

Commercial Loan Brokering **MARKETING**

A compendium of ideas

*Collaborate with your advisor to determine
which will work for you in your market.*



NOTICE DISCLAIMER

The attached information is for educational purposes and has not been reviewed by an attorney. No warranties are made as to the accuracy or legality of the techniques described in this information. It is the user's responsibility to ensure that they do not violate such regulations as "Do Not Call", anti-spam, Truth in Advertising, UCC, etc. Verification of such legality is the reader's responsibility.

This is merely a sampling of the various options possible for use in the marketing by commercial loan originators, that is intended to get them thinking about the marketing options that will work for them.

Just because a marketing idea is listed, that does not mean that it is expected to be as fruitful as every other idea listed. Most marketing methods do not work and an attempt was made to avoid listing those methods, such as classified ads advertising for loans. Still, how successful each listed method will be for you, will vary with time, your location, the type of funding you seek to originate, etc. It is important that you track how well any method works for you.

Commercial Mortgage Marketing

These marketing methods are discussed in detail on the training video and will be further detailed to any individual upon your affiliation, co-broker, or net branch activation.

1. ***Work with your company advisor - You are not alone!***

- a. Be in business for yourself without being in business by yourself
- b. Marketing and administrative support
- c. Leverage your training
- d. Leverage our marketing experience
- e. Leverage our industry contacts

2. A loan is not a product

a. Why service is your product

- You are your product ***...personal service seperates you from the pack***
 1. The value of a returning phone calls
- BUILD YOUR DATABASE - DAILY
- People – to – people is what you do

b. Why your expertise is your product

- Build your team ***- of referrers...The secret to 100% "by referral only"***
- You must give to get
- “Money seeks knowledge” ***...never stop learning or sharing that knowledge and money will seek you out!***

3. Systematic and automatic marketing

a. Design a “system”

- Typically a three prong approach ***- mail/email/newsletter - phone - appointment***

b. Leverage your system with technology

- Automate, automate, automate ***...your goal should be for potential clients to chase you, by leveraging your time & energy***

c. Stay close to home to start

- Pick a geographical area

- Pick a property type and specialize
- Become an expert

4. Master Marketing Methods

a. Tracking results --- an absolute must

- 80% of all marketing does not work! *...ignored because it is exhausted, saturated, etc*
 1. Methods and metrics of tracking
 - a. Cost per lead,
 - b. Cost per submission
 - c. Cost per closed loan

b. Direct Response Marketing

- Call to action (infomercials)
- Used in ALL forms of marketing

c. Database Marketing

- **ACT! - database and PIM: Personal Information Manager**
When available, use our access-anywhere client relationship manager

d. Internet

- Web based - *work with your advisor if you desire website customization*
 1. Websites
 2. Banner Ads
 3. Pay-per-click
 4. Adwords
 5. Google
 6. Yahoo
- Internet Marketing Kit
 1. All marketing material can be sent via the Internet
 - a. Business card
 - b. Service offerings and flyers
 - c. PowerPoint presentation per niche market
 - d. MS Publisher and PowerPoint produce html conversions
- Email based *...inexpensive, quick and easy to link to your web page. Goal should be to get reader to go to your web page, not read an interminable letter*

- It's all about email now. So...use the strategies that will capture email addresses, "free reports emailed", etc.
 1. Swift Mail
 - a. www.swiftmail.com
 - e. Direct Mail *...It works, but responses can be small and it is expensive*
 - The backbone of all marketing
 - Postcard direct mail – the best for less
 1. www.postcardmania.com
 - f. Telemarketing *...Works well, can be automated, BUT must comply with DoNotCall*
 - Fastest
 - Cheapest
 - Still one of the most profitable
 - g. Advertising *...not the best method when money is tight, but it has its place*
 - Print
 - Public Relations (Publicity)
 - Radio
 - TV
 - Other Media
 - h. Relationship marketing
 - Seminars *...offer them for free for church, business or investing groups*
 1. Co-Sponsor with referral source
 - Affiliations *...join business, civic or investing groups and "card them"*
 - Networking
 1. www.bni.com - Largest business networking group in Country
5. The secret magic of direct response marketing
- a. A call to action! *...work with your adviser to come up with a call-to-action incentive*
 - b. How to get prospects to call you
 - Offer education to those you seek to do business
 1. Position yourself as the expert
 - a. Testimonials *...the best way to get testimonial & thank you letters is to ask for them. Write them yourself & ask, "Does this truthfully reflect how you feel about my service to you? ...and ask them to sign it!"*

2. Free reports and consultation services *...offer free reports (Title is the hook)*
 - a. Example of a free report *"Posturing yourself in business & as an investor"*
3. Arch telecom and Ad Trakker
 - a. Use of call capture
 - i. Automatic marketing
 - b. Use of fax back services
 - i. Offer customer service while you sleep
 - c. Use of 800 toll free numbers
 - i. Recorded messages
 - d. Offer services to referral sources as lead generators *...Help them succeed in their own field!*
 - i. Realtors
 - ii. Attorneys
 - iii. Generate leads independent of referral sources
 1. Bring them leads and exchange business
- Application of Direct Response Marketing to All Markets
 1. It's ALL direct response marketing
 - a. People want be educated
 - b. Direct to Borrowers
 - c. To Referral Sources
 - d. Build a library of educational material *...& take advantage of Quest's 1,500+ books & articles*
 - i. Articles
 - ii. Scripts *...be cautious changing scripts that are proven winners*
6. Individual marketing strategies (over 40 individual marketing strategies)
 - a) The 10 touch method of marketing *...it takes multiple contacts before any one individual will respond to your marketing efforts*
 - a. Direct mail
 - b. Email
 - c. Fax
 - d. Telemarketing
 - e. Personal Contact
 - b) How to market to attorneys

- a. Little or no competition
 - i. Legal publications
 - ii. Offer free “problem solving” information
- b. Local and state bar association
- c. Co-op seminars and other marketing methods
 - i. What seminars are currently being marketed?
- d. Foreclosure, releases and Lis Pendens
 - i. Be a problem solver
- c) Telemarketing
 - a. Best method of getting business
 - b. “Do Not Call” list does not apply to commercial businesses ...*when not calling residences*
 - c. Build specialized (industry) scripts
- d) Canvas - your local business district
 - a. Business card and brochure
 - b. Follow-up, ask for referrals
- e) Business that you frequent and use ...*reduce your anonymity! Go into your bank rather than using the drive-thru, for example*
 - a. Where to do you do business? Drop off your card
 - b. Movie rentals, pizza parlors, haircut / beauty shop, apartment manager, etc.
- f) Trade shows and fairs
 - a. Note when tradeshow come to town
 - i. www.tsn.com Trade Show Directory
 - ii. www.tradeshowweek.com Trade Show Week
- g) “Stated” marketing methods – owner occupied property
 - a. Target cash businesses
 - i. Auto repair
 - ii. Liquor stores
 - iii. Restaurants
 - iv. Car wash
 - v. Stand alone buildings
 - b. How to get 500 bread and butter leads to market for stated income loans

- i. "Yellow Pages"
 - ii. Internet Phone directories
 - h) CPA – their cash based business clients
 - a. Bringing business to a CPA
 - i. Target 6 – 10 CPA's
 - ii. Free report ... *"How you can help your clients get the funding they need"*
 - iii. Stated income loans no banker can offer
 - iv. Ask all your prospects if they are happy with current CPA
---If not, refer them to a CPA who is working with you, or who you want to "hook"
 - i) \$4000 per phone call
 - a. The eight words that will get your phone ringing off the hook with referral business
(Because commercial referral fees are legal): "How to make \$4,000 with one phone call"
 - b. Everyone is a potential referral source
Note...CPA's and attorneys should disclose when they receive a referral fee. Cooperate with that policy by ensuring that the fee is disclosed on settlement sheets or fee agreements.
 - c. Free report – direct response
 - d. Business card / brochure
 - j) Marketing templates
 - a. Scripts
 - b. Flyers
 - c. Brochures
 - d. Use our designs
 - e. Design your own - *Get approved by the company*
 - k) Yellow Pages = free unlimited leads
...print or online directories - All Free!
 - a. List of headings to search
 - i. Multifamily and hybrids
 - 1. Apartments
 - 2. Mobile home parks
 - ii. Cash based business
 - 1. Liquor stores
 - 2. Movie rentals
 - 3. Pizza shops
 - 4. Bars and restaurants
 - 5. Barber shops
- Remember that it takes 6-10 contacts before a lead that you solicit might contact you, if they did not know you beforehand. It is better to contact fewer people more times, than more people less times!***
- At first, if you want to solicit businesses, stick to those with whom you already have a relationship.***

- 6. Automotive
- iii. Tier II, III & Tier IV
 - 1. Dry cleaner
 - 2. Day care centers
 - 3. Assisted living
 - 4. Funeral homes
 - 5. Gas stations
 - 6. Motels & hotels
- l) Referral sources - *Don't forget Bankers - You save their deposits & are not their competitor!*
 - a. Attorneys - *If you know them*
 - b. CPA's - *If you know them*
 - c. Commercial realtors (commercial brokers)
 - i. Tenant reps vs. investment brokers (buy / sell)
 - ii. Huge source for deals ...*hook them with a lead, a free report, an offer of coop marketing, etc.*
 - 1. Property type specialists
 - d. Property managers
 - e. Associations (commercial real estate, apartment owner groups)
 - f. Builders and Contractors
- m) Stay ahead of the curve ...*market the funding options that are in demand now*
 - a. 14 year real estate cycle
 - i. Regional and local trends
- n) Industry Magazines and Periodicals
 - a. Who are the players
 - b. Where is information exchanged
 - i. Websites
 - c. Read the Classifieds
- o) Newspaper ...*Use it more as a lead source than an advertising medium*
 - a. Commercial real estate and other headings. How to become a “player” in 60 Days! Put a deal together everyone Sunday (FIND ONE)!
 - i. **Call the people you see in ads or articles in the newspaper. Make a dozen calls and get a couple of funding possibilities!**
 - ii: **Offer to write a free column on commercial funding for a small local paper (See the media kit section)**

- ii. Offer financing for listed commercial properties
 - 1. Send commercial brokers a financing flyer
 - b. Direct response ads *...expensive and, when used, should stress niche funding that most readers might not even know are available*
 - i. “Fast, Private Commercial Loans”
 - ii. No Income verification Commercial Loans
 - p) Abandoned property *...buy them; or get them listed with the commercial broker & fund them!*
 - a. How to use abandon property to build a commercial real estate empire
 - i. Sourcing abandoned property
 - 1. Drive-bys
 - 2. Commercial brokers
 - 3. Advertise
 - ii. Use the local property tax authority to find the owners
 - 1. Write your offer
 - iii. Title company help
 - iv. Use your team to extract value (other peoples money, credit, talent, skills)
 - 1. Rehab or “flipping”
 - 2. Convert use
 - 3. Assign the property – the fastest way to make money
 - a. When you buy...you already have it sold.
 - q) Probate
 - a. How to find properties in Probate at 25% - 40% below market value
 - i. Source probates through the “legal” newspapers
 - ii. Get file from probate division of local court
 - 1. Read wills and find treasure
 - 2. Contact heirs and negotiate terms
 - 3. Jim banks - mentor of probate real estate
 - a. www.jgbanksworkshop.com
- r) Publicity
 - a. Build a media kit *...obviouaaly, make sure content is approved by Quest*
 - 1. Components of the media kit frequently include:
 - a. A news release (often prepared by you)

- b. A business card for the company or yourself
 - c. A background fact sheet or resume
 - d. The company service offering and brochure
 - e. Biographical sketches of the key contacts
 - f. Clippings of two or three of the best stories previously published by the media about the company. (photocopies are acceptable.)
 - g. A color photograph of you and the company office
 - ii. Position your self as local expert
 - iii. Educate to a niche market *...then educate others*
 - 1. Write article for publication
 - iv. www.101publicrelations.com *...Also, talk to Lyn, at Quest, about Internet networking*
- s) Highest and best use – rehab or convert *...yourself, or fund others to do so. Good funding!*
 - a. Is this property being used for its highest use *The idea is that there can be instant equity by converting the existing property to a "higher & better use" ... that is, a use that has a larger NOI than at present.*
 - b. How to flip “property use” for huge profits – *The purchase may be based on the present use, but the funding possibility based on the higher & better use!*
 - i. Churches to nightclubs
 - ii. Bowling alleys to mini storage
 - iii. Motels to student dorms
- t) Undeveloped land – extract \$ with team of experts *In a hard money market, the secret to development funding is to have the project (stores, offices, condos) presold or preleased!*
 - a. Bring in highest and best use for huge profit
 - i. Bring entitlements to property to increase value
 - 1. Local planning departments
 - ii. Develop land you do not own by putting a team of experts together
- u) “Becoming the Baker” of the cake *...put the people & property together and fund the deal!*
 - a. Build the team. Per niche
 - i. Learn the characteristics of your niche
 - 1. Who are the local experts
 - 2. Bring these experts to the table on deals you source
 - b. “Bakers” are Deal Makers
 - i. Put the ingredients together and reap Huge profits
 - 1. What is needed in a deal to make it fly
 - 2. “Manage” your team

v) Business brochure

- a. What must be on everyone's business brochure
 - i. Your Service offering
 1. Specialization – your niche
 2. List the Expertise of your team
 3. Non-bankable deal characteristics
 - a. Fast
 - b. Outside the box
 - c. Special terms
 - d. Non-recourse
 - e. Special situations – land, etc.
 - f. Option of last resort

w) Bankruptcy (BK) Files – *We can sometime fund deals one day out of bankruptcy!*

- a. Hard money heaven
- b. BK attorneys
- c. Option of last resort
- d. www.pacer.psc.uscourts.gov
 - i. PACER source of BK leads

1. Chapter 11

x) 1003's REO (Real Estate Owned) *...market to SE buyers from residential applications, if avail to you*

- a. How a residential mortgage broker could earn \$10,000 in the next 60 days.
...pay residential Realtors for leads of their SE borrowers who get a commercial loan from you
- b. Talk to top residential mortgage brokers about clients who are real estate investors

y) County records online *...good source for us, for private lenders...deed & mtg dates should be different*

- a. Yellow Pages for street addresses
- b. County Records of ownership are now online
 - i. Cross reference with a reverse address directory
 - ii. The source for unlimited free top quality leads forever

z) Tax sales

- a. How to get in the game and pick up real estate for pennies on the dollar.
 - i. John Beck (Infomercial)

You do not, however, need to pay for any expensive programs. Tax sale investing is well dealt-with in cheaper books. And, remember, buying a tax sale certificate obligates you to continue to pay the taxes, possibly for 2 years, until you can foreclose on the property.

- ii. Many commercial properties are available
 - 1. Do your homework
- aa) Treasure hunting = drive by...looking for the “edge” of development or redevelopment
 - a. Description of path of development or redevelopment
 - i. Path of “sub-prime” commercial loans
 - ii. Ripe for “rehab’s”
- bb) The next “GREAT” idea – trends are fashionable and profitable
 - a. Get there first
- cc) Convert use to tenant ownership
 - a. Condo conversions *...advantage is that the property is already occupied by the new owners*
 - i. Hotel conversions *Remember...the property owner/seller might make much more money by way of a condo conversion as opposed to just selling the property in one piece.*
 - ii. Office condo
 - iii. Industrial condos
 - b. Apt conversions to condo and office condo
- dd) Mixed use conversions
 - a. Above retail, there is residence or office, etc.
- ee) “Entire Radio Marketing Program”
 - a. How to gain access to the who’s who of commercial real estate – guaranteed.
...offer a free report that will appeal to all commercial real estate listeners
 - b. Guest for show are your referral sources
 - i. Commercial Brokers *A show like this, even on a small local station will “open doors” for you which would take you years, otherwise, to get through. Encourage guests to offer a free service to the listeners, which can gain them leads and strengthen the guests relationship with you.*
 - ii. Developers
 - iii. Real estate investors
 - iv. Lenders
 - c. Database marketing for show
 - i. Best strategy for the internet
 - d. 10 minute segment on residential real estate show about commercial
 - i. Call in or “remote” update *In other words, team up as the commercial funding expert on an existing residential real estate show, which can be from a remote location.*
 - ii. No need to be in the studio
- ff) **Make sure that potential borrowers realize that you offer all sorts of programs/rates**
 - a. **Quest is the alternative funder...not specifically a hard-money company, even though we offer hard money loans. That is, we are the alternative to the bank, but we can often “beat the bank”.**

- b. **Rate range from 3.5% (loans on securities collateral)& up!**

gg) Newsletter marketing

- a. Database marketing
 - i. Referral sources
 - ii. Commercial property owners
- b. Internet delivery of newsletter
- c. Blast every 21 days *...the value from newsletters comes from repeat issues and from not being "untouchably over-sophisticated"*

hh) Database marketing

- a. Keeping in touch
 - i. Swift Page – leverage technology to skyrocket your income.
- b. Phone “touching”
- c. Personal “touching”

Repeat contact ("touching") is the key to capturing "blind" contacts from data lists

ii) Pay Per Click

- a. Google - Ad Words!
 - i. Keywords
- b. Yahoo
- c. Loan type
 - i. Stated
- d. Geographic area
- e. Property type - keywords

jj) Website

- a. www.citymax.com and others
- b. Outline of web tricks!
 - a. www.marketingtips.com

kk) Data quick

- a. King of real estate lead services
 - i. www.dataquick.com

ll) Sponsor others and grow

- a. *...Build a team, ensure they agree to our standards, but Quest will co-manage the team and you get paid for all that your team originates. You decide what each team member is paid.*
- b. Leverage yourself by teaching others

- i. Leverage yourself like a millionaire
- mm) Leads services
 - a. Zapdata.com
 - i. SIC break down
 - 1. Property type
 - b. InfoUSA.com
- nn) Church loans
 - a. Lead source – inside this unique niche *...DSCR can be as low as 1.00 on churches!*
- oo) Commercial brokers – Who to target, and why
 - a. Real estate license – public information
 - b. Commercial brokers specialize
 - c. Internet
 - i. www.Loopnet.com
- pp) Industry periodicals and events
 - a. Internet searches
 - b. **Local Real Estate magazines --- offer commercial lead referrals to res. Realtors**
 - c. New **...Keep your eyes and ears open for new sources of leads. Don't get in a rut.**

Note: Marketing should be a part of every day's activities in this business. Remember your network and your database IS your income. Build both and reap the rewards.

Selling Tips

Build a Sales Presentation around these talking points, which can prepare your Borrower for the reality of commercial real estate financing today.

1. Reasons for Fall Out (Sorted By Priority)
 - a. Broker Comm. (Procedure for Follow Up) **ABC: Always Be in Communication!**
 - i. 10 Touch Plan ...*Always remember that it takes multiple "touches" to "capture" a lead*
 - b. Rate & Terms *Disclose fees upfront. If rates are not the most favorable, show why that is the case. Don't give the impression that Quest only offers high-cost loans.*
 - c. Appraisal, Closing Costs, and Fees *Disclose fees upfront. If rates are not the most favorable, show why that is the case. Don't give the impression that Quest only offers high-cost loans.*
2. Pre sell / Avoid Fall Out
 - a. Prepay
 - b. Rate
 - c. Appraisal Value
 - i. Undervalue
 - d. Appraisal Cost
 - e. Lock Out
 - f. Credit Scores Drop
 - g. Closing Costs

BONUS SECRETS

Make Huge \$ With Your Team and Offer Other Financial Services

1. Seller Financing - 80% of small loan balance transactions
 - a. Offer Liquidation – the Cash Flow business
2. Factoring of receivables – Most Banks do not do this.
3. Equipment Financing
4. **Remember, you can be paid by business plans, PPM's & other services Quest offers to commercial clients**

The Fact is ... The OLD SCHOOL way of commercial real estate finance is done! Brokers are NOW!

Welcome to the fast world of commercial real estate finance.