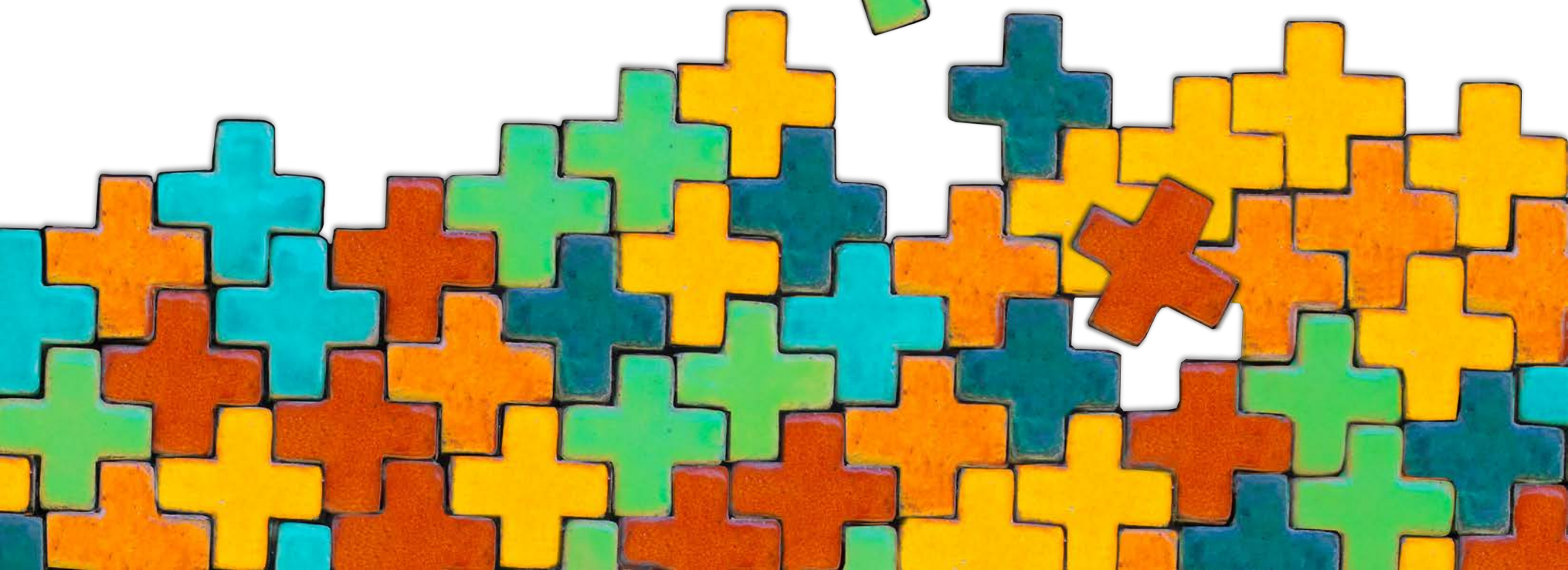




6 Steps to Creating a Successful Borrower Pipeline

Be a Problem Solver to Stand Out in a Challenging Market

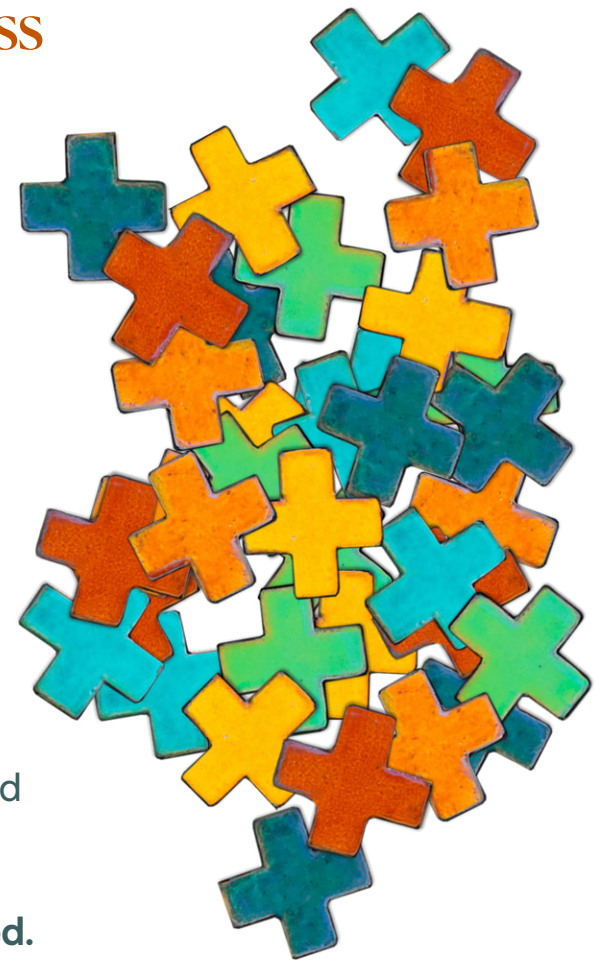


To every puzzle, there's a solution. Sometimes the solution is glaring. Sometimes it's not. When interest rates rise and home prices become less affordable, finding quality borrower leads and maintaining a full pipeline of business becomes the puzzle to solve.

When faced with such a predicament, you have two choices. You can continue using tactics that worked in years past. Or you can learn how to solve the challenging market we're facing today.

If your choice is the latter, congratulations! This eBook is for you. In the following pages, we'll reveal several valuable steps you can take right now to replenish your pipeline with motivated buyers and turn the odds in your favor. We'll also provide some ideas, tools and resources you can use to maximize your strengths and place YOU in the spotlight of prospects and business partners—and keep you there.

After all, it's your skills and product expertise that homebuyers need. And right now, they need it more than ever.

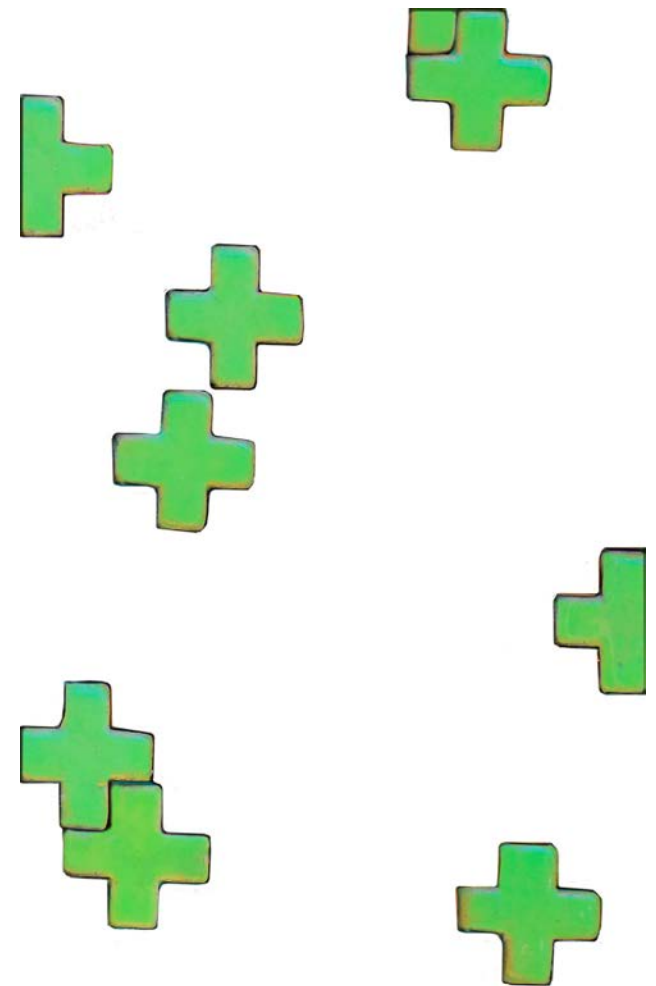


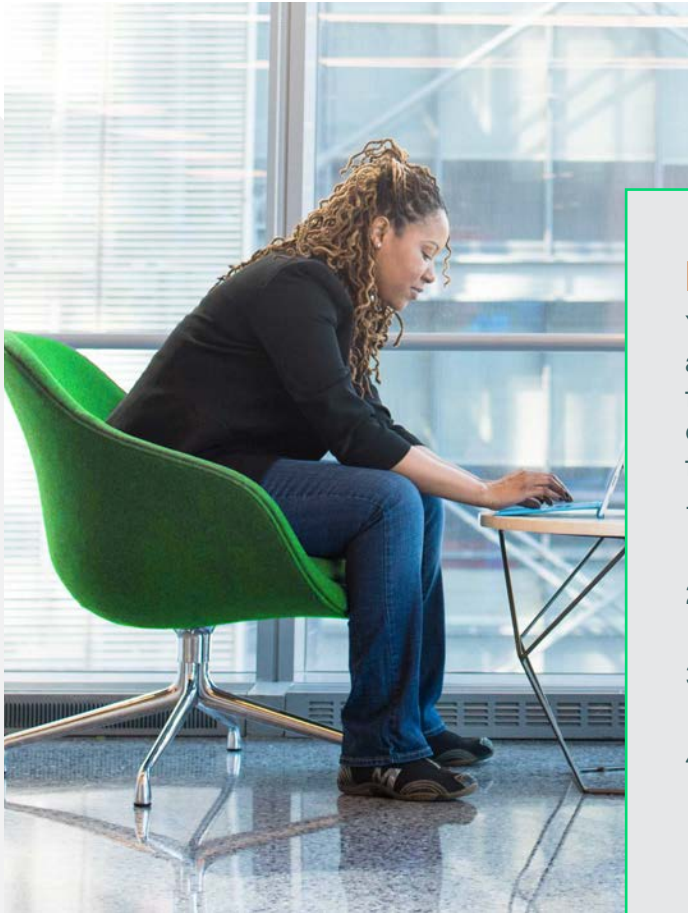
Know Thyself

When it comes to their pipelines, most loan officers are reluctant to take their feet off the gas pedal for even a second. That's especially true in tough markets, in which every deal feels so important.

Yet sometimes you need *take a step back* before you can move forward. If you really want to keep your pipeline full, you need to think strategically.

A great way to discover more about yourself so you can better help your customers is to do a SWOT analysis—an assessment of your **Strengths**, **Weaknesses**, **Opportunities** and **Threats**.





EXERCISE

You can do a SWOT Analysis on a piece of paper. Separate it into four sections, and on top of each corresponding section, write the following questions:

1. What are my strengths? What do my clients like about me?
2. What are my weaknesses or areas in which I could improve?
3. What opportunities do I have to increase sales?
4. What threats do I face? (Hint: This could be knowledge/experience gaps, market areas, borrower segments.)

Start filling in the boxes. Choose no more than three responses for each category. When doing so, be as honest with yourself as possible.

Next, find two clients and two business partners and ask them what they think your strengths and weaknesses are. You can ask a colleague or your manager for their feedback, too. Write down what they say.

Finally, evaluate your findings. Be sure to cross out anything that is beyond your control. Then, focus on your strengths and your opportunities, and consider working on your weaknesses until they become opportunities.

Once you're done, post your SWOT analysis in your office, so you can be reminded of what to focus on. Be sure to revise it as you make progress toward your goals or as market dynamics change.



Identify Your Audience

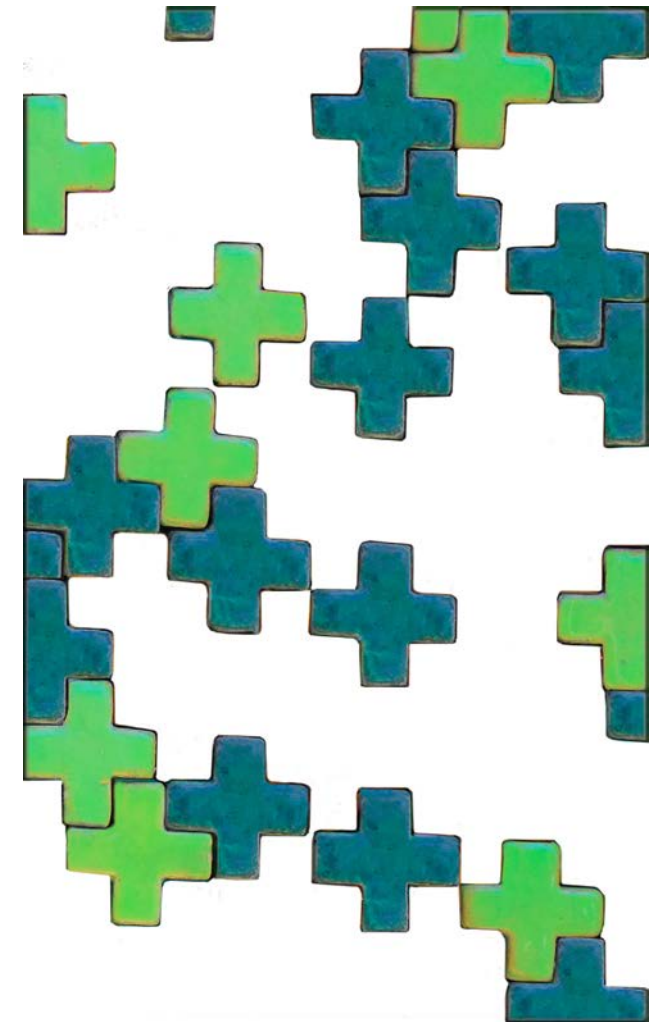
The next step is to align your self-evaluation with who you are trying to reach. Remember, *you can't target everyone* and do it all. Otherwise, it's like trying to solve a puzzle with the wrong pieces. Instead, focus on one audience and stick with them.

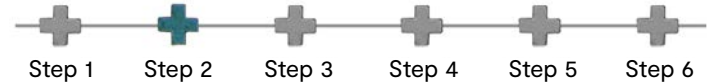
Identify Your Audience

We can assume that every potential lead falls into one of four buckets:

1. **Unknowns**, or people you don't know and who don't know you
2. **Why Nots**, or people you know but haven't done business with (yet!)
3. **Past Customers** (self-explanatory)
4. **Referrals**, or people you know through family, friends, or network connections

For optimal results, your messaging needs to be different for each bucket. Let's go through each of them.





Unknowns

You can't do business with people who don't know who you are. Therefore, you need to **introduce yourself** to as many *Unknowns* as you can, either virtually or in person.

Each time you make a connection with someone, try to answer the following questions:

- Is now a good time for them to buy or refinance?
- *Can* they buy or refi?
- Why should they use YOU, especially if they just met you?

To answer these questions for *Unknowns*, you must have a handle on the local market and the different programs someone could potentially qualify for, and you need to make your message relevant to each individual.

Why Nots

Perhaps you met someone through a friend or your network, but you don't know them well. They probably don't know you well, either—let alone what sets you apart from other people they know in the mortgage business.

The same three questions you would ask *Unknowns* applies to *Why Nots* as well. However, the key to creating opportunities with *Why Nots* is staying top of mind, so they don't forget who you are.

Past Customers

Just because a *Past Customer* chose to work with you once doesn't mean they'll do it again. In fact, the average customer retention rate for mortgage lenders is only 20%!

There are many reasons for this. One is that people don't get mortgages very often, so your past clients can easily forget

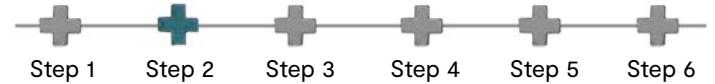
about you over time. That's why the key to generating more business from *Past Customers* (besides providing excellent customer service) is to stay in touch with them on a regular basis, so they remember you.

Referrals

If every transaction is viewed as a crossword puzzle, getting a *Referral* is like having the puzzle halfway filled in. But that doesn't make it an easy win. For all you know, the *Referral* could be talking to other loan officers.



To generate more referrals, talk to local real estate brokerages and offer to speak at their weekly sales meetings about ways first-time buyers can overcome their down payment hurdles, such as new MI products and affordable home loan program.



Know How Borrowers Behave

Now let's dig deeper into this puzzle. Within each audience are people with different backgrounds, experiences, and behaviors that you'll need to keep in mind. Below are some key ones.

First-Time Homebuyers

About 26% of all homebuyers are first-time buyers. The good part about working with first-time homebuyers is that there are many resources dedicated solely to them. They include [HomeReady®](#) and [Home Possible®](#), down payment assistance programs, and first-time homebuyer loan programs offered by various state housing finance authorities. In fact, Enact has programs devoted specifically to this group.

It's useful to know that most first-time homebuyers use mortgage insurance when getting a loan. Mortgage insurance enables buyers to put as little as 3% down on a home and protects lenders from any losses in case of a default.

Mortgage insurance comes in various forms. Enact MI offers several types of mortgage insurance that allows lenders and borrowers flexibility in how they pay for MI.

Millennials

Millennials, those born between 1981 and 1996, now make up 54% of overall home-purchase applications—by far the biggest generational segment. Millennials

are also the most educated of any generation of homebuyers, as 90% have an associate degree or higher. They have more disposable income than other buyer segments, too.

By the way, the term “Millennial”—much like “Boomer”—can be loaded, so **it's wise not to use the word “Millennial” in your marketing.**

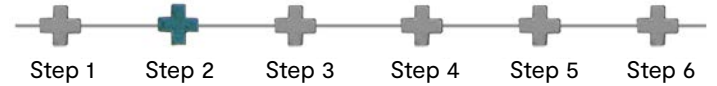
At the same time, Millennials face unique challenges breaking into the housing market. In addition to tight inventory and rising interest rates, many Millennials have significant college debt. Understanding these challenges and how you can help Millennials overcome them are key when marketing to this segment.



Create educational infographics, short blog posts and videos aimed at younger borrowers that dispell the common 20% down payment myth. Let them know there are options that allow a down payment as low as 3% that can help them get a foot in the door and start building equity.



When marketing to older first-time homebuyers, pay attention to how they like to communicate. Gen Xers usually prefer succinct messaging via phone or email. For Baby Boomers, a mix of communications—phone, email and in person—works best.



Non-Millennials

Not all first-time buyers are Millennials. Some people wait until their 40s or later to buy a home. That's especially true in a tough housing market, when interest rates and home prices are both relatively high.

This is also applicable for the group younger than a millennial: Gen Z. They're now starting to enter the housing market with about 4% of overall home-purchase applications.


Upgraders

There are many reasons why existing homeowners renovate their home or "move up," even in a struggling market. For example, more Americans than ever are working from home or taking care of aging parents and could use a home office or an additional bedroom. Plus, many homeowners are sitting on a substantial amount of home equity, which they can tap to make home improvements or make a sizeable down payment on a new home.

Downsizers

Eventually, Upgraders tend to become Downsizers when their children leave home. In recent years, the average home seller has gotten older and has lived in their home for 10 years before selling.

EXERCISE



List out your target audiences. Break them down into sources, then select your target audience. Once you choose your target audience, start networking with those who know your audience well.



TIP

Because Upgraders are not "new" to the mortgage process and typically have more family obligations, they appreciate a smooth loan experience.



TIP

Compared to Millennials and GenXers, older buyers are more likely to prefer communicating by phone, email, and in person rather than by text message or through social media.

What's Your Value Prop?

Let's be honest, borrowers can get a mortgage from practically anyone. Your job is to find out why they should choose YOU. What do you bring to the table? In other words, what is your value proposition?

If you've never written down your value proposition before, there is no better time than the present.

Your value proposition should state what separates you from your competitors and how you help people achieve their goals, whether the goal is helping someone buy a home or helping a potential business partner increase their own sales.

Before you start writing, here are a few things to consider:

- **Expertise:** Are you an expert at a certain loan product or working with certain borrowers?
- **Solutions:** How do you help referral partners solve their problems and close more business?
- **Authority:** What can you teach borrowers and referral partners that they can't learn elsewhere?

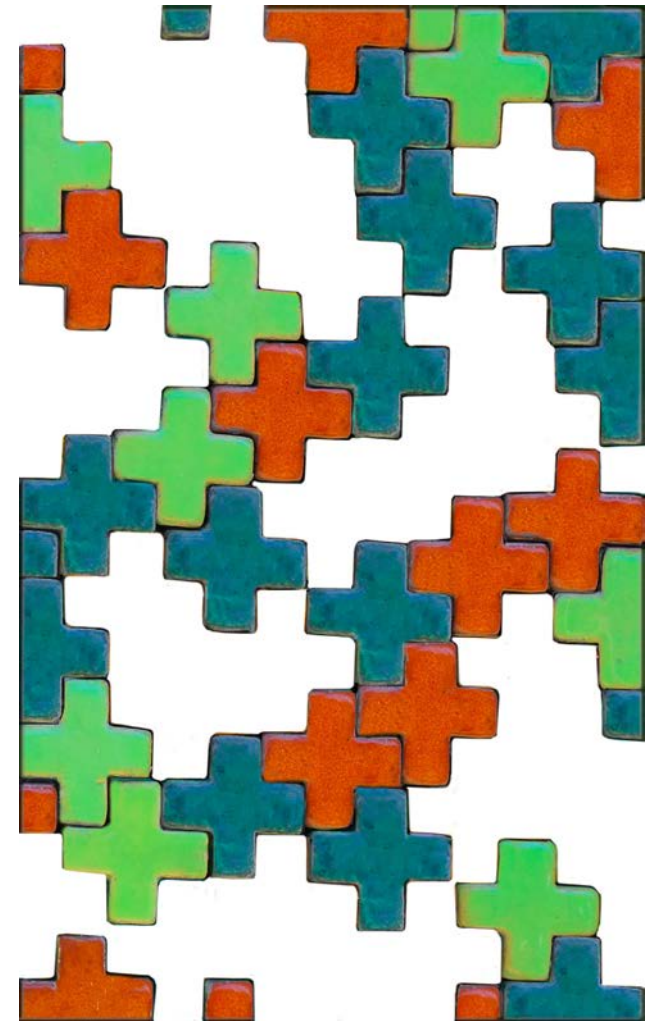
Your value proposition only needs to be a few sentences and no more than a paragraph long. When writing it, always keep your audience in mind. A good value prop is not just about what makes YOU great—it's also about what others gain from working with you.

Example:

Which is a stronger statement?

- "I provide great customer service and great rates."
- "I'm an expert at down payment assistance programs for those with little saved."

*Have you thoroughly identified your audience?
Good. Now let's put it to use.*



Choose Your Marketing Tactics

Most loan officers would rather be producing than marketing, but the two go hand in hand. *To keep quality leads coming in, you're going to need the right tools and tactics.*

Obviously, there are lots of marketing tools available for generating business. A few of the most useful ones are below. While some cost money, most only require a little of your time.

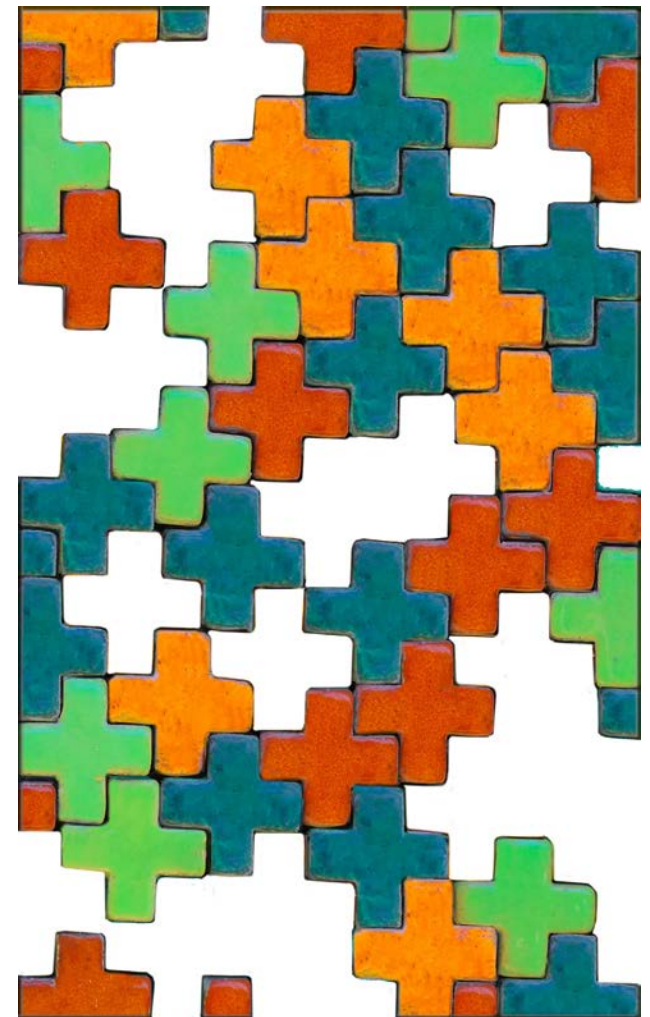
Social Media

Social media may seem like a no-brainer. In fact, an overwhelming majority of loan officers maintain a presence on Facebook or Instagram, and some are starting to use TikTok. Yet relatively few utilize social media consistently or effectively, which is critical if you truly want to build an audience and generate leads.

Not sure what to post? Here are a few ideas:

- Short answers to typical borrower questions
- New or popular loan products
- Market stats and your take on them
- Local charity events and fundraisers
- Inspirational quotes

There are [many social marketing management platforms](#) available—both free and paid—that can help you schedule posts.



Social Media (continued)

Keep in mind the differences between social media platforms and who uses them. Facebook is popular with most age groups, while Instagram users tend to be younger and more diverse and TikTok users are even more so.

When using social media, limit your posts to one a day, as additional posts can keep the first post from showing up on your friends' feeds. Also, be wary of following competitors—and keep your professional and personal accounts separate!

Networking

While working with clients, you'll naturally run into other business people who can be potential referral sources. Developing strong relationships with these people will maximize referral opportunities.

Here's our list of people you should focus on:

- Real estate agents
- Real estate attorneys
- Relocation specialists
- Builders/real estate developers
- General contractors
- Inspectors (home, sewer, chimney, you name it)
- Accountants and tax attorneys
- Divorce attorneys
- Local business owners

EXERCISE

Take your value proposition and work it into a 30-second “elevator pitch,” and rehearse it until you know it well. When someone asks what you do, use it!

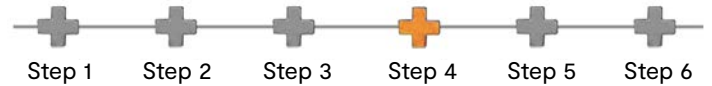
Remember, networking is a two-way street. If you want people to support your business, they'll expect your support as well.



Come prepared to your leads group meeting with business cards, a few pieces of marketing collateral, or tips on how to navigate the mortgage or refinancing process.



Networking only works if you are genuinely interested in people. Find out about their lives, their families, and their dreams and fears. Remember, leads and customers are people first, so showing interest in their lives can only strengthen your efforts. This builds closer connections—and it helps you serve them better.



Leads Groups

A leads group is a group of professionals who all work in different industries and meet up regularly to trade leads. It's one of the best ways to build your Why Nots and Referral leads and expand your network.

Typically, you can find leads groups by asking around in your networks—or you could even assemble your own and connect with each other on social media, such as LinkedIn. If you decide to create your own leads group, we recommend making it informal and connecting on a biweekly basis.

Volunteering

Volunteering at community events or joining a local service club like Rotary or Lions is a fantastic and often overlooked way to build your network. It also shows potential borrowers and colleagues that you care about your community, too.

Public Speaking

A great way to meet people and be viewed as an expert is to participate in public speaking events. Try partnering with a local real estate agent and organize a [Meetup group](#) on buying a home or personal finance, where you can meet potential borrowers and expand your network.

How to Choose

Obviously, there is a wide variety of marketing options, and you can use any combination you wish. But how do you decide? Here's an idea: Take out another piece of paper or get on your computer, and for each tactic that interests you, write down the following:

1. How will this tactic increase my lead pipeline?
2. How will I measure my success?
3. What is my measurable goal?



TIP

Millennials and Gen Z particularly value philanthropy and companies that give back to the community. There are [other benefits, too](#). However, your efforts must be genuine and ongoing.



TIP

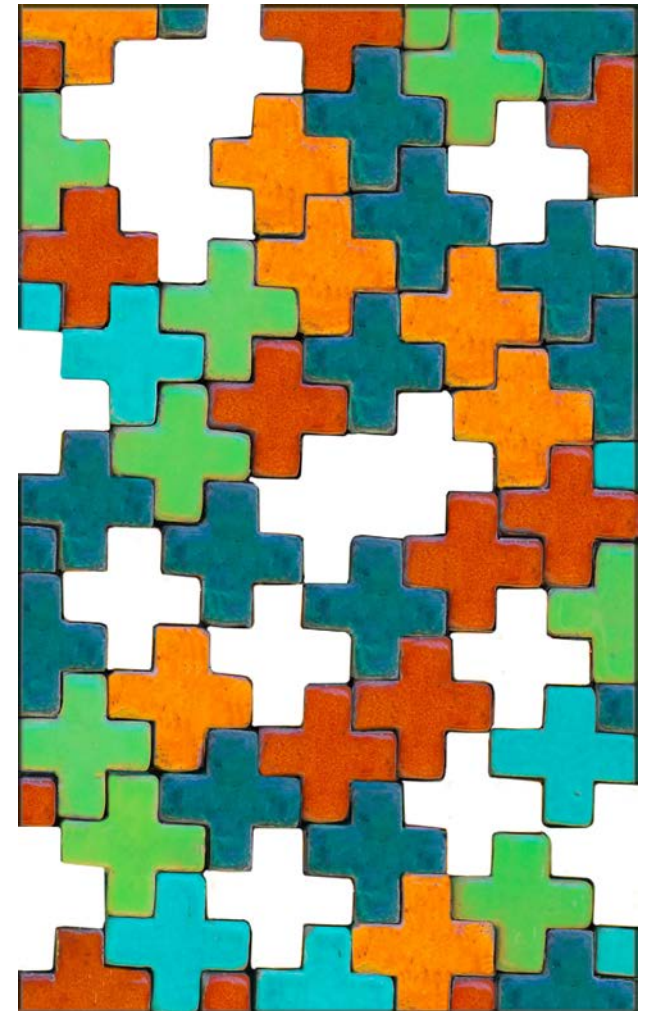
Don't feel comfortable speaking in public? Find out if there's a Toastmasters club in your area, where you can learn public speaking and leadership skills in a friendly, supportive environment.

Leverage Your Resources

You could have the most well-laid plan ready to go, but if you don't use all the resources available to help execute that plan, you'll eventually land back at square one. It's critical to stay on top of what's going on in the housing market, learn how to develop better relationships, and continue to improve your professional skills.

There are many trade publications, newsletters and websites that can help you expand your knowledge of the housing market and mortgage industry trends.

It's equally important to stay on top of changes made at the GSE level, especially if your company sells the bulk of its loans to Fannie Mae or Freddie Mac. You can sign up for email newsletters from Fannie Mae [here](#) and Freddie Mac [here](#).





What to Read

We recommend starting with the following resources:

- [Enact's MI Blog](#)
- [Mortgage News Daily](#)
- [The Mortgage Reports](#)
- [National Mortgage News](#)
- [Rob Chrisman](#)
- [MortgageStats \(subscription required\)](#)
- [Bankrate.com](#)
- [MBA Newslink](#)
- [MReport](#)
- [HousingWire \(subscription required for most articles\)](#)
- [CFPB](#)



TIP

In a challenging market, understanding the value of mortgage insurance can open up a world of opportunities. To get up to speed on MI, check out Enact's [What is MI](#) training course, which walks you through different MI options, how coverage is calculated, and how to estimate costs, so you can better inform your borrowers on what they can expect.

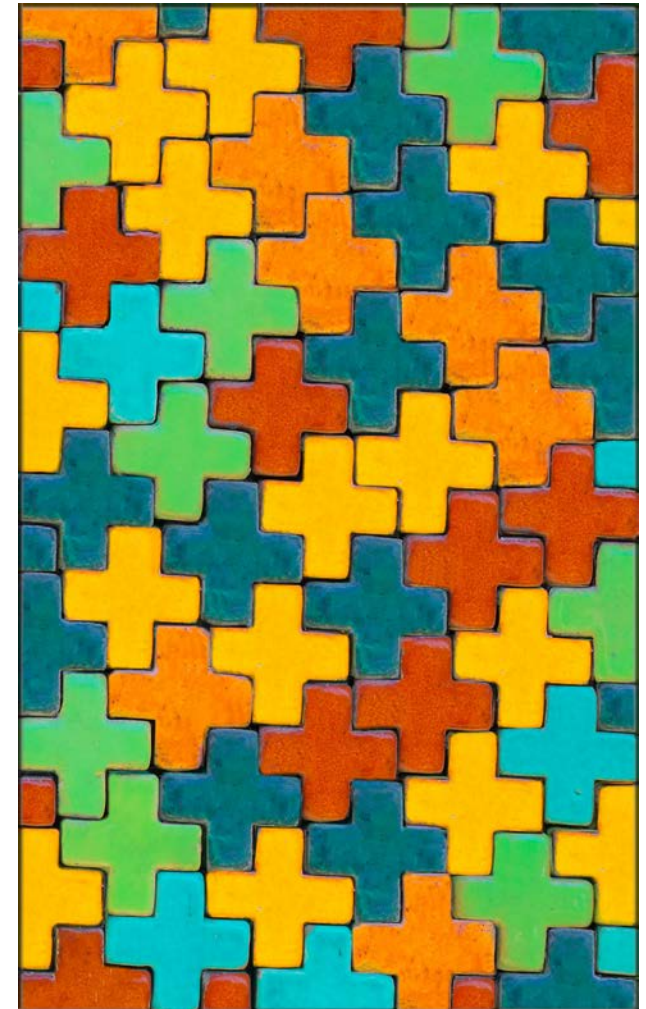
Fill in the Puzzle

Once you follow the above steps, you'll want to put the rest of your marketing plan into action. As you do, here are a few remaining tactics to ensure you stay in touch with your leads.

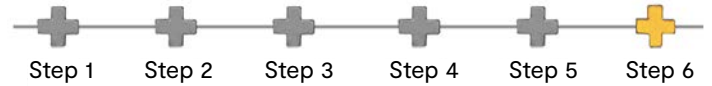
Build Your Online Presence

According to the National Association of Realtors, a whopping 96% of homebuyers used the Internet to research the homebuying process. That's why it's important to continue building on your strengths and market yourself effectively by ensuring your messaging stays relevant. One way to do this is to maintain a web presence and keep it fresh by regularly posting new, valuable content, so borrowers can easily find you.

For instance, consider writing blogs and articles and posting them on your website. These could answer typical questions borrowers have about the mortgage process, such as "How much down payment do I need?" or "What are the benefits of mortgage insurance?"



After posting a blog on your website, share it on your social media accounts, so you can double your exposure to potential leads.



Maintain Your Network

Once you've formed new networking relationships, you'll want to maintain them by staying in touch. Try meeting up in person for coffee once a month, or at least give them a call to see how they're doing.

Try using a personalized video or photo in your outreach, too. Seeing your face will not only make your efforts feel more personable, but it also makes it easier for people to recognize you when you see them in person.

Thank You Notes

While everyone seems to prefer texting these days, hand-written thank you notes haven't gone out of style. Start getting in the habit of writing them every time you find a new partner, close a loan, or when someone does you a favor. They really work.

A handwritten card for birthdays and holidays—rather than a CRM-generated note—can also catch people's attention. In fact, why not send out a holiday themed specialty dishcloth for example, too? They are both fun and functional and can help you stand out from the crowd.



To learn more, contact your Enact Sales Rep today.



TIP

Every day, send an email to one person in your network to ask what's going on. That's about 260 connections a year with very little effort.



TIP

Have two to three sample messages ready to go, so all you need to do is fill in the blanks.

While you can't control today's market or what happens to interest rates or home prices, you can control how you respond to it—and you can help borrowers and referral partners do the same.

This is a great time to think strategically, determining what you have to offer, and how to best execute. With the right strategy and tactics in mind, you'll be soon mastering the puzzle that others are trying to solve.

Enact will be with you every step of the way, too. We provide MI coverage for all types of loans, including ARMs, with very competitive rates. And we provide a wealth of training resources on MI, so you can be the type of expert who helps people solve their own puzzles. Going the extra mile for you is simply who we are.

Enact mortgage insurers include Enact Mortgage Insurance Corporation and Enact Mortgage Insurance Corporation of North Carolina.

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