



**By Stuart Blend**  
Business-development  
manager  
Southwest Funding

# Finding New Paths to Lead Generation

Marketing to different income streams can ensure a steady flow of referrals



Illustration: Dennis Wunsch

Interest rates are at all-time lows. Housing prices are discounted. Owning a home has become more affordable than renting in many areas. After three years of turmoil, the real estate market is poised for a resurgence. What can top mortgage brokers and originators do to prepare for the future that is ahead of them?

• • •

To build a business designed for 2012 and beyond, mortgage originators cannot depend solely on refinances. Instead, they must craft a business that targets purchase transactions and the creation of customer referrals. To do this, originators must have the freedom to act in various roles — as a mortgage banker, mortgage broker, loan officer or branch manager

— depending on their immediate needs. In this way, originators can place themselves in the right situation at the right time and build their business through multiple income streams.

## Freedom of choice

Most successful mortgage professionals are in this business for two primary reasons:

- 1. To provide quality products and services** to the clients they assist, and
- 2. To make a decent living** to support themselves and their families.

There is nothing wrong with wanting to make a lot of money — and certainly the mortgage industry provides originators with this opportunity. Having a choice in

where they work can make a difference in how much money mortgage originators end up putting in their pockets to support their business initiatives.

The most successful mortgage companies are often the ones that allow originators to direct loans either to the company they work for or to a wholesale lender. Originators' business should be earned rather than mandated because they, too, are someone's customer. Additionally, originators must examine various retail platforms to determine where they have the opportunity to earn the most money while still complying with Federal Reserve Board regulations.

Once mortgage professionals have determined whether they will work as branch managers or mortgage originators, they must position themselves to grow their business.

The vast majority of originators depend on company-generated leads. This can come from Internet marketing, phone contacts, radio and TV spots, purchasing leads, and more. Others also market to their sphere of influence, including friends and relatives. Many originators, however, are too dependent on this kind of marketing and leave their livelihoods vulnerable to fluctuations in mortgage interest rates. If rates improve, they make some money,

continued >>

**Stuart Blend** is business-development manager for Southwest Funding, which has about 100 retail offices in 14 states. Blend has more than 20 years of mortgage-industry experience, which includes developing and running the retail mortgage division of several large multibranch mortgage companies. Blend also is known for his training and speaking. Reach him at (877) 878-8989 or [sblend@southwestfunding.com](mailto:sblend@southwestfunding.com).

---

<< continued

but if rates spike, business declines and they start looking for their next career. Depending solely on these two methods for new business is not sufficient to build a solid foundation or to maximize income.

## Four target streams

In addition to the above lead-generation sources, the following are four additional income streams to which loan originators can market. No one needs to target all these business-development options, but those who specialize in one or two could build a solid enterprise to complement their current business.

- 1. For sale by owner (FSBO):** There's no question that business can be generated from FSBOs. In addition to being able to finance the homebuyer's purchase, originators also may be able to help the seller, who likely will purchase another property. Also, interested parties who don't purchase the home represent opportunities for later financing deals. More important, there is occasion to refer the FSBO to a Realtor partner if the sellers decide to list the property. This tactic will require a plan of action, with scripts and knowledge of FSBO basics. The extra effort can lead to a steady stream of borrowers and referrals, however.
- 2. Real estate agents and builders:** These people aren't looking for rate sheets or for someone who claims to give them the best service in town — they've heard it

all before. What do they want is someone who can help them grow their business, secure more listings or sell more homes. Mortgage originators can do that by offering value-added services to these potential referral partners. The objective is to make agents and builders better and more successful by conducting training programs for them, working with them to generate more leads and becoming true partners.

- 3. Educational or training seminars:** Originators who learn how to conduct seminars for real estate agents, builders and the general public can find a subject that is vital to each of these groups and then study that subject enough to develop a presentation on it. If possible, write an article on the subject and get it published in local newspapers or trade journals. In addition, you can arrange to teach it for a state or local agency. This will give your presentation credibility and provide you with another resource for prospective borrowers.
- 4. Financial advisers and certified public accountants:** These professionals are looking for the same thing you are: lead generation. Many financial advisers and accountants are willing to work with mortgage brokers and originators if it means they could earn more referrals. Remember, financial advisers' clients often need to take cash out of their home to purchase an investment property or to move up in housing.

## Expanding your reach

Originators should think on a larger scale when it comes to lead generation. For example, most loans are created for someone in a corporate setting, so originators should actively pursue doing business with co-workers within the same company. Originators can provide these employees with financial education as a part of a seminar or a lunch-and-learn.

Reverse mortgages also can be a lucrative addition to originators' businesses, as well as a benefit to the senior community. Figures from the U.S. Department of Housing and Urban Development show that only a small percentage of all seniors who could take out a reverse mortgage have done so. Learn how to partner with insurance agents and financial planners in soliciting seniors who may need your services. Create a presentation to offer to senior groups or consider becoming a member of your local government's senior committee.

• • •

Each of the above business-development opportunities requires a well-thought-out plan of action, and each can lend itself to achieving personal and financial goals for mortgage originators. To thrive this year and beyond, mortgage originators must make sure they are in the best situation to maximize their income. Developing additional revenue streams through innovative business strategies can help improve their chances for continued success. ●