



Using Technology to Make Stronger Member Connections



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The promise of technology in the financial services industry has long been “better, cheaper, faster.” Two of these goals are easy to measure. Great technology makes product and service delivery faster, and increased automation reduces costs.

But how can credit unions measure “better” when it comes to their mortgage tech?

The pandemic of 2020 not only changed consumer behavior, it set the table for credit unions to embrace technology that can also provide a bet-

ter user experience for mortgages. J.D. Power research finds that consumers are embracing everything digital in the mortgage process—applications, docs,

underwriting and closings.

Those credit unions that cannot deliver a satisfying digital lending experience risk losing business to competitors of every stripe.

In this environment, credit union leaders may have the impulse to go fully digital and drive all new borrowers to online channels that speed up the process. But this approach may not deliver a better member experience.

Research from Accenture found that while many will revert to branches for

more complex and higher-value advice and transactions, some consumers are willing to continue to do this digitally.

The challenge for credit union mortgage lenders is to inject that human touch into the digital loan journey where appropriate and create a unique experience.

PUTTING THE MEMBER FIRST

A credit union's mortgage department is the perfect example of the need for a hybrid approach to mortgage technology. The mortgage is one of the most complex financial products, and borrower experience studies have confirmed that effective communication during the origination process has a dramatic impact on an institution's Net Promoter Score, a popular method for assessing member loyalty.

Credit unions long thrived on building personal relationships with their members and finding solutions to their mortgage needs. But when Covid struck, that all changed.

Today, members are making fewer face-to-face visits to branches, and surveys indicate this is a permanent change. A May 2021 report from BAI found that 84% of consumers indicate they will maintain an increased level of digital banking services even after the pandemic ends.

The answer, of course, is to employ a hybrid strategy that leverages technology to streamline the loan process but supplement with the human connection when the member requires it.

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NEW TECH FOR MEMBER COMMUNICATION

When thinking of mortgage technology, credit unions should expand their horizons. Any device the member has can be a channel for effective communication.



What credit unions need today is modern technology that allows them to go where their members want to take them, whether that be a personal interaction, an online interaction or a fully digital experience.



the different needs of borrowers digitally. This comes down to knowing the member base and offering them the options that fit the individual member's situation.

Some lenders, especially during the pandemic, used technology to set up online channels to move borrowers from the point of sale into underwriting and then into the loan origination process with very little human interaction. This increased efficiency and lowered costs, but it came with the risk of losing the personal connection that builds long-term relationships.

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Some credit unions began deploying Web conferencing tools like Zoom, Skype or Microsoft Teams to communicate with members as soon as Covid struck, providing a channel that is easy, accessible and more personal than a phone call.

Other credit unions saw what was coming with the pandemic and worked to prepare members in advance. We saw excellent examples of member communication using video to explain concepts that would be important for certain types of financial transactions.

All of these efforts helped credit unions keep relationships strong without face-to-

face interaction. However, today's modern mortgage loan origination systems can offer so much more.

OPTIONS THAT MATTER

Perhaps the most significant benefit of today's mortgage technology is member choice. Some members know the process, and all they want is a way to upload some information and set up an appointment with a loan officer, either in-person or online.

Other members may be fairly comfortable but may need a co-pilot during some parts of the origination process. They may begin with a fully digital point of sale but then look for personal interaction with the loan officer or processor, either in-person or online.

Finally, another type of member may be an experienced real estate buyer or investor who wants a fully digital experience that will allow them to self-serve.

What credit unions need today is modern technology that allows them to go where their members want to take them, whether that be a personal interaction, an online interaction or a fully digital experience. This technology is available now and in use in leading credit unions across the country.

The key to deploying technology the best way comes back to knowing the member base and communicating with members through every available channel, offering them the information they need almost before they ask for it.

This is not the typical lending automation that we hear so much about in the industry. While it will certainly deliver faster and cheaper, it is really about delivering a better experience from app to closing—for the member's sake. ▲

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