

# Save Energy, Earn More Business

Brokers who go green can gain an edge over competitors

By **Debbi Lyons**, director of marketing, Encomia LP

**S**AVING THE ENVIRONMENT IS ALL the rage. To many people, it's a social obligation; to others, it's a novelty. At worst, some are simply apathetic. That said, there is often no downside to implementing environmental practices in your mortgage-origination business.

Originators considering this move should understand the marketing edge that comes with embracing the environment, as well as the actual processes and products needed to go green.

There are two significant ways that mortgage brokers can integrate green practices into their businesses: operate a green office and sell green products. Both can lessen brokers' environmental impact and improve their bottom line.

## Green offices

Mortgage brokers are increasingly frustrated with the time, effort and costs associated with creating, managing and shipping the many pages and disclosures included in a standard mortgage application. The mortgage industry, as a whole, consumes hundreds of thousands of trees each year, in addition to oil and other materials used in the papermaking process. In fact, one of the easiest ways for brokers to help the environment is to eliminate as much paper-work as possible.

For some, the best way to do this is to originate e-mortgages. If full e-mortgages are too much, brokers can start with electronically formatted disclosures or uniform residential loan applications. Disclosures can be e-mailed to borrowers, who then review and electronically sign them, saving reams of paper in the process.



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Further, originators can use more-efficient energy sources within their office environment, such as recycled paper and energy-efficient light bulbs. They also can share with partners, clients and prospects how this technology is being deployed. Also, in many major markets, business-owners can contact alternative-energy providers. With the right steps, brokers likely can achieve tax breaks or reductions in energy costs or both.

Finally, as the selling arm of many larger, national lenders, the broker community as a whole can influence larger organizations. Many of the nation's top lenders now have environmental-sustainability policies in place that commit them to reducing their impact. By educating themselves on the policies of the companies with which they work and by insisting on working only with lenders that have a written sustainability policy, brokers can leverage an even-greater positive impact on the environment.

## Green loan products

Many government-sponsored organizations, as well as larger lenders, now offer some form of environmentally friendly mortgage program, often referred to as energy-efficient mortgages. These loans provide incentives such as closing-cost discounts, lower interest rates and federal tax credits for homes that deploy technology for alternative energy, such as solar panels. Some programs even allow loan-to-value ratios of as much as 115 percent.

Green loans are available for conforming-loan types as well as some Federal Housing Administration and U.S. Department of Veterans Affairs loan programs. They're also available on refis.

As time goes on, these programs likely will continue to grow in number and scope, in accordance with the laws of supply and demand. At the same time, government incentives may also increase. Smart originators will be on the front of this wave.



Mortgage originators should be looking for any low-cost means to maintain an edge over their competitors. In today's climate, that includes

embracing green processes and products and marketing them to partners and clients. 

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