

WEBINAR #6
STUDENT HANDOUT
DEALING SUCCESSFULLY WITH LOSS
MITIGATORS ON LOAN WORKOUTS, SHORT
SALES, & B.P.O.'s

By David Compton & George Smith

REVIEW OF CURRENT CONDITIONS:

1. In many markets, mortgage defaults and foreclosures are at all time highs.
2. While there are still many _____ sales such as short sales and "deed in lieu of" sales, many lenders have other factors to consider including coverage by the _____.
3. With the chaotic instability in the financial markets, the current conditions are expected to _____ for at least another 24 to 36 months.
4. While the proposed recovery legislation, if passed, will absorb much of the bad debt, the _____ will still be held in "Real Estate Owned" (R.E.O.) that will expand even more.
5. Lenders will be more anxious than ever to _____ of these properties.
6. The American Dollar will continue to _____ against other world currencies.

7. For the next two years, the major source of buyers will be investors with many of them from other _____ taking advantage of the value of their nation's currency against the dollar.

Many agents report high levels of frustration working with the lenders' loss mitigation departments. Many agents report the following:

- Being unable to get a _____ to a phone call.
- Getting someone to _____ a phone call.
- If they are fortunate enough to get a hold of someone, the person is often either _____ or _____.
- The person handling the call often lacks the _____ to make any decisions.
- Offers are being sent and not _____ to.
- The person who was handling the file is no longer _____ by the lender and the file has been assigned to someone who is _____ about the transaction.
- Delays are often _____ long and seemingly _____ with getting even an answer to the inquiry.
- The answers being obtained from the lender are often _____ and _____.
- Other frustrations are also being encountered.

Reasons for these experiences include:

- Many of the people in the loss mitigation departments are too busy and _____ by their workload.

- As lenders have downsized their staffs, those still left have seen their workloads _____ increase.
- These workers are experiencing very high levels of _____ and _____ themselves.
- Many of these workers assigned to loss mitigation to be front-line point of contact handlers have been assigned by the lender _____.
- Many who work for the lender perceive the job to be very _____.
- Many who work in loss mitigation are _____ to handle the inquiries and the other tasks that the job entails.
- Many of these people are _____ and project an _____ attitude with those inquiring about loan workouts and short sales. They are often just going through the _____ and not concerned about _____ the problems.
- Another factor contributing to this attitude is an overriding fear that their employer may be or become _____ and taken over by another company and perhaps _____ their job.
- They are in _____ mode and have no real _____ to getting the job done for the borrower.
- Many first line contact loss mitigation specialists earn as little as _____ for a job that entails extensive _____ skills.
- This person should be able to work out _____ on a loan but now must also possess some skills in _____.

- These conditions create a work environment that is rife with _____ in this particular workplace. The tendency is to just allow an inquiry to _____ with the bureaucratic clogs rather than to Shepard it to a successful _____ or a _____.
- The federal bailout has also created more _____ and _____ about what to do with these inquiries.

Some ideas on how to work with loss mitigation specialists include the following guidelines:

1. Be the _____ without becoming obnoxiously _____. This is most effectively achieved by being _____.
2. **DON'T GIVE UP! KEEP CALLING!** One suggestion if you reach a front line contact person is to say "Loss Mitigation Department - _____." Don't be afraid to ask for the name, phone extension number, and _____ address of this department.
3. Whenever you call, be sure to _____ everything regarding the call. This would include the date, time, person or persons you spoke with, a summary of what was discussed and resolved, and the duration of the call. Let them know that you are _____ the call in a very polite manner.
4. Don't waste time stating your client's case to someone who is not able to help you. As indicated previously, ask politely to be _____ to a person who has authority in the loss mitigation department. Let them know that you are simply just trying to save them time and aggravation.
5. When you contact the correct department and person, state your name, your client's name, and have the loan number available to request a _____. Make sure you have a

_____ from the borrower to communicate directly with the lender. You might want to fax it right then and there.

6. If feasible, ask if it's okay for you to come by and _____ the packet and that you will also be dropping by your _____ for them to review. If this is not feasible, let them know that you look forward to receiving the packet and ask how soon you might expect it. In the meantime, let them know you will be sending them your B.P.O. by _____ for them to review.

7. Upon receiving the packet, you client will have to supply the lender with the following documents:

8. DO NOT _____ THIS INFORMATION! It will probably get trashed. Send it either by FedEx, U.P.S., or certified mail requiring a signature from an _____ representative of the loss mitigation department.

9. Make _____ of everything you send just in case you will need to send it again which you just might have to do.

10. Make sure to _____ after you know they have received the information to make sure they have received it. Then let them know you will be following up _____ to see what questions that they may have about your client's request.

11. Keep calling back consistently to check the _____ for your client's request and remember to _____ every conversation.

12. Again, be very _____ and _____ of this person's time and attention. Send them a _____ thank you note.

13. Being vulgar, obstreperous, belligerent, and threatening will ensure that you will _____ with that lender again.

14. Remember that your Broker Price Opinion should include the following components that we will be covering more in detail in Module 2:

- _____
- _____
- _____
- _____
- _____

Concluding Thoughts:

- Short sales are going to be with us for a while. Many expect them to be around for the next 24 to 30 months at least.
- While lenders will likely be doing more loan workouts and loan modifications, many of these loans will be defaulted on and will ultimately result in either more short sales or foreclosures down the road.
- There will be voluminous inventories of short sales and R.E.O. properties that will have to be significantly disposed of before we see a significant change in the market.
- The reality is that if an agent wants to stay in real estate, they will have to be willing to participate in short sale and R.E.O. transactions.

- If an agent is not willing to do this, they may need to determine another career direction.
- Remember, your success is directly proportionate to your willingness to get out of your comfort zone.
- Also, remember that success occurs when careful pre-planning and preparation meets opportunity.
- YOU CAN DO THIS!
- GOOD LUCK & GOD BLESS!

GEORGE & DAVID