



Loan Officer's Guide to Working with Financial Advisors

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Part 1: Why You Should Work with Financial Advisors

Financial advisors are perhaps the most overlooked referral source in today's mortgage market.

Here are three reasons why you should consider working with financial advisors:

1: You'll Get High Quality Referrals & Better Lead Conversion Rates.

Referrals from financial advisors are likely to be the highest quality referrals you'll get. Here's why:

- Unlike real estate agent referrals, clients pay for advice from financial planners and are therefore more likely to follow it.
- Financial advisors don't give out 3 names. They give out one name: yours.

This means that when you receive a referral from a financial advisor, you're more likely to turn that lead into a closed loan vs. getting a referral from any other lead source.

Look at it this way: if you only have time to talk to 100 people, would you rather talk to 100 people where 70% of the leads will turn into closed loans or would you rather talk to 100 people where only 35% of the leads will turn into closed loans?

	Lead Source with 35% Lead Conversion	Lead Source with 70% Lead Conversion
Number of Leads / Referrals	100	100
Your Lead Conversion Rate	35%	70%
Number of Closed Loans	35	70

2: Financial Advisors Don't Work Weekends.

This means they won't expect you to work weekends either!

3: You Have Much Less Competition.

Do you know any good real estate agents who don't have an existing loan officer relationship or who don't have loan officers calling them incessantly? This is particularly true for the really great agents! You may have a great value proposition for agents, but it will be extremely hard to break through given all the other loan officers vying for their attention.

On the other hand, financial advisors typically don't have a great relationship with a loan officer and loan officers are generally not calling them incessantly for business. This means that working with financial advisors is a "blue ocean" opportunity.

The concept of swimming in a "blue ocean" vs. swimming in a "red ocean" comes from a book called *Blue Ocean Strategy* written by W. Chan Kim and Renée Mauborgne. In business, we have two options:

Option 1: Swim in a Red Ocean	Option 2: Swim in a Blue Ocean
Lots of Competition (red because lots of sharks and lots of blood in the water)	Less Competition (blue because fewer sharks and lots of opportunity in the water)
Less Opportunity	Lots of Opportunity
Very Price Sensitive	Less Price Sensitive

Imagine a massive sea of potential referral partners, most of whom have either a bad or nonexistent experience with a loan officer. That's the blue ocean of working with financial advisors! It's an incredibly wide-open opportunity for you to jump in and show them the value of a partnership.

That brings us to *Part 2: How to Work with Financial Advisors*.

Part 2: How to Work with Financial Advisors

What value are you providing to financial advisors that they can't get elsewhere?

Here are two specific areas of unique value you can provide to financial advisors:

1: Cash vs. Mortgage Scenarios

Did you know that 30% of homebuyers are paying cash for real estate right now? When someone pays cash for a house or uses a large down payment, they are missing out on the opportunity to earn a rate of return on that money by keeping their funds invested with their financial advisor.

Not only is the client missing out by paying cash, but the financial advisor is losing "assets under management." Financial planners typically charge 0.5% to 1.0% in asset management fees on the funds they manage. Whenever someone pays cash for a house or uses an unnecessarily large down payment, financial advisors lose money because they can't charge asset management fees on those funds.

That's where you come in: a skilled mortgage planner helps a financial advisor illustrate cash vs. mortgage scenarios and how clients would be better off financially by keeping their funds invested with their financial advisor. In doing so, you benefit the client and help the advisor make more money at the same time.

2: Cash-Flow Planning Scenarios

Have you ever had a scenario where a client wanted to use funds from their retirement account for a down payment on a house? Or, what about a scenario where a client didn't want to give up a low-interest-rate mortgage to do a debt-consolidation loan? A skilled mortgage planner can create unique value for financial advisors and their clients by illustrating the long-term financial implications of choices like these.

You can create unique value for financial advisors by helping their clients:

- Evaluate long-term impact of debt consolidation scenarios
- Evaluate the optimal down-payment scenario for the client's financial situation
- Meet college funding goals
- Meet retirement goals
- Take care of elderly parents or special needs challenges in their family
- Improve financial liquidity
- Evaluate sell vs. refi scenarios for divorcing clients
- Evaluate rate of return scenarios for real estate investors

Top Three Myths About Working with Advisors

1:

Financial Advisors are not good referral partners in a purchase market.

Roughly 10% of any given database moves every year. This means that one financial planner with 200 clients can refer you approx. 2 purchase loans per month. The best part about it is that you can turn around and refer these qualified buyers to a real estate agent of your choice!

2:

Financial Advisors only want to refer to loan officers who refer clients back to them.

Financial Advisors are generally paid a fee for assets under their management. The more assets they manage, the more they get paid. We find ways to create new assets to manage from existing clients, which is even better than providing a direct referral. That's because financial advisors would rather manage fewer clients with more assets!

3:

Financial Advisors don't need a good mortgage planning partner.

So many advisors talk about "holistic planning," yet they fail to manage the liability side of their clients' balance sheets. That's why they need you! The advisor is the quarterback of the financial plan, and they need a good mortgage planner on their team to manage the liability side of the balance sheet. This is a massive opportunity for you to add value!

How Are You Communicating Your Unique Value?

Equally important to providing unique value is to consistently communicate that unique value in a language your audience can understand. We've both enjoyed a tremendous amount of success teaching continuing education (CE) courses to financial advisors.

Financial advisors all need continuing education to maintain their certifications. Most of the CE classes they attend are focused on taxes and the financial markets. Chances are that nobody is teaching the financial advisors in your market about housing and mortgage strategies that could benefit their clients. Why not?

Most, if not all, of their clients own at least one house. Real estate equity is often one of the clients' largest asset classes. Yet, financial advisors aren't trained on how to help their clients properly manage these assets. That's where you come in. The Certified Mortgage Planning Specialist (CMPS®) designation certifies you to teach CE classes to CPAs and financial advisors in your market. You earn the designation by going through 15 hours of online training and exams. Once you pass the exam, you can teach what you've learned to the CPAs, financial advisors and real estate agents in your market.

You can teach CE classes in a group format (classroom-style) or you can meet with advisors one-on-one in their office or conference room. Teaching a CE class helps you to:

- Connect with financial advisors in a way that creates value and establishes credibility
- Gain confidence and establish yourself as a housing and mortgage expert in your local market
- Find your ideal strategic partners within the financial advisor community

Next Step:

We've created the **Financial Advisor Referral System** so you don't have to start from scratch when it comes to working with advisors. It includes:

- **CMPS Certification course:** 15-module online course that gives you the mortgage planning skills and resources you need to work with advisors. Once you pass the exams, we give you the content and accreditation to teach CE classes to financial advisors in your market.
- **Mortgage Marketing Content:** a library of "market stories" you can use to consistently communicate your unique value to financial advisors.
- **18-Module Online Coaching Program:** Craig Strent is a \$100mm+/year producer and most of his business comes from financial advisor referrals. In this coaching program, Craig gives you all his templates, training, scripting, and coaching on how to work with financial advisors. His easy-to-follow, step-by-step approach allows you to complete the program at your own pace.

For more info, visit:

[FinancialAdvisorReferralSystem.com](https://www.FinancialAdvisorReferralSystem.com)

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About Gibran Nicholas:

Gibran Nicholas is the founder and CEO of Momentifi, a sales training and financial technology company based in Alpharetta, GA. As a professional speaker and business leader, Gibran has trained, coached, and certified over 9,000 of the nation's top producers in the mortgage, housing, and financial services industry. He has presented at the Inman and Finovate events, as well as private events for top companies in the housing and financial industry. Gibran is the creator the CMPS Certification and host of The StorySeller events, workshops, and community. He's passionate about helping you use the power of story to grow your business and find more meaning in your work.



About Craig Strent

Craig Strent is the CEO of Apex Home Loans in Rockville, MD. He has been originating mortgages since 1994 and has appeared on the top 200 list in industry publications more than a dozen times. Craig's primary focus is Mortgage Planning and the Financial Advisor market. He has presented at national conferences on this topic multiple times and is well known for his scripting, presentation, and marketing techniques within the advisor niche. Craig is sought out for his mortgage planning expertise in his local market, and he regularly teaches classes and offers Continuing Education (CE) credits to financial advisors. He has been featured on the *NBC Nightly News*, *CNBC*, *News Channel 8*, and *Fox Morning News*.