

# Building New Branches, Block by Block

When opening and operating net-branch offices, it helps to focus on key tactics

By **Hunt Gersin**, president and CEO, Interactive Financial Corp.

**M**ANY MORTGAGE COMPANIES venture into net branching without taking proper steps to ensure their branches' success. Often-overlooked, yet essential, steps include hiring, training and supporting branch staff.

It is important, however, for a company that is opening net-branch offices to consider how it is — or isn't — recruiting and developing its people. Certainly, underwriting guidelines drive loan quality. But as an industry, we must create a culture of quality in hiring and training our staff.

## Hire wisely

In building a business and its net-branch offices, the first step should be to recruit the right people. And the first step in recruiting the right people is to say "no" to the wrong people. The best screening tool any mortgage company can employ is to have standards.

When hiring at the management level, look for people with at least five years of experience and a personal production track record. Go after proven producers who can originate loans and thrive ethically in any marketplace because credit will always cycle between tight and loose.

For every new branch you open, try to hire loan officers who each have at least two or three years' experience as originators. Try not to bring on someone who has sold other intangibles or who hasn't been involved in the origination side of the mortgage business.

In addition, it's a good idea to do credit- and criminal-background checks on potential employees. It helps to be picky. Companies that hire the right people see less fraud, less

turnover, better-quality loans and better-quality offices.

## Train right

It's not enough to simply hire the right people. Companies must then provide an orientation to their way of doing business.

Hold separate orientations for processors, loan officers and branch managers. But teach everyone compliance, marketing, systems and reporting. Review marketing plans, and give new hires a solid training in your way of doing business. Set goals for each branch, and review short- and long-term marketing plans.

In the mortgage business, you have to be learning all the time, so it's important to hire people who are capable of adjusting to new reporting or compliance requirements. They must know how to run today's technology and adapt to new technology.

After new employees return to the branch office, it's essential to continue to support their training. Consider using webinars and teleconferences that cover topics important to business development. If we don't teach managers how to build teams or polish loan officers' sales and closing strategies, how can we expect them to grow the business?

## Offer support

Loyalty in the mortgage industry must be a two-way street. The most common complaint I hear from branch managers is that they don't get any support or that their company's service is poor. Everyone runs into problems and needs support when the market sees a change in credit standards.

Your No. 1 goal at the corporate level should be to support your branches. Knowing one can count on headquarters to help find more business, to increase volume, to make strategic marketing plans and to form alliances develops branch loyalty.

In the final analysis, we know that the current credit-tightening likely is temporary. Eventually, the pendulum will swing back in the other direction. Until then, the key to originating quality

loans is in the quality of loan officers and managers you hire, the way you train and treat them and how you encourage them to deliver the quality production that will keep your company from being tomorrow's gloomy headline. **!!**



**Hunt Gersin** is president and CEO of Interactive Financial Corp. Interactive Financial Corp. is headquartered in Troy, Mich. For more information on Interactive Financial and its model branch system, please visit [www.ifcbranch.com](http://www.ifcbranch.com).

[ifcbranch.com](http://ifcbranch.com).

REPRINTED FROM *SCOTSMAN GUIDE RESIDENTIAL EDITION* AND [SCOTSMANGUIDE.COM](http://SCOTSMANGUIDE.COM), JULY 2007

All rights reserved. Third-party reproduction for redistribution is prohibited without contractual consent from Scotsman Publishing Inc.