

Old Habits Won't Open New Doors

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Commentary by Shannon Hicks

Habits are there for a reason. They bring us comfort with their predictability and yet are often the root of our frustration. Ironic? Not so much. Chalk it up to human nature, and in many cases, it's the usual way of doing business. There's no denying that the established market for the HECM has been fundamentally transformed. A loan that once was best-suited to the needs-based borrower that is house-rich and cash-poor has become increasingly difficult for financially-challenged homeowners to qualify for. Today we examine the habitual approaches to marketing and communication with homeowners and how some have broken free from old habits to open new doors.

Those in the habit of focusing their efforts on the needs-based borrower are most vulnerable in a contracting HECM market. Yet some are finding creative and viable strategies to attract qualified reverse mortgage borrowers. Scrolling down my LinkedIn news feed shows a new trend. More HECM professionals utilizing unique niche strategies to help older homeowners who are most likely to qualify by tapping into specific needs. Gray divorce, buying a home, funding long term care, and integrating into a comprehensive retirement plan is not only promising but actually producing more loans. Some of the notable innovators include Don Graves, Chris Bruser, Harlan Accola, and Kevin Guttman to name a few. And that's only scratching the surface of the highly-specialized reverse mortgage originators who've found their niche. Expertise and specialization are the key attributes behind their success.

Then there are the habits we have developed in our sales approach. To put it simply we generally talk too much and listen too little. Years ago I found that starting with the homeowner's goals, concerns, and objectives was the best approach. My motto was the axiom 'out of the heart the mouth speaks'. The more they talked, the more I knew what their true motivations were. The longer they talked, the more they realized the reverse mortgage was a good solution.

Reverse Mortgage Daily columnist Chris Clow summarized some of the best takeaways Craig Barnes presentation at NRMLA's Western Regional Meeting last month. "I spoke with a trainer at RMF, and he found out that the more the loan officer speaks, the less the loans turn into sales," Barnes said. Not surprisingly a survey confirms what many have long suspected, but may struggle to implement- listen more than you talk. "If you're talking, the client isn't," Barnes said. Another tip is to follow a prospect's question with a follow-up question. What I commonly refer to as the Socratic method. For example, if a client asks a loan officer "How can I get my money?" then a good way to more carefully tailor the information could be by asking a follow-up question: "How would you like your money?", said Barnes. He cited the study "The Science of Winning Sales Conversations". To summarize- the longer you talk, the less likely you are to make the sale.

Old habits don't open new doors, just as old marketing and sales tactics are certain to yield minimal results.