

White paper

Retaining customers for life

Poor customer retention is an industry-wide issue, but mortgage professionals who stay connected to their clients after closing can reap huge dividends. Here's how.



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Introduction

Closing on a new home is a major milestone for buyers and a big win for their lenders. But **what happens after closing?**

Most homebuyers get busy settling in and quickly forget about their originator, especially when they make automatic payments or their mortgage gets sold in the secondary market. Mortgage originators, for their part, are staring at a long sales cycle and quickly turn their attention to new clients to meet short-term sales targets. Most of them don't have the resources to invest in long-term marketing, they **lose track of their clients' evolving needs**, and by the time they recognize that a past client is in-market for a new loan, it's often too late. Another originator has swooped in.

The mortgage industry has one of the lowest customer retention rates of any industry. According to recent estimates, lenders today barely hold on to 20% of their past customers.¹ For comparison, people switch cars just about as frequently, every eight to ten years, and 53% of them buy the same brand.²

This means lenders are essentially **starting from scratch** with every mortgage, refinance, or HELOC application.

But it doesn't have to be that way. Originators can now leverage powerful, automated solutions to **stay connected to their clients long after closing** (and we're not talking about birthday emails). Those new solutions boost customer retention because they offer real value to homeowners — at a time they need it most.

In this white paper, we'll take stock of current challenges, highlight the benefits of cultivating long-term client connections, and introduce the latest Intelligent Marketing Solution from Cotality™ - OneHomeowner.™

Section 1

Lenders' challenges

Before we can look into solutions to help address poor customer retention in the mortgage industry, it's crucial to understand the roots of the problem.

Many of today's challenges are **endemic to the industry**. The sales cycle for mortgage products is famously very long. According to a recent Redfin analysis of US Census Bureau data,³ homeowners stay in their homes an average of 12 years, which leaves plenty of time for them to forget who originated their loan. And since interest rates started to rise in early 2022,⁴ refinancing and HELOC applications have remained relatively subdued.⁵

At the **macroeconomic level**, many factors are currently conspiring against home affordability. While stabilizing rates and improved inventory levels have eased home price growth,⁶ plummeting consumer confidence,⁷ natural disasters, and tariff policies from the Trump administration are likely to erase those gains. On the current trajectory, Cotality estimates that tariffs on essential materials (like wood, steel, concrete, and housing fixtures) will push home construction costs up by 4%–6% over the next 12 months.⁸

¹ National Mortgage News. [Mortgage lenders face customer retention challenges](#) (Sep 2024)

² LexisNexis. [U.S. Automotive Brand Loyalty Increases in 2024](#) (Jan 2025)

³ Redfin. [Homeowners today stay in their homes twice as long as they did in 2005](#) (Feb 2024)

⁴ FreddieMac. [Primary mortgage market survey](#)

⁵ Trading Economics. [United States MBA mortgage refinance index](#)

⁶ ICE Mortgage Monitor. [Home prices cool heading into the Spring home-buying season, led by condos](#) (Apr 2025)

⁷ University of Michigan. [Survey of Consumers](#) (Mar 2025)

⁸ Cotality. [Will Trump tariffs harm home affordability?](#) (Feb 2025)

Those challenges are compounded by a **highly competitive marketplace**: In 2024, nearly 5,000 companies⁹ competed over 5+ million mortgage originations in the U.S.¹⁰ And while top originators in the U.S. have spent years developing their full-funnel marketing operations, the vast majority of players continue to struggle with antiquated technology, data silos, and **haphazard marketing strategies**.

It's not much of a surprise then to see the mortgage industry trail other industries in customer satisfaction. The American Customer Satisfaction Index (ACSI) just ranked 45 consumer industries (from restaurants to banks and airlines), and mortgage lenders brought up the rear along with services like utilities, gas stations, and hospitals — things people sign up for **because they have to, not because they want to**.¹¹

Figure 1 provides a synopsis of the many types of challenges faced by mortgage professionals in today's environment.

Figure 1:
Poor customer retention stems from a wide variety of factors

Economic challenges:	Consumer challenges	Market challenges
• Lingering inflation • High interest rates • Low housing supply • Emerging tariffs	• Housing affordability • Economic uncertainty • Plunging consumer sentiment	• Increased competition • Low profit margins • Aging population
Product challenges	Marketing challenges	Technology challenges
• Expensive price point • Very long sales cycle • Complex products	• Low brand awareness • Little differentiation • Lack of post-buy touchpoints	• Data silos • Old systems • Buried insights • Weak analytics

🔷 This is about engaging homeowners before they even enter the market. There are 85 million homeowners who aren't transacting today. How do we engage with them to create value before they need a new loan?

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⁹ CFPB. [2024 HMDA Data](#)
¹⁰ MBA. [Economic Forecast](#) (Feb 2025)
¹¹ ACSI. [Insurance and mortgage lenders study 2024](#) (Oct 2024)

Why care about customer retention?

Customer retention has been the object of much debate over the years.

There are two schools of thought. One argues that marketers should prioritize customer acquisition over customer retention because acquisition boosts market share, and market share will automatically foster loyalty.¹² That's the famous double jeopardy argument: large brands not only have more customers, but those customers also happen to be more loyal. Get more first-time clients, and retention will take care of itself.

The other is the “bird in the hand is worth two in the bush” camp. Bain & Company (the creators of the widely used NPS metric) and other loyalty experts argue that it typically costs a lot less to retain a customer than to acquire a new one. For financial services firms, Bain showed long ago that a modest 5% increase in customer retention could boost profitability by 25%.¹³

What side is right? It depends on the industry, the economy, the competitive landscape, the company's maturity, the product's price point, the length of the sales cycle, and a host of other factors. In the mortgage industry, top players have a large enough marketing budget to pursue both acquisition and retention strategies effectively, but small and mid-sized originators are in a tougher position.

Considering where they're starting from, as well as current economic and market conditions, our view at Cotality is that **small and mid-sized shops would greatly benefit from investing in long-term customer retention — even if that means diverting some marketing funds from short-term acquisition campaigns.**

Another way to look at the value of customer retention is by analyzing the impact of long-term marketing. Nielsen, the media measurement company, surveyed marketers around the world and found that most still rank short-term customer acquisition as their top marketing objective, well ahead of retention.¹⁴ But the research company also reviewed thousands of marketing campaigns across dozens of industries and found that campaigns emphasizing long-term marketing efforts produced a 1% sales lift for every 1-point gain in top-funnel metrics like brand awareness and consideration.¹⁵

Don't let old habits get in the way of convincing data.

¹² Ehrenberg-Bass Institute. [Effective brand growth: Acquisition or retention?](#) (May 2021)

¹³ Bain & Company. [Prescription for cutting costs](#) (Oct 2001)

¹⁴ Nielsen. [2023 Annual Marketing Report](#)

¹⁵ Nielsen. [When it comes to brand building, awareness is critical](#) (Jun 2021)

How to cultivate client connections

While many mortgage customers select their originator solely based on cold, hard numbers like interest rate, loan terms and closing costs, they're far from the majority. In a recent survey, J.D. Power found that more than two-thirds (69%) are willing to sacrifice a little on rates in exchange for personalized service, or advice navigating the complexity of the loan market.¹⁶ They're also willing to reward those that engage with them over the long run and anticipate their needs.

What steps can originators take to cultivate long-lasting connections with their clients?

Provide automatic home updates - Borrowing money to buy a home isn't the end of a homebuyer's financial life. Quite the opposite, in fact. One in four are first-time homebuyers who need all the help they can get to manage their new home and make sense of their evolving finances.¹⁷ Even seasoned homeowners can use the help to keep track of their home value, equity, and net worth at a time when home price growth is starting to soften. Providing regular updates to their clients — via email, a personalized newsletter, or through a dedicated online hub — is a great way for lenders to stay top-of-mind.

Anticipate new financing needs - After closing, clients get busy building a home and are likely to miss out on refinancing and HELOC opportunities. Proactive professionals can surface those options at the right time and guide their clients through the process. According to J.D. Power, client satisfaction is 107 points higher (on a 1,000-points scale) “when originators engage early with customers, connecting with them when they are first thinking about purchasing a home” rather than at the last minute when they're getting ready to apply for a mortgage.”¹⁸

Recommend service professionals - Owning a home comes with a never-ending to-do list involving routine upkeep, preventive maintenance, emergency fixes — and when savings allow, remodels and efficiency upgrades. According to Nielsen, 88% of consumers trust recommendations from people they know more than any other marketing channel.¹⁹ Originators who position themselves as trusted advisors can continue to win their clients over by referring them to reputable plumbers, HVAC specialists, and other quality contractors over the life of their homeownership.

✔ Originators that play an active advisory role in helping their clients navigate the current market are earning significantly higher customer satisfaction, loyalty and advocacy scores than those that are treating mortgage lending as a transactional process.

J.D. Power, 2024 U.S. Mortgage Origination Satisfaction Study²⁰

¹⁶ J.D. Power. [Customer satisfaction with mortgage lenders rises but signs point to challenges ahead](#) (Nov 2023)

¹⁷ National Association of Realtors. [Highlights from the profile of home buyers and sellers](#) (Nov 2024)

¹⁸ J.D. Power. [Mortgage lenders that help customers navigate tough housing market reap benefits](#) (Nov 2024)

¹⁹ Nielsen. [2021 Trust in Advertising Study](#) (Nov 2021)

²⁰ J.D. Power. [Mortgage lenders that help customers navigate tough housing market reap benefits](#) (Nov 2024)

Cotality's OneHomeowner solution

Cotality's newest addition to the Araya™ platform, OneHomeowner™, was developed to bring that vision to life. Through OneHomeowner, mortgage professionals send their clients a personalized invitation to **create a private hub** where they can monitor their home value and equity, access over 200,000 home service providers, store important home documents, and more — at no cost to their clients. It's all integrated into a consistent, professional experience, and personalized to promote their branding at every touchpoint.

With this new platform, mortgage professionals stay connected to their clients beyond closing through automated communications and dashboard updates, and they can use advanced analytics to turn all that data into market trends and directly actionable insights. **It's a win-win for originators and homeowners**, as Figure 2 illustrates.

Figure 2:
Benefits of Cotality's OneHomeowner for homeowners and originators

Feature	Homeowner	Originator
Automated home and market updates	→ Real-time monitoring of home value, equity, and local market conditions	→ Real-time snapshot and analysis of client portfolio at the click of a button
Timely financing alerts	→ Don't miss a good opportunity to refinance or tap into home equity	→ Be first to bring new financing opportunities to clients
Home service referrals	→ Access marketplace of over 200,000 trusted home service providers	→ Be first to bring new financing opportunities to clients
Home maintenance calendar	→ Schedule and receive reminders for important maintenance and repair appointments	→ Earn client trust by helping them keep their home appliances and major mechanical systems in top working order
Built-in communications	→ Reach lending experts in no time (via chat and email) and opt-in and opt-out of content updates	→ Activate direct lines of communications with clients
Document storage and access	→ Safeguard home-related documents (e.g., closing documents, insurance policies, maintenance records)	→ Earn goodwill for protecting your clients' data privacy and security
Cost	→ Free of charge	White-labeled, and no limitations on the number of invited clients
By invitation only	→ Get VIP treatment from originator and their partners	→ Choose what clients you want to connect with over the long run, and how
Consistent lender branding	→ Unbiased advice from the company that made your homeownership dream come true	→ Customize the hub and related marketing collateral with your own branding to stay top-of-mind
Customization at scale	→ Get personalized answers without delay	→ Automate regular, personalized touchpoints at scale to free up manual resources for value-add interactions

Backed by Cotality's leading property data, insights and technology solutions, **OneHomeowner makes life after closing easier for homeowners and more productive for mortgage professionals**

High Intent Engagement

41%

That's the share of monthly users who have expressed interest in selling their home. Another 12% have shown interest in getting their home value.

Email Open Rates

62%

In addition to 17-20% click-through rates. Homeowners are engaging with emails generated through the platform at much higher rates than the industry average.²¹

Conclusion

In today's challenging environment, mortgage professionals need all the help they can get to meet client expectations and earn their business. Better customer retention can make a world of difference, especially for embattled small and mid-sized originators, but it's always seemed out of reach in a market driven largely by price and long sales cycles.

Well, not anymore. Thanks to seamless yet sophisticated hubs like OneHomeowner, proactive mortgage professionals can now move beyond transactional, rate-driven relationships and provide their clients with incredible value long after closing.

Get ready to stand out from the competition, build lasting connections with your clients, and secure their next transaction.

²¹ According to [Campaign Monitor](#), the average email open rate in the finance sector is 27%, and the average click-through rate is 2.4%.

About Araya

Cotality's Property & Location Intelligence platform transforms your workflow by blending extensive data with advanced analytics and predictive models, for a complete and cohesive understanding of the market.

- Actively engage with homeowners to drive retention and build long-lasting relationships.
- Easily navigate market, portfolio, and property information on a single platform.
- Access historical data and forward-looking insights with predictive analytics.
- Get industry news and a suite of curated solutions, all in one place.

Work quickly with an intuitive user interface.

About Cotality

Cotality accelerates data, insights and workflows across the property ecosystem to enable industry professionals to surpass their ambitions and impact society. With billions of real-time data signals across the life cycle of a property, we unearth hidden risks and transformative opportunities for agents, lenders, carriers and innovators.

For more information, please visit www.cotality.com.