
The Mortgage Professional

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"Information you can use"

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Association Membership – The Ultimate Professional Network

It is an astonishing fact that many loan officers, processors, closers and underwriters do not belong to their local or national association. In an extemporaneous survey of state mortgage broker associations, executives reported that membership percentages hover between 18 – 26% of companies. State mortgage banker associations report somewhat higher numbers on average, but this is due to the fact that they are more selective in whom their target members are. If the mortgage bankers associations looked at all mortgage finance professionals, they would see similarly small numbers of members.

The mortgage broker conventions also tell a story of low participation. At a recent state convention, more than one attendee noted that there were more wholesale reps than members.

This can be attributed to apathy and the general lack of commitment to mortgage origination functions as a career. Compare the mortgage profession to the Real Estate industry. REALTOR – membership in the National Association of Realtors – is synonymous with the real estate agent, even though not every agent is a member of the national association of Real Estate Agents.

Political Action

Despite this apparent lack of support, we still have all benefited from the role of the associations even if we did not participate. Political action committees and lobbyists “have our backs” while we go about our business. Unfortunately, most mortgage personnel are not even aware of the issues that could affect their businesses so dramatically. Association lobbyists are in the trenches every day fighting against excessive regulation, mitigating attempts to change our business for the worse, and preventing outside players from creating more competition.

“There’s Nothing In It For Me?”

Of course, it always comes down to the benefit to the individual in participating, because there is a small cost involved in being a member. Associations do a relatively poor job of marketing the benefits of membership. Largely, they seem to believe in the principle of attraction instead of marketing. The associations don’t tout some of the benefits of membership, because there are contradictory interests between constituent groups – companies and individuals.

Education

Associations provide the most consistent source of information flow. They create ability for many different companies and individuals to attract speakers and programs that a single entity could not. As a consequence, costs for education through the association are substantially reduced from market prices.

For example, the price of live training in the marketplace is between \$125 - \$250 per person, per day. The average price of association provided training is \$79 per person, per day. This is a substantial difference that can offset the cost of membership.

Networking

We talk about networking as if it were, in itself, a benefit. Knowing people, without an understanding of how that can help you, isn't a benefit. The iconoclastic culture of the mortgage broker business is that we are all sort of "lone rangers" – we don't like to ask for help and we don't need help. Harvey MacKay, author of "Swim with the Sharks", wrote another less well known book called "Dig Your Well BEFORE You Get Thirsty". The wrong time to ask for a favor is when you desperately need one. Examples of relationships paying off in this way:

- Help from a wholesaler to quickly get signed up for a new product
- Finding out from other brokers or lenders how to deal with a specific situation
- Ability to refer a troubled transaction to someone who can help

The best references on new products and investors come from these networking functions. Asking another attendee about a particular investor or transaction may yield the opinion that the investor is slow or disorganized, inflexible in underwriting, or has a penchant for declining loans when interest rates rise. This may dissuade you from using that investor, or may confirm that your experience was not an anomaly.

Some benefits of networking accrue to individuals, but not necessarily to the companies. Networking makes it much easier to find a job, hire someone, or learn of opportunities in a marketplace. No one says that these networking events are tantamount to open air employment fairs, but that is the subtext of networking.

Industry Resources

Often, membership in a state association will convey benefits from a national association. These resources include databases, research, economic analysis, business trends, and other industry information that we use to plan our business strategies. In addition, industry publications, which are normally included in the cost of membership, are invaluable resource tools.

Financial Gains

We have all seen the "affinity programs" associations tout that really aren't anything other than envelope stuffers – discounts on car rental, overnight delivery, or phone services. However, many associations do bundle services from affiliate members – credit bureaus, bonding companies, health/disability/liability insurance and even PMI programs that can result in a financial benefit to the members.

Conventions and Meetings

Aside from being exciting and energizing events, conventions and meetings have broad opportunities in other areas. Often, higher level executives attend meetings, which help leverage a career or business venture. Combining travel to a business event with family or pleasure travel can make part of the expense deductible – if only more conventions were held in Las Vegas, Hawaii, or Orlando!

For smaller companies, association meetings or events can serve the double role of also being the member company's "annual meeting", chairman's club or award event. The celebration – cost of food and drinks – can be absorbed by a benevolent sponsor's hospitality suite, which saves the member company money. This may seem like a "cheap-o" strategy, but everyone wins. The wholesaler or vendor gets more exposure and the small member company reaps the benefits that accrue to all attendees; AND the member company gets to hold a productive meeting.

Credibility and Accountability

One of the most frequently overlooked benefits of association membership is the credibility it lends to the member. It is also the most important benefit for smaller, less established companies. Including a mortgage broker and/or mortgage banker association logo on all company materials, advertising, business cards, and correspondence infers compliance with the highest professional and ethical standards.

As a customer, seeing this credibility gives me comfort that I am not going to be taken unfair advantage of. Investors and wholesalers understand that member is striving for best practices and is willing to be held accountable, making it more likely that the investor will approve the member. Most importantly, a regulator knows that the member adheres to ethical standards and will receive the benefit of the doubt if a complaint is lodged.

“I’m a broker, not a Lender” (or vice-versa)

We tend to isolate ourselves into opposing groups – broker vs. lender. As originators and processors, however, there is no real difference in the job function. The real difference begins when the loan is submitted to underwriting. There is no barrier that says a broker or banker cannot be a member of the other’s specific association. In fact, membership in both is encouraged. , but the reality is we are in the same

For a list of State Broker and Banker Associations, please visit www.quick-start.net/associations.htm.

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