

Best Practice - Leveraging the Online Mortgage Channel

2010

The logo for RFi, consisting of the letters 'R', 'F', and 'i' in a white, sans-serif font, set against a dark blue square background.

RFi

Introduction

The internet has been increasing its presence in consumers' lives for many years and RFI survey results show that it is steadily becoming a popular application channel for mortgage applicants. Results from the June survey show that 3% of respondents applied for their home loan by the internet more than six years ago, while 10% of respondent applied for their home loan online in the past 1-2 years. This report examines why the mortgage market should capitalize on this trend through the introduction of an online mortgage channel, and the necessary steps needed to ensure its success.

Scope and methodology

The report is focused on data collected in surveys conducted online by RFI, over 2008 and 2009. These surveys:

- Are nationally representative
- Include 2,000 consumers who have, or are planning to take out, a mortgage
- Contain consistent questions, allowing RFI to track consumer behaviour

Highlights

Comparison of results from the RFI February 2008 - June 2009 surveys show that in the space of 17 months there has been a 4% increase in the proportion of respondents who applied for a home loan over the internet. Further results show that intention to apply for a mortgage online has increased.

An online mortgage channel has the ability to create a more efficient mortgage application process, while allowing the lender to reduce costs.

RFI results show that for a lender to be successful online their website must be easy to use, while having comprehensive information and an easy to understand application process. Having the ability to communicate with an employee of the bank is also vital.

Research shows that BM Solutions in the U.K and Quicken Loans in the U.S.A are examples of best practice in the online mortgage market.

Reasons to read this report

- To learn about the changes in consumer behavior towards the online mortgage channel
- To discover the many benefits financial institutions can gain from the launch of an online mortgage channel
- To understand how a successful online mortgage channel functions