

# Boost YOUR Bottom Line



Close More Loans  
with Knowledge & Know-how

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## Your Mission is Simple

*Your Industry ... Not So Much*

You go to work every day with one goal in mind: *to help families get into homes.*

And while this goal seems simple enough, the complexities of our industry can make this goal seem daunting sometimes. You've got:

- Shift to a purchase market.
- Ever-changing regulations to comply with (which isn't necessarily a bad thing).
- Technological gadgets and gizmos galore to handle various aspects of your job (these might be interrelated, but they aren't integrated).
- News headlines to track and to try and guess how they might influence home loan rates (not to mention the families hanging on your every word to know if it's time to lock).



That's where this ebook comes in handy.

In **Boost Your Bottom Line: Close More Loans with Knowledge and Know-how**, you'll understand how to cut through the barrage of sound bytes and media hype to hone in on what is influencing home loan rates. Plus, you'll get tips and techniques from industry experts on how to streamline your day and focus on the value-producing activities that will amp up your performance.

To your continued success.





# Knowledge

What You Need to Know Now



# Keep Your Eye on MBS

## *The real driver of home loan rates*

Mortgage Backed Securities (MBS) are a type of Bond that provides a short-term safe haven for investments in a volatile market. Because they are less risky than Stocks, billions of investment dollars flow into them during unstable economic times. Once economic risk decreases, investors tend to invest dollars back into riskier assets, such as Stocks and commodities, where they can see a greater return on investment.

How do Bonds relate to home loan rates? Simply put: when Bond prices rise, home loan rates decline and vice versa.

### What is a Mortgage Backed Security?

A Mortgage Backed Security (MBS) is secured by a mortgage or a collection of mortgages. When investors purchase a Mortgage Backed Security, they are essentially lending money to a homebuyer through a business. An MBS, for example, provides a way for smaller lenders to offer more mortgages by serving as a middleman between the homebuyer and investment markets.

### Where to Look and What to Look For

To stay on top of rate movements, lenders usually track the Bond coupon that is directly below where home loan rates are currently. If rates are around 3.625% or maybe a touch higher, the 3% coupon is the benchmark to watch. If home loan rates are 4%, track the 3.5% and so on.

Rate movements can be tracked in two ways:  
by tracking basis points throughout the day on  
a [Bond chart](#) or by watching trends displayed in  
[Japanese Candlesticks](#).



## Bond Charts

A Bond chart features the previous day's performance of a particular coupon, as well as regular tracking of basis points throughout a given day.

FIXED RATE MORTGAGE-BACKED SECURITIES									
Thu, Apr 9 14:28 EST									
Security	Last Sale	Day Change	9:30AM EST	10:00AM EST	10:30AM EST	11:00AM EST	11:30AM EST	12:00PM EST	
FNMA 30-Year 3.0%	\$102.31	-13bp	-22bp	-19bp	-16bp	-16bp	-12bp	-12bp	
FNMA 30-Year 3.5%	\$105.03	-13bp	-19bp	-19bp	-16bp	-19bp	-19bp	-19bp	
FNMA 30-Year 4.0%	\$106.78	-13bp	-12bp	-12bp	-9bp	-9bp	-9bp	-9bp	
FNMA 30-Year 4.5%	\$108.94	-6bp	3bp	3bp	3bp	-3bp	-3bp	-3bp	
GNMA 30-Year 3.0%	\$103.00	-16bp	-12bp	-22bp	-19bp	-19bp	-19bp	-19bp	
GNMA 30-Year 3.5%	\$105.47	-15bp	-19bp	-19bp	-19bp	-19bp	-22bp	-22bp	
FNMA 15-Year 3.0%	\$104.78	-10bp	-9bp	-12bp	-9bp	-9bp	-12bp	-12bp	
US 2-Year T-Note	\$99.88	-3bp	-6bp	-6bp	-6bp	-6bp	-6bp	-6bp	
US 10-Year T-Note	\$100.34	-60bp	-53bp	-44bp	-41bp	-34bp	-34bp	-34bp	

## Japanese Candlesticks

Japanese Candlesticks also show performance of a security in greater detail. Candlestick charts display daily trading ranges, pricing changes, resistance and support levels, as well as trends — all of which point to rate movements.

The chart below explains the key indicators within Japanese Candlesticks, how to read them and what they mean.

### Red Candle

The closing price of the security is lower than the opening price.  
Home loan rates=higher

VS

### Green Candle

The closing price of the security is higher than the opening price.  
Home loan rates=lower

### Small Candle

A tight trading range for that day.

VS

### Large Candle

A wide trading range for that day.



### Moving Average

A simple, or arithmetic, moving average that is calculated by adding the closing price of the security for a number of time periods, and then dividing this total by the number of time periods.

$$\frac{C + C}{C \cdot X}$$

### Resistance Levels R1 R2

The Ceiling: A chart point or range that caps an increase in the level of a stock or index over a period of time.

VS

### Support Levels S1 S2

The Floor: The price level which, historically, a security has had difficulty falling below. Buyers tend to buy a security when price levels hit Support, or the Floor.

## The Basics of Basis Points

A basis point, or bp, is a common unit of measure for interest rates and other percentages in finance. One basis point is equal to 0.01% (0.0001) and is used to denote the percentage change in a financial instrument.

If the price of the Bond moves up 16-20bp it could push home loan rates a bit lower. On the flip side, if Bonds decline by 16-20bp, it could mean slightly higher rates.

Thresholds are important on the upside or downside to gauge whether you are in a re-price for the worse or in better territory. Basis point thresholds give you a heads up as to where interest rates may be moving in the short term or on a particular day.

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# Know-how

Putting Plans into Purposeful Action





# SIMPLEMENTATION - Your key to success!

By Sue Woodard, CEO and president, Vantage Production



**Sue Woodard**, CEO and president of Vantage Production, coined a word a couple of years ago that has served many well—**SIMPLEMENTATION**.

What does this mean? The consistent execution of simple habits of excellence leads to success.

Sue observed that all too often, very good, simple habits drift to the wayside, in pursuit of the latest magic bullet, shiny object or surefire key to success. But she noticed that successful people did something differently. They relied on simple, excellent measures repeated consistently to win. You can, too!

Put one foot in front of the other and move forward with your own SIMPLEMENTATION plan. It's as simple as 1-2-3!

- Write down your SIMPLEMENTATION on the line below.
- Cut out this visual reminder and tape it to your monitor or someplace you can easily see to remind you of your progress.
- Each day, keep track of your success. In three short weeks (how long it takes to form a new habit), you will have added a new success habit.

## My SIMPLEMENTATION Plan

Week 1	1	2	3	4	5	6	7
Week 2	8	9	10	11	12	13	14
Week 3	15	16	17	18	19	20	21

# 7 Ways to Approach Top Real Estate Agents

*Target and build fruitful relationships with top-producing agents in your area with these proven practices.*

## 1. Get real-time referrals.

On your Facebook page, post: “Quick question for my non-real estate agent friends. If a friend or neighbor was looking to sell their home, who would you recommend they call first?” Follow up with the agents who are recommended. Don’t forget to mention the individual who endorsed them.

## 2. Be available on weekends.

Target real estate agents and leave a voice mail on Friday afternoons to let them know you will be available. Encourage them to call if they have any questions or buyers who need to be pre-qualified/pre-approved. Keep in mind that even if they currently have a loan officer, if that LO does not call them back within 15 to 20 minutes, you will be the next person they call, and that could be a door for you to walk right in.

## 3. Approach a buyer’s agent.

Introduce yourself. Share what you believe in and the service you provide. Stay in touch.

## 4. Be different. Be better.

Differentiate yourself. What products do you have that others don’t? Conversely, what products do others have that you could refer out? Build each other’s businesses by reciprocating referrals.

## 5. Refer pre-approved buyers (or ready sellers).

Time is precious. Respect it. Only refer individuals who already have a clear understanding of their financial picture and who are ready to take the next step.

## 6. Say “Thanks.”

Send handwritten cards to the listing agent, the buyer’s agent and the client simply telling them that you appreciate the opportunity to work with them.

## 7. Deliver care packages.

Most agents are bored at open houses. Sometimes, they don’t even have toilet paper! Devote a weekend to attending open houses. Buy some small bottled water, travel tissues, travel size hand-wipes or hand sanitizer, and some munchies. Package them up in plain gift bags from a dollar store. Drop in some business cards, handwritten notes on letterhead or logo notecards, and tie a business card to the bag handle. Deliver to open houses. Introduce yourself, if you can. Follow-up during the week and ask how the open house went. This shows that you are willing to get out there. Mention that you’d be willing to sit at some of their open houses with them and do on-the-spot pre-approvals or at least, pull credit for prospective buyers. If they have a potential buyer for that property or someone just getting started, you can pre-qualify them right away.

# 6 Tactics to Expand Your Referral Partner Network

As you know, referral partners will always be your best source of leads. Period. Continually building and expanding your referral partner network will help ensure your pipeline is full throughout the year and not simply during busy seasons.

Referral partners can include real estate agents, attorneys, title reps, insurance agents, CPAs, financial planners, builders and any other referral partner you would like to target.

The following six tactics can help you expand your referral partner network and fuel your business.

## 1. Check out advertisements and articles.

Skim your local paper and see who is advertising. Get their contact information for your database and note any social media icons or addresses they have. If someone is quoted in an article, look them up online and add their contact information to your database as well.

## 2. Connect on social media.

Seek out referral partners on Facebook and LinkedIn. Start with the list of names you gathered from advertisements and articles. Ask to be “friends” or “like” their page on Facebook, or “connect” on LinkedIn. Rather than just using the generic message that is generated when you connect with someone, try creating a personalized one instead. Let them know you saw their article or ad and just wanted to reach out and introduce yourself.

## 3. Get an ID on the CPA.

When helping clients with their loan paperwork, keep an eye out and see if they had a CPA prepare their taxes. Ask if you can contact their CPA and mention their name. Let the CPA know you just helped the client get into their home, and you wanted to reach out to introduce yourself. Encourage them to contact you if they have any questions about the market or other clients who may be interested in a new home. Follow up with an email or note that includes your business card.

## Just Ask

The reality is anyone has the potential to be a referral partner, including friends, family, colleagues, acquaintances and past clients. The key is to ask.

Your correspondence, emails, e-newsletters and social media posts should always include a request for referrals. It can be as simple as the following:

*“Know of someone looking to buy a home? I can help explore financing options. Please pass along my name.”*

Or

*“If you were satisfied with the loan process, please pass my name along to others.”*



### Bright Idea

If someone is quoted in an article, look them up online and add their contact information to your database.

#### 4. Don't forget the listing agent.

Input the name of the buyer's agent and listing agent into your database as soon as you receive the purchase contract. Research and input any missing contact information. Follow up with a phone call to introduce yourself. Your script may sound something like this:

*“Hi. My name is Jane Johnson, and I am working with the buyers of your property at 123 Anywhere Street. You will receive an email from me tomorrow that gives you a brief update with a projected timeline, as well as my contact information. If you ever have any questions just give us a call.”*

#### 5. Join local professional associations.

Become a member of a local association. For example, you can visit [www.realtor.org/leadrshp.nsf](http://www.realtor.org/leadrshp.nsf) to search for your local REALTOR® association or Board. Become an affiliate member. Find out what committees currently are looking for members and join one that matches your area of interest or passion. Gain additional exposure by hosting an event, sponsoring an event, introducing speakers, or participating as a speaker or a panel member.

#### 6. Host a monthly Lunch-and-Learn.

Consider hosting a monthly information series that includes a light lunch (or attendees can brown-bag it!). Invite real estate agents, builders, CPAs, financial planners and others. Include relevant topics like understanding the loan process, getting to know loan products, financial planning, mortgage market reform, learning to read title commitments, and how to understand economic indicators and their influence on market movements. You might start with a handful of attendees, but those numbers will grow as the series gains a reputation for quality content. Invite attendees to bring guests, as well.

## Simplify. Accelerate. Win.

*Make it easy to do what you do best.*

Confused by compliance? Scrambling to stay on top of interest rates? Scratching out loan scenarios on sticky notes? Creating all your marketing content from scratch (or worse yet, not creating any marketing content at all)?

Just stop.

Lending can be complicated. But it doesn't have to be.

### Smarter beats harder

#### **Deliver the right message at the right time – all the time.**

Tap into a high-impact, easy-to-use automated marketing engine with a vast library of mail, print and social media materials. Don't reinvent the wheel. Just set it and forget it, and let the marketing take care of itself. Then you can focus on selling.

#### **Deliver polished, professional sales presentations in a snap.**

Say goodbye to complicated spreadsheets and notepads and hello to more closed loans with automated sales presentations. Present to clients whenever and wherever they want – face-to-face, on the web or mobile. Plus take advantage of calculators, open house flyers and more. And avoid a compliance misstep with built-in audit controls.

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