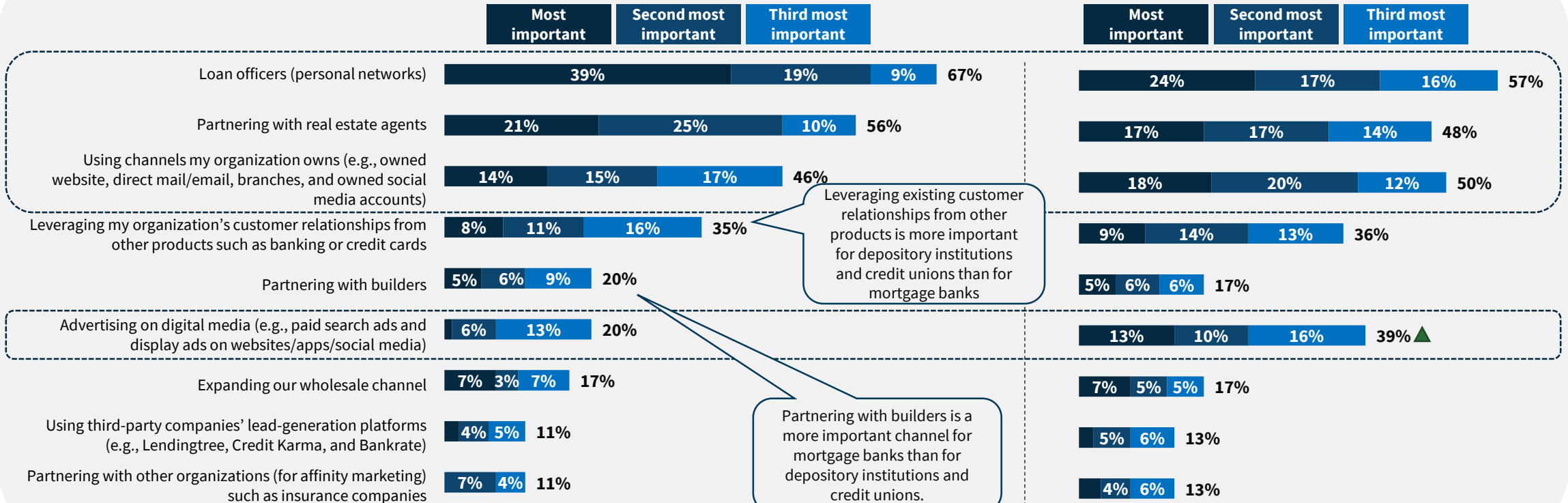
For both the current state and the future state, loan officers, real estate agents, and lenders' owned corporate channels were cited as the most important channels to acquire new customers. Additionally, lenders envision digital media advertising playing a more important role in the future, as compared with today.

Current Top Channels for Mortgage Business

Select up to three, N = 162 (among firms which interact directly with borrowers/consumers), Ranked by Current Top-3 Most important

Future Top Channels for Mortgage Business

Select up to three, N = 162 (among firms which interact directly with borrowers/consumers), Ranked by Current Top-3 Most important



Leveraging existing customer relationships from other products is more important for depository institutions and credit unions than for mortgage banks

Partnering with builders is a more important channel for mortgage banks than for depository institutions and credit unions.

"Other" answer choice specified by respondents include: "Portfolio Retention," "Our member banks," and "Credit Unions"

"Other" answer choice specified by respondents include: "Portfolio Marketing," "Our member banks," "Credit Unions," "Data Mining," and "We are wholly owned by a builder"

Q: Listed below are some channels mortgage lenders can use to market their mortgage products to acquire customers. Which are the most important channels your organization currently uses for your mortgage business? Please select up to three and rank them in order of importance.

Q: Now, please think about the channels your organization will use 3-5 years from now to acquire customers for your mortgage business. What channels will be most important for your organization to use? Please select up to three and rank them in order of importance.

▲ Denote the "total important" % for a channel is significantly higher for the expected 3-5 years outlook than currently at the 95% confidence level



Channels Becoming Less Important

While working with loan officers and real estate agents were cited by lenders as two of the top three most important channels now and in the future to gain new mortgage customers, those partnerships reportedly may grow less important due to the expected rise of digital advertising channels influencing the homebuying process.

Top Channels Used to Acquire Customers for Mortgage Business Now But Not a Top Channel in 3-5 Years



18% selected “**loan officers**” as one of their top 3 channels for now, but don’t select it as one of the top 3 channels in 3-5 years

Why?

“**Less dependence on physical locations/interactions** has been the trend for us. **More digitally savvy** and willingness to use that channel **is more the norm.**” – Larger Institution

“**They are important but are higher cost channels** and as digital and tech evolve, **we expect more consumers to be comfortable with digital and direct to consumer** (cheaper) channels.” – Larger Institution

“I think people will be more informed and **look at a number of different options.**” – Smaller Institution



12% selected “**partner with real estate agents**” as one of their top 3 channels for now, but don’t select it as one of the top 3 channels in 3-5 years

Why?

“**Technology is reducing the relationship** agents have with new clients” – Smaller Institution

“Potentially not as much of a driver for business **because of the ability to use services like Homie or Zillow** to sell a home.” – Larger Institution

“We expect that in the coming years, **traditional real estate selling will dramatically change to a more electronic based business.** Thus lessening the impact of relationships with specific real estate agents.” – Mid-sized Institution

Q: Please explain why [channel] will not be an important channel to acquire customers for your mortgage business 3-5 years from now. What challenges has your organization faced or foreseen? (Optional)



Channels Becoming More Important

Lenders expect digital media advertising and using owned corporate channels to become more important in the future as social media becomes more widespread (particularly among younger generations) and as a way to leverage data, expand footprints, and improve efficiency.

Top Channels Used to Acquire Customers for Mortgage Business in 3-5 Years But Not a Top Channel Now



25% selected “**advertising on digital media**” as one of their top 3 channels in the 3-5 years, but don’t select it as one of the top 3 channels for now

Why?

“**Growing social media trends will help banks expand their customers bases** and help grow with low cost.” – Larger Institution

“It is now **common and current culture of industry**, especially with new generations. **We should be a part of this digitalized environment** to follow at least with the current market standard.” – Smaller Institution

“Younger borrowers need **younger delivery channels**.” – Smaller Institution



14% selected “**using owned channels**” as one of their top 3 channels in 3-5 years, but don’t select it as one of the top 3 channels for now

Why?

“**Optimization** of application process, **accessing newer millennial borrowers** to our bank, **expanding our footprint**.” – Larger Institution

“**Leverage our existing client data**, and leverage our high quality customer satisfaction and relationships.” – Larger Institution

“Reduced origination expense and **improved efficiency**.” – Mid-sized Institution

Q: Please explain why your organization wants to [channel] as a new channel to acquire customers for your mortgage business 3-5 years from now. What are the benefits and advantages your organization expects to see? (Optional)





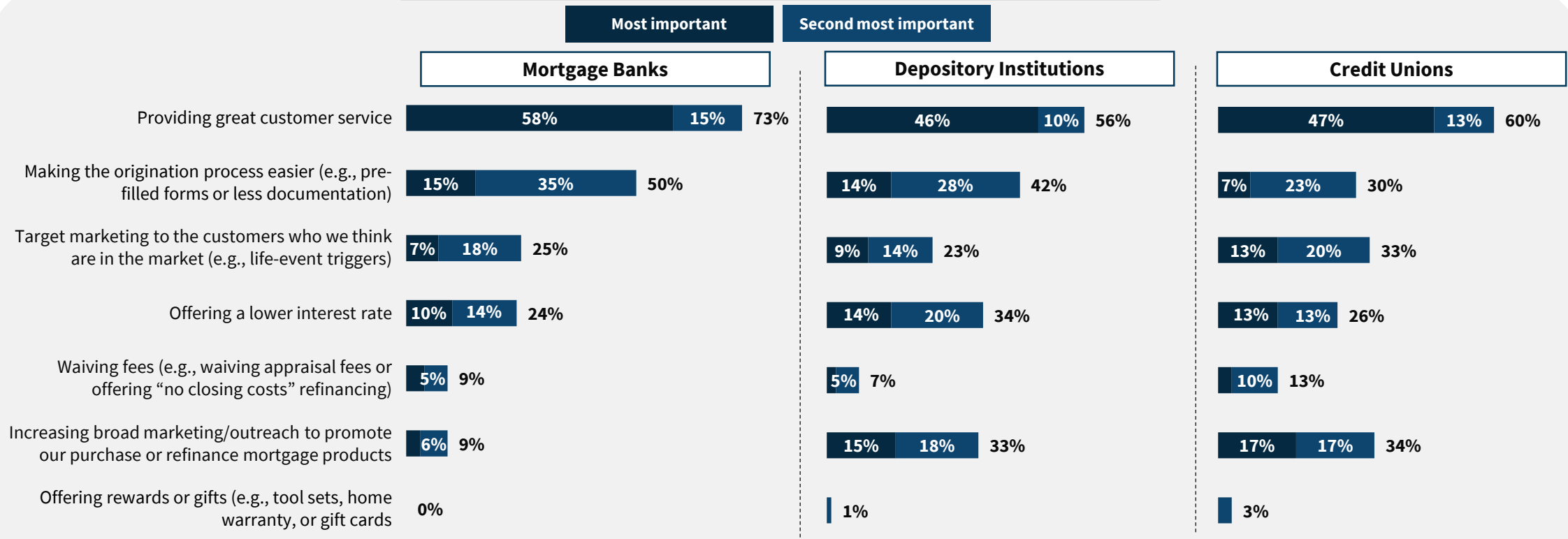
Appendix



Strategy for Encouraging More Business with Existing Customers – by Institution Type

Mortgage banks are significantly more likely to say they use great customer service to retain more business than depository institutions. Depository institutions and credit unions are significantly more likely to use broad marketing/outreach to acquire more business than mortgage banks

Top Strategies for Retaining/Acquiring Customers
Select up to two and rank them in order of importance, Ranked by total important among mortgage banks



Q: Listed below are some actions lenders can take to encourage their existing mortgage customers to get their next purchase or refinance mortgage with them. Which actions are the most commonly used by your organization? Please select up to two and rank them in order of popularity.

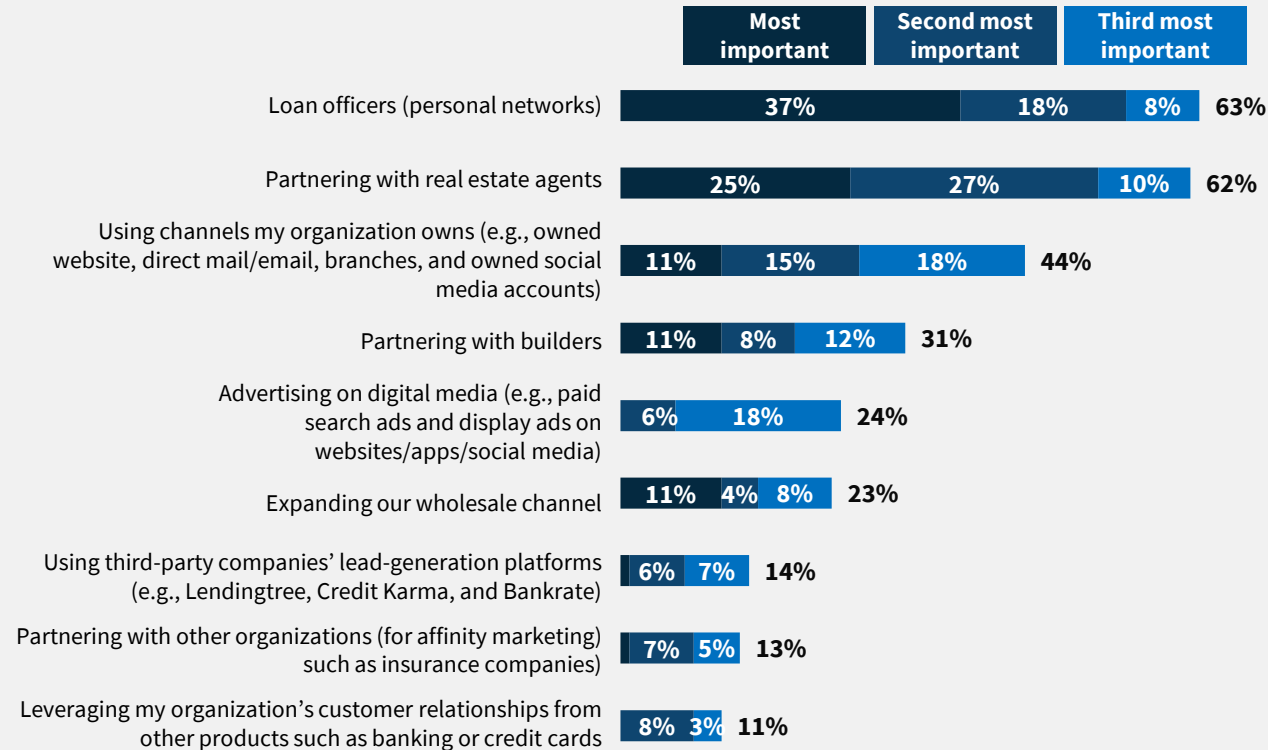


Mortgage Banks - Most Important to Acquire Mortgage Customers

For Mortgage banks, partnering with real estate agents will become less important in 3-5 years; advertising on digital media will become more important in 3-5 years.

Current Top Channels for Mortgage Business

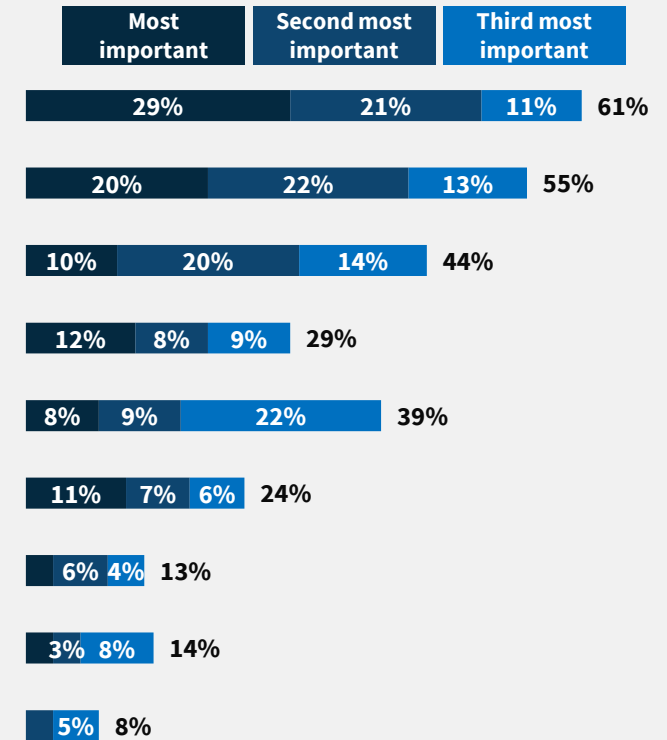
Select up to three, N = 73 (among Mortgage Banks which interact directly with borrowers/consumers), Ranked by Current Most important



"Other" answer choice specified by respondents include: "Our member banks" and "Portfolio Retention"

Future Top Channels for Mortgage Business

Select up to three, N = 73 (among Mortgage Banks which interact directly with borrowers/consumers), Ranked by Current Most important



"Other" answer choice specified by respondents include: "Our member banks," "Portfolio marketing," and "We are wholly owned by a builder"

Q: Listed below are some channels mortgage lenders can use to market their mortgage products to acquire customers. Which are the most important channels your organization currently uses for your mortgage business? Please select up to three and rank them in order of importance.

Q: Now, please think about the channels your organization will use 3-5 years from now to acquire customers for your mortgage business. What channels will be most important for your organization to use? Please select up to three and rank them in order of importance.

▲ Denote the "total important" % for a channel is significantly higher for the expected 3-5 years outlook than currently at the 95% confidence level



Depository Institutions - Most Important Channels to Acquire Mortgage Customers

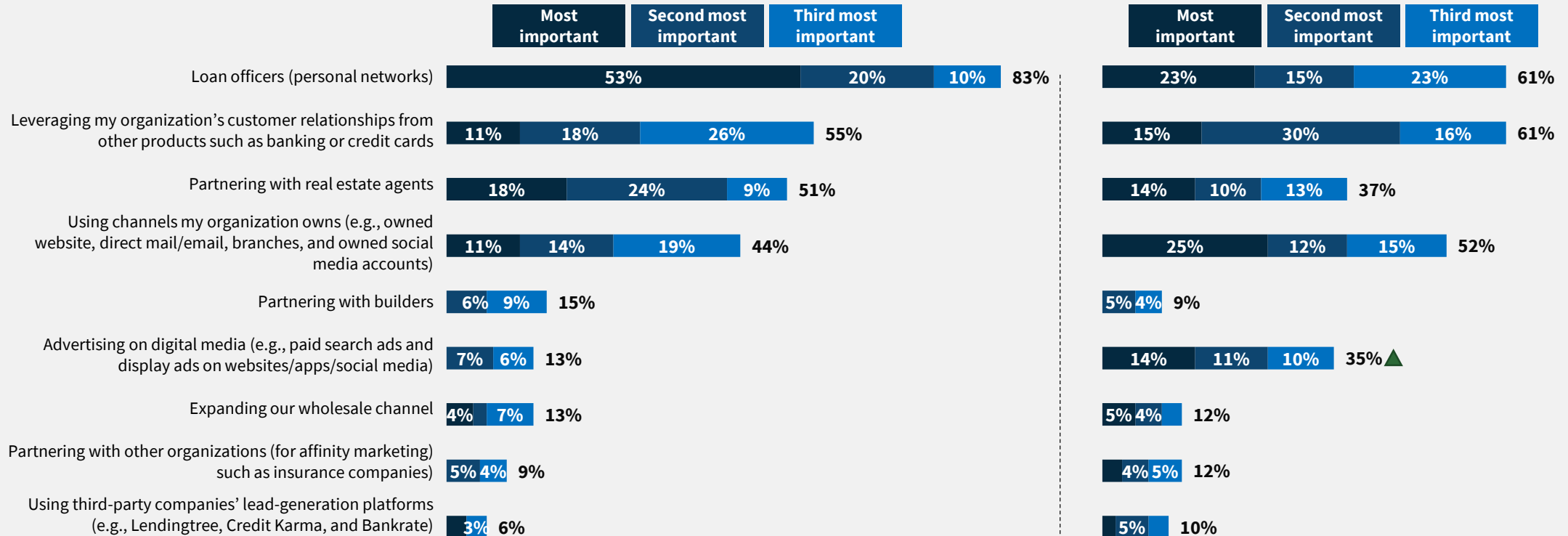
For depository institutions, working with loan officers and real estate agents will be less important in 3-5 years. Using owned channels and advertising on digital media will become more important.

Current Top Channels for Mortgage Business

Select up to three, N = 59 (among Depository Institutions which interact directly with borrowers/consumers), Ranked by Current Most important

Future Top Channels for Mortgage Business

Select up to three, N = 59 (among Depository Institutions which interact directly with borrowers/consumers), Ranked by Current Most important



Q: Listed below are some channels mortgage lenders can use to market their mortgage products to acquire customers. Which are the most important channels your organization currently uses for your mortgage business? Please select up to three and rank them in order of importance.

Q: Now, please think about the channels your organization will use 3-5 years from now to acquire customers for your mortgage business. What channels will be most important for your organization to use? Please select up to three and rank them in order of importance.

▲ Denote the "total important" % for a channel is significantly higher for the expected 3-5 years outlook than currently at the 95% confidence level

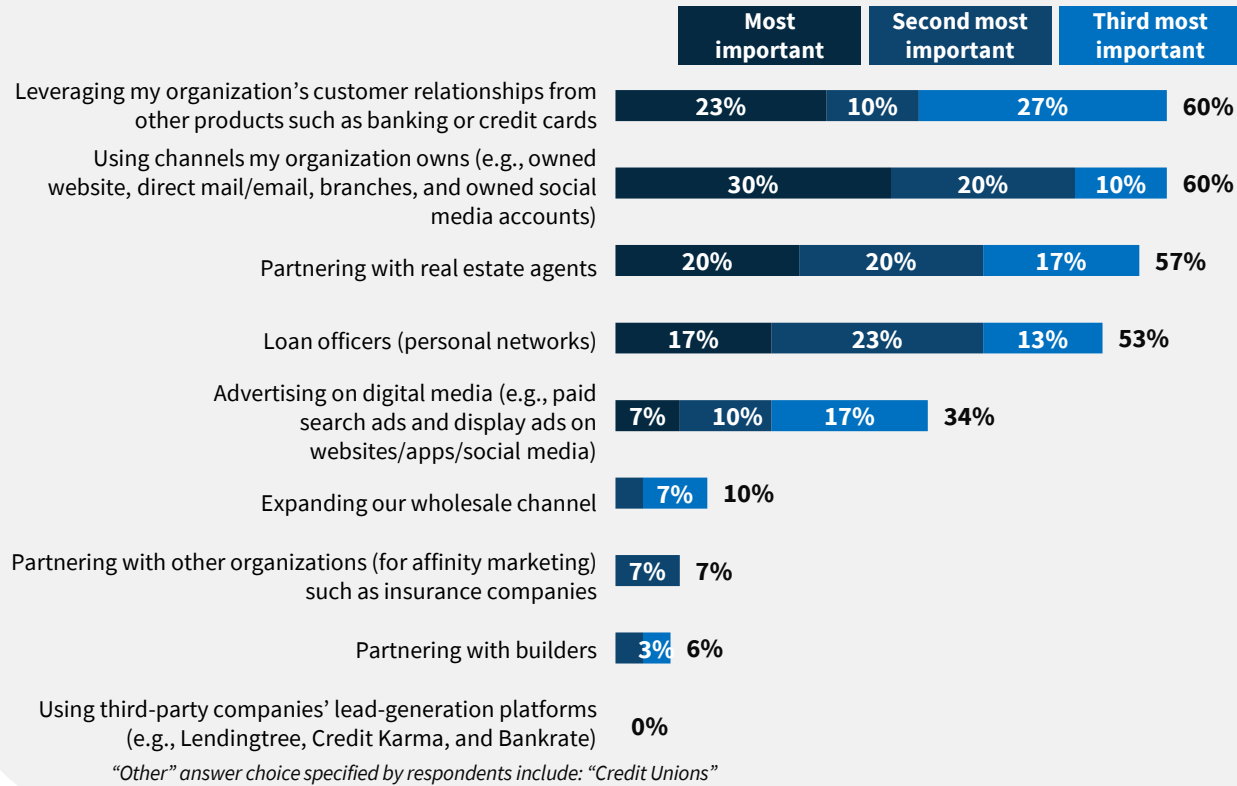


Credit Unions- Most Important Channels to Acquire Mortgage Customers

For credit unions, using loan officers and real estate agents will become less important in 3-5 years. Advertising on digital media and using owned channels will become more important.

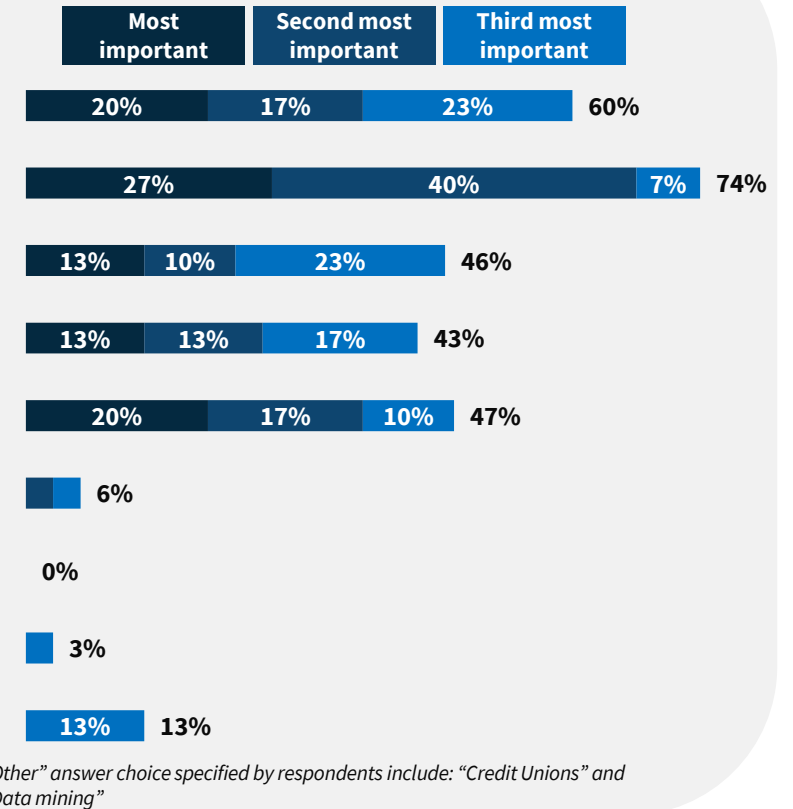
Current Top Channels for Mortgage Business

Select up to three, N = 30 (among Credit Unions which interact directly with borrowers/consumers), Ranked by Current Most important



Future Top Channels for Mortgage Business

Select up to three, N = 30 (among Credit Unions which interact directly with borrowers/consumers), Ranked by Current Most important



Q: Listed below are some channels mortgage lenders can use to market their mortgage products to acquire customers. Which are the most important channels your organization currently uses for your mortgage business? Please select up to three and rank them in order of importance.

Q: Now, please think about the channels your organization will use 3-5 years from now to acquire customers for your mortgage business. What channels will be most important for your organization to use? Please select up to three and rank them in order of importance.

▲ Denote the "total important" % for a channel is significantly higher for the expected 3-5 years outlook than currently at the 95% confidence level



Research Objectives

The Mortgage Lender Sentiment Survey® (MLSS), which debuted in March 2014, is a quarterly online survey among senior executives in the mortgage industry. The survey is unique because it is used not only to track lenders' current impressions of the mortgage industry, but also their insights into the future.

Tracks insights and provides benchmarks into current and future mortgage lending activities and practices.

Quarterly Regular Questions

- **Consumer Mortgage Demand**
- **Credit Standards**
- **Profit Margin Outlook**

Featured Specific Topic Analyses

- **Digital Transformation Efforts**
- **Business Priorities and Industry Competition**
- **APIs and Mortgage Lending**
- **Housing Supply and Affordability**
- **Artificial Intelligence for Mortgage Lending**
- **Cost Cutting as a Top Business Priority**

The MLSS is a quarterly 10-15 minute online survey of senior executives, such as CEOs and CFOs, of Fannie Mae's lending institution customers. The results are reported at the lending institution parent-company level. If more than one individual from the same institution completes the survey, their responses are averaged to represent their parent company.



Mortgage Lender Sentiment Survey[®]

Survey Methodology

- A quarterly, 10- to 15-minute online survey among senior executives, such as CEOs and CFOs, of Fannie Mae's lending institution partners.
- To ensure that the survey results represent the behavior and output of organizations rather than individuals, the Fannie Mae Mortgage Lender Sentiment Survey is structured and conducted as an establishment survey.
- Each respondent is asked 40-75 questions.

Sample Design

- Each quarter, a random selection of approximately 3,000 senior executives among Fannie Mae's approved lenders are invited to participate in the study.

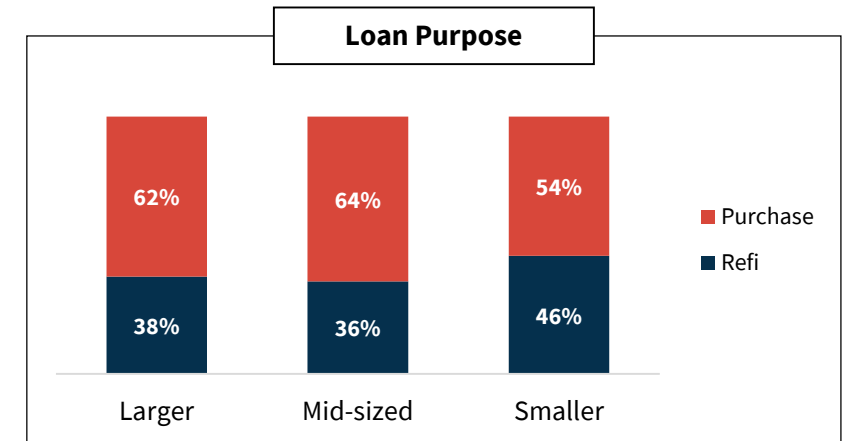
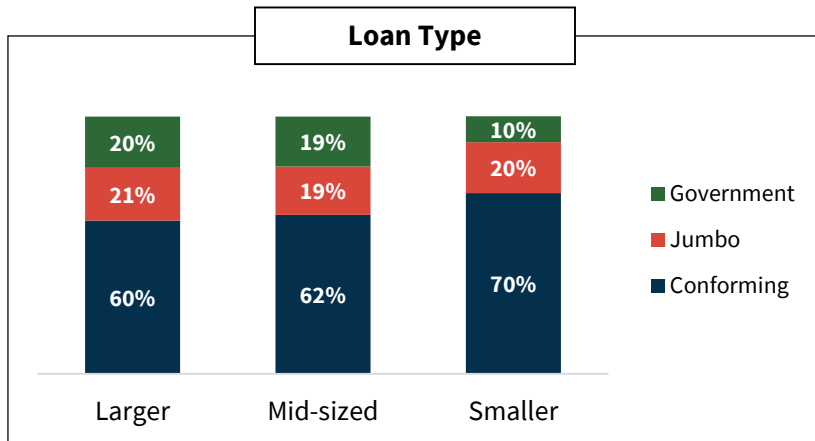
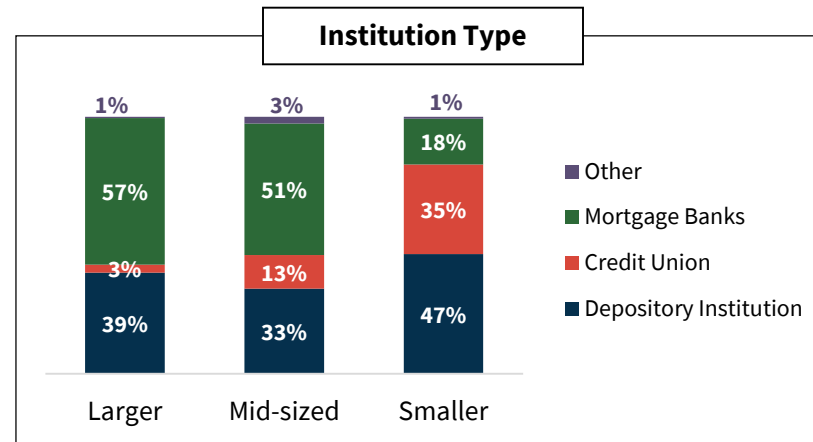
Data Weighting

- The results of the Mortgage Lender Sentiment Survey are reported at the institutional parent-company level. If more than one individual from the same parent institution completes the survey, their responses are averaged to represent their parent institution.



Lending Institution Characteristics

Fannie Mae’s customers invited to participate in the Mortgage Lender Sentiment Survey represent a broad base of different lending institutions that conducted business with Fannie Mae in 2018. Institutions were divided into three groups based on their 2018 total industry loan volume – Larger (top 15%), Mid-sized (top 16%-35%), and Smaller (bottom 65%). The data below further describe the composition and loan characteristics of the three groups of institutions.



Note: Government loans include FHA loans, VA loans and other non-conventional loans from Marketrac.



Q4 2019 Cross-Subgroup Sample Sizes

	Total	Larger Lenders	Mid-Sized Lenders	Smaller Lenders
Total	168	60	38	70
Mortgage Banks (non-depository)	76	34	23	19
Depository Institutions	60	22	10	28
Credit Unions	30	4	5	21



How to Read Significance Testing

On slides where significant differences between three groups are shown:

- Each group is assigned a letter (L/M/S, M/D/C).
- If a group has a significantly higher % than another group at the 95% confidence level, a letter will be shown next to the % for that metric. The letter denotes which group the % is significantly higher than.

Example:

Listed below are some actions lenders can take to encourage their existing mortgage customers to get their next purchase or refinance mortgage with them. Which actions are the most commonly used by your organization? Please select up to two and rank them in order of popularity.
Among those who directly interact with borrower/consumers on mortgage inquiry, loan application, or underwriting.

Showing first and second most important actions	Total	LOAN VOLUME			INSTITUTION TYPE		
		Larger (L)	Mid-sized (M)	Smaller (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
N=	162	56	38	68	73	59	30
Target marketing to the customers who we think are in the market (e.g., life-event triggers)	26%	30%	23%	24%	25%	23%	33%
Increasing broad marketing/outreach to promote our purchase or refinance mortgage products	22%	14%	19%	31% ^L	9%	33% ^M	34% ^M
Waiving fees (e.g., waiving appraisal fees or offering “no closing costs” refinancing)	8%	7%	2%	14%	9%	7%	13%

31% is significantly higher than 14%
 (larger institutions)

34% is significantly higher than 9%
 (mortgage banks)



Calculation of the “Total”

The “Total” data presented in this report is an average of the means of the three loan origination volume groups (see an illustrated example below). Please note that percentages are based on the number of financial institutions that gave responses other than “Not Applicable.” Percentages below may add not sum to 100% due to rounding.

Example:

Listed below are some channels mortgage lenders can use to market their mortgage products to acquire customers. Which are the most important channels your organization currently uses for your mortgage business? Please select up to three and rank them in order of importance.
Among those who directly interact with borrower/consumers on mortgage inquiry, loan application, or underwriting.

Showing first, second, and third most important channels	Total	LOAN VOLUME		
		Larger (L)	Mid-sized (M)	Smaller (S)
N=	162	56	38	68
Loan officers (personal networks)	67%	76%	60%	66%
Partnering with real estate agents	56%	58%	51%	59%
Using channels my organization owns (e.g., owned website, direct mail/email, branches, and owned social media accounts)	46%	42%	40%	56%

“Total” of 46% is
 $(42\% + 40\% + 56\%) / 3$



Consumer Interaction

Does your firm directly interact with borrowers/consumers on mortgage inquiry, loan application, or underwriting?

	Total	LOAN VOLUME			INSTITUTION TYPE		
		Larger (L)	Mid-sized (M)	Smaller (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
N=	168	60	38	70	76	60	30
Yes	97%	94%	100%	97%	97%	98%	100%
No	3%	6%	0%	3%	3%	2%	0%

L/M/S - Denote a % is significantly higher than the annual loan origination volume group that the letter represents at the 95% confidence level
M/D/C - Denote a % is significantly higher than the institution type group that the letter represents at the 95% confidence level



Use of Predictive Analytics

Does your organization use predictive analytics (in-house or via a third party) to help with marketing efforts to acquire mortgage customers?
Among those who directly interact with borrower/consumers on mortgage inquiry, loan application, or underwriting.

	Total	LOAN VOLUME			INSTITUTION TYPE		
		Larger (L)	Mid-sized (M)	Smaller (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
N=	162	56	38	68	73	59	30
Yes	40%	54% ^S	38%	27%	36%	42%	40%
No	60%	46%	62%	73% ^L	64%	58%	60%

L/M/S - Denote a % is significantly higher than the annual loan origination volume group that the letter represents at the 95% confidence level
M/D/C - Denote a % is significantly higher than the institution type group that the letter represents at the 95% confidence level



Approach to Retaining Mortgage Customers

Which of the following statements best describes your mortgage business's approach to retaining mortgage customers, so they will be more likely to get their next purchase or refinance mortgage with your organization?

Among those who directly interact with borrower/consumers on mortgage inquiry, loan application, or underwriting.

	Total	LOAN VOLUME			INSTITUTION TYPE		
		Larger (L)	Mid-sized (M)	Smaller (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
N=	162	56	38	68	73	59	30
Proactively build loyalty with all customers throughout the customer relationship	87%	92%	82%	88%	93%	85%	83%
Focus on loyalty building only when we think the customer might be in the market for a new mortgage or refinance	5%	3%	5%	7%	2%	8%	10%
Reactively try to retain customers when customers approach us with inquiries	7%	4%	13%	4%	5%	8%	7%

L/M/S - Denote a % is significantly higher than the annual loan origination volume group that the letter represents at the 95% confidence level
M/D/C - Denote a % is significantly higher than the institution type group that the letter represents at the 95% confidence level



Other Consumer Products or Services

Besides your mortgage business, does your organization or parent company provide other consumer products or services (e.g., banking, credit cards, payments, etc.)?
Among those who directly interact with borrower/consumers on mortgage inquiry, loan application, or underwriting.

	Total	LOAN VOLUME			INSTITUTION TYPE		
		Larger (L)	Mid-sized (M)	Smaller (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
N=	162	56	38	68	73	59	30
Yes	58%	55%	45%	74% ^{L,M}	12%	100% ^M	100% ^M
No	42%	45% ^S	55% ^S	26%	88% ^{D,C}	0%	0%

*L/M/S - Denote a % is significantly higher than the annual loan origination volume group that the letter represents at the 95% confidence level
M/D/C - Denote a % is significantly higher than the institution type group that the letter represents at the 95% confidence level*



Benefit of Additional Portfolio of Products

In your opinion, how helpful is your organization's owning a portfolio of products in acquiring customers, aside from mining customer data in the portfolio?
Among non-mortgage banks who provide other consumer products or services (e.g., banking, credit cards, payments, etc.)

	Total	LOAN VOLUME			INSTITUTION TYPE		
		Larger (L)	Mid-sized (M)	Smaller (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
N=	89	25	15	49	0	59	30
Very helpful	60%	61%	53%	63%	0%	56%	70%
Somewhat helpful	31%	29%	33%	31%	0%	31%	30%
Not very helpful	8%	10%	13%	4%	0%	11%	0%
Not at all helpful	1%	0%	0%	2%	0%	2%	0%

*L/M/S - Denote a % is significantly higher than the annual loan origination volume group that the letter represents at the 95% confidence level
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Effectiveness of Mortgage vs. non-mortgage relationships in customer retention

Based on your organization's experience, between the mortgage customer relationship and other "non-mortgage" customer relationship, which relationship is more effective in getting customers to obtain additional products?

Among non-mortgage banks who provide other consumer products or services (e.g., banking, credit cards, payments, etc.)

	Total	LOAN VOLUME			INSTITUTION TYPE		
		Larger (L)	Mid-sized (M)	Smaller (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
N=	89	25	15	49	0	59	30
Mortgage relationship is more effective in getting customers to obtain non-mortgage products	57%	74%	50%	51%	0%	59%	53%
Non-mortgage relationship is more effective in getting customers to obtain mortgage products	43%	26%	50%	49%	0%	41%	47%

L/M/S - Denote a % is significantly higher than the annual loan origination volume group that the letter represents at the 95% confidence level
M/D/C - Denote a % is significantly higher than the institution type group that the letter represents at the 95% confidence level



Most popular customer retention/acquisition strategies used

Listed below are some actions lenders can take to encourage their existing mortgage customers to get their next purchase or refinance mortgage with them. Which actions are the most commonly used by your organization? Please select up to two and rank them in order of popularity.

Among those who directly interact with borrower/consumers on mortgage inquiry, loan application, or underwriting.

Showing first and second most important actions	Total	LOAN VOLUME			INSTITUTION TYPE		
		Larger (L)	Mid-sized (M)	Smaller (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
N=	162	56	38	68	73	59	30
Providing great customer service	66%	65%	71%	62%	73% ^P	56%	60%
Making the origination process easier (e.g., pre-filled forms or less documentation)	44%	53%	45%	36%	50%	42%	30%
Offering a lower interest rate	28%	27%	28%	30%	24%	34%	26%
Target marketing to the customers who we think are in the market (e.g., life-event triggers)	26%	30%	23%	24%	25%	23%	33%
Increasing broad marketing/outreach to promote our purchase or refinance mortgage products	22%	14%	19%	31% ^L	9%	33% ^M	34% ^M
Waiving fees (e.g., waiving appraisal fees or offering “no closing costs” refinancing)	8%	7%	2%	14%	9%	7%	13%
Offering rewards or gifts (e.g., tool sets, home warranty, or gift cards)	1%	1%	3%	0%	0%	1%	3%
Other (please specify)	2%	1%	3%	1%	2%	2%	0%
No answer	4%	3%	7%	2%	5%	3%	0%

L/M/S - Denote a % is significantly higher than the annual loan origination volume group that the letter represents at the 95% confidence level

M/D/C - Denote a % is significantly higher than the institution type group that the letter represents at the 95% confidence level



Current Most Important Channels to Acquire Mortgage Customers

Listed below are some channels mortgage lenders can use to market their mortgage products to acquire customers. Which are the most important channels your organization currently uses for your mortgage business? Please select up to three and rank them in order of importance.

Among those who directly interact with borrower/consumers on mortgage inquiry, loan application, or underwriting.

Showing first, second, and third most important channels	Total	LOAN VOLUME			INSTITUTION TYPE		
		Larger (L)	Mid-sized (M)	Smaller (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
N=	162	56	38	68	73	59	30
Loan officers (personal networks)	67%	76%	60%	66%	63%	83% ^{M,C}	53%
Partnering with real estate agents	56%	58%	51%	59%	62%	51%	57%
Using channels my organization owns (e.g., owned website, direct mail/email, branches, and owned social media accounts)	46%	42%	40%	56%	44%	44%	60%
Leveraging my organization's customer relationships from other products such as banking or credit cards	35%	30%	34%	42%	11%	55% ^M	60% ^M
Partnering with builders	20%	24%	23%	15%	31% ^{D,C}	15%	6%
Advertising on digital media (e.g., paid search ads and display ads on websites/apps/social media)	20%	16%	22%	26%	24%	13%	34% ^D
Expanding our wholesale channel	17%	25%	14%	12%	23%	13%	10%
Partnering with other organizations (for affinity marketing) such as insurance companies	11%	9%	17%	8%	13%	9%	7%
Using third-party companies' lead-generation platforms (e.g., Lendingtree, Credit Karma, and Bankrate)	11%	10%	17% ^S	3%	14%	6%	0%
Other (please specify)	1%	3%	0%	1%	2%	0%	3%
No Answer	13%	10%	22%	7%	13%	11%	10%

L/M/S - Denote a % is significantly higher than the annual loan origination volume group that the letter represents at the 95% confidence level

M/D/C - Denote a % is significantly higher than the institution type group that the letter represents at the 95% confidence level



Future Most Important Channels to Acquire Mortgage Customers

Now, please think about the channels your organization will use 3-5 years from now to acquire customers for your mortgage business. What channels will be most important for your organization to use? Please select up to three and rank them in order of importance.

Among those who directly interact with borrower/consumers on mortgage inquiry, loan application, or underwriting.

Showing first, second, and third most important channels	Total	LOAN VOLUME			INSTITUTION TYPE		
		Larger (L)	Mid-sized (M)	Smaller (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
N=	162	56	38	68	73	59	30
Loan officers (personal networks)	57%	64%	50%	58%	61%	61%	43%
Using channels my organization owns (e.g., owned website, direct mail/email, branches, and owned social media accounts)	50%	52%	43%	56%	44%	52%	74% ^{M,D}
Partnering with real estate agents	48%	44%	49%	47%	55% ^D	37%	46%
Advertising on digital media (e.g., paid search ads and display ads on websites/apps/social media)	39%	35%	44%	39%	39%	35%	47%
Leveraging my organization's customer relationships from other products such as banking or credit cards	36%	36%	29%	42%	8%	61% ^M	60% ^M
Expanding our wholesale channel	17%	16%	19%	14%	24%	12%	6%
Partnering with builders	17%	22%	18%	13%	29% ^{D,C}	9%	3%
Partnering with other organizations (for affinity marketing) such as insurance companies	13%	13%	19% ^S	5%	14%	12%	0%
Using third-party companies' lead-generation platforms (e.g., Lendingtree, Credit Karma, and Bankrate)	13%	6%	20%	12%	13%	10%	13%
Other (please specify)	3%	3%	3%	3%	3%	0%	7%
No Answer	8%	8%	10%	7%	10%	9%	0%

L/M/S - Denote a % is significantly higher than the annual loan origination volume group that the letter represents at the 95% confidence level

M/D/C - Denote a % is significantly higher than the institution type group that the letter represents at the 95% confidence level



Question Text

QR302: Does your firm directly interact with borrowers/consumers on mortgage inquiry, loan application, or underwriting?

QR318-320: Listed below are some channels mortgage lenders can use to market their mortgage products to acquire customers. Which are the most important channels your organization currently uses for your mortgage business? Please select up to three and rank them in order of importance.

QR321-323: Now, please think about the channels your organization will use 3-5 years from now to acquire customers for your mortgage business. What channels will be most important for your organization to use? Please select up to three and rank them in order of importance.

QR324-333: Please explain why [partnering with real estate agents/partnering with builders/partnering with other organizations (for affinity marketing) such as insurance companies/using channels your organization owns (e.g., owned website, direct mail/email, branches, and owned social media accounts)/advertising on digital media (e.g., paid search ads and display ads on websites/apps/social media)/using third-party companies' lead-generation platforms (e.g., Lendingtree, Credit Karma, and Bankrate)/leveraging your organization's customer relationships from other products such as banking or credit cards/loan officers (personal networks)/expanding your wholesale channel/(INSERT GR318=C10)] will not be an important channel to acquire customers for your mortgage business 3-5 years from now. What challenges has your organization faced or foreseen? (Optional)

QR334-343: Please explain why your organization wants to [partner with real estate agents/partner with builders/partner with other organizations (for affinity marketing) such as insurance companies/use channels your organization owns (e.g., owned website, direct mail/email, branches, and owned social media accounts)/use advertising on digital media (e.g., paid search ads and display ads on websites/apps/social media)/use third-party companies' lead-generation platforms (e.g., Lendingtree, Credit Karma, and Bankrate)/leverage your organization's customer relationships from other products such as banking or credit cards/use loan officers (personal networks)/expand your wholesale channel/(INSERT GR318=C10)] as a new channel to acquire customers for your mortgage business 3-5 years from now. What are the benefits and advantages your organization expects to see? (Optional)

QR344: Which of the following statements best describes your mortgage business's approach to retaining mortgage customers, so they will be more likely to get their next purchase or refinance mortgage with your organization?

QR350: Besides your mortgage business, does your organization or parent company provide other consumer products or services (e.g., banking, credit cards, payments, etc.)?

QR351: Based on your organization's experience, between the mortgage customer relationship and other "non-mortgage" customer relationship, which relationship is more effective in getting customers to obtain additional products?

QR352: In your opinion, how helpful is your organization's owning a portfolio of products in acquiring customers, aside from mining customer data in the portfolio?

QR353-354: Listed below are some actions lenders can take to encourage their existing mortgage customers to get their next purchase or refinance mortgage with them. Which actions are the most commonly used by your organization? Please select up to two and rank them in order of popularity.

QR355: Does your organization use predictive analytics (in-house or via a third party) to help with marketing efforts to acquire mortgage customers?

