



**A MESSAGE FROM
ACUMA PRESIDENT**

Bob Dorsa

'They Work Hard for Their Money'

Ideas for CU Mortgage Growth Flowing from the NAR Convention

By Bob Dorsa

*She works hard for the money
So hard for it, honey
She works hard for the money
So you better treat her right*

– Donna Summer

“She Works Hard for the Money”

One of the Realtors® I spoke with at last fall’s National Association of Realtors (NAR) Expo in Boston mentioned that she worked hard for her commission.

It reminded me of the 1970s hit song from disco queen Donna Summer.

I think “They Work Hard for Their Money” would qualify as an accurate description of Realtors, no matter who they are or where they are located. They work long hours, including nights and weekends, for perhaps one or two sales a month. And according to recent studies, homebuyers still rely on Realtors for help, despite beginning their searches online.

Continuing with the paraphrased lyrics, I also feel the last line of the disco song’s verse, “so we better treat them right,” is important for credit union mortgage lenders to remember.

ACUMA-NAR RELATIONSHIP

For the 16th consecutive year, ACUMA has facilitated an exhibit at the Annual NAR Convention and Expo,

building on the evidence that many consumers are, frankly, tired of the traditional banking model (especially regarding home loans) and perhaps even a bit frightened by the other non-bank alternatives.

Mixing with the world of Realtors each fall—about 20,000 of them attend the annual gathering, held at different locations across the country each year—has produced some indelible opportunities when it comes to functioning in a real purchase money market.

I read recently that refinance volume is nearly at its lowest point since the early 2000s. Yes, we all know rates have been very low since the recession and housing crash that began in 2008, but some of you may also remember the climate in the years before that bubble burst when lending was robust and home prices were skyrocketing.

The credit union marketplace has benefited from the last decade of refi mania. In many ways it’s been music to our ears with an increasing share of mortgage originations. However, I think it is safe to add, with a nod to the Rolling Stones, “but it’s all over now.”

So, where do we go from here?

I would like to share some ideas that have been percolating in my mind about how credit unions can work with Realtors to grow the mortgage business.

First, in conversations with agents and brokers, I have heard hundreds of them say they are members of credit unions. I have asked the question for



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ACUMA President Bob Dorsa (left, wearing glasses) holds a conversation with a Realtor at the Credit Union Exhibit at the 2018 National Association of Realtors Conference.

at least 20 years: How can a CU determine which of its members are Realtors? So far, no one has been able to tell me how to do that.

I get it. In my younger days when I worked for credit unions, there was nowhere in the member's account profile to list occupation. In hindsight, I think that would be a data point worth having.

BUILD A LIST OF LOCAL REALTORS

I do know of one ACUMA credit union that has been building a database of Realtors, simply from recording the information from agents listed on documents from loans that have been closed in the past few years. That may take a while, but it's a good and relatively easy way to start.

Of course, for the list to bring you any value, you must use it.

You should be proactive with agents and brokers through email campaigns, social media and perhaps even (RESPA-compliant) contests. For example, to add to the list, place a note in your credit union's magazine or through social media offering a "special gift" for members who come in to one of your offices and identify themselves as Realtors. (A \$20 Gift card from Starbucks will go a long way.)

The list can be leveraged for an ongoing program to become more well-known as a mortgage lender in your community, as well as to scout for new lending opportunities.

GET TO KNOW LOCAL REALTORS

As credit unions, we need to do more to establish working relationships with Realtors. Case in point: When I have asked Realtors whether anyone from their local credit unions has visited their office for a meet-and-greet (with or without doughnuts), I have received an emphatic "no" in response to my question. If you haven't reached out to Realtors, you're missing a great opportunity to build a relationship.

It's important to select the right people to handle the meet-and-greet at the Realtor's office. I spoke recently with a CU leader who could not identify anyone in her organization that would be able to successfully pull off a Realtor meet-and-greet. If that's the case, you need to train the people who would be able to take that assignment.

I suspect your loan originators are the correct people for this training. They have a sales mentality along with the knowledge and experience to do the job right.

Perhaps you could even cross-sell the concept of attempting to add the broker's office as a SEG of a CU. Imagine having the top real-estate brokerage firms in your community as member organizations of your credit union.

RECRUIT REALTORS AS MEMBERS

In any case, encourage Realtors to join your credit union. Sell them on the value of membership and the many ways CUs help members become homeowners.

As Realtors become credit union members, they will discover for themselves how the cooperative experience differs from other financial institutions. This would be a great way to allow the agents to suggest you as a lender to their clients from a position of personal engagement.

I have dozens of video clips from the NAR convention of Realtors who love their credit union. And I returned from the 2018 convention with a dozen "thank you" comments from Realtors who visited our exhibit. I have shared those leads with our ACUMA members: As a nonprofit, that's what ACUMA does, and "we work hard for our money," too!

While ACUMA has exhibited in



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front of the nation's Realtors for 16 years, we have been able to move the needle just a bit. The balance of the heavy lifting needs to be done locally.

The fact is that the "easy life" of refi's is finished, and you'll have to "work hard for your (purchase) money" in the foreseeable future. If that sends chills up your spine, you need to re-evaluate your resources and embrace the future. And that includes building bridges between credit unions and Realtors.

TOP THREE INITIATIVES

Here's a quick recap of the Top Three 2019 Initiatives for Realtor Engagement:

- 1 Make and maintain a list of every Realtor you have contact with.** Use the list in marketing campaigns, social media and other initiatives. Your efforts will get you closer to your Realtor network and can benefit you immensely.
- 2 Create an Outreach Program for Realtors in your marketplace.** Start with job descriptions of your employees and identify the required skill set and the kinds of people, including your existing LOs, who should be trained to carry out the program, a critical task for finding loans in 2019 and beyond.
- 3 Create a strategy to add Realtor Broker offices or companies on your SEG hit list.** Set a goal for adding as many Realtors as possible to your FOM. (For the most part, FOM issues should not be an impediment.)

Can you see a marketplace where local, CU Members/Realtors (agents and brokers) are bringing consumers to your CU as new members? Many Members/Realtors may also recommend your CU for a qualified Purchase Money loan.

I can see that. Can you?

