



2019 SOCIAL MEDIA CONTENT STUDY

MORTGAGE TIP SHEET

What's Included?

- Overview of the Industry
- Key Findings
- Industry Trends
- Best Practices
- Hearsay Systems Insights
- Key Takeaways

Mortgage Tip Sheet

OVERVIEW OF THE INDUSTRY

2019 started out by surprising everyone in the mortgage industry with falling mortgage rates, a welcomed change after dreading the contrary. However, this unexpected start to the year has also meant a ripple-effect decline in adjustable-rate mortgages.¹ The combination of a housing shortage and a strong sellers' market (with sellers sometimes pricing over confidently) is canceling out the benefits of lower mortgage rates for some, leaving some buyers with the same monthly payments as if they had bought a year ago.² There is a silver lining: lower mortgage rates mean a good time to refinance, and a YOY increase of 133 percent³ in refinancing seems to confirm it.



KEY FINDINGS AND INDUSTRY TRENDS

Automatization and Digitization in the Mortgage Process

Originating a mortgage does not come cheap. As lenders look for ways to mitigate costs, automating workflows is a sure-fire way to increase efficiency as well as accuracy to the mortgage process, reducing the chance for human error. Reducing time spent on manual tasks also allows lenders to spend that time strengthening relationships with their borrowers. Moving to a more holistic digital experience will help lenders stay competitive in not only mortgages but in refinancing and home equity loans as well.

Data That Drives Business and Innovation

Another benefit to more digitization within the industry is the prevalence of increased data points. More transparent data points give lenders a more holistic view of borrowers, providing new opportunities. More thorough data also means more opportunities for organizations to develop AI tools and leverage machine learning that help with automation.

The landscape of an uneasy economic climate, with recession rumors and trade tensions between the U.S. and China growing, has spurred a few key industry trends:

- Mortgage rates go--and stay--low. As of October 2019, the average APR for a 30-year fixed-rate mortgage was 3.46 percent,⁴ with forecasters predicting that number will only stray by a few tenths of a percentage point throughout the remainder of the year.
- It's still a seller's world. With more buyers than houses available to buy, the housing market continues to be a seller's one.
- Is the price right? House prices continue to rise, albeit slowly, hovering around a 4 percent YOY increase from 2018.⁵ Economists predict that by the end of the year, that number will drop to a friendlier 2.2 percent YOY compared to the end of 2018.⁶
- Is the price even affordable? First-time homeowners especially are experiencing sticker shock as houses priced \$400,000 and less are outnumbered by houses in the \$800,000 range and higher. Year over year, new construction slowed by 3 percent in houses in the \$400,000 and less range.⁷

SOURCES

1. Nerdwallet, "9 Housing and Mortgage Trends for the Rest of 2019"
2. Ibid.
3. Forbes, "Will Mortgage Rates Stay Low Through 2019? Here's What Experts Predict"
4. Ibid.
5. Nerdwallet, "9 Housing and Mortgage Trends for the Rest of 2019"
6. Ibid.
7. Ibid.



hearsaysystems.com

© Hearsay Systems, Inc.
All rights reserved.

For broker/dealer
use only. Not for use
with the public.

KEY FINDINGS AND INDUSTRY TRENDS (CONTINUED)

- Lending standards relax a little. The pendulum is swinging back after the overcorrection of lending regulations following the housing crisis. Such leniency can be seen in lower credit score requirements, larger loan-to-value ratios, and less documentation requirements.
- More houses please. There is a shortage of houses on the market despite modest YOY increases thanks to not staying in step with population growth. This is also driving prices up until construction starts to catch up.
- Leaving money on the table. Lower mortgage rates are a perfect time to refinance, with experts estimating that even recent homeowners who purchased in 2018 could save an average of \$162 a month.⁸

BEST PRACTICES FOR SOCIAL MEDIA PUBLISHING

- Don't overlook online networking. While actual face time is always valuable, online networking is also key because of the possibilities for referrals it has. Having a strong online presence not only strengthens your relationships with your customers but increases the chance that they will share their experience with friends as well.
- Complement social media with other digital communications. Using tools like website lead generation, email marketing, and compliant texting provides a more holistic approach to reaching and connecting with clients.
- Leverage social media automation. Using automation software helps cut down on the time it takes to manage different social media accounts as well as helps with compliance monitoring so that nothing off-brand is posted that could hurt your online presence and reputation.
- Be accessible. Along with sharing industry-relevant content that keeps you top-of-mind with your clients, it's important to be yourself and also share your personality to build trust with them. Having that foundation with customers opens the door to conversations and new business-related opportunities.

HEARSAY SYSTEMS INSIGHTS ABOUT SOCIAL CONTENT PUBLISHING TRENDS IN MORTGAGE

Achieving real quality customer engagement can seem daunting in an ever-changing digital landscape, but the right tools and insights can help show the path ahead. Hearsay Systems provides digital client engagement solutions for 170,000 advisors and agents at over 150 of the world's leading financial firms, helping bridge the digital gap so that agents and advisors can focus on connecting with their customers.

To help customers identify key areas to focus on in the digital world, Hearsay Systems conducts an annual content study to analyze social media publishing data from leading organizations across wealth management as well as life insurance, property and casualty (P&C) insurance, and mortgage companies, to determine:

- The types of content suggested the most to advisors by their firms' corporate marketing teams (lifestyle, industry, corporate, corporate-industry, corporate-lifestyle)
- The types of content advisors sought out and published the most, from the suggested content libraries provided by their firms' teams (a critical indicator of whether or not corporate marketing efforts are aligned with their advisors' actual preferences)
- Of those, which content categories received the most engagement from the advisors' followers (likes, comments, shares)
- Actionable best practices and tips for corporate marketing teams to fine-tune their advisor social media programs and for advisors to free up time and improve engagement at the individual, local level

In the first year looking at mortgage companies and their use of social media, the numbers show a more even distribution of suggested content across lifestyle, industry and corporate. Though there was a significant focus on corporate content, mortgage companies suggested the second highest amount of lifestyle content after P&C insurance.

SOURCES

8. Nerdwallet, "9 Housing and Mortgage Trends for the Rest of 2019"



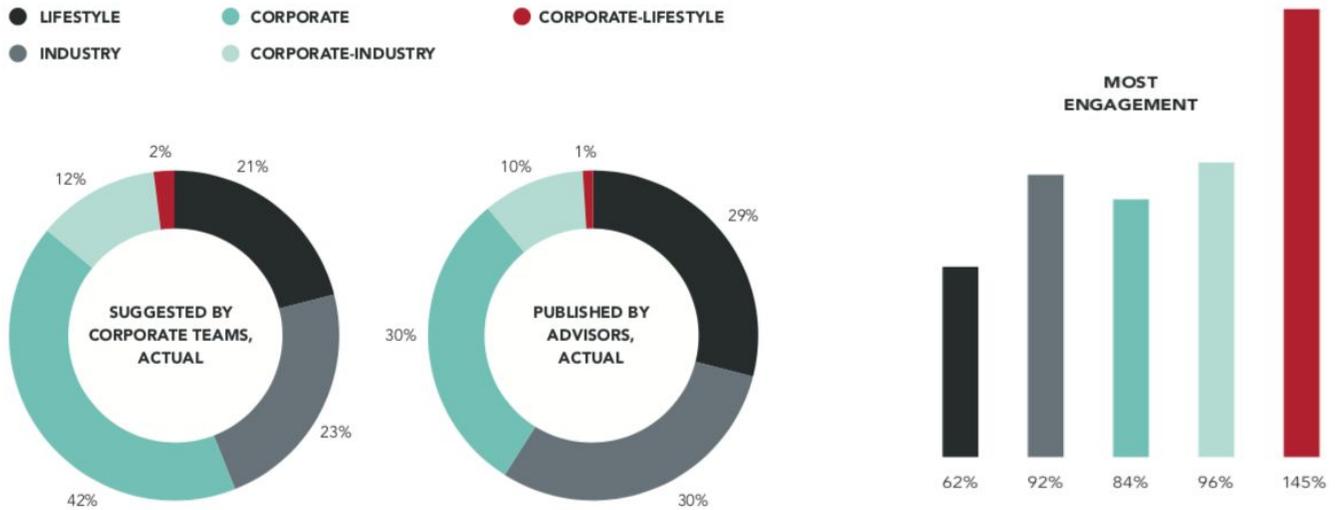
hearsaysystems.com

© Hearsay Systems, Inc.
All rights reserved.

For broker/dealer
use only. Not for use
with the public.

HEARSAY SYSTEMS INSIGHTS (CONTINUED)

Significantly, the engagement level for corporate-lifestyle content was 145 percent – the highest of all engagement rates in the study. Yet hybrid content (corporate-lifestyle) was recommended at only 2 percent and published at only 1 percent. This suggests that both corporate marketing would benefit from reevaluating their content creation and suggestion strategy, as well as educate the field on this potentially valuable content category. It's interesting to note that mortgage loan officers published content at an almost exact three-way split between lifestyle, industry, and corporate content.



KEY TAKEAWAYS

Mortgage loan officers tend to do well with evergreen industry content that is focused around the business. This can include information about products and services, referral and recruiting information, as well as answers to top-of-mind client questions and concerns. The most popular content library search terms with mortgage loan officers were "refinance", "HARP", "mortgage calculator", and "first-time home buyer".

Hybrid corporate-industry and corporate-lifestyle content allow mortgage companies to share important industry and corporate news in a helpful manner. These types of posts can be evergreen or seasonal in nature and provide educational content to customers while encouraging them to get in touch and discuss their options as they move through the home-buying journey:

- "Thinking of buying a home, but not sure how to get started? Don't worry, I'm here to help with a free consultation. We can review your information together and explore which home financing options make the most sense for you. Contact me today!"
- "HARP has been extended through December 31, 2018. With the government's Home Affordable Refinance Program, you may be able to reduce your monthly mortgage payment or shorten the term of your existing mortgage. Check out my site for details and contact me to find out if you qualify!"

Corporate marketing teams can help their loan officers save time by creating helpful content around popular themes like refinancing and first-time buyer programs and by pulling vetted content from well-known, respected news organizations, and personal finance sites.



hearsaysystems.com

© Hearsay Systems, Inc.
All rights reserved.

For broker/dealer
use only. Not for use
with the public.