The World of the Millionaire Loan Officer

A Short Report To Help You On Your Way To Mortgage Riches.

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My monthly subscription newsletter is called The Millionaire Loan Officer. In it, I describe marketing tips and strategies to generate more loans. I talk about ways to covert leads to applications. And sometimes I talk about "the mental game". I've learned through feedback that my subscribers don’t want to hear too much about the mental game. They just want to know how to get more loans and make more money.

That's fine. But unless the mental game is won, success is 1,000 times harder to come by. And so I decided to write this short report. To share with interested readers what qualities and traits I think are essential to be a Millionaire Loan Officer.

What Makes a Millionaire Loan Officer?

Are successful loan officers different from unsuccessful ones? You might be shocked to hear that the answer is yes. Asking this question is similar to asking, are happy people different from unhappy people. Sure, they are both basically the same. Both types eat, breathe, work, and live similar lives. But happy people have something that unhappy people seem to lack. No, it's not money, or love, or any outside influence. It comes from inside.

Successful Loan Officer Basics

Is it possible to make a million dollars as a mortgage loan officer? Definitely.

Is it possible to make a million dollars in one year? Yup.

Is it possible for you? That depends on you.

Even if you don't want to make a million dollars a year, this report will go over the rules that all successful loan officers work by.

1. You have to be motivated.
2. You have to value yourself
3. You have to be organized
4. You have to specialize
5. You have to market
6. You have to be with a good company
7. You have to have good lenders and programs

1. You Have To Be Motivated
How well you do in this business, and in life depends on you. Not on the market, the economy, interest rates, your financial situation, your experience, your education or lack of, your race or gender, or your family.

It starts and ends with you.

Selling is not an easy business. And as a loan officer that is what you are, a salesperson. Rejection comes with the territory. You will talk to a lot of people who will not be interested in your services. You will also talk to a lot of people who say they are interested just to get you off their back and in reality do not want to do business with you. It's part of the game.

Our job is to get over the rejection quickly and get down to business with as many people as we can.

What makes you get up in the morning? What keeps you up at night? These are the things that are currently motivating you for good or bad.

For example, when I was a broke loan officer, I used to hate getting up in the morning. I had no prospects, no money for marketing, no reason to go to the office, and no desire to get rejected by people I didn't even know. What kept me up at night were the thoughts of all the things I wanted but couldn't have. Nice house, nice car, no money worries, no need for thoughts of getting a third job (I used to work nights as a waiter to make ends meet.)

My motivation was purely selfish and financial. You might be at a different stage in your life. You might have kids that need braces, retirement knocking at your door, or a horde of other worries that keep you from sleeping at night.

In order to make it through the tough times as a loan officer, you need to have desire. You need to know why you are going through this pain. As human beings we do everything we can to avoid pain. And your mind will keep you from doing the painful things that are necessary to build up your business UNLESS you know why you are doing them and that reason is strong enough to override the pain.

What kept me going was not the desire for a new house or car. What kept me going was the desire to prove myself to my parents and my future wife. I wanted respect that I felt I was not getting. That was the deep burning desire that kept me from quitting.

Your desire also has to be strong enough to keep you going when things are great. When business is clicking on all cylinders and you can do no wrong, you must continue to improve and get better. If you start to coast, things will stagnate and fall apart. Your desire will keep you going.

I was reading just the other day, that the richest people more than any other group, are afraid of losing everything they have. They have a fear that they will lose everything and a desire to keep that from happening and so they continue to work and work and make
more and more money. I am not saying that you should emulate this behavior. And I am not saying it is right or wrong. If that works for some people, great. But money does not bring lasting happiness.

What I found is that outside forces motivate us more than selfish wants. You will do more for your kids than you will do for yourself. You will sacrifice for others easier than you will sacrifice for yourself.

In order to be a successful loan officer, you need to know what you want. What do you truly want? Look deep down inside yourself and come up with your answer. It could be anything. The sky is the limit.

Don't limit yourself. I found out the hard way that wanting a new car is not enough. Search deeper inside to discover what you really want. What would really motivate you and be so desirable that you would want to wake up early so you can get to work and get that much closer to having it?

As you read this, you might be wondering, "What the heck is he talking about? What does this have to do with being a loan officer?"

It has everything to do with being a loan officer. Knowing why you are in this business and working hard is essential to getting anywhere in life. This is the one crucial step that most loan officers leave out, and that is why most fail: they don’t have a big enough reason to stick it out.

If you have a big enough "why", the "how do I make money" will take care of itself.

What is your "why"?

2. **You have to value yourself**

A huge problem with new loan officers and those that have been beat up by the market and their prospects is lack of confidence. If you don't have confidence in yourself, it is noticeable to all around you. And no one will trust you enough to let you do their mortgage.

Even if you don't know the answers to their questions, even if you don't know which way rates are headed, or what all the blanks on the 1003 are for, do not let your prospects feel that you are unsure. Don’t waffle. Tell them that you don't know but that you will find out.

The best way to have confidence is to be prepared. Spend your own money if you have to but get training materials and train yourself. Know the jargon, the forms, and the ways our business works. Having a good understanding will do wonders for your confidence and your income.
If you are already trained but are having trouble with clients, memorize your scripts. Know what to say before you meet your prospects. In reality, most prospects ask the same questions and have the same objections. Prepare for these ahead of time and have your responses memorized.

The smoother your "sales pitch" the greater the number of your sales.

Here's an example: Please do not emulate this person because what he did was immoral, unethical and perhaps even illegal. When I was a realtor in Miami, I worked with a fellow who was a wiz at getting listings. He got 50% of all FSBO sellers he went to see. That is an amazing accomplishment. The thing that struck me about him was his confidence. He knew he was going to set all the records as soon as he joined the company because he knew exactly what to say.

One day I asked to go with him on a presentation and he agreed. He had called the seller and said he had a buyer interested in their house and he would like to see it to determine if it was right for his buyers. (He had no buyers, that was lie #1.) When we got there we toured the house and said a young couple was interested in buying in the neighborhood because their parents lived on the next block. He was sure they would love the place and would agree to the price too, but the only way he could show it to them was if the seller listed the house with him (lie #2). This was definitely not what we were trained to say in a listing presentation.

As I said before 50% of sellers agreed to sign the listing agreement and list the house for sale with this man. If you were in the homeowner's position you would probably be able to tell that the guy was full of it. But not if I put the guy in front of you. He was smooth. He had an answer to every question. He knew what they were going to say even before they thought of it. He had every circumstance covered. He was a master. Unfortunately he chose to use his powers for evil instead of for good.

He got in trouble when he went too far. He started forging homeowner's signatures on the listing contracts and they started calling to complain. That's when the company let him go.

The reason I share this example is not to convince you to commit immoral acts. It is to show you the power of being prepared. Once you master the preparation, your prospects will be like putty in your hands. They will bend to your will because you will be confident and sure of yourself and in what you sell.

3. **You have to be organized.**

This one is self-explanatory, but it wouldn't be listed here if it was common. You can be disorganized and do a few loans a month. But you cannot be disorganized while doing close to ten loans a month and running an effective marketing campaign.
The easiest way to overcome this challenge is to automate as much as possible. Use technology as your friend.

- If you have a website and are generating inquiries from it, add another step and let the inquiries pre-qual themselves.
- When you get a new prospect, add them to your customer database system or client management software.
- Add prospects to your email autoresponder as well so they get regular emails from you.
- Make sure you always have business cards and a writing utensil with you at all times.
- Tell your clients what to bring before they come to meet you so you get all the paperwork as soon as possible.
- Try not to have a meeting with a client without the spouse. This will eliminate the objection of "I have to talk to my wife" and will allow you to get all the signatures right then and there.
- Learn to use email, the Internet, and scanners so that you can get your rate sheets, appraisals, and title forms online.
- Have a method to be reminded of clients' birthday and anniversaries.

If you do just the few steps bulleted above you will stand out from the general body of loan officers. As loan officers we do have a lot of competition, but so much of our competition is inept that just going a small way above and beyond shocks clients.

4. You have to specialize

Let's play make believe for a second. Say you are getting married and looking for a photographer. You have two choices. 1. Al's Photo which does weddings, birthdays, portraits, school pictures, and video. 2. Barb's Wedding Photography which only does wedding photography. If everything else about them was the same, which would you choose?

On an important day like a wedding, I would pay more to have the expert on my side.

Many people feel the same way about their mortgage. Get the wrong one and it can cost you thousands of dollars. So why is it that I see loan officers that do everything under the sun: Mortgages, Real Estate, Insurance, Taxes, and Financial Planning? Sure you can make a little bit extra on each client, but you will have fewer clients to work with. If you want to make money in real estate or insurance, hire someone to work with to handle that stuff and focus only on mortgages.

The most successful loan officers are specialists in one area. Not only do they become experts in mortgages, they become the 'top dog' in one particular type of mortgage, type of property, or type of client. These are called niches, and there are hundreds that you can focus on. The more the focus, the better the results.
Often loan officers view a niche market as limiting their sales, so they fear it. The truth is that a niche market can be a business component that gives your work far more focus. A niche market allows you to define who you are marketing to. When you know who you are marketing to it's easy to determine where your marketing energy and dollars should be spent.

A car dealership is a good example. A car dealership will certainly sell a car to anyone that wants to buy a car from them, but does that mean that their market is anyone interested in buying a car? No. The market they need to focus on is most likely geographic—for example, anyone who wants to buy a car within a 50-mile radius of the dealership. Therefore, their marketing energy and money should be spent on activities that communicate to individuals in that geographic disc.

The dealership could also pursue niche marketing according to the types of vehicles they sell—only trucks, for example, or only luxury cars. Narrowing the types of vehicles sold also narrows down the characteristics of the market they will pitch to—determined by the demographics that are likely to buy trucks or luxury cars.

A niche market enables you to target your sales messages with great precision. The more narrowly you define your niche market, the easier it is to cater to the specifically defined interests of people in that market.

Niche marketing can be extremely cost-effective. For instance, if a company offers a product or service that's just right for a select demographic or ethnic group, such as Hispanics or Asians, it can take advantage of specific marketing and advertising channels. It can advertise on ethnic radio stations, for example, which have considerably lower advertising rates than stations that target broader audiences. The marketing budget would go a lot further, allowing them to advertise more frequently or use a more comprehensive marketing communication program than would otherwise be possible.

5. **You have to market**

Successful loan officers know that without marketing, there is no future. The role of your marketing is to keep your pipeline full. Loan officers that experience peaks and valleys in their income do so because their marketing is erratic.

A coaching client once asked me, “Why should we bother with marketing when we can just buy leads?”

My answer is that you should have multiple ways to generate leads. You cannot become dependant on just one method. And when you do the marketing, you know the quality of the lead. Most leads that you can purchase are not high quality and are way overpriced. This is not to say that you should never buy leads. If you find a source that has good leads at a fair price then go for it. Whatever makes your life easier. But keep your own marketing running at the same time.
As a loan officer working on commission, your job is to bring in the loans. You cannot have loans if you do not have leads. So your #1 job is to generate leads. And this is the hardest part of the business. If generating leads was easy, we wouldn’t get paid the big bucks.

Keep in mind, that marketing is more than just running advertising and waiting for the phone to ring.

Marketing is everything you do. There is a marketing component in every action your business takes. I have seen real estate agents with their magnetic signs on their car doors driving around cutting off other cars in traffic. For them, their poor driving is marketing – negative marketing.

The way you walk, talk, dress, sit, and stand all impact whether you will get the loan or not. The words you use are just as important as the rate you quote.

**Let me let you in on a little secret: The lowest rate, doesn’t always get the loan.**

In fact, the loan officers that do the most business, and make the most money, usually charge the highest in fees.

There are really two phases for loan officers. Phase 1 is training. Once you are trained at a sufficient level you move on to Phase 2: Marketing. That's all there is to it. Get mortgage trained, then get marketing trained.

**6. You have to be with a good company**

As a loan officer none of the customers you bring in are yours. They belong to your broker or you bank. So if you leave, you cannot take the files with you.

Too many loan officers work at companies that limit their growth. It could be because the senior broker is an idiot or that the company has a policy that all advertising has to be approved by a bunch of pencil pushers that wouldn't know a good ad if you thrust it down their throats.

The company you work for and the environment you work in are directly correlated to how well you will do. Growing companies with positive people and good leadership are great places to hang your license. Leadership that places an importance on training and marketing is what you should be looking for. Ignore any comments made about customer satisfaction. Everyone talks about having high customer satisfaction. Don’t think a company is great because they "strive for high customer satisfaction." Most companies talk a good game but never back it up.

Small mom and pop shops that aren't doing much volume can be great, but they can also be the cause of the end of your career. I have heard many stories from students who worked for a broker that was operating illegally. Either by not even having a license, or
bribing people for referrals, or outright fraud. You don't want to be stuck in a place like this.

Remember, that the commission check from the title or escrow company goes to your broker. They then have to issue you a check. If they are tight on funds, you are the last to get paid.

Of course if you have your own company you don’t have to worry about any of this. And with the growth of net branches it is easier than ever to have your own company, be licensed all over, and act as a lender and broker at the same time.

7. You have to have good lenders and programs.

In 2007 and 2008, lenders were going out of business left and right. We lost many of the top lenders we did business with. What kept us going as a broker was the fact that we had others lenders who stepped in and closed our loans.

Many other brokers did not have any back up lenders and so when their 2-3 lenders closed their doors, these brokers couldn't close the loans they were working on. Guess who profited? Companies like mine that could still close loans.

A successful loan officer has access to just about every loan products available. Even if you specialize in one niche, you still need to have access to other loan programs. The more loans you do, the more referrals you should start to receive and not everyone will fall into your niche.

Having good programs means never having to turn a client away or send them to another company just because you did not have the right program for them.

In this report I have briefly discussed 7 criteria of successful loan officers. The best way to use this information is to see which of these criteria are missing in your business, research them, and then implement them into your business. Becoming a millionaire as a loan officer takes time, but by implementing these 7 criteria you will be on your way.