THE MORTGAGE PURCHASE PLAYBOOK

7 Winning Plays from Mortgage Industry Experts
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Executive Summary

Game Time!

Today's mortgage market presents an all-new playing field. Try to get in the game by using last year’s tactics, and you’ll never get out of your own end zone.

To score quickly and often, your goal is now set for purchase loans. It’s no longer about the fastest lender with the lowest rate, which was the key sales strategy during the refi market's heyday. Today’s borrower needs more, which is why relying on the same strategies as last year is not going to cut it—not even close.

To help originators win at this new game, we have tapped the minds of some of the greatest experts and coaches in mortgage sales. Their favorite strategies are contained in this Mortgage Purchase Playbook that you’re reading right now. Each one of these plays is specially designed to find motivated borrowers and to develop and nurture the relationships that will lead you on the path to scoring big—and closing loans.

The refs are calling you out onto the field. The game clock is about to start. What play will you call?
Winning Play #1: The Quick Score

**Kelly Booth**
Director, Mortgage Division, Velocify

Kelly Booth is a senior financial services executive with more than 25 years of sales, marketing, management, strategic planning and product design experience for numerous companies serving the financial software industry.

The game has just started. The score is 0-0, and there you are—holding dozens of online leads from interested borrowers inquiring about your products and rates. Some even seem ready to act.

The instinct is to split up your leads and have your loan officers start dialing, but with no method to the madness, you’ll wind up with too many misses. Research shows that potential borrowers are more likely to convert the sooner they are contacted, while their interest is high. But if you have many new leads and many others already in the pipeline, it isn’t always easy to quickly assess which leads have the highest value and who on your team is best to work each opportunity.

If you’re not sure how motivated your leads are, or which of your sales players to turn to, leverage a sales automation tool that can help you with these insights. Like a trusted game statistician, Velocify’s LeadManager™ automatically prioritizes the highest value opportunities based on key attributes, such as lead source, credit score and many other pre-defined criteria. LeadManager can also automatically evaluate the best loan officer to work each opportunity based on loan type, territory, etc. With Velocify, you’ll be passing the ball to all the right players and marching down the field for a quick scoring drive.

**Pro Tip**
Contacting prospective borrowers minutes after they express interest, compared to 24 hours later, can double or triple your conversion rate.
Winning Play #2: Recruit Referral Superstars

Barry Habib
Founder and CEO, MBA Highway

Barry Habib is a nationally-acclaimed professional speaker on financial markets, housing, sales training and relationship building. He is also a mortgage industry commentator and frequently appears on FOX and CNBC networks.

The volatile nature of the market is making it difficult to sustain game-winning drives. Meanwhile, more and more prospects seem to already have a lender lined up.

The purchase market business is a relationship game. A strong network of referral business will replenish your sales pipeline through the ups and downs of the market.

Recruit your referral team by researching successful business partners in your market. What do you know about them? Make sure to target a broad base of potential partners in different lines of work.

After "scouting" your team, reach out to them by providing something of value and then finding out what their needs are. A strong referral team is based on mutual benefit. If your partners know you can truly help their clients, they are likely to trust you with their leads.

Pro Tip
Listen closely to what potential partners want. When following up with them, find ways to show them you were paying attention.
Winning Play #3: The Needle in the Haystack

Garth Graham

Director, Marketing Strategy & Execution, STRATMOR Group

Because the typical consumer “needs” a mortgage only once every five to seven years, finding a borrower at the right time in the buying cycle is a major challenge—like the proverbial haystack needle.

Approach leads from both retail and consumer direct channels and lean on marketing data to determine the right time to make contact.

Most likely, you have permission to contact existing and former consumers. Leverage this customer information with third party data available from data marts so you can learn who is in the market for a loan today based on their recent activity.

Once you know who to target, determine whether it is best to reach out through your branch or call center. Then, use data solutions to access real time data on new leads, which will help you score, route and prioritize borrower prospects. The goal is to use separate best practices for each channel, so you can grow both your retail and consumer direct businesses together—while connecting with motivated prospects on time.

Pro Tip

Pre-screened “trigger” leads that are followed up with a firm offer of credit have a great chance of converting.
Winning Play #4: Adapt and Prosper

Nick Hedges
President & CEO, Velocify

Nick Hedges is a 15-year veteran of the Internet and software as a service (SaaS) industry. As the president and CEO of Velocify, he works with numerous large financial organizations to help transform their sales processes and increase revenue.

Your sales tactics for converting refinance leads are not working for converting purchase leads.

The sales process for purchase loans is longer and more involved than it is for the refi game, which means potential customers require nurturing—or else they will go cold during the shopping phase.

To prosper, you need to adapt your tactics. Keep reaching out to borrowers after making the first contact to keep them engaged. Once you have a borrower pre-qualified or pre-approved, don’t stop the nurturing process. Keep it up through weekly emails, guiding your clients on next steps, and provide loan status updates that can be mapped to your loan origination software. Use automated communications to keep all stakeholders informed.

Nurturing during the sales process not only keeps you in front of the customer so they are constantly thinking of you, but does the same for the customer’s Realtor, who will be a major stakeholder in the buying process. The Realtor will want borrowers to use his or her preferred loan provider, too. Why not deliver a superb performance and “win” that preferred provider spot for yourself?

Pro Tip
Keep an eye on your borrower’s application expiration date. If they are struggling to find the right property, offer them options to help.
Winning Play #5: The Command Performance

Dale Vermillion
President and CEO, Mortgage Champions

Dale Vermillion is a 30-year mortgage veteran and 18-year mortgage industry trainer, speaker and consultant. He has appeared on FoxBusiness and many national radio programs. He is the author of the book “Navigating the Mortgage Maze” published by Moody Publishing, Chicago, IL.

The Situation
You’re meeting lots of motivated borrowers, but are having trouble converting them.

Your play will be in what you say and do. Position yourself and your team as the experts in the market by mastering the “Triangle for Success.” The three sides of the triangle are value, relationship, and differentiation. Here’s how it works:

Demonstrate value not through rate, but through benefits – both monetary and service-based. Remember that your product is money, not price or programs. Concentrate on finding borrowers the ideal payment, not the lowest, that gets them the greatest overall return on investment for their home purchase.

Build relationships not through rapport, but through loyalty. Likeability is important, but don’t make it your goal. Take time to understand your customer’s emotions and to learn their needs and “wants” (goals). And take your time!

Differentiate yourself from the competition by offering options instead of opinions or order-taking; then be ready to discuss their financing choices.

Pro Tip
Establish and master a systematic communication process. Be available throughout the sales process and separate yourself in every way possible to prevent “unhooking”.

Dale Vermillion
President and CEO, Mortgage Champions

Dale Vermillion is a 30-year mortgage veteran and 18-year mortgage industry trainer, speaker and consultant. He has appeared on FoxBusiness and many national radio programs. He is the author of the book “Navigating the Mortgage Maze” published by Moody Publishing, Chicago, IL.
Winning Play #6: The Iron Man Transformation

Joseph Semrani
Regional Customer Service and Sales Manager, M&T Bank

Joseph Semrani is the customer service and sales manager in a mortgage division at M&T Bank and has been managing loan officers for the past decade at various mortgage companies.

You have a sales force of originators that possess strong telesales skills. These originators are disciplined, motivated and trained to convert refinance leads. How do you transfer those skills to a purchase market creating an “iron salesforce”?

Our industry is experiencing a significant shift, but it isn’t the first and it won’t be the last. Successful lenders will be the ones that arm their originators with a suite of iron built to withstand any market shift.

In my mortgage division at M&T Bank, I have a number of originators who are inside sales reps, and typically handle refinance leads, and another set of originators that are outside reps and typically handle purchase leads through relationship building with referring partners. Throughout the many shifts in the market, I’ve cross trained my reps and provided them with the technology to help them easily maneuver through market shifts.

As the purchase market comes back into focus, I am arming my inside sales reps with new skills to be successful. My focus with this group is to build upon and complement the proven skills they possess. This transformation into an “Iron Man” includes three key components - leveraging purchase leads to open new doors and drive referral business, coaching on how to build long lasting relationships with the realtors they meet, and finally providing them with the right technology, in our case, Velocify, to automate the sales process and make it more applicable to the purchase sales cycle.

Pro Tip
Arm your loan officers with the right technology and tools to succeed in any market. A good technology solution should be flexible to adapt to market shifts.
Conventional wisdom is that lead buying only works for refinance. Conventional wisdom is wrong.

It’s true that national call center based lenders have made a fortune off refinance leads while struggling with purchase leads. Many assume that’s because home buyers refuse to work with anyone but a local lender when closing the most important transaction of their life. The experience from our lenders with purchase focused shops is that’s simply not true.

The real issue is that closing a purchase sale is a much different process with a much longer sales cycle (5-6 months for 80% of purchase leads to close vs 2-3 months for refinance). Our most successful lenders taking purchase leads focus on the following best practices:

- Segment out the purchase team. It’s a completely different skill set. And if given the choice, loan officers will always work the refinance leads, dropping purchase leads on the floor.
- Focus on building longer term nurturing communications through a robust CRM or lead management system.
- Build trust with the realtor to avoid flipping. Realtors care about getting the deal done. Demonstrating a record of on-time closing is critical here.
- Focus on only the highest intent, highest quality lead providers.

**Pro Tip**
Call new Internet leads quickly and make sure to match sales capacity to lead volume. Uncalled leads are guaranteed NOT to convert.
Conclusion

Post-Game Recap

One of the biggest keys to success in today’s market is technology. Without the right technology, you can be spinning your wheels while others are closing deals.

At Velocify, we provide technology that helps mortgage professionals manage leads and convert more borrowers into closed loans. It’s simple. We’ve got a proven record and numerous awards for helping mortgage lenders supercharge their sales and rise above their competition.

The preceding plays are time-tested strategies that successful originators have used to succeed in the mortgage market, and to keep succeeding, no matter what the prevailing market climate is like.

We’ve given you some ideas to get you started. Implement them with the right technology, and there will be no limit to your success.

Game on!
Do you have the tools to make big plays in the shifting mortgage market? Learn how smart sales technology can enable you to close more loans and rise above the competition.

Get a Demo Today
Velocify is a market-leading provider of cloud-based intelligent sales software, designed for high-velocity sales environments. Velocify helps sales teams keep pace with the speed of opportunity and increase revenue by driving rapid lead response, increased selling discipline, improved productivity, and actionable selling insights. The company has helped more than 1,500 companies across a variety of industries improve customer acquisition practices and sales performance. Velocify was recently recognized as one of the fastest growing companies in North America by Deloitte and a Best Place to Work by the Los Angeles Business Journal. For more information, please visit Velocify.com or follow the company on Twitter @Velocify.