JORNAYA TALKS MORTGAGE

A Tale of Two Lenders Pt.2

w/ Jeff Piotrowski, Senior Director, Jornaya

When banks compete, Jeff wins! Join Mike Eshelman, Head of Consumer Finance at Jornaya, as he talks with colleague Jeff Piotrowski, Senior Director at Jornaya, about his experience filling out a lead generation form and being matched with multiple lenders, how his current servicer failed, and signing closing papers during a pandemic, in a mask, in his garage.

TRANSCRIPT

Speaker 1 (00:08):

Welcome to the Jornaya Talks Mortgage Podcast. I'm your host, Mike Eshelman, Head of Consumer Finance at Jornaya, and decided to pull Jeff Piotrowski into the podcast, which is actually part two. The first time we spoke, we were talking about my journey going through the home purchase process. A tale of two lenders. You know, I had an interesting experience with two very well known national banks and what that experience was like with these two lenders using the same digital mortgage technology yet completely different experiences. And while having that discussion, Jeff says, you know, I'm going through a refinance. I was shopping for a refinance. And so I found it quite interesting that we decided to make this a part two and, and talk about your journey because it's not unlike many people out there looking for a mortgage, especially in this time with incredibly low interest rates and and coronavirus, you actually had a hiccup in the process that I recall because of coronavirus specifically, but before we really get into that story, just to kind of introduce you to the listeners. Jeff has a lot of our relationship with the insurance carriers pulls in a lot of data that Jornaya has and hosts a, what is it now biweekly or so Pulse conference call with a lot of the insurance carriers out there. So give us a little background on what you do at Jornaya, as well as some of these Pulse meetings that you've been having.

Speaker 2 (01:53):

Yeah, sure thing, Mike and honored to be asked back on for part two. So I am senior director of insurance at Jornaya, as you had mentioned, managing the relationships and thought leadership that we put out into our market working a lot with our general manager of insurance, your counterpart, Jamie Pickles to evangelize our work in insurance and maximize the value that we're delivering to carriers, brokers need to seize across P&C, life, and health lines of business in insurance. This time has been a really interesting story in insurance. If you think about all of the giveback programs and the rebates and the lack of driving that's occurring in the P&C market.

Speaker 1 (02:50):

I mean, a lot of people's relationships with their carriers are actually kind of being lived out publicly, right. And we're seeing more shopping now in auto home and health obviously due to these macroeconomic conditions than we, than we normally see. And I'm talking about double digit percent increases in the consumer market for those insurance products. Life has also been a very interesting story because if you think about applying for life insurance a lot of person to person and face to face contact needs to happen in a traditional underwriting for, for life insurance, medical exams being a big piece of that can't do that anymore, right? So the interest is there, but the ability to fulfill those sales and fulfill those policies isn't, so it's been a really, really interesting time and insurance and really interesting. And, and I'm grateful to have the conversations biweekly with some of the largest carriers and brokers in the country on what they're seeing as well.

Speaker 2 (04:00):

Yeah. And I know there was one, so some overlap. I'm able to join you on a lot of those calls and kind of give a quick mortgage overview as to what's going on because there are some intersections. Especially when it comes to performance marketing and insurance and mortgage. One thing that we discovered through having these meetings is that when mortgage rates dropped substantially, a lot of consumers yourself included, went shopping to find a mortgage lender to do a refinance. And the impact that that had is it actually drove so much organic traffic to websites, to mortgage lenders that a lot of these mortgage lenders that typically buy a substantial number of leads from performance marketers. I mean, the demand dropped quite a bit. They didn't need to be buying these leads coming in from partners, performance marketing partners, because there was so much organic and there was so much in their database that they can go back to, to find new business. They hit capacity. And we saw performance marketers shift from spending money on driving mortgage consumers to having insurance consumers, too.

Speaker 1 (05:25):

Brands. And we saw that pretty clearly in the data that we have access to. It was almost a mirror image. The decrease in mortgage was commensurate with the increase in insurance from on a percentage basis. It was really, really interesting to see. Yeah. Okay. So shifting over to your experience I remember I'm going to take a little bit of credit here. I'm gonna pat myself on the back because I put out

Speaker 1 (05:52):

A little public service announcement to some saying, Hey, rates are spectacular for you, some to look at for your personal finances. See if it makes sense for you because it's making a whole heck of a lot of sense for a lot of people. And you were one, you saw that and you started shopping around. And when I heard this story, it just, I mean, let's talk about it. I mean, now that we kinda know what you heard out there from me, but it was also in the news review looking and shopping for refinance. So tell us about what you did. Yeah. So I'll take a step back before we, before we, we progress from you mentioning to me that I should refinance. So prior to this, my first home that my wife and I had bought was a townhome that we purchased in 2015 right.

Speaker 1 (06:55):

As we were getting married. And at that point we secured our mortgage through the builder's lender because they offered a bunch of incentives in order to do that a bunch of you know, icing on the cake. Yeah, yeah. We didn't know better. It was easy to do. Right. So we did shop a little bit, but ultimately simplicity and the shiny bright objects drove a lot of it. And we got a 3.75% 30-year fixed. So I felt pretty good about that. Yeah. I felt pretty good about that in 2015 our mortgage was immediately sold. We hated working with our service. They were non-responsive and had no online portal. We paid our mortgage by mail. We had issues with them making our escrow payments on time. The list goes on, right. So we knew that heading into any additional mortgage and home buying journey we would enter it with much more caution and deliberation.

Speaker 1 (07:58):

So we bought a house in October of 2019. We worked with a mortgage broker referred to us by our realtor. Who's a friend of mine and we're able to secure three and a half percent, a 30-year fixed and felt really good about that back in October. So when the fed first reduced rates on, what was it March 2nd, I think right around there, beginning of March. And you made that, that recommendation. I was thinking to myself, like, I'm pretty happy with my rate and I just moved in in October. Like I just closed on my house. Is this really going to be worth my while? And I decided to look into it further. So winning on, I went on Lending Tree, I filled out a lead form. And then within 30 seconds of filling out that lead form, I got a phone call from a, a fronter who transferred me into a specific lender Cardinal Financial, who, by the way, I ended up going with I talked to a senior loan officer there who is very very patient, very informative and educational and spoke to me, not in mortgage jargon, but in a way that I, I truly could pick up and understand.

Speaker 1 (09:15):

The other thing I really liked was when we were talking rates zero points attached, like it was a really simple, straightforward offer. Right. I also spoke with three other lenders after that phone call two of them being some of the largest in the country one led with a really complex offer where I'd need to buy points and, and just to get to a place that I felt comfortable with and the other, I was working with a very junior LO. And it was clear that like anything I was asking him, he'd need to go ask his manager essentially to get demonstrating. Yeah. Yeah. And then there were a bunch of other sort of more regional lenders that kind of trickled in over the course of, of a matter of days after that original lead form. But it was very clear that speed to lead was important in this case.

Speaker 1 (10:08):

And like I said, I ended up going with my original conversation I had, the first conversation I had. During this time though, I also reached out to my existing servicer, who I just got tied to in October and seemed to be having a really good experience with. So I wanted them to have the opportunity to throw their hat in the ring. Plus I kind of thought, “Hey, it's my existing servicer. They're going to want to keep my business.” So they're going to put their best foot forward. Right. Mike, I couldn't even get him on the phone. Like I called them. I spent 20 minutes going through an IVR and a hold process. And then I spoke to another frontier. So a non LO, who's just basically taking down what my request was about. I got put on hold for another 20 minutes. And I was out on the, on the trail outside of our office, just during my lunch hour walking, trying to figure all this out. And at that point I was like my lunch hours over. I gotta go. So I hung up and didn't try them again. I never got a call by the way.

Speaker 2 (11:17):

It is mind boggling because I work with a lot of servicers. I know the time energy effort that the data science team, the modelers, the marketers put into identifying those that are in the market. Those are at risk of leaving the portfolio. I know the economics of onboarding a mortgage loan. And at what point they're hoping to turn a profit. So, I mean, there's so much data that your servicer has on you to help them make better decisions. And for you to call in when rates are clearly lower your loans already there, even if their queue. And I know the time that you did this and all lenders were at max capacity and crazy busy. So, but to put that at least aside a little bit, it just shows the importance of having a digital mortgage process available for you to go through corporate communications, to be going out, to try and get you through a funnel and get you a quote so that if you want to go through and see what rates available at your current servicer, even if it's difficult to get them on the phone, I mean, it's, it's vital to keeping retention rates as high as possible.

Speaker 2 (12:45):

So it's shocking that you still hadn't even gotten a phone call today going through that whole entire process.

Speaker 1 (12:53):

Well, even if I got an email or text saying, sorry, we missed your call our call center capacities are completely maxed out right now, as I can, as I hope you can understand, is there a time that we can set up to call you? Or please feel free to give this person a call back and it will go directly to their line, you know, something to do, white glove the experience a little bit for me

Speaker 2 (13:22):

And say that you matter. And I mean, to your point, like, yeah,

Speaker 1 (13:27):

We have a little bit of peeking behind the curtain to see how the wizard works in working with marketers all day. So I was, frankly, I was baffled that existing servicing was taking a back seat to all the refi activity and the influx of, of consumer shopping that was going on. I mean, I know, and I'm appreciative of it being a crazy time. But I was just baffled that I could not get anybody on the phone to offer me a new rate, like, and I know I was trying to help their business.

Speaker 2 (14:03):

And I know who your services are, and I know how big they are and I know their capabilities. And so that, that makes it all the more frustrating, you know, to be hearing this. But it sounds like, you know, you filled out your form, you got matched up speed, the lead wins the conversation, right? They got you on the phone, they had a good conversation with you. It puts them in the driver's seat of winning your business, because they're able to have that first conversation here, why you're looking to refinance what your current rates are, and what's important to you. And you were speaking with someone competent. Yeah, the competency was huge.

Speaker 1 (14:49):

Because even if he wasn't the best offer he was a senior loan officer that was actually managing other LOs as well. It was clear that he's been doing this a long time and he listened to me. I explained to him what was important to me and like where we needed to be, and Hey, these other lenders don't have origination fees. So how should I be, you know, measuring the, the rates that I'm getting from them versus the package that you're offering me. And he never felt frustrated, never felt defensive or anything like that. He really tried to provide me with as much information as possible so that I could make an informed decision. And ultimately by the way did find ways to make his offer the best one.

Speaker 1 (15:43):

So that plus, I mean, this didn't factor into our decision, but the origination platform that they use was really simple, all digital and sent us a ton of emails to let us know, like what we just finished. What is next? When do you expect it? Who do you expect it from? I mean, over communicating to make sure you're informed of every step along the way. And I'm somebody who has done this, you know, once before in, in, or actually twice in, in a purchase mortgage, but never in a refi. But I kind of knew what to expect. Like imagine if I had zero experience and I was going into a new purchase loan or or anything like that. I mean, it was just extremely helpful. Yeah. So, so you proceed with them and it's the time of coronavirus and there were some hiccups but I'm, I'm interested in hearing what that experience was like, but in addition to that, being a factor, you know, did they follow through with their quote, what was the experience overall?

Speaker 1 (17:02):

Because again, this is a time when mortgage lenders are busier than ever. So I'm, I'm sure from their standpoint, things took longer than they typically do from their side. And it was probably harder to make sure that they stayed in touch with you as much as they normally do. But I'm curious to hear from your standpoint, you know, what was that like? Yeah. At some point surreal, like so the process originally was going off without a hitch and we made a lot of progress very quickly. The actual closing associated with some of the documentation that the lender needed to get where County offices were closed and they couldn't get a hold of anybody. And that, that ultimately pushed us out pushed out our closing my three weeks, at least on, on the new loan.

Speaker 1 (18:06):

And that was fine as long as they were willing to continue to keep the rate locked. Because actually from the time that we got the original quote the original rate quote to when we locked we went from a 3.0% on a 30-year fixed to a two eight, seven, five. And my LO was like, hold on, we're on the phone locking. And he was like, hold on, hold on. I must've keyed something in wrong or something like that. Just hold on one second. So then I'm silent for like 30 seconds. And I'm thinking, I have no idea what this guy is doing. Like, why is he, why is he thinking that he made a mistake? And he goes, I've actually never seen these numbers in my system before on a 30-year fixed loan. So he wanted to triple check everything.

Speaker 1 (18:56):

So that was great. The numbers came down by the time we locked, but the process to actually get to closing was arduous. And then the actual closing that was the craziest part. So we had a mobile notary come to our house. And again, this is like peak times when home orders are in place. And we still knew very, very little about what was going on. So my wife and I are wearing masks. We had set up a table in our garage. The kids are sleeping upstairs hazmat suits essentially. And so a thunderstorm's rolling in the notary is there, she's got her mask on, she's passing us documents across this, you know, this large table that we typically reserved for parties. And and so we're filling out all these forms and it's a typical sort of closing in that way, but like, we're standing in my garage doing it and we're standing up and all of us have gear on and, you know, PPE, and then this thunderstorm continues to get worse and worse, and it starts hailing right outside of my garage.

Speaker 1 (20:05):

So I have to close the garage doors, which were open for ventilation. And I'm thinking to myself, if we started hearing tornado sirens, I'm going to have to invite this poor woman inside of my house. And we haven't seen anybody like any other humans for like two months. So it was just a very, very surreal process. But we ended up closing everything, you know, worked okay. But definitely an abnormal refinancing. That's for sure.

Speaker 2 (20:34):

Yeah. I, you know, so thinking back to the beginning of your story, when you bought the townhouse and went with the home builder, the loan was transferred to a servicer

Speaker 1 (20:48):

And that servicer didn't give you a good experience to the point that the next time you were in the market for a mortgage, you didn't even want to consider them correct. I mean, that's the first thing that stood out in my mind. And this story is that that transfer process, that handoff, because that happens a lot in mortgage, someone who originates and funds your loan isn't necessarily going to be the company that's going to service. Yes, it's a whole different business. And so it's not unusual that that happens, but, but that's a key part in, in teeing, a servicer's ability up to retain the customer's business is that transfer process and being over communicative and providing a, a portal to go in and not have to lick a stamp and put it on an envelope to mail in a payment. And I mean, high that I believe you were talking about in 2015, but I mean, come on, that's kind of, that's a very basic thing to be offering.

Speaker 1 (21:51):

And so from that moment of transfer, they lost your future business. That's a hundred percent. We couldn't, we could not wait to get away from them. And then the, the second purchase mortgage that we had in October was a very different experience because we went with a broker who was friends with our realtor, who we’re friends with. So like and we did our own little homework, but he ended up leading with the best offer. But so that was a very different sort of roundabout way to get to our servicer pre refi. So but we had such a good experience with our servicer from October to March that I was willing to entertain, you know, keeping them and and the, the service that I got or lack thereof was what prevented me from even considering.

Speaker 1 (22:49):

Yeah. So, so now that's on the, you know, your second servicer is on the tail end of the process where the poor experience was there, they had a shot at one of your businesses and they didn't.

So all in all everything's said and done, you have a new interest rate below three. Yeah. Although I've got a bone to pick with you because here I am taking your recommendation. I'm like Mike said it, so I should get on and figure it out and rates now, or even lower than they were. So yeah, I think I think my, you know, I feel like the boy who cried Wolf internally, because I've made like four or five public service announcements in the last few months, rates have never been lower, rates have never been lower, go explore. It's kind of like, what is he doing? It's like, well, that's, what's happened. I think we had three days in a row, possibly

Speaker 2 (23:46):

Last week where it was at an all time, low rates are just saying sane right now. It is keeping everyone in the mortgage industry very busy at a time that is very weird with COVID signings heck we might be shutting down things again in certain areas, which are gonna make you know, like your experience and needing the, the County office being open to, to get some information. But but all in all, I gotta say, as an industry, I've been incredibly impressed with everyone doing record volumes at a time that is really strange, forced work from home experiments. It's been incredibly wild, but yeah, I'm, I got to say your, your shopping journey is not unusual. You know, filling out a form when banks compete, you win, you spoke to enough lenders to have confidence and you spoke to someone that's competent so that you felt comfortable that you can get through the process with a good solid company. So so glad to hear that.

Speaker 1 (24:59):

And then the technology to, to your, you know, earlier a tale of two lenders, the technology was nice icing on the cake as well.

Speaker 2 (25:09):

Yeah, there's, it really should be table stakes right now for any lender to have the ability for a consumer to go through an online portal to be able to call in and speak to a loan officer or even a front or a transaction coordinator that has access to the information of where you are in that journey and filling out the application, et cetera, to tie it all together and give you a good experience. So, yeah, it's, it's really important and it's shocking to see that some people still don't have it completely together in that respect because you can either build or you can buy. And those that are buying the technology, there's plenty of fantastic digital mortgage technologies that are available out there to plug and play. So quite a bit it's changed since the first time I bought a house and got a mortgage

Speaker 1 (26:01):

Well-said on it should be table stakes, because that is now my expectation going forward. The experience I had was so positive that I, it, whether I stay with my existing service or long term or, or, you know, whether rates get better and I get a more competitive offer elsewhere. And in subsequent times in my life I will now expect that type of experience as a consumer.

Speaker 1 (26:28):

So right on, well with that, we'll close it out. Thanks for joining the podcast. And I look forward to the next pulse and giving my little mortgage update, but also learning quite a bit about the insurance journeys and the data, all the partners that we have that contribute to that.

Speaker 2 (26:44):

I look forward to joining again and until next time, take care. Thanks, Mike.