



EXPERT TAKES: BLUEPRINT FOR BEING YOUR COMMUNITY'S PREFERRED HOME LENDER

By Lionel Urban, Mortgage Lending Expert

EXECUTIVE SUMMARY

For Community Banks and Credit Unions, home lending represents one of the most powerful—but often underleveraged—opportunities to deepen relationships, grow assets, and reinforce their role as trusted financial anchors within their communities. Yet across the country, many institutions are losing market share to national banks and independent mortgage bankers who have refined their strategies, invested in scalable infrastructure, and prioritized borrower experience.

The reality is not that community institutions lack the capability to compete—it's that they often lack a clearly defined, executable blueprint.

This article outlines that blueprint.

Drawing from current market data and proven industry practices, we will examine the key characteristics of lenders that consistently win the majority of home loan business in their markets. These include offering diverse and flexible loan programs, delivering a seamless omni-channel borrower experience, ensuring immediate access to mortgage expertise, maintaining transparent and competitive pricing, cultivating strong real estate agent relationships, and leveraging scalable expertise through strategic partnerships.

Importantly, this blueprint is not about building everything internally. In today's environment, success comes from combining your institution's local trust and brand with specialized partners who provide the infrastructure, expertise, and scalability required to compete efficiently. When executed correctly, this model delivers superior service, stronger compliance, and a more cost-effective approach to growth.

THE MARKET REALITY: WHY COMMUNITY LENDERS ARE LOSING SHARE

Before outlining the blueprint, it's critical to understand the current competitive landscape.

Across the U.S., national lenders and independent mortgage bankers continue to dominate mortgage originations. According to 2024 Home Mortgage Disclosure Act (HMDA) data, nonbank mortgage lenders now account for approximately 65% of all mortgage originations, up from less than 50% a decade ago. This shift reflects their ability to scale operations, diversify products, and deliver faster borrower experiences.

Blueprint for Being Your Community's Preferred Lender (continued page 2)



Please note that all information provided is for informational purposes only for the exclusive use of licensed mortgage professionals, and not for the general public. Navigator Lending Solutions is a Division of Land Home Financial Services, Inc. NMLS #1796. www.nmlsconsumeraccess.org 1365 Willow Way, Suite 250, Concord, CA 94620. Licensed by the Department of Business Oversight under the California Residential Mortgage Lending Act. Equal Housing Opportunity.

Page 1

4/2026

Additionally:

- Many borrowers now apply with more than one lender, with studies showing nearly 45% of borrowers shop multiple lenders before committing.
- Speed has become a defining factor. Industry data indicates that over 70% of borrowers choose the lender who responds to their inquiry first.
- The National Association of Realtors reports that 87% of homebuyers work with a real estate agent, and those agents heavily influence lender selection.
- According to Freddie Mac research, borrowers can save \$600 to \$1,200 annually by comparing rates, increasing pressure on lenders to remain visibly competitive.

These trends highlight a simple truth: borrowers expect speed, choice, transparency, and expertise. In turn, they reward the institutions that deliver it.

WHY COMMUNITY INSTITUTIONS STRUGGLE TO COMPETE

For most Presidents, CEOs, CFOs, and COOs, the challenge is not a lack of awareness—it's a matter of prioritization and resource allocation.

Home lending requires:

- Specialized expertise
- Technology infrastructure
- Regulatory oversight
- Product diversity
- Sales and marketing coordination

At the executive level, these requirements often compete with broader institutional priorities such as liquidity management, regulatory compliance, digital transformation, and overall profitability. As

a result, mortgage lending becomes reactive rather than strategic.

The institutions that win, however, treat home lending as a defined business line—with a clear blueprint guiding execution.

The Blueprint: Six Core Components of Winning Community Lenders

1. Offer a Broad and Strategic Product Portfolio

Winning lenders do not rely on a limited set of portfolio or conforming loan products. Instead, they deliver a comprehensive suite that meets borrowers across a wide range of financial situations.

This includes:

- First-time homebuyer programs
- Investor and second-home loans
- Non-QM and alternative documentation programs
- Asset-based lending solutions
- Low down payment options
- Portfolio loans for niche or relationship-driven scenarios

The strategic advantage lies in balance.

Portfolio lending should be used thoughtfully—primarily for lower-risk loans that fall outside agency guidelines but align with your institution's risk tolerance. For higher-risk or specialized products, partnering with a private-label provider allows institutions to expand offerings without overexposing their balance sheet.

This approach gives community based FI's an advantage over non-bank lenders and ensures:

- Broader borrower appeal – expanded guidelines not available on the secondary market
- Increased fee income opportunities – Higher yielding rates and closing fees
- Controlled risk exposure via reduced loan defaults and lowered interest rate risk

Institutions that lack product diversity simply lose borrowers to competitors who can say “yes” more often.

2. Deliver a True Omni-Channel Borrower Experience

Today's borrowers expect flexibility in how they engage with a lender.

- An effective omni-channel strategy includes:
- Direct phone access to knowledgeable loan professionals
- Online application capabilities (both short-form and full applications)
- Appointment scheduling for structured consultations
- In-person engagement when needed

Critically, omni-channel does not mean call centers or generic intake systems. It means providing immediate access to subject matter experts who can guide borrowers confidently through the process.

This is especially important given borrower behavior trends. Younger demographics increasingly prefer digital-first interactions, while others still value personal, face-to-face engagement. Institutions must meet both expectations seamlessly.

3. Ensure Immediate Access to Mortgage Expertise

Speed and expertise are no longer differentiators—they are expectations. The most successful lenders operate with a simple principle: the first meaningful conversation often wins the loan.

When a borrower reaches out, they expect:

- Immediate engagement
- Clear program options
- Defined next steps
- Confidence in the process

Institutions that delay response times or rely on voicemail systems risk losing the opportunity entirely. By contrast, lenders who provide real-time access to experienced mortgage professionals significantly improve:

- Lead-to-application conversion rates
- Borrower satisfaction
- Overall pipeline efficiency

This capability does not require a large internal team—it requires the right structure and support.

4. Maintain Transparent and Competitive Pricing

Transparency builds trust—and trust drives conversions. Leading lenders openly display:

- Current mortgage rates
- Program options
- Competitive positioning

While not every institution needs a sophisticated pricing engine, borrowers expect visibility. The absence of published rates often creates doubt and pushes borrowers toward competitors who are more transparent. Given that rate comparison can save borrowers hundreds annually, visibility is essential to remaining competitive.

5. Build and Sustain Real Estate Agent Relationships

Real estate agents remain one of the most influential channels in mortgage origination. With 87% of buyers working with agents, these professionals often guide lender selection based on prior experience, reliability, and confidence in execution. Effective home lending programs often start the inquiry process with a Prequalification that identifies how much a home buyer can afford. In effect, it gives a home buyer confidence to shop for a home. Establishing relationships in the agent community helps keep those applicants with the FI once a home is found. Additionally, agents that understand your lending programs can bring the community lender

- Consistent communication and outreach
- Educational content and product updates
- Co-branded marketing initiatives
- Preferred agent programs

One particularly effective strategy is establishing a structured agent partnership model, where:

- Agents offer closing credits to shared clients
- Borrowers receive tangible financial benefits
- Lenders retain pipeline control and strengthen relationships

The key is consistency. Agents align with lenders who deliver smooth transactions and reliable outcomes—not just competitive rates.

6. Leverage Scalable Expertise Through Strategic Partnerships

Perhaps the most important—and often overlooked—component of the blueprint is how expertise is delivered.

Mortgage lending requires specialized roles across:

- Loan Origination
- Processing
- Underwriting
- Compliance
- Secondary marketing
- Technology management

Building all of this internally is costly, inefficient, and difficult to scale—especially for community institutions with fluctuating loan volumes.

Additionally, the top talent is hard to find and often have compensation that does not align to the models within a community bank or credit union. Staffing costs in mortgage banking are often underestimated. Recruiting, training, and managing costs are higher than many business lines. And, without the right expertise, mistakes can be costly.

The alternative is a partnership model that provides:

- On-demand access to experienced professionals
- Scalable infrastructure aligned with loan volume
- Reduced fixed costs
- Enhanced compliance oversight

This model mirrors the economics of commissioned sales: you pay for production rather than carrying excess overhead. It allows institutions to:

- Avoid overstaffing during slow periods
- Scale quickly during high-demand cycles
- Maintain consistent service levels
- Reduce operational risk

The Role of Strategic Partnership: Why Execution Matters

A blueprint without execution is simply theory. The institutions that successfully implement these strategies do so by aligning with partners who specialize in mortgage lending infrastructure and delivery. This is where a firm like NavPros becomes a critical component of success.

Rather than requiring institutions to build and manage every aspect of mortgage operations internally, NavPros enables:

- White-label mortgage services
- Expanded product offerings without added balance sheet risk
- Access to experienced mortgage professionals
- Integrated compliance and regulatory support
- Cost-effective, production-based pricing models
- Strategic consulting and collaboration

The C-Suite of community banks and credit unions are typically highly capable executives – however, they have competing priorities and obligations that typically prohibit them from understanding and executing on home lending goals. Having access to mortgage lending strategists with track records



of success and understanding their business environment are difficult to find and expensive. NavPros provides quarterly reviews that removes the “Jargon” from meaningful balance sheet, risk and service level conversations. The right partner leverages scalable systems to support how to leverage an FI's existing team within an execution plan. And, provides support for policies, procedures and program guidelines changes that allow an FI's to implement a plan. With templated processes an FI can quickly and cost effectively leverage best practices for marketing, home lending promotion, daily reporting and have all of the necessary technology tools needed for a successful home lending program.

This Strategic Partnership approach transforms mortgage lending from a fixed-cost burden into a scalable, revenue-generating business line.

COST EFFICIENCY AND RISK MANAGEMENT

For CFOs and COOs, the financial and operational implications are clear.

Traditional in-house mortgage models often result in:

- High fixed staffing costs
- Underutilized resources during market downturns
- Increased compliance exposure
- Technology investment burdens

By contrast, a partnership-driven model offers:

- Variable cost structures aligned with production
- Reduced capital investment requirements
- Built-in compliance frameworks
- Predictable operational performance

This is not simply about reducing costs—it's about optimizing them while improving outcomes.

COMPLIANCE AND REGULATORY CONFIDENCE

Mortgage lending remains one of the most heavily regulated areas of financial services. Ensuring compliance across:

- Federal regulations
- State-specific requirements
- Secondary market guidelines

Compliant home lending requires dedicated expertise and continuous monitoring. Institutions that attempt to manage this internally often face increased risk, particularly as regulations evolve.

A specialized partner provides:

- Established compliance frameworks
- Ongoing regulatory updates, training and implementation validation
- Audit-ready processes
- Risk mitigation strategies

For executive leadership, this translates into greater confidence and reduced exposure.

Putting the Blueprint into Action with Service Quality as a Competitive Advantage

Ultimately, the borrower experience determines success. Institutions that consistently win in their communities deliver:

- Fast response times
- Clear communication
- Reliable closings
- Professional guidance throughout the process

By combining local brand trust with scalable mortgage expertise, community lenders can match—and often exceed—the service levels of larger

competitors. To summarize, becoming your community's preferred home lender requires a focused strategy built on six core components:

- A diverse and flexible product portfolio
- A seamless omni-channel borrower experience
- Immediate access to mortgage expertise
- Transparent and competitive pricing
- Strong real estate agent relationships
- Scalable expertise through strategic partnerships

Individually, each component adds value. Together, they create a comprehensive, competitive mortgage platform.

CLOSING THOUGHTS

Community banks and credit unions are uniquely positioned to succeed in home lending. They possess what large institutions often lack: deep local relationships, trust, and a commitment to serving their communities.

What has been missing is not capability—but structure. By adopting a clear blueprint and leveraging the right partnerships, institutions can:

- Reclaim market share
- Increase non-interest income

- Strengthen customer relationships
- Operate more efficiently and compliantly

NavPros exists to support this transformation—providing the expertise, infrastructure, and partnership needed to execute at a high level without the burden of building it alone. In today's competitive environment, success in mortgage lending is not reserved for the largest players. It belongs to the institutions that are best organized, best equipped, and best aligned with the needs of modern borrowers.

With the right blueprint—and the right partner—your institution can become the preferred home lender in your community.



Lionel Urban is a technology leader for mortgage banking and has over 100,000 hours of mortgage banking experience since 1987. He serves as the President of Navigator Lending Solutions, a Division of Land Home Financial Services and supports lenders with mortgage Process Analysis, Technology Planning, Project Management and Advisory Board Services.

Lionel Urban - Inquiries@NavPros.com, (808) 255-3663

President of Navigator Lending Solutions,
a Division of Land Home Financial Services, Inc.