



Got Realtors?

Why credit unions need a Realtor referral program,
and how to build one that works!

Deb Jones, Regional Sales Director
deb@curealty.com

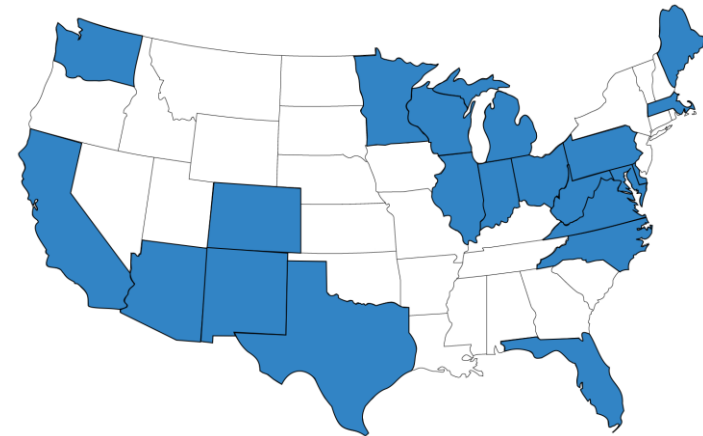
What You'll Learn Today:

Realtor Relationships

- **WHY:** A few important real estate trends
 - *Behaviors of home buyers*
 - *The power of Realtor referrals*
- **WHO:** A quick success story
- **HOW:** To develop your own own Realtor program, or partner with a provider

CU Realty Services:

- *Real Estate Services CUSO*
- **Headquarters:** Scottsdale, AZ
- **Founded:** 2001
- **Clients:**
 - 100's of CU and CUSO clients
 - 22 states
- **Program:** HomeAdvantage

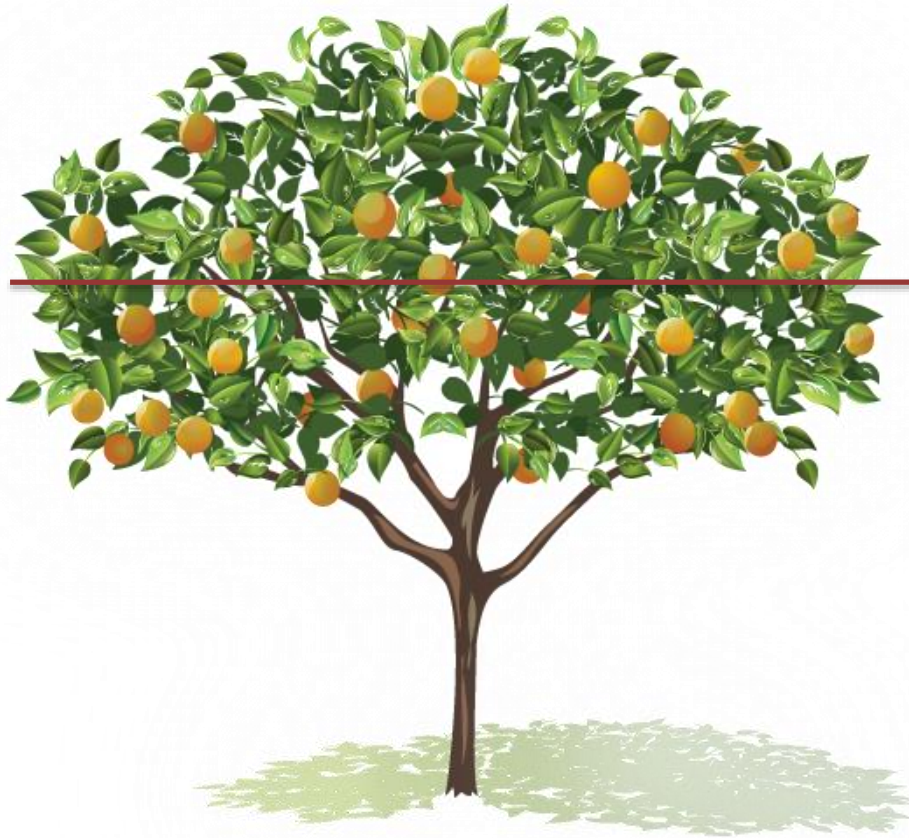


HomeAdvantage:

- Registration-based member program
- Helps members search, buy, sell and save
 - Online property listings
 - Sales history, demographics
 - Referrals to Realtors
 - Savings at closing (rebate)
- Positions CU as members' *First Point of Contact*
- Creates a new lead channel



The Tale of Two Mortgages:



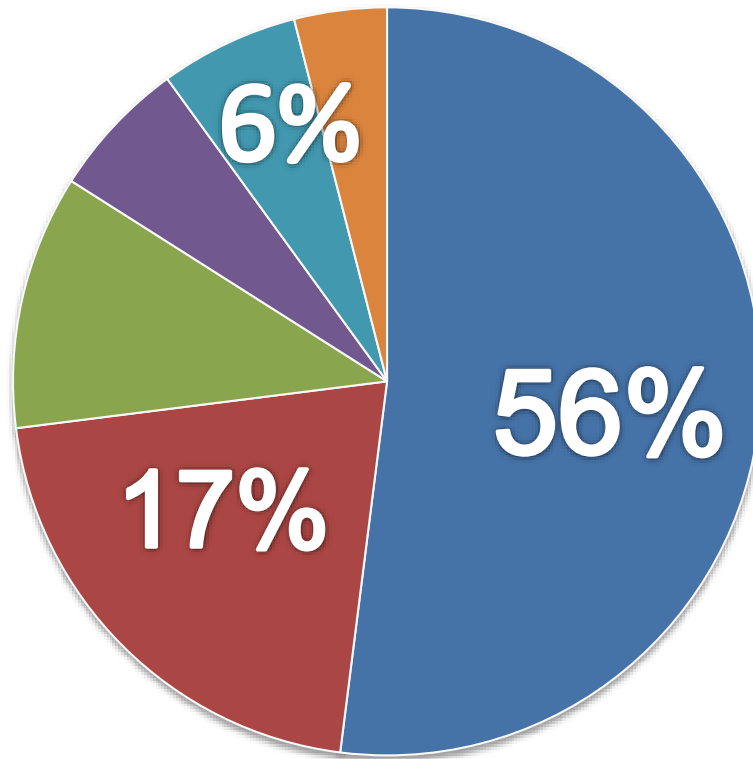
**Non-Members in
Consideration Phase**

**Members in
Consideration Phase**

Key Real Estate Trends:

- #1:** Where buyers go FIRST...
- #2:** When buyers engage with Realtors...
- #3:** How buyers find Realtors...
- #4:** Realtors influence on lenders

Trend #1: Where Buyers Go First...



Home Buyers First Step in 2013*:

- Internet
- Agent
- Drive by/open house
- Friend/Relative
- Lender
- Other

*NAR: 2013 PROFILE OF HOME BUYERS AND SELLERS

Trend #1: Where Buyers Go First...

“Now there’s a lot of competition over this. **Everybody wants to be the first point of contact:** lenders, title companies, lawyers, and retailers. If REALTORS® lose their position as the first point of contact, they’ll just be another spoke on the wheel, at the mercy of whoever is at the hub. And whoever is at the hub chooses where to send consumers next, relegating the REALTOR® to a limited and less profitable role.”

*-Dennis R. Cronk
Former President of NAR*

Trend #1: Where Buyers Go First...

The collage features three overlapping web pages:

- Wells Fargo:** Shows the 'Personal' account page with a login form. A red box highlights a section titled "Support at every stage of homeownership" with the text: "Thinking of buying a home, refinancing, or improving your home? Start a conversation with us. We offer help to inform you while you plan, simple steps when you're ready to start, and support along the way." Below this is a "Start Learning and Planning" button and a list of links: "Check rates and payments for mortgage and home equity", "Buy your first home with help from our interactive guide", and "Customize and compare loan options".
- Chase:** Shows the "Welcome back" login page. A red box highlights a section titled "Find and Finance Your New Home—" with the text: "with the My New Home™ app from Chase." Below this is a "Learn More" button and a "Get Details" button.
- Zillow:** Shows an aerial view of a neighborhood with house prices. A blue button says "INSTALL APP" and a white box says "GRANTS". Below this is a section titled "Announcing the 2013 Grant Recipients" with the text: "Join us in celebrating \$3 million in Mission Main Street™ Grants." and a "Meet the Recipients" button.

Trend #2: When Buyers Engage w/Realtors...



Trend #3: How Buyers Find Realtors

How Buyers Find Agents*:

50%	Referral
16%	Agent Marketing
12%	Used Agent Previously
10%	Internet
3%	Walk-in

*NAR: 2013 PROFILE OF HOME BUYERS AND SELLERS

Trend #4: Realtors Influence On Lenders

“The most influential people in the mortgage industry do not work on Wall Street or at the Federal Reserve Bank, they are not lawmakers or regulators, they are not even mortgage people. **The most influential people in the mortgage business are Realtors...**”

Forbes Magazine

“Realtors Drive the Mortgage Bus”, Sept 2013

Trend #4: Realtors Influence On Lenders

- 60%** Realtor recommended 1+ lender (3 in 5)
- 58%** Of those buyers used recommendation

*2012 "Key Factors in the Referral of Homebuyers to Mortgage Originators – Campbell Surveys/Inside Mortgage Finance

Trend #4: Realtors Influence On Lenders

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58% Of those buyers used recommendation

100 BUYERS

60% = 60

58% of 60 = 35

35 out of 100

*2012 "Key Factors in the Referral of Homebuyers to Mortgage Originators – Campbell Surveys/Inside Mortgage Finance

Trend #4: Realtors Influence On Lenders

NUMBER ONE REASON BUYERS
DID NOT USE RECOMMENDATION?*

*2012 “Key Factors in the Referral of Homebuyers to Mortgage Originators – Campbell Surveys/Inside Mortgage Finance

Trend #4: Realtors Influence On Lenders

NUMBER ONE REASON BUYERS
DID NOT USE RECOMMENDATION?*

“Prior Relationship with Lender”

*2012 “Key Factors in the Referral of Homebuyers to Mortgage Originators – Campbell Surveys/Inside Mortgage Finance

The Case for Realtor Relationships...

- Buyers go online FIRST to self-serve = opportunity!
- First interaction w/a live person = Realtor
- Buyers connect w/Realtors ~ 3 weeks into research.
- 50% of buyers find a Realtor thru REFERRAL
- Realtors recommend a lender 60% of the time

Credit Unions that want MORE member mortgages should focus where the BIGGEST opportunity lives...

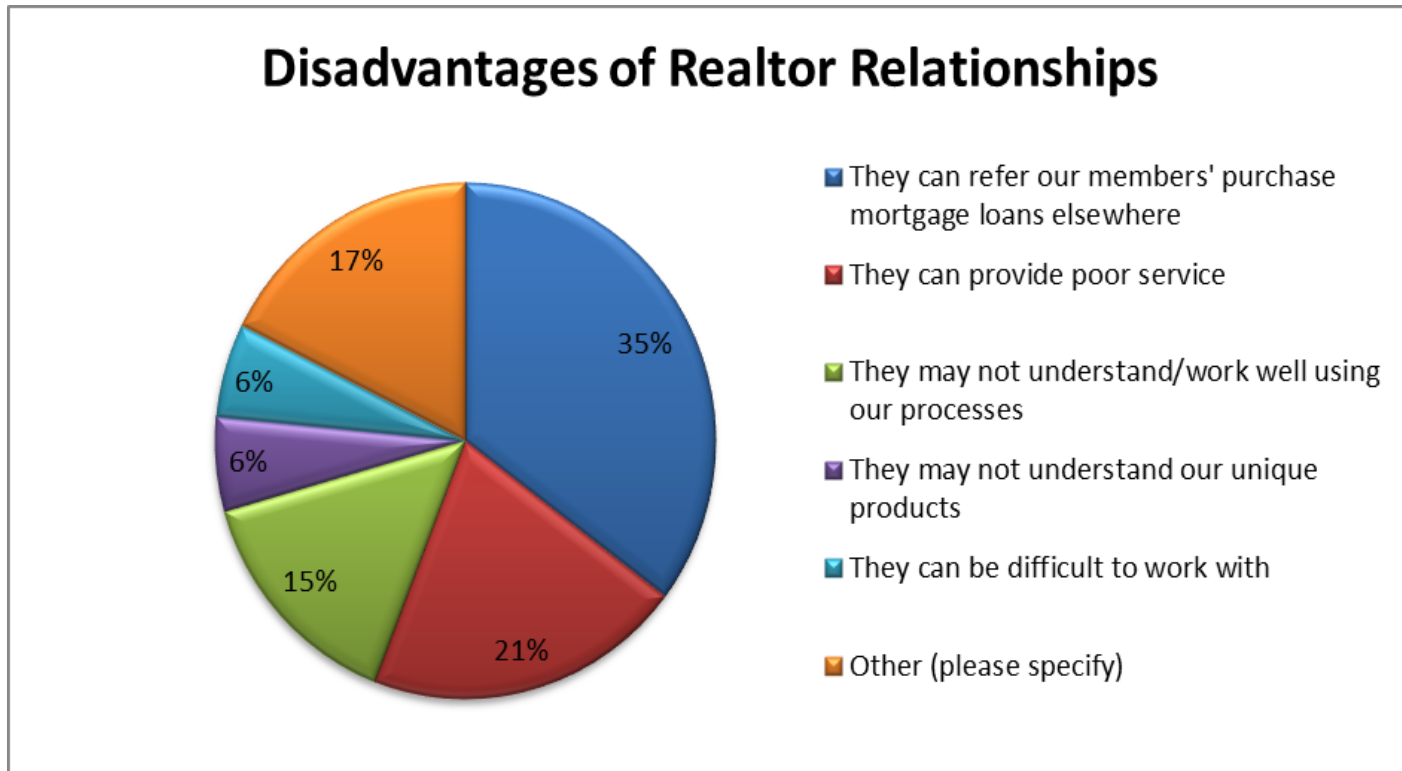
Realtor Relationships: The Good, The Bad and The Ugly

Credit Union Concerns With Realtors*:

- Realtors can be difficult to work with.
- They can be demanding.
- Realtors can provide poor service to members.
- Losing control of the member relationship.
- Leads won't be sent back to the credit union.
- Lack of knowledge about credit unions.

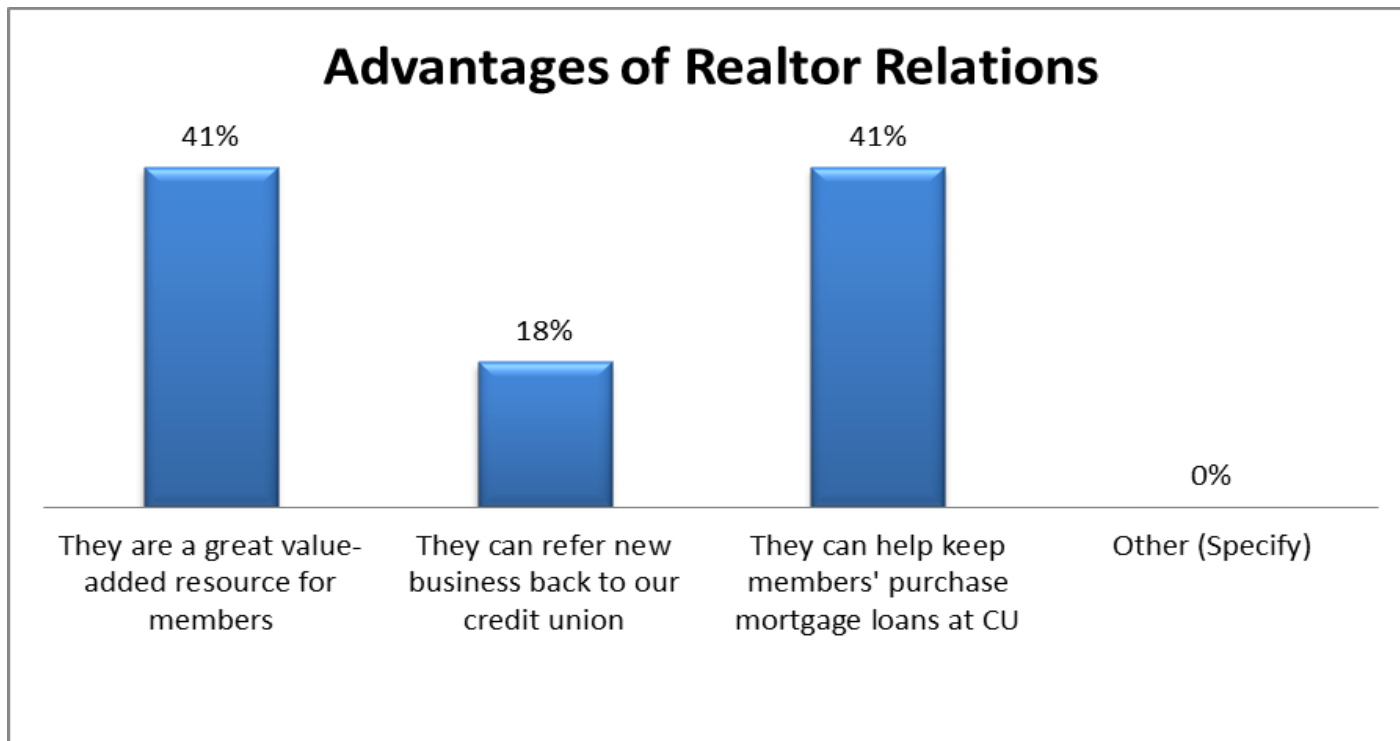
* 2013: CU Realty Survey of Credit Union Clients

Realtor Relationships: The Good, The Bad and The Ugly



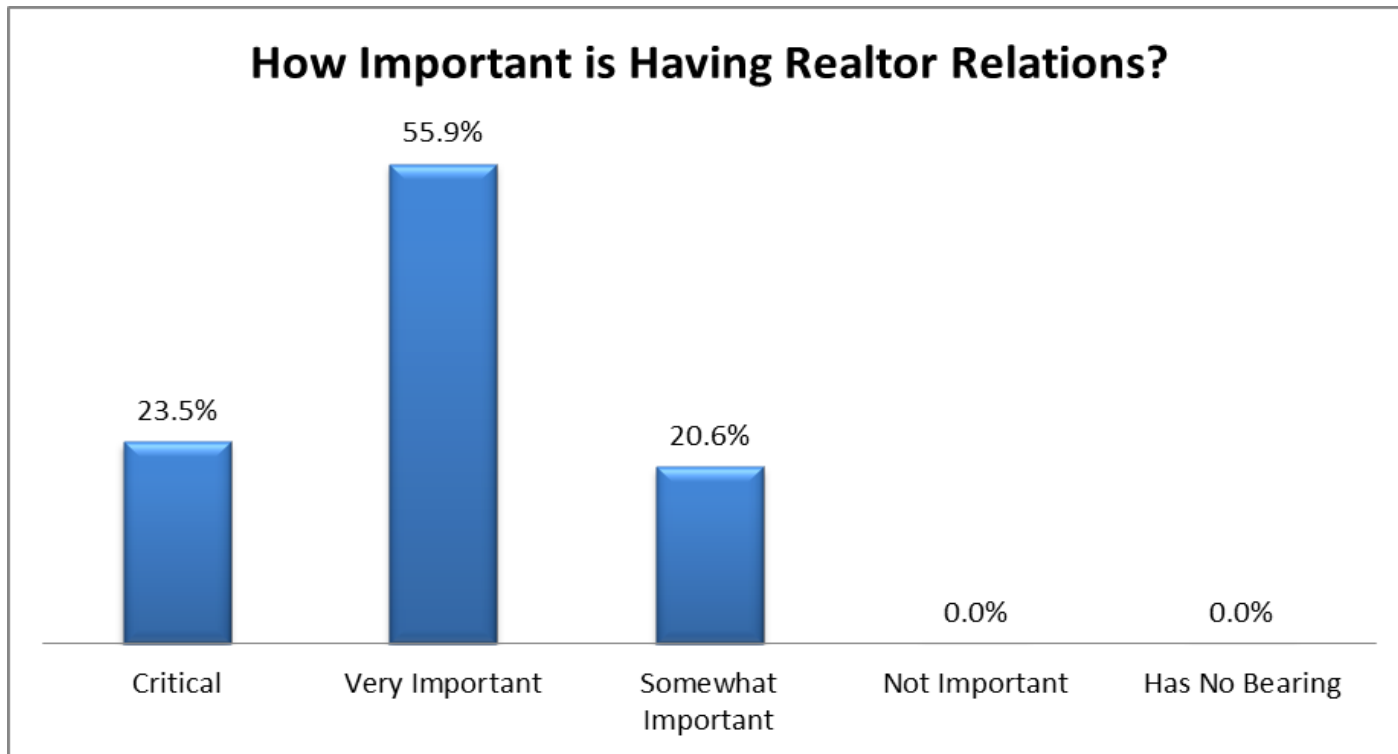
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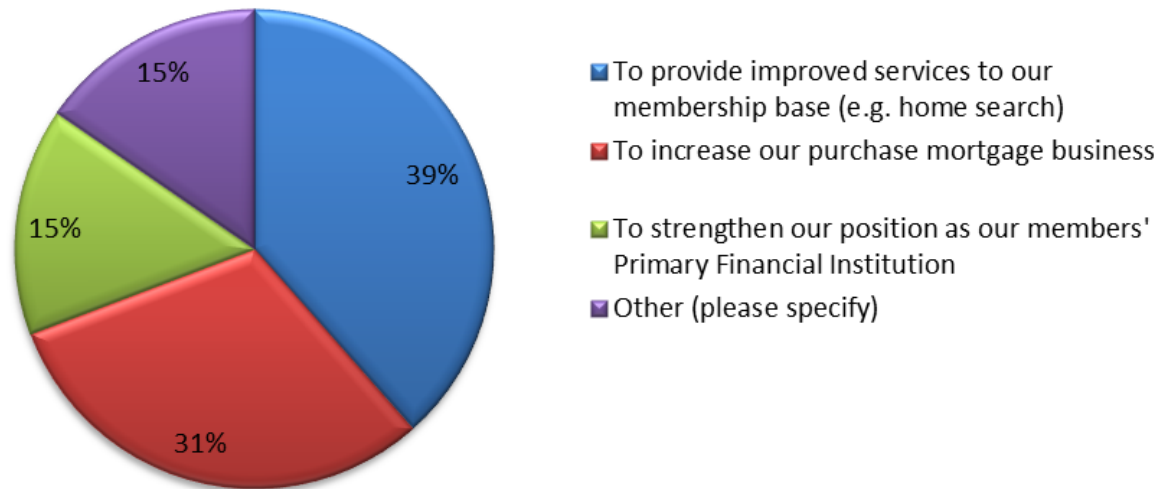
Realtor Relationships: The Good, The Bad and The Ugly



* 2013: CU Realty Survey of Credit Union Clients

Realtor Relationships: The Good, The Bad and The Ugly

Primary Reason Credit Union Chose to Install a Real Estate Program, such as CU Realty Services



* 2013: CU Realty Survey of Credit Union Clients

Realtor Relationships: The Good, The Bad and The Ugly

- Survey included CUs who previously launched and abandoned other programs.
 - *“didn’t experience the results they had hoped for”*
 - *“didn’t have the resources to manage the program effectively on their own.”*
 - One respondent volunteered, *“We determined we can provide better member service overall by working within a structured system.”*

Realtor Relationships: The Good, The Bad and The Ugly

Examples of Confidence:

- 97% = Agents provide responsive, helpful service.
- 93% = Agents are professional and ethical.
- 81% = Agents always help credit unions retain members' mortgage loans.

Realtor Relationships: A Winning Strategy for Tower FCU

“...the most telling result for us is the fact that we now capture 70% to 80% of our member’s mortgage and title business when they use the CU Realty program... Those are true marks of success for us!”

**Barry Stricklin,
VP of Real Estate Lending**

Realtor Relationships: A Winning Strategy for Tower FCU

- Quarterly breakfast with core group of Realtors
 - Educate Realtors on products and procedures
 - Realtors provide market update
 - Open forum on roadblocks
- Regular real estate events
 - Realtor on Duty Days (weekly - every Friday)
 - Home buying seminars
 - SEG site visits (when allowed)

Realtor Relationships: Steps To Making It Happen

1. Embrace change

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2. Develop and document your vision

Realtor Relationships: Steps To Making It Happen

1. Embrace change
2. Develop and document your vision
 - *Put together a task force:*
 - Mortgage
 - Marketing
 - Training
 - Branch Ops

Realtor Relationships: Steps To Making It Happen

1. Embrace change
2. Develop and document your vision
 - *Put together a task force*
 - *Focus on four key areas*
 - Realtors & Realtor Relationships
 - Training & Employee Engagement
 - Marketing & Member Awareness
 - Processes

Realtor Relationships: Steps To Making It Happen

1. Embrace change
2. Develop and document your vision
3. Realtor Relationships
 - *Find, recruit and train agents*
 - *Set performance requirements, monitor and measure*
 - *Establish nurturing and communication expectations*

Realtor Relationships: Steps To Making It Happen

1. Embrace change
2. Develop and document your vision
3. Realtor Relationships
4. Training
 - *Which employees need training?*
 - *How to train – at launch and ongoing?*
 - *New hire training?*
 - *Scripts?*

Realtor Relationships: Steps To Making It Happen

1. Embrace change
2. Develop and document your vision
3. Realtor Relationships
4. Training
5. Marketing
 - *How will this program impact our marketing?*
 - *How will members find out about it?*
 - *How do we promote it?*

Realtor Relationships: Steps To Making It Happen

1. Embrace change
2. Develop and document your vision
3. Realtor Relationships
4. Training
5. Marketing
6. Processes
 - *What areas does this impact?*
 - *How can we integrate it... Mortgage App Process? Branches?*

Realtor Relationships: Steps To Making It Happen

1. Embrace change
2. Develop and document your vision
3. Realtor Relationships
4. Training
5. Marketing
6. Processes
7. Reporting – *have you been successful?*

Realtor Relationships: Steps To Making It Happen

- A “Business Partner” ...
 - Aligns to your growth goals
 - Automates and manages all processes for you
 - Agent selection, training, maintenance, measurement
 - Lead tracking and reporting
 - Provides staff training
 - Delivers strategic reporting
 - Offers account management, support

A Win-Win-Win...

- Realtors want the same thing that CUs do:
 - Competitive rates; responsive service; hassle-free processing; great experience
- Partnership can increase your chances to...
 - Win the loan; help members buy the home of their dreams; become a member advocate/PFI; provide exceptional service

QUESTIONS?

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THANK YOU!

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