

# BROKER || BANKER

AMERICA'S TRADE PUBLICATION FOR THE HOME LOAN ORIGINATOR



**BROKER BANKER OF THE MONTH**

**KEVIN  
LYONS**

**ANCHOR FUNDING**

**In This Issue of Broker Banker:**

- Anchor Funding: Security, Stability and Success on the Mortgage Seas
- Carve Your Niche in Small Commercial
- Your Lenders Are Spying On You
- Prospecting Open Houses
- 30 Second Selling
- Loan Officer Training: A First Step to REALTOR® Marketing

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# ANCHOR FUNDING: SECURITY,

By: Jennifer Hadley

## WHAT IS A TALENTED MORTGAGE BROKER TO DO

WHEN FACED WITH THE REALITY THAT THE COMPANY WHICH HE IS WORKING FOR IS OFTEN OUT OF COMPLIANCE, SLOW TO CLOSE LOANS, NOT SET UP WITH ENOUGH LENDERS TO COMPETE IN A BUSY MARKET AND SLUGGISH TO PONY UP THE COMMISSION CHECKS FOR ITS HARD WORKING ORIGINATORS?

**SHOULD** YOU CHANGE COMPANIES?

**SHOULD** YOU MAKE A LEAP OF FAITH AND START YOUR OWN MORTGAGE BROKERAGE?

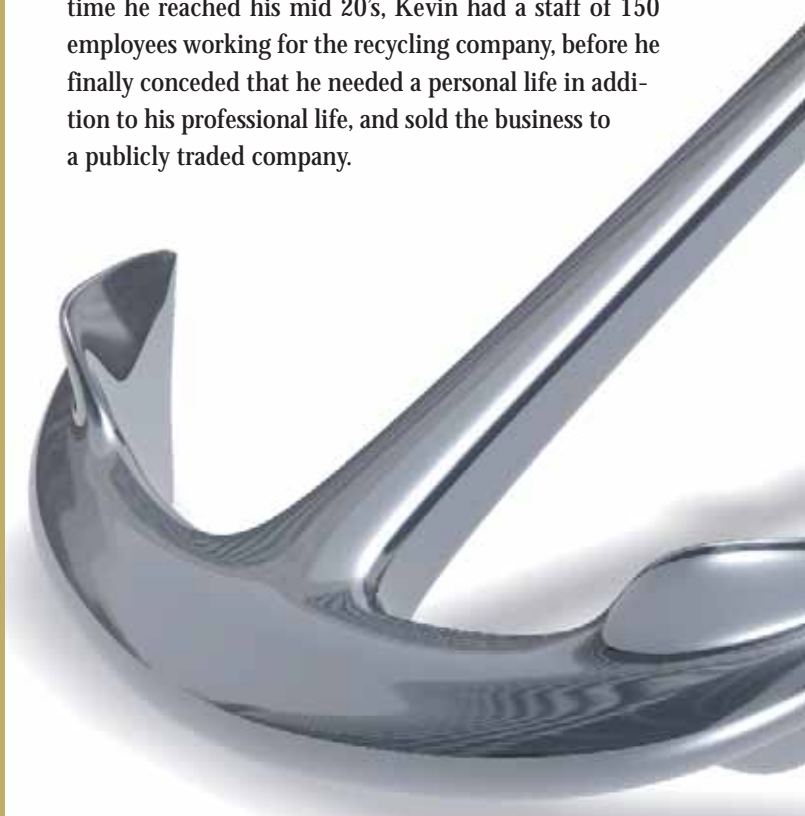
**SHOULD** YOU OPEN YOUR OWN IN-HOUSE ESCROW COMPANY?

**SHOULD** YOU VENTURE INTO PREVIOUSLY UNCHARTERED WATERS AND ALSO BECOME A MORTGAGE BANKER, AND IF SO, WHEN?

**FURTHERMORE**, IF YOU LAUNCH YOUR OWN MORTGAGE COMPANY, HOW WILL YOU ENSURE, AS THE FOUNDER, THAT YOUR COMPANY DOESN'T CAUSE YOUR LOAN OFFICERS THE SAME AGGRAVATION YOU HAD FACED?

Well, if you're Kevin Lyons, CEO of San Diego based Anchor Funding, you hold fast to your belief that mortgage companies should be run by the people who work for them. You envision a company where the owner is working alongside employees and agents, as an equal rather than as a suited manager in an office who's never actually originated their own loans. You also arm yourself with a talented support team who earns their own bonuses per file, and you develop a simple plan for success; a plan which involves arming loan agents and net branch operators with all of the corporate tools they need to succeed, paying aggressive commission splits for their hard work, and then letting them pave their own path to success.

That's the short of it for Kevin Lyons, who has been a business owner since his teens. Before Kevin had even received his degree in Finance from San Diego State University, he was well on his way to success as founder and owner of his own paper recycling company. By the time he reached his mid 20's, Kevin had a staff of 150 employees working for the recycling company, before he finally conceded that he needed a personal life in addition to his professional life, and sold the business to a publicly traded company.



# STABILITY AND SUCCESS ON THE MORTGAGE SEAS

That's when Kevin entered the mortgage business. While his finance degree played a role in his success as an originator for another mortgage company, Kevin was extremely frustrated by the lack of stability that he found in the company he was working for. He also found that he was still putting in just as many hours in the mortgage business as he had been as head of the recycling company. Even worse, at this



mortgage company, the regulations and procedures that this company abided by did not seem to Kevin to be conducive to long term success, and/or stability. So, in 2000 Kevin jumped the proverbial ship, and launched his own mortgage company, Anchor Funding.

## ANCHORING THE BUSINESS

Kevin's strong conviction that mortgage companies should be run by the loan agents who work for them was his guiding foundation when he launched Anchor Funding. Starting the company with just himself, and one other agent, Kevin began laying the groundwork for the business philosophy which would govern his business. That is, Anchor Funding would be a mortgage company built by professional loan officers, for professional loan officers. Having been a successful loan officer himself for years, Kevin knew what loan officers need from their parent company in order to have a successful career. He systematically set out to implement procedures to ensure that these needs were met for the Anchor Funding team.

The first need that would have to be met for loan officers to be successful was the presence of a top notch support staff. "I knew early on that I needed to hire quality support staff to help me and the loan officers that I was bringing on board," Kevin remarks. "In order for our files to close quickly and cleanly, you must have excellent processing support," he adds. In an effort to employ only those quality support staff that Kevin was determined to have work with his team, Anchor Funding developed a pay

structure to entice eager-to-earn processors. The structure provided all support staff with a substantial base salary plus bonuses per closed transaction. The structure has proven wildly successful and translated into his processors and support staff having the utmost motivation for ensuring that every loan is closed expediently and fully in compliance.

Anchor Funding's structure for support staff has paid off both for its processors and for the company as a whole, as 90% of the staff that was with Anchor Funding in its infancy, are still with the company today. Naturally this benefits loan officers in that "nearly all of Anchor Funding's support staff have been in their positions a long time, and are true professionals, who work extremely hard to close every loan," says Kevin. Certainly the lack of turnover hasn't hurt Anchor Funding's standing with its clients either, who appreciate the fact that they can repeatedly work with the same professionals.

Make no mistake, the support staff at Anchor Funding aren't the only beneficiaries of monetary compensation for hard work. Anchor Funding offers some of the highest commission splits in the country to its loan officers. Better still for Anchor Agents and Net Branch Owners, those commission checks are delivered within 48 hours, to demonstrate to loan officers that their hard work is appreciated. Additionally, Anchor Funding allows loan officers to process their own loans, and keep the processing fees if they prefer to do so.

With a team of highly skilled support staff in place at Anchor Funding, the next need to be met involved streamlining the

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*Pictured left to right:  
Senior Anchor originators  
and Net Branch Owners  
sharing ideas:*

*Paul Needelman,  
Julia Cardenas,  
Sam Starnes,  
Kevin Lyons,  
Nancy Binder,  
Timothy Austin,  
Steve Mueller*

escrow process. In keeping with the company objective of providing all of the tools that loan agents need to be successful, several years ago, an in-house escrow company was launched exclusively for Anchor Funding agents. According to Kevin, "Setting up our in-house escrow has helped expedite the loan process and allows Anchor Agents, as well as net branch operators, to work more efficiently. With our in-house escrow, we are able to operate on a 24 hour turn around time. Our clients really appreciate it."

An equally important part of Anchor Funding's pledge to provide its loan agents with the tools they need to carve out their niche, and achieve their own success, comes in the form of marketing assistance. The company has always provided agents with tried, tested and true networking, marketing and branding tools. One of the most successful methods they use involves "Data Base Mining," or referrals from other professionals involved in the loan process. For six years, Anchor Funding has diligently thanked CPAs, attorneys, home improvement companies, roofing contractors, RV dealerships, pool companies and financial planners for their business with a small, but important token of appreciation; a box of chocolates, and a thank you letter. "We thank them, ask for referrals, and then try to send our clients to these service providers in the future," says Kevin. This simple thank you, and referral plan has worked phenomenally well for the company too, as to date, Anchor Funding derives an impressive 25% of its loans from its Data Base Mining efforts.

Anchor Funding also encourages its loan agents to build their own personal database of clients and become a household name within their targeted market, using customized mailing pieces, website marketing strategies, and personal door hangers in their own neighborhoods. "Door hangers work well for us," says Kevin. "They allow agents to brand themselves in their

immediate neighborhood as the local loan officer of choice," he adds. This relatively inexpensive method of target marketing is cost effective for Anchor Funding agents as well. "For less than the cost of a piece of direct mail, agents can emphasize to their neighbors that they live within 2 miles of their home, and that they can be at the clients home in person within just a few hours to discuss loan options," he continues. The sense of familiarity that comes from working with a neighbor has also resulted in impressive results for Anchor Funding.

Of course, it's important to not only build a large client base, but to maintain those loyal clients as well, and Anchor Funding agents follow up with a thank you letter and chocolates to all clients within 10 days of a loan closing. Shortly thereafter, they send a referral request letter to the client, and then maintain their presence in front of the client through a minimum of 4 mailings per year, plus birthday and/or anniversary cards to all clients.

Simple as it sounds, these personal branding and marketing strategies have added up to big volume for Anchor Funding, which counts past clients and client referrals as the remaining 75% of their overall business.

### THE WAVE OF THE FUTURE:

"Mortgage banking is the wave of the future," says Kevin. But more than that, mortgage banking was clearly the next logical step for Anchor Funding which launched its banking division one year ago. "Since we already had the in-house escrow in place, the move into banking was only natural," he adds. Although adding banking to Anchor Funding's repertoire seemed a natural transition, it was also a calculated move. "We've always paid attention to shifts in the industry, and had planned to get into banking, and then when the market

*Pictured left to right:*

*Collette Jacobs*- Operations

Manager,

*Rosie Burton*- Junior Processor,

*Wendy Baggs*- Processor,

*Jason Zotara*- Assistant,

*Kevin Lyons*,

*Nicole Buck*- Processor,

*Mary Helen Rodriguez*-

Processor



shifted about a year ago, we knew it would be one way to ensure that our agents and branch owners are able to operate successfully in the long term,” Kevin continues.

The move has greatly paid off for Anchor Funding, and all of its loan officers and support staff because of the way the banking division is set up for Anchor Agents. “With our banking division, our agents are able to see exactly what ‘the house’ is earning from every loan,” says Kevin. Furthermore, Anchor Funding is able to offer enhanced pricing through sharing of their Service Release Premium. This in turn then allows Anchor Agents to be more competitive with their pricing through the direct banking operation.

As successful as Anchor Funding’s banking business has become in the last year, Kevin is quick to point out that agents are welcome to broker their loans through any lender they like. “Our existing and potential loan officers and net branch owners benefit from pricing incentives through our broker relationships with more than 200 lenders.”

### AN EYE ON THE HORIZON:

With all that Anchor Funding has achieved in the last six years, is there anything left on the mortgage seas for them to conquer? This year alone they will handle more than \$700 million in loans. They have grown their net branch operations to include five net branch offices in addition to its corporate office, which houses 20% of Anchor Fundings’ 50 exclusive agents and brokers. But they are far from finished growing and expanding. However, like all other business plans Anchor Funding has followed, the plans for growth will be simple, but well calculated and perfectly executed.

The expansion of Anchor Funding has already begun, with

the company obtaining licensing in Arizona, Oregon, Florida and Washington in an effort to reach new markets. A Business Development Manager oversees increased advertising and target marketing in all of the states where Anchor Funding acquires licensing.

“We’re going for quality over quantity loan agents. We do hire (inexperienced) new agents who don’t mind being mentored by our senior agents, but we typically require one year of experience,” says Kevin. Ultimately “Anchor Funding aims to hire 60-70 quality agents in the next two years,” he continues. The planning phase of the expansion, just like all other business decisions, requires that the loan officers’ best interests remain at the forefront of its design. For that reason, the personnel expansion will include three components; Net Branch Operators, Virtual Originators and Loan Agents.

Net Branch Operators reap all of the “benefits of a large corporation, without the maintenance of one,” says Kevin. To that end, Anchor Funding provides all of the marketing strategies, payroll, compliance, and processing support to lay the ground work for the Net Branch Operators’ success. Net branch operators and their agents make up 40% of Anchor Funding’s brokers and agents.

Virtual Originators, which currently make up 40% of Anchor Funding’s brokers and agents, are home based officers who have direct access to yield spread premiums, service release premiums and all of the benefits a traditional in-house agent has, including assistance with processing, pricing incentives from all of Anchor’s 200+ lenders, and more. These loan officers simply choose to e-commute, and/or tele-commute to work each day.

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*Pictured above left to right  
Ron Bendelstein, Business development Manager and Kevin Lyons*



*Pictured above:  
Kevin Lyons taking a client's loan application*



*Pictured below:  
Kevin Lyons with Melissa Lowery -Funding Manager;  
and Megan Murphy -Funder*

Loan Agents and Brokers, who can choose to work from the corporate office or from any of the five net branch offices, will enjoy a fast paced, but casual office environment at Anchor Funding. However, one thing they will never find, in any office is an operator or manager who is not alongside them in the “trenches” originating loans themselves. As part of Anchor’s commitment to being a mortgage company created by professional loan officers for professional loan officers, everyone, (including the company’s C.E.O and all Net Branch Operators) are successful originators themselves.

So with sunny skies ahead, does Anchor Funding fear any mortgage “storm?” “Absolutely not,” says Kevin. Having built a company with the goal in mind to give agents a sense of stability, and security, Anchor Funding works as a well oiled machine, with its various components of escrow, brokering, and banking divisions helmed by a crew of professionals who have all been with Anchor Funding for a long time. Yet does the Anchor Funding crew treat Kevin as the captain of this incredibly successful ship? “Mostly they consider me as the ‘chief bill-payer,’” he laughs.

There’s abundant evidence that all are treated as equals at Anchor Funding. From the top management originating as many as 30 to 40 loans “individually” each month, it’s clear that this company is truly run by loan officers. From the company parties which prohibit “shop talk,” to Anchor Funding’s insistence that it’s loan officers take time off to spend with their families, or to go on vacation, it’s evident that the personal lives of all employees at Anchor Funding are valued, (working extremely long hours each week is frowned upon.) With commission checks being delivered in a matter of hours, and unwavering commitment to providing loan officers with all of the tools that they will need to be successful, Anchor Funding believes in leading its loan officers to become the captains of their own ships of success; and they truly lead by example. ||



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