

A SPECIAL FOCUS ON THE FUTURE OF MORTGAGE BANKING

"In a nutshell, I am a good person ... that is the best advertising you can do."



Bad Robot!

By Eric Weinstein

Have you noticed that the unemployment rates hover around seven percent no matter how much the economy seems to improve. Let me tell you why... Robots!

They are everywhere. When I go to the supermarket, there are 12 checkout lanes. Not too long ago, they were filled with middle-aged women

monotonously scanning your beef jerky and canned peas, while some pre-pubescent pimply faced boy bagged them. Now, you are lucky if you find two lanes crewed. The rest are all devoted to self-checkout aisles, manned by, you guessed it, robots.

I am so old, I remember when there was someone to pump your gas at no extra charge. Check your oil, Mister?

Automated toll booths, automated tellers, automated 411 information ... where are all the servants? Unemployed, of course.

Well, Eric, that was a nice rant, but "What does this have to do with mortgages?"

I don't know about you, but when I go to the supermarket, I make a bee line to the aisle with a person, not the self-service lane. If given a choice, it is my feeling, and business plan, that people want to deal with another person they can see, hear and touch versus some faceless voice over the phone. I make it a point to personally meet all of my borrowers at the time of application. I pick up papers when needed. I attend the closing. For this, I get terrific referrals and a Five-Star Rating on Yelp! It takes time, but I am paid really well per deal, so don't worry about it.

In my article "Go Dinosaurs" (page 40 of the August 2013 issue of National Mortgage Professional Magazine), I discussed the benefits of being a broker versus a banker. If you missed it, let me sum it up in one

word: Money. You just make more money per deal being a broker ... pure and simple. That means the number of loans you have to do per month is less. That means you can take more time (and care) with each loan.

I have been a mortgage broker for more than 20 years now. I have seen all sorts of business plans for marketing, including a telemarketing plan, a mass mailer plan, and worse of all, the spam e-mail plan, just to name a few. I am not saying these are not without merit. Evidently they work to some degree, as companies continue to use them. They just don't fit my personality. That is, to spend money for something I can get for free.

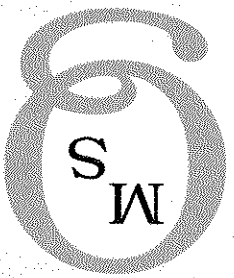
My business plan is simple, inexpensive and fun. I do a good job, people tell their friends, repeat. I get all of my loans by word of mouth. I don't advertise per se, unless you count the free pen I give out at application. I explain the deal to them in detail. I answer my calls promptly. I joke around with them, and I ask about their kids. I make sure everything goes smoothly. In a nutshell, I am a good person ... that is the best advertising you can do. Just, be a decent human being. People like plan, that people want to deal with another person they can see, hear

and touch versus some faceless voice over the phone. I make it a point to personally meet all of my borrowers at the time of application. I pick up papers when needed. I attend the closing. For this, I get terrific referrals and a Five-Star Rating on Yelp! It takes time, but I am paid really well per deal, so don't worry about it.

Do a lot of loans per month because you have to, because you are paid so little per deal. This means you have less time to interact with people and less time to build a personal bond. This equals less referrals and more money spent on advertising to get more deals. In effect, you are recreating the wheel with every deal.

Get paid more per deal, so you don't have to do so many deals per month. This allows you to spend

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more time with your borrower, create a friendship and leads to more referrals.

These, of course, are the extremes. Most loan officers create a synthesis of both. My points is that you should be striving for the latter, not the former, as your ultimate career path goal.

If you are happy just doing the first of these choices, then congratulations R2-D2, you are officially a robot.

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