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Big Conference Networking Faux Pas (and How to Avoid Making Them)

The time has arrived—the 2018 Five Star Conference and Expo is finally here, where networking opportunities abound for housing and mortgage professionals. Thousands of attendees will meet influencers and potential partners as they learn to Rise Above industry challenges.

The business prospects are exciting, but they can also be overwhelming. Networking mishaps could have unexpected consequences, from missing out on referrals to ruining reputations.

Fortunately, getting it right when you're making new contacts doesn't have to be a mystery. Here's a look at seven of the biggest faux pas in conference networking—and how to ensure you make a great impression.

1. Focusing on gathering—or handing out—business cards

You may be tempted to pick up as many cards as possible or to hand one to everyone you meet. Just remember that networking is more than a numbers game. Whenever you meet new contacts, focus on quality, not quantity. Create a connection by learning who they are and what they hope to achieve through the conference. Make quick notes after you meet so you'll remember them if they reach out to you.

2. Being inattentive

There are few things worse than being stuck with that attendee who only talks about themselves, or the one who's constantly looking for their next conversation. Make sure that attendee isn't you. Focus on your current conversation; ask good



questions and listen attentively to the answers. Stay interested in the moment, not the room.

3. Being insincere or dishonest

Saying "Good to see you again!" to someone you know you've never met; misrepresenting your knowledge or capabilities; name-dropping to introduce yourself—even if it seems like a small fib, it's no way to begin a business relationship. Instead, focus on being polite, friendly, and genuine. Be truthful about what you have to offer; be memorable for positive reasons.

4. Expecting too much from a first meeting

Conference networking is essential to building your business, but it's only the first step. Ambushing those you meet with a full-on sales pitch or requests for introductions may be too much, too soon. Focus on creating and building good faith, rather than getting what you want. Connections built on trust will be more fruitful in the long run.

5. Spreading gossip

Sharing secrets or spreading rumors may seem like a quick way

to get attention from people you meet at a conference, and it's true—for all the wrong reasons. You could be whispering about the keynote speaker to their business partner, or slandering a CEO to their employees. You could ruin a business connection or your entire career. When it comes to gossip at conferences, the best advice is simple: don't.

6. Bombarding your contacts

Once you return to the office, you might be anxious to reach out to as many new connections as possible right away. Yet with the wrong approach, you could quickly overdo it. Don't add contacts to your subscriber lists without permission, send pushy emails, or pester them with phone calls. Respect their time, make requests politely, and remember that they're just as busy as you are.

7. Appearing ungrateful

With a professional approach and a little luck, any conference—especially Five Star—can yield outstanding results. When a contact becomes a connection and provides the introduction or partnership you've been dreaming of, don't take it for granted. Find a professional way to be of service, let them know how you benefited from their advice, and remember to simply say thank you.

Good networking practices are mission-critical for every conference, no matter your role or specialty. As you focus on your goals, keep sight of your integrity and professionalism. These key elements will do more than improve your networking—they'll help you succeed in everything you do.

Residential REO: Where We Are Now & Learning What's Next

It's been a long decade for the residential housing industry, which has, at times, seemed like the proverbial roller coaster ride. In the late 2000s, loan availability shrank dramatically as financial institutions tightened their belts. The market was flooded with foreclosures, which turned into a deluge of REOs—and a boatload of opportunity for large investors.

Today, the landscape has changed dramatically. Stricter loan requirements gradually led to lower-than-normal foreclosure and delinquency rates, which in turn leaves fewer REO properties available overall. According to Attom Data, for the first six months of 2018, numbers of foreclosed properties are down by 15 percent over the same period in 2017, and 78 percent from the peak in 2010.

With GSEs, the news is similar. Fannie Mae and Freddie Mac are doing less acquisition and more disposition of REO assets. This has occurred in part because the government has gone forward with a range of foreclosure prevention actions—which is certainly good news for homeowners, though less so for investors and agents.

But before agents and brokers find themselves thrown for another loop, it's a good idea to look more closely. Conditions vary widely from region to region, created by unique events (such as catastrophic weather or employment trends) as well as normal market highs and lows. And recent statistics and news items tell more of the story.

Inventory of available homes for sale has remained historically low, leading to climbing prices, a competitive buying environment, and exceptionally high demand—particularly in more affordable entry-level homes.

According to Attom Data, 12 percent of metropolitan statistical areas analyzed actually saw an increase in foreclosure activity during the same year-over-year period.

Investors have turned from the more heavily populated coasts to

inland areas where REO inventory remains high.

All in all, while the outlook on REO and other distressed properties may have changed, one thing hasn't: buyers at all levels still need homes. And as always, resourceful agents and brokers continue to find ways to adapt as the market shifts.

Banks have slowly and carefully relaxed the purse strings, leading to early indicators that activity will begin to tick upward again (particularly for FHA loans).

Nationwide, Attom Data also reports a 38 percent increase in foreclosure auction home sales.

Experts note continued interest in short sales, sometimes with an added dimension. Thanks to low home inventory, buyers find a greater range of affordable options, and sellers may achieve a price much closer to market value.

Evolving technology and online services, such as those offered by Five Star Institute partners Auction.com and Hubzu, are vital to the success of agents and brokers in the current atmosphere. From workflows and dispositions to sales tools and auctions, providers continue to develop new tools and forge strong partnerships to move the industry forward.

E.J. Kite, VP, Client Performance Management at Auction.com, recently explained the growth of technology solutions to Five Star Institute's *DS News*. "Newer and existing clients alike want to know how to maximize their strategies during the best of times," he said. "Likewise, in challenging times, we work to ensure our clients know their options and make the best of a difficult situation."

While the development of new and expanded tools and solutions will continue to be key as the market shifts, resourcefulness will always come first. At the Five Star Conference, opportunities abound to hear the latest information directly from experts across the industry.

Get the Latest Solutions and Industry Outlook in Tuesday's REO Lab

What are your greatest challenges in gauging the REO market, and what strategies can you apply to conquer them? From technology and dispositions to the future of the industry, you'll find the answers you need right here at the Five Star Conference during the REO Lab, coming this Tuesday, September 18 from 9:00–11:30 a.m.

Hosted by sponsor Home Renovation Services, along with co-hosts Altisource, Five Brothers, FORCE, and Total Property Solutions, this fast-paced session will offer presentations and panel discussions with knowledgeable REO industry leaders. Eric J. Will, Senior Director of REO Operations, Freddie Mac HomeSteps® and a 27-year veteran of Freddie Mac, will serve as the lab's director, joined by The Home Depot's Frank Blake, General Manager for Home Renovation Services, as host.

The REO Lab schedule features a full range of mini-sessions, each designed to provide all the latest insights and solutions for your business. Don't miss out—be sure to put this exciting lab on your Five Star Conference agenda!

9:15–10:00 a.m.—Stand Out From the Crowd: Develop & Maintain Top-Notch Vendor Relationships

This panel discussion will cover details of utilizing the vendor process to position yourself for more opportunities and listings. Learn about recent vendor management changes and what vendors want from your agent/broker partnership. Topics include:

- Networking and marketing tips for gaining new client accounts
- How to stand out from the competition in the market
- Setting yourself apart during tough REO phases: what works and what doesn't
- Online profile and license management
- REO rehab and renovation tips, challenges, and solutions
- Ways to provide a better BPO

and share local market knowledge. The panel includes moderator Rob Pajon, SVP, Marketing and Product Development, RES.NET, and panelists Glenn Brooks, SVP, Asset Disposition, Fay Servicing; Oscar R. Posadas, VP Property Management of Vendor Management, Wells Fargo; Al Roti, Founder and SVP, Constructive Renovations; and Rida A. Sharaf, SVP, Operations, USRES.

10:00–10:35 a.m.—Preparing for the Future: REO Market Update

As an experienced professional, you know that you must adapt to an ever-changing market. Find out what's new in the REO market and what our experts predict for its future. Topics include:

- How REO asset management has to a boutique approach
- Catching up when managing numerous REOs
- How service providers can be more in tune with their clients' current needs
- How the shift to more third-party bidders in foreclosure sales has affected REO supply
- The future of the auction market and its expected volumes
- Reverse mortgages' future impact on the REO market
- Disposition strategies to yield higher returns

The panel includes moderator Eric Will and panelists Nickalene Badalamenti-Kalas, President, Five Brothers Default Management Solutions; Joe Cutrona, SVP Default Servicing, Xome; EJ Kite, VP of Client Performance Management, Auction.com; and Andrew Oliver, SVP of REO Sales, Green River Capital.

10:35–10:50 a.m.—Straight from the Source: Fannie Mae Update

Jake Williamson, VP of Single-Family Real Estate, Fannie Mae will provide the latest GSE news for REO professionals who work with those organizations. Hear about loss mitigation efforts, preferred disposition strategies, and upcoming projects at the GSE.

Continued on back cover

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Diverse Hiring Webinar Makes a Complex Topic Simpler



In an industry focused on serving people, businesses, and communities, workforce diversity is essential to everything we do. Five Star recently hosted a webinar, “Do’s and Don’ts of Diverse Hiring in the Workplace,” as part of our American Mortgage Diversity Council’s mission of promoting diversity and inclusion across the mortgage industry.

Seasoned expert Randy Miller, Managing Shareholder of the Randall S. Miller and Associates law firm and CEO of U.S. Default Management, helped members and guests understand best practices and legal concerns in hiring for their companies. Miller acknowledged that diversity is more than a human concern for companies; it’s a financial concern, too.

“Diverse and inclusive corporations tend to have higher profit margins than non-diverse corporations,” he said. “[Inclusion] benefits companies of all sizes.”

Miller provided an insightful overview based on Applied Psychology in HR Management by Herman Aguinis and Wayne Cascio, an extensively researched standard resource. At just under 25 minutes, the webinar simplified the critical points to provide a quicker understanding.

- In most regards, the size of the company does not matter. While there are some legal protections for companies under 50 employees (such as the Family and Medical Leave Act and the Affordable Care Act), discrimination issues apply to companies of all sizes.
- The most important question a company should ask before and during the hiring process: who are the best employees? It’s essential to determine which candidates are the right fit for your organization, and who will succeed in a specific role. Getting it right the first time saves time and costs.
- In any hiring situation, carefully consider which groups of people are fully or partially protected under U.S. law.

- Full protection against discrimination is extended based on race, nationality, religion, age, gender, disability status, and pregnancy status.
- Partial protection may be available based on military service, status as a parent, or citizenship.
- Other groups may or may not have protections based on state laws.
- Miller recommended several procedures companies can implement to improve the hiring process. The first of these: job analysis, which includes establishing job parameters, qualities, and requirements, as well as candidate qualifications.
- Setting job specifications outlines which qualities are necessary for a specific role, outlining experience, education, or physical requirements. This procedure also determines if training will be needed, or if the candidate should “hit the ground running.”
- Creating job descriptions assists human resources teams in tracking wages, number of employees, departments, and recruiting. It

also simplifies government reporting.

- Interviews and questionnaires are essential tools that increase the odds of hiring highly effective employees. Staff members performing interviews must be trained to consider legal issues, ask questions carefully, and avoid bias; the same rules apply to questionnaires.
- Miller highlighted a detailed list of dos and don’ts for inquiring about personal information that may arise during the hiring process. These may include family status, national origin, sexual orientation, military service, and several other categories subject to discrimination concerns, whether or not the information is subject to legal protection at the federal or state level. *Refer to the table below.*

The details may be lengthy, but the information—and applying the expert advice—is key to inclusive hiring, Miller concluded. “A diverse workforce creates a better, more productive work environment,” he said. “Just make sure you go about it the right way.”

	DO ASK	DON'T ASK
Citizenship / national origin	If a candidate is a citizen eligible to work in the U.S.	What country they come from
Disability	If they can carry out the job's tasks well and safely	Nature and severity of any disabilities
Criminal record / security	If they can achieve security clearance (if necessary for duties)	Whether they've ever been arrested, convicted, or spent time in jail
Financial information	Necessary details for benefits or 401(k) AFTER hiring	Financial status, debt obligations, outstanding loans, wage garnishments/attachments
Pregnancy	The due date for pregnant employee AFTER hire	If a pre-hire candidate is pregnant or when they are due
Marriage	Status for benefits purposes AFTER hire	Any questions about status in the pre-hire process
Military veterans	If the candidate has served in the military; if yes, what training they received that may be pertinent to the job	What branch they served in, or their discharge status
Age	If they are over 18 years of age AFTER hire	Any questions about age in the pre-hire process, or guess the candidate's age
Children	Age and number of children for benefits purposes AFTER hire	If the candidate has children, how many, ages, caregivers, if they plan more—even if they bring it up
Gender		Any questions about gender (unless the job duties require a specified gender)
Race		Any questions about race (even if you are curious)
Religion		Any questions about religion
Sexual orientation		Any questions about sexual orientation—some states protect the status; others do not; research state laws or consult an attorney



Six Authentic Ways to Attract REO Referrals

As the real estate market shifts from year to year (or even day to day), so too have the methods agents use to bring in business, whether traditional or REO. Still, there's no denying it; nothing is quite as effective as a good old-fashioned referral. Happy clients will share your name with contacts, often without even being asked, based on the services you provide.

But in the technology-driven, volatile REO atmosphere, competition is fierce, and fortunes can change in a heartbeat. What can you do to achieve next-level success in attracting referrals from your existing clients? Start with these six ideas, a mix of conventional wisdom and modern savvy—then find ways to make them your own.

1. Provide outstanding service. There's a good reason this tops the list because no trend or technology can replace you. Be honest and dependable; answer questions patiently; return emails and calls quickly. Remember that aspects of a transaction that are typical to you may be a mystery to your clients, particularly with the complexity

that can come with REOs; be the knowledgeable resource they need.

Most of all, let your clients know that you're there to make sure that everything goes smoothly. Giving your best, especially with REO homebuyers, will make you memorable when their friends or family are ready to buy a home.

2. Ask directly. Once you've done the work of successfully walking a client through an REO transaction, they're likely to be receptive to a polite request from you—they may even ask if there's more they can do to say thanks. Be up front in saying you'd appreciate them referring you to others; provide extra business cards or brochures to share, and direct them to your (up-to-date) website to learn more about you.

Speaking of your website, positive reviews from satisfied clients are an excellent way to boost your signal online. Find a plug-and-play solution to gather comments, stories, photos or videos (and permission to share), then deploy them across your site to build a personalized experience. What's more, the clients you feature may want to share their moment of

fame with loved ones—generating even greater traffic.

3. Stay in touch. Finishing a successful transaction shouldn't be the end of your client relationship, and staying connected can help you earn referral business. Congratulate them on their new home by sending a handwritten note or a housewarming gift; email a business update or newsletter; take them out for lunch; host a client appreciation day at your office.

Just as you did during their REO transaction, put your focus on the relationship. Reward them with something they'll enjoy or find useful, then offer a gentle reminder that you'd be grateful for their referral.

4. Explore memberships in REO specialist organizations. Groups like Five Star's Federation of REO Certified Experts (FORCE) provide a host of benefits, often including education, networking, industry updates, compliance verification, unique opportunities, exclusive events, and additional perks.

Recognized memberships and certifications can offer clients further

confidence in your knowledge and experience with the specific needs of REO transactions and parties.

5. Get to know your community and neighbors. Whether you've lived in your city or town your whole life, or for just a year or two, there are always people to meet and things to see. Become a familiar face at local events; befriend business owners; be a volunteer or event sponsor. You're already the expert for your REO clients' needs, but you'll be even more valuable—and more referable—if you can tell them where to take the kids for a fun outing, help them find a trustworthy landscaper, or be an active part of the community they value.

6. Dig into social media. Social sites can connect you to clients in so many ways; there's no reason not to have a presence. Maintain a Facebook page for your business; offer industry tidbits, personal engagement, and even those reviews you requested above. Keep your LinkedIn profile updated with affiliations, memberships, and certifications, and don't be shy about announcing awards or recognitions—there's no better way to establish your expertise.

Like Instagram? Take photos at those community events or post brief videos you or your clients have created. Write a blog or articles about your REO business? Link them on Twitter and retweet industry influencers while you're there. Whichever venue you choose—and there are many—personally invite your clients to follow you and make it worth their while.

The Bottom Line

No matter which method you choose to attract REO referrals from your clients, always be genuine and professional. Your unique expertise and adaptability drive the success of any transaction, and the complexity of REO adds even more value to your business.

There's no better time to talk to your fellow agents about their favorite ways to gain REO business than now during the Five Star Conference.

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10:50–11:25 a.m.—Secrets of Repeat Business: Asset Disposition Panel

Find out what asset managers value most in agents and brokers, and what's key to getting them to call you back with future listings. You'll hear directly from asset managers about their greatest challenges, their outlook on the future of housing, and agent/broker partnerships. Topics include:

- How disposition strategies have evolved recently, and what's to come through 2019
- Tips for brokers to earn more business by participating in leverage auctions
- Traits of successful agents
- The outlook for the shrinking REO market
- How to gain business as an REO agent
- How to optimize distressed-property asset liquidations
- Strategies to increase third-party sales
- How online auctions will affect the role of agents/brokers for REO listings
- Tips for agents/brokers for effective communication with asset managers on dispositions

The panel includes moderator Eric Will and panelists Kelly Conley, Founder and Principal, KAC Advisory; James Harp, VP of Specialty Operations, Altisource (Hubzu Unit); Shawn Miller, VP of Default, Xome; and Eduardo (Eddie) San Roman, President, 24 Asset Management.

Events Spotlight

Don't miss the most relevant events to your business while at the **Five Star Conference**. Be sure to utilize the FSC app while you're here through downloading the "Jujama" app and searching Five Star Conference using the username and password sent to you

SUNDAY FORCE Rally Power Hour (member event) 2:00–3:00 p.m.

Gear up for the FORCE Rally with this private networking session for FORCE members and leading servicers, investors, and asset managers.

FORCE Rally (member event) 3:00–5:00 p.m.

It's one of the year's most anticipated and exclusive events in REO—and it's only for FORCE members. Catch up on the latest news and hottest topics in presentations and panel discussions from top industry leaders.

Opening Night Reception 6:00–9:00 p.m.

Relax and reconnect with colleagues and clients as you meet new partners and prospects in a social setting.

FORCE Rally After Party (member event) 9:00–11:00 p.m.

Cap off a day of business-building with live music, cocktails, and conversation.

MONDAY Expo Hall Open 8:00 a.m.–5:00 p.m.

See the latest and greatest developments at booths for companies from across the industry. Be sure to visit the FORCE Booth and sit for a new headshot photo, catch up on member news, or learn how to become a FORCE member.

The Keys For Life Reception & Concert (ticketed) 6:00–7:45 p.m.

Help us honor the bravery and sacrifice of our nation's military veterans and their families as we present them with mortgage-free homes, all within an unforgettable evening of entertainment and celebration.

Conference-Wide Celebration

Hosted By Mortgage Contracting Services (MCS)
9:00 p.m.–12:00 a.m.

Enjoy cocktails, conversation, and live music alongside the best and brightest in the industry at the annual conference-wide party.

TUESDAY Expo Hall Open 8:00 a.m.–2:00 p.m.

REO Lab 9:00–11:30 a.m.

Engage in dialogue surrounding the REO topics that matter the most to your bottom line.

Women In Housing Leadership Awards Banquet 12:30–1:30 p.m.

This year's banquet will proudly host the presentation of the inaugural Keystone Awards, honoring the remarkable achievements of industry-recognized women from across mortgage servicing and housing.