

# PROFIT LINES

MARCH 25, 2010

**Dave Liniger on Best Brokerage Practices for Today's Economy**

The RE/MAX International Chairman and Co-Founder's insights on recruiting, retention, management and creating brokerage profitability in any market conditions

## New Short Sale Leader Wants Better Process for Agents, Consumers

All sorts of good things happened at the 2010 RE/MAX International Convention, but one of the most encouraging, especially for the long term, was a presentation by Bank of America.

We understand how frustrated many Sales Associates and Broker/Owners have been with Bank of America and its performance on Short Sales. We've heard stories about long delays, unresponsiveness, misplaced files and other problems. We've relayed them to our longtime Approved Supplier.

The good news is that Bank of America has taken the concerns seriously. The even better news is that a new leadership team appears to be committed to Short Sales and capable of making sweeping upgrades in how the bank handles them.

We had several opportunities in Orlando to speak to Matt Vernon, who in December took over the REO and Short Sale divisions at the bank. We were impressed with his passion, his acknowledgement of the problem and his commitment to making things better for real estate agents and the consumers they serve.

You'll have a chance to hear Matt yourself on **April 5** (7 p.m. ET), as RU presents a live, interactive forum, titled "**HAFAs: What it Means to You,**" about how the bank will operate under the Treasury's Home Affordable Foreclosure Alternatives program. Banks must have their policies in place by that date, and Matt will outline Bank of America's new approach, as well as his personal philosophy, in this RE/MAX exclusive. (The show can be viewed live via RSN/Dish, Roku and the Mainstreet Learn page; it will be added to the on-demand platforms shortly afterward.)

### Interested in results

Matt realizes, of course, that we're more interested in results than promises. We want to see action on the ground, and we want our Sales Associates to experience a real difference in how their Short Sales are

### KEY POINTS

- **We know how frustrated Affiliates have been with Bank of America and its performance on Short Sales. We've heard about long delays, misplaced files and other problems.**
- **The good news: A new Bank of America leadership team appears to be committed to Short Sales and capable of making sweeping upgrades in how the bank handles them.**
- **Hear directly from Bank of America leaders on April 5 (7 p.m. ET), as RU presents a live, interactive forum titled "HAFAs: What it Means to You."**
- **We're more interested in results than promises. We want to see action on the ground, and we want our Sales Associates to experience a real difference in how their Short Sales are processed.**

processed. When loan modifications don't work and Short Sales are the best option, we want efficient closings that benefit the agents, the distressed homeowners, the buyers and the community. According to Matt, that's what Bank of America wants too.

We weren't the only ones impressed by Matt in Orlando. A convention session on March 1, "Bank of America Short Sale Process, Products, Concierge Service," began in a room full of strained feelings. The crowd was loaded with RE/MAX Associates who had firsthand grievances and frustrations with the bank. But in the space of two hours – Matt stayed to answer questions long after the session – the mood changed. A sense of partnership and mutual interest emerged.

Many Associates praised the session. Bank of America had even set up phones in the back of the room so that staffers could help individual Associates with specific problems during the Q&A. One Associate told us the staffers called her negotiator directly, resolved the hold-up and got her file approved on the spot. It saved her a \$24,000 commission and, more importantly, instantly changed her perception of the bank. That's what Matt aims to do on a grand scale.

### **HAFAs policies being finalized**

Bank of America, Matt says, is working around the clock to finalize its official HAFAs policies. The bank's broader "Cooperative Short Sale" initiative – being piloted and refined now – will address issues such as the delegation of authority to approve or reject offers, the setting of listing prices deemed acceptable up-front, the protection of real estate commissions, and the delicate question of continuing, slowing or halting the foreclosure process while a Short Sale is pursued. Some of the changes will take time to implement; others, such as the bank responding to an offer in days rather than months, should happen immediately.

The main objective, Matt says, is to improve communication and establish clear expectations among all parties. That's also the goal of Bank of America's work-flow-management platform, Equator, which is a custom-built Short Sale version of the system formerly known as REOTrans. You'll see a demo during the April 5 RU show.

Equator is a Web portal, available 24/7, that allows everyone – the real estate agents, the buyers and sellers, and the bank staffers – to exchange documents and see where the process is at any given time. The system shows who's responsible for each task, and it tracks the progress, or lack of progress, at every step. Everything is visible to everyone.

### **On a higher level**

With more than 10,000 CDPEs – and others educated through NAR and Five Star courses – we have the best-trained sales force in the industry. Their advanced skills are vital for success in the Short Sale arena, especially with HAFAs kicking in next month and the rate of inventory about to increase dramatically. Many competitors' agents are woefully uninformed. They submit incomplete, inadequate packages that clog the system with deals that have no real chance of closing.

RE/MAX Associates must continue to perform at a higher level, and they need to fully understand the HAFAs requirements submitted by the various lenders. RU will work with Bank of America and others to make sure our training programs and resources spell out procedures in detail.

Matt leads a team of more than 1,000 specialists dedicated entirely to Short Sales. He says these staffers "live and breathe Short Sales. It's what they do on a day-to-day basis." The group has more than doubled in the past year and will continue to grow. Training is emphasized. These specialists are battling a tsunami of defaults, so it's critical that we do everything we can to help them say yes and close out each file. You can bet they'll remember which agents perform best.

**Ultimately, Matt's message to RE/MAX Associates, in his own words, is this: "Give us a shot to win you back."**

We think that's a reasonable request. HAFAs gives us all a chance to move forward. Let's take it, leaving the finger-pointing behind. Under Matt's leadership, the folks at Bank of America are committed to partnering with RE/MAX agents in the admirable task of helping distressed sellers exit difficult situations with their dignity intact. Let's work with them to get the job done.

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