



Reverse Mortgage Retail Origination Strategies

Presented by:
Michael Odden

Today's Topics

1. Who should offer Reverse Mortgages?
2. Assess the potential.
3. Determine your internal structure.
4. Partnerships
5. Delivery
6. Internal Integration
7. Internal Marketing
8. External Outreach

Who Should Offer Reverse Mortgages?

- Any bank or financial institution interested in serving the financial needs of their senior customers.
- Any bank or financial institution interested in generating additional revenue on this niche mortgage product.
- If you don't offer the product, partner with someone who will offer the reverse mortgage product. Make sure the partner you choose will honor your customer relationship, without harming the integrity of your financial institution!
- If you don't do any of the above, your customer will still seek and obtain a reverse mortgage. You will lose the potential financial gain, and/or the customer relationship.

Assess the Potential

Review your internal customer base

- Homeowners age 62+
- Homeowners age 62+ with a mortgage
- Homeowners age 62+ with equity line of credit
- Homeowners age 62+ with consumer debt

Review your market

- HUD Data
- AARP Data
- Independent Studies - RMI

Determine Your Internal Structure

- Separate Team vs. Additional Product Offering
- Specialists to avoid the “60 Minutes” moment
- Support structure adequate to support the volume, and/or ability to off-load processing to various investors
- Quality Control Plan per HUD Guidelines
- Open minded marketing department
- Regularly scheduled training and support for specialists and support staff.

Partnerships

- Research the company you are interested in doing business with. Get references from those already doing business with the company you are interested in.
- Partner with those who mirror your own company's values and commitment to customer service.
- Have at least two outlets for reverse volume.
- Continuous monitoring of the market for new partners.

Delivery

Identify and utilize reverse mortgage specialists who:

- Relate well to seniors and won't compromise product fit for the sake of increased volume.
- Can adapt well to the roll of educator and counselor in the reverse mortgage process and are willing to convey their opinion.
- Can direct and receive the transfer of trust within the origination.
- Can readily adapt to program and industry changes.
- Have a sincere desire to make a difference in the lives of our seniors.
- Ability to sell the product when appropriate.

Internal Employee Integration and Marketing

Your internal folks won't use the product unless they understand the basics, and trust the specialist.

- Education of the employee base
- Opportunity to build awareness of the product internally. All employees should be thought of as referral sources, and be trained to recognize potential referrals.
- Identify the key internal players. Who in your organization has the most potential for referrals?

Internal Employee Integration and Marketing – Cont'd

- Repeat meetings and urge inclusion in the process.
- Building the trust, and teaching the transfer of trust.
- Incentive Program - Build an incentive program that rewards referrals, not closed loans.

Internal Customer Marketing

- Utilize the face of the company – Personal Bankers and Customer Service Representatives. Make them aware of what to look for in potential referrals.
- Investment Representatives – Avoid portfolio draw-down.
- Mortgage Bankers – Senior clients with mortgage loans.
- Branch Seminars – Advertised in the branch and attended by branch personnel.
- Corporate Mailings

Internal - continued

- Central Credit Denials
- Collection and Foreclosure Department Referrals
- Employee web messages
- Employee “Myth Buster” email campaign
- Reverse advertising in specialized customer magazines
- Using customer testimonials in all marketing opportunities

External Outreach and Marketing

- Awareness in the community
- County Housing Agencies
- Senior Specific Groups
- Service Groups and Clubs
- Other Financial Institutions
- Radio Opportunities
- Print Media
- Trade Shows
- Senior Awards Sponsorship

Questions

Thank you for coming!