

**OBR 126**

## **Online Lending: Part 2**

*Building a state-of-the-art virtual loan origination office*

**Author:** Jim Bruene, Editor, Online Banking Report

**Published:** January 31, 2006

**Cost:** Purchase individual report for: \$295 single-user; \$595 enterprise license  
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**Size:** 28 pages; 12 tables; 12,000 words

**Format:** Printed, PDF, Word

**Ordering:** [Online](#), [email](#), or (206) 517-5021

**Abstract:** In part 1 (OBR 124), we looked at strategic alternatives for online lenders, especially the idea of making the loan process more transparent, a strategy we call open lending.

This month, we move beyond open lending and lay out product options for all types of lenders, from a single credit union targeting a defined member base, to large national lenders looking to grow an already massive loan portfolio.

The first section, *Building an Online Loan Center that Really Clicks with Users*, is a blueprint for a state-of-the-art system that will keep you competitive in 2007 and beyond. It will likely also be the most profitable website project you've ever undertaken, due to the substantial upside in the online loan business.

Next, we look at loan product priorities, ways to drive traffic to your loan origination area, and how to improve conversion rates. Finally, we wrap up with a detailed look at an innovative new lending strategy, automated balance transfers, as demonstrated by **E\*Trade's** new *Mileage Maximizer* account, the latest **OBR Best of the Web** winner.

Also reviewed:

- E\*Trade's *Fare Compare* mortgage shopping tool

**Companies Mentioned:** Amazon.com, Bank of America, Boeing Employees Credit Union (BECU), Capital One Auto (PeopleFirst Finance), CheckFree, Citibank, Countrywide, eBay, E-Loan, E\*Trade Financial, Financial Center Credit Union, Google, Huntington Bank, IndyMac, ING Direct, LendingTree, Northwest Federal Credit Union, Progressive Insurance, University of Iowa Community Credit Union (UICCU), Puget Sound Energy, Washington Mutual, Wells Fargo Home Mortgage, Yahoo Search Marketing (Overture), Zopa

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