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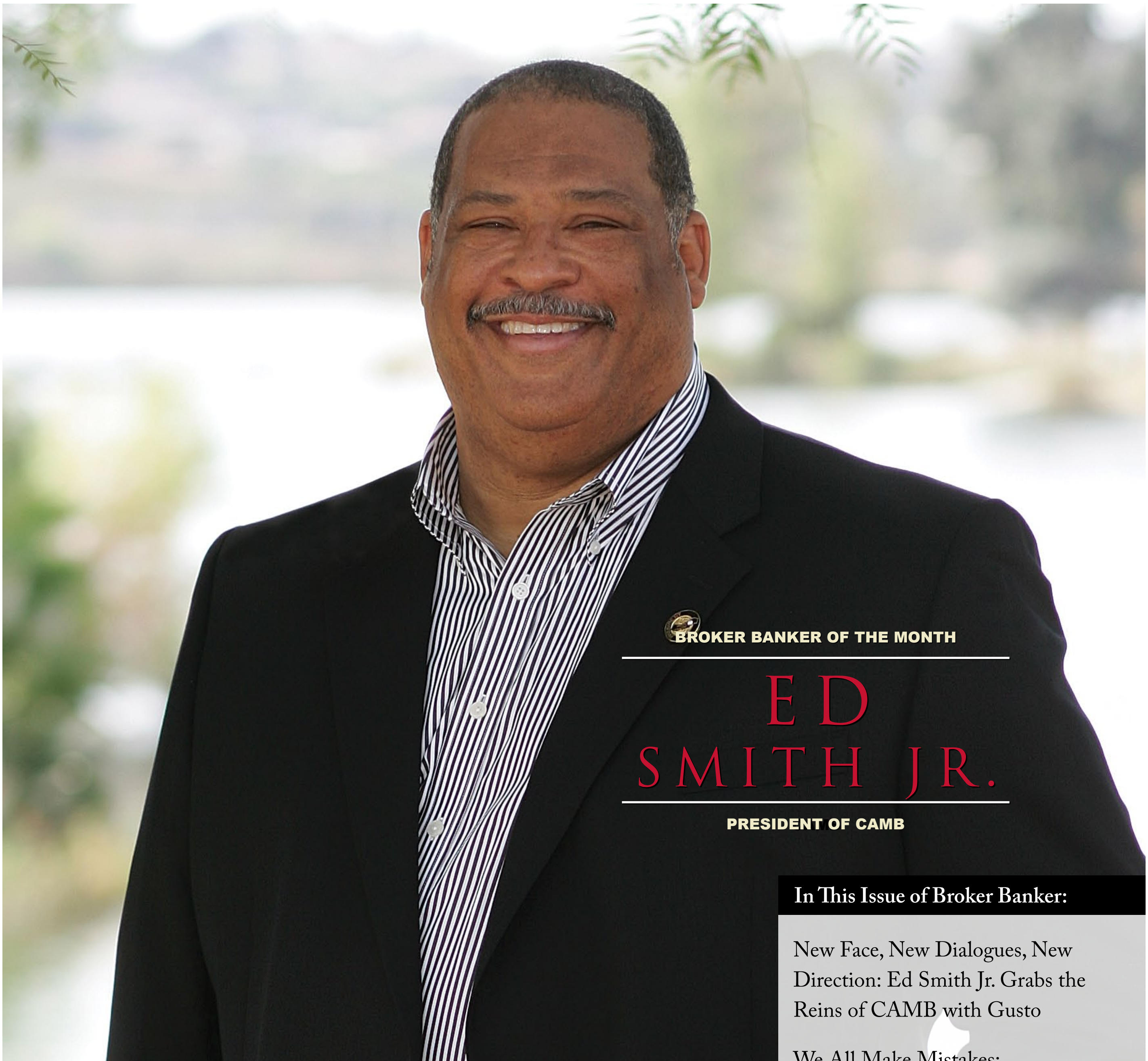

BROKER BANKER OF THE MONTH

ED SMITH JR.

PRESIDENT OF CAMB

California Edition

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In This Issue of Broker Banker:

New Face, New Dialogues, New Direction: Ed Smith Jr. Grabs the Reins of CAMB with Gusto

We All Make Mistakes:

Everyone Has a Plan Until They Get Punched in the Face

Net Branch is NOT a Bad Word!

Strong Contact Group or a Casual Contact Group?

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FEATURES

5 NEW FACE, NEW DIALOGUES, NEW DIRECTION: ED SMITH JR. GRABS THE REINS OF CAMB WITH GUSTO
Broker Bankers product of the Month

9 WE ALL MAKE MISTAKES:
By Brian Sacks

11 EVERYONE HAS A PLAN UNTIL THEY GET PUNCHED IN THE FACE
By Weston Lyon

13 COMMERCIAL LOAN EXCHANGE

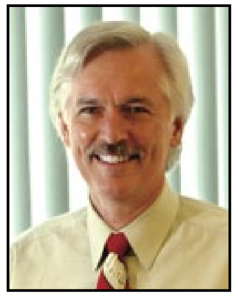
14 RESIDENTIAL LOAN EXCHANGE

15 NET BRANCH IS NOT A BAD WORD!
By Kenneth J. Klawans

17 INDUSTRY SERVICE PROVIDERS

19 STRONG CONTACT GROUP OR A CASUAL CONTACT GROUP?
By Dr. Ivan Misner & Ed Craine

21 PRIVATE MONEY LOAN EXCHANGE



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ADDRESS CHANGES

Address corrections can be made via fax, email or regular mail.

New Face, New Dialogues, New Direction

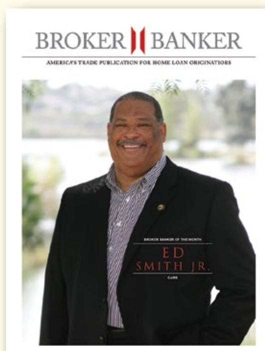
Ed Smith Jr. Grabs the Reins of CAMB with Gusto

By Jennifer Hadley

Calling Ed Smith Jr. a new face in the mortgage industry is clearly a tongue-in-cheek statement. After all, Ed aka "Smitty" has been an active player in the mortgage industry and specifically in the California Association of Mortgage Brokers for years. Now though, as the newly inducted President of CAMB, he's become the new face of the association. And he's planning to take CAMB in a new direction, by opening up new dialogues with industry partners, consumer groups, brokers, and naturally with consumers. Here's how he plans to do it.

New Dialogues:

With the S.A.F.E Act looming, Ed's first priority as President of CAMB is "to reach out to our industry partners and open a new dialogue." To that end, before the S.A.F.E Act is implemented, Ed is working with CAMB to "get out in front of it, and open the discussion with bankers on how we can work together to make the industry better for the consumer."



Ed speaks candidly of the need to begin these discussions to "reemphasize the value that brokers bring to bankers and their retail distribution channels. Brokers serve as a huge sales force for wholesale operations, particularly in serving underserved clients, or clients who haven't been able to secure loans with banks on their own. With bankers' profit margins being greatly reduced by the constrictions and implosion in the overall marketplace, they need our loan originations. Similarly, the broker channel needs access to competitive products to provide to our client base as well. In the end, this is all for the benefit of the consumer."

It is partly this reduction in choices which has Ed steering CAMB in the direction of opening new discussions with consumers; again, with the goal of education about the mortgage process. "We have to take our industry to the consumer. It's frightening how many people don't even know what kind of loan they have. That's why for the past few years, as a result of the Preserving Homeownership Initiative, CAMB has held countless telethons, town hall style meetings, workshops and more; to educate consumers. "It is absolutely our responsibility to get information to consumers who desperately need it, now more than ever. And we're going to expand our sphere of positive influence even more this year by educating not only consumers, but industry partners and consumer groups as well. This includes keeping everyone updated on legislative changes, RESPA changes, Reg Z changes the Safe Act and more."

In fact, according to Ed, educating consumer groups as well as legislators will be one of CAMB's main objectives during his term as President. "We've never sat down in concerted effort with consumer groups to discuss proposed legislation. While we've tried to talk with legislators, often times they don't understand exactly how this industry works. So even though they make decisions that are rooted in the right spirit, in reality they don't benefit consumers. And the unintended consequences wind up hurting the very people they are trying to protect. Not everybody fits into a vanilla 30 year fixed mortgage. So this year as in the past, CAMB will be stepping up its efforts to meet with consumer groups for educational purposes and to come to synergistic agreements on legislative issues. Once we find those issues that we can agree upon, then we can take them to our legislators in Sacramento and Washington D.C."

Lastly, Ed reiterates the need to open up new channels of communication within the mortgage broker community as well. "We've been subjected to a smear campaign over the past several years, as a result of bad actors in our industry," he says. "The S.A.F.E. Act will weed out most of those remaining, and finally the playing field will be level. CAMB will vigorously continue to work in concert with legislators, regulators and law enforcement to prosecute those bad actors to the fullest extent of the law and remove them from our industry." But it is the brokers themselves who will need to rise to the occasion of the new licensing and testing requirements, and to report to the proper authorities any acts of violations of their peers when it comes to their attention. This will be achieved through education, and a higher commitment to the cleaning up of our industry; two of the cornerstones of CAMB itself.

"I've been in this industry 27 years and I still say that I learn something new every day," says Ed. But as for other loan officers and originators, Ed wants to know where and how they are continuing their education. "If you don't belong to CAMB, where do you get your current, ever evolving information on the daily changes from? CAMB gives you the professional development opportunities that you need to inform your legislators, consumer groups and most importantly your clients." Luckily though, as part of the new direction Ed is taking CAMB; that information is going be made much more accessible to brokers, legislators and consumers alike in coming months.

New Direction:

"This year, we'll reduce the operating costs of CAMB substantially through automating some of our services with the efficiencies of the internet," Ed explains. "Brokers, legislators and clients will have more readily available access to services or help they need. Instead of waiting for a return phone call for example, much of the assistance

Continued on Page 7

Smitty thanking a client for coming in to review loan programs and options available.

Consulting with a client and recommending a 30 year fixed rate option that will meet her requirements.

we provide to CAMB members will now be available online to others"

Moreover, Ed plans to raise the visibility of the association on the internet. "People are used to the internet. Everyone uses it. We're going to capitalize on new efficiencies to get the CAMB message out to consumers by increasing our presence online."

Dialogue About Direction

Aside from opening new dialogues and steering CAMB in the direction of automation, is there anything else Ed hopes to achieve during his year as President? Absolutely, and it's ironically a conversation specifically about the new direction the mortgage industry is headed.

"There has been a cultural change in our industry, and the S.A.F.E Act will only serve to make this more obvious. I think it's important to open the lines of communication with fellow brokers as to the direction our industry is headed," says Ed.

"The constriction of the industry as result of the mortgage implosion has forever changed the way we do business. Some of the changes are for the best, as CAMB has always stood for higher standards and ethics in our industry. But some of the changes will make the small broker shop an endangered species, and we need to talk about that."

"For many independent brokers, or broker shops, the new model of broker and banker will be the key to survival. I predict that we're going to see most small shops integrating into larger shops with their own warehouse lines, as a net branch. The economies of scale will demonstrate that it's much cheaper to operate as a net branch or an affiliate than it is to remain independent. This will mean a big change for a lot of us, but I see this change as positive."

"Technology and the internet have made it so easy to get a loan, and automation available in larger broker banker models has drastically reduced the cost to produce a transaction. The paradigm has shifted, and long gone are the days of thick paper files, which have been replaced by CDs, portable memory cards, and zip drives. So it's important that we acknowledge this shift, and open up the dialogue to discussing it, which will be accomplished through town hall style meetings throughout the state to discuss the new regulatory changes and how CAMB will respond to them. Because like it or not, our industry is definitely heading in a new direction. But, I'm confident this new direction is for the best, and I'm thrilled to be a part of CAMB as we welcome in this new business model."

Ed Smith Jr. has held multiple positions within CAMB including Past President of the San Diego Chapter. He's also served as Chairman of Government Affairs and Industry Relations for several years. Ed is a CAMB instructor, National Freddie Mac Credit Smart instructor and certified expert witness in California. He is proud to use his 26 years of experience in the mortgage industry as a Broker Banker, representing the full product line of General Mortgage Company, based in San Diego. Ed welcomes questions or comments at edsmith@edsmithjr.org

WE ALL MAKE MISTAKES:

But That Doesn't Mean We Have To Continue Making Them

By Brian Sacks

We're human, and because of that we're bound to make mistakes. But just because we're prone to making mistakes from time to time, doesn't mean we should give ourselves a pass to make them repeatedly. Over the next several months, I'll share with you what I've found to be the 8 dumbest mistakes that we make professionally, and why we need to apply ourselves towards avoiding these mistakes in the future.

"DUMBEST" MISTAKE # 1:

Becoming an Advertising Victim

When I first started as an originator (many, many moons ago), I looked around to see what my peers, colleagues and competitors were doing to earn new business, and promptly decided that I should do the same things. It seemed logical at the time. I was new in the business of origination, and was eager to follow the lead of those around me experiencing great success.

Perhaps you did the same thing, or are still trying to do the same thing. I'm confident that you've had advertising reps bombard you with messages telling you that "You need to get your name out there so that when borrowers think of securing a mortgage, they think of you." Sound familiar? It should; this is the advertising salesperson's standard pitch.

They want you to put your face on restaurant place mats, on billboards, on shopping carts, on the radio, on the TV, in the newspaper, etc. It seemed like everyone else was doing it, so that's exactly what I did. The only problem was that it didn't work. When I confronted these sales people, letting them know that I wasn't receiving any ROI on my investment, I quickly learned that they must hear this a lot since they all had pretty much the same reply: "You need to give it time. Keep running your ads and you will get responses. Remember, the key is getting yourself noticed and getting your name out there."

I'm not one to mince words, and I'm not about to start now. They were unanimously dead wrong! The only one who made any money off of my advertising dollars was the ad sales rep. And in today's market, more than ever, you need to be able to track and account for every hard-earned dollar you spend. Why in the world would we choose to spend money on advertising that doesn't work?

But, make no mistake about it; a worse mistake you can make is dropping your marketing efforts altogether during a down market. Need proof? Just look at your own email box and mailbox. There are hardly any pitches from mortgage companies arriving these days. Whereas just a short while ago, you couldn't open up your email without a ton of spam emails from mortgage companies or open your mailbox to find two or three pounds of solicitations from mortgage companies.

This is not the case anymore, which means now is the best time to ramp up your marketing and your worthwhile advertising efforts, since you are guaranteed to get noticed without all the other clutter and competition around.

The key is that you must use what is known as Emotional Direct Response Marketing, which is highly targeted only to the prospects you know you can help. More importantly, it will allow you to track where your business is coming from.

This means that you can start eliminating what is not working and pour that money back into ads and marketing strategies that you know are working. Doesn't that make a whole lot more sense? It took me many years to learn Emotional Direct Response Marketing even existed and a few more years to master it, but the result has been a seven-figure difference in my annual income and it will have the same impact on your business and bank account.

Brian Sacks is the CEO of www.loanofficerformula.com He has been an industry expert for over 24 years closing over 6000 loans totaling 1 BILLION Dollars. Brian has trained thousands of originators And company owners in North America sharing his "FORMULA" for success that will allow you to close LESS loans, Make More Money and Have a Life REGARDLESS OF MARKET CONDITIONS.

Everyone Has a Plan Until They Get Punched in the Face

By Weston Lyon

Read your plan often

Work with a coach

Take consistent action

Two activities I really enjoy are marketing and martial arts. They are from two, totally different worlds, but they do share some commonalities. One of their commonalities is planning. You see, when it comes to any industry (but especially the mortgage industry) we have to have a marketing plan. Without a plan, we're left running our businesses haphazardly and getting no where. We might survive for some period of time, but we're certain to find our businesses have gone kaput sooner rather than later.

The same is true in martial arts. Without a plan of attack, you're a sitting duck. If an enemy approached you, you would be like a deer in the headlights…stunned, then dead. That's why I know with certainly that planning, in both arenas, is critical if you want to stay alive.

However, the act of planning isn't the most important factor for either marketing your business or martial arts. Unfortunately, even with a plan in place, things can (and will) go wrong. This then begs the question: How will you be prepared for when things do go wrong, or in the case of the mortgage industry; how will you prepare if things get worse?

I heard Tim Ferris, author of the 4-Hour Work Week and martial arts enthusiast, once say, "Everyone has a plan until they get punched in the face." Wow. I couldn't have agreed with him more, for he was and remains to be absolutely correct in his assessment. In martial arts, you will have a strategic, mental plan before going into any conflict. However, once you get punched in the face, your plan goes out the window and your survival mode kicks in. You can forget all about your planning and your preparation, for it's now time to survive.

Well, the same goes for your marketing plan. You may have your marketing plan laid out all nice and neat, and feel ready to execute your plan. But then you receive the figurative punch in the face, your plan is shot, and you find yourself in survival mode.

But even in the face of getting the daylights kicked out of you, you need to keep your wits about you. That means that you need to rely on your plan and your training. So, how do you keep your marketing plan intact instead of going into survival mode when you get punched in the face?

Here are 3 easy ways to stay the course:

Read your plan often

1 When you have a marketing plan in place, it's important to read and review it often. You should look at it at least once a week just to make sure you're on track. If you're not on track, it's time to get back on track. It's just like in martial arts. We must review what we've learned over and over again, so we keep our moves top of mind.

Work with a coach

2 Having a coach is essential to keeping your marketing plan in place and running as smooth as possible. A coach will make you accountable and let you know when you're off course. You may find your "coach" to be a mentor, a colleague, or an outsourced marketing expert. Again, just like in martial arts, your coach keeps you focused and moving forward in your training. They guide you through exercises with a watchful eye, and will be there to let you know if you lose focus.

Take consistent action

3 Taking action through your marketing plan is not only essential to bring new clients in the door; it's essential to keep your game sharp. The marketers taking action know what's working and what's not. They have a feel for the market and how to capitalize on it. Again, the parallel can be drawn with martial arts. If you only practice the motions in the air, you'll be in for a rude awakening when someone or something attacks you. You have to get the 'feel' for real situations that may hurt you. The only way to do that is by practicing possible scenarios on a regular basis. So, take some time and write down the worst case scenarios that could happen to your business today; how will you fight back?

Though the mortgage marketing world and martial arts world are two different species altogether they do share two commonalities. Planning is one of them. But more importantly, it is the common thread of knowing what to do after you get punched in the face, and how you'll get back on your feet afterwards, that can help you to prepare for whatever the industry brings tomorrow.

Weston Lyon is the author of 10 books & a passionate professional speaker. More of Weston Lyon's articles and strategies can be found at www.westonlyon.com


Weston Lyon

Commercial Loan Exchange

The lenders in our Commercial Loan Exchange are all active commercial lenders who are broker friendly. We encourage you to contact them for your commercial lending needs.

Lone Oak Fund

Stephan Kachani
Email: Stephan@loneoakfund.com
Phone: 310-826-2888 x28
Type: Private Lender
Min Loan: $250,000
Max Loan: $10,000,000

Lone Oak Fund is a portfolio lender larger than many banks. Bridge loans from $250K to $10M on California property. Rates from 8.9%. No pre-payment penalties, appraisals, tax returns or junk fees. Minimal paperwork, creative structuring, fund in a week. *Ask about special pricing arranged by Broker Banker Publisher Ed Craine.*

Commercial Mortgage Corporation

Leo Gluck
Email: leogluck@clickcmc.com
Phone: 800-538-5626 x3
Type: Mortgage Bank
Min Loan: $200,000
Max Loan: $3,000,000

"Helping mortgage brokers successfully fund small commercial loans since 1976. Stated income loans and other niche products available. Call Leo for marketing tips."

Lender	Contact	Email	Phone	Type	Min Loan	Max Loan
Beach Business Bank	Timothy Fisher	tfisher@beachbusinessbank.com	818-957-8110	Bank	Call	Call
Blackburne & Brown Mortgage Company, Inc.	Michael Thurman	thurman@blackburne.com	916-338-3232 x310	Private Money	Call	Call
Bridgelock Capital	Brent Houston	brent@bridgelockcapital.com	877-663-4268	Private Money	Call	Call
Circle Bank	Mark Sklonick	mark@circlebloans.com	415-893-9321	Private Money	Call	Call
First California Bank	Wanda Rapp	WRapp@FCBank.com	818-638-5886	Bank	Call	Call
Luther Burbank Savings	Samuel Shummon	AShummon@lbsavings.com	415-257-3701	Bank	Call	Call
Redwood Mortgage	Lori Randich	lori@redwoodmortgage.com	650-365-5341 x 218	Private Money	Call	Call
Second Angel Bancorp	David Gruebele	dg@secondangel.net	916-863-7300	Bank	Call	Call
Sonoma Bank	Jim Barnett, p. 925-946-4270	jbarnett@snbank.com		Private Money	Call	Call
	Mike Teeter, p. 925-947-6700	mteeter@snbank.com				

Residential Loan Exchange

The lenders in our Residential Loan Exchange are all active residential lenders who are broker friendly. We encourage you to contact them for your residential lending needs.

Lone Oak Fund

Stephan Kachani
Email: Stephan@loneoakfund.com
Phone: 310-826-2888 x28
Area: California
Type: Private Money

Lone Oak Fund is a portfolio lender larger than many banks. Bridge loans from $250K to $10M on California property. Rates from 8.9%. No pre-payment penalties, appraisals, tax returns or junk fees. Minimal paperwork, creative structuring, fund in a week. *Ask about special pricing arranged by Broker Banker Publisher Ed Craine.*

Bay Equity

John Curtin — **Phone:** 415-699-4063 **Email:** john@bayeq.com
Colin Field — **Phone:** 949-202-5092 **Email:** cfield@bayeq.com
Area: 8 Western States
Type: Conforming

Bay Equity is a Direct Lender in 8 Western States providing Mortgage Brokers a dependable funding solution in today's turbulent mortgage environment. Our mission is to provide you with competitive pricing and unmatched customer service. Our experienced team is focused on what is important to you, which we believe, is PRICE & SERVICE! We have the ability to move quickly and give you answers in hours, rather than days.

Lender	Contact	Email / Web	Phone	Area	Type
CMG Mortgage	JoAnn Anderson	janderson@cmgmortgage.com	p: 925-200-7022	No. California	Conf., FHA, VA
	Dawn Buxton	dbuxton@cmgmortgage.com	p: 602-388-7309	Arizona & Utah	Conf., FHA, VA
	Brent Eckhardt	beckhardt@cmgmortgage.com	p: p: 831-566-0022	No. California	Conf., FHA, VA
	Jim Tomczak	jtomczak@cmgmortgage.com	p: 925-719-4108	Seattle & Portland	Conf., FHA, VA
	Erin Toohey	etoohey@cmgmortgage.com	p: 760-612-9051	No. California	Conf., FHA, VA
Franklin American Mortgage Company	Raoul Badde	rbadde@your-ae.com	415-699-0980	No. California	Conf., FHA, VA
MetLife Home Loans	Darren Siegrist	dsiegrist@metlifehomeloans.com	818-575-2600	No. California	Conf., FHA, VA
Mountain West Financial	Jeanie Irvin	Jeaniei@mwfinc.com	510-612-0881	No. California	Conf., FHA, VA
Paramount Residential Mortgage Group, Inc.	To find your rep., go to our website	Web: www.prmglending		No. California	Conf., FHA, VA
Reunion Mortgage	Amy Lee	alee@reunionmortgage.com	415-308-7812	No. California	Conf., FHA, VA
Titan Wholesale	Shawna Mott	smott@titan-wholesale.com	866-509-3419	No. California	Conf., FHA, VA

BrokerBanker

NET BRANCH IS NOT A BAD WORD!

Simple math clearly illustrates that "Net Branch" doesn't necessarily mean that a loan officer or manager at a Net Branch will be earning more money.

By Kenneth J. Klawans

What do the words "Net Branch" mean to you? HUD Mortgagee Letter 00-15 defines a Net Branch as "an alternative compensation program for the branch manager."

Getting more specific, the HUD letter indicates how a Net Branch is operated. "The HUD/FHA approved mortgagee collects the revenue from the branch, pays the branch expenses, and then pays the branch manager the remaining revenues, if any, as a commission."

Furthermore, HUD letter 00-15 states that, "Such an arrangement is, essentially, an alternative compensation program for the branch manager and is an acceptable branch arrangement if all other branch requirements are met." So why is there so much negativity surrounding the term "Net Branch"? Why do so many regulators hate "Net Branching?"

Just because a branch manager is paid a high percentage of the revenue generated from the branch, does that mean there is not proper oversight of the activities of the branch manager and employees? NO! The compensation paid to branch managers and/or loan officers has no correlation with how strict a company is on compliance, quality control and/or oversight.

Certainly bad employees can wind up working for any company. What differentiates a good mortgage company's employees from a bad mortgage company's employees is how effective management is when setting hiring credentials. Effective hiring credentials must involve a thorough screening of applicants prior to hiring. Likewise, a good mortgage company (or bank) will maintain adequate controls and oversight, while continually training and educating their employees. However, whether a company is a "good" mortgage company or a "bad" mortgage company, has nothing to do with what formula a company chooses to use to pay their employees.

Consider This Model:

Company ABC hires only the best reverse mortgage loan officers in the marketplace. These are loan officers who are experienced and have a proven and verifiable track record of honesty, integrity and production. How does Company ABC recruit them? By offering a package that includes an organized, well-managed, compliant operation, which has the ability to originate in multiple states, provides back office support and an excellent compensation package based upon net income.

Company ABC is not looking to hire 100, 500 or 1000 loan officers. They're looking for very specific individuals. In addition to those qualities listed above, they seek reverse mortgage loan officers who are driven to succeed, and who want to earn high compensation. However, this still means that the company does their part in assuring proper oversight, safety and soundness. It still means that every loan goes through a thorough pre and post closing compliance and quality control audit. It still means that Company ABC approves every marketing piece used by its Net Branches prior to implementation or dissemination. It still means that the company knows about, and has access to every loan that comes through the door, even if that is the door of a Net Branch.

Simple Math:

Believe it or not, I recently had a conversation with a bank manager who disdainfully responded to me, when I inquired about Net Branch opportunities, "Oh no…we don't do net branching." The response clearly indicated that from her perspective, "Net Branch" was synonymous with "evil."

Continuing, she informed me that "We pay our loan officers/branch managers 60% commission. Then each quarter, we pay them a bonus of 25% of the net income of the branch." Her message was clear. Like so many others, she had a preconceived notion that "Net Branch" managers were overpaid, and therefore must be conducting unscrupulous business. Agitated, I thought about this for a while…then I took out a pen and paper, as something just wasn't adding up. Sure enough, when I wrote down the figures in black and white, the notion that "Net Branch" managers are overpaid just didn't pan out. See for yourself:

Typical Bank Deal:

- Total Revenue: $7,000 (2 loans closed)
- 60% Commission: $4,200.00
- Branch Expenses Used To Derive Quarterly Bonus:
  - 12.5% Payroll Tax Expense: $525.00
  - Advertising Expense Allowance: $770.00
- Net Income of Branch: $1,505.00*
- 25% Bonus: $376.25
- Total Loan Officer/Branch Manager Payout: $4,576.25**

*$7,000.00 - $4,200.00 – $525.25 - $770.00 = $1,505.00

** $4,200.00 + $ 376.25 = $4,576.25

Typical "Net Branch" Deal:

- Total Revenue: $7,000.00 (2 loans closed)
- Branch Expenses:
  - $595.00/ loan: $1,190.00
  - 12.5% Payroll Tax Expense On Gross Revenue: $875.00
  - Advertising Expense: $770.00
- Total Loan Officer/Branch Manager Payout: $4,165.00*

*$7,000.00 - $1,190.00 - $875.00 - $770.00 = $4,165.00

This simple math clearly illustrates that "Net Branch" doesn't necessarily mean that a loan officer or manager at a Net Branch will be earning more money. In fact, as seen above, there are often times when "Net Branch" arrangements will earn a mortgage professional less. This should serve to dispel the notion that "Net Branch" employees automatically receive unjustified, over-compensation. Moreover, compensation paid to a Net Branch manager or loan officer, has never been conclusively shown to have any correlation whatsoever to the quality of the company under which it is operating.

But most importantly, the idea that "Net Branch" companies are "bad" because they pay their managers based on a slightly higher compensation structure is ridiculous. As we've all learned over the past several years, bad loan officers can be found in any company. Unfortunately, bad loan officers or managers are often drawn to a company with a higher commission structure. However, so are excellent, honest, ethical, experienced, producing, entrepreneurial loan officers who want to be paid the highest for the work that they perform. It is how well employees are screened and managed, not how compensation is calculated, that differentiates the good companies from the bad.

Kenneth J. Klawans

Kenneth J. Klawans is President of iReverse Home Loans, a Subsidiary of Hopkins Federal Savings Bank and a nationally recognized expert in reverse mortgage origination, operations, compliance, processing and closing. He has over twenty years of experience in the mortgage brokerage/banking and finance industries. He may be reached at 800-486-8786 or e-mail Klawans@iReverse.com.

Industry Service Providers

The businesses represented in this Industry Service Providers page are all broker friendly. We encourage you to contact them for your particular needs.

*Don't see your Industry below? Call us at **415-406-2330** to add your Service to our growing list.*

Accounting Services	*Your Listing Here*		
Appraisal Services	**Landmark Appraisals**	Stephen McClanskey **Email:** LMappraisals@aol.com **Phone:** 949-981-0456	Need an Appraisal Report? If so, we can help. We cover most of Southern California.
	Value Express	David Naciri **Email:** david@nexusappraisals.net **Phone:** 888-835-3741	Value Express, the easiest and quickest way to the value of any property.
Branch Opportunities	**HighTechLending Inc.**	Marie Currie **Email:** marie@hightechlending.com **Phone:** 866-714-2040 x 2626	Need FHA? Want to lend in multiple states? We're focused on your success.
Client Retention	**In Touch**	Nickolas C. Jones **Email:** NJones@In-TouchCorp.com **Phone:** 408-458-4300 x 318	InTouch keeps you in touch with your clients. Ask about our Broker Banker special.
	MyRateTrack.com	Jeffrey Pinkerton **Email:** jeffrey @myratetrack.com **Phone:** 678-488-5159	Is your business refi-ready? Get ready with myRateTrack.com Ready. Set. Refi.
Compliance	*Other services that can be advertised in the "Industry Services Providers include: • Coaching • Efficiency Services • Insurance Services • Legal Services • Licensing Services • Processing Companies • SBA Loan Exchange • and more. Call **415-406-1210** to add your service to the list.*		
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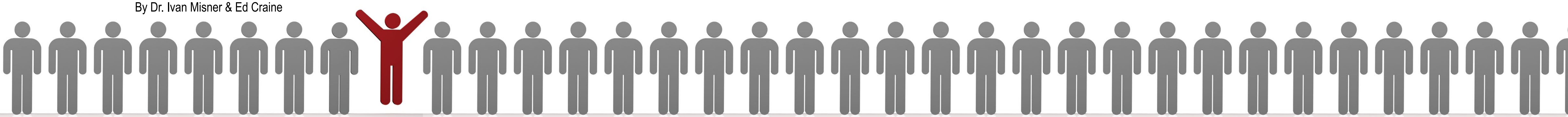
Strong Contact Group or a Casual Contact Group?

Either Way, You'll Only Get Out of It What You Put Into It.

By Dr. Ivan Misner & Ed Craine

"A master networker carries their entire network with them at all times and can make connections that benefit people in different industries, interest groups and geographic areas. But, in order to become a master networker, it will require a relentless desire to help others succeed."



There is no doubt that large networking groups can generate more referrals than small networking groups. Consider a networking group like BNI (Business Network International), which is the World's Largest Business Networking, Referrals and Word of Mouth Marketing Organization. This networking group has chapters across the globe, and is what is considered a strong-contact referral group.

Studies have shown that a strong-contact group such as this, which may have 40 members, will generate more referrals per member than a networking group with 25 members. The reason? Simple math dictates that the more people you have in your networking group, the more Rolodexes you'll potentially have access to. The same is true of other types of networking groups, too. Larger casual-contact networking groups (such as your local chamber of commerce), will often yield more referrals for each member than smaller casual-contact groups. That is, if your chamber of commerce has 200 members, you're liable to earn more referrals than if your chamber of commerce has 100 members.

However this shouldn't be taken to mean that a 100-member casual contact group will pass on more referrals than a 40-member strong-contact networking organization. The strong-contact group focuses primarily on generating referrals for its members and is structured so that there's time for passing information and referrals in each meeting. Likewise, all members are personally accountable for generating referrals for other members of the group.

Yet, despite the built-in structure and focus on referrals, a strong-contact group member can fail to generate referrals for other members or to receive referrals for himself. Simply being a member of a strong-contact group does not entitle you to expect or receive referrals. Strong networking skills are vital; the setting only makes it easier to use these skills.

On the other hand, while a casual contact group like your chamber of commerce will offer plenty of opportunities to pass referrals, they don't place as much emphasis on the structured generation of referrals. All the same, being a member of a casual-contact group does not limit the number of referrals you can generate or receive, if you have the skills and use them.

Traits of Successful Networkers:

Bear in mind that in order to be a successful networker, you don't need to rely solely on a strong-contact organization or a casual-contact to generate and receive referrals. You can do this in almost any setting, as long as you're constantly looking for ways to help or benefit your networking partners. (Of course it doesn't hurt to have built a reputation as someone who can get things done, no matter what the organization or situation). If you are a master networker, a casual-contact group can serve you just as well as a strong-contact group. In fact, a casual contact group may even earn you more referrals, as they tend to count more members in their ranks than a more structured, organized group.

Remember that a master networker carries their entire network with them at all times and can make connections that benefit people in different industries, interest groups and geographic areas. But, in order to become a master networker, it will require a relentless desire to help others succeed. That is, it requires you to constantly be looking for people who need a service that a member of your networking group can provide. Here's a perfect example:

One savvy--and extremely successful--networker loads the names and cell phone numbers of every member of her networking group into her cell phone. When new members join, she immediately adds them to her "tele-rolodex." During a meeting with a client, he mentions that his wife is expecting twins, and he needs to update his insurance policies. The master networker immediately recalls that she has an extremely knowledgeable life insurance professional in her network. She lets him know, and offers him the contact information for her networking partner on the spot. He's thrilled for the referral, so she takes it one step further and says, "Actually, let me just get him on his cell phone right now."

The client is blown away by her ability to help him with something completely unrelated to the meeting. He is appreciative of her referral, and leaves the meeting with an impression of the networker as someone who is a wealth of resources. In fact, he now wants to recommend her to his family and friends, because she is so willing and eager to help him, even if it won't earn her a dime. He begins sending referrals her way.

This goes to show that no matter which type of networking group you decide to join, you'll only get from it, what you put into it. So whether you decide to focus your efforts on strong-contact or a casual-contact networking group makes no difference, as either will become what you make of it.

Called the "Father of Modern Networking" by CNN, Dr. Ivan Misner is a New York Times bestselling author. He is the founder and chairman of BNI, the world's largest business networking organization. His latest book, The 29% Solution can be viewed at 29PercentSolution.com. Dr. Misner is also the senior partner for the Referral Institute, an international referral training company. He can be reached at misner@bni.com.

Ed Craine is the publisher of Broker Banker Magazine and the CEO of Smith Craine Finance, one of the nation's leading mortgage brokerages in 2009, according to Goldline Research. Ed welcomes questions at ecraine@smithcraine.com or via phone at 415-406-2330.

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	Lone Oak Fund is a portfolio lender larger than many banks. Bridge loans from $250K to $10M on California property. Rates from 8.9%. No pre-payment penalties, appraisals, tax returns or junk fees. Minimal paperwork, creative structuring, fund in a week. *Ask about special pricing arranged by Broker Banker Publisher Ed Craine.*	
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Blackburne & Brown Mortgage Company, Inc.	Michael Thurman **Email:** thurman@blackburne.com **Phone:** 916-338-3232 x310	**Area:** California **Type:** SFR & Commercial **Amount:** $500k to $5MM
Bridgelock Capital	Brent Houston **Email:** brent@bridgelockcapital.com **Phone:** 877-663-4268	**Area:** California **Type:** SFR & Commercial **Amount:** $500k to $5MM
Brownstone Mortgage Capital Corporation	Alex Nackoul **Web:** www.brownstoneloans.com **Phone:** 1-800-547-1285	**Area:** California **Type:** SFR & Commercial **Amount:** $500k to $5MM
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Ed Craine

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