

Where Potential Borrowers Are

By Randy Schmidt



I've been involved with technology my entire career, with the majority of it being in the mortgage technology sector. I've seen cyclical ups and downs. Through it all, I believe that as technology gets cheaper and easier to use, so it follows that more and more people will start using it. It just makes sense.

Further, I think the stats back me up. For Internet users and providers, 2010 was a year of unprecedented growth, reports Royal Pingdom, a tech website. Get this, there are now almost as many individual websites as there are American citizens. About a quarter of humanity now uses e-mail. So, what does this mean for technology adoption and more importantly lenders? Here's my take:

First, let's talk about what this means for technology adoption. There are a lot of compelling numbers that tell us that we are past the tipping point when it comes to the mainstream usage of certain technologies. Royal Pingdom's list of Internet trends from 2010 offer some compelling numbers such as:

- >> 107 trillion – The number of e-mails sent on the Internet in 2010.
- >> 294 billion – The average number of e-mail messages per day.
- >> 480 million – New e-mail users since the year before.
- >> 25% – The share of e-mail accounts that are corporate.

But it's not just e-mail usage that has gone mainstream, it's overall Internet usage, too. Here are some more numbers to ponder:

- >> 55 million – The number of websites as of December 2010.
- >> 21.4 million – Added websites in 2010.
- >> 88.8 million – .COM domain names at the end of 2010.
- >> 13.2 million – .NET domain names at the end of 2010.
- >> 8.6 million – .ORG domain names at the end of 2010.

What does this amount to in terms of the actual people currently online? You guessed it, those numbers are growing by leaps and bounds as well. Here's what I mean:

- >> 1.97 billion – Internet users worldwide (June 2010).
- >> 14% – Increase in Internet users since the previous year.
- >> 266.2 million – Internet users in North America.

As more and more people go online we're seeing a boom in the usage of social media. While many lenders may not truly understand social media yet, it's time to get educated. You want to be where your borrower is, which means you want to have a social media presence. Here's why I recommend taking social media seriously:

- >> 152 million – The number of blogs on the Internet (as tracked by BlogPulse).
- >> 25 billion – The number of sent tweets on Twitter in 2010
- >> 175 million – The number of people on Twitter as of September 2010
- >> 600 million – The number of people on Facebook at the end of 2010.

So, what do all these numbers mean for mortgage lenders? These statistics clearly demonstrate that consumers are on the Web and that trend continues to grow. As origination volumes drop and lenders battle for prospective borrowers, they need to be where their potential borrowers are. Right now, based on the numbers I've shared, more and more borrowers are on the web, so lenders have to follow.

What are these borrowers looking for in online lending? They are not satisfied with lending sites that ask them to fill out a form and wait until someone gets back to them. They want:

- >> Information immediately
- >> An easy to use application that is intuitive
- >> Personalized product recommendations
- >> Competitive rates
- >> Detailed closing costs in a fast and secure environment
- >> They also expect instant decisions to their requests

I think it's clear from the statics provided above, that if lenders want to be where their potential borrowers are, then they have to be online.

Randy Schmidt is President of Data-Vision, Inc. and is responsible for overall operation and strategic planning for the company. Randy became involved in the IT side of mortgage banking almost 30 years ago and has been involved in numerous projects on both the origination and servicing side of the business. In 1993, Randy co-founded Data-Vision, Inc., in Mishawaka, Indiana as a Web design company. He then combined his previous mortgage experience with Internet knowledge to bring the speed, power and availability of the internet to the Mortgage industry. He can be reached at rschmidt@d-vision.com.