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## VA Home Loans: Expert Commentary by Chris Birk

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HSH has been trusted by mortgage consumers and respected by industry participants since 1979, and continues its mission to deliver valuable information and insights by presenting opinions directly from leaders in the mortgage marketplace.

Chris Birk, Director of Education for [Veterans United Home Loans](#), and author of "[The Book on VA Loans: An](#)

*Essential Guide to Maximizing Your Home Loan Benefits*," shares his thoughts on the state of mortgage financing and how consumers can embrace recent changes to secure an optimal mortgage. (Veterans United is an HSH client.)

[See today's VA home loan rates](#)

### Q: What industry changes have most impacted homebuyers?

**A:** There's no doubt that new regulation has increased complexity and created challenges not only for lenders but also technology providers. It's an environment that has also pushed lenders to find efficiencies.

But I tend to flip this question around and think about the tremendous impact mortgage consumers have had on the industry. Consumer expectations have changed, and their demands for a more automated, on-the-go and streamlined mortgage experience are fueling innovation in the industry. As our VP of Product Strategy says, if you don't see Uber as an indirect competitor, you're missing what's happening in the consumer's mind.

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### Q: How should consumers navigate today's mortgage environment?

**A:** With both care and confidence. New technology and automation have brought more transparency for consumers, and it's easier than ever to get a handle on your mortgage options and compare rates and terms. But studies and surveys continue to show that consumers get basic mortgage and homebuying facts wrong. What's perhaps worse is many consumers overestimate their knowledge or think the lack of it makes little difference. These misconceptions can cost consumers a lot of money. Beyond that, some would-be buyers allow perceived barriers -- many of which aren't actually there -- to keep them from pursuing a home loan.

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Doing the homework and pushing lenders and originators for clear answers, expectations and estimates can help consumers get the most from their homebuying experience. It's also important to be able to cut through the clutter. Regardless of the sales pitch, this isn't as simple as buying a box of cereal from Amazon. Make sure you understand your options, how to compare mortgage offers, and what owning that home could mean for your financial health and future.

## **Q: How has new technology enhanced the mortgage shopping/application experience?**

**A:** Technology and automation help lenders meet consumers where they are. That's especially critical in VA lending, as we think about how to best serve active duty military and deployed service members, for example. We're using technology to remove as much paper from the loan process as we can, and that translates into speed, efficiency and customer convenience.

Consumers can snap a picture of a document, upload it to a secure lending portal and move through the loan process from a smartphone. Technology like electronic employment and asset verification is allowing lenders to make faster preapproval and underwriting decisions. Texting gives lenders an avenue to communicate with borrowers in a way that meets their expectations for being able to get a mortgage on the go.

[\*Related: What Is a Digital Mortgage?\*](#)

## **Q: What challenges do you see in the mortgage industry today?**

**A:** It's a growing expectation that a consumer can secure a home loan and not have to meet a loan officer in person or even talk to them on the phone. There is supporting technology that makes this possible -- you still want the human relationship to be as robust as the consumer wants, but we see their desires changing.

This emerging digital mortgage environment has also forced lenders to really think through and prioritize their customer experience. Consumer preferences for communication and interactivity are fluid, and their needs and wants can change depending on where they are in the process and so much more. Anticipating and navigating those changing needs can be challenging, but it's increasingly essential as digital mortgages become the norm.

## **Q: What's new in mortgage products, marketing and servicing?**

**A:** The industry is edging closer to a new era of digital loan closings and a fully-digitized mortgage process. These offer tremendous promise for increased speed, efficiency and transparency for consumers. Getting the technology and the UX/UI right is obviously critical, but lenders shouldn't lose sight of the power of human connection, either.

Making it easy for customers to ask questions and get guidance and reassurance from their loan team -- communicated in whatever mode is best for them -- is part of the product design and customer service challenge. Delivering timely educational content that anticipates questions and builds confidence can also play an important role in creating a powerful customer experience and lender efficiencies.

[\*Related: A Guide to Common Mortgage Types\*](#)

## **Q: What makes mortgage businesses highly successful today?**

**A:** I think what makes Veterans United successful is our single-minded focus on creating an exceptional customer experience for the veterans and military families we serve. That commitment is the foundation for everything, from building technology that allows veterans to work and communicate with us how and when they want, to ensuring veterans have a single point of contact for their entire home loan process, to our focus on educating and empowering military homebuyers.

We're genuinely passionate about wanting to enhance the lives of the people we serve. Holding tightly to that has helped us weather the Great Recession, an evolving regulatory and technological environment and more. Customer expectations are changing when it comes to technology, communication and customer service. I think companies that truly care about creating an exceptional experience -- about creating customers for life -- are the ones that will emerge or stay on top in a new era of electronic mortgage lending.

## **Q: What information do consumers need in order to make the best decisions about obtaining a mortgage?**

**A:** While I come at this question from a VA lending perspective, I think it helps highlight the struggle so many consumers face in today's mortgage and lending environment. The VA conducted a survey nearly a decade ago that found a surprising number of veterans didn't know they had a home loan benefit. That number is likely smaller today given the growth of the VA loan program, but the survey underscores a critical and continuing problem for many consumers: They don't fully understand all of their mortgage options.

To be sure, VA home loans aren't the right fit for every veteran. But consumers need to have a solid grasp of all of their options to make the best financial decision possible.

## **Concluding thoughts on VA home loans**

Learning about the different types of home loans is a good first step, including an understanding of the benefits and drawbacks and what it takes to land each of them. Take time to research mortgage lenders and read customer reviews, too. The onus is on consumers to do some homework and demand clear answers to what should be clarifying questions. Still, the hope is a trusted lender can be a true partner, helping consumers evaluate their options and find the right home financing solution for their specific needs and goals.