

How to Build and Expand a Strong Referral Network



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As a loan officer, building strong relationships with professionals in related industries is an effective way to expand your sales pipeline and increase business opportunities. Real estate agents, divorce attorneys, financial advisors, and other professionals in the housing and finance industries all have clients who may need financing for a home purchase or refinancing. By building strong relationships with these professionals, you can tap into their network of potential customers and increase your chances of securing new business. Here are some practical tips for building relationships with these professionals.

Identify potential partners

The first step in building relationships with other professionals is to identify potential partners. Start by researching professionals in your local area who work in related industries. Look for professionals who have a strong reputation and a track record of success. Consider attending industry events and joining regional business organizations to connect with other professionals in your area.

Build trust

Building trust is essential when working with other professionals. Be transparent about your lending products, rates, and terms. Respond promptly to inquiries and keep your promises. Share testimonials and references from satisfied customers to demonstrate your expertise and commitment to customer satisfaction.

Provide value

The knowledge, experience, and service your team can provide are valuable to prospective referral partners and their clientele. For example, offer to host educational seminars for real estate agents on topics such as the mortgage process, down payment assistance programs, or the non-QM financing options you can provide. Share relevant industry news or trends with partners via a weekly newsletter or video to keep them informed. Offer to make yourself available for joint meetings with their clients to facilitate communication and collaboration.

Maintain communication

Consistent communication is key to building and maintaining relationships with other professionals. Regularly check in with your referral partners via their preferred communication channels - phone, email, text, or in-person meetings - to stay top of mind. Send out regular newsletters or updates on industry news and trends. Follow your partners on social media to keep informed of their business achievements and the information they post to their customers.

Be responsive

Being responsive is crucial when working with other professionals. Respond promptly to inquiries and requests for information. Be available to answer their questions and provide guidance to communicate on your behalf when needed. Make sure to follow up promptly on any leads or referrals provided to you.

How to Identify and Connect with New Referral Partners

Real Estate Agents

Real estate agents are the first point of contact for most borrowers, and they often control lender referrals. In 2022, real estate agents were the top referral source for originators¹, which is not surprising when you consider that in 2023 31% of homebuyers relied on a referral from a realtor and 24% of less experienced homebuyers (1-2 mortgages) say that a referral from their realtor is one of the most important factors in their choice of a lender². When asked why their realtor referred the lender that they did, 53% believed it was because the realtor and lender had an existing relationship².

As of March 2023, there were 1,526,915 Realtors® in the United States³. Florida (216,493), California (195,015), and Texas (145,211) have significantly more Realtors® than any other state. However, there were only 562,565 active listings across the U.S. in March 2023⁴, so it's essential to identify the successful Realtors® with multiple listings for your network.

Top ways to expand your referral network with real estate agents

The top ways mortgage originators built relationships with real estate agents¹ in 2022 were:

- 65% Referrals
- 55% Networking & Community Events
- 49% Lunches & Happy Hours
- 40% Attend Closings Weekly
- 30% Housing Events

One way to make an impression with agents you would like to partner with is to ask about recent deals that were denied or couldn't close on time. Demonstrate your loan prowess by explaining a loan product you offer that could've resulted in an approval and the typical time to close a loan with your company. Request that they contact you if they have a similar issue next time so you can obtain the loan and impress a new referral partner.

Increase the exposure of your agent partner listings and obtain buyer leads you can refer back by sharing and reposting to your social media. Here's an example of reposting an agent tweet that highlights the parameters that homebuyers use to search for properties:



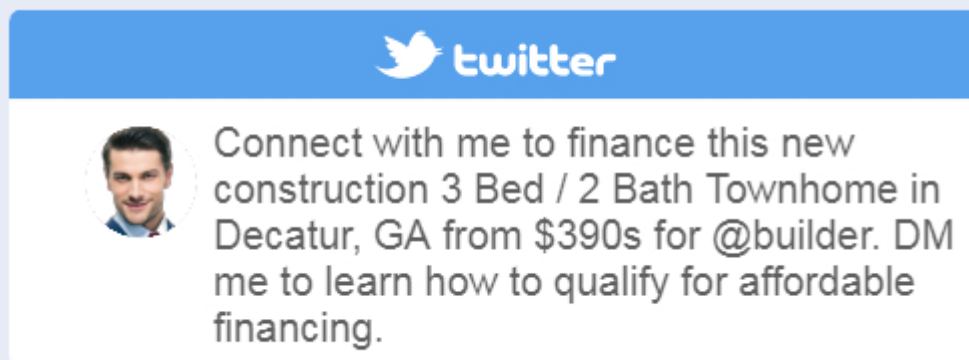
Builders

Builders were identified as a primary referral source by 19% of all originators and 35% of community bank originators in 2022¹.

Top ways to expand your referral network with builders

- Most originators succeed with builders by becoming the preferred mortgage lender for a specific development. Builders usually only present one or two lender partners, so if you can be selected, you should be able to obtain multiple loans. You should be committed to regularly attending open houses to explain the financing process to prospective homebuyers.
- If your strategy is to expand your sales database with empty nesters, target builders of active 55+ adult communities.
- Similar to the recommendation for sharing real estate agents' listings posted to social media, you should also repost listings from your builder partners to drive leads. A beneficial way to share and repost is to add a few keywords that homebuyers use to search for new properties.

Here's an example of reposting a builder tweet:



Financial Advisors

Financial advisors and CPAs were identified as a top referral source by 26% of all originators in 2022¹. In 2023, homebuyers said their financial advisor (26%) and account (16%) referred them to their mortgage lender². Financial advisors are an excellent source to obtain move-up and retiring home buyers, and sellers to refer to your real estate agents.

Top ways to expand your referral network with financial advisors

The National Financial Planning Association and The National Association of Personal Financial Advisors offer online educational resources to help mortgage originators communicate how their home financing services can complement their services. Both organizations offer networking opportunities on their websites.

Lawyers and Attorneys

Estate lawyers were identified as a top referral source by 11% of all originators in 2022¹. In 2023, 16% of homebuyers said their attorney referred them to their mortgage lender².

Divorce attorneys should also be added to your network, as a marital home usually needs to be settled, and at least one of the spouses will need a new home.

Top ways to expand your referral network with lawyers and attorneys

- The American Academy of Estate Planning Attorneys and The American College of Trust and Estate Counsel have online resources to familiarize yourself with the industry.
- The National Association of Estate Planners & Councils has 287 local estate planning councils throughout the U.S. to meet local estate planners.
- The Divorce Lending Association offers training to become a Certified Divorce Lending Professional to better serve clients ending their marriages.



Relocation Firms

While some mortgage lenders specialize in providing relocation services to companies, they often have all of their originators based in one location. The advantage your business can offer relocating employees is knowledge of the city where they need to move and a network of real estate agents to refer the home buyer or seller for their property search.

Top ways to expand your referral network with relocation firms

- Market your services to corporate relocation management firms and companies who move their employees to and around the United States.
- Offer to refer both buyers and sellers to real estate agents with experience finding suitable homes for executives and relocating employees.
- Organizations such as Worldwide ERC offer Service Provider memberships that offer professional certification, networking opportunities, and the ability to market your services to corporate members.
- Real estate agents can obtain a Military Relocation Professional (MRP) certification through the National Association of Realtors®.

Past Customers

To expand your referral network, it's essential to ask every past customer who has had a positive experience for a testimonial and a referral. In 2023, 32% of homebuyers said a friend or family member referred them to their mortgage lender².

Top ways to expand your referral network with past customers

- Testimonials and reviews are essential to demonstrate your customer service to future customers. Allow two weeks after the loan has closed to make your first request, as this provides the new homeowner with time to move and set up their first mortgage payment. Provide links directly to your social media channels to enable homeowners to select the social channel they use.
- About a month later, which has given them time to unpack, reconnect to see if you can answer any questions on their mortgage servicer, then follow up with a request to make a referral to their new neighborhoods, family, friends, and business network. Clearly state in your request the type of business referrals you prefer, as they might know real estate agents, builders, divorce attorneys, and financial planners in their business and social network but may not realize your business can benefit from these referrals.
- Remind past clients that you have an extended network of real estate agents and loan officers to refer if they know someone who is relocating. Many homeowners would not consider that out-of-state referrals would be helpful to you or that you could assist a friend or colleague relocating.



Data Sources

¹ 2022 MGIC Loan Originators Survey Report

² 2023 Borrower Insights Survey, ICE Mortgage Technology

³ National Association of Realtors® monthly membership report

⁴ Realtor.com®

Capturing leads and nurturing prospective customers through your sales funnel

Once you've established a marketing strategy and developed tactics to expand your referral network, how will you direct your consumer leads to your sales funnel and nurture them toward mortgage readiness? How will you stay meaningfully engaged with homeowners who could be a few years from needing another mortgage?

Prospective homebuyers will be at various stages of mortgage readiness when they enter your sales funnel. A first-time homebuyer referred to you by a real estate agent will likely have different questions, financial resources, and credit health than a move-up homebuyer referred by a financial advisor or a divorcing homeowner referred by an attorney.

A private-labeled FinLocker app can be offered to every prospective borrower who enters your sales database. Each borrower selects their homeownership objectives and goals when setting up their account, and the platform analyzes and aggregates their enrolled financial data to provide them with a personalized journey to achieve their homeownership goals.

Mortgage lenders and their originators are provided with consumer-permissioned data-driven insights to monitor the progress of each borrower through their homeownership journey to improve their lead to loan conversion.

If you want to give your loan officers a competitive advantage to help build their referral network and nurture their customer database, [click here to watch our online demo or schedule a 1:1 personal consultation.](#)

