

National Reverse Mortgage Lenders Association Presents The

2023

ANNUAL MEETING & EXPO

OCTOBER 23-25 NASHVILLE, TN

NRMILA

National Reverse Mortgage Lenders Association

Diagnosis – Many ways to get to the answer

$$? + ? = 10$$

The Doctor is in: Learn the symptoms before giving a

Your Doctors:

Jim McMinn



Sue Haviland



Craig Barnes



Introduction

- The Hippocratic oath states:
 - ❖ ... to prescribe **only beneficial treatments**, according to his *abilities and judgment*; to *refrain from causing harm* or hurt...
- Like a doctor, loan officers need to get to know our borrowers by building rapport and diagnosing their needs and identifying opportunities through our discovery process. A good bedside manner builds trust and gets the borrower to open up to you.
- Are you listening to your borrower?



Having the right Doctor





There is only one cardinal
rule: One must always
listen to the patient.

Oliver Sacks

Diagnoses – Learning the symptoms

- Dr Vjay Kappor meets with his patient Mrs. Monahan who presented to the ER with dizziness

New Amsterdam – Season 1 Episode 4

Symptoms

Doctors don't provide a diagnosis without knowing the symptoms.

- What is the underlying goal/need?
 - Questions (3 deep) – who, what, where, when, why, how.
 - Open ended questions
 - Practice active listening
 - Build Rapport
 - Show Empathy
 - Be authentic
 - Share experiences with stories
 - Talk less, and listen more
 - Conversation vs explaining



Symptoms

Doctors don't provide a diagnosis without knowing the symptoms

Focus on the need before you quote.

- How does this problem affect you?
- What will happen if you address the problem?
- What will happen if you don't?
- How would solving this problem benefit you personally?
- What happens if you keep doing what you are doing?
- If you weren't experiencing this pain anymore, which goal could you accomplish?
- Is it worth taking a tax hit to extinguish a mortgage?*

**This is not tax advise, always consult a tax professional*

Symptoms

Knowing the symptoms allows for the best outcomes

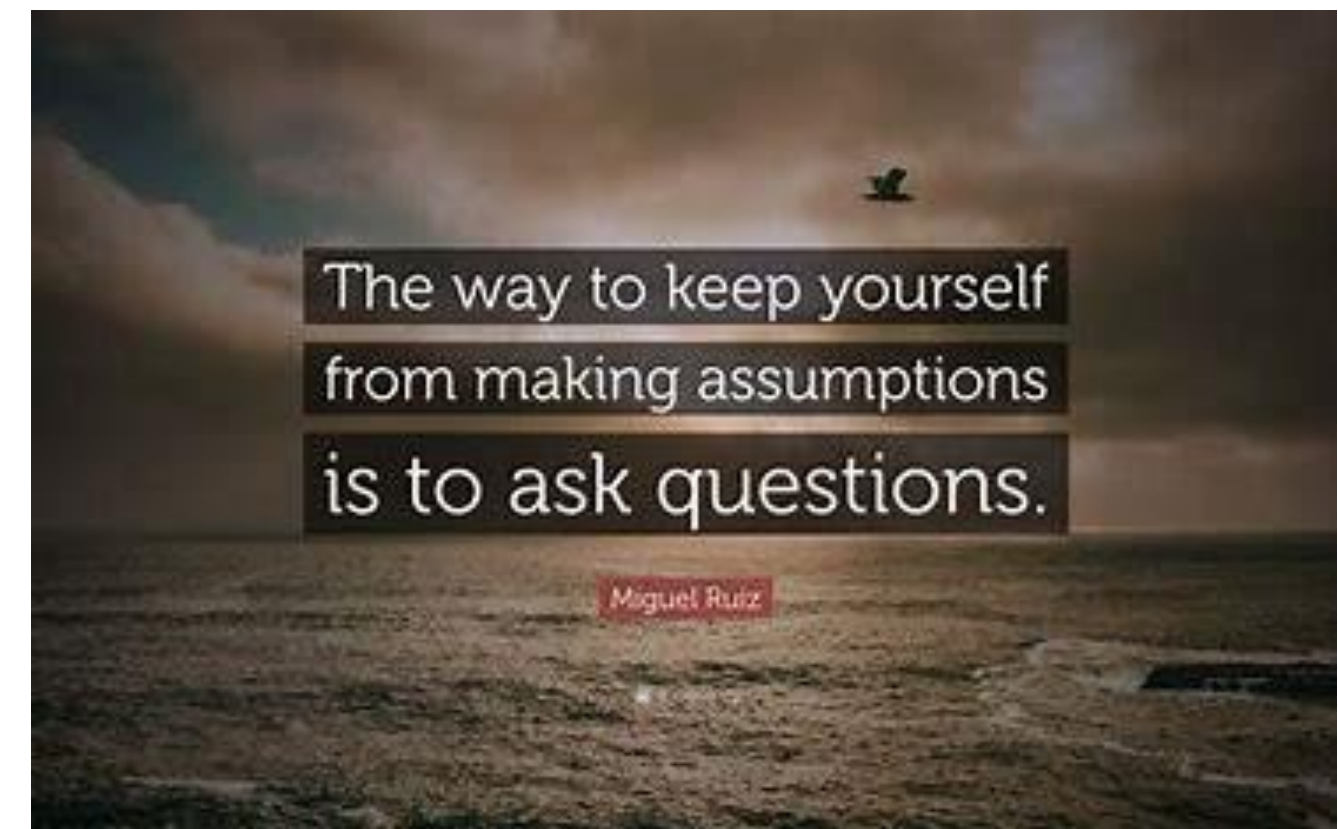
Knowing the goal/need /opportunity determines the course of action:

- What are their mortgage needs?
 - Forward loan, HELOC or Reverse Mortgage?
 - 30 year fixed, 5/1 ARM,
 - HELOC,
 - Reverse Mortgage, - fixed or ARM
- How should they take the proceeds?
 - Lump sum
 - LOC
 - Monthly payments
 - Combination



Care Plan – Making Assumptions

- Why do originators make assumptions?
 - A monthly adjustable HECM, same margin and all proceeds in a line of credit for EVERY BORROWER?
- How long do they plan on staying in the home?
 - A higher margin where lower origination fees and/or credits are offered may be a better option for short-term borrowers.
- Do they need help budgeting?
 - Would monthly payments be better?



Developing the Care Plan



- Relevance – Did you position your solution in the right context. Have you described your solution using terms that will resonate with your prospect?
- Clarity – Have you made it simple and clear to your prospect how your solution will help them?
- Emotional - Have you asked the right questions to understand your prospect's internal motivations? Do you know why they are considering a solution like yours now?

Individualized Care Plan

After discovery and learning the complete situation, then you can tweak the plan.

- Mortgage Options:
 - Forward - are there times when a Forward loan would be a greater benefit over a Reverse?
 - HELOC – when would an older adult benefit from a HELOC?
 - HECM - ARM or Fixed Rate
 - Proprietary
- Payment Options
 - Full Draw
 - LOC
 - Monthly Payment
 - Tenure vs Term
 - Modified





Doctors do rounds to see how their patients are doing and alter the care plan. Let's see the plan you would recommend?

Rounds

- A 68-year-old woman whose husband took care of all the finances. Struggling to manage bills and concerned for unforeseen expenses in the future.
- ***What questions would you ask?***



Rounds

Doctors do rounds to see how their patients are doing and alter the care plan. Let's see the plan you would recommend?

A 72-year-old client plans on downsizing or moving in with her kids in about 5 years?

What questions would you ask?



Rounds

A 70-year-old couple wishes to help both of their children with a down payment to purchase their home.

What questions would you ask?



Rounds

A 90-year-old single borrower who owns their home free and clear.

What questions would you ask?



Charting

Knowing the borrower's story

Like your “chart,” your loan file can provide insight into the borrower’s world. The more information originators can put in their client “chart” the more smoothly the loan transaction will go. When putting the loan file together, don’t forget to include:

- Explanations for any credit issues or income concerns
- Explanations for unique property situations
 - Excess acreage
 - ADUs
 - Repairs
 - Unique property types
- Plans the borrower has for his/her future
- Letters of Explanation for credit inquiries in the past 90 days



Malpractice?

When doctors get it wrong it can be catastrophic

If an originator doesn't ask the right questions or doesn't provide all the options to a client:

- Loss to the borrower
 - Borrower on Medicaid or other social programs (state specific)
 - Tax deferral programs
 - Florida – Homestead program
- Loss of referral network
 - Elder law attorneys
 - Realtors
 - Financial planners
- Loss of reputation
 - Former clients
 - Friends and neighbors
- Regulatory Issues
 - State or Federal complaints
 - Loss of license

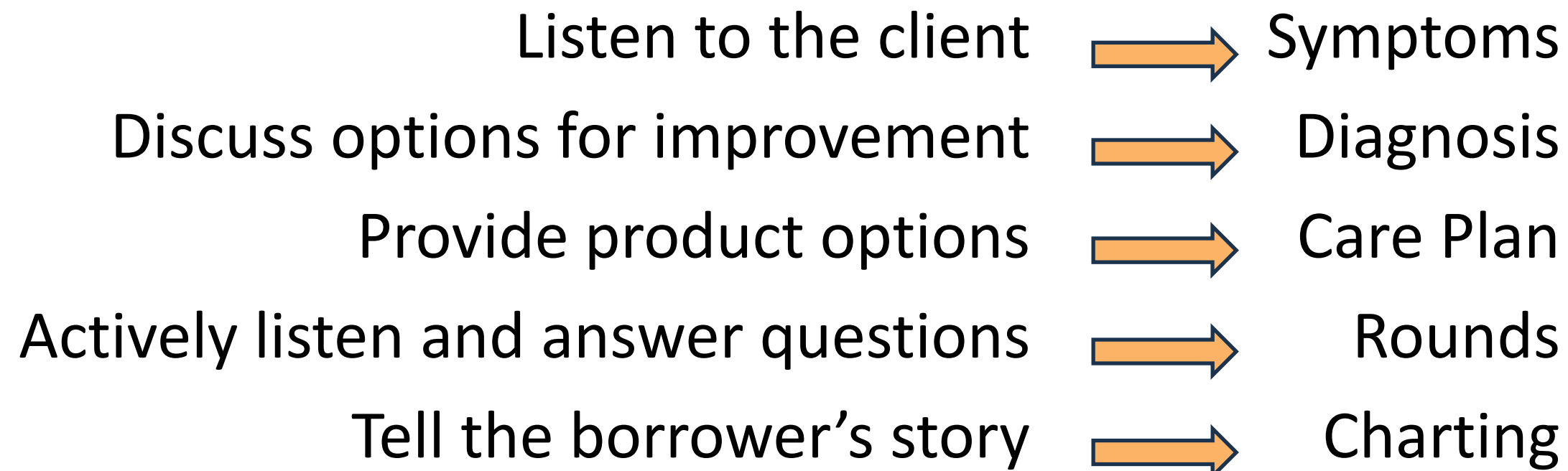
- ***Don't bring up the past, look to the future.***
- ***Meet the borrower's needs with what you can sell today.***
- ***Do discuss refinancing – no one can predict the future***

Hippocratic Oath - “First Do No Harm”

As reverse mortgage professionals, our end goal is not unlike doctors.

Improve the lives of our clients.

To do that we even take a similar path



If you don’t, like a doctor, the end results could be catastrophic for your client!

