

# Stop Trusting, Start Testing

Lead-management software can help detect if loan officers are stealing leads from their companies

By **Jeff Solomon**, CEO, Leads360

**M**ANY MORTGAGE BROKERS and lenders are feeling the pressure of a collapsing nonprime market. In fact, nonprime ARMs have declined steadily since 2000 and represent only 7 percent of mortgages made in the past few years, according to Federal Reserve System statistics.

To stay afloat in this market, it is imperative for mortgage companies to capitalize on their leads. Indeed, successful mortgage companies recognize that competing in a compacting market requires discipline and process, as well as the tools to follow up on leads properly.

Further, the tightening of the market only exacerbates a problem many companies face even in the best of times — the loss of valuable leads through fraud and theft. In the current market, lead protection should be the top priority for mortgage companies. Lead-management software can not only help mortgage companies follow up on leads, but it also can help to track lead fraud and theft among a company's employees.

## An industrywide problem

Signs of the prevalence of mortgage-lead theft are everywhere. Last year, for instance, two Long Island, N.Y., brokers bribed their company's information expert to gain access to leads valued at more than \$1 million. They were caught when the company set up a sting and are now facing felony charges.

Although trust is certainly a valuable commodity in any organization, so is a clear picture of what the company's loan officers are doing. Those who have been in the business for a while know that there are two kinds of mortgage companies: those that have had leads stolen and know it, and those that have had leads stolen and don't know it.

With annual loan-officer turnover at as much as 200 percent in some organizations, the challenge of monitoring past and current employees' activities seems daunting, especially for larger companies.

## Software may be the solution

One method for detecting and reducing lead theft effectively is the installation of lead-management software. Such software alerts mortgage companies when their employees are stealing company-acquired leads and acting upon them in a freelance capacity outside the office.

The software randomly places "check," or test, leads within the company's database. They are integrated with an e-mail and voice-mail system that records messages and caller information.

These leads, which are undetectable from a company's authentic leads, are then assigned to a loan officer. When a loan officer contacts a test lead, the software records the date, time and content of the call, even if that call is made from outside the office. Alerts are then e-mailed to company management, which can listen to MP3 files of the voice-mails or read e-mails to see if the employees are contacting leads legitimately or stealing leads.

When the fabricated client returns the loan officer's call, that conversation also is recorded. As such, even if the loan officer calls a lead from outside the office or from home, there is evidence of the attempted theft. The software also should record all e-mail communication.

In addition to protection against lead theft, the right lead-management software can offer other benefits. The recorded voice mails and e-mails can be effective training tools for new employees; can provide a record of whether current employees are following the company's

preferred phone procedure; and can show whether employees are sending automated e-mails or responding with e-mails that are specific to individual customers' circumstances.

As long as the software can perform its function without interrupting operations or limiting legitimate follow-up, mortgage companies will have a powerful new tool to stop valuable leads from walking out the door. ■



**Jeff Solomon** is the CEO of Leads360, a leader in on-demand lead-management solutions. Leads360's enterprise lead-management application, LeadManager, lets companies more effectively distribute, track, analyze and convert sales leads into profitable customers. You can contact Solomon at [jsolomon@leads360.com](mailto:jsolomon@leads360.com).

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