

I get dozens of calls asking me...

How do I get REO Listings from lenders?

By Richard Lane

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REO

So you ask me how come the broker down the street has 20 REO listings? How can you break into this niche?

In short, it's marketing, it's strategy – so you need a Marketing Strategy for acquiring REO listings, negotiating Short Sales, or gaining BPO referrals from lenders and asset managers. Here are some tips to help you create such a plan for yourself. Here are six key areas you need to be actively (and energetically) covering:

- ❖ **WEBSITE:** Advertise yourself as an “area expert” on REO's, Foreclosed Properties in “Yourtown, US”. Create a website with one-full page devoted to your experience in these properties, and list lenders you may have worked with in the past. If you have done BPO's, prominently mention those as well. If you work with a local or regional lender, try to get a recommendation (with written permission, of course) to post as well. This will give you credibility, set you apart from other area brokers and be a great web link you can include with your contact mailers or phone calls to lenders nationwide. Remember, the web is the first place people look, even those looking for brokers to handle their REO's.

Keywords help people find your site! These are important on your webpage as they are used to index your site for search engines. If you do it yourself or hire a web designer, be sure to include pointed keywords like, BPO – Broker Price Opinions, REO – Real Estate Owned Specialist, REO Broker, Bank Owned Listings in Yourtown, US, and others which are applicable to you. Learn more about keywords, <http://webdev.entheosweb.com/2008/07/06/how-to-choose-keywords-to-theme-your-pages-and-boost-your-traffic/>

- ❖ **MORTGAGE BROKER/NETWORKING REFERRALS:** Remember how the mortgage brokers came knocking on your door a few years back? Well, now it's your turn! Advertise to local mortgage contacts and let them know you are specializing in REO liquidation and/or Short-Sales. Mortgage brokers are often the first pros folks visit when they fall upon hard times. If someone wants out of their property they may be a referral for a short-sale listing.

Virtual Networking Idea - exchange website links with other REO professionals specializing outside of your geographical areas. You are not directly competing with them by virtue of distance, so why not mutually assist one another with links?

- ❖ **BUILD A MARKETING DATABASE:** Keep an updated list of lenders and contacts you have used previously and build a solicitation list. Subscribe to a source which offers contacts and updates them. There are always sources which offer great sounding lists, and they might have been when the broker who created them called from bank-to-bank to compile them, but they tend to be outdated. Changes occur on an almost daily basis, so subscribe to a notable industry source which will keep you supplied with fresh contacts. Use the Lane Guide (www.laneguide.com). Lane Guide is the authority on lender data and successor history – and has a comprehensive list of lender’s REO departments, REO asset management companies and Loss Mitigation offices.

Note on Lane Guide: look at the “REO Brokers and Investors CD-ROM” (http://www.laneguide.com/Products/REO_asset_CD.asp) which gives you a way to find REO contacts, asset manager offices and trustee listings nationwide, or by state lending in. This includes a wizard which works with Micorsoft™ Word® to generate form letters. There is a good template model included for a broker introduction letter. You can, of course, modify it to your desire. Lane Guide will also give you loss mitigation offices for lenders to help with your short sales. If you are using a website to find foreclosure (or pre-foreclosure) properties, like Foreclosure Radar (<http://www.foreclosureradar.com>) Lane Guide gives you a way of finding the lender of record or the trustee office.

- ❖ **MAIL INTRODUCTION LETTERS:** Keep proactive on building new lender contacts. Develop a clean and to the point intro letter, use the one Lane Guide offers as a base, but add your points and experience too. Also, enclose a separate resume with all of your contact information and a link to your site (see step 1 above). If you have closed 1 or 100 REO’s, be sure to mention it; some lenders only work with “proven” performers and want to see those resumes with a track record. Most importantly, include a list of ZIP CODES where you actively list properties – lenders like zip codes as they work great in DATABASES! Be Persistent. Mail and mail again. Keep yourself sending a mailer every 6 to 8 months, as people and companies change. You will want your name to stay in front of them.
- ❖ **KEEP INFORMED:** Attend seminars and forums for short sales and REOs, register on websites, join a real estate investor club (<http://www.nationalreia.com> , <http://www.reiclub.com>), and so forth. You will learn of market trends, get ideas and network with other brokers and investors. I recommend to those starting out or even those just wanting to refresh their ideas, to register for online webinars. Margot Murphy (<http://www.realestateproguides.com>) has some great tutorials for REO Marketing, Short Sales, and BPO’s. Also check with Alexis McGee (<http://www.foreclosures.com>), she has a site which offers seminars, newsletters and online forums to keep you on course with changes and trends. Even the most seasoned will appreciate having a refresher course for new ideas and topics.
- ❖ **BLOGS:** Join blog sites and forums, search for topics of interest and join discussion groups. Make sure you post your name and contact info, as someone in need of your service may be blogging too. If you are feeling benevolent and kind, post a blog with a link to this article. If someone else is starting out or looking for ideas, you may just make a friend (and contact) in the

business right from the start. Also, **be sure to link to your website on the blog attribution line.** This is a great way to get the main search engines like, Yahoo! (www.yahoo.com), Google (www.google.com) and Ask.com (www.ask.com) to find your site and start moving you up the ladder on the search results list.

- ❖ **AUCTION & FORECLOSURE WEBSITES:** Another idea to find the “players” in your market is to monitor foreclosure websites including auction websites. The idea here is to see properties in default or pending auction by the trustee. This will give you not only a “heads-up” on properties soon to be entering the market, but also a way to find the lenders who have the properties. For example, Foreclosure Radar (www.foreclosureradar.com) in California has a site which lists properties in all stages of default and updates daily, I believe. Additionally, Lane Guide has a list of several dozen auction sites which can be accessed at (http://www.laneguide.com/Foreclosure_Trustee_Auction_Websites.asp)

Thank you for spending the time to read this article. Remember, you are building a business. Those who are at the top of the REO market are those who have been working in it long before this current mortgage meltdown. You need to think of it not only as a stop-gap between markets, but as a long-term niche you will want to keep working even when listings are rolling in on the next upswing.

About the author: Richard Lane is currently the President and CEO of Lane Guide Lenders On Line, Inc. a leading industry publisher and data gathering provider to the real estate, title and lending industries. Mr. Lane has a degree in Business Administration and Marketing from Marshall School of Business, University of Southern California and has had articles published in real estate journals and has presented at Real Estate Investor conferences and workshops.



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