

MPA

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YOUNG GAINS

Why the future of mortgage
broking is in good hands



CHALLENGER AGGREGATORS
ARE THEY RIGHT FOR YOU?

LA TROBE FINANCIAL
THE FUTURE'S BRIGHT
FOR BROKERS

GREG FROST
THE WORLD'S FIRST
BILLION-DOLLAR BROKER



fix-it

Hank (Hoa) Hong prides himself on taking on tough loan scenarios – often picking up clients who have been rejected by other brokers. It's an approach that he believes will help him win a spot on the MPA Top 100 list this year. **John Hilton** reports

MPA: Why did you decide to become a mortgage broker?

Hank Hong: I was always going to broker. I turned 29 this year but have been in the industry for 11 years now. I was invited to join a mortgage company in my second year of university when I was 18, and started cold calling and learning about the mortgage industry. I was there for three years, cold calling, learning sales, meeting with new clients and learning to be an amazing salesperson. I also spent three years in a non-bank, creating their credit team and leading the distribution for their franchise and broker network.

When I could not find a challenge anymore, I joined Home Loan Experts, which gave me the tools to become an excellent broker.

FAST FACTS

NAME

Hank (Hoa) Hong

COMPANY

Home Loan Experts

LOCATION

Burwood, NSW

BACKGROUND

Has worked in the residential and commercial lending industry since 2002

SPECIALITIES

Challenging loan scenarios, such as first home buyers, investors, including international/non-residents, trusts, guarantor loans, construction and development loans



MPA: How do you keep your education up to date?

HH: We believe in constant education and upgrading of our knowledge in the office. We have broken the market into what can be done with each lender, and train on these subjects once a week. We also have a weekly quiz on the latest updates, and we're constantly reading industry magazines like *MPA* magazine.

The other big thing is catching up with bank BDMs every week, and also older brokers who have been in the industry for a long time. We learn from older brokers who have approved certain application structures which are not part of the norm.



MPA: What's your strategy for maximising referrals?

HH: Each time I contact a client I will speak to the real estate agent, legal team and accountant. Maximising referrals from their accountants is one of my main sources of clients, as I understand financials and get hard deals through.

Having my clients on my personal Facebook account is a massive strong point, as it takes the relationship to a higher level. Facebook is a very strong marketing tool and clients have been referred just by being tagged in a conversation.



MPA: You enjoy taking on tougher loans, often from people who have been rejected by other brokers. What's your secret?

HH: Every year there are a large number of brokers entering the market; not many make it through. The

key is education and knowing all the banks, not just the select few.

A broker who does not deal with all the banks would only know a restricted amount of policies. So when a client is not able to be approved through another broker I take great pride in knowing what went wrong and giving them the option that helps them out. By being able to assist the client and making the process easy, they will refer more clients to me.



MPA: How do you position yourself as an expert, rather than a salesperson?

HH: I do not stop learning and going over the basics. I pride myself on being the mechanic rather than the salesperson. I know how the car was put together and how it can be fixed, rather than being the person that only knows how fast it can drive. Being from an ex-credit background, I understand how the approving party thinks.



MPA: What advice can you offer to new brokers?

HH: Don't be scared of trying new lenders and dealing with non-conforming lenders like Pepper and Liberty. There are many clients who do not fit into the normal banks' criteria due to blemishes on their credit reports.

The rates may be higher, but the client gets into a home now rather than having to rent for a few more years, and the difference is that they won't have a property purchase which has gone up 10% two years down the track. This means they will keep chasing the dream.

Dealing with a company like Pepper means you can get someone who will want to approve your loan, rather than a computer.

Be humble and keep learning from brokers that have been there and been successful. If they are successful they have done everything right, so if you are lucky enough to find someone that will impart knowledge, give them the respect they deserve.



MPA: You enjoy taking first home buyers through the buying process. What are your tips for success in this area?

HH: Reply to an email in 30 minutes, and reply to a call inside one hour. Give them timeframes of what they can expect. Three days in broker world can feel

HANK'S MARKETING STRATEGY

- Facebook connection with clients
- Conversations and meetings with accountants and real estate agents
- By just providing a great service, clients refer their family and friends. There have been clients who could not work with me at that time, and they still referred their friends
- We send birthday presents and messages and make an annual call on the anniversary of the client's loan
- Our aggregator, Connective, has a My Marketing product, which personalises an email to the client on a monthly basis with information regarding the market and rates
- We also have a 21-touchpoint system, which means we need to have some kind of contact 21 times a year: calls, monthly newsletters, SMS, messages and calls

like two years to a client who is waiting for that answer. I try to reply to a client instantly, which makes them feel at ease.



MPA: How do you manage the more complex demands of investors?

HH: By showing them that you understand the structures completely and also giving them some other ideas that they can do effectively. I have at the moment about six trusts, which are a mixture of all types. For an investor, they want to know you understand their situation, and to proceed with a lender that can make the process easy rather than ask for more documents. Also, speak to them about their five-year plan, which you can work out for them.



MPA: What advice would you offer to brokers who are looking to diversify into construction, development, and commercial lending?

HH: Take a dive into the deep end; you are only going to learn from doing these applications. You will learn more by trying to find the answers for these applications, rather than someone teaching you.

Speak to the credit teams of the banks; reach out to other brokers. These types of products are where the money is, because they are more complicated.

Every deal can be done one way or another. There might be a product or rate that the client likes, but beggars can't be choosers.

Developers are some of my best referrers as well. Helping them fund their projects, their personal lending, means they can refer all the purchases to you.



MPA: How do you achieve a work-life balance?

HH: After four years I am slowly being able to have a balance. When I started this life I gave up two years of my life working seven days a week, working to 11pm at night to cement myself. I now have two phones: the work one is switched off from 11am Saturday and turned on at 3pm Sunday. I also now have two PAs to run my game. Still trying to achieve it!



What are your plans for the future?

Become a Top 100 Broker, which I will next year. Help train new brokers into the market. **MPA**