

The Loan Officer's Practical Guide to Marketing

Despite being trained, motivated and having an opportunity to participate in one of the most rewarding careers anywhere, every year thousands of loan officers fail to succeed. The single greatest reason is the inability to produce enough business to generate revenue quickly. Here is a program designed to help new loan officers quickly gain an understanding of how to get loans and a plan to acquire lifelong customers.

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Introduction

Whether you are a seasoned professional or a brand new loan officer, you are in a special circumstance when you accept the position of company representative for providing loan products. Mortgage products are commonplace. Most geographic territories have at least a dozen or more banks or mortgage companies vying for a portion of the region's business. In some cases, such as major metropolitan areas, there may be as many as 500-1000 lenders. This can be daunting. Particularly when you realize that the position offers no income guarantees. So it is not surprising to learn that many new loan officers do not survive their first months. They need to have success sooner than later in order to support themselves.

If you ask any seasoned loan officer or think back on their own initiation, they will tell you the same story. Most likely their training consisted of

- someone handing them a rate sheet
- being told to go get some business

Is it any wonder some failed?

If there was initial success it was because

- they got lucky and started during a time of high refinance volume, or picked up a big client right away
- they knew or were related to someone who sent them a large volume of business
- they worked incredibly hard in their first 6-12 months and developed referral relationships which began to grow and they didn't need a lot of income to start with

This shows that unless your family is involved in the real estate business or you are entering in a period of low rates you need to work quickly to develop your business.

Even if you have been involved in the business for some time, if you are reading this it is likely that you believe you could achieve more.

To achieve anything as complex as managing a market you need a plan. As a loan officer you not only need to have the tools of product knowledge, but also the ability to understand the needs of a marketplace and the best way of bringing to that market an understanding of why it

Four Step Sales Initiation Process

- Acquire Product Knowledge
- Identify Market
- Design Approach and Sales Collateral
- Design Follow Up Plan

should choose you. That is what the process of Developing a Loan Officer Marketing Plan is – learning and understanding the needs of a marketplace and then showing the market why it should choose you and your products or services.

Here are the steps we need to take.

Getting Product Knowledge

Knowing how to do your job - from a lending perspective - is almost more important than being a good sales person. We do not provide information about product knowledge in this guide, but your success is predicated on understanding your products and services. This is because, if you don't know how your product can help someone, you cannot satisfy his or her needs. The loan officer's sale is all about finding people who have a need and then meeting it.

Identifying Your Marketplace

This is a common area where even effective sales people and loan officers spend too little time. Learning about your clients is the most important part of being able to satisfy their needs. A Complete Inventory is critical to success.

Designing Your Approach and Supporting Collateral

Once you have identified your marketplace you can then select which products you offer that will result in referral leads, how you will introduce yourself, and what supporting documentation you need to advertise your products. Keep in mind that marketing is infinite. You cannot be everything to everybody. This is why many people fail - they market assiduously to the wrong people.

Designing your Follow-Up Plan

This is where the rubber meets the road. An action plan, a campaign, and a system for adding and deleting top prospects will assure that your time is spent actively approaching and selling to people who are most receptive and have the highest potential of being long term clients.

If this seems daunting, it shouldn't. It is no different than painting your house. You decide you are going to do it. You research the colors. You choose the best tools and supplies. Then you paint. If it doesn't work out, you start again. At the same time, you can see why people fail in painting and this is a lot like why loan officers fail. They use a brush instead of a roller to paint a wall - it takes forever. This is like marketing FHA loans to a Jumbo marketplace - you get a few FHA loans, but it takes forever.

How Do You Feel? – Feeling Good About Selling

Some people will tell you that you have to sell and sell. What does that mean? Does the