

Homebuyers Want One-Stop Shopping; What Are You Doing About It?



By Tina Powers
CU Realty

The “Amazon Effect” has reached real estate. Homebuyers now prefer a one-stop shopping experience for nearly everything, and real estate is no exception.

The National Association of Realtors (NAR) recently surveyed more than 1,100 homebuyers and discovered that their use of one-stop, real estate services increased from 20% in 2002 to 50% in 2015

NAR highlights the fact that consumers are more likely to turn to a single provider that offers a full range of services vs. multiple providers that offer single services—specifically because they expect to save time and money.

INDUSTRY POWER PLAYERS RESPOND

In this evolving real estate market, revenue growth is all about who reaches the lead first. So it's no surprise to see the industry's power players respond-

ing by making moves towards delivering end-to-end services. That way, no matter where a buyer is on their journey to homeownership, they find the support they need and develop an affinity for that broker or lender.

This is why Rocket Mortgage (Quicken Loans) launched Rocket Homes and was a driving force behind Zillow's recent purchase of a mortgage company. There have also been rumors about Amazon's entry into real estate.

We can only imagine what percentage of the homebuying and selling market the largest online retailer—and inventor of one-stop shopping—might take.

With the competition for real estate

leads heating up, it's becoming more difficult for credit unions to compete for their members' mortgage business. Launching a full-scale, end-to-end solution similar to Zillow is likely not a feasible solution. However, there are some steps credit unions can take to join the game.

TURN YOUR CREDIT UNION INTO AN 'EASY BUTTON'

How can a credit union get members to see them as more than just a lender? It can be as simple as identifying and implementing member services that expand your mortgage program into a one-stop real estate shop. This will attract potential homebuyers while keeping them engaged through financing.

One of the most powerful first steps to achieve this goal is to cultivate strong relationships with local real estate agents and offer referrals to those agents. The annual report on homebuyer and seller behaviors from NAR highlights the fact that more than 40% of buyers and sellers find their agent through a referral.

By adding a referral service, a credit union can support a real need while leveraging the opportunity to promote itself as its members' "easy button" for real estate, where members can not only secure financing, but also find an agent and find a home using that agent. The results: a nice increase in leads looking to buy a home now, as well as up to six to 12 months away.

CREATE AN ENGINE OF RETENTION

Even in today's web-dependent environment, a real estate agent remains a central figure. They are certainly necessary for accessing properties, and they also serve as a valuable resource for everything that follows. It's why many buyers turn to an agent as their next step after looking online.

The timing of the connection be-

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tween buyers and agents is why many lenders traditionally target real estate agents as part of their growth strategies. The belief is that if you have strong relationships with agents, you'll see new inbound leads coming into your pipeline—leads that might otherwise have been inaccessible to you.

Unfortunately, many lenders overlook the potential benefits of the reverse: sending leads to agents.

While many buyers turn to an agent before finding a lender, there is still a good percentage of buyers who want to vet out their financials before procuring an agent. And even more buyers want to be connected to an experienced agent through someone's

stamp of approval.

Credit unions that attract homebuying members in need of an agent referral can reach and nurture those leads much earlier in the journey. They can also increase their chances of retaining their loan since the agent is ideally a working partner of the credit union.

In fact, credit unions that use CU Realty's HomeAdvantage® program report average pull-through rates of 82% when their members use a trusted agent referred to them by the credit union.

SIX-STEP CHECKLIST FOR AGENT RELATIONSHIPS

If your credit union is interested in adding an agent network to expand its mortgage program, here is a simple six-step checklist to follow based on some of CU Realty's best practices:

STEP 1: Define your goals.

Think about what it is that you want to accomplish, and what teams need to be involved. What are your expectations? What is your

timeline? Who needs to be a part of the requirements?

At this stage, determine which metrics will be most important. Make these expectations clear and concise, as all of the other steps will be implemented to best support these goals.

STEP 2: Define lead protocols.

Leads are the most valuable pieces of your program, for both your CU and the real estate agents. They are the reason you will be working together. So it's critical to spend time determining how leads will be exchanged and what service levels will be expected. Some things to consider:

- How will you deliver outbound leads to agents?
- How will you select which agent gets the lead?
- How will you track the assignments and progress of the leads?
- Which benchmarks will be important to track?
- What communication standards need to be embedded?

STEP 3: Find real estate agents.

Look at your lending footprint (where your members are buying) and determine the areas in which you will need agent coverage. Consider the volume in those areas and determine how many agents are needed. Then make a list

of the real estate agents in those areas by starting with agents you already have relationships with, or perhaps are members of your CU.

Don't forget to define which agent qualities are most important. For example, you might prefer agents with a strong familiarity in specific neighborhoods or school districts, or who speak a specific language. Or if your average house price is low, make sure the agents you choose work with buyers and sellers in that price range.

STEP 4: Build relationships.

Before your program launches, bring everyone together

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for training as well as a formal kick-off meeting. Make plans for frequent meetings and networking events to develop collaborative conversations.

Introduce agents to your CU's products and culture, including your primary membership demographics. At the same time, find out more about the agents. Get to know their specialties, their preferred communication styles, and where any challenges in working together might exist.

STEP 5: Build awareness.

To be successful, you must ensure that two key groups are aware of your expanded real estate services and its value: your employees and your members.

Employees should be trained on important talking points and steps required to promote the program to members and give directions on how to participate. And, of course, your



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fied members. By creating your own network of trusted agents who are familiar with


marketing staff should develop messaging, materials, and strategies to get the word out to members.

STEP 6: Measure results.

Once the program is up and running, it's never too early to start measuring results. Consider both qualitative and quantitative results. Monitor the overall volume of leads, as well as leads to specific real estate agents. How many of those leads are staying with your credit union for financing?

Also, don't forget to keep track of how your real estate agent network is performing. We suggest adding a survey into your closing processes to gauge the agent's performance. This is essential to ensuring happy and satisfied members.

your products and culture, and who collaborate with your loan officers, you can expect real change.

Members will see your credit union as more than just a lender. Stronger agent relationships form when you entrust them with your member leads. And your credit union will compete as a full-service real estate provider and close more purchase loans. It's a win-win-win! 

Tina Powers is the Chief Operating Officer of CU Realty, the largest CUSO in the United States. An accomplished business leader with more than 25 years of real estate experience, she oversees operations in sales, marketing, customer service and agent relationships. Powers has been instrumental in expanding CU Realty Service's national footprint, helping credit unions build better connections with both homebuying members and local real estate agents.



Tina Powers

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