

Staying on Top: 8 Strategies

From picking a niche to avoiding bad deals and loans, numerous survival tactics exist

By **Andy Lockwood**

THIS YEAR HAS BROUGHT A LOT OF changes to the mortgage industry. Lending guidelines have tightened, and dozens of lenders have gone out of business. If you're committed to staying in this industry, however, this meltdown might be a blessing in disguise. With less-committed loan officers leaving the business in droves, you have a chance to reinvent yourself and stay on top.

Let's take a look at eight fundamentals that you must master not only to survive but also to prosper in today's market.

1. Pick a niche

Positioning yourself is the most critical thing you can do. If you're just another faceless, boring choice in the phone book, you're like a pack of gum — a commodity that people can get anywhere.

An easy way to position yourself as a guru is to write a monthly article for a local community newspaper or magazine. These publications can give you great exposure to thousands of potential clients. You also can often use your articles in your other marketing efforts.

Another inexpensive way to position yourself is to learn your craft. Reading trade publications and applying your knowledge is an easy way to separate yourself from the legions of other loan officers. You also can look into hosting a radio show, writing a book and hosting teleseminars or podcasts.

2. Determine where you're needed

When choosing a niche, consider whether your prospects are hungry for your services. Market to people in special situations.

Consider mortgages for people facing a divorce. There frequently are income and credit issues involved in these situations. Or consider marketing to people of specific ethnicities or in certain professions.

The potential is unlimited. Just select a niche and communicate with its members the right way, pressing all the "hot buttons" that will gain a positive response.

3. Create systems that sell

You do not have a real business if you are doing everything yourself: processing, taking applications, following up on leads, printing, mailing, stuffing envelopes, etc.

You need a competent back office on which you can rely to free up your time to look for deals. The good news is that you don't need layers of employees or other overhead to accomplish this. Automation is key here.

Consider automating everything possible — e.g., mailers with a few clicks of a mouse, automated follow-ups to your "call-capture" number, Web site auto-responders, pre-written and scheduled mailers, teleseminars and voice broadcasts. You often can accomplish this with little effort.

4. Nurture your database

It's a cliché, but it's worth repeating: Your best source of business is your own client database.

Make sure you communicate with your database often. You can do so using newsletters, e-mails, video postcards, direct mail (including regular postcards) and voice broadcasts.

5. Don't chase bad deals

It's tough to let go of a dying deal, such as a home that underappraises severely and requires an exception you have no shot at getting.

But spending time on bad deals is a waste of your time. It takes away from time that can be better spent finding new deals. So bury your dead loans and move on. A good deal will come along and replace your departed bad one sooner rather than later.

6. Protect yourself

As tempting as it may be, don't give all your deals to one or two lenders. This is known as a "concentration risk" in the banking world.

Branch out and put feelers out to other lenders just in case one of your go-to sources falls through. It could happen, even during the

underwriting stage or during a rescission period. Go the extra mile to protect yourself.

7. Don't do "bad" loans

Some lenders have closed because of an excess of high-loan-to-value (LTV), stated-income loans. You're better off retooling your marketing to bring in less-risky mortgages, such as full-doc, low-LTV loans. They're out there — you just need a strategy to find them.

8. Invest in your business

Just like in any business, you must invest capital, time and sweat to be successful. Find everything you can get your hands on that might be useful to you in some way, such as courses, seminars and books.

If you're on a budget, check out the sales and marketing section of your local library. You likely will find dozens of books with ideas that you can use right away in your business.

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We're at the beginning of a natural, repeated cycle in the mortgage business. You must now decide whether you will pack it in with your tail between your legs or be an opportunist and redouble your marketing and other efforts. It's time to choose your path — your decision prescribes how successful you'll be. **!!**



Andy Lockwood offers free, politically incorrect pipeline-building tips on his Web site, www.MortgageMarketingWhiz.com. He is the author of the *BK Buyout Riches Implementation System — How to Make an Extra \$100,000 Per Year Closing Only 1-2 Extra Loans Per Month In a Non-Competitive Niche*. He can be reached at andy@BKBuyoutSuccess.com.