

Evaluating Prospects

ICBA Mortgage program offers consulting and peer analysis

By Julie Sturgeon



Have you ever wondered how much money your community bank could make with a mortgage program? What about its growth potential with such a program? How long would it take to reach that goal? What is your community bank's current mortgage market share? How many homes in your bank's footprint are owned free and clear with equity that could benefit from a reverse mortgage? Would you like to see a customized

pro-forma for mortgage lending and a plan on how to get there?

More than 2,100 community banks unlocked the answers to these questions by using the products and services made available through the ICBA Mortgage program partnership for secondary residential lending with Taylor, Bean & Whitaker Mortgage Corp., a national wholesale mortgage lender.

Taylor, Bean & Whitaker's latest creation to help community banks prosper is the Complete Mortgage Solution program. Under the program, a team of consultants interviews a participating bank's senior management to determine figures such as the bank's number of customer accounts, its branch penetration by county, its mortgage market penetration and its annual customer account growth. The Complete Mortgage Solutions program then plugs the numbers—along with data like an area's average income, medium home prices and number of mortgage loans written—into

Your Trusted Mortgage Services Partner

ICBA Mortgage offers a complete range of secondary mortgage market programs and solutions to meet the business strategies of any member.

ICBA Mortgage's products and services include:

- Servicing retained and released secondary market solutions;
- Mortgage settlement solutions;
- Reverse mortgages;
- Mortgage reinsurance; and
- ICBA SmartLender servicing.

For more information, visit www.icbamortgage.com or call Elizabeth Deal at (800) 253-5356.

its extensive database to produce a report on where the community bank currently stands compared to its peers.

The database also offers specific recommendations on how the bank could improve its operations or start a mortgage department from scratch. These and other database findings are backed by Taylor, Bean & Whitaker's 18-plus years of mortgage experience.

"We call it mortgage in a box. For effect, the analysis is actually delivered in a small box," says Mark R. Hammond, national sales manager for Taylor, Bean & Whitaker's community bank division. The report contains everything from the number of mortgage loan officers and support-staff employees the community bank should hire to operations benchmarks, compliance considerations and marketing/sales campaign concepts designed to reach the bank's audience.

"The banks that follow our recommendations are growing assets, growing deposits, growing customer accounts—and the fee income is tremendous," Hammond says. "Their shareholders are very happy."

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Sandy Upton, the senior vice president of the mortgage department at CommunitySouth Bank and Trust in Easley, S.C., counts herself among those smiling shareholders. The *de novo's* previous mortgage partner needed a week to under-

write a mortgage and another week to close. Today, Upton says Taylor, Bean & Whitaker has made it possible for community banks to underwrite their own mortgages and shave the loan approval times down to eight days.

The ICBA Mortgage/Taylor, Bean & Whitaker partnership comes at an ideal time for community banks. Together, they help more community banks get in the mortgage game the right way. "In today's market, when we have lots of lenders pulling out

and lots of borrowers in trouble, the calls I have been getting are from banks eager to figure out how to succeed in this field,” says Elizabeth Deal, senior vice president of ICBA Mortgage. “Community banks want to be able to compete and succeed in the sec-

ondary residential lending arena, and the Complete Mortgage Solutions program provides just the right tools and services to fulfill the bank's goals.”

The usual fees for analysis start with a flat rate of \$495 and escalate by \$10 per every mil-

lion dollars in the bank's assets, with fees typically capping at \$4,995. ICBA members, however, can take advantage of this consultation service at no charge. Presidents and CEOs who want to objectively measure their mortgage operation's current standing—with or without the mortgage department's knowledge—in particular, will find this program valuable.

“We are excited because it's not just a general program; it is a program designed specifically to uncover the needs of individual banks and provide resources and products to help them prosper,” Deal says. “It's a customized community bank program.”

After all, as conservative lenders trusted by their customers, community banks are in a strong position to seize a share of the mortgage market, points out Keith Sheffer, vice president of the mortgage banking division at PeoplesBank in York, Pa. “It's a good opportunity for us to direct people to what type of product actually fits their needs.”

In fact, it was this broad range of product options that lured Sheffer to consider the ICBA Mortgage program two years ago. Since participating in the ICBA Mortgage/Taylor, Bean & Whitaker partnership program, the bank reached new audiences through the manufactured-housing and unapproved-condos product offered by Taylor, Bean & Whitaker. Additionally, PeoplesBank customers like the fact that they've experienced no servicing issues, Sheffer adds.

Step Two

When a community bank decides to roll out a mortgage department or revamp an existing one based on Taylor, Bean & Whitaker's competitive analysis report, the support does not end there. It is at this stage that Taylor, Bean & Whitaker assigns a team—an experienced account executive, an inside salesperson and liaison to help with day-to-day loan issues—to work with the bank on a one-to-one basis. The company helps officers of the bank identify existing staff who show the capacity to step into this division and puts the bank's employees through its Certified Mortgage Planner course. The

Stages of Growth

Taylor, Bean & Whitaker Mortgage Corp.'s Complete Mortgage Solutions program takes a bank through a 12-month cycle to set up, ramp up, grow and establish a book of business. The program includes the following stages:

- **Months 1–3:** Referred to as the set-up phase, this time period is when the bank's pricing, structure (employee responsibilities), operations (servicing, assessment of CRM systems) and marketing efforts to boost the program (launching new ad campaign, developing a niche focus, developing printed material, establishing a mortgage hotline) are established.
- **Months 4–6:** During this ramp-up phase, banks identify and address challenges to implementing their strategy.
- **Months 7–12:** The growth phase.
- **Months 12 or more:** The establishment phase.

course is heavy on teaching participants sales skills, integrity and how to create lasting relationships. Not surprisingly, those who go through the course prove to be great salespeople who drive assets, deposits and fee income, according to Hammond.

In addition to its consulting service, Taylor, Bean & Whitaker offers community banks transparent access to the secondary mortgage market. Taylor, Bean & Whitaker buys mortgage loans, packages them into mortgage-backed securities and retains the servicing rights. But even though this third party is collecting the customer payments each month, it generates the statements un-

Learn More

Taylor, Bean & Whittaker Mortgage Corp.'s Complete Mortgage Solutions program offers booklets and interactive resources to guide community banks as they build their book of residential lending business. Visit www.icbamortgage.com to learn more.

der the bank's logo. Through the TaylorMade Payments Program, your customers make their mortgage payments in your bank branch as if the bank were servicing the loan. This gives your community bank the ability to maintain and nurture the customer relationship. It also provides the bank with the scale to compete with the much larger money-center banks.

"All you need is an Internet connection and at least one variably compensated mortgage loan officer," says Hammond. Taylor, Bean & Whitaker is not a bank and does not cross-sell other retail financial products, which means one less opportunity for customer poaching, he adds.

"We have done very well," Sheffer sums up. "We are slightly off budget, but that's the way the market has been. We were actually ahead of budget coming into the fourth quarter, and we're right in line with what most community banks are doing." **fb**

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