



DIGITAL LENDING IN ACTION

ALTERRA HOME LOANS
INNOVATE TO DIFFERENTIATE

COMPANY BACKGROUND:
LAS VEGAS, NEVADA

65

LOCATIONS

300

LOAN
OFFICERS

92%

PERCENT
PURCHASE

8%

REFINANCE

“WE ARE FANATICS OF TECHNOLOGY, OBSESSED WITH SPEED, AND GETTING THE INFORMATION WE NEED TO MAKE DECISIONS MORE QUICKLY.”

MIGUEL NARVAEZ, EVP, CHIEF PRODUCTION OFFICER FOR ALTERRA HOME LOANS

There are conformists; companies content to follow the norm. Then, there is Alterra Home Loans.

This Las Vegas-based mortgage company has been charting its own path since opening its doors, first as a wholesale lender in 2007, then moving to retail in 2009.

“Our company is based on serving minorities and diverse markets; with an emphasis on new home buyers,” explained Miguel Narvaez, EVP, Chief Production Officer for Alterra Home

Loans. “Today, about 92 percent of our business is purchase, with 82 percent of those loans going to diverse communities. About 60 percent of those customers are first-time home buyers, so, our operations are very specialized to their needs. That’s the first way we differentiate ourselves.”

The second is through technology.

“We are fanatics of technology, obsessed with speed, and making sure we get the information we need quickly. We were one of the first companies to use our LOS, Lending QB,” he said.

“We created our data analytics platform, Alterra Dashboard, a few years back. It now tracks each area of the company, automatically issuing reports every three minutes. At any given moment, we know where we stand, in terms of profitability, customer service and sales.”

But, company leaders also believe that the value of technology extends beyond the back office. To that end, this digital leader is not afraid to stay on the bleeding edge—not only bringing on new technology, but, oftentimes, developing their own to drive sales, build relationships and differentiate in a very real way.

Here are three of the most recent examples of this digital lender in action.

A VISION, A MOBILE APP AND A LESSON LEARNED

As the mobile device entered ubiquity, Alterra leaders started thinking about the possibilities.

“About two and a half years ago, we started looking for a mobile app that would facilitate communication, transparency and improve the relationship between Realtors and our loan officers,” Narvaez said.

“Remember, at the time, about 95 percent of the industry did not have any type of mobile mortgage application, so, we were considering something that was very new.”

Not finding exactly what he wanted, Narvaez hired a team of contract developers and built the Pronto mobile application themselves.

After two years, the application was ready to be launched—so, everyone thought.

“When you build an application, you want to make sure that it is adopted, because adoption is priceless,” Narvaez said.” But, when we launched Pronto, we realized that we had a lot of issues on the back side of the platform, so, the product wasn’t being used.”

Instead of going back to the drawing board, Narvaez decided to take another look at what was out in the market. He zeroed in on SimpleNexus, which had grown substantially as a company and as a proven platform in the time Alterra was developing and launching its own mobile platform.

Navarez liked what he saw, including the ability to custom brand the application.

“We decided not to try to keep building what was now already out there and proven to work,” Narvaez said. “So, SimpleNexus became the new Pronto,

which we launched in July of 2018.”

Alterra loan officers can customize and share the application with their Realtors, who then share it with their customers; streamlining communications and giving everyone transparency into what’s going on with the transaction.

That was innovation one.

A FASTER WAY TO CREATE HIGH-QUALITY MARKETING MATERIALS

The second recent innovation came from looking at pain points; areas where Realtors had problems that need to be solved.

“We knew our loan officers and Realtors were frustrated by long the lead times they needed to create quality, customized marketing materials,” Narvaez said. “We came across a company that offered a commercial platform that let people go online and create their own fliers. I met with our marketing manager and said, ‘We need to create a tool like that for our salespeople that’s specific to the mortgage side’.”

He contracted with a development and

design team that was familiar with the mortgage industry and, in six months, launched AXIS. This proprietary marketing platform enables Realtors to create their own, high-quality fliers and send these to print—and do it all, literally, in minutes.

“Remember, everything we do is to empower and create better relationships with our Realtors. We do that by solving their problems and helping them be more successful,” Narvaez said.

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A STREAMLINED PATH TO CONVERSIONS

Alterra is taking that mantra to the next level with the rollout of A3C, short for 'Alterra's three Cs,' which are capture, convert and close. What A3C does is enable the company's Realtor partners to increase their conversion ratio, solving an age-old problem that has plagued the industry for decades.

"A Realtor might get 5,000 visits on a web site. Of those, he or she might capture 200-250 leads, and of those leads, that Realtor might convert two or three of those into closing transactions," Narvaez explained. "The problem is, real estate agents can't physically follow up with each of those leads. They'd rather be showing houses and getting contracts."

With A3C, Alterra created a system that connects to the Realtor site, automatically creates a profile for every visitor, and immediately moves those prospects into a retargeting campaign. So, the next time that visitor logs on to the Internet, he or she is going to start seeing banners for that Realtor, which are tied to a landing page.

"The minute the prospect clicks on the banner and hits the landing page, that contact information automatically goes into a CRM that triggers SMS text messaging, and connects the prospect with a live attendant," Narvaez said. "A3C is unique in that it includes multiple different technologies: one for capturing and generating profiles, a technology for SMS campaigns, a technology for the CRM side to capture, store and create campaigns, and technology for the landing pages to redirect all traffic. So, basically, A3C grabs all of these amazing technologies, and adapts them into one system that helps the industry convert more leads."

According to Narvaez, there are a lot of existing solutions that support the incubation of web site hits and leads, but someone still has to pick up the phone and physically follow up with thousands of leads, which isn't realistic.

"Multimillion-dollar companies use this level of technology to sell cars or furniture, but nothing like this existed in the mortgage industry until A3C," Narvaez said.

It's the biggest initiative Alterra has taken on to date, and the biggest innovation Narvaez' team has put out in the market.

NEXT STEPS: ADOPTION, ANALYSIS AND A FOCUS ON RESULTS

At the time of this writing, SimpleNexus (aka Pronto), AXIS and A3C have only been rolled out company-wide for a little more than a month.

Narvaez' focus right now is adoption, adoption, adoption—the key to maximizing results from Alterra's technology investment.

“We're running monthly contests where our top Pronto users win prizes and trips to Riviera Maya, Mexico, to drive adoption. The real benefit is, in addition to posting the names of our top five users, we also post their results, so, other loan officers can see how the use of the app correlates to an increase in production,” Narvaez said. “The message we want to get across is this: use more Pronto—our branded SimpleNexus platform—get more prospects, engage more Realtors and get better results.”

Today, just one month after deployment, 75 percent of the company's 300 loan officers are Pronto/SimpleNexus users. Sixty-nine percent of those loan officers have activated referral partners, who now use co-branded versions of the application,

with the top loan officers activating more than 50 referral partners each. Most significantly, 40 percent of those loan officers have new loans generated by borrowers with whom they've shared the app, with the top eight loan officer users taking in 20 or more loan applications each.

“We don't expect 100 percent adoption; we respect that some people in the company aren't tech savvy or won't use it—and that's fine,” Narvaez. “We are more focused on making sure that the people who adopt it know how to use Pronto to its full potential.”

Narvaez is following a similar technique to drive adoption with AXIS and A3C, starting with training, making sure loan officers understand the value proposition; and sharing success stories as these happen.

“We have a top producer who has built her entire business using Pronto (SimpleNexus). She has not only generated excitement among her Realtors, but she has already been able to grow her pipeline,” Narvaez said. “As we go through the next six months, we will continue to measure our metrics, and compare the use of Pronto, AXIS and A3C with the production and profitability of our loan officers and branches. Then, we'll continue to compare those results year over year.”

THE MINDSET OF A DIGITAL LENDER

By anyone's standards, Alterra Home Loans is a pioneer in digital lending, using technology to help build relationships, streamline communications and, ultimately, help loan officers and Realtors convert more prospects into sales. Narvaez believes that Alterra's creative use of technology is key to survival in a changing mortgage industry.

"As rates increase and refis disappear, you have to look at how you're going to engage with Realtors, and how you're going to differentiate as a lender," he said. "You cannot just walk up and say, 'I'm a lender, I have experience, I will close on time.' You have to bring the technology that will offer transparency, close the communication gaps and give those Realtors—and their customers—an amazing experience. We believe that the innovators; the ones that use technology to solve problems, to build relationships and to offer something more, will be the lenders that continue to grow and profit in the future."

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