The Mortgage Professional

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Supporting Your Newly Trained Loan Officer

Real Estate Sales Professionals hate new loan officers because all loan officers do is ask for business. They do nothing to earn the right to ask for the business. Our professional three-tiered marketing plan is designed to help the loan officer earn the right to ask for the business.

First Tier - Value Added Services

To understand how to provide value added services, you first need to understand what your clients needs are. From the real estate sales professionals perspective there are two sets of needs. Selling agents need buyer oriented value added services - pre-approvals that help them write contracts, not offers; homebuyer finance seminars that help create buyers; written weekly status reports that prove service. Listing agents need seller oriented value added services - open house spreadsheets that the loan officer uses to create more business for the agent; For Sale By Owner Marketing to create more listings.

Second Tier - Niche Marketing

Choosing a specialty allows the new loan officer to distinguish them from the competition. It also allows the loan officer to become expert at one area of product knowledge in a short period of time. Niche Marketing can add to value added services by creating business for referral sources

Third Tier - The Referral Network

You create a referral network by taking business referred to you by real estate referral sources and sending these clients to your financial intermediaries (Financial Planners, Insurance Agents, Attorneys, CPA, Non Mortgage Bankers) and your real estate related sources (Home Improvement, Property Management). You take business from these sources and send it to your real estate referral sources. This is the networking circle.

Learning this allows the loan officer to understand that they don't have to market to everyone, all the time. They need to market to people who understand the referral business. It also allows the loan officer to answer the question ***"why should you do business with me"*** from the perspective of answering the clients' needs.

Goal Orientation – How Many Clients Do I Need?

All of this is in the context of "how much business do I need to meet my goals?" The loan officer can know that if his or her goal is to earn $100,000 per year how many loans does he or she needs they need to close. If you need 7 loans a month, then you need 7 people who will send you at least 1 loan a month.

The Introductory Package

We ask the loan officer to prepare an introductory package and marketing plan to help the loan officer to define, concisely, what value they offer to the customer. IT IS IMPORTANT THAT WHEN YOUR LOAN OFFICERS ASK YOU TO REVIEW THESE YOU LOOK AT HOW THEY ARE ANSWERING THE QUESTION "WHY SHOULD YOU DO BUSINESS WITH ME?"

Marketing Plan

The new loan officer has no idea how to go about getting business. Even we, as experienced loan officers, don't really remember much about how we got our initial success. It has been proven that the loan officers with early success had high call frequency. As a result we encourage our new loan officers to go out to "offices" and "ask for business".

This can work, but more often it has tragic consequences. The new loan officer is out in offices all the time asking for business, and doesn't get any - so quits. Or they realize they don't know why they are in the offices - so they don't go, and they get fired for lack of production. Or they get confronted with impossible questions they don't know the answers to - so they develop the over-preparation syndrome, and don't go out until they think they know everything, and get fired for lack of production. Or they ask for the business and are told roundly "NO" everywhere they go - so they develop fear of rejection and "call reluctance", and get fired for lack of production. The firing of a new loan officer who otherwise seems like a good candidate is the tragedy. These are often intelligent people, who have compassion for others and good drive to succeed. They fail because they are frustrated by lack of concrete, unified direction.

Both the new loan officer and the company need to have realistic expectations for what the new loan officer can achieve. The first 10 weeks of the loan officer's employment are an investment in learning about and becoming comfortable in their marketplace. After the first 6 weeks, the loan officer should have completed an inventory of the marketplace, including having:

- Developed a list of where the all of the real estate offices in the territory are and have identified the top agents (not necessarily because these will be their clients), the broker or sales manager, the competing lenders and their products, the in-house lenders and what the protocol for becoming "approved" is in the offices. Also they need phone, fax and e-mail addresses.
- Learned what the product specialty need or "niche" of the territory is - and having defined how they can meet this need
- Identified, by their compensation formula, the number of loans they need per month and have a list of 3 individual prospects (people) for every one loan per month they need.
- Identified at least 20 alternative sources of business for their referral network.

This is the reason for the new loan officer to be "out in the field". They should be "learning" - not asking for business. For the loan officer who is unceremoniously thrown out of an office in this time frame, there is nothing lost. They just learned they need a different approach. Then, after 6 weeks, there is no real need to be generally "out in the offices". They need appointments or business maintenance objectives because there is nothing to be gained from subsequent "cold-calling".

<u>Prospect Management</u>

This is when the new loan officer discovers the Automation Dividend. Their initial investigations enabled them to learn who is available for business and who isn't. Now they follow up with people who have business and who will talk with them. They choose and follow up with their prospects and ONLY SELL TO PEOPLE WHO ARE INTERESTED IN THEM.

<u>TIME MANAGEMENT – Using Palm Based or Other Organizers</u>

Most people have poor work habits. Automation allows you to help people develop better work skills by planning what they are doing. Using PALM based software allows the LO to plan their weeks in advance with actual objectives, not vague cold calling. Your best follow up tool with a new loan officer is to check their calendar for the upcoming week.

1. If there are no appointments - this is a problem. They don't know where they are going. Asking to see the appointment calendar or schedule ahead of time may actually make them schedule appointments.
2. Check the prospect list - if there aren't 20- 30, they don't have enough people to call. This is a sign of too much effort wasted on dropping off rate sheets and hoping for a call.
3. Make sure there are at least 20 alternative sources on the prospect list.

If your new loan officer has NOT achieved these benchmarks after 6 weeks, they are not following the right objectives and need to be "re-focused".

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