

National Reverse Mortgage Lenders Association

# Western Regional Meeting

March 25-26, 2019     Huntington Beach, CA



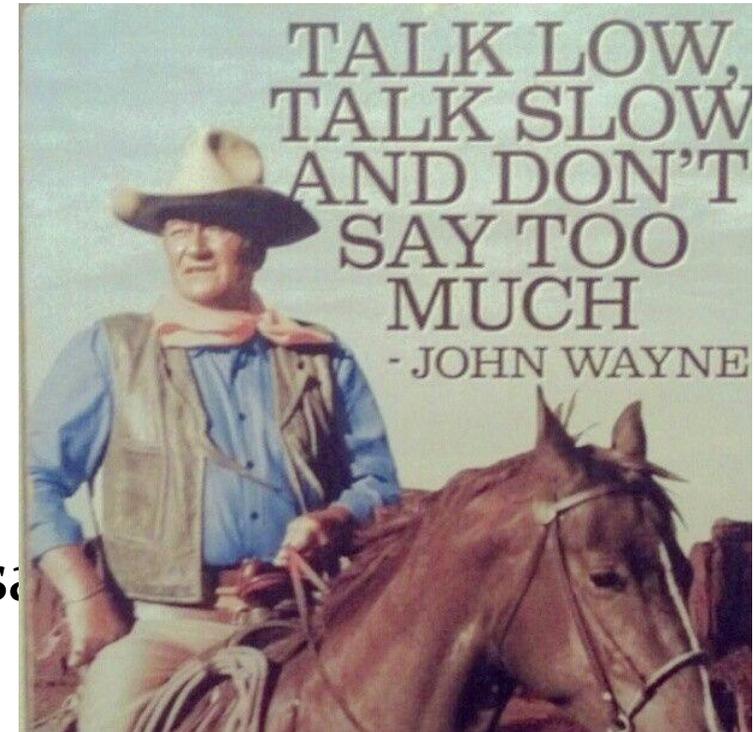


# If You're Talking Too Much You're Losing

*Presented by: Craig Barnes, National Training Manager, Reverse Mortgage Funding*

# Agenda

- Are you talking too much?
- Slow Down
- Word Salad
- Simple Responses
- Being the Expert?
- The Science of Winning Sales Conversations
- Homework



# You Might Be Talking Too Much If.....

1. You have brought up 2 different topics or features of your service and have not asked a question...  
*You might be talking too much*
2. 30 seconds has passed and the prospect hasn't made a sound... *You might be talking too much*
3. You ever have to ask, "Are you still with me?" ...  
*You might be talking too much*
4. You find that you have run out of things to say, and don't know where to go next...  
*You might be talking too much*
5. You find yourself wondering if you're talking too much...  
*You might be talking to much*



From: *Over-talking kills your sales*, by Al Garcia. <https://www.linkedin.com/pulse/over-talking-kills-your-sales-al-garcia>



*Which of those are you guilty of? Or are you guilty of another?*

# Slow Down

*It's not a race, the first loan officer off the phone usually DOES NOT win!*

Pitfalls of talking too fast (and too much!)

- Misses information
- Doesn't have the opportunity to ask questions
- You lose the opportunity to clarify and check for understanding?
- Clients feel overwhelmed and confused by:
  - The product
  - The process
  - YOU
- Client feel pressured and then does nothing
- Remember if you're talking...**THE CLIENT ISN'T!**

## Communication Quotes

The trouble with talking too fast is you may say something you have not thought of yet

Ann Landers





# Industry Word Salad – Don't Get Trapped

**FHA**

**HUD**

**Set-Asides**

**Non-Recourse**

**Rescission**

**LESA**

**Comp Factors**

**Expected Rate**

**Mandatory Obligations**

**Maturity Event**



# How would you answer?

If a client asks you these questions the first time you meet, what would you say?

- How can I get my money?
  - Instead of: *You can get tenure payments, term payments, lines of credit, cash-out or modified tenure or term payments*
  - Try this: ***How would you like to get your money?***
- Do I have to pay it back?
  - Instead of: *When you pass away or sell the house, the loan becomes due and payable, you or your heirs will have 6 months to pay it back, sell the home or apply for extensions*
  - Try this: ***Just like any mortgage, it does have to be paid back, but no monthly payments are required. How long do you plan on staying in your current home?***
- What if I still have a mortgage?
  - Instead of: *Depending on the amount of the payoff you may still qualify for the loan, but it will depend on the product you pick. I have ARMs, Fixed and Jumbos.*
  - Try this: ***We payoff any of your existing mortgages with proceeds from the loan. How much do you owe on your home?***



# How would you answer?

If a client asks you these questions the first time you meet, what would you say?

- What are the rates?
  - Instead of: *Right now I am offering rates as low as 4% depending on how much money you need and what credit the product has...*
  - Try this: ***We have very competitive rates, have you been talking to other lenders?***
- Why are the closing costs so high?
  - Instead of: *Well, some of the costs go to the government since it's a gov't loan, then there are the fees that go for title, recording the lien, origination fees and fees for the credit report, to make sure your home is not in a flood zone...*
  - Try this: ***Is there a specific fee you are questioning? I would be happy to explain each one for you.***

*Notice that each suggested response is shorter and simpler than the first. The suggestions elicit more information from the client (to get them talking) and to help you better understand their needs and what they are looking for a reverse mortgage to do.*



What questions do you get that can be simplified?

# Being the Expert – Or Not

- We all want to be experts in our field...and we should be, but we don't have to show ALL of our expertise in one conversation!
- It's their story, let them TELL it.
  - Ask open-ended questions that allow them to tell their story. You can learn a lot from just listening.
- Let them LEAD the conversation
  - Don't interrupt unless it is to answer a question. And then, keep it short! Too many details, too "down in the weeds" will make the process or product more confusing.
- Let them EXPLAIN their financial goals and why they are interested in a reverse mortgage
  - Listen for clues about their financial situation, their monthly struggles, what they WANT to do AFTER they close!
  - "Assume the sale" – When the client discusses their goals, talk about "when" not "if." *When you close on your loan, you can pay off those credit cards, take that vacation, etc.*



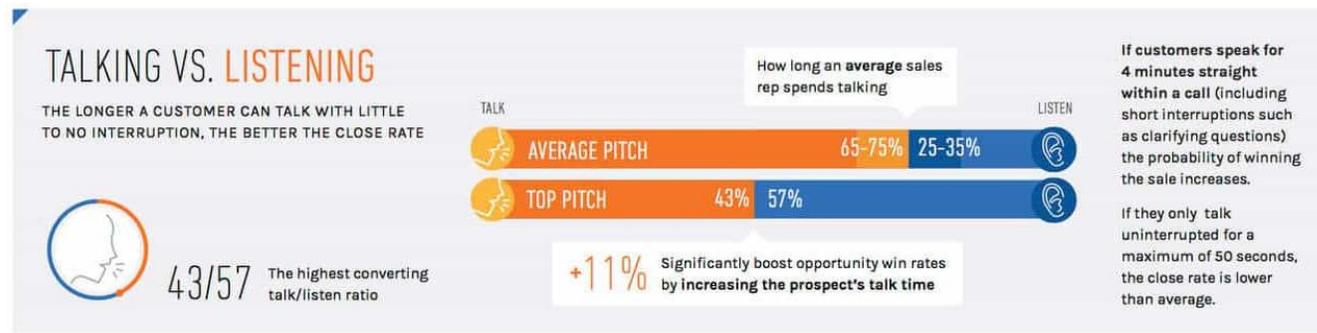


# The Science of Winning Sales Conversations

# 1. Talking vs Listening

The *Science of Winning Sales Conversations* studied sales conversations by listening to over 250,000 sales calls. They came up with 6 sales patterns.

- The longer **they** talk, the better the close rate.
- The most conversions happened with a 43%/57% ratio – You should be talking LESS THAN half the time. On an average sales call, the sales person talks up to 75% of the time.
- Four Minutes – Letting the client speak for 4 uninterrupted minutes increases the close rate by 11%

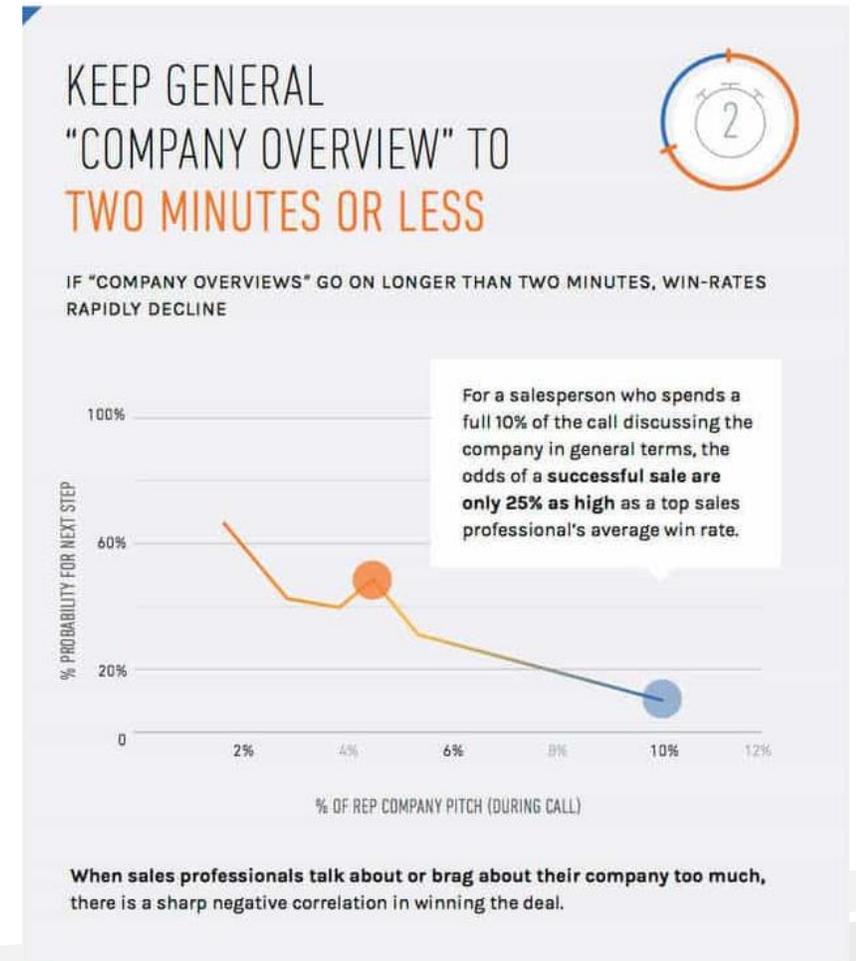


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## 2. Company Overview

You're proud of your company, and you should be! But the client wants to talk about their needs, not your company!

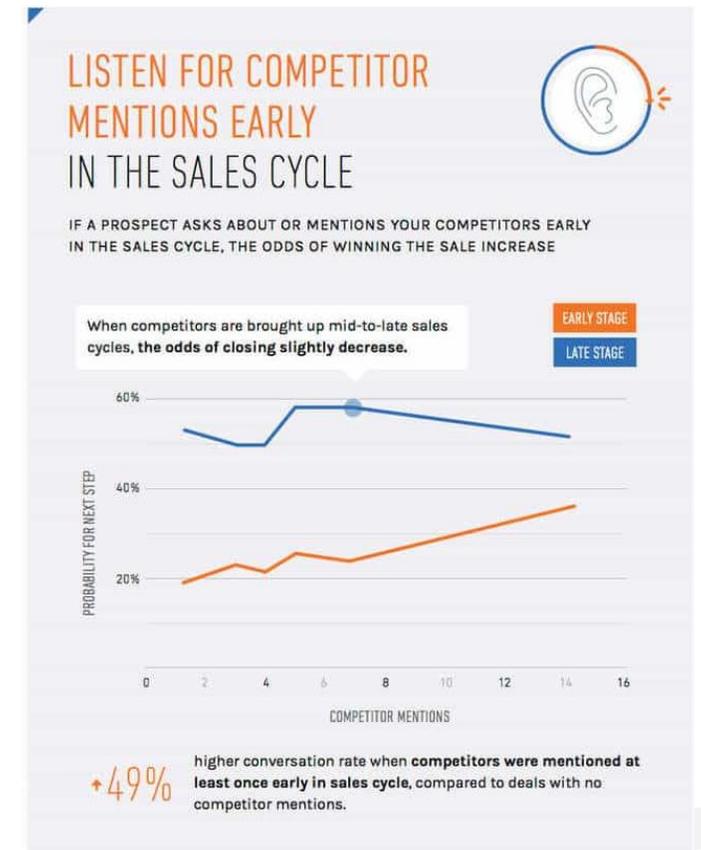
- More than 2 minutes is a deal killer – Keep the company overview short, no need for history, a who's who, the position in the industry, etc.
- Talking about YOU and YOUR company wastes time; the client isn't doing the talking!
- Too much company information can backfire.
  - Sounds egotistical
  - Talking negatively about competitors usually bad for YOUR business
  - Drives client to research/reach out to competition



### 3. Listen for Competitors

We are in a competitive market today. Chances are your client has spoken to or met with one or more of your competitors.

- If the client doesn't mention others that they have spoken to or received a package from, ask them who they have spoken to? Don't wait to ask, do it early!
- The longer in the conversation you wait to discuss competitors, the conversion rate decreases.
- Discussing competitors early increases the close rate by up to 49%.
- Knowing they are speaking to your competitors early allows you to put "your best foot forward."
  - Be familiar with competitors product mix, rates and fees, but don't tell the client "they're wrong" if the deal sounds too good to be true.
  - See step #2 when talking about your competition to your clients!



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## 4. Timing

Timing is everything! As sales professionals, we all hate to hear “I need to think about it,” “I need to talk to...”, “I’m not sure.” There are cues that you can listen for that increase the rate of conversion.

- Listen for signals throughout the conversation – In the thousands of calls that were listened to, the word “probably” had a positive outcome.
- Be careful not to PUSH or PRESSURE.
  - We have all gotten the line “What can I do to get you into this car today?” Avoid that and similar lines
  - Don’t suggest “the deal won’t be here tomorrow”
- Return to “their story,” their vacation plans, the life they were **talking about** AFTER they closed on their reverse.
- Offer to talk to their advisors (kids, financial planners, other advisors)



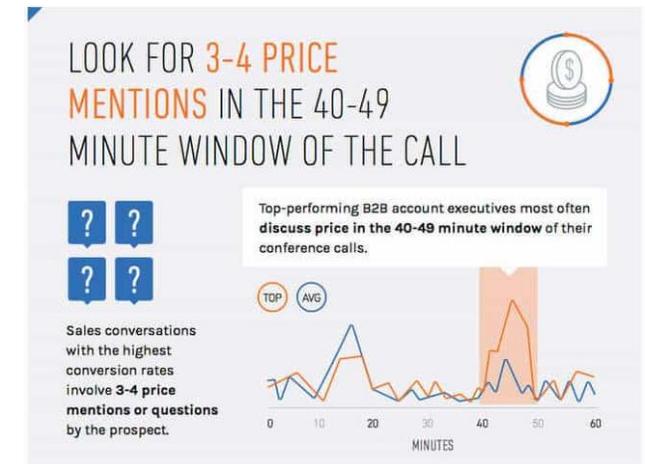
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*What techniques do you use when timing is an issue?*

## 5. Talking Price

- Although #5 is talking about B2B, it still has its place in the B2C world.
- Don't be scared to talk price – clients feel it.
- Don't lead with price – most consumers will pay more for a better value proposition; give it to them first.
- Being the expert can be deadly - We all know the fees and their purpose, but unless the clients asks (remember, they are leading the conversation) for a fee by fee breakdown, keep it high level.
- Put your best foot forward – You're not selling used cars, don't haggle. Remember #3, by this point you should know what they are getting from the competition.



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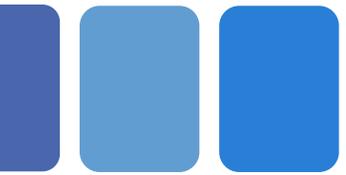
## 6. Risk Reversal

We all want an out. Risk reversal can help make the deal when the clients know they have an out.

- 32% increase in close rate when the client knows they can get “out.”
- Don’t overcomplicate the “outs.”
  - Right of Rescission – 3 days to change your mind
  - No prepayment penalty – If you win the lottery you can pay the loan off without a penalty.
  - Non-Recourse – You or your kids will never have to pay anything out-of-pocket, no matter how long you’re in the home.



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Review



# Homework

- Many client calls are recorded\*, if they are (or if you can) play it back. Take note of the following:
  - How many minutes did the client speak vs. you?
  - Did you talk too fast and/or use too much jargon?
  - Did you give “too much” information to a simple question?
  - How long was your company overview?
  - How long did it take for the client or you to talk about the competition?
  - Who brought up price first?
- Analyzing a face-to-face conversation
  - Obviously F2F can't be played back, when the conversation is in person, it's important to know what you are going to say.
  - Scripts can be good as long as they are not too formal or too trite. Practice responses to questions that don't include jargon, that use simple language and that turn the question back to client to get them to speak.
  - Practice your company overview – 2 minutes or less
  - Role play – ask a friend or colleague to help

*Let the CLIENT do  
the talking and  
everybody wins!*

\*Always check with your Compliance department about recording client calls.



# Questions