



MARKETING & SALES

Kitchen Table vs. Office: How to Best Connect With Reverse Mortgage Borrowers

By **Chris Clow** | December 16, 2019

Originators can take sometimes vastly different approaches in making initial connections with borrowers, which can include advantages in office-based interactions, or in making the trip to a potential borrower's home. Making stronger connections with referral partners can also yield different perspectives that can shed light on both what actively works, and what can work for a particular originator's business.

This is according to a panel discussion of reverse mortgage sales professionals that took place at the National Reverse Mortgage Lenders Association (NRMLA) Annual Meeting in Nashville, Tenn. in November.

While some reverse mortgage professionals think that making the trip out to a borrower's home has the greatest potential benefit to connecting with that borrower, there are reasonable perspectives concerning the professionalism that can be projected by a borrower visiting an office. However, the comfort that a senior may feel by meeting a guest in their own home is hard to replicate in an office environment.

Perspectives on making borrower connections in the home or office

The rapport that can be established by visiting a prospective client's home just simply can't be recreated when visiting them in any other place. This is according to Ken Krajewski, Managing Director and Head of Reverse Mortgage Lending at CIBC Bank USA in Rochester, Mich.

"The best thing you can do is get into their house. If you can sit at their kitchen table, that rapport or trust can never be duplicated in another environment," Krajewski said. "Sometimes a prospective client wants to go into a place of business to know you're real, but if given the opportunity, if I can get into someone's house, then I know they're not going to listen to somebody else."

On the other hand, while agreeing with Krajewski's sentiment, seeing a potential borrower in an office environment is generally far more efficient from a time management perspective, said Loren Riddick, National Director of Reverse Mortgage Lending at Thrive Mortgage in Alcoa, Tenn.

"There is a balance to be had, and it takes time to go to a home," Riddick said. "We can see 3-4 times as many clients in an office environment, but the ability to establish a personal connection cannot be duplicated in another environment from the home. With that, I agree."

Still, the reverse mortgage business at-large has not been immune to changes over the years, and there could be scenarios where an office environment could be generally preferable. This is according to Steven Sless, Reverse Mortgage Division Manager at Primary Residential Mortgage, Inc. in Finksburg, Md.

"I think there's been a shift. Before, there was always a house call at a client's kitchen table. As a new wave of senior consumers comes to be eligible, they want to come to our office," Sless said. "They want a transaction. They want to drive to you and see your office, interview you and the team, and get a sense of how real the operation is. We had a 102-year old client who insisted on coming to the office, so you have to accommodate whatever the client's desire is."

How to move from a discovery call into a sales call

Sometimes, it can be tricky to maneuver potential customers into active borrowers, and turning a discussion into a sales conversation can come with sensitivities that are difficult to observe. Having a strategy to transition a customer into having a direct sales conversation can be critically important according to Jud Lyman, training manager at Liberty Home Equity Solutions in Marysville, Calif.

“One key tip that has worked for our team in making that transition is that we do a two-call approach,” Lyman says. “Nobody takes an application on the first call. From my perspective, building a rapport or trust with a client takes 45 solid minutes on the phone.”

In the first call, Lyman advises loan officers to avoid giving numbers including rate, principal limit factor or percentage, he says. Talking about numbers too early in the process while still trying to build trust can make the transition too blunt.

“I get frustrated listening to calls from my advisors when they talk numbers, because it converts the discussion into a transaction as opposed to building a relationship,” Lyman says. “You also have to understand how to keep them on a topic of the ‘roadway’ you want them to be on while still maintaining a natural conversation.”

The second call is when more of the specifics of the loan, including the numbers, can be discussed, Lyman says. Streamlining the options for the potential client can be a major factor in ultimately getting the loan officer to have a more direct sales conversation. “We present them with two options, since more than that can be confusing,” Lyman says. “Then we cover principal limit, the rate and all the fees. How you do that can make or break a deal. When presenting them with two options, I just ask them to choose [what works] and I lose very few deals by that point.”

Hearing the client start to verbalize the choices that they make among the options they’re given can help them to feel in control of the situation, he says. Also, encouraging them to write down some of the information they’re presented with can help give them further security in taking details of the arrangement to whoever is advising them on the loan.

“I want to hear the choice they made from them, which helps them to feel like they’re in control,” he says. “When I hang up the phone the client’s confidence tends to drop, so by having them write certain information down they can have information to show their child or advisor.”

Solidifying connections with referral partners

Establishing connections with reliable referral partners can also be a process that takes as much time and effort as connecting with borrowers, and sometimes may require more. Staying vigilant and on the hunt for potential referral partners on an ongoing basis has been critical to the business success of Krajewski, he says. As someone who is always travelling to different parts of his community in order to seek out additional business, making a point to visit relevant professionals while an originator is already out and about can present a distinct advantage, he says.

“I ask for a number of Realtor, CPA or financial planner friends from contacts and always reach out to continue building on my network, he says. “Then, it becomes easier to make a call and try to connect with a potential partner. When I make a call and I know that I’ll be in their region, then I’ll try and establish more meetings with other relevant professionals in the same area as my scheduled meeting.”

Krajewski also advised those in attendance to always have a fresh batch of business cards on hand, since you never know when a good time can present itself to hand them out.

“When was the last time you ordered a box of business cards? Always be handing them out,” he says.

Krajewski also cited an instance where a fertilizer salesman came to his home. He instructed the salesman to wait on his patio while his family ate dinner, and admiring the determination that the salesman had in making a business connection, Krajewski made a point to buy fertilizer from him.

“Salespeople deserve respect,” he says.

Having a more directly collaborative approach to nurturing referral partnerships can also make a big difference, according to Steven Sless.

“Bringing your referral partners into what you do is critical,” Sless says. “We collaborate with them and do videos for them, and we hold a lot of seminars for both consumers and other businesses. Bringing the referral partners into that kind of process creates a deeper relationship with them.”

Seminars can provide a big boost to business, with Sless describing that the last event his organization put on brought in 125 people stemming from the success of branding efforts.

“We put a lot of money back into the business, and I treat my personal brand as my business,” Sless says. “We try and make the bonds that will carry us through any trials or tribulations that come up, and those bonds with referral partners can make a big difference.”