

Find a Company to Call Home

Originators must seek stable ground as the sands shift in the industry

By Adam Thorpe

The Greek philosopher Heraclitus taught that the only constant in life is change. This principle is certainly evident in the housing industry and can be seen everywhere from rising interest rates to decreasing inventory. Although these changes are an expected part of the mortgage business, they can, at times, create a challenging environment to find consistent success, and some originators may get caught alone in the refinance desert searching for a purchase-mortgage oasis.

Despite several years of abundant growth within the housing industry, the conditions under which some companies built their business are beginning to change. Following the Great Recession, the mortgage industry saw an influx in refinance business as rates fell to near-historic lows and stayed that way for almost a decade.

Many small and mid-sized mortgage companies and refinance-oriented consumer-direct lenders built successful portfolios based primarily on refinancing home loans. As economic conditions improved, however, rates began to slowly, albeit systematically, increase.

With this climb projected to continue into the foreseeable future, mortgage companies that based the bulk of their business on refinancing may not survive the altering landscape of the industry. Likewise, originators who focused on the refinance market may find themselves standing on shifting sands.

These originators will need to find ways to diversify their books of business or find a position with another company as these changes take place. With so many variables in play,



Photo illustration by Karen Steichen

more originators will be motivated to align themselves with a purchase-oriented company that can provide a strong foundation on which they can build a fruitful and stable book of business.

Identifying the right company

Although the timing may be ideal to transition to a new company, selecting an organization that will be the right fit can be daunting. With many players in the industry, a variety of factors need to be considered before making a move. Ultimately, choosing a

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company that not only has the infrastructure to support business needs, but also the culture to foster positive growth, will come down to the careful evaluation of several critical components.

One of the first elements to look for when seeking out a new company to call home is a forward-looking organization. In an industry that is frequently referred to as aging, seeking businesses that have adopted a mentality of flexible adaptation is critical to keeping up with the inevitable evolution of the lending world.

Investment in technology is a primary indicator as to whether a company is looking forward. This technology should be focused on helping sales professionals gain a competitive edge in the market through creating efficient and streamlined processes. As more and more borrowers seek an end-to-end technology solution to fit their digital lifestyles, mortgage companies that have implemented platforms to address those needs will distinguish themselves from their competitors.

It is no longer feasible to run a successful mortgage business with arduous paperwork processes and lengthy turn times. Clients want a one-stop digital shop for all their mortgage needs, and the company that can give that to them is the type of company where an originator can build a successful future.

Finding the right people

That's not to say that the human touch should be completely abandoned. Although technology is an important tool in the mortgage process, it is only as useful as the people who wield it. Finding a mortgage company comprised of quality personnel who provide the highest levels of service and support, both internally and externally, will help originators foster crucial professional relationships and guarantee future referrals.

To identify companies that hold their employees to the highest standards of excellence for service, consider the following questions: What tools are available to promote originations? What is the average

underwriting turn time? How diverse are the company's loan programs? Does the organization focus on purchase-oriented originations? Is communication a priority — and is management willing to listen to their sales professionals? Does the company have positive customer and originator reviews? Does it facilitate relationships with referral sources?

Companies that provide exceptional service for their sales force — as well as their customers — will be able to positively answer all these questions and more. They will promote expedient loan processes through short processing times and set the industry standard for underwriting turn times. They will offer a variety of loan programs to meet the diverse needs of their growing clientele. They will value clear and consistent communication with borrowers and loan originators at all levels of the organization. They will have positive customer reviews from a range of sources (including current employees), and will take immediate action on negative reviews. Finally, they will provide robust tools for fostering relationships with referral partners.

Loan originators are only as good as the personnel who support their business endeavors, so finding a company with strong corporate support departments, such as extensive operations teams, in-house marketing, competent compliance advisers, well-trained information technology groups and knowledgeable secondary market teams, is critical to finding success. Keep in mind that one size does not fit all, so a company's support structure must be flexible to adjust to the varied working styles and approaches of different sales professionals and business channels.

Investing in culture

Another factor to consider when looking for a new mortgage home is the type of culture the company has cultivated. As the hiring environment becomes more competitive, it is becoming necessary for employers to offer additional perks to employees. Mortgage companies that take the time to develop a positive environment that promotes service

and support at all levels will be more likely to recruit and retain top talent.

Many companies offer health incentives like gym memberships, for example, or provide company break rooms stocked with snacks and amenities. Some companies organize outings, parties and employee-appreciation events. Others emphasize giving back to their communities through service opportunities and local sponsorships.

Whether it's an awards trip for top producers or monthly office-birthday celebrations, companies that focus on developing an appealing company culture show they value employee satisfaction. This is a critical component to finding a positive work environment.

The final key to consider when comparing cultures at potential mortgage companies is the type of management style found within the organization. Every initiative, attitude, value and standard begins at the top and makes its way down throughout the company.

Originators should look for organizations led by individuals who strive to be better, recognize the talent and ideas of others, applaud success, encourage growth, regularly evaluate company progress and identify areas of improvement. A successful mortgage company is led by an accessible executive team that is willing to pivot quickly to address shifting market conditions and the needs of their originators, while maintaining a standard of excellence.



Despite the shifting sands of the mortgage industry, many companies have developed business models that can weather even the strongest storms. With investments in technology, infrastructure, support staff and positive company cultures, these companies will emerge as the top recruiters and leaders in the field. They also are the types of mortgage companies that ambitious, smart and talented originators should be seeking when determining where to build their futures. ■