

# Homestead Financial Lowers Acquisition Costs and Increases Engagement—with Ellie Mae’s Consumer Engagement Solutions

## Company Profile

- Chesterfield, MO
- \$250M in annual loan origination volume (2017)

## Challenge

- Move company from a lead-driven, refinance organization to a more balanced, refinance/purchase organization
- Enable loan officers to build business in the field without missing out on leads back at the office
- Build ongoing relationships with homeowners so they become future refinance or new mortgage customers

## Benefits

- Supports decentralized model
- Ensures balanced distribution and compliance
- Enables loan officers to increase purchase business more efficiently
- Keeps company top-of-mind with past customers and referrals
- Enables loan officers to build lifelong customer and prospect relationships
- Lowers cost of acquisition

## THE CHALLENGE

Homestead Financial has had a lot of iterations since its founding in 1996. The company began as a basic mortgage broker with telemarketers and a few loan officers responding to leads. In 2001, it evolved into a mortgage banker, with a heavy refinance business fueled by an infectious advertising campaign.

“It was one of those things that made us look a lot more successful than we actual were. People could sing our jingle, but number-wise, we were an ‘also ran,’” explained Jayson Hardie, partner and one of the three founders of Homestead Financial. “We started realizing that the most successful companies had a purchase base and a referral base, and they weren’t spending the \$200,000 a month we were spending on lead generation.”

They also recognized that moving from a call center to a referral-based organization wasn’t going to be an easy task.

“The only way we could break into the purchase market was through loan officer development—deepening our own bench,” Hardie said. “That’s where Ellie Mae products came into play, starting with Velocify.”

## THE SOLUTION

Essentially, Homestead Financial was moving from a model in which loan officers waited at their desks while the company made the phones ring, to one in which its loan officers were out in the field, making their own phones ring.

With Velocify, lead distribution is decentralized, supporting a more mobile workforce. The loan officers can go out in the field, have coffee with their agents, or go to a noon closing. Then, if they’re not having a good day, can access some leads on their mobile devices without having to return to the home office.

“By giving our loan officers mobile access to their leads, Velocify unchains them from their desks, so they can get out and build their business—but do it with a safety net,” Hardie said.

Not long after starting with Velocify, Homestead Financial added Encompass and Encompass CRM to the mix.

Encompass provided a digital mortgage solution that supported the company’s decentralized model and its increased origination business. At the same time, the combination of Velocify and Encompass CRM enabled Homestead to move from a mass-marketing-driven organization with many one-time borrowers into one that nurtured “Customers for Life.”

Now, not only do Homestead’s loan officers focus their time where they’ll get the greatest returns, but by moving from mass marketing to a more targeted communication strategy, the company gets greater returns on its marketing dollars.

“With Encompass CRM, loan officers can start building relationships within the first month the lead falls into their laps, with birthday cards and automated contacts, which drives repeat business, loyalty and referrals,” Hardie said.

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“The company now closes 30% more retention loans than it did without these tools.”

JAYSON HARDIE  
PARTNER AND FOUNDER  
HOMESTEAD FINANCIAL

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## THE RESULTS

### Dramatic Increase in Purchase Loans

When Homestead Financial started using Velocify, and later, Encompass and Encompass CRM, the goal was to increase its purchase loan business in a big way. The company definitely succeeded.

“We went from 2 percent purchase in 2013 to around 15 percent in 2015 to 25 percent in 2016,” Hardie said. “We ended 2017 at 51 percent purchase.”

By giving its loan officers the freedom to work leads while developing relations in the field, and automated CRM tools to drive retention, Homestead Financial completely reinvented itself as a loan originator—and continues to trend up in that area.

### Reduced Advertising Expenses

In 2012, Homestead Financial spent \$200,000 per month on advertising to keep the leads coming. The company now spends between \$125,000 to \$150,000 per month on advertising—a savings of \$600,000 to \$900,000 per year, which also yields increased sales.

“With Velocify and Encompass products supporting our hybrid approach, we don’t have to spend as much on advertising and we gain a more durable model,” Hardie said.

### Improved Loan Officer Productivity and Success

With mobile access to leads through Velocify and the efficiency of Encompass, Homestead’s loan officers can spend their time more productively, wherever they are.

“They can spend their day in the way that makes the most sense for their business, and pull the right purchase lead, based on media or however it’s generated. Then, Encompass makes the process easy for the borrower,” Hardie said. “I had an agent get a phone call directly from a borrower based on our marketing, their realtor didn’t really know us and was suspicious. But, the transaction went so well that the realtor became an advocate for us. That loan officer can trace his entire book of business back to referrals and contacts from that one phone call.”

### Increased Retention Loans

When Homestead Financial was advertising driven, it amassed a lot of one-time customers.

Since leveraging Velocify and targeted, one-on-one marketing through Encompass CRM, the company now closes 30 percent more retention loans than it did without these tools, transforming customers into “Customers for Life.”

### Ability to Recruit New Talent

“If we’re recruiting someone from a centralized call center model, we can give them an opportunity to build their own business without the risk of missing out on leads,” Hardie said. “I think everyone wants to work in a referral model to have more control of their lives and business but, most can’t give up the concept of a sure thing. With the tools we offer, they don’t have to.”

That’s a value proposition that continues to pay off, for the company, its loan officers and borrowers alike.