Eight habits and traits of successful mortgage originators

by Contributor | 23 Aug 2012

As a twelve-year owner/branch manager and Colorado Regional Manager for Fairway Independent Mortgage Corporation (the eleventh largest correspondent lender in America), I get to meet loan officers from all over the country. Some are very successful, but many more are just average, which I define as those originators that after a solid year or two – or more – in the business, can never seem to break above a three loans a month average or 30-40 loans a year, even during extreme rate or purchase markets. Based on the research I've done, I think it's safe to say too many originators fall into that category of fewer than 3 units a month. The successful originators seem to all share a few common traits, such as drive, systems, and discipline etc. But there is more to it than that.

So I set out to discover what keeps these few top performers successfully producing year in and year out, and enjoying a successful and lucrative career. After careful research and observation, I have recognized eight habits and traits all these successful performers have in common.

1. They Have a High Level of Drive

Plain old-fashioned desire and a healthy self-image are key traits of the best performers in any industry. Before LO Comp, the 1 -3 loan a month performers still did okay financially, and we all know why. With the changes in compensation these folks are now being pushed to higher levels of performance, and it can be a difficult, if not impossible, transition. If drive and self-image aren't where they need to be, then no amount of support, training, and accountability can change that.

The top performers always have their motor on high. They are always asking for the business, and "no" just means "not yet" to them. They never fail; instead, what they tried didn't work. If they can't get business from a Realtor, they determine that the Realtor is simply making a mistake, or the LO believes they have yet to show enough value. If the customer picks a different lender, the loan officer goes back to the drawing board and analyzes what he or she can do to get a better result next time. Competitiveness, drive, ambition and a healthy self-image count … big time.

2. They Maintain Systems and Disciplines

Everyone talks about them, everyone wants them; few companies possess them, and sadly even fewer originators have the time or skill to develop them. The best performers follow a strictly defined sales process with a sales funnel to keep clients moving forward in their system. They are scripted with professional sales presentations and templates that are used consistently at every step. There are defined standards and systems for file quality so the customer experience is predictable. The best underwriters follow strict checklists to do their work, and the best loan officers typically do as well. They originate in a very proactive working environment, rarely needing to request more documentation. Their goal is to originate loans that will be clear to close on the first submission. They know that reactive work cripples their productivity.

They master a database or CRM system and never let anyone or anything fall through the cracks. The ball is never dropped. They don't have stacks of post it-notes, or the famously ineffective yellow legal pad that has 40 or 50 pages of one-line notes going back who knows how far. There are no stacks of Realtor business cards sitting on their desk wrapped in rubber bands, as if some day they are going to go through them. Every call is returned in a defined time frame. There is a follow-up plan and discipline that makes sure every possible opportunity is maximized. This can be easily accomplished with a disciplined, determined approach to leveraging a system with a strong database, CRM tools and calendar process. By simply never missing another opportunity, I've seen loan officers add 2 loans a month to their average production. Woody Allen is quoted as saying "80% of success is showing up." I couldn't agree more.

3. They Follow a Business Plan

It seems pretty obvious that a plan of some kind would help most people achieve a better result. Yet ask the average originator what their business plan is, and you get a blank stare, or a very unconvincing explanation of what they are trying to do. I believe this is a result of the holdover from LO Comp, where before the new rules, a good-sized government loan could make your month. Closing one loan used to pay – and sometimes still pays – entirely too much income for any one person to dedicate themselves to executing a specific business plan. Management's direction and the loan officer's business plan can usually be summed up in 5 or 6 words: "Just go get another deal," or "Just go get another Realtor relationship." Not what anyone would call a plan.

The best performers follow a work plan and measure their results against that plan. They adjust and adapt so that the business is not running them, they are running their business. They don't sell the loan rate and terms because their plan always includes unique selling propositions or USP's; they are never a commodity. They never resort to the "we have great service," and "we are always available to take your call" selling system. They have bulletproof relationships with a select group of agents that refer them exclusively.

4. Product Discipline – they don't try to do every loan

I suppose one could say that having no business plan might include no product discipline, and I would agree with that – except when I meet that slightly above average performer who is still trying to be all things to all people. Now, I have nothing against any of these specialty programs (Reverse, 203K, 203ks, state-sponsored etc.). I do believe it takes a commitment to becoming excellent at your craft, to be able to deliver the best borrowing experience for the clients. After all, they are picking up the tab. And doing one reverse mortgage a year will never make you an expert. The best performers would never consider doing a loan they can't do 5 times a month, which likely eliminates these specialty loans. They like to use the assembly-line analogy. Ford isn't trying to build Mustangs at the Explorer plant. They refer out those loans they can't excel at.

5. Everything Is Measured

If you can't measure it, you can't improve it. Ask an originator how many leads, credit report pulls, appointments, pre approvals, contracts and applications, and closings he or she has in a specific time period. Your average performers may be able to tell you the closings number, but they'll respond with "about 2 or 3 deals a month," or "between 25 and 30 deals a year."

Most of the best performers know their numbers exactly. They know who their top referral sources are and they rank them. They can also tell you how many Realtor prospecting calls and past client calls they take in a given time period. They track ratios because they know they must if they want to excel. We all know why professional baseball tracks every possible statistical measure of performance.

Now I'll concede that an originator's company has a lot of input on this subject. If they don't measure anything except closings, then they don't set a very good example for the LO. The best performers either find a company that will monitor with them, or they simply take it upon themselves. It's just too important to ignore.

6. Well-Managed Processing, Underwriting and Closing

This is another trait of the company rather than the loan officer – who likely has little, if any, input into how these departments are run. However, the best performers move on if they can't effect the change they need. The best performers know they must have a positive confident attitude when in front of new referral partners. And that's tough to do if you know back at the office you are going to have to put out fires for the rest of the day. It's easy to promise excellent service when you have complete faith in your ability to deliver it every single time.

Top producers have studied their business, and they know what it takes to turn over a 100% process-able closable loan file. Good loan officers are smart, and they know it is possible to beat the loan condition deadlines, to get the closing figures and documents to title 3 or 4 days early, and it's even possible to have the wire at the title company the day before the loan is closing. The top producers show up at closing and take a bow. They never have to make excuses or apologize.

7. They Want Accountability

This is where the company has to be responsible, because if there are no standards, then there are no standards to be met. We are hearing more and more about companies instituting minimum production standards. The average performer fears this kind of talk, but the true professionals see it as a challenge to improve and grow. After all, most got into this business because the reality of a fixed salary income was not going to be the conduit to whatever dreams they had when they joined this dynamic industry.

Companies could and would do more to help the loan officer grow by having actual prospecting standards, minimum production standards, file quality standards, and so on. You are either growing, or going backwards. Top producers always set up their own accountability, but mandated company standards make it easier for everyone. They appreciate company and management systems that represent high standards, and a management team that is committed to holding its teams accountable for results.

8. Cultural Match Between the Originator and the Company

The top performers trust the company, and the company trusts them. They both do what they say they will do, and both make a full effort to live up to the commitment they make to each other. Both the loan officer and the company typically have a long-term commitment to excellence and both strive to grow and improve. Top producers care about the company profitability as much as their own, and vice-versa. There is always a shared commitment to the type of service the customer gets, and the value proposition the company promotes. Reputation is important to both parties.

Ignoring a cultural mismatch is like staying in a bad marriage. No one is happy; everyone merely tolerates one another, and no one is getting what they want. Worse, no one is having fun.

Interesting observation: 4 of these traits are loan-officer specific and 4 are company specific.

Those are the eight habits and traits I see over and over again. One other thing I've noticed is that the average performers never seem very excited or passionate about their job. I like asking loan officers if they love what they do, just to see the reaction I get. It's sad how many don't love this business, but stay in it anyway. I believe with the right attitude, tools, and environment, you can love this business. And I always say life is too short to spend time with people you don't like. If that's true, then spending time in a job you don't love is a recipe for unhappiness, a generally unsatisfying career, and ultimately, failure.

So, can the average performer become a top producer? Well, the good news is people change all the time. They quit using tobacco (I did). They drop 40 pounds. They start exercising. They improve their relationships. In other words, they make changes to their environments, build new habits and develop new traits. It's true for people in their personal lives. I've also seen people change in loan origination. Average performers can become top producers, but I must qualify that answer. They must be committed to the outcome and paired with a company that shares the same values, and provides the systems and framework necessary for success.

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