



LendingTree®

Loan Officer Update
newsletter for the Loan Officer

Are You Prepared for the Purchase Market?

As interest rates have fallen to all time lows, consumers have rushed to refinance their existing mortgages. As a LendingTree loan officer in 2002, you have done a phenomenal job converting the Exchange refinance traffic to closed loans. However, with the huge increases in refinance volume, it is easy to overlook the fact that 2002 was also an extraordinary year in the purchase market. According to David Lereah, the National Association of Realtor's chief economist, "We've just finished a record year for home sales."

In order to prepare for an equally successful 2003, it is wise to turn your attention toward the purchase market. According to the National Association of Realtors, "sales of existing single-family homes rose to a new monthly record in January as home prices continued to show strong gains."

Here are some recommendations to help you succeed in 2003 as the market shifts from refinance to purchase:

- LendingTree continues to drive quality purchase volume through the Exchange. Since most Lenders are still focused on converting refinance traffic, many of these consumers are transmitted to fewer than four Lenders. This decrease in competition affords an excellent opportunity to begin building a pipeline of purchase consumers. Talk to your manager today about opening your company's filters to accept purchase leads for the LendingTree team.
- If your company is reluctant to open aggressive purchase volume filters, ask your manager for the opportunity to "test" the purchase market on behalf of your company. By using the automated assignment tool, your manager can establish a purchase filter and route those leads to you or a sub-set of your LendingTree team that can focus on the purchase consumer. This could be a win-win situation - your manager can test the waters without missing out on the continued refinance traffic, and you can build a pipeline that can carry you well into second quarter of 2003.
- Re-evaluate your marketing message to purchase consumers within the automated e-mail tool. Make sure the positioning is appropriate and the message is fresh, continually reminding consumers that there is no better time to buy their dream home.
- Take advantage of LendingTree's Real Estate Network! LendingTree's Real Estate Network is aligned with over 650 real estate companies and 2,400 offices covering all 50 states. By encouraging your consumer to find a real estate professional through LendingTree, you help the consumer take advantage of special incentives available, and you decrease the chances of an unknown REALTOR® re-directing your consumer to a local mortgage broker or partner.
- Be a pro-active consultant and direct the purchase consumer to LendingTree's Real Estate resource center. Here a consumer can search homes for sale nationwide, research the value of their current or future home, get tips for first time home buyers, learn how much home they can afford, and much, much more!
- Collect contact information - In the initial contact with the consumer, quickly identify all parties involved in the purchase contract and their contact information. With this information, it will be easier to secure supporting information, such as a copy of the contract from the real estate agent. It also allows you the ability to establish rapport with the agent to build a purchase referral business.
- Designated purchase team - Depending on volume and the Lender's ability to staff to match volume, designate a team of purchase loan officers that are able to concentrate on purchase transactions.

- Length and type of sales communication routine - Match call routine / timing with your company's typical purchase decision cycle time. Determine the average amount of time needed for the receipt of a purchase application. Match the number and frequency of calling to that time. Consider a longer calling cycle for consumers who may be shopping.
- Establish recovery team - Implement a "recovery" team to call stale leads. Their intent is to work previously purchased leads, where the consumer did not accept the offer. Because the purchase market tends to have a longer cycle time and a defined shopping experience, the "recovery" team could effectively secure purchase applications that might have otherwise been considered lost.
- Educate consumers - Provide consumers with information that will inform them of how to make the appropriate product selection. Through email or verbal conversation, you will be able to convert leads by educating consumers about the strengths of the product and the reasons for selection.

These are just a few recommendations, but we invite you to share your most successful purchase conversion tips with the Loan Officer Update. If we publish your tip in a future Loan Officer Update, we'll send you a \$50 American Express Gift Cheque! Send your tips to loprograms@lendingtree.com

LendingTree Gold Leaf Award Winners - 2003

The LendingTree Gold Leaf Award is presented to an elite group of loan officers who have provided exemplary service to LendingTree customers. The Gold Leaf Award is presented to loan officers based on success levels in several areas including, customer service feedback, adherence to LendingTree best practices, and training requirements.



We are pleased to announce the first round of Gold Leaf Award winners for 2003. Congratulations to these outstanding loan officers!

All Gold Leaf Award winners from 2002 and 2003 are invited to attend the Inaugural Certified Loan Officer Summit to be held in Charlotte, NC May 1st and 2nd. The Summit is designed to provide Certified Loan Officers with a deeper understanding of LendingTree and our corporate strategy. The seminar will offer a specialized sales training seminar and opportunities for loan officers to give feedback on LendingTree products and programs.

If you are a Certified Loan Officer, please RSVP to the Summit by contacting Amy Denny at adenny@lendingtree.com or 704-943-8039. We look forward to seeing you in May! We will also be hosting a special cocktail reception for Certified Loan Officers during the Loan Officer Sales Rally in Las Vegas, October 9th through 12th.

Alysia Talks...

This month, we'll cover the first step in the sales process - **Preparation**. Why is this the first step? Because nothing torpedoes a sale faster than your inability to ask and answer questions effectively. That inability kills the control you need to close the deal.

Customers spend an average of 25 minutes completing a Qualification Form. They have put in the time to think through the process and develop questions. How much time do you spend reviewing their information before calling them?

Before you even pick up the phone, review the QF. If you've been in the loan business for any amount of time, you can assess a deal pretty fast.

Now, you need to assess the person behind the deal.

- Who are they?
- Why do they want this loan?
- What kinds of questions will they ask me?
- What do I need to ask them?

Your goal is to understand the customer's current situation and discover exactly what they want to

accomplish with this loan.

Go through the QF. What needs to be clarified? What information do you need to complete the 1003? Use a highlighter to mark problem areas and a colored pen to write your questions out. This way, you have them at the ready when you're on the phone. Sample questions that may need to be asked include:

- Are you self-employed? How long? How do you file your taxes?
- What do you mean by "other income"? Do you report it on your taxes?
- How did you arrive at this estimated value?
- When was your last appraisal completed?

The last two questions reveal the importance of preparing in advance. We all know that most customers believe their home has appreciated more than it probably has. These questions notify the customer that 1) you know the industry and 2) you know what you are doing. This puts you in control.

You take control of the call from the beginning by asking relative questions. You keep control of the call by answering their questions quickly and effectively. Asking about the weather or the game last night might make the customer like you, but it does not convey your competence at handling their needs. They might like to talk to you, but will go elsewhere to close their loan.

When it comes to answering questions, reviewing the QF and assessing the situation can help you avoid getting blind-sided on the phone. Many people lose control right here. The only way to stay focused is to prepare in advance.

We all know the frustration of leaving voicemail after voicemail, but eventually, you will reach your customer. Don't let the frustration get the best of you by not preparing for each call.

When you do reach that customer, be prepared to win. This is how it is done, one call at a time, one customer at a time. Remember, success happens when preparation meets opportunity. Each QF is an opportunity for success and it is up to you to prepare for it.

Happy Selling!

Questions? Comments? Observations?

Email us anytime! Your opinions are important to us. Send your questions to loprograms@lendingtree.com