

How To Avoid Losing Valuable Originators During The Winter

By Daniel Jacobs

BLOG VIEW: Although the holidays make this the most wonderful time of the year for some, it can also be the time of year when originators leave their current companies in search of brighter horizons.

Even though originator movement during the winter season is fairly normal, it does not need to be an absolute. The winter recruiting cycle this year might be even more prevalent because of the rising interest rates. Refinances are dissipating, and many prospective home buyers are getting off the fence and choosing to buy a home before they are priced out of the market. This is just one reason companies should try to hold on to their talented, productive originators.

At the same time, lenders should be reminded that originators' pipelines can be particularly thin at this time of the year, and this makes them a bit nervous, so they may want to better position themselves for growth before the spring buying season. Those originators that have struggled to serve their Realtor referral sources with on-time closings are more likely to reassess and reevaluate whether they have the right platform for continued success. Sometimes, even high producers believe they can do better, or be more successful, in a different environment.

There are three primary reasons why companies lose valuable employees. Fortunately, these are also three areas of opportunities for companies to grow originator relationships, enhance the value

of the partnership and keep this from happening.

Reason #1: operational issues

In too many organizations, there is not enough focus on closing loans on time. In fact, earlier this year, an industry research study by Campbell/Inside Mortgage Finance indicated that the incidence of closing purchase loans on time had dropped dramatically from 72% in April to 61% in August 2016. This is causing real reputational harm for originators with their referral sources. Some of this was due, in part, to the increased lead time to get appraisals, but appraisal lead time alone was not the main culprit.

The most important thing that mortgage companies can do to retain their originators, particularly in this season of high turnover, is to focus on the end result and take appropriate steps to achieve an on-time closing. Most mortgage companies focus on a linear process from the beginning to the end without any real regard to the upcoming deadline. The reality is, and what has become very revealing to the nature of the origination process, is that most loans spend more time in sales and processing than they do in the actual underwriting and closing – by far.

As an industry, we have been more focused on our operations team so that underwriting, quality control and closing tasks are done more quickly. At the same time, we forget to take into consideration the amount of time the loan spends on the sales and processing side.

Only when a company examines the incremental time frame of a loan and its process and then breaks down how to arrive at an on-time closing will it have a true system for retaining its valuable, top producers. This way, an organiza-

tion will have satisfied originators and referral sources, resulting in very happy borrowers.

Reason #2: personal development

Oftentimes, originators leave a company because they feel their individual career path is not adequately progressing; the training and development appears to be more focused on making the company better rather than the individual employee. This is counterintuitive for a number of reasons, but the primary one is that great employees actually are the fabric of great companies, not the other way around.

Mortgage companies can nurture their employees to be stronger and better with the organization, rather than watching them leave to find a more suitable work environment. The company should adopt the approach of building for tomorrow by being better than yesterday, together. This could mean investing the time and effort to make the originators better salespeople, helping them become more organized or working with them to create a business plan to overcome challenges.

If organizations focus on enriching the employee experience, including the work environment and career path, they will have loyal individuals rather than ones who consider leaving for a better opportunity. The reality is that most people understand who invested in them and will choose to stay with the company that helped develop their career.

Reason #3: recognition

Everyone needs to have a voice and understand that his or her opinion matters. A company does not have to alter its business processes based on feedback, but it should take the time to rec-



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ognize peoples' opinions by explaining why they will make a change to address an issue or why it is not practical at this time. In this way, employees can be confident in the fact that they have an actual voice to affect change.

There is, however, a type of recognition that – when used as the only form of recognition – can be harmful: quantitative recognition. This is the category of recognition that only awards the very top performers or producers. Leader boards, for example, showcase the top producers, rookies, processors, underwriters, etc., but can become demoralizing for high-

quality, mid-level producers, who may feel they will never be recognized.

Part of a good recognition program is to make sure that it is multifaceted. A program such as qualitative recognition can be very appropriate here. In this version, everyone who achieves a baseline of metrics a company identifies as important to the quality of the organization, such as customer satisfaction or turn times, would be acknowledged. When a majority of people start meeting this goal, one can then raise the bar, if appropriate. This enables everyone to feel a sense of importance and pride in

the work environment, strengthening the overall organization.

Although these three reasons that employees leave a company tend to be pain points for some organizations, seeing them as opportunities for growth will go a long way toward increasing retention and establishing a mutually beneficial work environment. This approach can really make this a festive, joyous season of giving, receiving and retention.

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