



TRAINING

The Ups and Downs of Reverse Mortgage Industry Recruiting

By **Chris Clow** | February 4, 2020

As many in the reverse mortgage industry are all too aware, finding solid, dedicated personnel that understand and adapt to the intricacies and nuances of the reverse business can be a bit of a tricky process. Some in the industry have gotten around this problem by taking people who are experienced primarily in the traditional, forward mortgage space and training them into reverse, while others can express a feeling that those oriented to the forward space may simply not be a good fit for the more specialized, consultative approach often taken in the reverse mortgage industry.

Originators in different parts of the country can have different ideas concerning what does – and doesn't – work when trying to find the right kind of people to fill positions in the reverse mortgage industry. In the end, originators share two different perspectives with RMD: one that aims to recruit reverse-specific personnel, and one that has seen success converting traditional mortgage industry players into effective reverse personnel.

A struggle finding 'new blood'

As is common when trying to properly inform prospective reverse mortgage clients about the loans when there is a challenging amount of erroneous information and perception to overcome, many of the same kinds of educational challenges exist when trying to recruit new employees into a reverse operation on multiple sides. This is according to Steven Sless, Reverse Mortgage Division Manager at Primary Residential Mortgage, Inc. in Finksburg, Md.

"[One of the first business challenges] that comes to my mind is just talent acquisition," Sless tells RMD in an interview. "Just finding professionals that fit our mold and our business model within the reverse industry, which already has a certain stigma. So, no different than having to educate borrowers or having to educate the financial professionals and strategic partners that we work with, I think educating prospective employees [is an ongoing issue] as well."

This can be especially challenging in a competitive environment, where a specific reverse mortgage lending business is trying to find new and novel ways of connecting with borrowers, since a very efficient path toward that goal is by finding new and novel kinds of people, Sless explains.

"Trying to bring a new breed of reverse mortgage professional, whether it's on the operation side or the sales side and getting them excited, energetic and engaged about what we're doing is just as much of an educational journey as it is to capture a client," he says.

This issue is not a recent development, Sless says. While many in the industry are making visible and active strides in reversing the course of some of the perennial issues related to the reputation of the products, even with additional legitimacy and academic recognition, getting into the reverse mortgage business – or even the traditional mortgage business – may not be as exciting now as it once was for younger professionals, he says.

"I think our industry has struggled to bring in new blood for quite some time, and a lot of that has to do with the reputation of reverse mortgages," Sless says. "As the reputation of the product changes – and it is, most of us are doing a pretty good job of changing the reputation – I think it will become easier to recruit. But, I think the messaging of reverse mortgages has to change."

Sless' office is located in very close proximity to a major university in the state of Maryland, and engaging soon-to-be or recent graduates about the career potential for getting into the industry has been challenging, he says. This is true even as Sless and his colleagues make a direct effort to appeal to people by taking a novel and multi-faceted approach to branding.

"It's just not exciting to them," he says. "I think this crop of younger professionals, they want something that's just more exciting. They want to travel, they want to get out in the world. And, working with a senior clientele certainly is a little daunting to them being a little bit younger. But then also, being in the mortgage business just isn't as attractive today as it was when I entered the mortgage business when I was 21."

That's not to say that it's impossible to find a sect of younger professionals that are receptive to the idea of entering the industry. While some substantive recruiting conversations are being had, perceptions continue to make them something of an uphill climb, Sless says.

"I was very excited and eager to jump into the mortgage business," he says. "I think it's just not as exciting of a career path for younger people [entering the workforce] today. But you know, hopefully we can change that. We are having some really good conversations with those that we're looking to recruit. But, it certainly is a challenge and continues to be one."

A struggle finding 'new blood'

As the biggest mortgage broker in the country, C2 Financial Corp's reverse mortgage division, C2 Reverse, is highly active in the space. While the larger company was initially resistant to building a proverbial "wall" around its reverse mortgage division on the recommendation of C2 Reverse National Manager Scott Harmes, that wall has turned out to be an asset by solidifying a uniform standard for anyone who originates reverse mortgages for the larger company.

"After about a year into my management, I persuaded our ownership team to build a wall around the division, where a loan officer can't originate reverse at C2 Financial unless they are 'C2 Reverse certified,'" Harmes explains in an interview with RMD. "There was a huge amount of resistance to that initially, because C2 Financial is a broker with a free market mentality, and our loan officers are not used to being told they can't do something."

However, because the division's employees are members of the National Reverse Mortgage Lenders Association (NRMLA), they are bound by that association's code of ethics and professional responsibility, Harmes says. Not taking a more specialized route could be in potential violation of that code.

"Article 4 of the NRMLA code of ethics is competence," he says. "And so, if you're turning loose an army of 800 loan officers that have just a passing acquaintance with reverse to originate those types of loans, then we're not in compliance with article 4. Initially, the wall around the division was greeted with great resistance as an obstacle. But over time, there's been an evolution in the perspective, and now it's viewed as an opportunity."

It's not uncommon for the C2 Reverse division to get both internal and external messages from loan officers who relate a desire to either learn about reverse mortgages, or become more competent in reverse in the hopes of incorporating it or expanding its place their business. This program, Harmes says, has made finding proverbial "new blood" a bit of a non-issue when it comes to the specific operations of C2 Reverse.

"We're at a point in our evolution where we're not really going out and trying to find 'new blood,'" he says. "We've built a program with the resources that is attracting the new blood [and bringing them to us]. Or, it's attracting the old blood that wants to get even better [in reverse specialization]."