

# The Borrower Experience

## HOW IMPORTANT IS AN INITIAL CHECKLIST?

AN EXCERPT FROM  
**STRATMOR**  
***INSIGHTS***

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### HOW IMPORTANT IS AN INITIAL CHECKLIST?

**The number one complaint that borrowers have about the loan process is poor communication. To improve the borrower's experience and gain better ratings from them, put an initial checklist into their hands.**

Starting on the right foot with communication means giving your borrowers a clear (and preferably complete) list of items they will need to provide. Offering an initial checklist may seem like a no-brainer, yet borrowers continue to check the "No" box when asked if they received one. Not receiving a checklist at the beginning of the process can sour the whole loan experience for the borrower. Before you say, "We always give a checklist," consider that STRATMOR Group has yet to come across a mortgage lender who has completely eradicated this issue.

First impressions are lasting and providing borrowers an initial checklist of needed documents is your first chance to set proper expectations with them. Helping your borrowers feel comfortable, reassured, and in control is paramount to giving them a delightful experience and establishes a foundation for creating repeat and referral business.

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### What the Numbers Show

According to data from STRATMOR's MortgageSAT Borrower Satisfaction Program, when the borrower is provided with a checklist of the information they need, the Net Promoter Score (NPS), which measures their likelihood of recommending you, is a very high 90. Borrowers who do not receive an upfront checklist show their frustration with lower ratings — NPS plummets to a dismal -26. Even with a relatively low occurrence rate overall, this disparity means the difference between a borrower who will promote you to friends and family and one who will post negative feedback.

### Checklist Provided

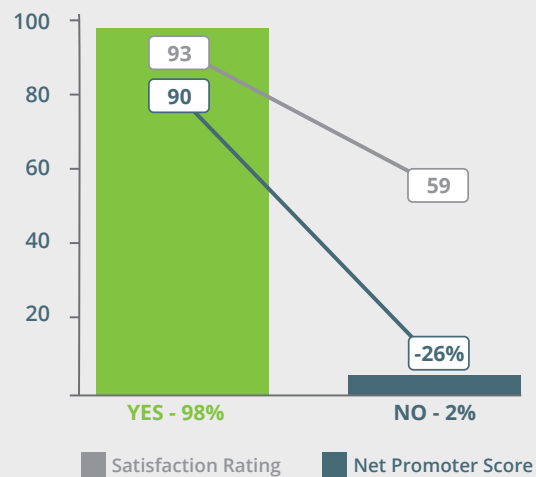


Chart 1

### Asked Multiple Times for Same Doc

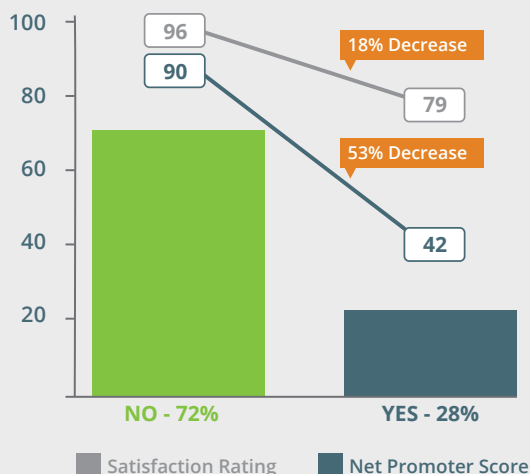


Chart 2

Asking borrowers for additional information beyond the initial checklist significantly lowers satisfaction. And, when borrowers are asked for the same documents multiple times, as will happen when a checklist is not provided (and sometimes even when one is), borrowers are further annoyed. "I gave you what you asked for. Why can't you keep track of things?" is what many borrowers think. When this occurs, average satisfaction drops from a score of 96 to 79, and NPS drops from 90 to 42.

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### What's a Lender to Do?

Here are five things you can do to make sure your communication starts off on the right foot:

1. **Automate it.** Given the many SaaS applications now available that guide borrowers from initial interest through the loan application phase, providing a clear and accurate list of needed items has never been easier. And, the more information you collect during the initial application (and the more consistent that information is), the more accurate your initial checklist will be. If you do not have an automated process, you can still take steps to make sure every borrower gets a checklist. For example, assigning responsibility for sending the checklist to one team member (whether it's the LO, Processor, LOA, or someone else), creates consistency within the process and more accountability when the step is missed.
2. **Call to confirm.** Believe it or not, even STRATMOR clients with digital application tools and automated checklists still sometimes have borrowers say they never received a checklist. Perception counts more than reality in the world of borrower satisfaction, so the best way to cover your bases is to encourage the LO or Processor to call and confirm the checklist was received. An even better question to ask is, "Do you feel like you understand everything you'll need to provide us based on the initial list of needed items we sent you?"
3. **Pay attention to the borrower's feedback.** Nearly all lenders employ some form of post-close survey, but many fail to effectively use the information gathered, or don't ask the types of questions that could help them better manage the people, processes and technology involved. Lenders who utilize STRATMOR's MortgageSAT program have complete transparency of their processes and team members, allowing them to diagnose and fix problems in short order. They also have real-time access to borrower reviews and scores, which helps them react quickly to negative comments and scores. Consider adding MortgageSAT to your toolkit, and if you use a survey service to gather borrower feedback, use it as a management tool, not just as a source of good PR.
4. **Be proactive** — train and train again. Set up your loan officers and back office personnel with the right training and tools that will help them provide outstanding service to the borrower. Establish processes and responsibilities that remain consistent for every loan. Who sends the checklist? Who makes document requests? Who calls to go over numbers prior to closing? Provide ongoing training for all on improving the borrower's experience and individual training for LOs struggling with specific service issues.
5. **Measure results.** At the end of the loan process, make sure your post-close survey is asking the question, "Did you receive an initial checklist of needed items?" Programs like MortgageSAT can make sure this question is asked on every closed loan so that you can ultimately identify and eradicate the sources of the "No" responses.

If you are interested in learning more about STRATMOR's MortgageSAT Borrower Satisfaction Program, visit the [MortgageSAT webpage](#). Or reach out directly to Mike Seminari, Director of MortgageSAT, at 614.284.4030 or [mike.seminari@stratmorgroup.com](mailto:mike.seminari@stratmorgroup.com). ■