

## **PART ONE**

# **What You Should Know**

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## CHAPTER ONE

# Mortgage Originator—The Best Job in the World: How to Make Lots of Money Selling Money and Fulfilling Dreams

**C**ongratulations! You are going to learn about the best profession in the world. One in which your earning power is unlimited, *you* determine what your income will be, and you help people to fulfill their dreams. This book is about mortgages, about success, about having freedom, and about making a difference for people. What could be more satisfying than providing the means for a young couple to buy their first home, or for a parent to fund a child's college education? How does it feel to see a hard-working family get a fresh start by helping them lift the crushing weight of credit card debt? Or to know that you are instrumental in helping someone turn a great idea into a budding new business? Wouldn't it be gratifying to help an elderly couple supplement their income so they can continue to live comfortably without worries about losing the home in which they raised their family? This is what mortgage originators do—and they make a great living along the way.

There is not one thing in this book that you can't do. Not one. How do I know? Because with no money, only a high school education, and

the determination to succeed, I was able to create a lucrative mortgage business that supports me and employs others, has continually grown over 20 years, and now does business in 36 states. If I could build a business from nothing, then you, building on the decades of experience and insights that have gone into the creation of this book, can be a high-income mortgage originator.

### **Expectations: Getting What You Want**

What do you want? Do you want to be your own boss? Do you want to make a lot of money? Do you want to be the one to say how much you earn? Do you want to meet new people and help them solve problems? Do you want to work in an industry that will challenge your ingenuity, creativity, and resourcefulness? Do you want the security of knowing that no matter what economic ups and downs occur, you have the skills, knowledge, and confidence to create your own opportunities and continue to grow your income? If so, then this book will launch you into a career that has all that and more. And it will give you all the information, tips, tools, and practices you need to become a high-income mortgage originator.

Dolores was 45 years old, single, living in Boston. A graduate of an Ivy League business school, she was a manager with the company she had been with for 17 years. She made a very good income, had a savings plan, health benefits, paid vacation and holidays, and was only three years from being fully vested in the company pension plan. She was usually upbeat and light-spirited, except when she talked about her job. Then out came a stream of complaints about boredom, political shenanigans, and lack of advancement opportunities. One year her annual review coincided with the expiration of her apartment lease, and I asked her if she wanted to leave Boston and come to work as a mortgage originator in my company. She hesitated a bit, and said she didn't know anything about mortgages and had never sold anything before. We talked at length over several

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weeks. I knew she could learn to sell and learn about mortgages. After all, I had done it, and she was a lot smarter than I was, and she had a better personality to boot!

She took the plunge. People thought she was nuts to quit her “good” job. But she wanted the freedom to determine her own future and the earning power that being a mortgage originator would afford her. She packed up her belongings, bought her first home (on a no-down-payment, low-interest fixed-rate mortgage), and started training as an Application Specialist, calling customers and prospects and completing mortgage applications for them. In the process, she learned how to sell. She learned what makes a script effective (it isn’t just the words), how to remain confident in spite of rejections, and how to deal with difficult prospects and turn them into appreciative customers. And she did it using the tools and advice and information that are now available to you in this book. She is creating new marketing opportunities for herself, and soon will be training others coming into the business. The friends she stays in touch with, those who thought she was crazy to make the move, don’t see a nut—they see a confident, prosperous woman in control of her financial future and her career, and proud of it.

Being a high-income mortgage originator is not for everyone. You’ll have to make your own decisions and adjust to being compensated for the results you produce rather than for the time you put in. And you will have to think creatively as the day passes quickly with a variety of activities. Does all this sound good? If so, I know that anyone who is committed to succeed can succeed.

**It’s About Selling**

Yes, this business is about mortgages, interest rates, and credit scores. But when you sell a mortgage, you sell money, and the great thing about selling money is that everybody needs some. There is always a demand

for mortgages. Every year millions of people buy homes, many for the first time, and almost without exception, every one of them will buy a mortgage from someone. Why not from you?

You don't need years and years of schooling or training to get started, but as with anything else that is new, you need a willingness to learn. It is not just about mortgages and application forms, which this book explains to you, clearly, and simply. After all, what good is all that information if you don't know how to bring in the business—if you don't have any mortgages to originate? In addition to all the nuts-and-bolts information you need, the book shows you how to sell mortgages and how to create new business, build a client base, and generate a career that can last you a lifetime—if you choose.

Even if you've never sold anything, you can learn to sell mortgages. When I started selling over 40 years ago, I was shy, self-conscious, terrified, and terrible at selling. It took me a long time to find a very simple, very effective way to talk to people so that now they say "yes" 95% of the time, no matter what I am selling. You don't have to go through years of struggle as I did. I've sold everything from freezer plans to alarm systems, correspondence courses to flowers, vacuum cleaners to swimming pools, and selling mortgages is the easiest of all. All the lessons of my experience have gone into producing the materials you need to learn to present yourself and your products effectively, and they are all here in this book. You can download and customize presentation scripts, marketing letters, and client and activity tracking forms, which are explained in detail in the book. And if you take the recommended actions, you will develop the mindset and confidence to present yourself professionally and effectively, even with tough customers.

You don't even have to be great at math! It isn't hard or complicated. The book explains in language that is easy to understand what calculations you do have to understand, what they are used for, and why they are important to you and your client. The abundance of automated calculators on the Internet, special function calculators, and software programs means that math mechanics are much less important than they were when I

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started in the business. The book provides examples you can use as models for calculating your deals. Most important, you will learn what the numbers tell you, so that you can create appropriate solutions for your customers.

Being a mortgage originator is not about making a quick buck in an easy market. It is about having the staying power to weather the changes in any market—not only to survive economic downturns, but also to move into new opportunities. You will learn what to do as a mortgage originator, but also how to build a base of clients, retain them, and develop them into a gold mine of referrals and new business. The book explains how to get more business at each step in the mortgage process. You learn to provide excellent service by addressing the concerns and motivations of borrowers and lenders. You learn how to attract customers and earn their trust and confidence, helping them to move forward. And of course you learn in detail the information you need to take applications and bring loans to closing.

Using the strategies and practices of this book, you will do more than earn a living. You will build and create the life you want—the life you deserve to expect! How long it takes is completely up to you. How much do you want, and how fast are you willing to implement the book's recommendations to generate leads and convert them to commissions? That's one of the best things about being a mortgage originator: You call the shots.

**Learning the Ropes**

When I started my company, Mortgage Services, Inc. in 1986, I didn't know much about mortgages. I had started with a job as a trainee with a bank, and I learned as I went. Within a few months I ventured out on my own, knowing that I needed to understand much more than just mortgages. I had to generate business, know where to find customers and how to qualify them, and keep the records I needed to build and run an efficient and effective business. I couldn't just sit back and wait for people

to come to me. Being a mortgage originator is being a salesperson, and I had to do what every salesperson had to do—get out there and sell the business and sell myself.

When you learn from your personal experiences, you develop a solid foundation that other forms of learning often cannot provide, which allows you to adapt to changing conditions. The mortgage industry changes constantly, which is one of the reasons it remains interesting and challenging for me, even after 20 years. It is subject to federal, state, and local legislation and regulation. It is buffeted by economic factors such as the strength of the housing markets and changing interest rates. It is creatively expanding with new products and new markets as the fiercely competitive lending institutions find a competitive edge. Despite this, you don't have to know everything before you get into action. This book follows the same "learn it as you need to apply it" approach that allowed me to start a company, build it and keep it going for over 20 years, in an industry where people come and go with changes in the wind. With few barriers to entry and lots of money to be made, the mortgage industry is appealing, but many people who enter it are not prepared to sell, and some get stopped by the technical knowledge needed to succeed. The book's tools and explanations are designed to get you into action quickly, learning sales techniques and technical information as you go, without being overwhelmed by every possible variation and kink or twist the process could take. The index and glossary provide easy access for referencing all the material, any time you need it.

## An Overview

Part One of the book describes with broad brushstrokes the mortgage process from origination to closing, and the larger factors that determine the market, pricing strategies, and ultimately your compensation and earning potential. You don't need to study this information to learn it. Its purpose is to give you a perspective that will support you in knowing that the



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decisions made about your loans are not personal—you are part of something much larger. Armed with this background material, you will be able to apply your understanding to any set of circumstances and conditions that you encounter when doing business as a mortgage originator.

Part Two focuses on the details of marketing, mortgage applications and loan products in the context of selling, building client relationships, and becoming an effective closer. Each chapter focuses on one step, in sequence, in the selling process from prospecting to closing. Each chapter explains not only the information you need and the actions to take, but why everything you do is important to closing deals. You learn to evaluate your customers' motivation, qualification, and readiness to move forward at each critical decision point, so that you will be able to identify and address any concerns or obstacles. Examples and case stories illustrate the material and demonstrate both winning strategies to adopt and common pitfalls to avoid. And each chapter provides tools and procedures to track your actions, evaluate effectiveness and take corrective action when necessary. Technical information, customer-focused salesmanship, and objective results evaluation—these are the winning combination that will make you a high-income mortgage originator.

Part Three wraps up with post-sale activities and a discussion of your career options as a mortgage originator. Whether you continue to work for a broker or lender or decide to strike out on your own, you will learn the pros and cons, opportunities and costs of each option.

**Making a Difference, One Loan at a Time**

One thing I've learned in my 20 years in the business is that no two mortgages are the same. You might think a 30-year fixed is a 30-year fixed—and it is. But to each of your customers their mortgage is a unique, powerful, and important financial tool—and you hold the key. For one young family, it meant being able to add on to their home so that they could have the wife's mother closer to them. For a young man it represented the

end of nine months of earnest credit repair and the end of high-interest loans, creditors calling, and being afraid a repo agent would claim his car. For a middle-aged couple it meant the pride of owning a home and being able to stay where they were and keep their kids in the same schools when their rental converted to a condo. For a 50-something manager it meant escaping 30 years of corporate drudgery with seed money to start a business of her own. For a retired widow it meant a new boiler and much-needed repairs for a porch, without dipping into her retirement nest egg.

The relationships you make during a loan transaction are the future of your business. Anyone can “do a loan” but when you make a difference for people, they tell others, and when they need another mortgage, they remember, and they call you first. The stories are endless. Over and over, you meet people with different circumstances and different dreams, and all of them are looking for help. Getting to know them, their stories, and their aspirations has been a rich part of my career, and a rewarding one. If you can read, if you can speak, if you can think, you can originate mortgages. If you have integrity, a genuine interest in helping people, the desire and motivation to succeed, and the information, tools and structures this book provides to support you, you can be a high-income mortgage originator.

### **Choosing a Company, Getting Training, Deciding How Much You Want to Earn**

One of the things I love best about being a mortgage originator is being master of my own future. You can be master of your future. It starts with a decision about how successful you are willing to become. Yes, willing. The mortgage industry is a multi-trillion-dollar industry—trillion! That’s a lot of money going into mortgages, and a lot of money paid to those who keep the pump primed—the mortgage originators. You will be able to achieve whatever income level you are willing to work for.

You don’t have to do it alone. There are tens of thousands of mortgage brokerage firms and lending institutions looking for motivated people to

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originate loans. Most institutions do not require a college degree, and many require no related experience. On-the-job training is standard. You can work full-time or part-time, salaried or commissioned, or a combination. Some institutions offer health and retirement benefits. As a beginner in the industry, you should find an established company with a good reputation. They already have contacts with lenders and others, and have the administrative systems and personnel in place to support you, so that you can concentrate on learning the trade and building your client base. Regardless of the situation that attracts you, this book will give you a competitive edge, so you can ask the right questions when you interview and hit the ground running, to begin earning commissions and bonuses very quickly.

Most firms pay a commission based on the number of closed loans you originate. Some (usually direct lenders like banks) pay a salary. Some, like my firm, pay a combination of salary and commissions and bonuses. Some firms offer “split” commissions, where they split the profit on each closing with you. In exchange, they may expect you to generate all the prospects, leads, and applications on your own, at your own expense.

Other firms, like mine, do extensive marketing that results in prospects and leads who call you. We also encourage, through additional bonuses, new marketing ideas and actions that have our loan originators generating their own business. Wherever you decide to work, this book will prepare you to ask the questions that will give you a clear understanding of the opportunity, the responsibilities, and the compensation structure you can expect, so there are no unpleasant surprises after you start working. Ultimately, as a mortgage originator your income depends on one thing and one thing only—how much you produce.

Also included in this book are tools and instructions to track your progress and measure your effectiveness at all process milestones. You will identify your strengths and weaknesses and make necessary adjustments before you get into trouble. While the strategies and operating practices in the book are tailored to mortgage origination, the skills you develop as you apply the information are valuable in any position where

salesmanship, integrity, and customer service are important—virtually anywhere.

Opportunities for advancement abound within the industry, and the foundation and successful practices you master as a high-income mortgage originator will serve you well in all of them. Whether you stay in origination and grow your customer base, take on more independence and more responsibility with the firm you work with, or decide to strike out on your own as I did, you have the power to call the shots. Your future can be anything you are willing to commit yourself to.

Being a mortgage originator is about generating sales, caring for customers and following up on details. It's also about your freedom and independence, and that's exciting. It is about having control of your financial well-being. No need to kiss up to a boss you don't like or who can't do the job he is evaluating you on doing. No more office politics or frustrating salary range caps. Every paycheck reminds you that your initiative, creativity, and performance are valued and appreciated.

### **A Day in the Life of a Mortgage Originator**

Yes, but what does a mortgage originator *do*? You do many different things. A mortgage originator has relationships with many people who are at different points in the selling cycle (described at length in Part Two). The activities and daily actions for each stage of a loan are different, and the successful mortgage originator tends to all of them. A typical day is never typical, because every loan is different. Every customer has particular needs and concerns, and markets and products change all the time. The variety of activities and situations you deal with keeps you on your toes, and time passes quickly. At the end of the day you can look back at your stats and take satisfaction in knowing exactly what you have accomplished.

The morning begins with calls related to loans “in process.” You call an employer for a verification form for one of your clients. Or you follow up with an appraiser prior to receiving the written report. You lock rates

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and gather loan documentation to keep the process going. And you call clients to let them know what's going on, to stay in touch and answer any questions or concerns they have.

Once the in-process files are moving, you turn your attention to generating new applications, beginning with calls to past customers. You may have sent out a mailing, which you are now following up. Or you are just calling to see how your clients are doing, offer your services, and ask for referrals. Or, you call past customers who are in mortgages that had a short fixed rate that is about to convert to adjustable, to let them know their options and what you can do for them. You call clients who recently closed a loan, to ask how it went and to ask for referrals. Staying in touch is very important—a satisfied customer is the best marketing and advertising there is.

Next, you move on to generate new business. Cold calls keep you sharp, so that when someone calls you in response to your marketing efforts, you are on your game and can convert the incoming call to an application. You keep statistics of your calls—how many people you spoke to and how many applications you took. You track your improvement over time. You record your presentations and listen to your interactions to train yourself in the sales techniques you learn in this book. You quickly develop a keen ear for the things that work and the things that don't, and you become masterful on the phones. (I know this may seem hard to believe, but I promise you, if you do this, you will overcome your anxiety and develop mastery.)

Next you move on to processing applications, pulling credit reports from today's applicants, reviewing yesterday's credit reports, and discussing the reports with clients to set them up for the next steps in the process. In these credit call conversations you develop relationships with clients based on trust and integrity. You also learn to recognize whether clients are ready to move to the next step, and if not, what you need to do to get them ready.

Then, you turn your attention to preparing proposals for clients. You review rate sheets, evaluate the clients' motivation and qualifications, call

lenders for quotes on different loan products, and prepare alternatives and recommendations. You call clients to review the proposals with them, and to ask for the go-ahead, thus closing the sale. You track your conversion ratios and take corrective actions as needed.

Later you prepare loan packages for the proposals you sold, schedule appointments to review the package with the client, obtain signatures, collect application fees, and ask for referrals. You may visit clients' homes to obtain signatures and review the loan package documents, and then return to the office to submit the package to a processor.

You'll prepare for upcoming closings you have scheduled, reconcile the closing settlement statement with the Good Faith Estimate. You call your clients to prepare them for the closing, and ask for referrals. You update your records for future correspondence with your client to set up a schedule of automatic, regular communication with them.

On occasion, in the evening you attend a networking event, put on a seminar for first-time homebuyers or a credit repair program, or take a course to improve your knowledge and skills.

Before bed, if you sit back and think about it, you have the satisfaction of knowing that as a result of your efforts today, someone else's life is better. Imagine the confidence and power of knowing you are in control of your future. Imagine the freedom and power that come with being responsible for the results you produce and the unlimited income you can generate. All this is yours for the taking. Let's begin.