

8 Ways Loan Officers Can Strengthen Relationships With Real Estate Agents



FINLOCKER[®]

December 2022

Economists are painting a gloomy picture of home sales in 2023. Depending on your data source, existing home sales will decline to 4.77 million ([MBA](#)), 4.53 million ([Realtor.com](#)), or 3.93 million ([Fannie Mae](#)) in 2023, with sales forecast to be lower in Q1 and Q2 2023 and pick up in the second half of the year.

Financial constraints, driven by higher interest rates and property prices, have resulted in affordability challenges for many first-time homebuyers. Those who are financially eligible for a mortgage have seen their purchasing power reduce. The higher interest rates are also forcing homeowners with low interest rate mortgages to rethink their next move. These market factors affect not only mortgage lenders and loan officers but also real estate agents.

At the start of 2022, the median number of annual residential transactions for a licensed real estate agent was 12. Twelve months later, many agents have seen their business significantly drop. As the majority of consumers start their homeownership journey searching for homes and connecting with a real estate agent, and loan officers are often referred to new clients by real estate professionals, those referrals will start to dwindle unless they become indispensable to their real estate partners. Here are eight ways loan officers can strengthen their relationships and help their real estate agents' businesses thrive in 2023.

Help agents generate leads to grow their business

1. Provide real estate agents with social media content

You probably read this suggestion and thought you barely have time to create your own social media content, let alone more for agents. However, it's easier than you think. A lot of the content you are creating for yourself, especially educational content on the mortgage process can be reused by real estate agents.

As 63% of home sellers and 50% of homebuyers use a real estate agent referred to them by family or friends or used an agent they had previously worked with, according to the National Association of REALTORS®, they are meeting potential borrowers before they meet with a lender. Those borrowers need the same advice loan officers are providing their prospective borrowers.



Here's how to do it: Loan officers should send one email at the end of every week with a couple of social media posts for the following week. Alternatively, send an email in the second week of every month with social media posts for the next month and call each agent during the third week to follow up on the email. Whatever schedule is decided, commit to it. This practice will help loan officers plan their social media, too.

Short on time to create shareable content? ChatGPT is a free online artificial intelligence (AI) chatbot that generates human-like responses to questions using algorithms. Loan officers can ask the AI to write social posts and blogs, among many other things, on a wide variety of topics. The output should be considered a quick way to obtain a starting point for text that must be reviewed and edited to be compliant before publishing.

Here is an example that was input: *Write 5 social media posts on the best loan products for first-time homebuyers* with the exact output that was generated within a minute:

"First-time homebuyers, don't miss out on the opportunity to take advantage of low interest rates and great loan products. Talk to a lender today to find the right option for you. #firsttimehomebuyer #homeloans"

"If you're a first-time homebuyer, a Federal Housing Administration (FHA) loan can be a great option. These loans are backed by the government and often have lower down payment requirements. #FHA #homeloans"

"Are you a veteran or active military member looking to buy your first home? A VA loan could be the perfect option for you. These loans are backed by the Department of Veterans Affairs and offer low interest rates and no down payment. #valoans #veterans"

"First-time homebuyers, don't forget about grants and down payment assistance programs. These can help you cover some of the costs of buying a home and make it more affordable. #firsttimehomebuyer #downpaymentassistance"

"If you're a first-time homebuyer, consider a fixed-rate mortgage. This type of loan has a set interest rate that stays the same throughout the life of the loan, making it easier to plan your budget and make monthly payments. #fixedratemortgage #homeloans"

2. Generate leads by co-hosting a homebuyer workshop

Loan officers can double their marketing efforts by joint marketing and co-hosting a homebuyer workshop. The same format can be used to present workshops in person or online.

Here's how to do it: Every quarter, loan officers should present with each of their top-tier agents one first-time homebuyer workshop and another workshop for current homeowners to learn the process of selling and buying a home at the same time. Split the presentation, so the agent explains the real estate portion and gets face time with prospective homebuyers, too.

Suggested topics to cover:

- Benefits of buying versus renting
- Minimum mortgage qualification requirements, for example, the credit score to qualify for a home loan and how a higher credit score can help the borrower become eligible for lower interest rates
- Importance of getting pre-qualified to establish a home buying budget before you start looking at homes
- Shopping for a home, including being realistic about your needs versus wants, the benefits of hiring a real estate agent, and the importance of a home inspection
- Steps in the mortgage process, from the mortgage application to getting home insurance and what happens on closing day
- Sustaining homeownership, including filing for homestead exemption in your state (if applicable), saving an emergency fund to cover unexpected home repairs or appliance replacement, and the value of a home warranty to repair and replace household appliances and systems



3. Provide real estate agents with a financial fitness app to generate and nurture their leads

FinLocker is more than a financial fitness app to get prospective first-time homebuyers mortgage ready. The FinLocker app can also be offered to renters to organize their finances, check their credit before they begin their homeownership journey, and trigger any actions to alert the competition of their intentions. Over a third of millennial and Gen Z borrowers obtained their lender from their real estate agent in 2022, according to Maxwell, so sharing FinLocker with real estate agents will add more prospective borrowers to the top of a loan officer's sales funnel.

Here's how to do it: Loan officers can provide each of their top real estate agents with a unique invitation code to distribute their private label FinLocker via social media and to home buyers who are not yet mortgage ready. Creating unique invitation codes will make it easier to identify which agents are generating more leads.

Give everyone who attends the co-hosted homebuyer workshops an invitation to download the FinLocker app and incorporate the interactive financial tools into the coaching to get prospects mortgage ready and help them search for properties without being exposed to the advertising of other lenders and agents. Providing a uniquely branded FinLocker app is a meaningful way to stay engaged with homebuyers for the duration of their homeownership journey and is much more impactful than a fridge magnet.

Help agents get home buyers off the fence

4. Explain the cost of waiting to buy a home

Consumers have gotten used to the media touting historically low interest rates for the past few years. Now that 30-year interest rates are fluctuating around 6.5% to 7%, inflation is high, affordable housing is unaffordable, and there's been talk of a recession for months, many Americans are concerned that these economic factors will drive a housing market crash in 2023 that will rival 2008.

While the 30-year fixed rate interest rate is forecast to drop slightly in 2023, the rate is not expected to reach 4.4% until mid-2024, according to the [MBA](#). Home buyers and sellers who take advantage of lower home prices in 2023 to purchase a home can be reasonably confident that home prices will start to rise again by the end of the year, helping them to build equity.

As many homebuyers do not shop around for lenders and agents, prospective homebuyers need to get the facts from the first person they meet on their homebuying journey, and if that's your real estate agents, they need to know the facts, too.

Here's how to do it: Loan officers should provide their real estate agents with key talking points so they can communicate to their fence-sitting home buyers and sellers the importance of not waiting. Loan officers should

remind their real estate agents of their financial assistance products, so first-time homebuyers who need financial assistance can be referred early in their homeownership journey to review their eligibility for down payment assistance and other low down payment products.

Here are a few talking points:

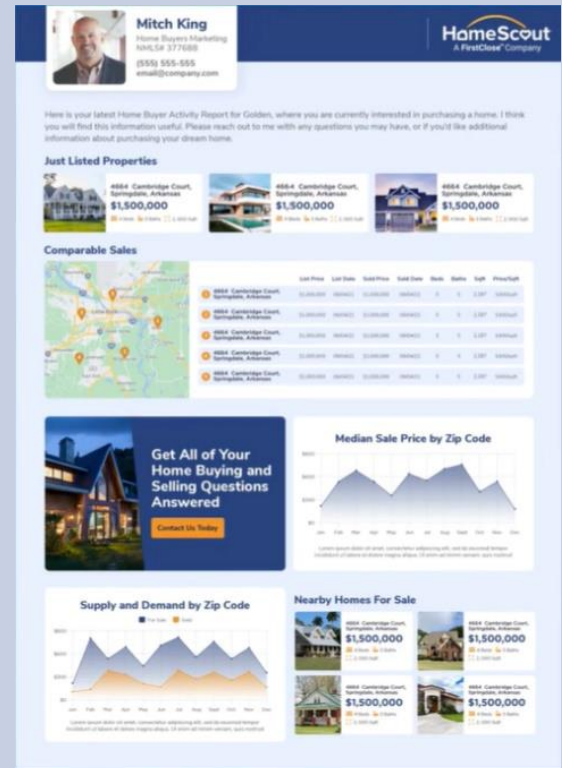
- Interest rates are expected to average 5.5% through most of 2023
- Home prices have started to drop in many cities and are expected to drop slightly more in the first half of the year. Prices are expected to rebound by the end of 2023, so they should buy a home before the rebound when the market likely gets more competitive when homebuyers realize that sub-3% rates aren't returning any time soon.
- Most homeowners have significant equity, so if they experience financial problems such as a job loss, they can sell their home rather than be forced to foreclose, which should avoid the housing market crashing like it did in 2008.
- If homebuyers wait until 2024, when interest rates reduce, the housing market will be more competitive, driving up home prices again.
- When interest rates decrease, homebuyers can refinance their mortgage at a lower rate.



5. Create neighborhood reports

Loan officers should connect with one agent in each neighborhood or city where their business is focused and use customized neighborhood reports to help them build value, stay top of mind, and become the go-to real estate expert in their area. Creating a report is simple with a subscription to one of the many platforms that provide loan officers with neighborhood reports. HomeScout Pro, for example, offers customizable neighborhood and home value reports that can be co-branded with real estate partners. These reports provide a slew of information for in-market home buyers and homeowners including just listed properties, comparable sales, median sales price per zip code, supply and demand by zip code, and nearby homes for sale listings or to obtain new homes to sell.

Here's how to do it: Use one of the mortgage solutions to create a Neighborhood Market Report for each top-tier agent and commit to updating the report each quarter. A Home Value Report can include the same information and the cost to finance the home with current mortgage rates to help agents move specific property listings.



6. Provide real estate agents with a financial fitness app that improves homebuyers' mortgage eligibility

Despite the prevalence of free credit monitoring resources and online mortgage education, mortgage myths, particularly those around credit score and minimum down payment, are firmly entrenched with many first-time homebuyers.

Here's how to do it: When homebuyers are provided with a FinLocker early in their homebuying journey, they can get the facts on the mortgage process and popular loan options, use interactive tools to improve their credit health and be guided to overcome the common barriers to mortgage eligibility.

When prospective homebuyers are provided with a FinLocker app, they can:

- Monitor their credit score and credit report, and use credit-building tools if they need to increase their score.
- Receive a homebuying budget that fits their income using the home affordability calculator, which will also calculate the minimum down payment and closing costs for their preferred loan option
- Create a trackable goal to save for their down payment and closing costs

- Budget and monitor spending to pay down credit card debt and personal loans to reduce their debt-to-income ratio
- Track their progress towards mortgage readiness to know when they've reached the minimum guidelines for mortgage eligibility.



Help agents sell more homes faster

7. Offer renovation loans to move “hard-to-sell” properties

With the home renovation frenzy of the past few years (55% of homeowners did a renovation project in 2021, according to [Houzz](#)), it's easy to assume that every home has been renovated.

Whether agents are attempting to sell outdated, structurally damaged, or poorly designed homes, renovation loan products can provide prospective homebuyers with the to buy and create their dream home.



Here's how to do it: Many renovation loans stipulate that work must be completed within a specific period of time after the sale. To promote the benefit of renovation loans, go one step further and connect with local architects and building contractors who can be referred to prospective home buyers. Agents can also refer these contractors to home sellers for pre-sales renovations. You've struck gold if a builder or architect can create a napkin sketch to show prospective homebuyers of a remodel option.

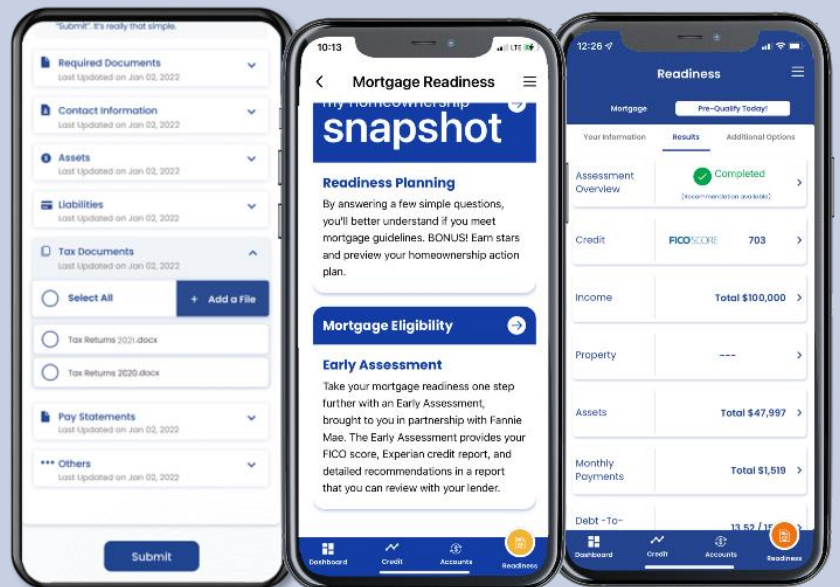
When loan officers help their agents sell hard-to-move homes, they'll be in the lead to obtain the referral to the home's buyer and the grateful seller when they buy a new home.

8. Provide homebuyers with a fast pre-qualification and a streamlined mortgage application process

When prospective homebuyers prepare for homeownership using FinLocker, they can check their mortgage readiness before getting pre-qualified. FinLocker empowers homebuyers to share their financial information with their originator via the Lender Connect portal in the app to streamline the pre-qualification process. The homebuyer can upload their pre-qualification letter to the secure FinLocker document vault to share with their real estate agent from their app when they're ready to tour the homes they found in the embedded FinLocker property widget. The property widget provides the same MLS homes displayed on other websites. Using it will reduce the likelihood that homebuyers will be distracted by third-party ads from other agents and lenders.

When the homebuyer has found a home to purchase, they can use the same sharing portal to present themselves to their loan officer with their identity, credit, assets, income, and employment verified for their mortgage application. The shared financial data and documents essentially prefills the mortgage application, streamlining the application process for all parties.

It's essential to keep agents updated on the progress of each homebuyer's mortgage application. Lenders should create notification emails in their CRM connected to their LOS triggered by each milestone in the loan process to provide agents with the information they want and the communication they expect from loan officers.



Ready to see how FinLocker can strengthen your real estate agent relationships and guide more homebuyers through the entire homeownership journey?

[Click to watch an online demo or schedule a 1:1 consultation to see the latest FinLocker features.](#)