

STOP CALLING IN FAVOURS!



You may recognize this scenario in someone you have worked with over the years. A loan writer goes to see a prospective customer on a Wednesday night. He does a “good” job of selling himself, that is, he makes himself out to be a long-serving super-star who knows his stuff backwards and has top connections in the industry. “Great” say the customer, “because this is really urgent. We need approval on Monday and we’ve got two weeks to settle”.

On top of this, the customer doesn’t have all the necessary documents to hand, but this is no problem for our Helpful Harry. He is going to contact the Real Estate Agent, Solicitor, and Accountant on the customer’s behalf and gather up all the necessaries. “And don’t worry about the timeframes, we’ll get it done, I know the State Manager”. Well, there’s so much wrong here, it’s hard to know where to begin. Certainly Harry has demonstrated his eagerness to win the business, but in doing so, he has set himself up

for failure. In fact, as he is now at the mercy of all these other parties, he’s got no hope of getting all the required documents together in time. Of course, Harry is really busy, so he ends up sending in the application without the full requirements, and you guessed it, he either doesn’t bother with attaching any notes to the deal, or they are so “scatty” as to be barely comprehensible.

Obviously, this sort of thing just ticks everybody off, including the lender, and the customer (when Harry fails to deliver), and it harms our reputation as professionals. Apart from giving his customer unrealistic expectations, Harry has also been very sloppy with his application process, and he seriously will need to call in a favour with that State Manager, not something you want to be doing too often.

One of the best pieces of advice I ever had was “always endeavour to get approval AT THE LOWEST POSSIBLE LEVEL”. This simple statement is the driving force behind some of the systems we teach. What it means is, when I submit an application, I want the person who has just started to be able to read and understand the deal in as short a time as possible. I want it to make sense and I want them to be able to sign off on it because they understand it, and I’ve supplied all the supporting evidence.

Getting a loan approved can sometimes be a bit of a battle and one of the best weapons we as brokers can use is a pre-emptive strike with good quality notes. Now, we all know we should submit notes with every application. This is just basic good broker practice but how do we really make it pay.

First of all, let’s understand the benefits of a well thought out deal notes template.

They provide a framework that allows you to standardize your submissions, making it easier for

- Standardised submissions
- Easier understanding
- Faster approvals
- Memory prompts
- Brief submissions
- Allows someone else to complete

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assessors to understand the application, therefore it is faster to approve giving you happier customers. They provide you with prompts so you don't miss anything; They help you to avoid writing "war and peace", and they allow you to get someone else to write your notes. After my appointments, I used to get a blank template and record my comments into a recorder, I would hand it over together with the application and documents to my file driver, and she would prepare the notes and take the deal from there.

The best templates cover all the important information in the least possible words. We provide a template, available on our website to Insights subscribers. Your template should cover off on;

Purpose and Background: What the money will be used for and the background to the transaction.

A Funding Table: Spelling out how you arrived at the loan amount

The Borrowers'

Contribution: Where their money is coming from.

Serviceability: Use the calculations relevant to the particular lender, and comment on anything affecting serviceability

Security: An accurate description and any relevant issues

Assessment: Spelling out why it's a deal, and showing that you know the borrower and you know the transaction

Once you have developed a template that works for you, use it every time, and make sure you have attached all the lender's requirements, and you are well on your way to having your applications bumped to the head of the queue.