

# National Mortgage News

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## Staying Strong and Surviving Tough Times

By Brad Finkelstein

EVEN THOUGH HURRICANE KATRINA AND its aftereffects hit the New Orleans area five years this month, the region is still recovering from what happened.

For Candy Metzler, the branch manager for the MetLife Home Loans office in Slidell, La., the storm has both positive and negative impacts.

She says the people of the region are strong-willed and tenacious. Many who were impacted by Katrina relocated to the north side of Slidell.

Still, and even though she has to combine her managerial duties along with her own production efforts, Metzler is a top producer, doing \$21.7 million in business in 2009, which she termed a rebound year for her. The branch did \$77 million for the year.

In the first half of 2010, she has done \$7.2 million (including \$2.7 million in June). Her office has done \$27 million through June, down from the same period in 2009. During the past 18 months, her business has been split almost evenly between purchase loans and refinancings.

Metzler started in the mortgage business in 1978, when she was just 20 years old. She first worked as a loan processor for six years, before moving into the sales end.

"I've always been attracted to accounting, numbers, solving problems and also real estate, so this seemed to me to be the perfect fit for what I like to do," she says.

She continues that she enjoyed working in processing from the start and has never looked back.

In 2003, she joined First Horizon Home Loans, which was acquired by MetLife in the summer of 2008.

When asked how she manages her time managing vs. producing, Metzler replies, "I juggle it, pretty much." Some days depending on the situation, she can spend more on one side of the ledger than the other.

But given the guideline changes, she is juggling duties now more than ever. Metzler states there is no better way of keeping up with those changes by originating yourself. "I would never stop originating. Because I could learn by looking, I think you learn better by doing," adding she thinks it makes the relationship with other loan officers better because she is in the trenches with them.

"I love the origination part of it because of dealing with the customers, but also I love dealing with my loan officers, too, teaching them, guiding them, directing them and [doing] everything that is needed for them to succeed," she says.

Her office, besides herself, includes four other loan officers. She does not have any dedicated assistants.

By product, more of her loans lately have been from the government products—Federal Housing Administration, Veterans Affairs and the U.S. Department of Agriculture

Rural Development program. Conventional loans are becoming fewer in number due to guideline changes. But even before the guideline changes, much of her business was government loans because of the ability to serve first-time homebuyers.

The greater Slidell area has approximately 125,000, mostly blue collar, which makes the people more likely candidates for the government products.

Rural Development is a big product for her, about 30% of current production. It is 100% financing and production was aided by the government expanding the boundaries of the product because of Katrina; recently, Metzler adds, those lines have shifted back to the prestorm era.

Furthermore, while the federal government has not yet approved funding for the Rural Development program, the area still has funding to help the recovery from Katrina for this product.

**She treats her clients in the same way that she wants to be treated, which is why she makes sure they are educated about their loan choice.**

Slidell is to the northeast of New Orleans, approximately in the northeast corner of Lake Pontchartrain. While half of Slidell was devastated by flooding related to Katrina, the northern half of the city was less affected. People were flocking to the area from New Orleans, Chalmette and the other cities on the south shore of the lake.

Things were brisk at one point serving the people who relocated. It slowed down for a while, but Metzler calls 2009 a "comeback year. It was one of the best years we've had in recent years."

A lot has to do with low mortgage interest rates, as seen in the share of her productions in refs, but a lot also has to do with the whole area "getting back to more normal after the storm."

Chalmette, she says, is seeing a lot of returnees, not only from other parts of Louisiana and the rest of the country, but those who came to Slidell are selling their homes and returning to that city.

There are some Realtors that her office does business with in the Chalmette area, which is nearly 30 miles away, so they do get some of that business.

The BP oil spill, the most recent disaster in the region, has not yet affected her business, although "I would be silly not to think it may eventually affect us.

"The people of this area are very, very strong-willed and tenacious. They love Louisiana, they love what they do, they love, where



Sean Gardner

**Candy Metzler** says the people of the Greater New Orleans area are strong-willed and tenacious. Plus the area is still celebrating the Saints win in the most recent Super Bowl.

they live," she declares.

In terms of marketing, she advertises in the local papers. But the office also attends functions of the local chamber of commerce as part of its networking strategy.

Parent company MetLife also has a marketing platform for its loan officers. It can be used to send things like Christmas cards and birthday cards and other things to the LOs' database of customers and referral partners.

Hers is a referral-based business, generated from ties she has created during her career in the mortgage business, as well as ties made because she is a native of Slidell.

She believes relationship building is the best form of advertising, capturing that audience by showing them what you can do and how you can service them.

Nor does it hurt to have the backing of a national brand name like MetLife, to which Metzler adds, "Everybody loves Snoopy," the Peanuts character who serves as a company spokesman.

"I pride myself on treating customers the way I would want to be treated. There is so much flack in this business right now, with originators, loan officers and mortgage companies giving the wrong loan to people, even

though it is the customer that ultimately decides to sign their name at the bottom of the mortgage.

"I've always prided myself to make sure every customer is educated on what they're getting, that they understand the requirements of homeownership. That it is not just making a monthly payment. That there are other things involved in homeownership.

"And my Realtors and [other] people that know me, they know that I am going to take care of their customer in that way. I usually will not deal with a Realtor that doesn't think the same way I do," says Metzler.

That is what makes her stand out from the others in the lending business in her area. For example she has never done an option adjustable-rate mortgage loan. "I would never try to sell something to somebody that they were going to fall belly up on," she declares. The borrower going into default might happen anyway, but she tries to do all she can at the start to prevent it from happening.

Another boost to the area, Metzler notes, came from the New Orleans Saints (her favorite team) winning the Super Bowl after years of futility. "That helped this area, too, psychologically." ♦

## CUs Want Higher LO Volume

By Ray Birch

THE AVERAGE CREDIT UNION CLOSES FIVE mortgage loans per employee per month. But the most productive CUs close more than triple that number: 17 per month.

That is an important ratio to note, stressed Dan Green, EVP-business development at Prime Alliance Solutions, Tukwila, Wash. "Costs to close a mortgage loan are obviously much higher for credit unions that are making five loans a month per employee. The productive credit unions actually make money during the process of originating mortgage loans."

To improve efficiencies, technology that streamlines the application and processing are important. However, Green added, "Technology by itself will not make you better, faster, or more efficient. It also takes people, process and strategy. Until you work with the entire equation, you will not find the answer." Strategy is a

key element, and one often overlooked by CUs when it comes to mortgage lending, he said.

"The old idea that you open your doors and loans walk in is not a strategy. You have to do things like having loan officers build relationships with real estate agents and homebuilders, and look at your product mix," Green said.

That mix should include ARMs and jumbo loans, Green advised. "There is not a great secondary market for jumbos, but there is a lot of demand for them from homebuyers."

There is also demand for first-time homebuyer loans, and offering the product not only brings in additional mortgages, it lowers the age of their membership, reminded Green.

As CUs focus on closing the loan, little attention is paid to the servicing opportunity—a common mistake, he said. ♦

Ray Birch is a correspondent for Credit Union Journal.