

Reframing the Homeownership Journey: Consumer-Focused, Lender-Led

MAY 2021

Prepared for:



TABLE OF CONTENTS

EXECUTIVE SUMMARY	3
INTRODUCTION	4
METHODOLOGY	4
THE STATUS QUO: CONSUMERS' HOMEOWNERSHIP EXPERIENCES.....	5
FIRST STEPS IN THE HOMEOWNERSHIP JOURNEY	5
HOMEOWNERSHIP KNOWLEDGE	7
KEY CHALLENGES IN THE HOMEOWNERSHIP JOURNEY	8
THE VISION: AN END-TO-END HOMEOWNERSHIP SOLUTION PROVIDED BY LENDERS	11
CONSUMERS WANT ACCESS TO A VARIETY OF HOMEOWNERSHIP SERVICES	12
HOMEBUYER EDUCATION.....	13
ONE-STOP SHOPPING	14
MOVING ASSISTANCE TOOLS.....	15
DELIVERING VALUE-ADDED HOMEOWNERSHIP SERVICES	16
CASH OFFERS ON EXISTING HOMES.....	17
MANAGING A HOME AS AN ASSET	18
CONCLUSION	19
ABOUT BLEND.....	20
CONTACT.....	20
ABOUT AITE GROUP.....	21
AUTHOR INFORMATION	21
CONTACT.....	21

LIST OF FIGURES

FIGURE 1: BEGINNING THE HOMEOWNERSHIP JOURNEY.....	6
FIGURE 2: THE MORTGAGE SHOPPING EXPERIENCE	7
FIGURE 3: OVERALL HOMEOWNERSHIP KNOWLEDGE LEVELS.....	7
FIGURE 4: COMPARISON OF KNOWLEDGE BETWEEN FIRST-TIME AND EXPERIENCED HOMEBUYERS.....	8
FIGURE 5: TOP CHALLENGES IN THE HOMEOWNERSHIP EXPERIENCE.....	9
FIGURE 6: DIFFERENCES IN FOUR MOST SIGNIFICANT CHALLENGES BY HOMEOWNERSHIP EXPERIENCE....	9
FIGURE 7: VARYING DEGREES OF PERCEIVED CHALLENGE BY RACE AND ETHNICITY	10
FIGURE 8: CONSUMER INTEREST IN A COMPLETE HOMEOWNERSHIP EXPERIENCE	11
FIGURE 9: CONSUMER INTEREST IN HOMEOWNERSHIP SERVICES.....	12
FIGURE 10: ELEVATED INTEREST AMONG FIRST-TIME, AFRICAN AMERICAN, AND LATINO HOMEBUYERS	13
FIGURE 11: CONSUMER INTEREST IN GETTING EDUCATION ON THE HOMEOWNERSHIP PROCESS	14
FIGURE 12: CONSUMER INTEREST IN USING A ONE-STOP-SHOPPING HOMEBUYING EXPERIENCE	15
FIGURE 13: CONSUMER INTEREST IN LEARNING HOW TO GET THEIR HOUSE MOVE-IN READY	16
FIGURE 14: REASONS RESPONDENTS WOULD USE THE SERVICE.....	17
FIGURE 15: CONSUMER INTEREST IN LEARNING HOW TO GET A CASH OFFER ON THEIR EXISTING HOME	18
FIGURE 16: CONSUMER INTEREST IN LEARNING HOW TO MANAGE THEIR HOME AS AN ASSET.....	18

EXECUTIVE SUMMARY

This white paper, commissioned by Blend and produced by Aite Group, examines consumer interest in a more streamlined homeownership journey, highlighting an opportunity for lenders to play a central role in facilitating this reimagined experience. The goal was to uncover the challenges faced by both prospective homeowners and lenders across the entire process (including issues of cost, effort, stress, and ease of experience) in order to reframe the homeownership journey around the consumer. In so doing, lenders may find that being at the center of this process provides the opportunity to reduce costs and stress for consumers while improving stickiness and deepening relationships with those same homebuyers.

Key takeaways from the study include the following:

- Many lenders struggle with staying top of mind with their customers when it's time for them to purchase a new home, refinance or tap into the equity of an existing home, or purchase a second home or investment property. Consumers often turn to lenders other than their primary financial service provider when they are ready to buy a home, making it hard even to capture business within their existing customer base. Lenders may have an opportunity in the homebuying process to create stickiness with a customer, so that existing customers return as they progress through the various stages of homeownership.
- Consumers experience many challenges throughout the homeownership journey, from understanding all of the associated costs to coordinating multiple service providers throughout the process. There is an opportunity to increase customer satisfaction and create operational efficiency by creating a lending experience that more tightly integrates all the activities related to homeownership.
- Consumers across all groups have insufficient knowledge regarding many aspects of the homeownership journey, such as the mortgage approval process and closing costs. These knowledge gaps are especially prominent among first-time homebuyers. Educating consumers on the various aspects of the process could reduce their stress while improving their experience.
- Consumers want an easier, less stressful, and cheaper way to purchase homes. Eighty-nine percent of consumers are interested in using a complete end-to-end homeownership solution if it were offered by a lender. Close to half of those who indicated interest in using the service see the greatest value in having a single place to coordinate all activities associated with buying a home. One-third indicated that the main reason they would use it is that it would reduce the amount of stress involved in buying a home.

INTRODUCTION

The homeownership journey can be daunting for even the most seasoned consumer. Navigating the home search process, obtaining financing, meeting requirements for various types of insurance, and finding the right professionals to help a consumer get their home move-in ready along the way all come with their own set of challenges. The extensive list of actions that must be taken, the myriad service providers involved, and the timeline for each step can be confusing and opaque. It's no surprise, then, that buying a home and the associated moving processes are reported by consumers to be among the most stressful life events.

This paper takes a deep dive into the key challenges consumers face throughout their homeownership journey, from the point at which they begin their research to the day they move into their new home and beyond. To solve for pain points identified in this process, Aite Group surveyed consumers to understand how they could benefit from a comprehensive solution that could save them time and money every step of the way. The study also explored how providing such services could present new opportunities for mortgage lenders to broaden and deepen their relationships with consumers.

METHODOLOGY

This paper is informed by a Q1 2021 Aite Group survey of 2,010 U.S. consumers who purchased a home within the past five years and financed this purchase with a mortgage loan. Additional insights were gained through interviews of 21 U.S. mortgage lending professionals. The findings from the total sample have a margin of error of 2 points at the 95% level of confidence; statistical tests of significance among groups were conducted at the 95% level of confidence. This research was sponsored by Blend, a digital lending platform provider.

THE STATUS QUO: CONSUMERS' HOMEOWNERSHIP EXPERIENCES

Consumers start their homeownership journey in different ways with varying degrees of knowledge about the process. As a result, they have diverse perspectives on which parts of the process are challenging. This section examines how consumers start this journey, their knowledge levels of various aspects of the homeownership process, and the key challenges they face.

FIRST STEPS IN THE HOMEOWNERSHIP JOURNEY

Often lenders are not at the center of the homeownership experience as consumers begin their journey. Over half (58%) of homebuyers started their journey with an online home search through websites such as Zillow, Redfin, or Opendoor. Another 23% of respondents began their process by looking for a real estate agent, while just 8% shopped for a mortgage as their first step (Figure 1).

Real estate agents themselves are often selected based on an existing relationship from a previous transaction or a referral from a friend or family member. While it is not typical for the real estate agent to be referred to a consumer by their lender, the opposite—a real estate agent referring a homebuyer to one or more preferred lenders—is quite common. Lenders noted that they come into the homebuying journey near the beginning of the process roughly one-third to half of the time, usually because a real estate agent will only show homes to a consumer once a lender determines how much of a mortgage that consumer qualifies for.

With real estate agents serving as the gatekeeper and the person most likely to engage with the borrower face-to-face, lenders perceive them to be at the center of the consumer's journey, acting as a resource for all manner of services and advice. Consumers, especially those who are younger or buying a home for the first time, often get initial information on mortgage loans from their agent and through internet research, which may be outdated or not nuanced enough for their individual situation. Lenders expressed some frustration that marketing messages about low interest rates or a quick application process in advertisements led to unrealistic expectations from consumers, who more often than not did not fit the criteria for the cheapest rates or most streamlined processes. As a result, they noted that consumers are best served when lenders have an opportunity to educate them as early in the process as possible.

Figure 1: Beginning the Homeownership Journey

Source: Aite Group survey of 2,010 U.S. consumers, Q1 2021

MORTGAGE SHOPPING EXPERIENCE

Despite the fact that consumers’ primary bank or credit union typically offers mortgage products, they frequently turn to an independent mortgage lender or broker when they are ready to buy a home. This preference for independent lenders and brokers is challenging for banks and credit unions that seek to capture mortgage lending business within their customer base. As consumers began to explore their financing options to purchase a home, more than eight in 10 respondents indicated that they initially looked to their primary bank or financial service provider. But only about half (49%) selected a bank or credit union to be their mortgage lender, while 27% worked with an independent mortgage lender. The remainder worked with a mortgage broker to obtain their financing (Figure 2).¹

1. This trend toward the use of independent mortgage lenders and brokers instead of banks and credit unions has grown over time, and this dynamic is reflected in the survey results. For example, 56% of respondents who purchased a home within the last year used an independent mortgage lender or broker, up from 47% that purchased a home two to five years ago. During that same period, the share of respondents obtaining a mortgage loan from a bank fell from 42% to 30%.

Figure 2: The Mortgage Shopping Experience

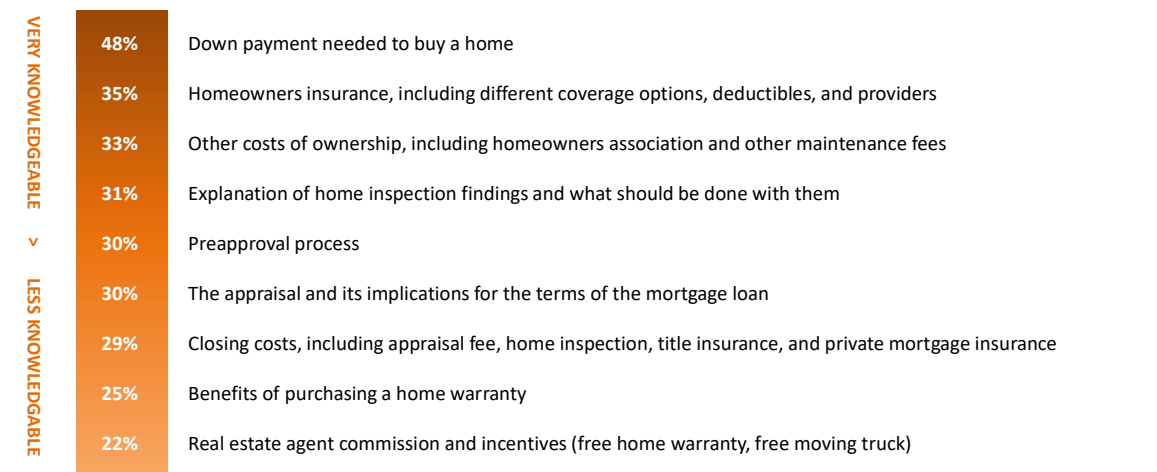


Source: Aite Group survey of 2,010 U.S. consumers, Q1 2021

HOMEOWNERSHIP KNOWLEDGE

There is a widespread lack of knowledge across various aspects of the homeownership process; lenders may have an opportunity to create additional stickiness through education. Areas where consumers need the most help include understanding closing costs, the benefits of purchasing a home warranty, and real estate agent commission and incentives (Figure 3).

Figure 3: Overall Homeownership Knowledge Levels

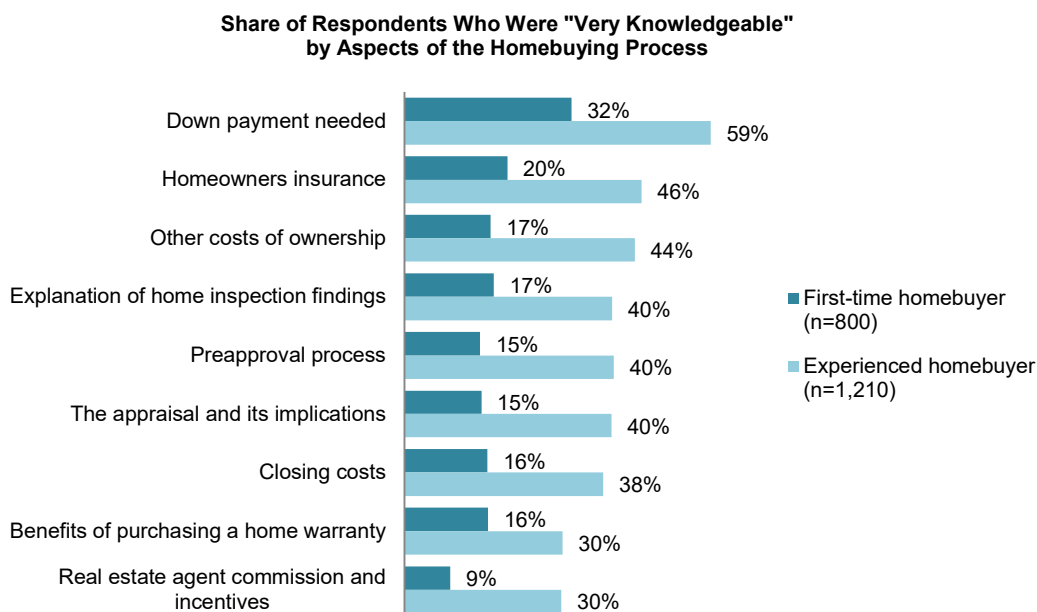


Source: Aite Group survey of 2,010 U.S. consumers, Q1 2021

While the degree of knowledge across many aspects of the homeownership process is relatively low for all respondents, it is critically lacking among first-time homebuyers. In fact, fewer than

one-third of first-time homebuyers stated they were very knowledgeable about any aspect of the homeownership journey in the survey. Given this widespread lack of knowledge across the homeownership experience—and especially among first-time homebuyers—lenders may have an opportunity to create additional stickiness in the process by educating consumers about these aspects of the process (Figure 4).

Figure 4: Comparison of Knowledge Between First-Time and Experienced Homebuyers



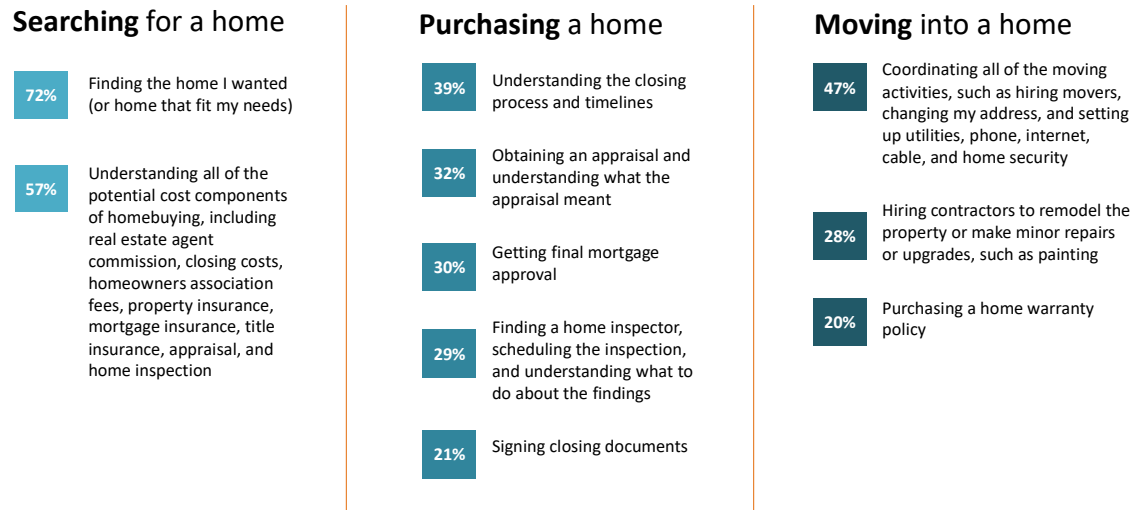
Source: Aite Group survey of 2,010 U.S. consumers, Q1 2021

KEY CHALLENGES IN THE HOMEOWNERSHIP JOURNEY

Next, respondents were asked about the key challenges they faced when searching for, purchasing, and moving into their most recent home (Figure 5). These challenges are grouped into three categories:

- **Searching for a home:** Nearly three-quarters (72%) of respondents indicated that finding a home they wanted was challenging. In addition, more than half of respondents (57%) found it challenging to understand all the potential cost components of homeownership.
- **Purchasing a home:** Thirty-nine percent of respondents found getting final mortgage approval and obtaining and understanding the appraisal challenging. About one-third of respondents were challenged by the closing process and timelines as well as obtaining and understanding an appraisal.
- **Moving into a home:** Nearly half (47%) of respondents found coordinating all the moving activities, such as hiring movers, changing their address, and setting up utilities and other services challenging.

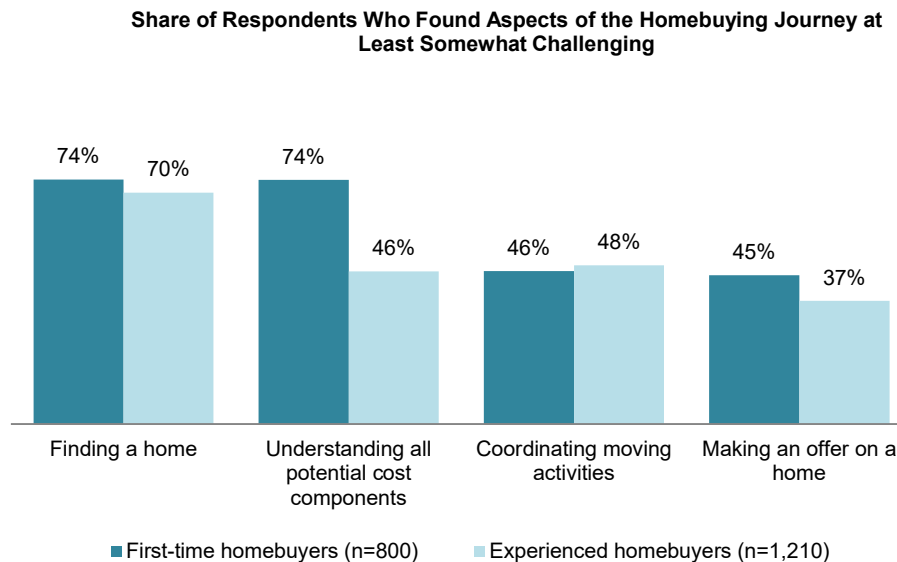
Figure 5: Top Challenges in the Homeownership Experience



Source: Aite Group survey of 2,010 U.S. consumers, Q1 2021

When results are compared for first-time and experienced homebuyers, both groups cited finding the home they wanted to be a top challenge. Equally difficult for first-time homebuyers was understanding all of the potential cost components of the purchase, with just 26% noting this was little to no challenge. Far fewer experienced homebuyers felt similarly, with over half (54%) stating that understanding potential costs was little to no challenge (Figure 6).

Figure 6: Differences in Four Most Significant Challenges by Homeownership Experience

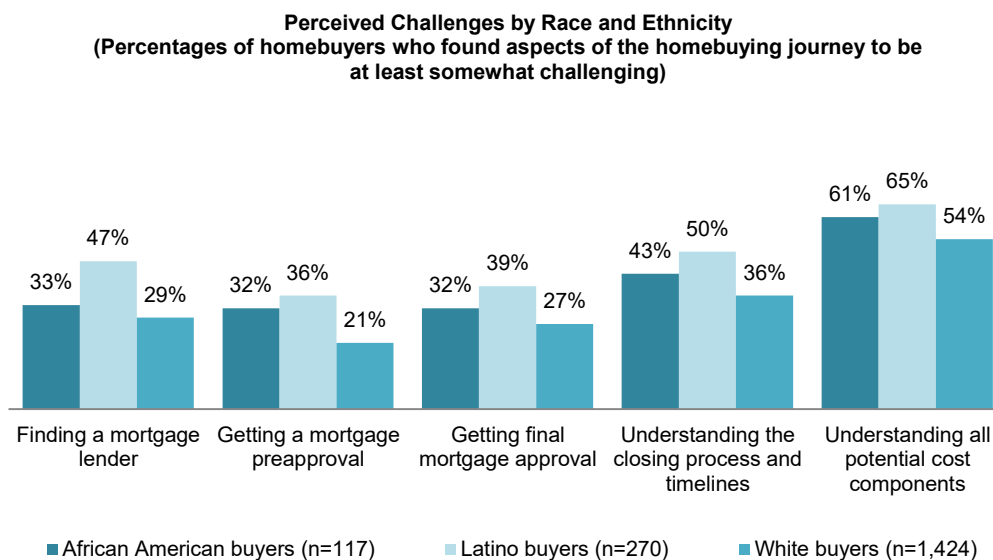


Source: Aite Group survey of 2,010 U.S. consumers, Q1 2021

Latinos and African Americans reported greater challenges relative to white homebuyers across many aspects of their most recent homeownership journey, such as obtaining a mortgage loan

and understanding the costs associated with a home purchase. For example, more than six in 10 African American and Latino respondents (61% and 65%, respectively) found understanding all the potential cost components of the homeownership process to be at least somewhat challenging, while 54% of white respondents felt similarly (Figure 7). These differences do not appear to be explained by other observable factors, such as the extent to which respondents were first-time homebuyers, age, or income.

Figure 7: Varying Degrees of Perceived Challenge by Race and Ethnicity



Source: Aite Group survey of 2,010 U.S. consumers, Q1 2021

Lenders also weighed in on the pain points felt by loan officers and borrowers alike during the homeownership journey. Given that interviews were conducted in early 2021 when demand was surging due to historically low interest rates, the dominant challenge for lenders was the crushing workload and competition among companies to secure experienced processors and underwriters. These dynamics impacted consumers as well since lenders were hard-pressed to meet deadlines and provide adequate service.

Another challenge identified by lenders was the communication between all parties involved in the process, including communication within the financial institution; between the loan officer and the consumer; and between the loan officer and third parties, such as the appraiser and title company, for example, sending additional documents for mortgage approval, coordinating closing activities, and keeping all parties informed of the status.

These challenges were a source of frustration to consumers who were often unsure of their loan status or were confused by unexpected requests for additional documentation, closing timelines, and the content in borrower disclosure forms. Related to these challenges were lender frustrations with the limitations of their loan origination technology in helping to provide a better customer experience and greater back-office efficiencies.

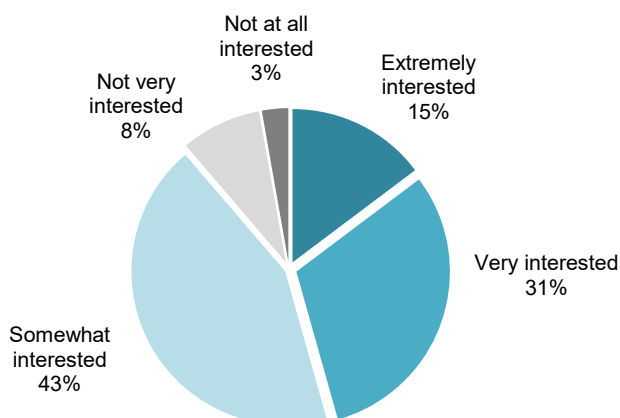
THE VISION: AN END-TO-END HOMEOWNERSHIP SOLUTION PROVIDED BY LENDERS

As described in the previous section, consumers have significant knowledge gaps and challenges as they navigate the homeownership journey. This process can be stressful, and homebuyers can incur many costs as they move into their new home and subsequently manage this critical asset. Consumers and lenders were presented with a visionary concept of a centralized solution for the homeownership journey, which could be provided by a mortgage lender. This resource would be inclusive of all aspects of the homeownership journey, including education, finding a real estate agent, searching for homes, and access to a network of trusted third parties, among other services. Based on the description that was provided, consumers and lenders alike showed high levels of interest in such a solution.

Overall, 89% of consumers were interested in using a homebuying service (Figure 8). Of the respondents who indicated they were interested in using the service, 44% indicated the feature of most interest is having a single place to coordinate all activities associated with buying a home. One-third indicated that the main reason for their interest is that it would reduce the amount of stress involved in buying a home.

Figure 8: Consumer Interest in a Complete Homeownership Experience

Q. If you buy a property in the future and this complete homebuying service were available through a lender, how interested would you be in using this service?
(N=2,010)



Source: Aite Group survey of 2,010 U.S. consumers, Q1 2021

At a high level, lenders expressed strong interest in the ability to offer such a program, provided it could be delivered in a way that was compliant with applicable regulations and offered service provider recommendations and discounts in a thoughtful way. Perhaps most fundamentally, lenders noted that having a unified platform or infrastructure around all the activities associated with homeownership could make it more manageable for all parties involved, providing a mechanism for collaboration. And, given the ever-changing regulatory landscape, lenders

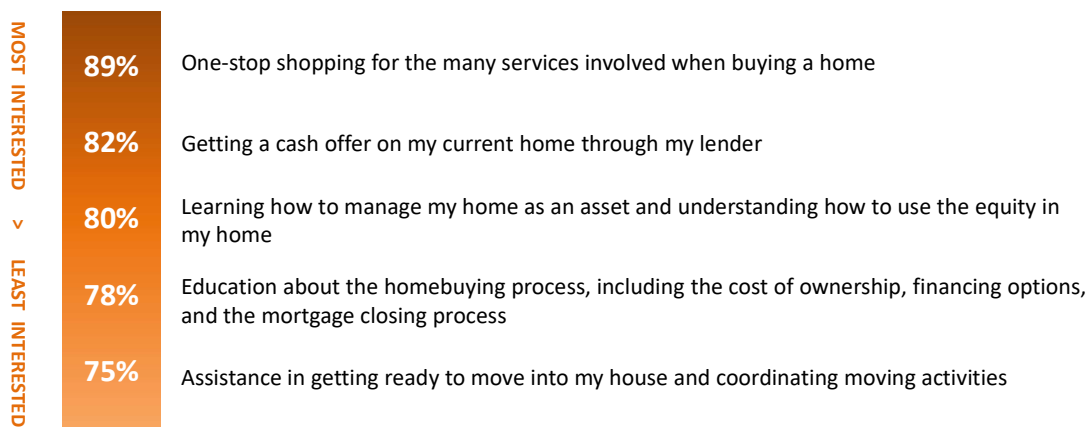
believed it was important to select not only the right platform to deliver this type of experience but also a technology partner that is well versed on the compliance needs of lenders.

Interestingly, several lenders drew parallels between this concept and corporate relocation programs made available to select borrowers that typically require significant resources. They perceived this program as a technology-driven way to provide similar services to the masses through a scalable platform. In their view, this “democratized” next-generation relocation program would likely be most useful to first-time homebuyers and those who are new to the area in which they are buying a home.

CONSUMERS WANT ACCESS TO A VARIETY OF HOMEOWNERSHIP SERVICES

Having a single place where they could shop for the many services involved in buying a home was most attractive to homebuyers, with 89% of respondents indicating their interest. Eighty-two percent noted they were interested in a service that would provide a cash offer for their current home that could facilitate their next home purchase. Following closely behind, 80% of respondents noted that they wanted help after their homeownership journey in managing their newly purchased home as an asset. Finally, more than seven in 10 respondents indicated that they are interested in homeownership education services that could assist them with their move to a new home (Figure 9).

Figure 9: Consumer Interest in Homeownership Services

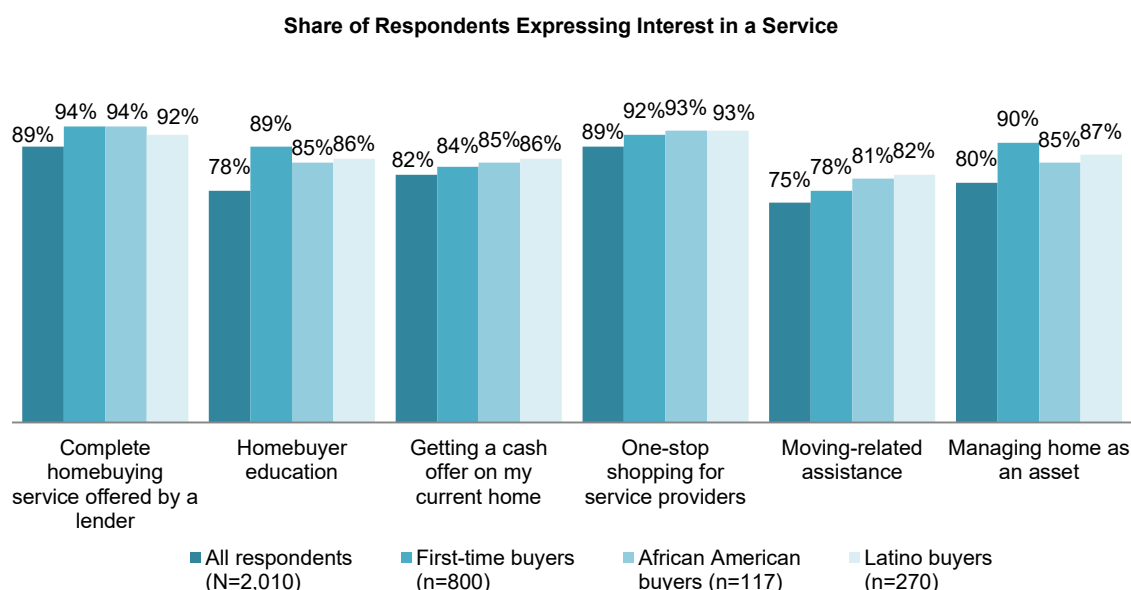


Source: Aite Group survey of 2,010 U.S. consumers, Q1 2021

Interest in many of these homeownership services was especially pronounced among first-time homebuyers as well as African Americans or Latinos.

For example, while 89% of overall respondents expressed some degree of interest in a complete homeownership service offered by a lender, 94% of first-time homebuyers and African Americans, and 92% of Latino homebuyers were interested in a service. Figure 10 highlights notable differences for each of these consumer segments.

Figure 10: Elevated Interest Among First-Time, African American, and Latino Homebuyers



Source: Aite Group survey of 2,010 U.S. consumers, Q1 2021

Lenders interviewed believe that having one central location to organize tasks and offer ways in which borrowers can save time and money would add value to the homeownership experience. This value would be most apparent to first-time homebuyers but also be appealing for very experienced buyers as well.

Each of these potential elements that could shape an end-to-end homeownership experience are discussed in greater depth in the following sections, from the foundational education that could be provided at the start of a homeownership journey to the assistance in selecting third-party services needed to purchase and move into a home to the sale of an existing home and managing the new one as an asset.

HOMEBUYER EDUCATION

As discussed previously, many consumers (and especially first-time buyers) lack critical knowledge in at least some aspects of the homeownership process. Lenders also noted that a significant pain point for loan officers and borrowers alike is uncertainty of a loan’s status and what other information the consumer needs to provide. Perhaps as a result of these dynamics, 73% of respondents who registered their interest in education noted that they were specifically interested in an online loan status page that would provide information and updates on where they are in the mortgage application and approval process—such as the documentation that still needs to be provided, appraisal status, and closing details. Two-thirds of these respondents were interested in a closing cost estimator tool, and over half were interested in the ability to conduct much of the closing process through an online notary (Figure 11).

Lenders were also eager to offer a portal that would allow customers to know their loan's status at any point during the origination process and what items were still outstanding, since they believed much of the confusion and questions from borrowers could be answered through this self-serve mechanism. In addition, lenders believed that providing education throughout the homeownership process would position them as a trusted advisor, allowing them to differentiate from the competition, build loyalty, and create referral opportunities.

Figure 11: Consumer Interest in Getting Education on the Homeownership Process

73%	Are interested in online loan status page that provides buyers with information and updates on where they are in the mortgage application and approval process—what they need to do to get preapproved, what documents they need to provide, the status of the appraisal, and details on the closing
66%	Are interested in an online tool that would help them estimate closing costs
57%	Are interested in service that provides advice about which findings of the home inspection need to be addressed and when
51%	Are interested in being able to conduct much of the closing online using an online notary
40%	Are interested in information on how to find and apply for a mortgage

Source: Aite Group survey of 2,010 U.S. consumers, Q1 2021

ONE-STOP SHOPPING

Given that 57% of respondents found it challenging to understand all the potential cost components of homeownership, there is an opportunity to not only educate consumers on the total cost of purchasing a home but also provide insight into how they can reduce costs. When asked about services related to a one-stop-shopping homebuying experience, 60% or more of the respondents interested stated that they would be interested in receiving discounts on closing costs, such as title insurance and home appraisal, and rebates of a real estate agent's commission that could be applied to closing costs. More than half of these respondents were also interested in a service that would allow them to manage all the activities associated with buying a home in one place, such as selecting a real estate agent, searching for homes, and saving comments on the homes they liked. Forty-four percent of this group was interested in a service to compare personalized homeowners insurance quotes for a property, 39% were interested in recommendations for a home warranty, and 38% were interested in obtaining a list of recommended real estate agents and homeowners insurance providers (Figure 12).

Many lenders believe that customers largely select their mortgage company based on interest rate. Because of this perception that rate is such an important factor, lenders that offer these services may be able to mitigate some of this price sensitivity by saving consumers money across the entire process while providing a less stressful experience.

Figure 12: Consumer Interest in Using a One-Stop-Shopping Homebuying Experience

67%	Are interested in service that allows buyers to receive discounts on closing costs, such as title insurance and home appraisal
66%	Are interested in discounts on services paid for at closing, such as title insurance and home appraisal
61%	Are interested in a service that allows them to manage all the activities associated with buying a home in one place, such as selecting a real estate agent, searching for homes, and saving/providing comments on the homes they like
60%	Are interested in discounts or rebates on the real estate agent's commission that could be applied to closing costs
50%	Are interested in recommendations for a company to conduct a home inspection
44%	Are interested in a service to compare personalized homeowners insurance quotes for their property
39%	Are interested in recommendations for a home warranty
38%	Are interested in a list of recommended real estate agents known for providing excellent service and homeowners insurance providers

Source: Aite Group survey of 2,010 U.S. consumers, Q1 2021

MOVING ASSISTANCE TOOLS

Once a consumer has endured the stress of finding and purchasing a home, it is time for them to coordinate all the activities involved in getting their new home move-in ready. That brings a whole new set of emotions and challenges that could be minimized through lender-facilitated services. As the homeownership industry has boomed, opportunists and scammers have introduced a set of problems ranging from overcommitment of products and services, faulty work, price gouging, and unlicensed or uninsured contractors. Consumers need to identify reputable companies that will show up and perform a service on time, and for the agreed upon price.

Among respondents who found these tools appealing, two-thirds noted particular interest in getting their house move-in ready and coordinating moving activities, as well as having access to a recommended network of reliable and trustworthy contractors who could help with remodeling and repairs. The same percentage of this group also stated their interest in a service that would coordinate moving activities, including the setup of utilities, internet, and cable, and help to change their mailing address. Forty-four percent were interested in recommendations for a moving company, and one-third were interested in help finding companies to perform ongoing maintenance, such as a house cleaner (Figure 13).

Figure 13: Consumer Interest in Learning How to Get Their House Move-In Ready

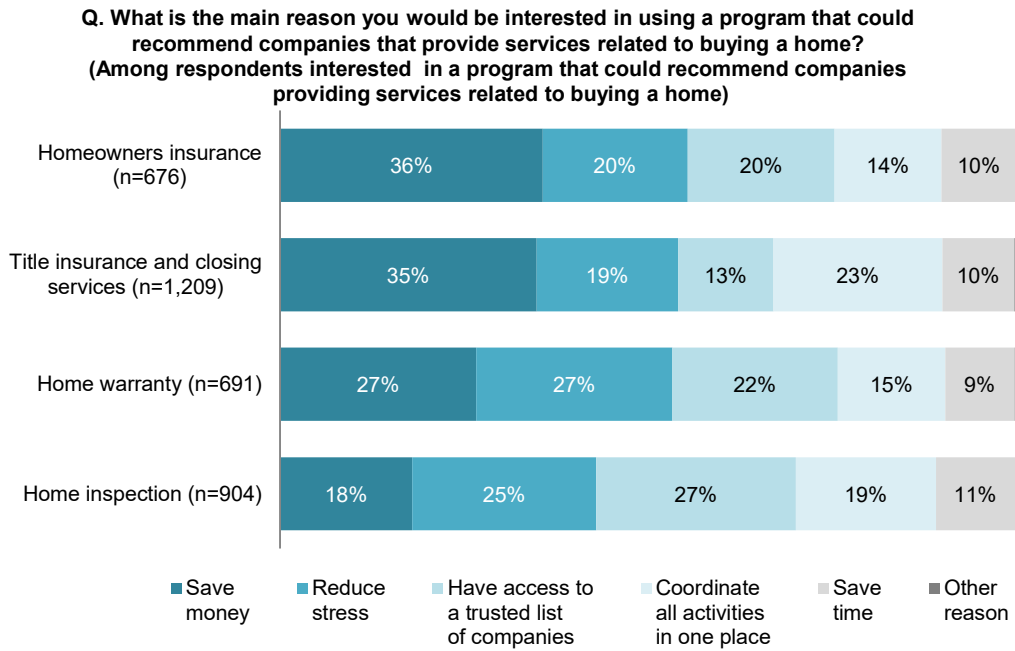
66%	Are interested in access to a recommended network of reliable and trustworthy contractors who can help remodel the home, make minor repairs or paint, service appliances, service heat or air conditioning, etc.
66%	Are interested in services that coordinate moving activities, such as setting up utilities, internet, and cable, and changing the mailing address
44%	Are interested in recommendations for a moving company
34%	Are interested in help finding a house cleaner, snow removal service, pool maintenance service, gardener, etc.
25%	Are interested in getting help purchasing or moving an alarm/home security system

Source: Aite Group survey of 2,010 U.S. consumers, Q1 2021

DELIVERING VALUE-ADDED HOMEOWNERSHIP SERVICES

Consumers view an end-to-end homeownership service as an opportunity to not only save money but also save time and reduce the stress involved in the homeownership process (Figure 14). As noted earlier, while lenders often mentioned rates as one of the key factors consumers consider, they believed that this program would allow them to provide a more robust experience centered around consumer needs beyond the traditional products and services in the loan origination process.

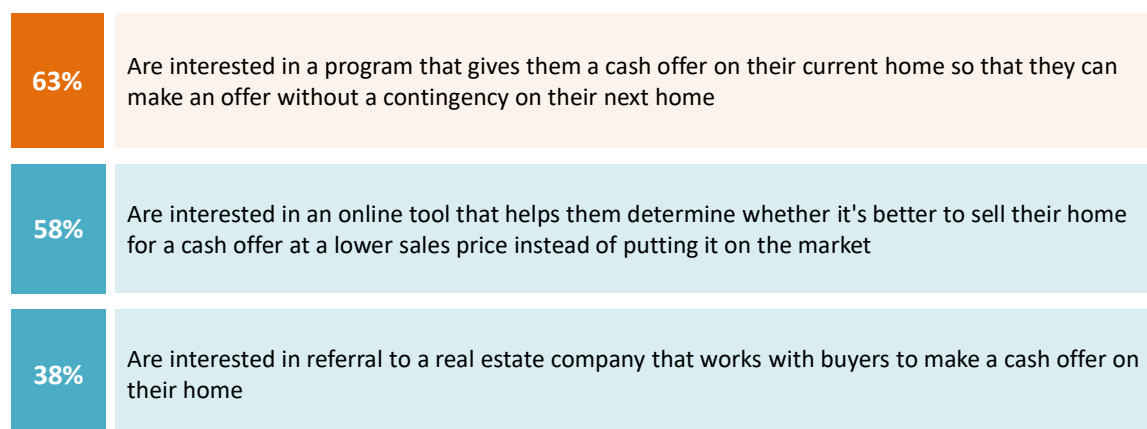
Figure 14: Reasons Respondents Would Use the Service



Source: Aite Group survey of 2,010 U.S. consumers, Q1 2021

CASH OFFERS ON EXISTING HOMES

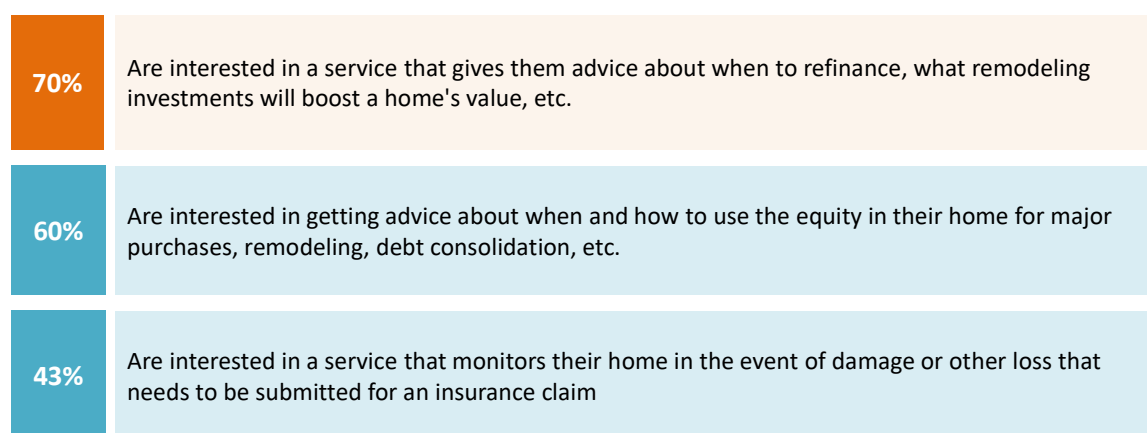
New firms have entered the market to reimagine the homeownership experience by addressing the pain point around the contingency of selling an existing home in order to buy one. These companies seek to address this challenge by giving a seller a cash offer on their existing home so that they can buy a new one with more certainty—what is commonly referred to as an “iBuyer program.” Of the respondents who expressed interest in receiving a cash offer on their current home, 63% were interested in how such a program would allow them to make a noncontingent offer on their next home. Fifty-eight percent were interested in using an online tool to help them determine whether it would be better to sell their home for a cash offer at a lower sales price or to put it on the market. And, over one-third (38%) would be interested in obtaining a referral to a real estate company that works with buyers to get a cash offer on their home (Figure 15).

Figure 15: Consumer Interest in Learning How to Get a Cash Offer on Their Existing Home

Source: Aite Group survey of 2,010 U.S. consumers, Q1 2021

MANAGING A HOME AS AN ASSET

For many consumers, homeownership not only has emotional ties but also represents their largest asset. As a result, many lenders struggle with staying top of mind with their customers when it's time for them to purchase a new home, refinance or tap into the equity of an existing home, or purchase a second home or investment property. Lenders need to create stickiness during the time between these infrequent transactions so that existing customers return as they progress through the various stages of homeownership. Among those respondents who were interested in learning to manage a home as an asset, 60% were interested in getting advice about when and how to use the equity in their homes for major purchases, remodeling, or debt consolidation. In addition, 43% were interested in a service that monitors their home in the event of damage or other loss that would need to be submitted for an insurance claim (Figure 16).

Figure 16: Consumer Interest in Learning How to Manage Their Home as an Asset

Source: Aite Group survey of 2,010 U.S. consumers, Q1 2021

CONCLUSION

The homeownership process can pose myriad challenges for consumers, and a variety of pain points exist for lenders as well. Creating an experience that allows consumers to manage all activities associated with homeownership presents an opportunity for lenders to deliver greater value to the buyer. Lenders can serve a central role in improving the experience and efficiency of this journey—and potentially reduce costs and stress for all parties—by considering some of the following actions:

- **Create a lending experience that is centered around the customer.** Mortgage origination at most financial institutions is very process oriented. By implementing an end-to-end homeownership experience, lenders can add additional value to a consumer's homeownership experience that allows them to compete in a new, more meaningful way by putting the customer in the center of the experience and building products and services that can help reduce stress and save time for borrowers.
- **Offer more than just a loan with guidance throughout the loan origination process.** Many challenges still exist in the process. Lenders have an opportunity to make the homebuying process easier and to remove friction by educating consumers on this journey. This should include providing information on what to expect during the mortgage origination process as well as the loan's status, and offering a clear understanding of the different steps and parties involved between the time an offer is accepted and the consumer ultimately takes possession of the property.
- **Partner to integrate more elements of the homeownership ecosystem to deliver value to consumers.** Once a lender determines its key value proposition, it should determine if the goal is to reduce a borrower's total cost of buying a home, alleviate stress in the homeownership experience, help a borrower coordinate all the activities associated with homeownership, save a consumer time, or a combination of these strategies. This could allow the lender to strengthen its value proposition and help differentiate its offering in the market by partnering with vendors that can help deliver value to the consumer.

ABOUT BLEND

Blend streamlines the end-to-end consumer journey from application to close for any banking product. Our cloud banking platform is used by Wells Fargo, U.S. Bank, and over 300 other financial services firms to acquire more customers, increase productivity, and deepen relationships. Through our software, we enable our customers to process an average of more than \$5 billion in loans per day, helping millions of consumers get into homes and gain access to the capital they need to lead better lives. To learn more, visit blend.com.

CONTACT

Blend Sales

info@blend.com

+1.650.550.4810

Blend PR

press@blend.com

ABOUT AITE GROUP

Aite Group is a global research and advisory firm delivering comprehensive, actionable advice on business, technology, and regulatory issues and their impact on the financial services industry. With expertise in banking, payments, insurance, wealth management, and the capital markets, we guide financial institutions, technology providers, and consulting firms worldwide. We partner with our clients, revealing their blind spots and delivering insights to make their businesses smarter and stronger. Visit us on the [web](#) and connect with us on [Twitter](#) and [LinkedIn](#).

AUTHOR INFORMATION

Tiffani Montez

+1.617.338.6045

tmontez@aitegroup.com

Leslie Parrish

+1.617.398.5098

lparrish@aitegroup.com

Research Design & Data:

Judy Fishman

jfishman@aitegroup.com

CONTACT

For more information on research and consulting services, please contact:

Aite Group Sales

+1.617.338.6050

sales@aitegroup.com

For all press and conference inquiries, please contact:

Aite Group PR

+1.617.398.5048

pr@aitegroup.com

For all other inquiries, please contact:

info@aitegroup.com