

The Importance of Integrity

When working with clients and referral partners, brokers must earn their trust

By **Christopher Doyle**, loan officer, American Alliance Mortgage Co.

ASK A GROUP OF LOAN ORIGINATORS about the most important attribute that they can possess, and you likely will get a range of responses — from loan-program knowledge, experience and tenacity to finesse, sales skills and smarts.

But the foundation on which all good brokers build their business begins with an unwavering commitment to integrity.

When working with mortgage borrowers, brokers can convey integrity by having an honest discussion of borrowers' strengths and weaknesses, disclosing rates and fees accurately, and setting realistic expectations. Realtors and other referral sources also deserve and expect your honest assessment and the timely conveyance of information.

Understanding borrowers' needs

Mortgage borrowers want someone they can trust to guide them through the complexities of the loan process. You can begin to lay the foundation of trust with borrowers you've just met by listening to them. Start by trying to understand what they are seeking.

Often, the initial discussion begins with borrowers stating that they want "the lowest rate." In a purchase transaction, however, borrowers who have small budgets for downpayment and closing costs may not realize that it is possible to structure the loan with a slightly greater interest rate but reduced out-of-pocket costs at closing.

On a refinance, borrowers may be surprised to learn that the lowest rate would require financing one or more points into the mortgage, thereby reducing their equity and increasing the hold time required to recoup those points.

When you take the time to ask insightful, open-ended questions and craft a sensible solution based on the clients' answers, trust is born. And borrowers will be happy that they have found

someone they can trust. Often, they will tell others about you.

Addressing weaknesses

Discussing a loan request's strengths and weaknesses also is instrumental in establishing credibility with borrowers. If you expect that a loan request may encounter difficulties, you must tell your clients about your concerns upfront.

There is a delicate balance between expressing your concerns about the likelihood of approval and giving borrowers the confidence to keep moving forward with you. You can advise a marginal borrower that there is an increased level of scrutiny surrounding every transaction in the current mortgage environment and that there is a greater chance that the lender will want additional information or documentation to make its decision. In other words, make it clear that the loan request is not a "slam dunk." Borrowers will see that you are honest and on top of your game.

Disclosing rates and fees

There should be no surprises at closing. Borrowers should be able to bring their good-faith estimate with them to closing and compare what they were disclosed, including their cash-to-close.

Also, calculating prepaid interest, taxes and insurance accurately is crucial and should be re-disclosed as information becomes available throughout the process.

Certainly, programs, fees and rates sometimes change during the process — that's the nature of our business. When these changes occur, you should explain why and advise borrowers in writing. It is additional work, but you will be rewarded with well-prepared clients who feel more comfortable with the process.

Setting realistic expectations

It is necessary to establish realistic expectations to guide borrowers through the transaction. For example, if underwriting is taking two weeks to review files, let the borrower know. It may seem like a long time to us, but most borrowers often don't know what a typical underwriting time is. They simply accept the wait as part of the process.

The adage "underpromise and overdeliver"

holds true here. When applicable, pad your quote by a day or two. Borrowers are always pleasantly surprised when something happens ahead of schedule.

Working with referral partners

Integrity with Realtors and other referral sources is key to your ability to build business.


Many brokers say yes to a deal too quickly and then struggle with the consequences. You may not want to risk losing a newfound referral source's confidence by saying you can't do a particular loan, but the wrong answer will quickly erode any confidence they have in you. Seasoned Realtors will appreciate an honest evaluation more than a quick "Sure, no problem." This lets them move on to the next prospect.

Realtors and referral partners also must be updated with good and bad news. Many brokers don't advise Realtors about a problem until the 11th hour, hoping the problem will be fixed. Each day that goes by where you have identified a problem but you have not conveyed the information to your business partners magnifies the problem and calls your integrity into question.

For instance, if a loan closing must be delayed because of a problem with the loan file, let the Realtor know. Realtors plan to do walkthroughs, schedule closings and communicate with agents on the other side of the transaction. Buyers schedule time off work, book moving vans and schedule utility appointments. They do this based on assumptions that a loan will close by a certain date.

Your industry partners understand that the mortgage process sometimes has problems. Advising them of a problem as soon as you know about it lets them adjust the expectations of their clients and any other parties to the transaction.

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When working with your referral partners or with borrowers, integrity represents your honor, word and commitment to your profession. By conveying honesty and truthfulness, you will gain attention from those who need guidance. This is a surefire way to increase your referrals and close more deals. 



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