



The Last Word

Blending the Four P's Can Bring You Success in Mortgage Lending

By Tracy Ashfield

How is 2017 treating you? ■ Are you seeing high volumes of purchase loans and fat margins? ■ Are you feeling great about competing with non-banks like Rocket Mortgage? ■ Are you OK with those lenders who are boasting about end-to-end digital mortgages and a suite of products that covers everyone from a moderate-income, first-time homebuyer to a self-employed jumbo buyer? ■ If the answer is yes, I would love to hear from you. And so would all our readers!

Now before you think I'm trying to sound discouraged, let me say I am anything but.

Call me a Pollyanna, but I absolutely believe credit unions can successfully compete.

As a consultant dedicated to real-estate lending strategy, I get the opportunity to collaborate with CEOs and CLOs who focus on being the best. Clearly, each has a different approach, but I have observed that successful real estate programs focus on what I call the four P's.

Let me explain. Those who know me also know that I love the alphabet—in particular, the individual letters. It's kind of like minding you P's and Q's.

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Years ago, I got tired of hearing loan originators labeled as either "sales people" or "order takers." The implication was that order takers were less desirable.

Seeing what was really working in credit unions, I coined the Three C's of loan origination: Creators, Converters and Compilers. Yes, my point was that they all contribute value, just in different ways. But we'll hold that thought for another column.

GETTING BACK TO THE FOUR P'S

Let's get back to the four P's. What gives lenders a competitive advantage? People. Process. Products. Pricing.

You might think that sounds simple, but actually it's not. Achieving a successful blend of these four isn't easy, but it is possible.

To succeed, you will want to have:

- A good team of People. It encompasses more than recruiting; it's compensation, coaching and setting expectations.
- A Process that is member-centric. How is yours viewed by the member and the Realtor?

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- Products that today's homebuyer's need and want. Do you have something unique, or do you do certain things especially well?

- Clear, consistent and competitive Pricing. Loan-level price adjustments are the norm, but are you structuring your pricing so members can understand how their rate and fees are derived?

Need help getting the four P's working for you? Come to one of ACUMA's Spring Workshops. (See the 2017 Workshop promotion in this issue.) Pick the date and city that works for you, and enjoy two full days of best practices on these four P's.

I hope to see you there!

Tracy Ashfield is president of Ashfield & Associates, a consulting and training business that assists credit unions with mortgage lending. She also works with NCUA to provide training and education on residential mortgage lending for examiners and regulators, and with ACUMA.