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# A Day in the Life of a Mortgage Broker



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Mortgage brokers help people finance their dreams of homeownership by connecting borrowers with lenders. But that barely scratches the surface. Brokers play a unique role in the housing ecosystem and face a range of experiences distinct to their role. Just like any other loan originator (LO), a broker can get their start in the mortgage industry in a number of ways. But while there is no set path to becoming a mortgage broker, one important prerequisite is having the passion to help borrowers understand and navigate the mortgage lending process.

“Mortgage professionals have the incredible opportunity to change somebody’s life by helping them achieve the dream of owning a home,” said former mortgage broker and founder of [SHRED Media](#) Josh Pitts. “I got started as a mortgage broker for that very reason: to help people.”

One of the most notable characteristics of mortgage brokers is that they are not employed

by a bank or lending institution. Rather, they act as matchmakers between borrowers and lenders, negotiating on a borrower’s behalf to select a loan with the best rates, terms and closing costs for their needs.

[Ideal Lending](#) CEO Ivan Lanz started out as a broker, but transitioned briefly to mortgage banking after the housing market crash in 2008.

“At that time, much of the widespread distrust consumers felt toward mortgage professionals was aimed at brokers,” said Lanz. “But I found my way back to the role because the value and reputation of mortgage brokers was defended by groups like the Association of Independent Mortgage Experts (AIME) and the Brokers Are Better Network. They provided myself and countless other brokers with the community, encouragement and network we needed to get back in the game.”

Lanz isn’t the only one who’s returned to the profession. According to the Bureau of Labor Statistics, there were an estimated total of 333,100 people on nonbank mortgage banker and broker payrolls in August 2020, the highest number recorded in over a decade.

## Building a Database of Referral Partners and Prospects

Most brokers agree that the most difficult part of the job is getting started. Independent brokers don't necessarily have as much capital at their disposal as large retail lenders, so spending a lot of money on [purchased leads](#) isn't always feasible. As a result, many lean on their personal networks when establishing a prospect database.

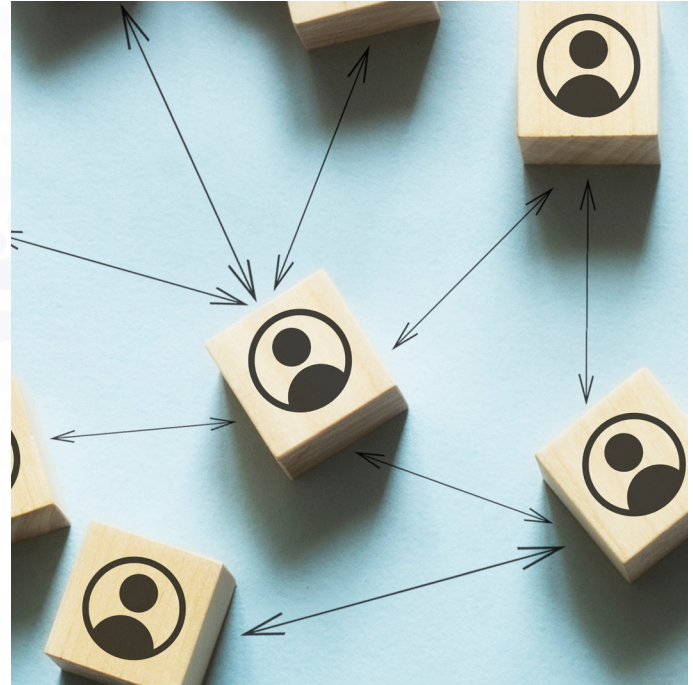
"I have never received a notably positive result from purchasing leads or paying for social media ads," said [Edge Home Finance](#) Senior Mortgage Loan Originator and Recruiter Cory Bohman. "Instead, I focus my energy on retention marketing. After all, it's much easier to get business from warm leads than cold leads."

"I think of purchasing leads as spending money to make money. Few people consider how much of that money is wasted on low-quality leads that will never convert," agreed Lanz. "That's why all of my business comes from past clients or referrals from past clients, Realtors, or anyone else I have met in my day-to-day life. I've learned the importance of building trust by adding value to earn repeat and referral business."

Instead of buying leads, entry-level brokers can fill their databases with personal contacts who view them as professional, trustworthy and personable.

"I don't recommend purchasing leads at all, especially if you're just getting started," said Pitts. "When purchasing leads, it is too easy to treat people like a transaction rather than a real person with whom you intend to build a trusting relationship."

Of course, not all business can come from past customers or referrals. That is why many brokers employ software solutions such as customer relationship management (CRM) and [marketing automation](#) platforms to fill their pipelines with reliable new leads, repeat business and referrals. An automated CRM that integrates



well with their other digital mortgage tools can be especially helpful in marketing oneself and getting to know one's customers, as brokers are not always supported by the corporate marketing initiatives that benefit other mortgage professionals.

"I use [Surefire CRM's](#) Client for Life Workflow to market to my clients with eye-catching, informative [marketing content](#)," said Lanz. "I also offer value-adds and programs such as the HomeBot home management platform, which is co-branded with my information and helps my customers maintain a connection with me during and after closing."

Another excellent way for brokers to build up a referral network is by attending Chamber of Commerce meetings and open houses. As they attend these events and build a network of contacts, brokers should add anyone they meet into a database and begin calling them regularly to inquire about loan opportunities.

“Even if you call a potential referral partner who is already doing business with another loan officer, you can assure them that the consistent follow-up you give to them is the same level of attention you give to all of your clients,” said Lanz. “That way, if a Realtor isn’t happy with the level of follow-up coming from a loan officer they are working with, they know they can call you any time to get better service.”

### **Above all, building a network takes perseverance.**

“People think it’s so easy to get started in the business, but it takes time to ramp up a business and [build a pipeline](#) of clients,” said Pitts. “Even if you’ve got the connections, you have to plan for a minimum of six months to really start to see business come to fruition.”

## **Pros and Cons of the Mortgage Broker Channel**

Mortgage brokers have a lot to say about the positive aspects of their job. Primarily, brokers appreciate the ability to control their own business, set their own hours and manage their own database of potential clients. Because they build their own list of clients, mortgage brokers have the opportunity to work closely with potential customers to get to know them, their financial situation and their priorities on a deep level.

“My favorite part about being a broker is having the ability to fully educate and inform my clients of their array of loan and lender options instead of rushing them into a decision,” said Bohman. “I love building trusting relationships with my clients. As a broker with control over my own business, I have the ability to put as much time and effort as I want into a particular client relationship to ensure they understand all their options and help them make an informed choice.”

Mortgage brokers also benefit from increased transparency regarding rates and margins compared to those working in retail direct lending. While margins may not always be transparent to

loan officers working for a retail direct lender, margins are always explicit for mortgage brokers.

The most common fear about their role that prospective mortgage brokers share about is that they will suffer from a lack of resources and guidance. Experienced brokers agree that they must be extremely mindful of their schedule, and set boundaries to avoid overworking themselves. While banks and other financial institutions have underwriters, marketing specialists and other loan processors on their team to help lessen loan officers’ workloads, brokers are more likely to wear multiple hats.

“Being a broker is like being a one-person show, which can feel very intimidating when you first get started,” said Bohman. “You are responsible for every step of the lending process – [sourcing leads](#), marketing, pre-underwriting, underwriting and so on. But you can also set your own limits and priorities to ensure you have the bandwidth to handle your workload.”

## **Finding the Perfect Loan and Lender**

While loan officers connect borrowers with the most appropriate loan option offered by their employer, mortgage brokers work with a variety of lenders, so they have access to a wider range of options. With such a large number of products to choose from, how do brokers narrow down their options to find the perfect choice for a particular borrower?

A [mortgage CRM](#) system is helpful in documenting a complete picture of the wants, needs and priorities of a particular borrower. Having a holistic understanding of the borrower makes it much easier to identify the best loan options for their situation, discuss potential upsides and downsides and work together with the borrower to select the best lender and loan for their situation.

“Fluctuating interest rates can be very difficult to understand, especially for a first-time homebuyer with no experience in the mortgage industry,” said Lanz. “That’s why I take the time to discuss interest rates with all of my clients and educate them on how it acts as a thermometer of risk. It’s also important to point out that rate is not necessarily the key driver of an exceptional loan experience, nor the measure of a good loan versus a bad one. How the loan is structured, fees and the service the customer receives are just as important, if not more so.”

In weighing the pros and cons of each loan, brokers and their customers should consider not just interest rates but also the down payment, estimated time to close, fees, insurance requirements and closing costs — not to mention the overall experience offered by the lender.

“For example, maybe the very lowest interest rate available is from a lender that’s a little more difficult to work with, and I know the loan is going to take a long time to close. If my borrower has two months, that could work. But maybe for just an eighth of a percent higher interest rate, I can find a loan that will close much faster and come with a \$2,000 lender’s credit that I can apply toward the borrower’s closing costs,” said Bohman. “As a broker, I have that opportunity to choose the scenario that works best for the individual client.”

Some borrowers mistakenly believe that they cannot become homeowners if they do not qualify for a conventional mortgage loan. The most common struggle for first-time buyers is having enough money for upfront costs such as the down payment and closing costs. Fortunately, brokers are well-equipped to educate borrowers about the type of loan that works best for their situation.

“Different types of loans have different requirements, and as a broker I get to help my borrowers understand these requirements and [whether or not they qualify](#),” said Bohman. “For example, I have worked with a self-employed client who did not know that they could qualify their income using bank statements rather

than a traditional W-2 from an employer. By working personally with my clients, I can make homeownership more accessible to those who think it’s out of reach.”

Once brokers establish the type of loan scenario that will work best for their client, they can identify a list of lender partners who offer the product needed. Sometimes lenders even offer temporary deals and incentives for a specific type of loan to balance their portfolios

“Some lenders will not touch a niche loan, so I start by identifying lenders that offer the services that my client needs,” said Lanz. “I also prefer to work with lenders that I know and trust and whose underwriting process I understand. That way I can expect a more positive borrower experience compared to a lender I have never worked with before.”



## Do Mortgage Brokers Need a Specialty?

Like other mortgage advisors, brokers can specialize in a specific type of loan and market themselves as a subject-matter expert in that niche. Lending institutions offer a wide variety of niche loan scenarios in which brokers can specialize.

Backed by the U.S. Department of Veterans Affairs (VA), [VA loans](#) allow military service members and their families to purchase a home with zero down payment and minimal interest rates. The U.S. Federal Housing Administration (FHA) offers mortgage-insurance-backed loans with looser financial requirements, making homeownership more accessible to low- to moderate-income buyers.

Although VA, FHA and other niche loan scenarios are not offered by all lenders, a mortgage broker is not beholden to a specific lending institution, so they can refer their borrower to a lender who does offer the type of loan they need.

“If you’re really good at a particular type of financing, I certainly recommend focusing on that niche. But the majority of us are focusing on marketing to our friends, family and relationships rather than a specific specialty,” said Pitts. “You’re going to come across all different walks of life as a broker, so as long as your main focus is honing your craft as a mortgage professional, you’ll do great.”

If a client chooses a niche loan that their broker is not comfortable originating themselves, the broker has the option to refer that client to a specialist. Though it may seem unwise to pass off a business transaction, offering a potential client a better experience with a specialist drives referrals by building trust. Borrowers are far more likely to respect a broker who admits when they are not the best-equipped person to handle a specific loan rather than pressing forward with the transaction and risking a poor borrower experience due to lack of knowledge.

“I choose not to market myself as an expert in a specific type of loan. Rather, I think my specialty is my ability to offer financial education, simplified,” said Bohman. “I’ve had past clients tell me they were surprised by how thoroughly I explained each document and step of the lending process. That’s why my main specialty is helping clients, Realtors and other partners get through the lending process as transparently and stress-free as possible.”

At the end of the day, while it can be helpful for brokers to market themselves as specialists, that doesn’t mean they will turn away other loans. It simply means they invest more time marketing to one particular specialty than others.



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## How Many Loans Per Month Does a Successful Broker Originate?

According to the MBA, the average loan officer closes around four loans per month. But with top-performing loan teams closing hundreds of loans each year, the performance gap between average and top-performing originators is massive. So, what are some reasonable performance goals for a mortgage broker?

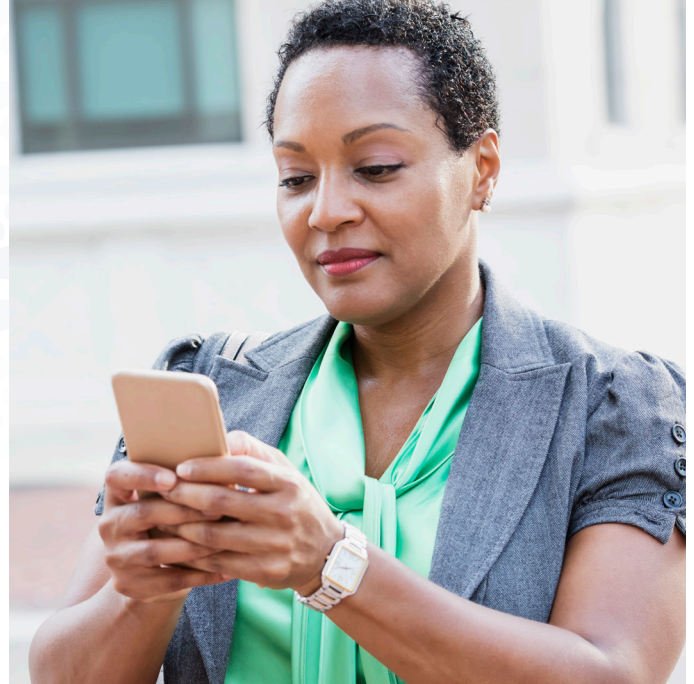
“A good broker should close around eight to 15 loans per month,” says Bohman. “Fifteen is the most loans I would recommend taking on in a single month if you are working by yourself.”

“For a typical broker, you’re looking for between 10 and 20 loans closed per month,” says Pitts. “If you’re closing eight that’s a really good start, but once you hit double digits you know you’re really doing well.”

## A Typical Day as a Mortgage Broker

Brokers get to make their own schedules and choose their own clients, which means there is no standard structure for a mortgage broker’s day. However, the power to control one’s schedule comes with great responsibility. As independent and self-motivated mortgage professionals, brokers must ensure they create a consistent and achievable routine for themselves to avoid dropping balls, overworking themselves and ultimately disappointing their clients and [referral partners](#).

“I start my day with the tasks I think will be the most important to my clients, because they are my number-one priority,” said Pitts. “I make sure to get these tasks completed first, because that’s what I would want from my mortgage broker, and from there I move on to emails, marketing and any other projects.”



The best workday routine for a mortgage broker is fluid enough to make time for last-minute emergency tasks, yet structured enough to discourage brokers from focusing all their time on putting out fires rather than keeping things moving. Experienced brokers recommend starting and ending each day with a planner that outlines upcoming priority tasks.

“I never start working without a plan, and I use my planner as my daily guide,” said Lanz. “My first priority is always studying markets and trends. Then I will [call](#) my in-process and pending leads to give updates, or let them know what else I need from them to move forward. I schedule most of my appointments and meetings for after 12 p.m. to make sure I have enough time to get my research and outreach done every morning.”

“The fluid nature of my job makes it impossible to adhere to a strict line-by-line hourly schedule, so I start and end every day by consulting and updating my planner where I assign blocks of time to certain tasks,” said Bohman. “I set timeframes to connect with clients, update my Realtor partners on any

purchases or loan milestones and work on my active loans. Then I reevaluate my schedule midday and add in any tasks that have come up. The last thing I do each day is zero out my [email](#) and voicemail inboxes, so I know that I haven't missed any communication from my clients and partners."

## Advice for Aspiring Mortgage Brokers

The brokers we spoke to encouraged young professionals who are considering a career as a mortgage broker to give it a shot.

"Don't be afraid to start. You won't achieve anything if you don't try first. Take what you know and who you know, then set your goals and start from there," said Bohman. "Accept that your plans can and will change as you learn what works best for you. Start with that momentum and just keep moving forward."

Ultimately, the best way to get started as a mortgage broker is as simple as taking the first step. [Set yourself up for success](#) by building a database of potential clients, creating a structured yet fluid work schedule and making the effort to understand the ins and outs of the mortgage industry and lending processes.

"Take the first step to get started and keep moving, because the loan transaction is really just the beginning," said Pitts. "From there you have to play the long game and stay in contact with your clients, because eventually they'll be ready for another loan. I promise you, it may not seem like it when you're getting started, but with enough consistency and tenacity, you're going to dominate."





## About Black Knight

Black Knight is a leading provider of integrated software, data and analytics solutions that facilitate and automate many of the business processes across the homeownership life cycle.

Black Knight's Surefire CRM and Mortgage Marketing Engine helps thousands of mortgage professionals win new business, drive repeat business, and earn the right to referral business. With intuitive, set-it-and-forget-it workflows and award-winning content, mortgage professionals can effortlessly maintain and deepen their connections with borrowers, recruits, members, brokers, and real estate agents all through one powerful platform.

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CRM and Mortgage Marketing Engine



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