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# INTRODUCTION

The secret is out about the mortgage business. It is the only industry that allows anyone the capability of earning a six-figure income without an educational degree. The opportunity is the same for women, minorities, and individuals with no college background. You are paid on the work you put out.

Have you noticed on some of the reality shows on TV lately how many participants are mortgage brokers? Sarah on *Joe Millionaire*, Bob on *The Bachelorette*, and the more notable Troy McClain on *The Apprentice*—all were mortgage brokers.

Becoming a loan originator is a job requiring competence, interpersonal skills, honesty, and integrity. Whether your customers are purchasing a home or refinancing their existing loan, they are encountering one of the most stressful and important decisions of their lives. Your role as a loan originator is to guide them through the complex process of residential mortgage lending.

There has never been a better time to enter into the mortgage industry. The mortgage industry in 2003, with its historical low

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interest rates, reached a record-level mortgage production of \$3.8 trillion. New construction and home sales (at an all-time high) continue to create a huge demand for mortgages. Real estate experts have identified a new market yet to embark into first-time homeownership: minorities and the echo boomers, or Generation Y. The echo boomers are the largest generation of young people since the 1960s. They are considered to comprise a third of our population at 80 million strong. Currently spending \$120 billion a year, these young people are just starting to purchase their first cars. Generation Yers will certainly have a powerful impact in the real estate market when they prepare for homeownership.

In addition, the mortgage industry's growth can be attributed to a wider range of mortgage loan products available to the loan originator today. Most notably are the no- and low-down-payment mortgage programs that have made homeownership available to millions of people who might not otherwise qualify for a loan. The future growth and demand for mortgage loans will continue to create unlimited career opportunities.

However, there is a significant lack of *qualified* individuals available to handle this growth. Most loan originators learn the business the hard way, the sink-or-swim method—on-the-job training that can be painful and can take several years. You would be surprised to discover that there are many “experienced” loan originators who lack a thorough knowledge of some very important mortgage principles. My hopes are that you read carefully Part One of this book, gaining vital information that you can reference time and time again throughout your career.

*The Mortgage Originator Success Kit* offers invaluable information on an extremely financially rewarding industry. Each chapter builds upon the prior one, so that the reader has an opportunity to learn about all facets of residential mortgage lending. With this training manual you will have a complete understanding of the mortgage business, from the inception of a mortgage loan to the selling of that loan in the secondary market. You will also find priceless information on customer service and sales techniques that, if applied correctly, will ensure a successful career as a mortgage loan originator. This book lays out a

doable strategy in an easy-to-learn format that anyone can use immediately to start a career or take his or her existing career to the next level.

To save you time and to help you get better results as quickly as possible, you will be provided with tips and suggestions that have been distilled from years of experience. The knowledge and understanding of the mortgage industry that you will have after reading this training manual will give you an unquestionable edge as you enter into the mortgage business.

## **Job Opportunities and Earning Potential**

This book is for ambitious people who want to get ahead in life and want a real opportunity to become financially independent. The earning potential with a career in the mortgage industry is truly unlimited, and loan originators and mortgage brokers are fast-moving entrepreneurs. A mortgage loan originator is basically a sales position; therefore you earn commission on each loan produced. How much money you will earn is determined by your personal initiative, salesmanship ability, and tenacity.

In order to succeed as a loan originator, it is important to obtain the proper training. *The Mortgage Originator Success Kit* will provide you with all the necessary training and education to start your career immediately, with the potential of earning *\$100,000 to \$1 million-plus in income per year*.

The following example reflects what a top originator can produce: he or she can originate 456 loans in one year with an average loan amount of \$110,994 and fund a total of \$50,590,751, generating the loan originator an annual income of approximately \$1 million. In fact, according to the latest Executive Compensation Survey by Inside Mortgage Finance Publications, the highest-paid executive in the 2003 survey was a male first vice president working at a mid-size mortgage banking firm. He took home \$6,690,000 in total pay—most of it in stock options.

Although *The Mortgage Originator Success Kit* is focused on how to start your career as a loan originator, there are many other job opportunities: in “retail” there are positions such as

loan processors and underwriters, and in “wholesale” there are positions such as account managers and account executives.

## **My Reasons for Developing this Manual**

My career started in the mortgage business 24 years ago at the ripe age of 21. I wanted a career in a business where I could provide a service that would benefit people. At the same time I was seeking an opportunity in a career where I would be rewarded with unlimited income potential in return for hard work and determination. I had the eye of the tiger, and I wanted to utilize my sales skills, competitive nature, and burning desire to get ahead in life. The mortgage business gave me the ability to grow my knowledge and experience to become an independent entrepreneur, first as a successful loan originator, then a mortgage broker, and eventually a national mortgage banker.

When I first started my career as a loan originator, I looked around for a training book such as this but found only books on how to succeed in the real estate industry. I needed a book that would guide me in how to succeed as a loan originator. I was forced to start my career with absolutely no knowledge of mortgage lending. I learned how to become a loan originator, as most people do, with on-the-job training. This can be extremely difficult, especially the first few years in the business, and it requires much determination and persistence.

As my career progressed, I counseled and trained many a loan officer and mortgage broker. I started compiling all my knowledge and experience and began the development of *The Mortgage Originator Success Kit*. I felt that this was the right time for me to pass on this valuable information to aspiring professionals seeking an opportunity in the mortgage business.

The most important part of this book, however, is not just what you read or learn. It is also what you actually *do* with these practical and proven concepts. Action is everything! I look forward to assisting you in the best decision of your life and welcome you into the mortgage industry.