

# ask the servicer

By Ryan LaRose

I had a great time at the NRMLA Conference! I had the privilege of sitting on one of the breakout session panels, and the thoughtful and intelligent questions the panel fielded made me proud of the level of professionalism in our industry. In addition to the informative breakout sessions, our booth provided a wealth of input and insight from those who stopped by to chat.

A number of servicing questions have been asked and answered this past year. In 2010 we'll be exploring Ginnie Mae securitizations, servicing management issues, and other topics raised as questions or concerns at NRMLA conferences, or by the readership at large.

One question that comes up time and again and I've always been reluctant to answer it. It came up several times at the recent NRMLA Annual Conference so I'm thinking it's probably time to answer it once and for all. Drum roll please...

**"What's it like to work with your Dad?"**

It's great! That's cheating, I know. In honor of the last column of 2009, the year that marked my companies 40th Anniversary, I've interviewed my Dad. I'll let you read for yourself and determine why "It's great" says it all, and why reverse mortgage servicing is so much more than a job.

**Ryan:** There's precedent in our family for father and son collaboration. Please share with readers what you learned from working with your Dad.

**John:** I started working for my Dad when I was about 13 years old. He owned a meat-packing plant in Detroit. I began work by running errands, getting supplies, cleaning up, and taking out the trash. I grew up to drive a delivery truck and worked for my Dad through high school and college. My father started work every day at 5:30 am and came home around 7:00 pm without complaint. I learned many things from him; especially persistence, perseverance, and that having an all-encompassing attitude of "doing whatever it takes" will bring you success.

**Ryan:** Why did you choose to go into mortgage servicing instead of origination?

**John:** I came out of the Army in 1970 after serving a tour of duty in Vietnam. I finished college and my first job was in sales. I loved making people happy and soon realized I wanted to be in a service business. Entering the mortgage servicing business in 1985 was a combination of coincidence and circumstance. I was looking for a new career and my next-door neighbor was an owner of Celink looking for a CEO. I vividly recall one of the other owners asking me how I was doing after my first few weeks. My response was an instantaneous: "I love it!" but I was immediately concerned he would think that an unprofessional response from a CEO. He didn't, and looking back, I really did love my work then, and I still do. I enjoy the long-term connections with the borrowers and our clients and helping people overcome financial challenges. If I ever retire, I will miss this work immensely.

**Ryan:** Why can't reverse mortgage loan servicing ever be an "auto-pilot" effort?

**John:** As you've said many times in conference presentations, there are many "touch points" in reverse mortgage servicing. The demographics of our clients' servicing portfolios require a lot of personal involvement and it can be expressed in many ways. Personal involvement comes through conversations with our Borrower Care unit; it can be a staff member helping a borrower work out a repair problem with their contactor; or it can be



that “uncomfortable call” with a borrower who is unable to pay their taxes or insurance. Many of our internal processes are fully automated, but we learned early on that seniors not only require - they demand - personal attention. When they call, they don’t want an automated attendant, they want a live voice. That’s exactly what we give them.

**Ryan:** What is the one thing about industry that makes you the most proud?

**John:** The overwhelming understanding and appreciation of the borrowers’ specific needs and wants, and the incredible patience required to work through the origination and closing process. Despite all the “horror stories” that get way too much play in the media, every day I am strongly encouraged by how much our clients sincerely care for their borrowers. It is not uncommon for one of our client’s executives to ask me, “How are my seniors doing?” I have NEVER heard a similar question posed in almost 25 years of forward loan servicing.

**Ryan:** What is the biggest challenge facing the reverse mortgage industry/servicing today?

**John:** I see three actually. The first is the fact that if Ginnie Mae had not come into the HECM market, we would be in a world of hurt. Fannie Mae has been a wonderful partner and investor for many years, but with all of the recent turmoil in their organization, it is reassuring to know that the industry has an option.

The second is negative publicity. I would like to see a stronger industry response to the damaging innuendos and false information around reverse mortgages. I don’t think we, as an industry, have done a good job of “counterpointing” negative stories.

The third challenge facing our industry is uncertainty about what HUD is going to do next. The recent reduction in principal limit, implemented with almost no notice, sent shockwaves through our industry. I don’t think we’ve seen the last of these types of actions. I long for the day when a

new insurer steps into the industry, but I think the annual volume would have to be significantly higher than what it is today to draw their attention.

**Ryan:** Why is ethics such an important topic in reverse mortgage conversations?

**John:** When we started building our reverse mortgage servicing department in mid-2005, I asked you to use your Grandma Betty as the grounding principle for all processes and procedures. You were to build a servicing operation that treated every borrower like your grandmother. Further, any new hire would have to convince you that she/he would take very good care of your grandmother, and be able to demonstrate a capacity for extraordinary patience. If someone passes the “ethics” test of treating my mother with dignity, respect, and sincere concern about her welfare, they not only have a place at Celink, they have a place in this industry.

**Ryan:** Do you have any predictions for our industry?

**John:** I’d prefer to leave the prognostication to the producers (gosh that’s a mouthful!), but I do believe our best years are ahead.

**Ryan:** What would you think about my sons working with me someday?

**John:** I have thoroughly enjoyed working with you, and my hope and prayer is that someday you have the privilege of working alongside one, or both, of your sons. It has been an experience I will cherish forever.

Senior citizens are resting easy through the cold, celebrating the season and warming themselves by hearth fires in their own homes because of the reverse mortgage industry. I’m proud to be a part of it, and equally proud to work with John LaRose, experienced industry professional, father, mentor and friend.

If you would like me to address a specific servicing topic in a future issue, please contact me at: [ryan@celink.com](mailto:ryan@celink.com).

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