



Being trustworthy in business is not difficult

Truth-In-Brokering

By Gary Opper, Approved Financial Corp., Weston, FL

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process tell the truth from the beginning. It would make everything so much easier for everyone!" I believe that if everyone adopted the three-point plan, outlined below, as their truth-in-brokering mortgage brokers would mortgage professionals.

ber to shoot for. Appraisers are in the business of appraising property and not "hitting a number." When a mortgage broker unduly influences an appraiser, in addition to the fraud that might be perpetrated, the borrower may be over-paying for a property, the lender may be over-lending on the property and the borrower may be over-mortgaging the property and therefore putting the loan in jeopardy.

Your account rep is there to smooth over your relationship and shepherd your loan through his company. He is not there to give you

Most mortgage transactions are governed by truth-in-lending. The truth-in-lending laws, and other related laws, were enacted many years ago. They were updated, over time, to attempt to protect the consumer from unscrupulous mortgage brokers and lenders. These laws have evolved into very difficult and obtuse laws. Secretary of HUD, Mel Martinez, stated that he bought a home and said, "You should not have to be a lawyer and the Secretary of HUD to figure out this process!" While this process of finding a new home can be confusing, frustrating and tiring to a borrower, the whole process could be made more pleasant with your commitment to truth-in-brokering.

If all brokers adopted a truth-in-brokering position, at least it would level the playing field and consumers would not feel at a disadvantage. Former National Association of Mortgage Brokers President, Joe Falk, stated, "I prefer that everyone participating in the home mortgage

Deal Fairly With Borrowers

You cannot disclose enough to your borrower. You should have full disclosure. Period. You should over-disclose to your borrower. You should disclose over and over again to your borrower, so there is no mistake that your borrower understands and has heard you correctly regarding all the terms and conditions of the loan. The borrower should repeat the terms back to you. When you provide documents to your borrower to sign, there should be no empty blanks. All the blanks should be filled in before the borrower signs any disclosure, estimate or application. Explain to your borrowers until they complain.

Deal Fairly With Professionals

Let the professionals involved in the transaction do their job. Start with the appraiser. Give the appraiser the address of the property and nothing more. Do not influence the appraiser to "push the value." Do not influence the appraiser by giving him a num-

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pointers on how to beat the system. Don't put your account rep in the position of choosing his commission and your business over the interest of the lender and the borrower.

Let the title company do its job. Do not try to influence the title company to overlook liens or judgments or other possible defects in the title. Make sure that the title is clean. The problem with quick and dirty title work is that at a future date, when a sale or refinance is contemplated, the

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new lender's title company or the buyer's title company may not accept the poor work that may have been performed earlier. Don't attempt to influence your title company to overlook breaks in the chain of title or other possible clouds on the title. You will be doing a disservice to your client when he attempts to do any transaction in the future. It is better to solve the problem today than to solve the problem five or ten years from now when the principals who could correct the problems are no longer living in the area or possibly are no longer living.

Deal Fairly With the Lender

When you present a package to the lender, give the lender full disclosure. Do not make the lender guess why you presented the loan package for approval as a certain program. Have a cover sheet with the file, which clearly and succinctly explains and highlights the positives and the negatives of the loan application. Your lender will be refreshed by the candor of your letter. As with the borrower, you cannot disclose too much to the lender. The lender does not want any surprises. The lender wants to feel comfortable about making the mortgage loan and about your integrity regarding the mortgage loan.

The Road To Truth-In-Brokering:

The road to truth-in-brokering, on a personal level for you, is through

education, high ethics and the right friends. First, education through reading and through seminars will help you learn what the state and federal laws are and what is expected out of you, regarding the laws and regarding your behavior.

Second, ethics classes and a high moral standard will guide you to the right decisions. When you have an ethical dilemma, simply ask yourself, "What should I do so that the CBS television show, *60 Minutes*, would be uninterested in this transaction or in my behavior?"

Third, your group of friends has a high influence on your behavior. President George Washington stated that he would rather be alone than with the wrong friends. Sometimes, you are better off not having someone as a friend than having that friend provide you with bad influences. That "friend" could be your employee, your employer, an account representative or a colleague in the business. If the weight of your friend is preventing you from flying with the angels then you may consider dropping your friend and soaring along the right path.

Conclusion

Being trustworthy in business is not difficult. Start today in a small way and build your reputation to a high level. Your trustworthiness will be rewarded financially. Additionally, you will feel mentally and physically better about yourself.

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