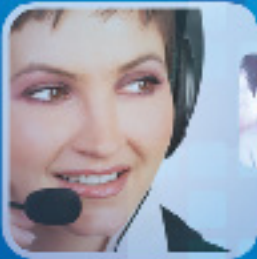


What Exactly is a Mortgage Lead?
Well, It Depends on Whom You Ask.





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“Those leads suck.”

If you're in the mortgage business, you hear it everyday. You know you need a reliable source of interested and qualified consumers to maintain your sales funnel when referral volume is lower than you'd like. But I don't have to tell you that finding those consumers by buying mortgage leads can be frustrating, time-consuming and expensive. Why? Because not everyone agrees on what a “lead” actually is. What you get when you buy mortgage leads – and the amount of time you have to spend working them – varies dramatically depending on the source and how they define a lead.

The wide variety of lead sources in the marketplace fit into five general categories: Lists, Trigger Data, Expression of Interest, Live Contact and Double-Confirmed. Each represents an increasing value – and, generally, cost – to a loan officer. I have witnessed endless varieties of both online and offline mortgage leads being sold over the past few years, and all of the sellers of these leads are always claiming them to be “the GOOD leads!” The majority of mortgage lead buyers, however, have not found effective ways to quantify exactly what “GOOD” means. Moreover, there are endless debates of how to measure the effectiveness of leads. Only by considering three measures – quality, quantity and cost – can the true value of a lead can be determined.

At one end of the spectrum you have the mega-list companies, which sell cold lists of potential borrowers stored as millions of contacts in a database. In reality, these records aren't “leads” at all. They are “contacts” – contacts that likely have little or no intrinsic value to a loan officer. Most industry experts do not accept the mega-list company definition of the records in their database as “leads” since there has been no “expression of interest” by the potential borrower. Here you've got the highest possible quantity and the lowest possible quality and cost.

Next you have the product offered by credit bureaus such as Experian and Equifax, often referred to as “trigger data.” Trigger data identifies the specific consumers that have had their credit report pulled by a mortgage company within the last few days. The problem with this data is that these consumers are in no way deliberately requesting information or requesting contact from another mortgage originator. The result is very poor quality leads. And although the cost may be low, the opportunity cost of a loan officer's time calling on these leads can be quite high.

The Internet has brought us numerous online lead companies. These companies refer to a consumer who fills out an online form requesting a free mortgage quote as a “lead.” A quick Google search will confirm that there are lots of lead generators claiming to give away “free mortgage leads” or selling “\$1 mortgage leads.” How many other loan officers do you think are calling on that same “free mortgage lead” after all? The quality of these leads, even though they were generated from a proactive “expression of interest,” is still questionable. Perhaps the borrower was enticed to “express interest” for a chance to win an iPod. The cost of Internet leads can be low, but the quality is wildly unpredictable. As a lead buyer, you



have no way to differentiate the good leads from the bad ones because they are packaged together.

For lead buyers who have become increasingly frustrated with the poor quality and wild unpredictability of various lead types, the concept of Live Contact leads sounds like a winner. Unlike lists, trigger data, and Internet leads, a live consumer is contacted by telephone (or actively calls in response to an ad) and then, if willing, is transferred via telephone to the buyer of the lead. But here, just as with the other categories, lead quality can vary wildly depending on the supplier, so it pays to ask the right questions. What consumers are being contacted? Some Live Contact lead sources dial on lists of cold contacts, so the service is little more than glorified cold-call telemarketing. How are consumers contacted? Some companies use IVR technology rather than live call center agents, so qualification of the consumer prior to transfer is questionable. If the consumer is actively dialing in, you may want to ask the supplier to see the ad to which they are responding. Just as with Internet leads, consumers are often promised more than you can deliver on such ads.

Because of the inconsistent quality even among Live Contact lead suppliers, “Double-Verified Live Hot Transfer Leads” are gaining serious momentum. Ideal for high-performing loan officers, hot transfers offer the right mix of quality, quantity and cost. Like Internet leads, Double-Verified Live Hot Transfers start with an “expression of interest” by a borrower, usually via an online form submission. Borrowers are then contacted by a call center, screened to make sure they are genuinely interested and qualified, then phone-transferred to a loan officer. Double-Verified Live Hot Transfers can cost anywhere between \$50 and \$100, but closing rates can be as high as 15-20%. Plus, the increase in productivity for loan officers who no longer have to cold-call purchased lists is what makes the economics of Double-Verified Hot Transfers so appealing.

When buying mortgage leads, then, be sure you know how each supplier you’re considering defines a “lead.” Sure, one supplier’s leads may cost a fraction of what another supplier charges, but there’s usually a good reason for that. At the end of the day, how much you value your time or that of your loan officers should dictate where on the quality spectrum you choose your lead sources.

About DoublePositive Marketing Group, Inc.

DoublePositive Marketing Group, Inc. sells leads. DoublePositive sells live leads. We call our live leads Hot Transfers and we are currently the industry leader in the live leads and Hot Transfers space. Our performance-based program offerings are extremely attractive to sales professionals and sales organizations, who use their existing phone system and a simple web browser to buy and receive our LIVE Hot Transfers. We specialize in the live transfers of mortgage leads, insurance leads, education leads, automotive leads, real estate leads, and debt leads. DoublePositive is headquartered in Baltimore, Maryland’s high tech waterfront office complex, Tide Point. www.doublepositive.com