

Introduction

Let me start by thanking you for investing your extremely valuable time and effort to join Raise the Bar. You have my word that you will be glad you did. You will have 100% of my talent and resources, as well as those of my talented team.

The success of any relationship is usually determined by the quality and quantity of communication. The relationship we will share will be no different. I am in search of quality partnerships that are mutually-beneficial on every level- financially, of course, but also, emotionally, spiritually and culturally. My father told me a long time ago that “You are successful when you only do business with people you *want to do business with*”. Like many others, at some points of my career, I have had to compromise my standards for money. I will no longer do that and nor should you. While I hope that each relationship remains solid, I know that is impractical. So, in an effort to give us the best chance to enjoy our collective future, I would like to tell you what you can expect from me and my team, as it relates to you and your valued referrals. Additionally, I would like to give you my anticipated expectations about your role in this partnership.

The name Raise the Bar was not chosen lightly. I am professionally intent on being the best I can be. My team understands my passion for “staying ahead of the curve”. I expect that some of the professional promises I am about to make will seem too lofty, but they are not. We will achieve them, not without bumps along the way, but we are committed to changing the way the game is played. The marketplace is in need of a higher standard of performance from its mortgage lenders and its real estate professionals. THAT is why I get up in the morning and devote 70+ hours a week to it. The market needs it and who better to make it a reality than us?.....together.

Everything about my approach to business is anchored in education. I need to be seen as a resource of information- a portal to the right answers- certainly about mortgages, but even the person people talk to about investments, insurance, real estate, paying for college, anything that requires money. I am not the expert, but I am wired to experts.....like you. I feel obligated to keeping all those around me as informed as I can. Our relationship, too, will have knowledge acquisition as a cornerstone. Through Raise the Bar, you will have:

1- A network of superior peers to share best practices with, peers for counsel, peers to brainstorm with. You have my promise to only include the best of the best, and my promise to weed out anyone who doesn't contribute their fair share. Takers are not welcome.

2- Access to great speakers and trainers, such as Darryl Davis, a Best-Selling Real Estate Author and Steve Harney, one of the best trainers in the country.

3- You will receive from my team a weekly e-mail that will keep you in the loop on the status, and likely future, of interest rate movements, periodic business booster ideas, and a bi-monthly magazine that alternates months with an audio CD designed to bring the best cutting edge ideas to you.

4- I would happily offer to work with any of you to build your Business Plans, work on Time Management, or how to build your teams. These topics cross over industries and I have spent a great deal of time, effort, and money to improve these skills for myself.

Working With Sellers

I was taught a long time ago that the financially successful agents overwhelmingly are listing agents. Controlling the inventory is more important than managing the buyers of the product. Even in this market, properly priced homes sell; therefore, the strong agents who possess the courage to *control* their sellers (for the sellers own good) are doing well. Most mortgage people do not understand the value of having relationships with the strong listing agents. Not me. I am on a constant search for ways to help those agents become even more powerful. Some strategies I would like to work with you on are:

- 1- **Scripts-** Over the years, I have assembled a decent library from top real estate professionals- from Walter Sanford to Rand Smith and beyond. They are available for your use. They seem to be a good training tool for new people on your team. As a sample, here is a script that Walter Sanford's team uses before a listing appointment.

Sellers: What Do I Say? The \$100 at Close Magic Questions

Property:_____

Date:_____ Operator:_____

Seller's
Name:_____

Mailing
Address:_____

Phone:(H)_____ (W)_____

Cell:_____ Fax: _____

Email:_____

1. How did you hear of us?_____
2. Why do you want to sell? _____
3. What will happen if you don't sell?_____

4. Referred by: Name: _____
Address: _____
Phone: _____ Fax: _____
Email: _____
Referral fee: _____

5. Who else are you interviewing for the job of selling your home?

Agent	Office	Appointment Date/Time
_____	_____	_____
_____	_____	_____
_____	_____	_____

***Remember, we want to be the last appointment that the seller meets with. Make this possible and reschedule, if necessary. You can say, "Meeting with the other agents first will guarantee that all of your questions will be revealed. We can better serve you if you have the maximum amount of questions available."

6. If We answer all of your questions to your satisfaction, will you list your property when you meet with us? _____
7. Would it be possible for all decision-makers to be present and meet with us on (Date) (Time)? Is it possible to meet at our office? _____. If not, then where? _____
8. Who will be present? _____
9. When we meet with you, will you want to start the marketing? _____
10. Do you own any other properties in the area? _____

24. Assistant to prepare CMA office work_____ ?

Today ? Today/Tom ? Tomorrow ? Later Date _____

Criteria for CMA:

Area(s):_____ Type:_____ Size:_____

Area(s):_____ Type:_____ Size:_____

Geographical Criteria: N/_____ S/_____ E/_____ W/ _____

Price Range Search: _____ to _____

Number of CMA copies:_____

Additional influences at meeting to address presentation to:_____

25. Follow-up Instructions:

- A. Run an expired check of the presentation property
- B. Run a list of needs for listing presentation
- C. Please confirm that all decision makers will be present at meeting.
- D. Deliver confirmation package to them/have them view on website
- E. Confirm they have completed
- F. Add to people farm
- G. Input haves/wants in database
- H. Is CMA complete/accurate?
- I. Put mock listing on internet
- J. Record information on 800 service
- K. Prepare mock brochure
- L. Confirm that presentation is complete

2- Pre-Listing Pre-Selling.....Third Party Endorsements are very powerful. When combined with a strong cross-sell of our team, I expect we can help position you at a higher level than those you

compete against. We can tweak the language and decide if it is a phone call, voicemail, e-mail or letter, but I'd like to do this for you *before* you go to the house for a listing appointment.

Date

Name

Address

City, ST ZIP

Name:

I would like to introduce my company and myself as a member of (TEAM REALTOR®). We are the top lenders in the area we have a long list of satisfied clients for whom we have obtained mortgages to purchase their dreams.

The (TEAM REALTOR®) chose us as their lenders of choice due to our consistency in delivering a quality loan product, at competitive rates, in a timely manner, and with an enthusiastic approach. We were notified that you already either have listed or are contemplating listing your property with (AGENT NAME). We would like to say "congratulations" on your choice.

We were notified of your interest in listing because, as team members, we will play an integral part in marketing your home. Once the listing is taken, our company will determine every potential financing plan available to the buyer who purchases your property. We will advertise these financing plans on your property brochures plus every agent in Walter's office will have these figures to present to all potential buyers. We believe this is important because sometimes buyers may not be aware of all the different methods of financing your property. We might say or write something like, "Did you know that you can buy a property for as little as _____?" It is true, and it is our job to make sure that the buyers understand these opportunities.

Furthermore, we will obtain more information about your home from (AGENT NAME) and distribute it to the other agents in our area. This networking system is extremely effective because we only form partnerships with the very best agents in town thus affecting the marketplace where only the most elite brokers operate.

Finally, we will be ready to assist you and (AGENT NAME) during the sale of your home by screening potential buyers so that you know their qualifications before you accept their offer! Since you are relocating, you, too, can be pre-approved under our approval program, saving you time and eliminating any worries while you shop for your new dream home. It will also give you the upper hand in negotiations!

Additionally, we offer FREE, NO OBLIGATION Seminars for home sellers to help them make the best choices with their proceeds from closing. We will carefully craft a plan for you to minimize your taxes and position your assets for the best protection and growth going forward.

We are extremely happy to be part of the (TEAM REALTOR®). We want to make sure that you are satisfied not only with your choice of real estate agent but also with having a quality transaction delivered in record time and at the highest net proceeds to you.

If you have any questions concerning financing, the sale of your existing home, or the purchase of your next home, please feel free to call me at XXX.XXX.XXXX. Remember, to reach one of the best real estate agents in town, just call (AGENT NAME), at (PHONE NUMBER).

Thank you,

Dean Hartman
Chief Planning Officer

3- Tools for Listing Appointment Differentiation- Call Capture/Text Messaging. One of the biggest challenges for agents is differentiating themselves from their peers. Most “sell” experience (either as an individual or as part of their company) or market share, or marketing

outlets, but since most present a similar list of features/benefits, the prospect often chooses based on price- who will do it cheapest?

Since ultimately, a seller should choose based on who they believe will sell their home as quickly and as at high a price as possible, we have long been proponents of Call Capture Technology as a powerful listing tool.

All marketing on a home (sign riders, home magazines, web sites, etc) show the home with an 800# where prospects can call 24/7 to get an audio tour of the home they are interested in. Within 20 seconds the real estate agent (or their designee) will receive a beep or an e-mail, notifying them of the phone number of the person who is inquiring (and if it is a listed phone number, we can access their name and address as well).

When properly demonstrated to a seller on a listing presentation, it shows the agent to be the most responsive to every party who might be interested in the home---instantly and 24/7.

Additionally, because of the configuration of codes and such, an agent can: document where all their calls come from (thereby knowing which advertising works best), receives many more calls (because it is 24/7 and because of the 800#, people call, not knowing they will ever talk to anyone), and can even use the system to better delegate and follow up with their team members.

The agents in the program have complete control as to where calls are forwarded and managed, and they can change it anytime they'd like. Through the reporting feature, you can document the success of your marketing based on the number of calls, and use it to get price breaks from the seller. ("Well, we had 50 calls, but no one wanted to schedule an appointment, Mr. Seller. Why do you think that is?")

Presently, we are taking a look at Text Messaging and Real Estate as possibly the next level. A prospect would have photos and information sent via a text, rather than an audio tour. As this technology becomes more mainstream, we need to be ahead of the trend.

- 4- **Loan Product Distinction-** There are circumstances where the right loan product can make a difference in a sale or not. Clearly matching loans for Buyers is obvious, but there are times we need to match the loan program to suit a seller. Maybe the house in need of some work and an FHA 203K is the right fit. Today, with differentiation such a challenge for home sellers our \$1000 Down Program is an innovative solution to a serious challenge.

YOU CAN BUY A HOME WITH JUST \$1000!

As long as you qualify based on income and credit standards, the home appraises and the title is clear, Continental Home Loans, Inc. has structured a mortgage program to make the seemingly impossible possible.

By working with the top real estate professionals on Long Island and in the boroughs, we have been able to explain to many home sellers how to better position their homes for sale- by eliminating the biggest obstacle to people buying their first home- sufficient funds for the down payment, closing costs, establishing escrows, and reserves.

We have carefully designed a loan program that fits within the guidelines of the Federal Housing Authority which means this product is insured by the Federal Government. Each home will have an individually crafted combination of sales concessions and grants through HUD- Approved Not-for-Profits that will cover all the cash requirements for the home buyer (except their attorney, and if the buyer chooses- a termite and/or home inspection).

Because the loan is an FHA insured loans there are loan limits that restrict the amount of money that can be lent, making only certain homes eligible.

How the Program Works for a Buyer

We will be hosting regular seminars (see the events button on the left side of the web page to see dates, times and locations) to explain the “nuts-and-bolts” and accepting applications to establish eligibility. This is a fully documented loan product in terms of credit, assets and income. We are looking for good (not perfect) borrowers. Continental

has long believed in granting loans to people for whom the loan is suitable (meaning they can afford it).

Prospects are urged to bring copies of their pay stubs, W2s, and most recent bank statements to the seminars. They will fill out a Quick Application for a mortgage and an authorization for Continental Home Loans to run their credit report. Within 48 hours a Continental Mortgage Planner will contact the prospect by phone to go over their submission and put together a more complete picture before submitting the application to an underwriter.

Approved borrowers will be e-mailed a “Good As Gold” Certificate which will give them the power to enter into contract with any home available in the program up to the limit displayed on their certificate.

The available homes will be shown here on this website (see the All Listings button on the left side of the web page). Monthly, we will host an Open House Day where the house will be available for a walk-through for only two hours. Times of the Open House are part of each listing. The most up-to-date inventory of homes will also be distributed at each of the public seminars.

In so far as the seller has already agreed to the numbers (the sales price, the costs they will pay on behalf of the buyer and the gift to the Not-for-Profit), there is no negotiating of a deal. It is what it is.

Contract signing, appraisals and title work should be quick. The mortgage paperwork will be completed expeditiously and closings could be within three weeks.

Homeownership for \$1000 cash and a new mortgage insured by the Federal Government!

How the Program Works for a Seller

In the current real estate market where only about 5% of the inventory is actually selling each month, the largest challenge to selling a home is finding a way to differentiate the home. Creative financing options have long been a way to make a home more attractive. Whether in the form of sales concessions for closing costs or seller-paid buydowns of the mortgage interest rates, sellers have been forfeiting a portion of their proceeds to make their home (and its financing options) better than the homes they are competing against.

In this program, we will be using the sellers’ proceeds to cover the vast majority of cash needs for the buyer. The seller, through a combination of a sales concession and a gift to an FHA approved Not-for-Profit, will fund the buyers’ down payment, closing costs and prepaids (prepaid mortgage interest, the first year’s homeowners’ insurance premium, and tax and insurance escrows).

Historically, it has not been unusual, in the First Time Home Buyer Market, for sellers to pay much of the closing costs for their buyers. Living in New York is expensive and saving sufficient monies to buy a home is the biggest hurdle for the first time home buyers. These sales concessions have provided opportunity that otherwise would lessen the number of buyers. By increasing the capacity of the sellers' ability to give to the buyer, we are increasing the buyer pool. More potential buyers are a very good thing for sellers.

In lieu of further reducing the price of the home to create market differentiation, sellers' can use available financing options to make their homes more desirable than other available homes.

5- Seller Financial Plan- For almost twenty years, I have been preaching that loan officers need to target home sellers with the same energy that they go after buyers. Why? Sellers become buyers and the referral from the listing agent is much stronger. Why is that? Because that seller just agreed to pay that agent tens of thousands of dollars, they must think that agent is someone to be trusted.

Traditionally, all we really used when we talked to sellers was “we will screen buyers and protect you from getting into a deal that won’t close.” Over the past five years, that was a nearly valueless proposition because anybody could do a loan. While there is clearly more value in that today, we were forced to come up with a different strategy.

That strategy is centered on our belief that we have an obligation to our clients to advise them of how to best manage their assets- their homes, their cash, and their equity. We are resolute in our conviction that a mortgage needs to be part of a client’s comprehensive financial plan. We need to know about the tax ramifications, cash flow considerations, and overall asset accumulation and protection strategy.

It is my experience that few people have a plan. They know they should have one, but they never get around to it. We offer an excellent class that opens their eyes to: why they think as they do, why their thoughts are archaic, and what they need to consider going forward. We follow up with free consultations with experienced financial planners. One agent on a listing presentation is selling how many ads they will pay for, but ours are discussing the next house, the ability to help them pay for college or a more secure retirement. One is focus on closing a sale, ours is focused on having a meaningful impact on a customer’s life.

- 6- **Open House Flyers-** Demonstrating how someone can afford to purchase in after-tax terms can help a Buyer off the fence. We will produce color Open House Flyers for all your Open Houses. Just fax or e-mail us a form by Wednesday afternoon and you will have them by Friday.

Agent Name (assistant):

Phone Number:

e-mail address:

Property Address:

MLS Number:

List Price:

Real Estate Taxes:

Where should we send them?:

- 7- **Agent Showing Communication-** I think we would all agree that getting relevant feedback to Sellers is important. After one of your homes is shown, we would like to gather agent feedback. We would call them to get their prospect's opinion on the home, organize the responses and deliver them to you, so that you can relay the information to the seller. We see this as a good way to network other agents, while providing a value by taking something off your plate. Sample feedback form:

Please mark the appropriate box(es) below regarding your showing/tour at:
_____ and please fax back to:_____

1. Is your prospect interested in the above-mentioned property? ___Yes ___No

2. Your prospect's comments regarding:

Price:	___Excellent	___Satisfactory	___Unsatisfactory
Conditions:	___Excellent	___Satisfactory	___Unsatisfactory
Terms:	___Excellent	___Satisfactory	___Unsatisfactory
Location:	___Excellent	___Satisfactory	___Unsatisfactory

3. Your comments regarding:

Cooperation:	___Excellent	___Satisfactory	___Unsatisfactory
Terms:	___Excellent	___Satisfactory	___Unsatisfactory
Price:	___Excellent	___Satisfactory	___Unsatisfactory
Condition:	___Excellent	___Satisfactory	___Unsatisfactory

4. What needs to be done to make this a more saleable property?_____

Thank you again for participating in our email / fax survey. It will go a long way in helping to market this property and hopefully will earn you a well-deserved night on the town!

8- Public Open House Communication- We want to call **every buyer** who comes to an open house. Because of Do Not Call Regulations, we don't call as Continental. We call as a Customer Service of the real estate company

Prospect Conversation

Good evening! My name is _____ and I am calling you as a customer service follow up for _____. You recently inquired about one of our listings (or attended an open house) located at _____.

First, we want to know if you received all the information you wanted about the home.

Did the home fit your needs? If no, what are you looking for?

Can we send you some information? (a school report, for example) Try and get addresses for future marketing.

What is the timeframe you are looking at?

Do you have a home to sell or is this your first home? (If it is the first home, invite them to a First Time Home Buyer Seminar. If it is a move-up situation, invite them to a Creating Wealth Class.)

Have you visited the _____ website? Where you aware that you could input your specific buying criteria and that once a home fitting your criteria comes on the market, you will be sent an e-mail?

Have you investigated how you are going to finance your purchase? Would you be interested in a free, no obligation Pre-Purchase Mortgage Consultation? Can we have someone contact you or can we send you some information on credit reports, improving your credit score, and identity theft for your review?

9- **Foreclosures/REO-** We are looking to go after Bank/Hedge Fund REOs with a package deal. We want the bank to tell us their “net” number. From their we will build in a discounted real estate commission, structure financing for buyers (weaving the \$1000 Down concept with possible 203K financing to pay for likely needed home improvements), and even have a contracting division to do the

renovations. I am convinced that this group of top notch professionals can bring tremendous value to a tough situation.

10-FSBOs- Because we can approach FSBOs as someone who wants to help them, and not charge them anything for the service, often we can develop a relationship that helps us help you (after they fail). We have a simple campaign. A letter (or e-mail), a phone call, and a second letter (or e-mail).

First Letter:

Date

Name

Address

City, ST ZIP

Name:

In reviewing the current properties for sale, I notice that we are temporarily in the same sort of business. I am not a Realtor®, but I am a real estate mortgage lender. I actually find the money to make real estate transactions happen. I am writing you because I would like to meet and pre-qualify any potential buyers for you, and also assist you should you decide to re-purchase in the area.

When I pre-qualify buyers, like I do for Realtors®, I check their credit, down payment source, employment, and any other factors that may enhance or detract from their ability to obtain a new loan. This information is paramount to a transaction. If you do not have it, you may waste many weeks if you subsequently find that your buyer cannot qualify for a loan. So, think like a real estate agent: you must pre-qualify all buyers before entering into contracts with them to ensure a fast and smooth closing.

Your own pre-qualification is also important. Pre-qualification, coupled with the amount of money you will receive as net proceeds from the sale of your home, will determine the dollar amount of your new purchase. These are very important amounts to know and this will help determine the type and price range of your next property. Both of these complicated procedures can be handled at no expense to you. I provide these services with the sole expectation that if I deliver prompt service and competitive rates, you'll

consider using me as the mortgage lender for you home and your buyer.

Finally, because I'm involved in this industry full time, I know all the best title and escrow companies and the best Realtors® in town. Since I will not receive any commission from the sale of your home, my guidance is free! I've been dealing in this market for many years, and I know how important it is to use team members who have good track records and many satisfied clients. I can tell you who these people are. I want to be an asset and a resource to your real estate decisions. Please do not hesitate to call me at (PHONE NUMBER). I look forward to helping you.

Sincerely,

P.S. I'll call you next week just to see how you are doing. Please email me the names and phone numbers of buyers who look at your property and I will report back to you as to their qualifications.

Phone Call:

"Good evening Mr. Johnson. My name is Dean Hartman, and I represent Continental Home Loans. We are one of the top lenders in the neighborhood, and I see that we are temporarily in the same sort of business. I provide home loans, and you are providing the home. The reason for my call this evening is to inquire about our working together in providing any buyers you may meet with the best possible home loans thus increasing your success ratio in the sale of your home. Would this be of interest to you, Mr. Johnson? (answer: hopefully positive)

"You see, Mr. Johnson, if you will supply me with the buyers who call on your property, I will call and pre-qualify them and then report back to you their qualifications so that you know that you are negotiating with a buyer who has the ability to buy your home. Secondly, I will prepare a copy ready sheet outlining five different ways that your home can be financed so that the buyer will understand their options. Third, I will pre-qualify you so you know exactly what your needs and requirements will be for the purchase of a new home. Mr. Johnson, will you be purchasing in this area? And fourth, I will distribute any flyers that you have made up on your home to some of the top real estate agents that I deal with. If these agents have any buyers, they could help you get the property sold. Do you work with any real estate agents?"

Second Letter:

Date

Name

Address

City, ST ZIP

Name:

It was great speaking with you last week. Every pre-approved buyer contact brings you closer to success! While visiting different real estate offices to obtain more loan business, I thought it might be a great idea to distribute some of your flyers.

I have prepared a program analysis showing you five ways in which your home can be financed. This will allow the buyers to make their decisions regarding types of financing. This may increase the value of your home because of the financing possibilities! I will attach these to the flyers that you have made on your home and distribute them to my Realtor® friends all over town. This will help you compete with the Multiple Listing Services and make sure that the top agents are aware of your home. Obviously, you can negotiate a commission with anybody who brings you an offer, if you so desire. Take the program analysis sheet and give them to the buyers you also meet. I have enclosed twenty copies for you to use!

As I've discussed, it is my goal to continue to offer many services to you that normally a real estate broker would supply. If there is anything further that I can do for you, please don't hesitate to call and as always please keep emailing me those buyer pre-qualification requests so you know who is qualified.

The market in recent weeks has seemed to become a little stale, and I would like to brainstorm with you in regards to marketing ideas. Don't hesitate to call me on my twenty-four hour voice mail pager.

Sincerely,

P.S. There are some free services available at [www.\(OURAGENT\).com](http://www.(OURAGENT).com) One of which is a very unique twenty-four hour phone value analysis for no cost and also a seller section that will give you some of the forms that you will need in the sale of your property for free. Check it out! It's free and open twenty-four hours, seven days a week!

11-Expired/Current Inventory Public Seminars- One of the most unique ideas I have heard in a while is the thought that we bring market information direct to the public. There is much confusion amongst the public for a whole host of reasons. Why not market to the disillusioned Expired and maybe even FSBOs to clear up some of the mess? If we

carve up geography, we can all benefit. We should even invite all your current listings. It will make price breaks easier because the information is being delivered by a national expert on real estate and a local expert on mortgage finance, not you.

Sellers often become Buyers (especially since we are licensed in so many states), so establishing a relationship with them that is first based on our helping and educating them will help us make them clients of the mortgage company. Ultimately, Buyers are how I get paid, and how you can increase your income, so we need some understanding of how we will work with your Buyers.

1- **Lead Tracking System-** Call Capture is a excellent starting point. If we can drive most prospects through that system, there will be a shared repository of all leads. Once we talk to prospect and gather the basic pre-qualification information (income, assets, credit report run, etc.), we will look to schedule a face-to-face meeting and they will be transferred into our database. Leads will be classified as As (making a buying decision within 30 days), Bs (making a buying decision within 90 days), or Cs (a year away). About a dozen different letters have been written (and enclosed) to help maintain our value-added relationship. They will be intertwined with e-mails about interest rate movements and real estate conditions, as well as, periodic phone calls checking on their progress.

2- **Telemarketing Support-** Key to delivering timely information back to sellers and making buyers know how important they are to us, is regular, predictable contact. We are committed to this. While it is not the “highest and best use” of the time of the actual income producing parts of the team, it can be properly scripted, scheduled and delegated. We will staff at least one person four nights a week to represent the team’s dedication to customer service and delivering feedback.

3- **Seminar Series-** I wish I had coined that phrase, “An educated consumer is our best customer”. We want to be seen in the marketplace as trusted advisors. The only way to do that on any size scale is to get out in public and give away what you know. People cannot retain everything we throw at them at a seminar. They need to first get comfortable that we know more than they do, and second, that we have their best interests in mind.

- a. First Time Home Buyers- The Basic Four Legs of the Table. What Lenders Look For---Income, Assets, Credit and Appraisal. We add the reasons why homeownership is wonderful and why you need a Realtor. As we all get more comfortable with Buyer’s Brokerage, I think it’s a natural add-on to the presentation (and it gives a second “call to action”, besides pre-qualification).
- b. Creating Wealth- For the first twenty years of my twenty-three year career, I gave people the wrong advice. I promoted 15-Year loans, bi-weekly mortgages, and pre-payment strategies. This two-hour-plus class is a tidal wave of information that drives most clients into the arms of a financial planner and their accountants. It’s great information that people need.
- c. Senior Strategies- The fastest growing part of our population is the Senior population. Reverse Mortgages and other more sophisticated mortgage products can serve this market well. Seniors can access equity without taking on a monthly payment. Proceeds can be used to gift monies for first-time home buyers to use for a down payment and/or closing costs. Additionally, we are bonding with people who will eventually be sellers.

- d. Real Estate Investors- There is a tremendous opportunity starting to build now. Wise people are positioning themselves to take advantage of tumbling home prices and low interest rates via investment properties. They need liquidity which we can provide and information of the best opportunities out there which our real estate partners have. We need to build and market this seminar together.
- e. Credit Counseling- Your credit score seemingly affects everything these days. With the evolution of Risk-Based Pricing in mortgages the effects will be profound. We need to get in front of as many consumers as we can to show them how to best protect themselves and give themselves the best chance they can get for the best rates they are eligible for.

4- Past Clients are future clients

- a. Welcome to the Neighborhood Packages- Real Estate is a local business. I want our team to have a strong branded local presence. I believe that together we should look to partner with every local business we can- the local pizzeria, Chinese take-out, dentist, dry cleaner, pediatrician, etc. I like to approach the

local businesses (who are dying for a way to find new clients) and offer them an opportunity to create a coupon for a discount for our clients. We can bundle these local discounts and give them as a closing gift. Not only do all these gifts cost us nothing, but we want all these local vendors to make us exclusive in their places of business and let us leaving marketing materials behind promoting our websites, seminars and services.

- b. Annual Mortgage and Real Estate Review- As a caretaker of our clients affairs, I maintain we have an obligation to keep in touch and keep them informed of what's going on out there. At the same time, I think we need to have an annual conversation. We want to review any changes (good or bad) in our clients' lives, their debt situation, their saving and income patterns, etc. At the same time, I would like to offer a CMA from the agent. People want to know what their home is worth- even if they aren't looking to sell it right away. This is an excellent way to retain "top of mind awareness", and who knows? maybe their neighbor is looking to move?

Questions asked during the Annual Mortgage Review

1. Have you been receiving our e-mails about the mortgage market? Do you find the information useful?
2. Do you expect your income to be changing during the next 3-5 years? If so, how?
3. What is the most pressing financial planning issue at this time?
 - a. Cash flow each month
 - b. Tax planning
 - c. Life Insurance
 - d. College planning
 - e. Retirement savings
 - f. Estate planning
 - g. Other

Would you like to set up a free, no obligation meeting with one of our preferred partners to discuss your concerns?

4. Tell me about your credit rating today. Would you like a free credit report analysis?
5. Let's discuss your real estate. What do you believe your home is presently worth? Would you like a CMA from _____? How long do you expect to stay there? _____
6. Are you aware of our Public Seminar Series? _____ Would you be interested in attending any of the seminars? _____
7. Is there anyone you know who might benefit from our services? Someone who is in the market to buy a home? Or might need to consolidate debt? Or is concerned about their savings for college or retirement?

c. Joint Marketing- The beauty of a good database is the ability to segment it. We are recreating all our prospect marketing letters to reference our referral partner. Our post-closing marketing plan, which is designed to truly build clients-for-life, will brand us as a team-for-life. Each closed client will receive:

- i. The Mortgage Market Guide every week
- ii. Sixteen co-branded (both of our photos and information) greeting cards over the next three years
- iii. Seminar invitations from both of us
- iv. Annual Reviews/CMAs

d. Homeowner magazine- A top shelf publication that reinforces our financial planning approach which is personalized for my team shall be sent every other month to those clients we expect to get something out of it.

- e. Seminars- Even in our past client world, we want to be seen as a giving resource of information for anything real estate or financially driven. We will continually host Continuing Education Seminars at our location for college planning, tax and wills and estate planning, long term health care, real estate investment opportunities, credit counseling, etc.

In addition you should have a feel for what we will be saying to your clients when you refer them to us. After reiterating the strength of our relationship and the professionalism of our partnership, most clients will be walked through a process like this. I like to send this article to them. It explains many of my beliefs about mortgaging.

The Client Interview Process

The Pre-Interview (After Pre-Qual Information Is Gathered)

“Properly financing your home is a very important decision with far reaching cash flow and tax ramifications, wouldn’t you agree?”

In my experience, I have come to know that most loan officers do not approach this process with an eye towards assisting clients properly structuring their finances in a way that takes into consideration their current cash flow needs, long term financial and investment plans, and the best ways to take advantage of the income tax write offs that come with owning a home.

You see, most people come to me shopping for the lowest rate or lowest fees, thinking that **that** strategy makes the most sense for their families. But, I have found that the best rate in the wrong program will do far more damage to a family than a fair rate in the right program. That makes sense, doesn’t it?

In order to determine the optimal strategies for your personal situation, I will need you to come to my office for a comprehensive analysis. Please anticipate being here for about an hour and a half. I will need that long to accumulate all the information I will need to advise you on all the options you have. As a mortgage planner, I recognize that my main function is to help my clients manage their debt. Since most people have more debt than liquid assets, I believe it is more crucial that the debt be managed than even some of the assets. Given the importance of this decision, ninety minutes of your time is a reasonable investment of your time for your future, yes?”

Set Appointment

“Before I let you go, I would like to ask you a couple of questions, in order that I can maximize our time together. Other than the “basics” asked by most loan officer about income, assets and credit- which we have already gone over- I would like to know:

1. How long do you plan on living in the home.....1-3 years, 4-7 years, or longer?
2. Over the next three years, do you expect your income to increase, decrease or stay about the same?
3. When it comes to your investments, would you consider yourself conservative, moderate, or a risk-taker?

Thank you! We just saved some time eliminating some mortgage options that would not fit someone who is planning to be in the house _____, with _____ income, and _____ approach to risk.

Just those three simple questions have 27 different combinations of answers. Most loan officers try and squeeze customers into the programs they know, or the ones they make the most money on. Because I am confident that this is the beginning of a meaningful

transformation of your life, I expect that this is the first of many transactions we will do together. That is why I want to make sure you get the right loan.

Listen, I would like to e-mail/fax/overnight you some of the documents we will need to fill out and a list of documents we will need to process your application. As much as you can fill out and gather before we sit down will give me the chance to make the maximum impact of our time together.

Also, I am going to send you an article that I need you to read before we sit down to introduce you to some of the concepts we will be going over in our consultation.”

Get e-mail address or fax number.

“Great, I look forward to having the opportunity to serve your family’s needs.”

The Interview

“Welcome! This is going to be a worthwhile experience for you. I want to start by saying that I am grateful that _____ thought enough of me and my team to make this introduction.

Okay, we have a lot of ground to cover, so let’s get started. I believe we are entering into a long term relationship. In order for that relationship to work, it needs to be built on trust. For that reason, I like to start all my consultations telling you a little about myself, my team and our philosophy about our practice.

I have been in the mortgage business for over 20 years. I am married with four children. I own my own home and have financed it utilizing many of the strategies we will discuss today.

I see my role is that of an educator. By combining my experience with some cutting-edge technology, information, and tactics, I believe I offer my clients the best resources from which they can make informed decisions. I subscribe to the theory that “advice is the ultimate value proposition”.

Most loan officers try to compete on being the lowest price provider, or having some unique product sales pitch, or the illusion of service by saying they are available 25 hours a day. I believe that sound financial planning is the best way to serve my clients. We will be competitive on price; we will show you all the products in the marketplace; and the service my team provides is second to none, but the reason people do business with me, is for one reason---they know that they are making the right decisions. This is a very confusing process for most people because they do it only a few times. I do this everyday. Everyone has heard all the nightmare stories of lies and deception. Ours is a reputation just slightly better than Used Car Salesmen. Not here. What’s most important to me about this deal is that you come back for your next deal, having referred me a few clients in between.

Page Zero- The High Trust Interview

Now, I need to ask you a question,

“What is important to you about this home loan?” (Possible answers- lowest payment, lowest rate, lowest costs, lowest down payment, debt elimination, maximizing tax benefits, paying the loan off ASAP, etc.)

“Please explain why that is important to you.”

Restate their priorities and ask again, **“What impact will that have in your life?”**

Once you have gotten into their “values” and how the home financing decision can affect their family, their future, etc., transition to the R-factor question.

“If we were meeting here three years from today, looking back over those three years, what would have had to happen to make you feel happy about your progress?”

“Well, I hope to be able to help you with some of those objectives. What Dangers do you see that need to be eliminated?”

“What Opportunities do you see now or on the horizon to focus on and captured to help you?”

“What personal Strengths or Resources do you have that should be reinforced and maximized?”

Restate everything....the important factors about this loan, what they need to be happy in the future, the dangers, opportunities and threats as they see them and that you want to help them build that ideal future.

“Back to this transaction....Which of these objectives do you see as a result of closing on your loans? (Building your Net Worth, Financial Freedom, Paying for College, Buy a Larger home in the future, having a free & clear home in the future, etc)

“Okay.....now I have a pretty good idea of what we are going to need to accomplish in this home loan. Did you have a chance to read the article I sent you about how the affluent manage home equity???”

I have come to realize that most of my clients come in to get the mortgage their parents (or grandparents) told them to get. But, we don't live in the same world as they did. (Different jobs/careers. No pension. No reliance on Social Security. Constant moving. Perpetual refinancing.) It makes little sense to make decisions today based on what worked in the past.

As a matter of fact, I have a Power Point Presentation I'd like to show you that discusses just that."

Common Thoughts About Home Equity

1. Home Equity Has A Rate Of Return

Myth #1: Home Equity Has a Rate of Return?

- **What Interest Rate is the Bank giving you on your down payment?**
- **Zero Mortgage is the Ultimate Downpayment**

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The Power of Leverage



- Misconception – “My home is the best investment I ever made!”
- If you purchased a home in early 1990 for \$250,000 and sold in mid- 2003 for \$600,000 that represents a gain of 140%. (Over 10% annually!)
- During the same period, the Dow Jones grew from 2590 to 9188 – a gain of 255%. Your \$250,000 would have been worth **\$887,500**.



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The Power of Leverage



- REALITY- **FINANCING** your home was the best investment decision you ever made.
- When you purchased that \$250,000 home in 1990, you made a 20% down payment. That \$50,000 cash investment returned you \$350,000 profit on the sale.....a **700% Rate of Return!**
- What if you had only put down 10%?
- 5%?
- Nothing?

“LOCATION,
LOCATION,
LOCATION”



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2. Home Equity Is A Prudent Investment

Myth #2: Home Equity Is A Prudent Investment?

If I bury a \$100 Bill in my backyard, does it pass the liquidity, safety and rate of return test?



What is the difference between the \$100 bill buried in my backyard and the thousands of dollars that people tie up in the bricks, walls and foundation of their home?



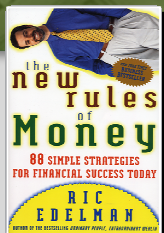
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3. Mortgage Interest Should Be Eliminated ASAP

"A Tale of Two Brothers"
Adapted from the book, *The New Rules of Money*

Our story follows two brothers, each earning \$150,000 a year. They each have \$100,000 in savings and both are buying \$500,000 homes.



 <p>Brother "A" Believes in "The Old Way" – paying off the mortgage as soon as possible</p> <ul style="list-style-type: none"> ■ 15-year mortgage at 5.875% APR ■ \$100,000 big down payment (20%) ■ \$0 left to invest ■ \$3,348 monthly payment (57% is tax deductible first year/33% average) ■ \$2,983 average monthly net after-tax cost² ■ Sends in \$200 extra each month with mortgage payment in an effort to pay mortgage off sooner. 	 <p>Brother "B" Believes in "The New Way" – carrying a big, long mortgage</p> <ul style="list-style-type: none"> ■ 30-year interest-only loan at 6.375% APR¹ ■ \$25,000 small down payment (5%) ■ \$75,000 remaining to invest ■ \$2,523 monthly payment (100% is tax-deductible) ■ \$1,690 monthly net after-tax cost² ■ Adds \$200 monthly to investment account, plus \$1,293 saved from lower mortgage payment, earning 6.0%³
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Who made the right decision?

The above hypothetical examples are for illustrative purposes only. Plans vary based on the needs and wants of the customer.

¹ This example is based on a 30 Year Interest Only loan at 6.375% APR.

² Assumes combined federal/state income tax rate of 33%.


³ Assumes 6.0% rate of return on investments. Rate of return may vary based on type of investment.

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“A Tale of Two Brothers”

Adapted from the book, The New Rules of Money



Brother “A”
Believes in “The Old Way” – paying off the mortgage as soon as possible




Brother “B”
Believes in “The New Way” – carrying a big, long mortgage

Results After 15 Years	
<ul style="list-style-type: none"> ■ Received \$60,517 in tax savings¹ ■ Has \$51,832 in savings and investments² ■ Owns home outright 	<ul style="list-style-type: none"> ■ Received \$149,866 in tax savings¹ ■ Has \$618,249 in savings and investments² ■ He has enough savings to pay off \$475k mortgage and still have \$143,249 left over!

Results After 30 Years	
<ul style="list-style-type: none"> ■ Received \$60,517 in tax savings¹ ■ Has \$1,052,877 in savings and investments² ■ Owns home outright 	<ul style="list-style-type: none"> ■ Received \$299,732 in tax savings¹ ■ Has \$1,951,434 in savings and investments² ■ Never plans to pay his home off – he enjoys the liquidity, safety, tax savings, and investment returns too much!

The above hypothetical examples are for illustrative purposes only. Plans vary based on the needs and wants of the customer.
¹ Assumes Brother B refinanced at year 15 into another 15 year interest only mortgage at 6.375%.
² Assumes 6.0% rate of return. Rate of return may vary based on type of investment.



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4. Pre-Payment Is a Good Strategy

Myth #4: Extra Principal Payments Save You Money?

Pre-Payment As a Strategy???

- “Here is an extra \$1000 principal payment Mr. Banker. Please, don’t pay me any interest on it. If I need it back, I’ll pay you fees, borrow it back on your terms, and prove to you that I qualify.”
- Money you give the bank is money you will never see again unless you go through the expense of a refinance or sell the home.
- **Home Equity is protection for the bank, not for you.**
- Donald Trump says: “When you owe the bank \$100.....”





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“You can see that Conventional Wisdom is not always the wisest approach, can’t you? Given all that we have discussed (Restate their hopes and dreams) and the concepts that I have explained, it is time to start the conversation about an Personalized Mortgage Plan for you and your family.”

Mortgage Coach---Demonstrating the Impact of a Good Decision

“Let me take a minute to discuss a common conversation I have with clients.....when should they lock in? Most loan officers dodge this question, by saying “If I had a crystal ball.....” Well, I believe that you have hired me to have a more educated stance than that. Now, nobody can guarantee how the markets will move (because there are so many factors that are out of our control), but I believe that I have invested sufficient time, energy and money to help coach you on this topic. Let me show you something.....

The Mortgage Market Guide

Time to finish the 1003 and all the disclosures. Add Page 5 to the package (do you have a planner, accountant, insurance professional and how would you rate them? Do you have a will? Do you contribute to a 401k or other retirement plan?), as well as a handout on your team (their roles, responsibilities, and contact information) and the process workflow.

Finish with the Shopping Around Letter