

So What Makes You Special?

Better serve the market, your clients and yourself by picking a niche

By **Jason M. Fox**, president, Luxury Mortgage Group

WHEN IT COMES TO HEALTH care, we know that we should use a specialist. Would you go to the same doctor for eye surgery as you would to get your knee replaced? No, of course not.

Other industries, such as advertising, technology and law, also require specialists within their fields. Shouldn't the mortgage industry be viewed this way as well?

Traditionally, mortgage brokers have cast a wide net with their services, hoping to capture business from all types of loans. But this could be doing clients a disservice if brokers' knowledge is spread too thin.

Specialization can improve your business and your skills as a broker as you become an expert in your niche. As borrowers acknowledge your expertise and as your peer network grows, your loan volume and income also can increase. In other words, become a specialist — the market will thank you.

Why specialize?

Some mortgage brokers may claim to specialize in "great service" or "fast closings," but that's not the same as being a specialist. A specialist develops a niche, such as a particular property or borrower type, and becomes an expert in serving that field. Although specializing has many advantages, it is not yet widespread.

Our industry's recent problems are in part because of this lack of specialization. Some originators have resorted to padding deals that shouldn't even get to underwriters or coercing banks to make mispackaged or fraudulent deals

go through to closing. If we had a network of top niche-focused originators across the country, however, experts would originate a larger percentage of deals, which could help the process run more smoothly and without fraud.

Operating solely in a niche also means your borrowers can recognize you as an expert. If borrowers know they can trust you, then you're more likely to earn their referrals and continued business.

Start the process

If you're ready to start specializing, follow these action steps:

1. Find a niche, and stick to it. Try focusing your efforts in one specific area. For instance, if you decide to specialize in divorce loans, you should start networking with divorce attorneys. Or for hard-money rehabbers, enter the foreclosure arena, and talk with real estate-investment groups.

2. Make the phone ring. To become an expert, start doing things that will benefit your business, such as networking, advertising, reading industry publications or developing a marketing system. Do whatever feels right, helps you close more loans and is relevant to your target niche.

3. Follow up with your clients. Many brokers continue to lose deals because they don't follow up with their clients. Remember that if you don't continue to check in with clients, your competitors are ready to sweep them up. You should be calling clients consistently and giving them updates. It even helps to ask how other parts of their lives are going. If you need to, use an automated system to remind you about these follow-ups.

4. Develop a referral network. This should go beyond the real estate agents with whom

you already work. Now is the time to expand your contact with other brokers. Even after you specialize, you probably will continue to receive calls for all sorts of loan types. It will help to know competent experts in other niches to whom you can give those leads. These experts can also reciprocate when they encounter mortgage leads in your specialization.

5. Spread the wealth. Don't be afraid to invest in yourself, your clients or your community. It can also be beneficial to give something back to those who are just starting their careers. **!**

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