



National Reverse Mortgage Lenders Association

# Annual Meeting

October 28-30, 2018 San Diego, CA



# REVERSE SALES TRAINING

## Grassroots Marketing for Reverse Sales Professionals

October, 2018

Jim McMinn

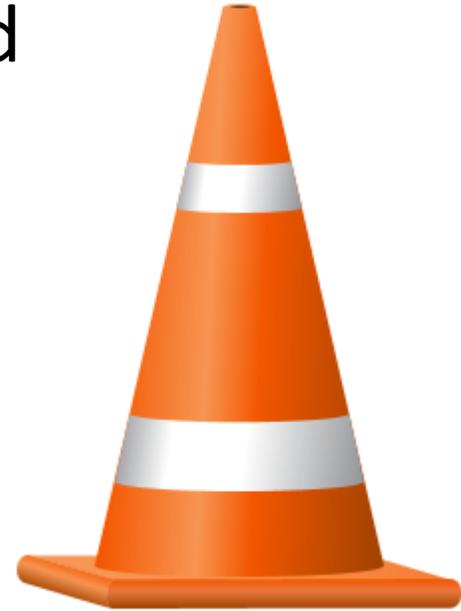
Lead Sales Trainer

Finance of America Reverse



# Disclaimer

- This tutorial is NOT legal or compliance advice, and is intended only to be an overview of marketing strategies for your information.
- Please consult with your own legal or compliance officer for policies and interpretations of applicable laws and regulations.



**Module 1: What is Grassroots Marketing?**

**Module 2: Business to Consumer**

**Module 3: Business to Business**

**Module 4: Business to Community**

**Module 5: Lead Sources**

**Module 6: Social Media**

**Module 7: Marketing Tips**

**Summary**



# MODULE 1: WHAT IS GRASSROOTS MARKETING?



So, now you are a reverse mortgage sales professional. You completed training on products and applications, the industry, pricing, margins, Principal Limit Factors (PLF) and loan-to-value calculations (LTV). You can talk about the program confidently and are ready to move forward.

But what now? Where do you start? How do you find prospects? Where should you ask for business? How do you get in front of others who influence older adult homeowners? How do you become the “go to” person for answers?

# Grassroots

Grassroots Marketing is compared to guerilla marketing, which starts from the ground up; targeting your efforts to a small group to get them to spread your message to a much larger audience.

It is a cost-effective way to reach your target audience using simple techniques, often unconventional or non traditional methods that can produce big results.

Hitting the streets with a product to sell can be exciting and intimidating at the same time. Effectively implementing a grassroots marketing plan can make the difference. Get out there and:

- Interact with people
- Be present at local events
- Think about brand placement
- Local partnerships
- Use social media
- Get creative.

In this training course we have five modules focusing on five types of reverse mortgage leads.

Depending on your personality, environment and comfort level, you might wish to focus on one or more of these lead sources. In each module we provide suggestions, and things to be aware of.



# MODULE 2: BUSINESS TO CONSUMER

# Business to Consumer

The ultimate recipient of the reverse mortgage product is a consumer, who is a homeowner age 62 or older. There are several ways to directly market, communicate, and network with the consumer about the reverse mortgage product.

## Advertising

Most companies have internal marketing and compliance policies. Companies can advertise reverse mortgages in a variety of different ways, with one important thing in common: ethics. Because this is a highly regulated industry, advertising must adhere to rules by HUD and CFPB, and in some cases NRMLA. Many large reverse mortgage companies have an internal team to ensure that all advertising follows certain guidelines. (See module 7 on marketing tips)

## Business to Consumer, cont.

Loan officers often have to fund advertising themselves. In some cases they receive a marketing budget from their company to use TV, newspapers, magazines, billboards, mailers, flyers, focus groups, etc. to reach the consumer directly.

There are many public information websites a sales professional can access, including public housing records, loan-to-value details for targeting an older adult market, and bankruptcy/foreclosure details.

Also useful are title companies and county records. Focus your grassroots efforts on those who might need or want it most.

# Business to Consumer, cont.

## Premium Databases

### Criminal Records

Do a comprehensive background search of over 500 million court, inmate, corrections, offender, and fugitive records.

### National Security Search

Search over 75 terrorist, designated national, denied person, money laundering, and broker discipline databases at once.

### Bankruptcies-Judgments-Liens

Search over 100 million records nationwide by Individual Name, Business Name, or SSN/Tax ID.

### Tenant Screening/Evictions

Manage your risks and save time looking for court eviction records. Use this database to find them for you.

People Search			Advertisement
First Name	MI	Last Name	State
<input type="text"/>	<input type="text"/>	<input type="text"/>	Nationwide <input type="button" value="v"/>
<input type="checkbox"/> I entered a partial first name above			<input type="button" value="Search"/>

### Search By Category

- Attorneys
- Birth Records
- Corporations & Companies
- Court Records
- Criminal Codes
- Criminal Records
- Criminal Wants & Warrants

- Death Records
- Deeds & Mortgages
- Divorce Records
- Licenses
- Marriage Records
- Missing Persons
- Outer Space

- Property Records
- Recorded Documents
- Registered Offenders
- Unclaimed Property
- Uniform Commercial Code
- Vital Records
- Voter Records

### Search By State



# MODULE 3: BUSINESS TO BUSINESS

# Business to Business

Business to Business (or “B2B”) is much more effective than it was in the past. More and more professionals who touch the older adult market are well-versed in reverse mortgages, and are more willing to suggest them as an option for their clients.

When targeting your efforts, be mindful of which business professionals predominately interact with older adults.

Some loan officers might feel it is intimidating to approach some of these business professionals. Others wonder...where do you begin?



# B2B – Financial Professionals

Designation	Resource
Financial Planner	<a href="http://www.fpa.net">www.fpa.net</a> <a href="http://www.cfp.net/search">www.cfp.net/search</a> <a href="http://www.napfa.org">www.napfa.org</a>
CPA/Accountant	State board of accountancy <a href="http://www.aicpa.org">www.aicpa.org</a> <a href="http://www.cpadirectory.com">www.cpadirectory.com</a>
Stockbroker	<a href="http://www.finra.org/brokercheck">www.finra.org/brokercheck</a> <a href="http://www.adviserinfo.sec.gov">www.adviserinfo.sec.gov</a>
Insurance Agent	State insurance commissioner <a href="http://www.iiaba.org">www.iiaba.org</a>
Investment advisor	<a href="http://www.adviserinfo.sec.gov">www.adviserinfo.sec.gov</a>

# B2B – Financial Professionals, cont.

To locate financial professionals:

- Financial Planning Association: [www.fpa.net](http://www.fpa.net)
- National Association of Insurance and Financial Advisors: [www.naifa.org](http://www.naifa.org)
- [www.linkedin.com](http://www.linkedin.com)
- Yellow Pages: [www.yp.com](http://www.yp.com)



Or, you can join local Financial Planning Association (FPA) or National Association of Insurance Financial Planners (NAIFA) chapters to volunteer your time or join a committee, and provide value while you network.

# B2B – Realtors and Builders

Who should you be talking to?



# B2B – Realtors and Builders, cont.

Retiring Boomers are choosing to maintain a comfortable lifestyle in a home that better fits their needs. This opens up a huge market of potential clients who can benefit from selling their current home and purchasing another for retirement.

This could:



# Business to Business



- Any professional who touches the lives of older adults is a potential candidate for a strong referral. Begin by becoming involved in local organizations that support professional growth and networking.
- Business Network International (BNI) groups meet weekly. Toastmasters can assist anyone who needs practice with public speaking.
- Find out what organizations the local professionals belong to, then work with those organizations and attend group events.

# MODULE 4: BUSINESS TO COMMUNITY

# Business to Community

## Chambers of Commerce

Join an established Chamber of Commerce to meet other members of the chamber in a variety of different fields. By joining, attending, and using the chamber event management program, you can pinpoint and target certain professional groups who might benefit from your expertise. “Lunch-and-learns” are quite popular. Or, sponsor events and get “talk time” to showcase and build relationships. These might require some type of a budget depending on your company allotment or, funding resources of your own.

## BNI/Networking groups

There are rules and costs associated with these groups. They are weekly, and encourage members to refer other members and act as a source of leads for one other. Many sales professionals and business owners like this method of networking. No more than one person from a field is allowed to join a chapter at a time.



# Business to Community, cont.

## Not-for-Profit Boards

These enable you to give back. When you donate some time and energy into a non-profit or similar board to assist older adults, you discover resources to assist others while you network and make relationships.



## Agencies

These include Offices for the Aging, Adult Protective Services, home healthcare agencies and senior centers. Approach these with kid gloves and do not attempt to sell anything. Many of these agencies cannot refer older adults to specific businesses. However, if you volunteer for these, you create awareness while you give back. It also gives you insights into the needs of older adults beyond their financial resources, which you can use in order to better support your customers.

# MODULE 5: LEAD SOURCES

# Lead Generation Companies

- A “lead generator” is a company that identifies consumers who might be considering or interested in a reverse mortgage loan - that’s all!
- Three issues you must be aware of before you purchase leads from one of these companies:
  - **“Qualified Lead”**: Unlicensed lead generators cannot inform consumers that they are or are not eligible.
  - **Consumer Privacy & Permission**: Many companies claim they gather enough information to be considered a “mini-app.” Make sure they are not collecting any non-public data, and that they obtain consumer permission to share information with a third party \*you).
  - **“HOT” Live Transfers**: Many companies claim they gather enough information to be considered a “mini-app.” Make sure they are not collecting any non-public data, and that they obtain consumer permission to share information with a third party \*you).

# Live Call Transfer Leads

Carefully interview lead providers to ensure they are not going to misrepresent your organization.

Questions you should ask include:

Are you licensed?

Can I listen to a call?

Do you record your calls?

Are you qualifying the lead?

May I obtain your script for compliance review?

Where are the leads harvested?

How are the leads harvested?

# MODULE 6: SOCIAL MEDIA

# Social Media Marketing

- Social networking may be an important component of your marketing efforts. However, it is critical that you take some additional steps to ensure you comply with all relevant regulations.
- Effective immediately:



• Provide your NMLS number on any Facebook, LinkedIn or other social media homepage where you refer to your company.



• NOT use the term “expert” when you identify yourself as a licensed mortgage originator. Instead, indicate that your title is “Reverse Mortgage Consultant” or “Loan Officer.”

# Social Networking

“Social networking” includes all types of Internet postings, including but not limited to:

- Social networking sites, such as Facebook, LinkedIn and Myspace
- Blogs and online journals or diaries
- Bulletin boards and chat rooms
- Twitter
- YouTube (and similar media) videos and comments



# MODULE 7: MARKETING TIPS

### **The NRMLA Ethics Committee:**

- Interprets the code of ethics
- Periodically issues formal interpretations

### **The NRMLA Ethics Advisory Opinion 2012-1 has two main objectives:**

- Make clear that it is unethical advertising to state that there is “no fee” or “no cost” to the senior to obtain a reverse mortgage loan.
- Ensure that NRMLA members only engage in ethical advertising

### **IMPORTANT:**

If you identify a marketing tool that contains questionable content and appears misleading, forward it to NRMLA’s Ethics Committee. The Committee will conduct an investigation of the tactics used.

It is important that we self-police the industry to preserve our reputation.

# NRMLA “Dirty Dozen”



1. Use of HUD or FHA logos or names in advertising
2. Use of simulated checks or currency in advertising
3. Misleading the customer to believe he or she will miss a limited opportunity by not promptly responding
4. Advertising that consumers are “pre-approved” or “pre-qualified” without disclosing conditions to qualify
5. Advertising celebrity testimonials or endorsements that do not reflect their honest opinions or experiences
6. Using terms without accurate and prominent explanations: “no cost,” “no fee,” “no risk,” “no payments.”

# NRMLA “Dirty Dozen,” cont.

7. Advertising to a business partner a higher than normal compensation from the consumer’s loan proceeds in exchange for its business, even if this is disclosed to the customer in a timely fashion
8. Stating the customer must purchase another product, such as an annuity, to obtain a HECM
9. Advertising celebrity testimonials or endorsements without describing the paid arrangement
10. Advertising exaggerated or misleading benefits (“we pay off your loan”) without describing risks
11. Stating that a failure to respond may result in the loss of a consumer benefit to which he or she is entitled.
12. Advertising a HECM loan as a “government loan” or “benefit,” or as HUD or AARP “approved.”

# Summary

- Reverse Sales Professionals have a variety of different grassroots resources at their fingertips to explore and pursue.
- Depending on your personality, location, interests and comfort, one or more of these focuses could certainly lead to more reverse mortgage origination.

# Thank you.



**Jim McMinn, NMLS 485941**

**Lead Sales Trainer**

**FAR Learning and Development**

[jmcminn@fareverse.com](mailto:jmcminn@fareverse.com)

**203-530-4479**