Issue 056
March 2012
TheNicheReport.com

The Niche Report

FOR MORTGAGE ORIGINATION PROFESSIONALS

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Build relationships and make money with HARP mini refinance boom

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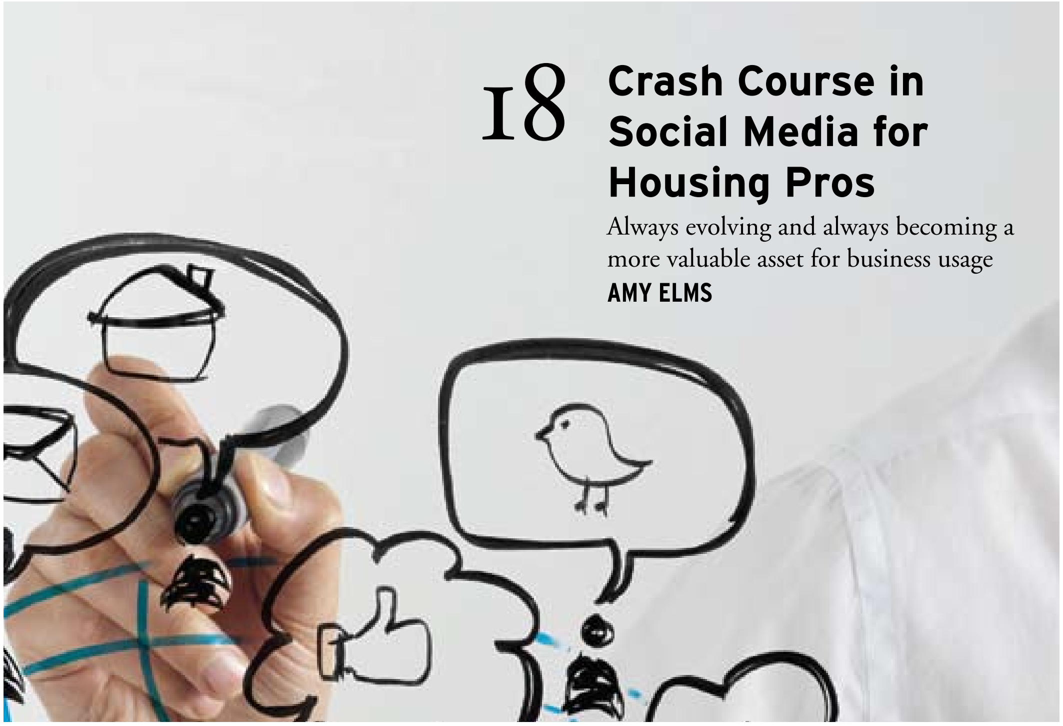

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TheNicheReport

There are times in one's career, when the path chosen is not the path followed. Over time, we tend to stray off and find ourselves heading in a direction not intended. The question is: how can we reset our career to the path we want, or need? Many times, in the mortgage industry, our career goals, projected revenue, and clientele choices are dictated by the business that is available. This is not necessarily the business we want or have desired. When the dream of where we want to be in five years, or ten years was formulated in our minds, we had visions of 'easy street' with the expensive car, large house with a swimming pool, Caribbean cruises every winter and an office staff that keeps the money-machine turning.

So here we are, struggling, taking any deal that we can to just make ends meet… what happened and where did I go wrong, is what many of you would say? The crux of the issue could very well be entrenched in marketing.

Marketing, to some, is a necessary evil; expensive, time absorbed, and frustrating. To others, it is fun, enjoyable and prosperous. In my opinion, it is a balancing act that needs to be perfected and performed every day. Integrating marketing into your daily regiment is how to make business boom, and eventually obtain your dreams. Forging marketing activities in a regular schedule is difficult at first, but once you leverage the skills, resources and time of others to build business, things happen.

Hmmm, sounds like a lot of double talk from a carpet-bagger, selling "Miracle Potions" is what some of you may say. The marketing pundits preach this stuff all the time, and we buy into a monthly subscription of marketing bunk, a 12 cd set, or access to a guru's website. After hundreds of dollars spent, is there a difference?

In *The Niche Report*, you will read articles that will provide specific actionable instruction on how to market and build to your goals. Tip of the Month, which I have authored for over four years, focuses on marketing and client base development, among other topics, as does the ongoing series of Online Lead Generation. Eric Tishaw tries his hand at it this month. Last month, Six Referral Marketing Mistakes was a great article that gave solid actionable advice on what not to do, and what to do instead. This month, we have articles on web marketing, business card mechanics, finding buyers, and using social media effectively among other great content.

With an annual subscription, you may have all the marketing tools you need to be successful every month, right here in *The Niche Report.*

In five years, you will be reading your new monthly issue alongside your swimming pool or on that Caribbean cruise.

Cheers!

Stewart Mednick

4 STEPS TO MAXIMIZING HARP 2.0

Build relationships and make money with the HARP mini refinance boom

BY RAYMOND BARTREAU

With all the hype, buzz and excitement surrounding HARP 2.0, trying to really figure out the best way to utilize and take advantage of the program can get a little confusing. I have spent the last few months analyzing data, talking to major lender account reps, bankers, brokers, and financial advisers … through my efforts I have come to two conclusions. First, this is going to be a HUGE opportunity for A LOT of people in our industry. Second, many mortgage professionals have an idea of how they can get a few loans from their current client base and referral sources; however most do not know how they are going to get aggressive beyond those channels, and REALLY take advantage of what could be the last great Refinance boom for the next 5+ years. GREAT NEWS … I have a lot of answers for you if you fit this box.

STEP 1: EDUCATE YOUR CIRCLE

Once you know your true guidelines and overlays for the HARP program, you can then put some material together that will educate your potential borrowers. It's a no-brainer that the first audience you should reach out to should be your circle of past clients, current/potential referral partners, friends, and family. There are many ways you can reach out to these groups, some of which include … educational newsletters, blogging, updates to your website, personal letters, email, video email, and even a free e-book individuals in your network can download. You want to put together a solid informational piece that can easily be passed around virally. You want to focus on your current audience first since you already have some form of contact with them, which gives you the best chance of getting their business, or better yet, referrals from them. My rule of thumb is get to the ones you know, because they ALL know at least 3 to 5 more homeowners in their shoes who can benefit from this program and use your services. Educate, and then ask for referrals!!!

STEP 2: FREE & LOW-COST MARKETING/BRANDING

Once you have a good strategy and informational piece(s) to educate your current circle with, you want to start building out some additional marketing and advertising strategies. This is where things can really get confusing as there are quite a few options out there. My theory is always to do a combination of A) as much free


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After the economic challenges of recent years, why go back to the old way of doing business? From innovative new products like CoverEdge℠ — designed to ensure that only eligible loans enter the mortgage system — to fresh ways of working closely with originators, we're helping build a stronger, safer mortgage industry for us all. At United Guaranty we're not just different, we're the one mortgage insurance company that's making a difference. Come join us today. To find out more, go online to UGDIFFERENCE.COM or call 877.642.4642.
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to low-cost advertising as you can fit in, and mix that in with B) highly targeted direct marketing or direct response advertising campaigns. So let's take a look at everyone's favorite: free and low-cost ways of marketing…

When I think of low-cost advertising, I think of things I can do to get my message out there in a way that it will stick and bring value to you long term. You want your efforts to be seen by multiple people over a period of time, and you also want to take advantage of viral marketing. Your messages should have the chance of being passed around after the fact so that they are working for you long term. There are a few ways to do this…

1) Get a media kit to all your referral partners (Real Estate agents, Insurance agents, CPAs, Financial planners/advisors, etc.) that will educate them and their audience, which could spark more immediate potential referrals. This could be any type of informational kit, such as the ones listed above.

2) Social Media - Make Facebook your friend, learn how to create Facebook ads, learn and use Twitter, start and manage a blog, make a video about HARP 2.0 lending in your local area and post it on YouTube, send a video email, look for local industry events to attend and educate other potential partners at, etc.

3) Build a basic lead capture landing page for your Facebook ads to direct to.

4) Publish informational newspaper columns; newspaper ads can work well in smaller areas.

5) Distribute door hangers in neighborhoods built between 2005 and June of 2008. Although this is time-consuming, it is cheap and can prove to be effective if you are a smaller shop or independent originator.

6) Cold calling – pretty cheap, your time is the majority of your cost here. You can get Fannie Mae and Freddie Mac filtered lists from various sources, as well as aged internet leads (30-90 days old, over 90% LTV) cheaply from lead companies that have never sold those leads due to pre-HARP 2 filtering demands.

7) Conduct webinars or face-to-face presentations for your referral partners in a way that informs their client bases with free information about this program, as a favor to your referral partners who want to educate their audiences. If you set it up to make them look good and proactive for their circle, you look good as well for being their go-to guy for the info being requested. This takes some work and requires that you ask this of your partners, but it's very effective and a win-win for both you and the referring partner.

8) Co-speak at a seminar alongside a Real Estate agent in your local area. Make your theme …"Refinance vs. Short Sale – which makes more sense for you?" Co-brand and co-market the seminar for a few weeks, and give it a go. Practice makes perfect. You will get better over time, and eventually they become fun.

STEP 3: DIRECT MARKETING FOR VOLUME

Once you have your circle educated and working for you, you then want to start thinking about other forms of generating new business in the marketplace with this program. There are over 27 million nationwide Fannie/Freddie loan holders who have no idea who your company is or who you work for. The goal here is to reach an audience that has no other chance of seeing you. The best way to do this is Direct Marketing, which consists of a few different options ... Radio, TV, cold calling or direct print mailing to a pre-screened list, and lastly, the good ole' Internet.

As we all know in the Mortgage industry, Lenders have guidelines on pretty much every loan product on the market. If you are going to use Direct Marketing in Mortgage, the first thing you want to do is find homeowners that fit within your lending capabilities – in this case we are talking about HARP 2. Some recent count studies were conducted with three of the Industry's leading database compiler/managers of mortgage data, which between them have an estimated 92% coverage nationally with an average of 87-90% overall accuracy. From those studies, we found some pretty amazing statistics…

- There are over 27.5 million Fannie Mae and Freddie Mac loans in America right now.
- There are currently over 11 million Fannie Mae and Freddie Mac homeowners that are upside down on their mortgages (over 100% LTV).
- There are 2 states over 1.8 million, 4 states over 475k, and another 31 states over 45k homeowners that can be helped.
- Of those 11 million, close to 60% of these homeowners are current right now on their mortgages.
- The other 40%+ could get current and potentially be helped before the end of 2013 if they are educated soon and make the efforts for the next 6-12 months.

Depending on your specific lender requirements for this program, you would take these massive databases and filter them down based upon the your lending criteria. Based on the first round of guidelines most of us expect to see in March, we would use the following criteria: 620+ fico, 90%+ LTV, 100k+ loan amount, current on mortgage now, Fannie Mae or Freddie Mac, loan originated before May of 2009. (There will be variations of the filters depending on the lender and their guidelines; however these criteria I like to call the “sweet spot.”)

When we use these filters, we end up with a total of 2.3 million marketable (outbound with addresses) homeowners who may qualify for HARP 2 even with heavy filters put in place. Of those, just over 215k of those homeowners are available for phone calls after we do a DNC (Do-Not-Call) scrub on the database. Before HARP 2 you could do nothing for the majority of these homeowners, and since most have not seen mortgage offers over the last 2-4 years, you should see a pretty good response on any campaign, especially when you can FINALLY help them take advantage of the lower rates. From testing in early February, we saw well over 1.5% response with marketing campaigns to current Fannie and Freddie loan holders. Once this new plan launches in full force and major news outlets start reporting on the program, the excitement should drive direct mail responses up well over 2%+.

The above statistics give us a few extremely important things to think about. First, there will be at least 11 million homeowners (that you can help) that may be online searching for HARP rates some time from now until the end of 2013. Due to the excitement of this program and media juice it will get closer to election time, the online searches for “HARP Mortgage” related terms should be HUGE. It’s your job to capture that search, either by your own page or through a company that can help you capture those leads. Second, the above numbers also let us know how many people you can market to through direct mail campaigns, as well as cold-calling campaigns. Lastly, when we break down the counts by state, you can also figure out the best places to run TV and Radio slots so your message hits the largest and most relevant audience.

If you set up your direct marketing programs correctly and with the right partners, they should run on auto pilot, making your life of closing loans a lot of fun over the next 18 months.

STEP 4: MAXIMIZING VALUE OF EVERY HOMEOWNER YOU TALK TO

This could be the most important part of your business. Any referral or lead you generate from steps 1-3 should be tracked and managed. There are tons of systems out there that can help with this; a quick search for Lead Management System (LMS) will help you find a good one. These will help you work, track, and generate reports on your different leads and the sources of your leads/referrals. This tracking will help you analyze what referral sources are backing out for you at a CPA (cost per acquisition) that makes sense for you. By eliminating the lower-producing sources and by working every lead to the absolute fullest, you will always yield the best results for your time and money.

The last part of maximizing everyone you talk to is to realize that there will be many who decide, after seeing your numbers, that doing a loan doesn’t make sense, and that perhaps walking away from negative equity could be the best thing. You will run into this quite a bit, so be prepared to have extremely solid Real Estate partners that focus strictly on Short Sales to refer these homeowners to. Remember, if your referral agent has a lot of short sale listings, you could potentially be looking at a good stream of purchase loan leads coming in off that partner’s listings. Building the Real Estate Relationships during the HARP mini refinance boom is extremely important when you think about the BIG PICTURE of the long-term projections for the Mortgage loan industry.

I will leave you with my last 5 quick tips and reminders!!

1) Hit this market early and aggressively. It won’t be around forever, and it could be the last refinance boom we see for the next 8-10 years.

2) DO NOT be afraid to ask for referrals!

3) DO NOT forget about the purchase market. HARP 2 has a tremendous amount of potential; however it is relatively short term, and the next 5+ yrs after that will be mainly purchase money.

4) I would run a split of about 75/25% Refinance vs. Purchase marketing for the next 8 months to a year. From mid to late 2013 your focus should start to transition the other way to eventually get to 80/20%, heavy on the purchase side.

5) HAVE FUN! The next 12-18 months is something a lot of us have been waiting for over 3 years now. It’s here, so work as hard as you want, but enjoy it!!

Raymond Bartreau, Founder / CEO of Best Rate Referrals and www.HarpMortgageLeads.com

FACEBOOK ADS 101 – PART 2

Marketing Choice of the Next Generation

I want to pick up where we left off last month and give you more advanced techniques. If you have not read last month's article, then go grab it and start reading! If you have already read it, I would suggest that you refresh your memory and read it again. It's been a month! I'm going to jump right in, so here we go!

ADVANCED BIDDING STRATEGIES

When bidding on Facebook, you have two choices. You can choose CPC (Cost Per Click) or CPM (Cost Per 1,000 Impressions). Cost per Click is the maximum amount you would pay when your ad gets clicked on. Cost Per Impression is the maximum amount you will pay when your ad gets displayed 1,000 times.

Facebook has limited ad space. In order to have your ad shown in that space, you are bidding against other marketers who are all battling it out for the same space. Facebook gives you a suggested minimum and maximum range to bid. The higher you bid, the better your chances are for your ad to be displayed.

When you're just starting out with Facebook Ads, it's really difficult to create an ad that will deliver a good number of clicks from the very beginning. You will have to keep testing and tweaking until you come up with a good ad (or multiple ads) that are getting a good CTR (Click Through Rate).

- FYI – The equation for CTR is Clicks divided by Impressions. If your ad has 1,000 impressions and the users have clicked on it 10 times, then your CTR is 1%.

If you choose CPM, Facebook will show your ad as many times as possible so that they can generate a higher number of impressions. Remember, impressions are how many times your ad has been viewed. The same person can view your ad 50 times and it will be calculated as 50 impressions, so before you know it (especially if your ad is not the most attractive) you will be paying for that ad even if nobody clicks on it.

On the other hand, if you choose CPC you will only pay when someone clicks on your ad. If you are directing that viewer to a good landing page with a good call to action and a way to capture his information, then you will get yourself a lead. All you have to pay is what you already set as the maximum pay per click.

Even if CPC (Cost Per Click) is more expensive than CPM (Cost per Impression), it is a lot safer and less time consuming because it does not require much maintenance. If you stop and calculate the amount of time required to maintain your CPM campaign vs. your CPC campaign you will find that it's a lot more cost effective to go CPC, considering the fact that 'Time Is Money'. However, once you start getting better at your ads and you start experiencing higher click through rates, it will then be smart to switch to CPM, and we will discuss that in the next article. Now, let's focus on CPC.

COST PER CLICK (CPC) BEST PRACTICES

We've talked about how Facebook has limited space and how other advertisers are competing against you for that space, and the higher your bid is, the more likely your ad will be displayed. However, Facebook has other factors that they put into consideration when deciding on whether or not they will show your ad – and how much they will charge you per click.

These factors are:

1) **Ad Space Available** – Sometimes Facebook will have free ad space available and they may choose to run your ad even if your bid was lower than their minimum suggested bid, just to fill that space. With the number of marketers getting into Facebook Ads, you have to be very lucky for that to happen!

2) **Facebook Philosophy** – Facebook does not want to bore its users. At the end of the day, they are the most important, if not the ONLY asset they have. They have to keep them interested and entertained. So, to avoid their users getting tired of seeing the same boring content and risking them leaving their platform, Facebook may choose to show them different ads even if the bid was lower than the minimum amount suggested.

3) **Quality of Your Ad** – This has to do with how your ad is performing. After all, Facebook is a business and they MUST make money. Facebook gives your ad a score. The higher your ad's score is, the more likely it will be displayed and the cheaper your CPC will get. Facebook rewards the better performing ads to encourage you to keep running that ad longer. The better your ad is, the more clicks it will get and the more money Facebook will make. Remember, you're paying per click here … so it's a WIN – Win!

4) **CTR (Click Through Rate)** – The higher your CTR is, the cheaper your cost gets.

5) **Location** – The better the location you're targeting, the higher you will be paying per click.

6) **User's Feedback** – Facebook users are a lot more valuable to them than advertisers. Facebook wants to keep their users happy, keep them in their platform longer and bring them back more frequently. Pay attention to the ads that are displayed on your Facebook page. If you hover close to the ad, you will see an 'X'. If you click on it, Facebook will ask you for the reason that you want to hide the ad. This is very powerful information that Facebook collects. The more complaints your ad gets, the higher your CPC will be, the more likes your ad gets, the more Facebook will reward you for entertaining their users by lowering your CPC.

As I said in the previous article, the easiest, fastest way to get your ad running is by bidding $.02 higher than the minimum suggested bid. Once your ad starts running, it's more likely that Facebook will charge you less than what you have already bid (this happens to me all the time). Try to bid $.02 lower than the "new minimum suggested bid." Keep doing the same thing until your ad stops running. When it stops running, ›

HOW WE SEE IT

start over and bid $.02 more than the new minimum suggested bid that they will give you. Make sure that you check your ad multiple times per day to keep modifying your bid's amount. That way, you don't end up paying more than you should.

SOMETHING TO BE AWARE OF

When you create your ad, Facebook will give you a number of people that your ad will reach (estimated reach). As your ad runs, your reach will go up to approach your estimated reach. While that's happening, your ad will be displayed to the same people multiple times. That's what is called 'frequency'. Facebook will give you that number as well. Let's go back to the example I have given you in the previous article. Steve comes to you and starts telling you a story about one of his buyers. In your next meeting with Steve, he tells you the exact same story. The next meeting again … same story. Now, even if you really liked and responded to Steve's story a couple of times, it becomes very boring now and you will try your best to avoid listening to it. That's what happens with your ad. Even if you get a very good number of clicks on your ad, if you keep displaying the same exact ad over and over again, you will start noticing fewer to zero clicks. That's a sign that people are getting tired of seeing your ad. This is what we call, 'Ad Fatigue'.

I understand that when you find a 'Winner' Ad that's delivering good results and takes a lot of time and practice to come up with, it's difficult to change it. The good news is, you don't have to change the entire ad. Try to only change the image. For example, replace it with an image that's very similar. You can slightly change the title, body, etc. When the frequency of your ad reaches the number 15 or more, that's when you need to start preparing the other version of that ad. It depends on how interesting your ad is. I've seen ads with frequency of 20 or more that are still getting clicks.

TEST, TEST, AND TEST SOME MORE…

Keep modifying your ad constantly. Take an ad and make a very small change to it. Maybe a change to the image, title, body or call to action. Let the new ad run and see what happens. If your CTR (Click Through Rate) decreases, you'll know that the change you have just made does not 'jive' with your target audience. If it increases, you just increased your response and ultimately your profit. Once you start seeing how powerful a single change can be on impacting your ROI, you will be more motivated to be changing and testing constantly.

Also, try to create different variations of your ad after you've completed your first ad. Facebook asks you if you'd like to create a "similar ad," making it super easy for you to make a tiny change on the previous ad and run them together. I recommend that you create at least five variations of your ad, run them all together, and see which one is delivering the best results. That's what we call 'Split Testing'. This is not the place or time to get lazy. The extra effort you put into testing can double or triple your ROI, and sometimes even more.

FREE RESOURCE!

If you have not already done so, please visit www.cssocialmedia.com/fbads and download your FREE Facebook Ads Checklist. This resource is critical in helping you plan your next Facebook Ads Campaign!

Chaibia Sarhrou is the founder of CS Social Media, an Online & Social Media Marketing company specializing in direct response marketing techniques in the Real Estate and Mortgage Industries. Chaibia is a highly sought-after marketing strategist and consultant. She regularly speaks to sales teams educating them on monetizing their social media and online marketing efforts. She does this by implementing simple, yet sophisticated strategies that are available for anyone to use, but many seldom do.

If you are not already receiving Chaiba's Weekly Ezine, please visit www.cssocialmedia.com now and sign up!

Crash Course in Social Media for Housing Pros

Always evolving and always becoming a more valuable asset for business usage

BY AMY ELMS

The words "social media" and "mortgage technology" have become synonymous over the past few years as more and more mortgage industry leaders attempt to keep up with the constant evolution of online resources in order to increase company exposure. From Facebook to Foursquare and Twitter to Tumblr, even just the names of these free resources can be intimidating, but with a little experience these sites also become an essential part of business marketing.

While many mortgage professionals use social media to draw in more customers, social media is also becoming essential for securing and maintaining strong relationships on a business-to-business level. One reason for this is that social media accounts have become as commonplace as cell phones or email accounts, and their ever-present availability is an ideal way for business to keep pace with one another.

SOCIAL MEDIA RESOURCES

On the outskirts of mortgage technology are free resources available to anyone who browses the internet on a daily basis (which is nearly everyone these days). These resources focus on social media and can be used for both personal and business purposes.

Merriam-Webster defines social media as "forms of electronic communication … through which users create online communities to share information, ideas, personal messages, and other content." The key word here is communities. By becoming involved with websites like Facebook, mortgage companies can solidify a community of likeminded business professionals and give one another the boost needed to create an upsurge of positive exposure for an industry that has been largely frowned upon during a down housing market.

Social media sites are whatever an individual or company decides to make of them. A company that only updates a site once a month may struggle to keep even minimal participation within a business page. In contrast, a company that is active on social media sites every day and involves visitors can find a resource that devoted subscribers begin to visit more frequently than even the company's main website.

With each site containing its own unique language of words such as "likes," and "tweets," getting oriented with these free forms of technology may take a little getting used to, but the rewards more than outweigh the familiarizing efforts.

FACEBOOK

For those who consider themselves in the social media Stone Age, Facebook is a social networking site launched in 2004 that allows individuals and companies to create personal profiles and connect with others through an exchange of comments, links, videos, and photos. Shared comments or links on Facebook show up as "wall posts," and visitors can "like" any comments that they particularly enjoy and then share the comments with their own group of Facebook friends.

By January 2012, Facebook had garnered more than 800 million active users and is now projected to reach 1 billion users by August 2012. Over 10 percent of its users are from the US, making it possible for mortgage industry professionals to create a massive nationwide network through a personalized company profile that serves as a stepping stone for bringing in customers and connecting with competing and partnering companies.

From a business-to-business perspective, one creative way to reach out to others in the mortgage industry and grow a company fan base is through the use of Facebook contests. By displaying contests on Facebook that award winning participants company discounts or other miscellaneous prizes, but by privatizing what outside visitors are able to see, mortgage professionals are required to "like" the company page first before participating, thus increasing the status of the page.

These Facebook contests bring like-minded business professionals together on a level playing field, and provide a brief interlude of company-related entertainment to those who need a pick-me-up within an industry that can become overshadowed with stress.

TWITTER

Similar to Facebook, Twitter was launched in 2006 and is a social networking site and micro-blogging service that enables individuals and companies to connect with others via text-based posts of up to 140 characters in length. These posts, otherwise known as "tweets," can contain links to websites, articles, pictures, and videos. By adding "hashtags" to key words in tweets, outside viewers can locate the tweets via real-time tracking. Additionally, by including another individual's or company's name or "Twitter handle" in a tweet, the handle receives a direct notice of the tweet.

As of January 2012, Twitter has over 300 million active users and averages over 1.6 billion search queries a day. Forty percent of Twitter's active users do not regularly tweet, which means that they operate the site as "lurkers," or as individuals who use the site to simply read information about what those they are following have to say.

From a business-to-business perspective, Twitter offers a great opportunity for mortgage companies to post daily tweets of the latest in mortgage news and company updates so active users – both those who do and do not tweet – can gain valuable company information and support the businesses they are connected with.

By re-tweeting information from other mortgage providers the sharing of company information can become twofold, since the same companies will often re-tweet your company's information in return. This online broadcast of information then inevitably leads to increased company and industry exposure and a steady growth in the number of total Twitter followers that become connected with companies.

LINKEDIN

While Facebook and Twitter are open-ended social media resources that do not favor one topic of interest over another, LinkedIn was launched in 2003 specifically as a free professional networking website for members to post company information and connect with business contacts. Providing everything from company message boards to a list of employees and connected business networks, LinkedIn has become the premier resource for business professionals who are ready to venture out into the social media realm, but who are overwhelmed by the numerous resources that are available.

LinkedIn currently has more than 147 million › members from over 200 countries with 65.7 percent of its users located in North America and Europe alone. In September 2011, LinkedIn counted executives from all 2011 Fortune 500 companies as its members, and its corporate hiring solutions were used by 75 of Fortune 100 companies. The site was ranked the 34th most visited website of 2011, up from No. 54 just one year earlier, providing evidence of the site's increased popularity as a business-related social media resource.

One unique feature of LinkedIn is a section within group pages specifically reserved for displaying featured products and services. This section is ideal for mortgage professionals to share their company offerings and thus provide inspiration and assistance to partnering businesses that wish to follow suit. Additionally, LinkedIn's message boards can serve as a center for mortgage professionals to ask questions and give advice about ways of easing the mortgage process and improve overall customer satisfaction.

WORDPRESS

While Facebook, Twitter, and LinkedIn function purely as social media tools, WordPress's social media functions are less apparent, but just as powerful for helping businesses generate a larger online community through shared information and ideas. WordPress is a free, open-source blogging resource commonly used by businesses as part of a social media platform. Released in 2003, the blogging tool offers customizable themes, plugins, and "widgets," which are elements of a graphical user interface that allow users to modify blog features.

WordPress 3.0 has been downloaded over 65 million times and is the most popular content management system on the internet. Even more impressive is that since its formation, there have been over 200 million WordPress downloads total and over 22 percent of all websites are currently powered by WordPress.

In order to strengthen the community of business professionals within the mortgage industry, WordPress is an ideal platform for creating blog posts of mortgage news commentary, broker tips, financial advice, and insider information about a company. Partnering companies can brainstorm about what topics need to be addressed within the industry, link to each other's posts, comment on each other's posts, and even contribute guest posts for one another within WordPress.

EXTERMINATING INEVITABLE TECH BUGS

No form of technology is completely without blips and bugs, so determining ways to get past transitory moments of error is necessary to navigate the social media world with ease. Some social media users employ third-party publishing platforms like HootSuite and Vitrue in order to promote new status updates over multiple social media platforms at once. Last fall though, these third-party publishing users noticed that wall posts on their Facebook business pages were experiencing about a 90 percent decrease in "impressions," the number of times a post was viewed.

While some claimed that the reason for the drop-off was due to changes in Facebook's newsfeed format, it was later confirmed that there was an unidentified virus that was severing connections between Facebook and certain outside publishing sites.

In the end, Facebook business users had a choice: they could continue using third-party publishing platforms, which significantly decreases the time and effort needed to promote businesses via social media, and settle for less exposure, or they could take more time to post directly on each social media site and gain the maximum number of views.

Another social media issue has been the increase in spam comments and direct messages that crowd business inboxes and sometimes contain viruses. In this instance, increased business exposure is both a blessing and a curse since the more online exposure a business receives, the more likely it is targeted by spam.

Particularly prevalent on Twitter and WordPress, spam messages are not always possible to identify first hand, but there are ways to identify whether a message has been sent

by a customer, business partner or "spambot." Messages that are spam-free are usually directly related to the company. In contrast, a message that seems unrelated to the company, praises a post in an overly generic way, uses a slew of misspelled words and incorrect grammar, or asks the reader to click on a suspicious looking link is a red flag.

Purchasing spam filters greatly diminishes spam that is received and decreases the chance of a social media site catching a virus. Also, use your best judgment. If a message sounds suspicious and is not directly connected to your business, simply mark the message as spam and delete it.

THE FUTURE OF SOCIAL MEDIA

Just as it seems that we have finally learned to manage social media with ease, new resources come along. That is the beauty of the internet; it is always evolving and always becoming a more valuable asset for business usage. To stay on track with the progression, mortgage professionals need to constantly be on the lookout for new ways of engaging their audience.

A new trend that is expected to take off in 2012 is the use of Facebook's new Timeline for business purposes. Although Facebook has yet to offer Timeline for business pages, the popularity of its use for personal pages has already grown immensely and has spurred rumors that its use for business pages is just around the corner.

Other expected 2012 trends are the use of mobile devices as a central focus of social media, and development of more apps to optimize the social media experience. From smartphones to tablets, these devices stay at our side at all times so if mortgage professionals enhance their social media resources in a way that is aligned with these devices, there is a greater likelihood that they will see continued growth of business relationships and exposure.

Like it or not, social media is here to stay. The question should not be whether or not mortgage professionals take advantage of these resources, but should instead be how mortgage professionals will use these resources to solidify strong business relationships. Once you become involved with social media, there is no telling what opportunities will be laid out before you. All that separates you from those opportunities is the mere click of a mouse.

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WEB 2.0 MARKETING SECRETS FOR MORTGAGE PROS

Secret #3: Build a Herd of Real Estate Agents as Fans!

BY DOREN ALDANA

In last month's article, we discussed the best types of content to put on your "Real Estate agent Tips" Facebook fan page so you can get more Real Estate Agents sending you more referrals more often. The BIG idea was to focus on giving valuable tips that can help Real Estate Agents attract more quality listings and sell them fast, for top dollar! In case you're still wondering how to actually set up a fan page, you can watch my video tutorial at: www.done4uvideomarketing.com/agentfanpage.

So, at this point I'm going to assume that you've got your Real Estate Agent Tips fan page set up and you've loaded some cool content on the page. Now you're ready to start building a herd of Real Estate Agents fans who send you loads of quality referrals. Here's how...

7 TIPS FOR GETTING MORE REAL ESTATE AGENTS TO "LIKE" YOUR FAN PAGE:

Tip #1: Email your Real Estate Agents list and ask them to "Like" the page. Compile a list with their names, company names, phone numbers and email addresses. If they don't know you from a hole in the wall, be sure to call them to ask if they'd be open to receiving your free video tips that show them how to get more quality listings and sell them fast for top dollar. Who the heck would say no to that?

Once you've got their approval to send them emails, you can send them an email once per week inviting them to watch your weekly video tip. Remember, the sole purpose of the email is to get the Real Estate Agents to click the link and watch your video – so don't over-complicate this!

Here's an example of a simple teaser email:

Subject: The #1 question every smart home seller wants to know...

Hi [first name],
What's the single, most important question every smart home seller wants you to answer
at their listing presentation? HINT: it's probably not what you think.
Here's the shocking truth...
[Video Link]

Your partner in success,
Bob Broker
123-123-1234
www.bobbroker.com

PS. If you haven't done so yet, please "Like" my fan page so you can continue receiving these cool video tips. Thanks!

PPS. After you watch this video, please submit your comments. I love feedback!
[Video Link]

Pretty simple, huh? Now let's take a moment to break down the six critical elements of this email so you understand exactly what I'm doing and why I'm doing it.

1. A curiosity-evoking subject line. You want to craft a subject line that makes it almost impossible for your Real Estate Agents to ignore, let alone delete. It needs to pique their curiosity so they can't help but click on the email to learn more. If your Real Estate Agent received an email from you with a subject line like "The #1 question every smart home seller wants to know... ," chances are they'd click on it just to find out what the heck that question is. Curiosity is extremely powerful!

2. Use their first name. In most cases, the more you customize your email to make it look homespun – like you wrote it yourself, just for them – the more likely they are to open it and respond to it. That's why I always add the recipient's first name in the salutation of my emails. Fortunately, most email marketing software allows you to automatically data-merge their first name into your email so you don't have to bother doing all of this manually.

3. Communicate with a friendly, conversational tone. Most business owners, mortgage professionals included, have a tendency to over-polish their business communications with the positive intent of creating a "professional image." While professionalism is always a good thing, doing it at the expense of your own authentic personality is not. You see, your clients and referral partners want to connect with you as a real person, not just a business. That's why I recommend being professional and personable – communicating in such a way that adds your own personal flair with a down-to-earth, friendly, conversational tone.

4. Use the first paragraph to drive "Clicks." If they don't click on the link, they'll never get to your Fan Page to watch your videos. As I mentioned before, one of the most effective psychological triggers for motivating people to take action is curiosity. A surefire way to create curiosity is to simply ask a relevant, compelling question and then invite them to click the link to discover the answer.

5. Include a benefit-laden closing salutation. Rather than finishing your message with the Plain-Jane-Vanilla "sincerely yours" or "regards," why not inject a few words that actually communicate how you want them to see you? For example, you could use something like "Your partner in success." It might seem like a small thing, but it can make a BIG difference.

6. Include a PS. According to numerous marketing studies, the PS is the third most read element of a letter, surpassed only by the headline and photo captions. In this example, we use the PS and the PPS to remind people to "Like" and give "Comments" after they watch the video.

Ok, let's continue...

Tip #2: Suggest your page to your Real Estate Agent friends in Facebook. This, of course, presupposes you already have some Facebook friends who are real estate agents. Once you've done that prerequisite step, simply go to your fan page and click the link on the upper right that says "Suggest to Friends" and it will allow you to promote your page to individuals, groups or all your friends.

Tip #3: Hijack other fan pages. For example, use the Facebook search tool to find Real Estate Agent associations and Real Estate Agent trainers in your area. In this case, if someone signs up as a fan for a Real Estate Agent association or a Real Estate Agent training company, they're probably a Real Estate Agent– your ideal referral partner. So once you get to their fan page, simply pull a list of all of the page's fans and start sending friend requests. Of course, not everyone's going to accept your request but a lot will, and those new friends can now be invited to "Like" your fan page.

Tip #4: Remind your Real Estate Agent fans to "Like" and "Share." When you upload your video, always include some "teaser text" along with it that motivates people to watch it. At the end of your teaser text, you can add on this little special request: "Kindly share this with your FB network if you find it useful. Thanks!"

Tip #5: Offer Fan-only protected content. For example, you can add a special tab on your page with an image that says "Click 'Like' to Download a 27-Point Marketing Checklist for Selling Your Listings Faster and for Top Dollar!" You just need to come up with a resource that you can offer as Fan-only Protected Content and when you do, you'll be able to get more people to "Like" your page. You can even make this the main default landing page when people land on your page.

Tip #6: Buy Facebook advertising. You can do this two different ways: Pay-Per-Click (PPC) or Cost-Per-Impression (CPI). In most cases, PPC provides the best results but you may want to test both. Once you set up your advertising you can target brokerages by name, like RE/MAX, and have everyone who's employed by RE/MAX see your ad in their Facebook pages. You can also target specific areas so only people in RE/MAX in a specific area like Los Angeles, California see your ad. And then you can send them to your Fan-Only Content Page, so they are given a special offer that compels them to "Like" the page.

Tip #7: Buy fans. You can actually delegate the promotion of your page, and there are plenty of companies out there who will do this for you for a modest fee. All the grunt work and heavy lifting is done for you.

So there you have it, I've just given you seven proven strategies for building a herd of Real Estate Agent fans on Facebook. In next month's article, I'll teach you how to convert your fans into cash in the bank. Stay tuned....•

Doren Aldana is considered by many to be the nation's leading Mortgage Marketing Coach. Since 2005, he has been dedicated to helping mortgage professionals attract more clients with less effort, regardless of market conditions. Among Aldana's latest innovations is a completely done-for-you video marketing solution that allows you to instantly deploy powerful videos through social media that attract mortgage clients like crazy. To see a free demo, visit: www.Done4UVideoMarketing.com

SOCIAL MEDIA CONTENT STRATEGY CHEAT SHEET

We are living in the social media age of instant gratification.

BY REBEKAH RADICE

Everywhere we turn, whether it's Facebook, Google or our best friend's blog, answers to our most pressing questions have never been more readily available. The Internet has become our go-to resource for content, but wading through the muck can be a challenge.

As a real estate or mortgage professional, being online is now a requirement and no longer a suggestion. However, simply showing up online is not enough. Your social media efforts require that you not only engage an already over-stimulated society but increase your bottom line through fresh, relevant content.

The problem with many marketers is the theory that you will simply build it and the fans will come. It's just not realistic within the online world. It takes time, commitment and creativity to cultivate a community. Building a content strategy or even a content calendar is an excellent way to keep you focused on the needs of your subscribers, fans and followers rather than bouncing day to day without direction.

SOCIAL MEDIA CONTENT STRATEGY

MULTI MEDIA

1. What niche or program can you spotlight? Whether it is you on screen or a screencast of your latest PowerPoint, connecting with your audience through video is imperative. A free program to create and share your screencast is Screenr. Just click "record now" and within seconds you are recording anything you can see on your screen. Then choose where you want to share your video instantly! Choose from Twitter, Facebook, LinkedIn and more!
2. Record an interview with a vendor such as an appraiser, inspector or plumber and talk about homebuyer concerns, challenges, tips and quick fixes. The number of 60-90 second snippets you could create is endless!
3. Create a video where you answer buyer and seller frequently asked questions.
4. Discuss current events and explain what they mean to homebuyers and sellers.
5. Choose locations in your area and pass along fun facts and trivia. Pick a location to video yourself in front of and use it as a "Where's Waldo" type of trivia

question. It should be fun and easy to identify. This idea is an easy way to create a conversation with your Facebook fans and Twitter followers.

6. Record testimonials from your clients and post to your blog as well as your email marketing campaigns as a way to boost credibility.

STEP-BY-STEP GUIDES:

1. Walk buyers through the 10 Mistakes Homebuyers Must Avoid, or sellers through the Steps to Selling Your Home in a Down Market. Turn your article into a pdf and offer as an opt-in incentive on your website.
2. Take frequently asked questions and offer an instructional guide.

HOW-TO'S AND TIP'S

1. Offer insight into the home-buying process and what a buyer can expect. What common issues does our industry deal with? What problems/challenges can we offer tips on?
2. What are the benefits of:
    - Homeownership
    - Investment Properties
    - 2nd Homes
    - Staging Your Home?
3. Weekly Tips or Tricks
4. Share slides from a recent presentation on slideshare and then within a blog post.
5. Share thoughts, takeaways and your most important clips from conferences, seminars, educational trainings, etc., through slideshows, screencasts and slideshare.

BLOG & SOCIAL MEDIA CONTENT

1. Discuss highlights and share insights from recent industry events you have attended.
2. Promote your videos by syndicating to 25 video sites at once through TubeMogul and then track your results through their detailed analytics dashboard.
3. Create weekly webinars related to FAQ.
4. Revive past content by reposting videos, articles and trainings to Facebook, Twitter and Social Bookmarking sites. If you are a WordPress user, a great way to revive old blog posts is through Tweet Old Post.
5. Ask via your social networks what the needs of your audience are and do this consistently. It's an easy way to stay topical and on target with the information your fans and followers are hungry for. Then take this information and write a blog Q&A that responds to their questions or concerns.
6. Explain what a current event or topic means to your audience by either offering a unique perspective or offering the who, what, why and how behind the topic including the impact it will or could have on the industry.
7. Address common RE or mortgage myths and offer facts surrounding common misunderstood topics.
8. Promote company news including changes, events, updates, promotions, new hires, etc., to allow the community to feel connected to the brand.
9. Survey your community through Survey Monkey or a Twtpoll about real estate questions, top concerns, market myths and common misconceptions within the process and then use this information through an informational video or blog post. Share information in a way that solves a challenge, fulfills a need or offers support.
10. Share pictures as often as possible. If there's an event or conference, I need pictures as often and as soon as they can be sent. We want our audience to become engaged in who we are and where we are at all times.
11. Ask hypothetical questions to identify needs.

One last thought I will offer is the importance of tracking your efforts and consistently evaluating the effectiveness of your message through social monitoring tools such as SocialBro, Hootsuite, Twitter Counter and Crowd Booster.

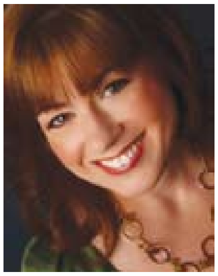
What would you add to this list?

Rebekah Radice is the Manager of Industry Engagement for Better Homes and Gardens Real Estate. A self-proclaimed social media junkie and avid blogger, Rebekah has trained thousands of industry professionals on how to build, maintain and grow their online and social media presence.

NICHE MORTGAGE MARKETING: FIND THOSE BUYERS

6 Tips on standing out and being successful

BY BJ BOUNDS



The holidays are over and all the kids have been back in school for a while now. The families that planned to move while the kids were home have finished unpacking and are now settled into new lives. The mortgages on their new homes are in full swing with no hope for refinancing in the near future. So where does that leave you? This is the time to refocus your attention on the potential buyers not tethered by the school year. These are the niche buyers that you can focus on for off-season marketing.

IDENTIFY YOUR BUYERS

Not everybody who wants to buy a house will wait for summer. Families with children who might have missed out on last year's great rates but might want to start the next school year in a new home could be your first target. Now is also the time to hustle for referrals for spring break and summer family move-ins. Who else will want to buy in the coldest winter months and the rainy spring?

Some of these "low-season" buyers might also be the childless singles and couples who typically have their weekends and evenings free to house-hunt. You might also find yourself working with divorcing couples and their court-ordered circumstances. You're going to seek business from this category in different places than you would find families.

FIND YOUR BUYERS

These groups are on the Internet more often and spend more time in places like the local mega-gym, Zumba and yoga classes, or the nearest Starbucks. This is where you need to be. You should begin networking in areas that perhaps due to your own personal interests or obligations, have been traditionally out of the norm for you.

Step beyond your boundaries and find the hippest gym or the coffee cart downtown and network-network-network! Open dialog with your friends, your neighbors, even those trapped in the grocery store line with you. And closer to home, and really most importantly, you should definitely have an Internet presence.

ADJUST YOUR MESSAGING

If your potential buyers don't have a referral source, they're going to go to the Web. You want to be the greatest

If you...
Save your clients 35% or more on title insurance with ENTITLE DIRECT

"**ENTITLE DIRECT** aims to undercut other insurers by at least 35%."

The Wall Street Journal

"**ENTITLE DIRECT** has received regulatory approval to sell title insurance ... with a simple pricing strategy: Charge a flat 35% less than the going rate in the local market."

Forbes

"I was able to pull this deal from [another lender] because I was able to offer better fees based on the savings on the title portion. Thanks!"

Loan Officer, Large National Lender

You will...
Get more referrals

Get more purchase business. Combine your rates with ENTITLE DIRECT savings and more of your prequalified borrowers will convert. Capture real estate agent referrals because only you can **save their clients hundreds, even thousands of dollars**.

Position yourself as a trusted advisor. Be the first to recommend ENTITLE DIRECT on behalf of your client (before your competitor does). We'll guarantee our rates for your GFE in minutes. Use our closers or your own.

Get a quick online quote now at www.entitledirect.com or contact our Specialist Center directly at 1-877-636-8485 M-F 8am-10pm EST. You can also e-mail our trained Specialists at specialistcenter@entitledirect.com.

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source of pertinent information in cyberspace so that you can garner repeat visitors and ultimately, new business. Make sure your website has information that homebuyers are looking for: neighborhood information, links to local Chambers or visitor centers, rates, weather, etc. And make applying online simple and fast for them and for you by linking your LOS directly to your website for a quick and accurate start to the process.

For buyers with families, your messaging can reflect the urgency of moving and settling in during the next school break. Or perhaps you can describe the extreme satisfaction of moving to a new home just in time to have an end-of-school pool party. If they're frustrated with the hassle of getting timely repairs on their rental or the thin walls of an apartment complex, you can promote home ownership as a way to solve those issues. Just think about what would push your buttons. Chances are they'll be the same for your clients.

If you're targeting the younger, childless demographic, look at your website and spot check for things they may be looking for. For instance, maybe you can move sections around in order of importance: make city events and local attractions more prominent and move school ratings to the bottom. Change your primary graphic if necessary or perhaps your color scheme to something a little edgier.

To further capture the attention of the unencumbered buyer, you may also want to change the messaging of your printed marketing material. It's a buyer's market right now and housing is inexpensive. To somebody with good credit, this means that a purchase now means greater profit for a sale in the future. The market will turn; it's just a matter of when.

GET CREATIVE

Once you've adjusted your messaging and have a good feel for what your new (or old) demographic is looking for, what's the best way to get your name out there? We all know that networking with industry partners helps tremendously with business contacts. Often local businesses will allow you to leave flyers and business cards in the window or on the counter. There is also paid advertising and, of course, the tried and true referral requests you can send from your LOS contact database.

But if you've run out of creative ideas for marketing, here are a couple of avenues you might be able to explore throughout the year depending on your neighborhood.

- Hold a spring "Home-buyers Conference." Partner with your favorite real estate agent or office, rent a hotel conference room, and put on an educational conference for potential home-buyers. Give them the information they need to make a decision to buy — and to buy with you. This is a very inexpensive way to bring potential clients together and build relationships while establishing trust in your expertise. Do it again in the fall.
- Secure a table at the next community fair. They're very inexpensive and you can also donate to get your name on the T-shirt. Everybody loves checking out the various booths at a fair — especially the one with the candy bowl!
- For after-summer slumps, attach your business card to Halloween candy that you give out. Again, this is an inexpensive way for quite a few parents to see your name and fresh messaging. This is your opportunity to message to the holiday movers. Get the good candy, though!

LOVE YOUR NICHE

Marketing in a downturn doesn't have to be a struggle. Like with many things, it's all about adaptation. There are home buyers on the prowl all year long. And if you don't mind working on the weekends through the holidays alongside your real estate friends, you'll come out ahead. Find your niche among multiple demographics and adjust your marketing and your networking accordingly. There are hooks for the demographic you're looking for, and it just takes a little research to find out what those are. Meanwhile, spend some time in different networking places. You'll learn a lot about the groups you want to target. Bottom line: if your primary drummer isn't beating, find a new one.

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A RECENT HARD MONEY REHAB DEAL DISSECTED

Loans with too many legal hurdles and moving parts can still get done

BY CRAIG GRELLA

I thought I'd post a recent hard money deal I completed, and dissect the elements for all those who might have questions about the ability of Hard Money Loans to accomplish your goals as an investor.

Two borrowers came to me with a duplex property in Chicago. They owned about 15 units total and have been renting exclusively to section 8 and housing voucher tenants. They were licensed contractors and had just started to get a head of steam rolling with their rehab business, when they hit a wall with this property.

They had purchased the duplex a few months earlier from a housing developer with government ties. It was purchased with a small cash down payment and seller financing that would expire a few months after the rehab was to be completed, so the buyer could get a conventional financing exit. The clients began work rehabbing the property using their own cash.

They immediately began running into problems with theft and vandalism, and a month or two into the project they were already $20,000 over budget and way behind schedule. A few short months later they had nearly run out of cash with the property only 80% renovated, and were facing a due date on the seller financing.

The borrowers were requesting $125,000 to pay off the existing seller financing and to complete rehab. I ran some initial numbers and looked into the property.

I arranged for the borrowers to meet with one of my lenders local to the property. He recognized the potential and the two of us did some more research and crunched some numbers. Comps told us the property would be worth around $275k when complete, and the borrower's rental numbers were below market rate, which made sense since his tenants were going to be low income. As it stood currently, we thought the property would be valued at $180,000. As we'd find out through a BPO, the property value came in closer to $163,500.

My lender made an offer to finance the property up to $106,000, which was 65% of the current value, and would allow the borrowers to pay off the seller financing and complete the job if they brought in a few thousand of their own money. If necessary, the borrower could even extend the private note a few more months to account for any unforeseen contingencies. They struck an agreement and we began working on third party docs.

That's when it got ugly.

The buyers had purchased the property under an installment contract with the seller financing, and it was never actually deeded to them. Additionally, the city had recorded a few building violations against the property because it happened to be inspected just a day or two after a vandal had taken to it. There was also a water certificate that needed to be approved before certificate of occupancy could be issued. Finally, there was an unpaid judgment that needed to be cleared.

To resolve these issues we had to request a few more documents to make sure my lender's position would be solidified, and the property could actually be rented as planned, or sold if necessary. As it stood, neither was possible.

We were in immediate contact with the original seller who furnished us with a payoff letter and agreed to deed the property to the buyer upon that payoff. That was a small victory. We also conferred with the borrower and the city to make sure the violations were amendable upon the completion of rehab and payment of back taxes. We got that in writing, amazingly. The only thing we couldn't clear was the judgment, which we ended up paying at loan close from the proceeds of the new loan.

From start to finish, the deal took about 14 days, and that included a 3-day delay with the check coming from the lender's two IRA's, which were splitting the loan. The lender's attorney was instrumental in making sure the documents were legal and all the lender's bases were covered.

The borrowers were able to get their project back on track spending only the original money they had planned to spend. Overall, the deal was done at 65% LTV, but that money represented 84% of the borrower's total cost in the project.

Needless to say, a deal like this would never have been completed through the banks, despite the fact both borrowers had credit scores in the mid-high 700's. There were too many legal hurdles and moving parts through which this deal would have fallen apart 10 times at a bank - and there's no way it would've been done in the time we got it done.

Craig Grella, www.HardMoneyU.com Education, resources, and online classes.

HOW WE SEE IT

"The way things are looking, you might want to put on this hard hat."

FIX THAT BUSINESS CARD

BY CHRIS JONES

In January we talked about committing brand suicide, specifically how your voicemail message is not fulfilling the measure of its creation. Here's installment two, and we're going to take a look at your business card, because it's probably terrible, too. No, it's not the picture – or not just that.

There are a lot of federal regs that make having an attractive business card difficult, but, and I'm not going out on much of a limb here, I bet your card would be just about the same even in the absence of DC-based meddling, with the exception of the requirement to have NMLS numbers. Your card's only a little worse than it would have been anyway.

Name. Address. Three phone numbers. Corporate logo. Possibly even a photo (although that's more of a real-estate agent vanity signal). NMLS#. An email address. A website. A Twitter handle/Facebook page. Two turtledoves, and a partridge in a pear tree.

I get it. You want people to be able to get hold of you in the way they like best. This is admirable, except that 1) it doesn't work and 2) there are better ways to get that information to them. Why doesn't it work? Isn't choice good?

No. More accurately choice is good only to a certain point. What happens is what researchers have found when presenting things for taste tests. If you give people three kinds of cereal to taste, they buy one most of the time. If you give them six, they don't. Why? It's too much. The hassle of figuring out which one to buy is greater than the desire to purchase it. The same thing happens with your business card.

Let's cut to the chase: what is it that you want your card to do? Get your attention? No, not really. You GOT attention, or you wouldn't be giving them your card. Give the contact an easy way to contact you? Now, seriously, think for a second. When they need to contact you, do you really think they're going to be holding your business card? A text with your email address would have been ten times more useful.

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Maybe it's a brochure? Yeah, that's it. So not only are we going to load up the front of the card from here to breakfast, we are also going to plaster the back of the card with our Seven Affirmations or our Corporate Mission Statement, or (my favorite) something like this (that I got from an actual card I was given the other day): "Oh by the way, I would love to get a referral from you. I love working with the friends and family of my clients." Oh by the way? Really? You printed a casual afterthought on your cards?

It's vanishingly unlikely that any of that is going to do what you want the card to do. Which is...

What you want the card to do is to start building a relationship. If there's no relationship, there will be no sale and no referrals and no business. So why would they want to have a relationship with you? I don't know, if you don't. Why WOULD they? Have you done something with your card that tells them having a relationship with you would make their life even fractionally more interesting?

I have two cards. One is the standard industry card that, thanks to our unelected bureaucrat masters, I have to carry. The other one is cream, very heavy stock, and has two words on it. It says "Chris Jones." Yep, that's it.

The reaction when I hand that one out is exactly what you'd imagine. They turn it over. Nothing. They look at the front again. Then they look at me. Bingo. Then they ask a question. Miracles. This is precisely what I want them to do. Eventually, if it appears that they really do want to get in touch with me, I tell them how to do it. And they write it down on the card. Which means three good things. One, we had a conversation. Two, they told me what their preferred method of communication is. Three, they will keep the card. People hang on to things they wrote on themselves.

I love donuts, but I'm fussy about them (yes, this is relevant). One day I went to this local shop, and I dithered about because everything looked amazing. Finally I ordered a strawberry frosted. The shop girl smiled at me, and said "excellent choice." She turned to the rack – there were easily 500 donuts there – and paused for a second. Then she reached out – here's the magic – and stopped. She shook her head, and pulled her hand back. Stood up on tiptoe, craning her neck, then reached waaaaay in the back and selected a donut. She handed it to me with a smile and sent me on my way.

Best donut I ever had.

What did she do? Nothing, really. That donut was almost certainly genetically identical to its hundreds of brothers and sisters. But if felt different. It felt to me like that donut was created especially for me, and that it had been selected specially by someone that cared. The shop girl (swiftly promoted and now working somewhere much more visible than a local donut shop) gave me the gift of me. She showed me she thought I was different. I got something special there, and I've not forgotten it.

Your business card can be like that, and all it takes is a second. With the simple card, the almost-blank one, the end product is designed by the person that gets it. Right there says to the person that he's special. He's not like everyone else that only gets the standard pasteboard rectangle. Make your card different by putting the beginning of a relationship onto it.

You'll probably have to hand over one of your other cards as well, just for compliance sake. Guess which one they'll keep? But that's hardly your fault. One other thing: you're probably going to have to commit a fashion faux pas by not having the fancy UV coating on your card, because that stuff is devilish hard to write on. So what? Just one more way you're someone different.

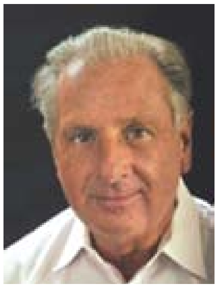
Different is good. Try some.

Chris Jones is a branch manager with City First Mortgage Services and a ten-year veteran spanning the best and the worst of times in the industry. He is the author of the book Even Your Mother Won't Call You Back, a primer on how to use the Six Channels of Marketing to do business more naturally and efficiently (available at www.iamchrisjones.com). Chris arrived in mortgages after careers with tech startups, stockbrokering, and running a presidential campaign; he's a sought-after speaker and a part-time opera singer, which he insists isn't as impressive as it sounds. Chris and his wife Jeanette live in Lehi, UT with their eight children. He can be reached at 801-850-3781 or at chris@lehimortgages.com.

IS THE MORTGAGE BUSINESS YOUR CAREER?

Or are you just here till you can find a better job?

BY RALPH LOVUOLO, SR



Bill Schor was the best salesperson and manager I've ever met. He knew how to sell mortgages, develop referrals, deal with unhappy clients and solve transactional issues better than any person I've ever met. When he hired me to be his assistant at a very small mortgage company, over 40 years ago, my desk was a chair in front of his desk. He hired me before he was able to move the company space within the same building. During the first couple of years that it was my pleasure to work with him, Bill taught me more about people than I had learned in the previous year and a half working at another larger firm. He had great discipline. He had great ideas. He had great determination and he had a depth of knowledge about the mortgage business that was unparalleled. We had only four salespeople, and those salespeople did so much business that we were competitors of every other company within 50 miles from our office.

My initial set of responsibilities was to be his assistant. It was through this prism that I was able to view his daily actions. He depended on me for activities that would not cause his company serious embarrassment. I had experience in processing and underwriting, but not the kind that would allow me to become involved in corporate decisions.

After a year, he offered me a raise. I was being paid $12,500.00 a year and he offered me a raise to $15,000.00. Let me make a relationship statement for you. My house had been purchased during the previous two years for $20,000.00. My DTI was about 18 percent, but inflation across America was going wild. So President Nixon executed a presidential dictum that froze wages and prices. My written raise, not yet in place, was in Bill's briefcase the weekend of the announcement. No raise for me! I was frustrated. I wanted to make more money and Bill, bless his heart, was on my side. He offered me a position as a loan officer. He told me I would get a $200.00 a week draw, until my commissions kicked in. He even offered me some house accounts to start me off on the best route possible. The quid-pro-quo was that I would have to call on 100 accounts every week, Monday through Friday. The same 100 every week. If I didn't do what he asked, I would not get my check.

He monitored my every move. I had to report to him every real estate office I visited. The 100 number was non-negotiable, 20 offices a day every day. No rate sheets, no promotional material. Just go see the realtors and try to help them get real estate deals to the settlement table.

His training was invaluable. He taught me what to say, how to say it, how often to say it – and on top of that he taught me more about processing and underwriting than I had learned the previous three years. He taught me discipline of time, priority of actions and sales techniques that I use to this day.

So, the mortgage business has been my profession for as long as I can remember. During this lifetime, thousands of people have entered the mortgage industry and then found it was not the right "job" for them, so they left. For the most part, good riddance. One of the most fascinating statements that I'd heard from those people is "I'm looking for a job where I can make real money." Maybe the statement is incorrect grammatically, but for sure it is incorrect in its content, and the inference that it draws. As Earl Nightingale has written, only people who work in a mint, make money. The rest of us earn money!

When we bring prospective salespeople into the business, do we train them properly, or do we just hire them and then throw them out "on the street"? Worse than that, do we just give them a list and ask them to call everyone on the list and see if they need to refinance? It amazes me that companies spend a serious amount of time training new operations people how to either process, close or deliver the paperwork that completes a file, but when it comes to sales, they can't wait to either throw new salespeople out "on the street" or attach a phone to their ear.

Which way do you see yourself? Are you a trainer or a thrower?

Do we really investigate how much success we can help someone attain in this business? We can help others have as much success as they want. Success that will lead them to whatever they want out of life, whether it's power, money, houses, cars, vacations, boats, special schools for their kids, gifts for their spouse – whatever! The benefits to everyone, the public, the company employees and the future of everyone involved, are more than just financial, much more!

We had sales meetings every week. Real sales meetings. A place where we learned how to perfect our craft. He discussed our techniques, how to promote what we did. He asked us to have a goal every week as to how much business we would produce. He asked us to tell him who we had seen the previous week and what they had said to us. He often had already called many of our accounts to ask if we had really been there.

Most of us – no, almost 90 percent of us – don't make the effort to properly teach the people we hire to perform their sales job properly, much less professionally. We teach them all about the laws, rules and regulations but we spend so little time teaching them the basics of sales, as Bill did for us.

Recently, I met with a friend of mine who said something radical, yet obvious. It seems that the only real successful people in this business are those that want more than just a job. Anybody can get a job, but not everybody can have a profession. If we want to be successful, we must help others be successful.

Why do most of us treat our employees like chattel? Don't we realize that with proper development of abilities, we can create successful people?

Most of the people in this business pay no attention to the important things that make people successful. Most are just satisfied to teach the technical aspects,. What we should be teaching are motivational and organizational techniques. Just like Bill Schor did with me. Why isn't this premise obvious to us?

Here's a question for all of you – have you ever read a mortgage/deed of trust? Have we asked our sales staff to read one? With absolute certainty it has been my experience that 9 out of 10 loan representatives have never really read a mortgage/deed of trust. More than that, have they ever read a note/bond? Or any of the other documents that constitute a closing?

What is the last sales training book you read?

Why are these things important – or are they just important to me?

Don't professionals study their craft?

Ralph LoVuolo, Sr. President, Mortgage Motivator. LoVuolo Sr. is president of Mortgage Motivator, a consulting firm on the cutting edge of the mortgage business. Armed with over 45 years of experience in the mortgage industry, he can help your people achieve their true potential. LoVuolo Sr is one of the founding fathers of the New York Association of Mortgage Brokers and a two term president. Additionally, he served as Parliamentarian for six years on the Board of Directors of the National Association of Mortgage Brokers. LoVuolo, Sr. can be reached at ralph@mortgagemotivator.com, or visit him at http://www.mortgagemotivator.com

CENTER STAGE WITH APPLIED BUSINESS SOFTWARE

A.J. Poulin, national sales manager for Applied Business Software, talks to us about their new comprehensive iPhone/iPad app

THE NICHE REPORT

The developers of The Mortgage Office™, the leading software for private money lenders, announce a new, game-changing technology - their free iPad app.

How does the new iPad app help users of The Mortgage Office™ software?

The iPad app is the next innovation that'll help our customers grow their businesses, and attract more investors. Best of all, the iPad app is free.

Was it difficult to develop the iPad app?

Any time a team of programmers has to learn a completely new programming language, with its own tricks, nuances, and code subtext, it's inevitable that challenges will arise. It was an arduous process of getting approved with Apple, but our experience in learning new technologies allowed us to quickly learn the ins and outs of the new platform. Our programmers are known for being extremely detailed and fast, but even then it still took us months of continuous programming and testing to achieve the desired functionality and ease of use.

So what does the iPad app do?

It's a miraculous product that works seamlessly with our software. It allows any borrower, investor, or company owner to use their iPad to see anything related to their loans. If a borrower needs to know the amount due, their history of payments, or when their payment was received, they can do all of this within seconds.

What about on the investor side?

That's the best part. Let's say an investor is on a flight to Texas, and wanted to see if a loan paid off, if a loan paid on time, or to see the latest investment offerings - they can do all of this right from their iPad. The simplicity and the smoothness of the application is incredible - users will be amazed at the speed and fluidity of the application. And of course, our customers will love that it's downloadable for free.

But how will your customers grow their businesses, or attract more investors with it?

Look at it this way. Let's say Company A is trying to attract a big investor, but so is Company B. The investor sits down with reps from both companies, and says "Show me why I should invest with your firm."

The rep from Company A pulls out piles of printed materials, and lays everything out all over the table - a myriad of printed spreadsheets, documents, appraisal reports, financials, etc. With his best efforts, he tries to assure the investor that his money would be in safe hands. The investor is skittish - his millions of dollars invested on spreadsheets, Word documents, and yellow Post-it notes? How are the calculations being done, and where is the history of all payments received, sorted by borrower? The sales rep starts to get nervous. He knows he's lost him.

Now it's the rep from Company B's turn. Instead of pulling out a manila folder full with paperwork, he only pulls out one thing: An iPad. He slides it across the table, smiles, and asks the investor if he's ready. "Ready for what?" the investor asks. The rep says "Ready to see everything - your loans, your portfolio balance, your yields, year to date returns, interest income, loan performance, and available investment offerings." The investor starts gently guiding his index finger across the iPad, moving seamlessly through the screens, all flowing smoothly from one to the next. The investor smiles; and his decision is made. Company B will get the business. Company A won't.

Has something like this happened to some of your customers?

All the time. Just think about it. Who would you rather invest with - the company with the piles of paper, or the company that'll give you a free iPad app for online access 24 hours a day, seven days a week? It's a no-brainer; you can either be left behind, or be ahead of everyone else. Our customers like to be ahead, and that's why they love our software so much.

We've actually had many companies over the years call us because they were losing their investors to companies that had our software. They all said the same thing, "I'll probably lose them all if I don't buy your software."

What kind of growth do you see with your customers?

It's amazing. Our customers constantly tell us that their investor base has grown tremendously since implementing our software. My favorite story is the company in Texas who had purchased our software a few weeks prior but didn't know that it produced a full color Lender Statement that he could email right out of the software, with 3D charts and graphs.

I showed them within a couple of minutes how to do this, and how to get their logo on there as well. They sent all of their investors their statements right on the spot, and within minutes their investors were contacting them to invest more within the coming year. They had goose bumps, and said "Your software just paid for itself."

So how does ABS keep ahead with changing technology?

Our mantra has always been to be five to ten years ahead of everyone else. A good example of this is Web Publishing, which we developed over a decade ago. This allows borrowers and investors to go online 24/7 and check out their accounts, recent payments, due dates, rates of return, etc. This is very popular with our customers, and tens of thousands of their clients are logging in on a daily basis to view their accounts.

While this is commonplace now with large institutions and banks, it wasn't back then. We rolled this out to our customers long before the largest banks in America did. It took some time for customers to accept that this was the future, but once they did they never looked back.

But why an iPad app, and why now?

It would be difficult to overstate how Apple products have altered and enhanced the technology landscape. Apple has been extremely successful in marketing their products to consumers, but the next wave will be for businesses.

For younger consumers, many of them have never even owned a Walkman, a cassette, an 8 track tape, or a radio. They've only had iPods. It changed everything.

The iPad has done the same. Personal computers and laptops will suffer the same fate, and soon enough these items will also be forgotten. It's hard to imagine now, but it's true. The iPad is the future, and as usual, ABS is a few steps ahead.

Is your software only for private lenders?

Primarily, but we also sell our software to cities (Miami, Jacksonville, Beverly Hills), public companies (Baltimore Life Insurance, The Irvine Company) and even banks - our most recent being US Bank, which is the 5th largest bank in the United States.

Any of these groups could've bought any software on the planet, and after looking at everything in the marketplace, they chose The Mortgage Office™. And since they did, all of their customers can now download our iPad app for free. Pretty cool. TNR

WHAT'S YOUR MORTGAGE IQ?

BY KAREN DEIS

One of the ways to make yourself famous in your corner of the real estate world is to use social media tactics to get the word out. So, in addition to Facebook posts, MortgageCurrentcy.com has created the ability to automatically "Tweet" the mortgage rules. If you want to share an update, all you have to do is click on the "Tweet Icon" that appears in the sentence, and it will post to your Twitter page. It's that easy.

So, you could be the best loan officer in the entire world, but if nobody knows about you, you'll go broke—and social media is one of the ways to spread the word.

FHA Additional Land: If a property has two separate tax bills, but is being sold using the same deed, can I do an FHA loan?

Yes, FHA specifically addresses that they allow more than one parcel. See below from the 4150.2 Handbook: The subject property must be adequately identified as a single, marketable real estate entity. However, a primary plot with a secondary plot for an appurtenant garage or for another use contributing to the marketability of the property will be acceptable if the two plots are contiguous and comprise a readily marketable real estate entity.

FHA Revolving Debt – Underwriter said I must include a revolving debt (and payment) that has been paid off and closed by the borrower. Is that correct?

FHA has no prohibition against paying off and closing a revolving debt to meet qualify ratios. Technically, just paying the debt off would have been good enough (for FHA). It's the investors that have the additional overlays.

However, while many investors will not allow a revolving debt to be PAID DOWN in order to qualify, I personally haven't seen any that wouldn't allow you to close the account completely, and then disregard the debt.

FHA Streamline Refi – Will FHA allow two months' interest to be added back to the loan on a streamlined refi?

The calculation rules have changed quite a bit. If you want to add ANY interest into the loan balance, your borrower will have to credit qualify. Also, you could end up with 60 days of interest in your loan balance, but no more than that is allowed. See below:

Per Mortgagee Letter 11-11

Streamline – With/Without Appraisal

the maximum mortgage may not exceed the outstanding principal balance, minus any UFMIP refund, plus the new UFMIP. Closing costs, discount points, prepaid items, and other financing costs may not be included in the new loan.

Lenders may only increase the loan amount beyond the outstanding principal balance and new UFMIP by using a credit qualifying refinance with an appraisal. The outstanding principal balance may include interest charged by the servicing lender when the payoff is not received on the first day of the month, but may not include delinquent interest, late charges or escrow shortages.

Fannie/Freddie Child Support: How long does a Buyer need to collect child support to use the money to qualify for a loan, and can 100% percent of the funds be used to qualify if paid monthly?

Answer: 100% of child support income can be used if 3 yrs. continuance, including the ages of children, how long the child support will be paid, documentation of the child support order (divorce decree, court order, etc.). Document regular receipt of payments. Fannie and Freddie have different rules when it comes to verifying child support income.

Fannie's Rules:

- Full, regular, and timely payments must be made.
- Fannie says child support must be received for 12 months by borrower to be considered stable. Freddie is only 6 months.
- If 6-12 months—for income to be considered stable, it must represent 30% or less of the total gross income used to qualify.
- If less than 6 months, it cannot use income.
- Full or partial payments made on an inconsistent or sporadic basis are considered unsuitable for qualifying or justifying high ratios.

In November 2011, Freddie updated their verification requirements to the following:

Alimony, Child Support and Separate Maintenance Income

- Freddie says child support must show that the Payor was obligated pay Borrower for the most recent 6 months and is obligated to make payment to the Borrower for the next three years.

- Evidence that the payments have been received for the most recent six months.
- If the Payor has been obligated to make payments for less than six months, if the payments are not for the full amount or are not received on a consistent basis, the income cannot not be considered for qualifying.

Facebook Post: If you are working with a client who receives child support and wants to count that as income, call me to determine if it can be used. Freddie is more liberal than Fannie when it comes to verifying the income.

Fannie or Freddie Deferred Student Loans: I have a client with student loans deferred until 6/2013. Do they have to be counted and what payment do I use?

Answer: Deferred student loans for Fannie and Freddie must be counted regardless of the timeframe the loans are deferred. 2% Fannie/5% Freddie. Fannie has a minimum of 2% of the balance for qualifying if no payment amount is available, and Freddie has a minimum of 5% of the balance for qualifying if no payment amount is available.

Compliance: Technical/Inadvertent Errors: Where can I find a decent interpretation of "technical and/or inadvertent" errors?

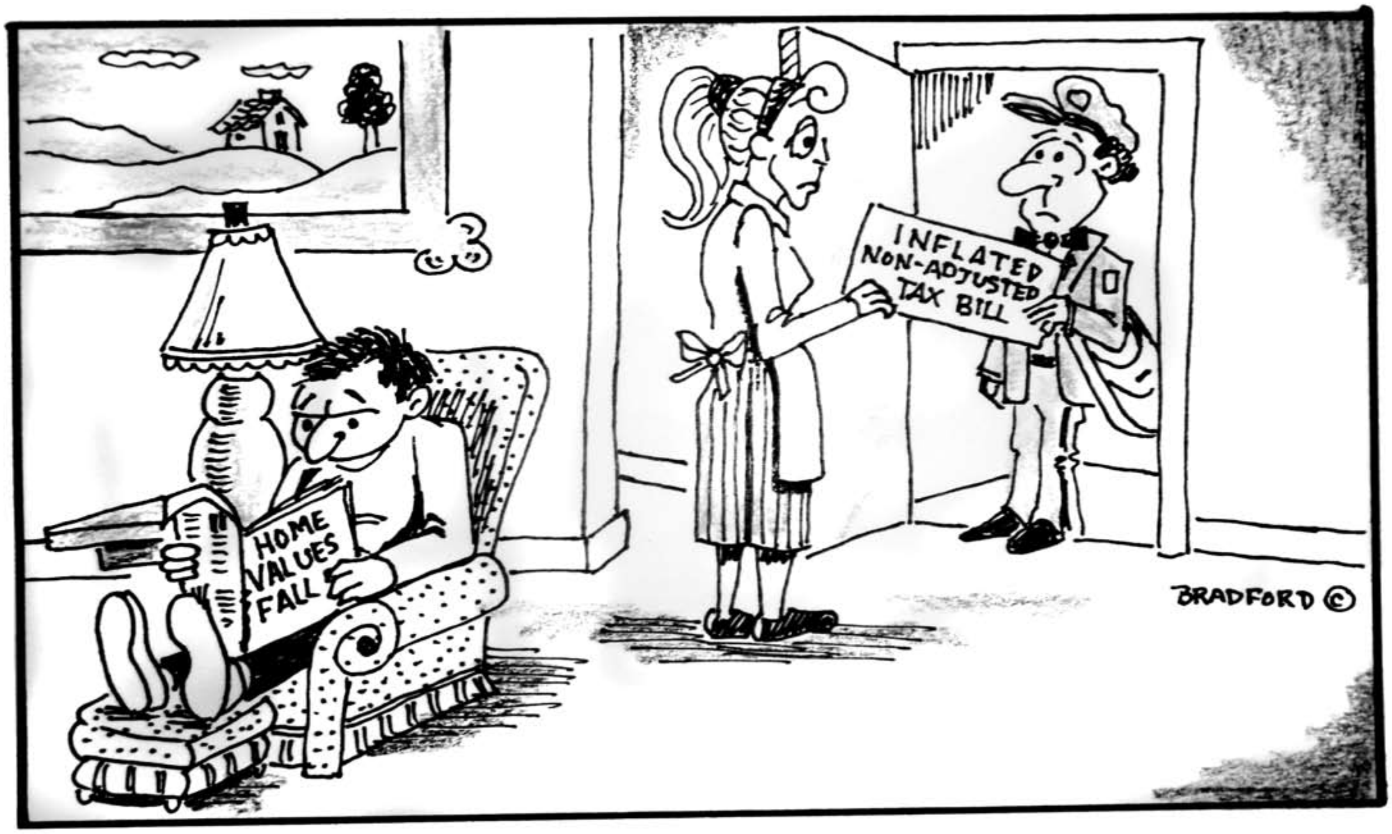
Answer: Inadvertent or technical errors apply to the completion of the HUD-1 or HUD-1A Settlement Statement, and is mentioned only this once in the Final Rule as relief from a violation of RESPA so long as it is corrected within 30 days. This can apply to fees since it is possible to make inadvertent or technical errors in the fees in preparation of the HUD-1 or HUD-1A. Inadvertent or technical errors are not mentioned in the preparation of the GFE—so in the context of your question, you could argue that it does not apply to fees at all. Nor does it apply to any error on the GFE—the GFE is to be corrected any time an error is found, with the exception of changing quoted and accepted fees.

Follow this link — http://portal.hud.gov/hudportal/documents/huddoc?id=respa_final_rule.pdf

Page 12 of PDF or numbered page 343 of document right column (c) Violations of section 4 of RESPA ... This notes the use of an inadvertent or technical error—this section begins on the previous page at 3500.08.

Written and contributed by Karen Deis of Mortgagecurrentcy.com. Provided monthly by www.mortgagecurrentcy.com - interpreting the Rules and Regulation Changes for loan officers, processors, underwriters, and owners/managers. Mortgage Talking Points TM, charts and checklists included.

HOW WE SEE IT



TIP OF THE MONTH

3 Questions to Ask Yourself If You Aren't Closing At Least 5 Loans per Month

BY ERIC TISHAW

Editors note: As editor of this magazine and regular monthly author to this column for nearly four years, I sometimes ask guest authors to contribute to this column. This month, please welcome Eric Tishaw.

Does existing business or new business take priority?

Dealing with your existing business should never take priority over finding new business. Focus your time, money, and energy on doing the one thing you should be doing every day – FINDING NEW BUSINESS. Move everything else out of the way! Finding new business is usually the first thing that gets moved to the backburner when things get busy. You know how it goes - We get a loan, and we immediately start doing the processors job. We're so proud of that new loan, and now we finally have a reason to be 'busy'! Break away from that pattern and think "Creating Business", not "Doing Business". Instead of doing other peoples job for them, pick up the phone and call the SELLERS AGENT on that new loan! When is the last time you introduced yourself to the seller or their agent? Of course, we all want to get the easy stuff out of the way first, but that's a toxic way of thinking for sales people. Don't let old business get in the way of your new business!

Are you maximizing/expanding your sphere of influence?

Be in the business of getting the business! Top producers don't let trivial conversations and meaningless tasks dominate their day. They are very focused on growing their sphere of influence on a daily basis. They are constantly talking to those who can help them grow their business, and constantly seeking to maximize and increase their sphere of influence. Always be reevaluating yourself and your lead/referral sources. Just because a certain real estate agent calls you every day does not automatically make him/her a great lead or referral source. How many closings did that relationship produce last month, last quarter or last year? One of the most common mistakes most originators make is marketing to the same group of people on a continual basis, regardless of the results. Chances are good that you have enough friends already …what you need is business! Break out of the rut and expand your sphere of influence EVERY week.

What's the one thing I should be doing every day?

Day in and day out, top producers NEVER stop generating new leads. You should have a set time every day for lead generation or it won't get done. Block out time for lead generation EVERY DAY from 8am to 11:30am. I know… That just made some people cringe (I think we just found out what happened to our business). Does this sound familiar – "TV, kids, coffee, donuts…lucky if I'm in the office by 9:30, then the emails, videos, rate sheets, socializing, …that keeps me feeling productive until at least 10:30… then we have to talk about where we're going for lunch until we actually go at 11:30, then back to the office no later than 1:30 pm, but don't forget I have to leave early today to take the kids to the doctor…there's just not enough time in the day!" Kill the distractions and block out time every day to generate new leads, and do it while you're fresh for the best results.

Eric Tishaw is the Chief Operating Officer of Hometown Lenders and the author of the Net Branch Survival Kit. He enjoys helping Loan Originators and Branch Managers reach their fullest potential by applying the knowledge acquired while earning his MBA at the University of AL in Huntsville and by utilizing both the skills learned and best practices observed in his 12 years in the business.

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reaches that amount, I'll pick up a cake and celebrate.

Here's how it breaks down… $4.25 billion for the states and $750 million balance to the federal government for whatever and who cares. Now, from the $4.25 billion you have to subtract the $1.5 billion that's going to the deadbeats who lost homes in faulty and fraudulent foreclosures between 2008 through 2011.

And I'm with you on this *"robo-signing"* nonsense… I mean, the only reason they call it "forgery" is because someone forged someone's signature… what's the big deal about that? I mean, if I had a nickel for every time I forged an affidavit… I mean, grow up. And don't even get me started on the whole 'standing' thing. Just because I can't prove I own a house means I can't evict the deadbeat living there? That's just stupid.

Anyway, the deal is supposed to pay out $1,500 - $2,000 per deadbeat, and I realize that you and Dick Bove are concerned because you know these people are deadbeats, but apparently the Obama administration and the AGs do too.

Just consider that right around four million have lost homes to foreclosure during those four years. If each "victim" receives $1500, then that's only going to cover one million of the four million deadbeats. To cover everyone equally we'll be paying $375 each, which really isn't bad for fraudulently foreclosing on a home.

And even if we assume that you're right and the "fraud" being talked about was insignificant paperwork problems, I think that message is sure to be heard loud and clear whether someone gets $1500 or $375 after losing their house.

I'm not sure how to handle the five percent issue though. You said that, "95 percent of the "victims weren't victims at all," but that means five percent were? Well, that's kind of a bummer. They got tossed out of homes, but really shouldn't have? That's hysterical… I hate it when that happens. LMAO. I guess it's not that big a deal, I mean in 7-10 years they'll be right back where they were. Hey, stuff happens.

I have no idea how they'll divide the remaining $2.75 billion among the 49 states, evenly it's about $56 million each. In California, that covers a little over one-half of one percent of the state's prison population for one year.

My best guess is the states will end up taking whatever they get and putting it towards their huge budget deficits in 2013 and 2014. One state already said they'd be doing that, and you'll no doubt be happy to hear that Ohio is going to use their share to demolish foreclosed homes.

I know you're concerned about what we teach this generation of homeowners, because as you said, "If there are no consequences to risk, why not just roll the dice again and again?" Well, I can't think of anything that's more effective at teaching ex-homeowners a valuable lesson… I mean, if you get thrown out of your home, just so someone can tear it down… well, you know you're a deadbeat for sure after that.

But, either way… whether the money goes to state budget deficits, or pays to tear down homes… or even if they end up sliding a few hundred bucks to an ex-homeowner once or twice, I really don't think it's anything to get all worked up over. I mean, yes… technically it's still a bailout, but as bailouts go, it's fairly meager.

Most importantly, the people that are being refinanced that are underwater aren't the "victimized" deadbeats; you got this whole part wrong. The people that are being refinanced are current on their payments… they're underwater, yes… but they're current. Refinancing them is the right thing to do… if you're the bank or maybe the government. For those homeowners, however, it's pretty much the equivalent of handcuffing them to the bedframe and setting the house ablaze on your way out.

I know, they're talking about refinancing, but lets see what happens when they're presented with a refi in the amount of … $400,000… and the place across the street just sold for $178,000. You'd have to get me drunk before I'd sign that loan, and my guess is others won't rush to sign theirs either.

The rest of the money, roughly $17 billion is supposed to go to foreclosure prevention, including principal reductions, but once again there are no rules or guidelines so I'd say we're in very little danger of doing anything even remotely beneficial for deadbeats.

Besides, even if the government and the bankers, for the first time ever, actually fell into something in this regard, $17 billion would only give each of California's deadbeats about $8,500, after which most would still be underwater by a couple hundred grand.

So when Big Dick Bove says: "What this settlement did was to help 1 million people who were deadbeats." It's not really the case. Okay, sure… maybe a few deadbeats are technically getting a tiny bit of help, but we're pulling the rug out from under them before anything would rise to the level of true help. Let Dick know… I'm sure he'll be relieved to hear it.

Also, I'm wondering something… when you say that, *"foreclosures are a necessary ingredient to the housing market's recovery,"* how many do you figure we're going to need to recover?

I only ask because we've had about 9 million so far, Amherst Securities says about 11 million coming. Do you think 20 million foreclosures, roughly one out of four mortgages in this country, will that be enough to get my equity back and put us on easy street once again?

If not, maybe we should start lobbying the Obama administration to extend that HAMP loan modification thing, because that sure was effective at generating foreclosures. Let me know your thoughts.

Martin Andelman is a staff writer for The Niche Report. He also writes an almost daily column on ML-Implode called Mandelman Matters. He also publishes a Monthly Museletter and you can follow "Mandelman" on Twitter. Send your responses to Martin@TheNicheReport.com.

BRINGING UP THE REAR

Charles Gasparino, Fox Business Network

BY MARTIN ANDELMAN

"It's hard to imagine a less-deserving group of victims: people who gambled during the housing bubble by purchasing homes with borrowed money that they knew or should have known they couldn't afford, but who are now able to stay in the homes they should have never bought because of what amounts to paperwork errors on the part of the nation's big banks."

That's how Fox Business reporter, Charles Gasparino opened his column that appeared in the New York Post back on February 10, 2012. Titled, "A Deadbeat Bailout," he was writing in response to the settlement agreement between 49 state attorneys general and the five largest banks that had just been announced.

"But that's essentially what went down yesterday, thanks to the Obama administration's latest re-election gimmick — the nationwide mortgage-foreclosure settlement."

Now, I'll bet you think I'm going to tear this guy apart for being such an insensitive idiot, right? Well, you're wrong. In fact, I've decided that Charles is absolutely right on target.

Millions of middle and working class people, and some richer folks too, all decided at the same time that their lives were not exciting enough. They longed for the days when they were losing their retirement savings, investing in dot-com stocks pumped up by analysts paid for their favorable opinions. Good times.

They all got together and decided they would take up gambling in a much bigger way than ever before… they'd literally bet the farm. So, they started gambling with their entire net worth AND the homes in which they lived, and perhaps because they were new to the whole gambling thing… or maybe because they were following the lead of the bankers who also went broke… they lost their shirts and their farms.

Today, there are literally millions of them aimlessly wandering in the desert just like Kwai Chang Caine looking for justice…

> Young Caine: Is it good to seek the past, Master? Does it not rob the present?
> Master: Only banks may rob the present. You must rob the banks.
> Caine: But we are deadbeats, what about a bailout?
> Master: For that you must seek the one they call Obama.
> Caine: But didn't Obama bailout the banks?
> Master: Yes he did my son… but have you not heard of the election?
> Caine: No, Master.
> Master: Well, when you can snatch the election from Obama's hand, then you will receive the bailout.

Okay, Charlie… work with me here… you're fluttering all over the place like Woodstock, that little yellow bird that hangs out with Snoopy in a Charlie Brown cartoon. And it's not very becoming for a journalist of your stature.

Let's start with your initial premise… it's the "Obama administration's latest re-election gimmick." No question about it… you nailed that one. And the whole thing about how the administration "would like us to believe that the nation's largest banks are finally paying for their bad behavior during the housing bubble and its aftermath, etc. etc." Bingo… you nailed that part too.

After that, however, you started getting your facts all mixed up. For one thing, the banks haven't signed any settlement agreement, and you had to know that. For another, the banks aren't paying out $26 billion to anyone, under any set of circumstances. I think cash out the door is $5 billion, and if it

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