

Loan Officer Initiation

Within each company and branch, the process of initiating sales staff is different, dependent on the branch business concentration, commission rate, and experience level of existing and recruited sales staff. However, there is a rational methodology for integrating different experience levels. More experienced and established personnel should be given more latitude in determining their initiation. Notwithstanding this, the procedure for initiation should follow certain general steps.

Basic Training

Industry training should be made available to new recruits and those transitioning from internal positions. This training should be product oriented and should assure familiarity with generally accepted program guidelines, products and qualification methodology. This training should yield results as to general aptitude for mortgage origination position. An individual who does not grasp concepts quickly is probably not suited to this type of analytical position.

Loan Officer Initiation

The process of initiation is one that should result in a business plan for the loan originator. In many cases, the employer will provide certain "built in" business sources as a result of controlled business arrangements or other outside marketing sources

Typical Controlled Business Arrangements	Typical Other Employer Referred Business
<ul style="list-style-type: none">• Homebuilder Division receiving end loan financing as partial compensation for providing construction financing.• Subsidiary of Real Estate Firm, Home Builder, or Bank with existing customers	<ul style="list-style-type: none">• Direct Mail Solicitation• Paid Media Advertising• Sponsorships of Industry Events

These employer provided relationships or business leads are typically compensated at a lower level than business generated by the loan officer directly. They provide a base level of compensation. The expectation is that the loan officer will augment business levels through developing business source relationships within his or her chosen community.

Building an Originator Business Plan

Perform a Market Analysis The originator may have a general idea of a specific segment of real estate or related business that they wish to concentrate on. Or, they may wish to concentrate on a geographic locality. If they do not, their manager should assign them a prospective market.

Common Business Sources for Residential Mortgages	
Realtors	Home Purchase Money Loans
Builders	New Construction Purchase Money Loans/Construction, Acquisition and Development Loans
Attorneys	Purchase/Refinance Transactions
Accountants/Planners	Refinance Transactions
Home Improvement Contractors	Construction/Permanent Financing - 2 nd Mortgage Financing
Other Lenders	Wholesale/Retail Correspondent Lending

Regardless of whether the selected territory is geographic or segment specific, the loan originator must perform in depth research via telephone directories, industry directories, word of mouth, field research and available publications. Discuss the market with other service providers like appraisers, title companies, wholesalers, and other loan officers. The result of this research should be a "prospect list" of potential business relationships. The "prospect list" should be reviewed by the manager to assure that:

- There are at least 30 prospects
- The list contains address, telephone numbers, facsimile numbers, name of the principal(s) of the firm or the office manager/sales manager, approximate number of employees and sales people and the general focus of the business
- The prospects are identified geographically on a map and do not present an extensive travel distance
- The list should be numbered based upon geographic closeness so that, in theory, the numbers could form a logical sequence
- The list should be entered into a mailing list format on computer or hard copy labels and made available to the manager for resolving territory conflicts

Preparation of an Introductory Package

The originator must perform a written assessment/inventory of his or her experience and attributes consisting, at a minimum, of:

- A resume detailing business experience that is relative to the business that is sought
- One (three is better) letter of recommendation from a recent customer
- An "open" or "form" introductory letter from the originator to the prospective customer base specifying simply why they will be rewarded for using the originator
- Supporting materials including distinguishing products or services

The originator must assemble an appropriate product line. Assess/inventory all current programs/guidelines available. Select 3 programs which have at least one of the following characteristics:

- Offer excellent value to the customer - great product/rate
- Offer unique - not generally available - parameters
- Offer flexible guidelines
- Offer superior service opportunity

Assemble a package for internal use containing **all** pertinent documentation relative to these 3 products. This should contain

- Lender underwriting guidelines
- Forms/Procedures for Submission
- Forms/Procedures for Registration/Locks
- Telephone contacts

Assemble, for external publication, a highlight sheet for each of these products. The highlight sheet should contain

- The product name, or a unique interpretation of the name
- Bullet points outlining the unique guideline, value, or service offering
- A current range of rates and points
- The originator's name, company and contact numbers

Assembly of A Marketing and Follow-up Plan

We acknowledge that the amount of time available for sales is limited and marketing as an endeavor has infinite possibilities. To consume the least amount of time and maximize the potential return on the time investment it is important to simplify. Create a weekly marketing and follow up routine.

Monday	Tuesday	Wednesday	Thursday	Friday
Mailing	Sales Meeting	Routine Maintenance Prospects 11,12,13,14, 15	Status Phone Calls To Set Up Next Weeks Appointments	Routine Maintenance Prospects 21,22,23,24, 25
Routine Maintenance Prospects 1,2,3,4,5	Routine Maintenance Prospects ,6,7,8,9,10	Routine Maintenance Prospects 16,17,18,19, 20		Routine Maintenance Prospects 26, 27, 28,29, 30

Tracking Responses

The only way to assure that the plan initially implemented is or is not effective is to monitor performance against activities. There should objectives within a campaign to achieve certain physical goals in terms of marketing so that the results can be weighed. If after six weeks, the marketing plan is not being effective with the initially selected clients, sort the clients/prospects out as targets and select new targets to replace them.

Mailing

The first mailing should be to all managers, simply announcing appointment of the originator to solicit the prospect and to expect a call. Subsequently, one of the 3 product highlights should be featured weekly, distributed with the mailing, and then to the prospect offices.

Office Visits

The purpose of the Maintenance visits is to simply post the product availability. Request information regarding the office protocol as to lenders. Record this information on the originators notes.

The originator should keep at least one of the Introductory Packages assembled in the event the opportunity presents itself to make a presentation to a manager or key person.

The prospect list should be posted on a graph with notations recording dates of visits.

Calls should be made to all managers for the purpose of introduction and to request the possibility of a meeting. The objective of meeting with managers is to learn the needs of the customers, present the selected products and to gain sanction to visit the office regularly.

Database

The initial visits are investigatory. Learn as much as possible about how business is conducted, what other lenders are utilized, who the key figures are. Record this information on a permanent file. If the originator utilizes computer aided tracking, assure that reports and lists can be generated from it.

Alternately, an originator may use a hardcopy account manager, or index cards, provided there is a mechanism for tracking clients within each account

Fax Broadcast

Establish fax broadcast capability and schedule delivery of featured product flyer for prior to

- Morning of Sales Meetings
- Weekend

Internet

A copy of the current featured product flyer and product information should be made available on the internet.