In today’s market, it’s easy for mortgage brokers to feel intimidated. The past few years have seen countless brokers segue into mortgage banking, and the brokers who remain may find themselves wondering if they should do the same. Make no mistake, however: The mortgage brokerage model has a competitive advantage not shared by other ways of originating loans. That competitive advantage is simply the mortgage broker’s inclination to get personal.

Mortgage brokers are self-employed entrepreneurs who must connect with their customers one-on-one. Although they must abide by the same structural rules that guide origination regardless of the business model, many brokers are not subject to strict corporate policies or guidelines that govern their interactions with customers.

For example, how many originators are forced to use the marketing materials designed and produced by corporate marketers? Do these materials truly reach the audience they are designed for, or are they simply received as impersonal sales pitches? Many mortgage brokers are more likely to rely on a phone call or a face-to-face visit with their target audience than they are to rely on the aforementioned marketing materials. That’s getting personal, and it matters in today’s purchase market.

Wholesale mortgage lenders strive to get personal with their own customers — mortgage brokers. In many cases, these lenders are not concerned with cross-marketing and wallet share. Although they seek the highest proportion of an individual broker’s business as possible, they don’t often have any other aspirations for business from the consumer other than their mortgage loans. In this model, wholesale mortgage lenders are forced to innovate and compete on price, product and service to earn the mortgage broker’s business.

Are retail and correspondent lenders less personal? At least to some degree, these models of origination arguably view the customer as an “asset of the business” rather than a true relationship of the originator. The mortgage broker’s ability to offer the best product for each borrower from a variety of lenders supports this point. Brokers provide consumers with the best option from among the many lenders they represent, increasing the likelihood of an appropriate fit. Retail and correspondent originators provide only the products available from the lender for which they work, decreasing the likelihood of an appropriate fit.

To put it another way, mortgage brokers match their customers to loan products, while retail and correspondent originators match their loan products to customers. Which is the more personal, customer-centric approach?

In short, the competitive advantage of the mortgage brokerage model is that the principal parties are permitted to develop relationships with their customers that involve all of the emotions, dreams and hard work that are part of building two important things: a secure life for the customer, and a successful business for the mortgage broker. Mortgage brokers understand that the closer they are to their customers, the more successful they can be. They are inspired to work harder and provide better service, which in the end produces the best results for everyone involved.

However competitive today’s market may seem, the good news for mortgage brokers is that this competitive advantage will not be undone by changes in regulations or a move to a purchase-oriented market. If anything, the case is exactly the opposite. The more complex the process of obtaining a mortgage loan becomes, the greater the need will be for deep relationships based on trust. Ultimately, mortgage brokers’ lasting advantage is that they can build the strongest bond possible with their customers, and that usually makes all the difference in running a successful business.

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