
The Mortgage Professional

Promises, Promises: "How Do I Prove Good Service?"

Weekly Status Reports Answer the Question

The emphasis on service is very strong in our business - primarily because we are all commissioned. Real estate sales professionals, mortgage loan officers, managers, title companies and others are all compensated on the basis of the closed transaction. When a referral source sends you a customer, this is just like them handing you their paycheck. You can imagine the level of faith they are investing in you in this process. "Here is a loan for you. PLEASE take care of this transaction. My Mortgage payment is counting on it..." If you think about the referral in this way you begin to understand why it is so hard to get real estate sales professionals to try you if you are new. They are very invested in the eventual outcome of the transaction. There are a lot of things that can go wrong. This is why it is so important that you can prove good service. .

What is "Service"?

Ultimately every sales call deals with the issue of service. "I promise we give good service." "We will get your transaction to closing on time." "We will make sure nothing goes wrong on the transaction." "We will return phone calls promptly". These are very hollow sounding promises in the context of "My paycheck is riding on this closing".

Everyone promises "great service". With the advent of computerized underwriting and fast approvals, this claim has gotten even worse. If we render an approval in 15 minutes – isn't that great service? Unfortunately, this is a good example of a "claim". Everyone can claim they give great service - how do you prove it? There is a lot that has to happen to close a loan transaction that is unrelated to approval and underwriting. If you think that all you have to do is deliver the approval you will never deliver service. Not only are you missing the concept of service, but you are also missing a great sales opportunity.

Proving Service

Saying you give great service is a claim. The referral source is thinking, "They all say that". You escape the trap of making a claim by substantiating the information with an irrefutable fact.

Instead of (Claim)	Say (Fact)
I promise to return your phone call within 1 hour.	Here are my cell phone and home numbers. Should you ever need to contact me directly I am available 24 hours a day - you don't have to wait for me to call you back - you get right through.
We give great service.	We provide weekly written status reports detailing all outstanding items so you always know what, if anything, needs to happen to close the transaction

Weekly Status Reports

Nearly every successful loan officer conducts a "pipeline review" on a weekly basis. There are a multitude of benefits that come from this process. What is surprising is how few loan officers take this valuable information and use it to enhance their service. A weekly status report can be a simple printout showing what is still

outstanding on a case. Or - better yet - it can be a detailed listing of all the tasks that have to be accomplished prior to closing. If you take this status information to your referral sources you are combining marketing with the tasks you need to perform on a transaction anyway. The status process brings all the parties together to share information. More importantly THIS PROVES SERVICE. How impressed is your referral source when, instead of calling you to find out what is happening on a case, you call them to find out when they would like to go over the status of a case?

Benefits of Pipeline Review

- **Designated Responsibilities** - Dividing follow up duties between processor and loan officer means you are not constantly calling your processor for updates on cases. This makes your processor happy
- **Proactive Review** - Identify deficiencies early, as issues arise
- **Time Management** - One weekly meeting to review saves time over constant "checking in" on the status of various loans. You are spending a specified period of time on a given day of the week learning what is going on with your loans. You are not hovering in the office every day checking the mail, waiting for the loan to be approved - you are a loan officer, which means you need to go to and get loans. If someone does call you on a case with a request for information - YOU KNOW. If you do not know, you don't stop what you are doing and call your processor. You say "On Thursday I am going over the status of that case - can I send you a status report on Friday?"
- **Force Loan Officer Service Accountability** - If you conduct a pipeline review on Thursday, you ***must*** deliver loan status reports to your referral sources on Friday, when the data is fresh and before the weekend when they may have the opportunity to talk with their customers. This forces one review - and sales opportunity - weekly.
- **Force service accountability in processing** - When you document your pipeline review and operations makes a mistake, it is no longer "he said- she said". You have a written log of activity.
- **Great opportunities for sales calls** - You are in the client's office delivering status. If the real estate sale professional isn't in - ask if someone else wants to review the status of the loan - like the manager/broker. In any event, you popularize yourself as a deliverer of great service.
- **Sales Tool for Real Estate Agents** - Remember that one of the things a selling agent or any referral source does to add value to the buyer or borrower is to help move the loan transaction along. If you are providing a written status report, this gives the referral source the ability to cross-market as well. They can call the customer and say, here's the status of your case. By the way, have you met anyone recently who might be interested in my service?
- **Listing Agents Need Status Too!** - You don't always have an opportunity to interact with the listing agent. Giving them a status report is a sales opportunity and it will relieve some of the pressure on the selling agent - who no longer has to be the primary source of information regarding the progress of the case.
- **Alternative Sources of Business and Service Providers Become Part of the Status Cycle** - Sending a copy of the status report to the closing attorney allows them to be aware of the anticipated delivery date of the loan and any problems that may be incurred. If the office is booked for closings at the end of the month, but some of them are tentative, the one that they have a definitive status on will receive priority. If the loan was referred by an alternative source of business, the attorney should definitely receive the status report, because the lines of communication are not as strong as with real estate professionals. This proves service to them!

Conducting Status Reviews

Conducting status with your referral source is similar to conducting pipeline review with your processor or assistant. You go down the list of what needs to be in and who is going to request what. As a matter of course, the referral source may offer to handle requesting certain information - or can assist with questions regarding the property or certain closing requirements. When you conduct status, you are creating a team- it is no longer "me vs. you" it is the team concept.

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Loan Officer's Practical Guide to Residential Finance

2002 Version now available
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Loan Officer's Practical Guide to Marketing

Includes Sales Methodology Like Status Reports

Status Report		As of	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Applicant (s) _____		Application Date _____						
Property Address _____							Program _____	
Loan Amount _____		Type _____	Term _____					
Sales Price _____		Contract Expires _____		Lock Expires _____				
Selling Agent/Broker Name Address Phone _____		←			Affix Label or Write Name Here			
Listing Agent Name Address Phone _____		←			Affix Label or Write Name Here			
Processor _____		Phone _____						
Loan Officer _____		Phone _____						
Exhibits	1st Req.	2nd Req.	Received	Remarks				
Application								
Sales Contract								
Listing/MLS/MRIS								
Deed/Deed of Trust								
Appraisal - FHA VA Conv								
Condo Questionnaire								
Credit Report								
Corrected Credit Report								
Income	1st Req.	2nd Req.	Received	Remarks				
W-2's Borrower								
Paystubs Borrower								
W-2's Co-Borrower								
Paystubs Co-Borrower								
Profit and Loss Statement								
Individual Tax Returns								
Corporate Tax Return								
Retire/SS/Disability								
VOE Borrower (B)								
Employer								
VOE Co-Borrower (CB)								
Deposits & VODs	1st Req.	2nd Req.	Received	Remarks				
Bonds/Stocks								
Gift Letter								
3 Mos Statements								
Earnest Money Dep								
Equity Advance								
Relocation Agreement								
Sales Contract								
HUD-1								
Lease								
Liabilities	1st Req.	2nd Req.	Received	Remarks				
12 Month Checks								
Divorce/Sep Agmt								
Proof of Payoff								
Landlord/Rental								
Employee Loans								
Explanations								
Submission	Date Req'd	Received	Remarks	Disclosures		Req'd	Rec'd	
In House				Good Faith Estimate				
PMI				Truth-in-Lending				
Investor				ARM/Program Disc				
Conditions				Rate Lock				
				Cert & Authorization				
Closing	Date Req'd	Received	Remarks	FHA Loans				
Hazard Insurance				HUD/Assumption				
Termite Report				Lead Paint				

Sample Status Report

Many companies engineer their own status reports, or include them on the printed cover of their processing files. If your company does this, it is a benefit but you may have to customize it somewhat to include things you learn are important to your customers.

This particular form is available to owners of the "Loan Officer's Practical Guide to Marketing". It is an Excel Template which allows you to make changes as you see fit.

Items are listed as requested or received.

This entire section deals with the approval exhibits, so can be a good pre-underwriting checklist.

This section deals with the closing exhibits. You are communicating the status of pre-closing conditions.