



The Need for Human Interaction in the  
**DIGITAL MORTGAGE  
EXPERIENCE**

*Banks • Credit Unions • Mortgage • Non-Bank Financial*

# Executive Overview

In today's world, customers have come to expect a digital experience from their lending institution. The mortgage application process is no longer pen and paper. It's digital signatures, loan status portals and affordability calculators. It's no longer whether customers want digital tools. It's a matter of when and how.

*Is human interaction still needed with the advancement of the digital mortgage experience?*

**The answer is yes.**

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### What to Expect

In this eBook, you'll unpack how the digital experience and the need for human interaction intersect. You'll also learn why understanding the needs of your customers will empower you to supply superior customer experience.



# Digital Tools Embraced

The digital mortgage experience takes mobile banking to a new level for consumers. Technological innovations allow us to apply for a mortgage online, whether it's a traditional mortgage, a HELOC, or a home equity loan. Consumers can upload documentation and sign disclosures electronically, and decisioning times are reduced as well.

## Recent purchase customers using online tools:<sup>1</sup>



The digital mortgage transformation also reaps benefits for mortgage loan officers. From streamlined processes to automation, digital loan processing drives bottom line cost savings. KPMG<sup>2</sup> reports a 75% increase in sales productivity and a 25-50% reduction in cost to originate when using a digital lending model.

Sources: 1. PwC | *Home Lending Experience Radar 2018*

2. KPMG | *Perspectives on Delivering Digital Mortgage Solutions*



## The Need for **Human** **Interaction**

While technically, the entire process of getting a mortgage loan can be done virtually, most of us aren't there yet. Consumers can close on their loans in the comfort of their own home. While completely digital or paperless and fully compliant with relevant laws and regulations, there is still the need for human interaction.

In fact, the need for human interaction is critical. Whether purchasing a first home, refinancing, or needing a home equity loan to make improvements, the decisions consumers face are real and big. Confidence and trust are important building blocks in the relationships that lenders build with consumers. While digital banking might be on the rise for non-real estate loans, mortgage lending is more complex with more regulations to adhere to. Yet, portions of the mortgage lending experience can successfully be done remotely.

**Lastly, every individual set of circumstances is unique and takes creative problem solving to get to the finish line. That alone often requires human interaction.**



## Customer Experience

Understanding and improving the customer experience is a priority for many lenders. Lenders who aren't engaging with their borrowers early in their homebuying experience, are missing out on meaningful opportunities.

Each lender needs to analyze and understand its market and the demographics of the communities in which it serves.

What do consumers in my community look for when choosing a lender?

- ▶ *Shorter approval times?*
- ▶ *Quick disbursements?*
- ▶ *Meaningful face-to-face interactions?*

How well do I know my potential customer?

- ▶ *How much can they afford?*
- ▶ *Where do they want to live?*

Lenders who connect to the emotional aspects of homebuying establish trusted, longer term relationships.



## Where Does Digital Fit?

Does your institution dive into digital strategies and evaluate risks based on the types of mortgage transactions? Perhaps lower risk transactions, such as credit-line renewals, should be automated, and more complex transactions that pose a higher risk involve more human interaction. Behind the scenes with the aide of artificial intelligence, analytics can be performed more efficiently to better evaluate and understand customer risks and their financial performance.

Most of us would agree that human interaction cannot be completely replaced with digital resources. Perhaps experiencing a pandemic has allowed us to appreciate the need for human connection and relationships more than ever. There needs to be a balance.

Depending on the market and demographics of the areas an institution serves, the need to adapt should be at the forefront of planning for management. Barriers may exist that can delay or make it costly for an institution to digitize its products and services based on consumer needs. Outdated IT systems that provide automated decisioning can be slow and cumbersome creating inefficient processes that decrease customer satisfaction. An example of balancing human interaction and making progress with digitizing products is creating partnerships with fintech companies that already have a successful software platform.

Even if in the future we experience a **completely digital mortgage process, people are still needed.** Communication with borrowers is still needed. And not just with chatbots or digital assistants. Nothing can truly replace human connectedness and relationships.



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