

The Shifting Face of the Mortgage Industry

How digital trends are improving the mortgage application process

Industries across the board are making the shift to digital, which simplifies processes for organizations and improves user and consumer experience. The mortgage industry is also making progress to improve customer experience by allowing applications to be made through digital channels.



41% of consumers would stay loyal to their bank if they simplified the home buying process¹

WHAT'S THE DIFFERENCE?²

When applying for a mortgage:

1. Meet with a loan officer at a financial institution
2. Discuss financial information in person
3. Fill out a mortgage application
4. Provide documentation, such as bank statements and tax returns
5. Expect a good amount of back and forth throughout the process

When applying for a mortgage **digitally**:

1. Talk with a loan officer over the phone or through email
2. Submit documents electronically, or even authorize the digital lender to access your financial information

The digital process can save a significant amount of time and simplify the process for both the lender and the borrower.

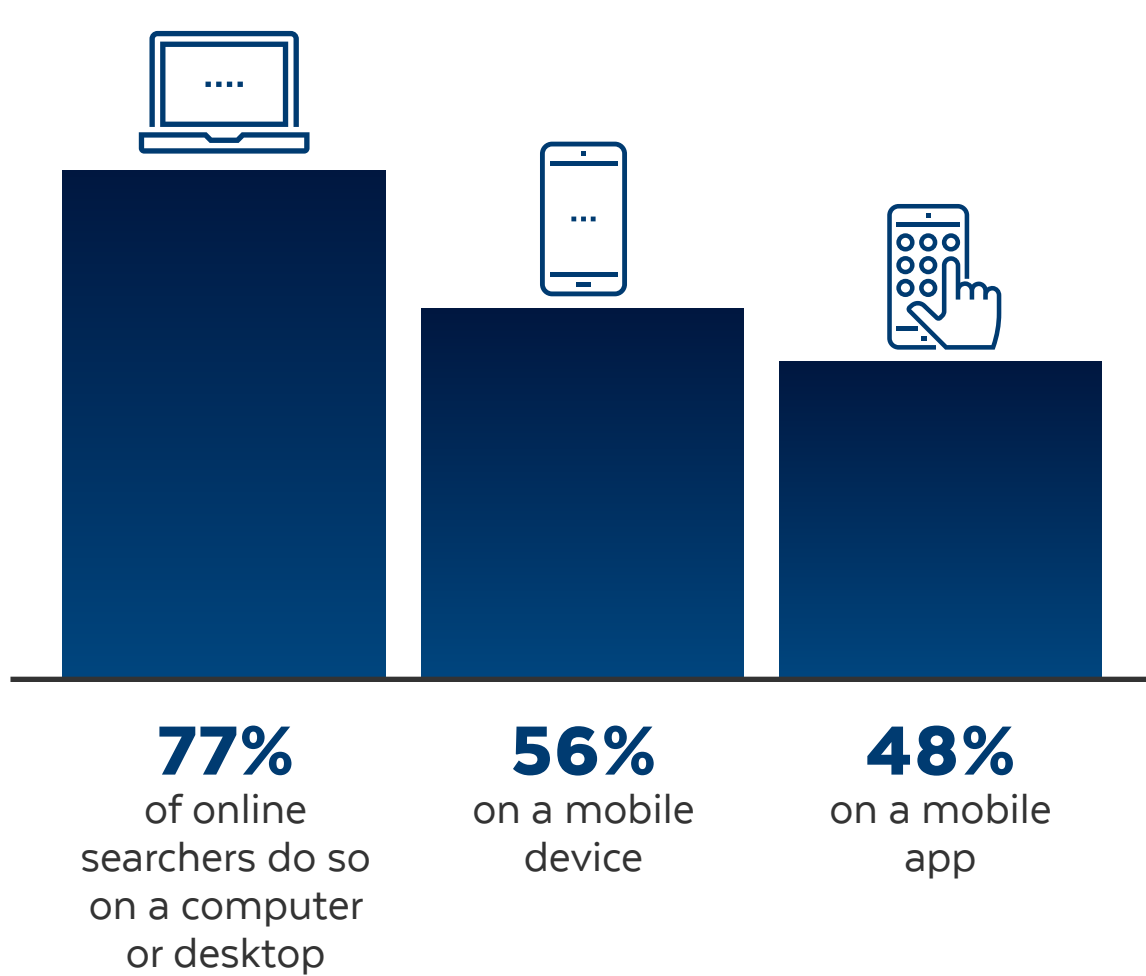
HOMEBUYERS ARE ALREADY ONLINE

Today's homebuyers are doing their home searches online more than ever.



87% use online resources when searching for a home³

Many real estate agents and sellers cater to consumers through social media and apps as well:³



Digital tools can help simplify shopping for a home by comparing prices and locations and checking reviews of the neighborhood, for example. Your future homebuyers are already using these services. But digital mortgages go beyond just simplification...

TIMING IS EVERYTHING

In a time when there are next-day delivery services and you can set up an entire vacation itinerary on your phone, traditional mortgage process timelines can feel exhausting. People are expecting all aspects of the home buying process to be just as fast:³



78% of homebuyers who make an inquiry to an agent expect a response within 24 hours



30% expect that response to come within a few hours

On the other hand, when dealing with traditional mortgage processes and paperwork:



It roughly takes **18 days** for a borrower to attain an underwritten loan approval from a lender⁴



It takes about **50 days** (on average) to complete the loan process⁵

However, with a digital mortgage, consumers can get a mortgage approval in a matter of minutes.²

CAN'T ARGUE WITH CONVENIENCE AND COST

When it comes to digital processing, convenience and cost work both ways—for the lender and the borrower.



66% of mortgage processing costs are related to personnel expenses, which can be minimized with automation⁶

Much of this personnel time is spent going through the same paperwork the buyer has already filled out. With digital processing, the paperwork can be simplified.

In addition, consumers can track their progress in real time, instead of waiting on an answer from the lender. This can make the process less stressful and open doors to transparency.

IT DOESN'T ERASE FACE-TO-FACE

Just because a lender is incorporating modern technologies doesn't mean the branch becomes irrelevant to the home buying process¹:



49% of consumers trust a bank more when speaking in person

47% of consumers find more value from a bank when speaking to someone in person

Consumers want the ease and simplicity of digital tools, as well as the reassurance of a personal conversation. Make it easy on yourself and your customers by being there for them at both ends of the spectrum.



¹ "2016 North America Consumer Digital Banking Survey," 2016, Accenture Consulting

² "What Is a Digital Mortgage?" June 2016, BeSmartee

³ "The Zillow Group Report on Consumer Housing Trends," October 2016, Zillow

⁴ "How Long Does It Take to Get Approved for a Mortgage?" November 2017, Credit.com

⁵ "2016 Origination Insight Report," 2016, Ellie Mae

⁶ "Digital Mortgage Nirvana," 2017, Oliver Wyman

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