

Think Outside the Cube

Now is the time to go beyond traditional advertising and price wars

By John Meussner

From start to finish, 2017 is sure to be a year of change for the mortgage industry. We have a new congress, a new presidential administration and a new real estate environment. For the first time in recent memory — and the first time, period, for many loan originators — we are facing a rising interest rate environment.

Since rates began falling in the early 2000s, one common business model across the country has been to focus on refinancing and relying on borrowers seeing an advertised rate and picking up the phone or clicking the “chat with an expert” box. Many companies advertised the best interest rates possible and set originators in cubicles with headsets on to wait for the phone to ring or the chat request to come through.

And ring it has. This business model has resulted in a lot of profit for a lot of mortgage companies and young originators, and there is nothing inherently wrong with doing business in a call-center environment. The problem is that in a market of rising rates, the phone will be a bit more silent, and a quiet call center is not a good place to work.

When rates rise, the mortgage industry gets thin. Companies tend to cut back on staff, and many loan originators are left trying to find a home. Those with only a call-center skill set can find themselves on the outside looking in. For them, and for the entire mortgage industry, it’s time to think outside the cube.

Real-world benefits

Outside the cube, business can be found everywhere, whether rates are rising, falling, or remaining stagnant. This is a world where originators can self-generate millions of dollars in funded loans each month even while the

industry is “slow.” It’s a world of networking, problem solving and creatively structuring financing for borrowers who can’t find loans with a simple click or internet search. It’s a world where loan officers aren’t simply reducing interest rates, but instead are injecting value into the process.

Outside the cube, real estate agents trust loan originators with their clients. They work on cobranded marketing efforts, cohosted open houses and home-buying seminars. Outside the cube, originators must learn about local downpayment assistance and first-time buyer programs, and then advertising their expertise to the world.

Successful originators don’t just peddle “low rates and great service.” They take an active interest in learning how to help real estate agents grow their business. They discover what new agents in their area need to learn about loan products and marketing, and how that translates to selling more homes, and they offer to teach those new agents.

Originators who thrive outside the cube are a valuable commodity to the real estate agent community. They become so valuable that business comes to them, despite market conditions or interest rate changes.

Professional help

Financial advisers and certified public accountants live outside the cube as well, and they also have clients with unique financial needs. Mortgages often are their clients’ largest debts, so having a good loan originator as a resource is paramount to maximizing these financial professionals’ value to their clientele.

A financial adviser may need someone who can originate a mortgage for a client in need of tax deductions, or a professional who can

transform a 30-year debt into a 15-year commitment to help a client plan for retirement. Perhaps an accountant needs an originator to help a client with multiple businesses and complicated tax returns navigate through the mortgage process without stress.

In short, these financial professionals need someone savvy enough to make them look good. A loan originator living outside the cube can play that role regardless of market conditions. And, in quickly changing markets, financial professionals will need this resource more than ever.

The law is another arena where rates don’t matter, but knowledge and experience does. Divorce attorneys don’t care if their clients’ rates are 4 percent or 4.5 percent. Instead, they want to make sure their clients have a good experience during a difficult time when someone needs to be removed from a deed with a refinance.

Immigration attorneys don’t care if their clients get a Federal Housing Administration or conventional loan. They do care about being a resource for their clients who want to achieve and enjoy the American dream

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of homeownership. A bankruptcy attorney wants to tell a client, “Your life is not over; you can buy a new home tomorrow” — and have a resource that can make that happen. Like financial professionals, lawyers need help, and the assistance they need for their clients comes from outside the cube.

Community focus

Outside the cube, loan originators focus on their local community. They don’t strive to capture every mortgage application in town, but to help everyone they can in their community in any way possible. Oddly enough, focusing on helping often seems to bring just about every mortgage application in town their way.

Originators who want to become a community resource use their websites to advertise local businesses, specials and events. They blog about the community and plug the efforts of local business owners. They sit down with local contractors and builders to understand their businesses and match their services

with applicants in need. They even visit local schools, first responders and hospitals to educate them on loan products that offer tremendous benefits for these public professionals.

A loan originator who works outside the cube becomes more than a mortgage person. That originator is a keystone to the community, and one of the local area’s most valuable resources.

Living outside the cube requires originators to know about their local competition, too, and approach them as allies rather than seeing them as competition. When the local credit union offers a great product for customers with a 640 or higher FICO credit score, the outside-the-cube originator contacts the credit union and informs them about options they have to help borrowers who have sub-640 credit scores or tricky income situations. They then assure the credit union that they will not cross-market to credit union clients. They are not there to steal business. They simply want to help where help is needed.

Likewise, when originators who live outside the cube expand their licensing into new

states or territories, they let the world know. Then, even when their competitors have loans outside their own territories, these outside-the-cube originators become a valuable resource.



Advertising rates through traditional marketing works during a refinance boom, but when a loan originator thinks outside the cube in their business-development strategies, there is no such thing as a bust. Steadily increasing loan volumes and revenues are well within reach for those willing to go beyond traditional marketing and lending strategies.

Outside-the-cube originators will find a long career of steady profits, tremendous revenue, priceless networking opportunities and life-changing relationships. It’s all out there for those willing to think and step beyond the cube. ■