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'Broker-Lender Efforts Key to Emerging Markets'

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The best approach to serving the emerging markets and underserved borrowers - such as minorities, Hispanics, immigrants, or the

"unbanked" - is through broker-lender partnerships based on efficient one-stop-shop solutions, according to Chuck Bishop, a vice president with Wells Fargo Home Mortgage who directs institutional activities in the companies' emerging markets on a nationwide basis.

"We just finished developing a complete lending solution package, a one-stop-shop solution that will be released soon," Mr. Bishop said. "It is kind of an added value piece that will allow brokers to have every tool they need to serve the emerging market, meaning the educational, marketing and product related materials in one place."

He believes that the new offering will serve WFHM's network of about 10,000 brokers well, especially those interested in reaching out to emerging markets. After all, he said, it is a two-way street "because we need them just as much" as they need us, "because to the client they are the face of Wells Fargo."

The lender is in the process of creating consolidated underwriting for the emerging markets, "based on existing but improved technology that allows higher underwriting efficiency," he said, through access to a team of experts who will serve "only this book of business."

"We as a lender are devoted to do more business with minorities, first-time homebuyers, and other emerging markets so the brokers offer an excellent venue," he said.

"To us brokers are the community, they have the face of the community, and typically they have their shops set up in the community and have networks that allow us to leverage our products in those same communities."

In addition, he appreciates broker feedback when it comes to creating products "that are diverse enough to reflect the community."

Currently, in effort to further reach out to the emerging markets through WFHM's broker base, the bank is focusing on several different strategies.

One approach includes a series of educational seminars for brokers that help educate them about emerging markets, starting with what the term really means.

"One thing we're trying to do is demystify the concept of the emerging markets, which means ethnic minorities, low- and moderate-income homebuyers, and the first-time homebuyers," he said. "We also show them more in detail where these borrowers are."

For instance, individual brokers may not have access to demographic information or other socioeconomic statistics from the marketplace they operate in. However, they have the option to contact a bank representative who can provide the needed data, he said, and "help them understand what the business is like in the area they serve and in turn, help them create sales plans to go after that business."

So, at first the lender focuses on educating brokers about the emerging market in general and how to attract business in their specific local communities. Then the lender-broker cooperation moves to what Mr. Bishop calls "the second phase" of product development.

"Two years back we developed 'the emerging markets national program that we feel is the most aggressive program out there, which is still catching on, if you will," the executive said. "The product has done a wonderful job in helping us to catch the emerging markets and to help our clients tap some of this business."

Since, Mr. Bishop explained, the lender "has not necessarily change the product," as much as it "has tried to maintain some consistency." Even though the product is basically the same, "the support to the product" has changed to fit broker needs by applying, for instance, new marketing tools.

"We have used new innovative marketing around the product, giving brokers unbranded opportunities to go out into the marketplace using their own business label," said the Wells Fargo executive. "We want the broker's name to show to the client, which is what the customer recognizes and responds to."