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## Matchbox OP(erations) ED(itorial) Page

### Thoughts and Observations On The Market

June 3, 2014

**CRM - Defining A  
Commonly Used But  
Misunderstood  
Summertime - Who's  
Heating Up?**

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With a run of conferences, Memorial Day and month-end, it has been a little while since our last newsletter. We've been busy as volume is heating up for lenders and working hard to develop some new technology applications (more on those in coming weeks.)

This week's newsletter has some old and some new topics. We rarely speak about the world of CRM but it's a consistent and usually unknown struggle for many lenders. And it's hard for us to keep quiet on the operational foundation front, especially in a volatile market.

We strive to keep you all well-informed, as we share our views. Staying a step ahead and running a tight operation are the keys to success in the mortgage banking world, and we are here to help bankers do so. We hope you find our newsletter useful, and if there is anything you want us to cover, [please let us know](#).

#### Managing Staffing or Staffing to Manage?

In speaking with many clients through our Operational Reviews, CRM is often a topic of conversation. We call it an umbrella topic because although most clients understand the meaning of a CRM program, it is defined differently from client to client, usually based on business model. Regardless of a lenders business model, from our perspective there are really three stages of a CRM program, all of which are important for interacting with your client base.

#### **Stage I - Pre Pipeline Prospect**

This is a potential client who has shown interest in becoming a client. They may have even received a pre-approval and in the process need to be reminded of the current market conditions and a consistent listing of your service offerings. Another good option is to list out the ease of your process in a repetitive fashion. This client is still a shopper and thus will be subject to

outside influences that will steer them away. It is the lender's responsibility to stay in front of them so that when they are "countered" with another option, you have earned their trust and know that you will be the first one they call when they are ready to move forward. Playing on the CRM acronym, this could be the C stage for Consistency and Content. Messages should be relevant to their inquiry (do not send a refinance promotion to purchase prospects) and the information presented should be consistent. Information should be presented in the same format, from the same person and be sent in a consistent time frame (weekly on Tuesdays) and not random.

### **Stage II - Active Client**

This client has decided to proceed with a lender and is happy to be moving forward. This CRM stage requires timely and informative updates on what to expect in moving through the loan process. Who will be contacting them? Who is going to touch their file? What is the expected timeline of events? It is also critical to keep them abreast of their responsibilities in the process including understanding the disclosure process and what documentation is going to be needed to maintain the timeline. In addition, a lender's message should be clear about what NOT to do through the process e.g. taking on additional credit or new debts. This part of the process can sometimes be managed automatically from the LOS upon file updates and others may need an automatic or manual update to trigger the client update. The R acronym for this phase to remember is that lenders must be a Resource for clients throughout the origination process. Clients are often stressed and ill-informed and need a trusted resource to put them at ease.

### **Stage III- Closed Client**

This is the most commonly-used aspect of a CRM. This client has closed and is hopefully pleased with a lender's services. The CRM process should kick in to stay in front of the client to:

- (a) thank them for trusting you in the mortgage process
- (b) ensure that you and your name stays in front of them so when they or a family-member or friend need a mortgage in the future there is an immediate referral.

While this may sound like the easiest stage, it is sometimes the hardest because the payoff is not clearly seen. With unknown results it is so easy to slip and not be diligent in its delivery. Like anything else, it comes down to dedication - success will come. A good Post Closing CRM can have a significant impact - increasing brand awareness, decreasing cost per acquisition, promoting the LO and lenders expertise, and in the case of a birthday card or lottery ticket reminding the client of your attention to detail and thoughtfulness. The last acronym for this stage is M which translates to being Memorable. If an LO or lender is quickly forgotten, the CRM has failed. Staying 'top of mind' (hey, isn't that a CRM?) and memorable is critical in today's purchase-focused mortgage market. Ultimately the goal is to stand out and be remembered, not dumped in a pile of junk mail. The ongoing CRM message and approach should provide a constant memorable reminder of a great experience.

## **Summertime - Who's Heating Up?**

Summer is finally here and rates have rebounded in line with the good weather. It's now time lenders need to be taking advantage

of this environment and ensure there is a strong operational foundation in place. Coming off a rough winter, purchase pipelines were filling up in early March and now with rates dropping there is a trickle of refi business as well. Pipeline and market volatility is not necessarily a good thing, but it is a reality in this business. Our discussions with clients over the winter have proven to pay dividends on the firms that invested in efficiency based projects and a focus on taking what the market (or technology) gives them:

-Converting to a paperless environment...Yes, lenders are still working paper files in 2014, seriously.

-Centralizing a lock desk... Yes, lenders still provide LO access to investor pricing and lack written (and followed) policies, seriously.

-Consolidating disclosures...Yes, lenders still have LOs responsible for disclosures and re-disclosure with few business rules and little oversight, seriously.

-Daily and weekly margin management...Yes, lenders Secondary/Capital Market groups can still have their margin strategies compared to our favorite infomercial, The RonCo Rotisserie - Set It & Forget It, seriously.

Alternatively other lenders who invested in training, or more importantly cross training over the winter slowdown have now benefited from having a nimble staff that can wear many hats and support multiple roles as the pipeline volume swells.

Originations should not be an issue for the next few months. Volume will continue to grow throughout the summer. What will separate the successful in 2014 will be the operational foundation lenders established back in December-February. Lenders who focused strictly on volume are stressed and struggling with turntimes. The other lenders who invested in getting their operational model in shape are already starting to reap the benefits of being able to efficiently scale volume.

We are not trying to be Monday morning quarterback. If you have been reading our commentary for a while now, you know that building a strong, efficient operational foundation is part of our ethos. If there is still work to be done here, invest in these improvements now. Before you know it, summer will be over and we'll be looking at year end, holiday vacation and new compliance updates for 2015. Please make this summer count. If you are struggling and feel your operational model or strategy can or must be improved, call us. We can help in getting you on track to make this summer truly productive.

### About Us:

Matchbox is a collection of gritty industry veterans who decided to create a company aimed at helping mortgage companies ignite ideas that are outside the box to realize their true potential. We have years of real life, hands on experience in the business, and we want to offer our keen insight to others as they take on the challenges before them.

As individuals, we each contribute unique perspective and expertise. Collectively we provide a true roadmap to success, regardless of your current situation. Like any master craftsman,

we are very passionate about our work and we approach each client as if your company were our own. In the end, we help you, be a better you.

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