THE EASY MORTGAGE ORIGINATION

How an online-only bank combined automation, personal touchpoints to build a sleek customer experience

By Anna Burgess Yang

*I*f you watched the Super Bowl this year, you may have seen the ads for Rocket Mortgage. The company has been laser-focused on online mortgage lending since the 1990s, and the purchase of 30-second spots (costing roughly $7 million each) reminds consumers and bankers alike of its dominance.

First Internet Bank of Indiana, headquartered in Fishers, was founded in 1997 on the premise that banking could occur entirely online. Of course, the entire banking world has changed in the more than two decades since the bank opened its virtual doors. Today, the $4.2 billion bank's online mortgage origination experience can stand toe-to-toe with even the biggest competitors.

"It's critical for community bankers to understand that there are far more options available now," said Matt Jarboe, vice president of mortgage loan originations at First Internet Bank. "And if you don't meet customers where they want to be met, on their time, there's somebody who will."

Putting the customer experience (CX) first is what led First Internet Bank to enhance its online mortgage application process in 2019. FIB partnered with the fintech Blend, a cloud-based platform that powers end-to-end customer journeys for banking products. Jarboe said that the bank wanted something that was easy and intuitive, and that a borrower could get through without much help.

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"We can go in and build what we want our customers to see on [the Blend] platform," said Jarboe. "And it's something that we are constantly tinkering with."

Jarboe noted that experimentation is part of the bank's commitment to improving the borrower experience.

Marcus Fowler, account partner for First Internet Bank at Blend, is proud of the work that the bank has been doing within the product. "First Internet Bank's push to bring digital solutions to their customers is incredibly exciting to see," Fowler said. "Not only are they future-proofing their business against the consumer expectation of digital experiences, but they're creating efficient workflows within their business that previously were manual and repetitive tasks for bankers."

For example, through the platform's analytics, FIB honed in on incomplete mortgage applications. The bank realized that potential borrowers were coming to them from sources like LendingTree. But, when they did not see the product or pricing that had attracted them in the first place — not at any point during the application process — customers became confused. That led to potential borrowers either dropping out of the process, or contacting the bank with questions. "We found that not offering a product and price was not meeting [customers'] expectations," Jarboe said. "We enabled that … and our completion rate went up and the borrower feedback has been very positive."

The Blend platform allows borrowers to upload documentation with the application (such as pay stubs or tax returns) and uses OCR technology to read the data. The documents are then transferred to Mortgage Director, the bank's system of record. Jarboe notes that this technology helps with speed and accuracy because the data is available for the underwriters when they receive the file. Blend can also collect electronic signatures and automate ordering of the appraisal and title work. Additionally, the platform facilitates internal communication.

The bank places a high priority on personal communication, but automation lets a loan officer know that it's time to reach out to a borrower, based on the file's status. "What we have figured out over the past decade is that if a customer is left in the dark, anxiety builds," Jarboe said. "So we have touchpoints to make sure they understand exactly where the loan is during the process."

The bank has identified the touchpoints that can be automated versus the borrower receiving a phone call or an email. "If we get the title work back and there's a lien on it that we weren't anticipating, we don't want that to be an automated message," Jarboe added. "We would rather take those touches and make them loan-officer driven."

Ian Hopping, head of sales at Blend, notes that the CX is paramount. "Consumers want simple, personalized, and accessible ways to interact with the products and services they use every day," he said. "Maximizing consumer options and using today's technology to streamline internal workflows leaves more room for deepening relationships with customers."

The bank holds a weekly meeting where an internal team reviews data from the prior week, looking at the interactions within the mortgage platform. "It makes us nimble," Jarboe said, "We're looking at data weekly. We're making changes on data monthly, if necessary."

An internal group of stakeholders keeps an eye on the bank's overall goals and how to meet the needs of customers.

This nimbleness combined with a sleek digital experience enables community banks like First Internet Bank to remain competitive — even against the Rocket Mortgages of the world. Jarboe notes that, as a whole, the industry is grappling with automation and artificial intelligence, and how to deploy them in the best interests of the customer. It's a fine line to bring automation to the mortgage process, eliminating a lot of front-end and back-end work, yet still offering human interaction.

First Internet Bank wants to ensure that all customers have the mortgage experience that meets their needs. "We're not trying to pigeonhole our borrowers into anything," Jarboe said. "If you want the full white-glove service, we'll offer that. If you'd rather go self-service and really take control of your own experience, we can get there. What we want to do is meet you where you want to be met." ◆