



**THE LOAN ATLAS**

Guiding Originators to Peak Performance

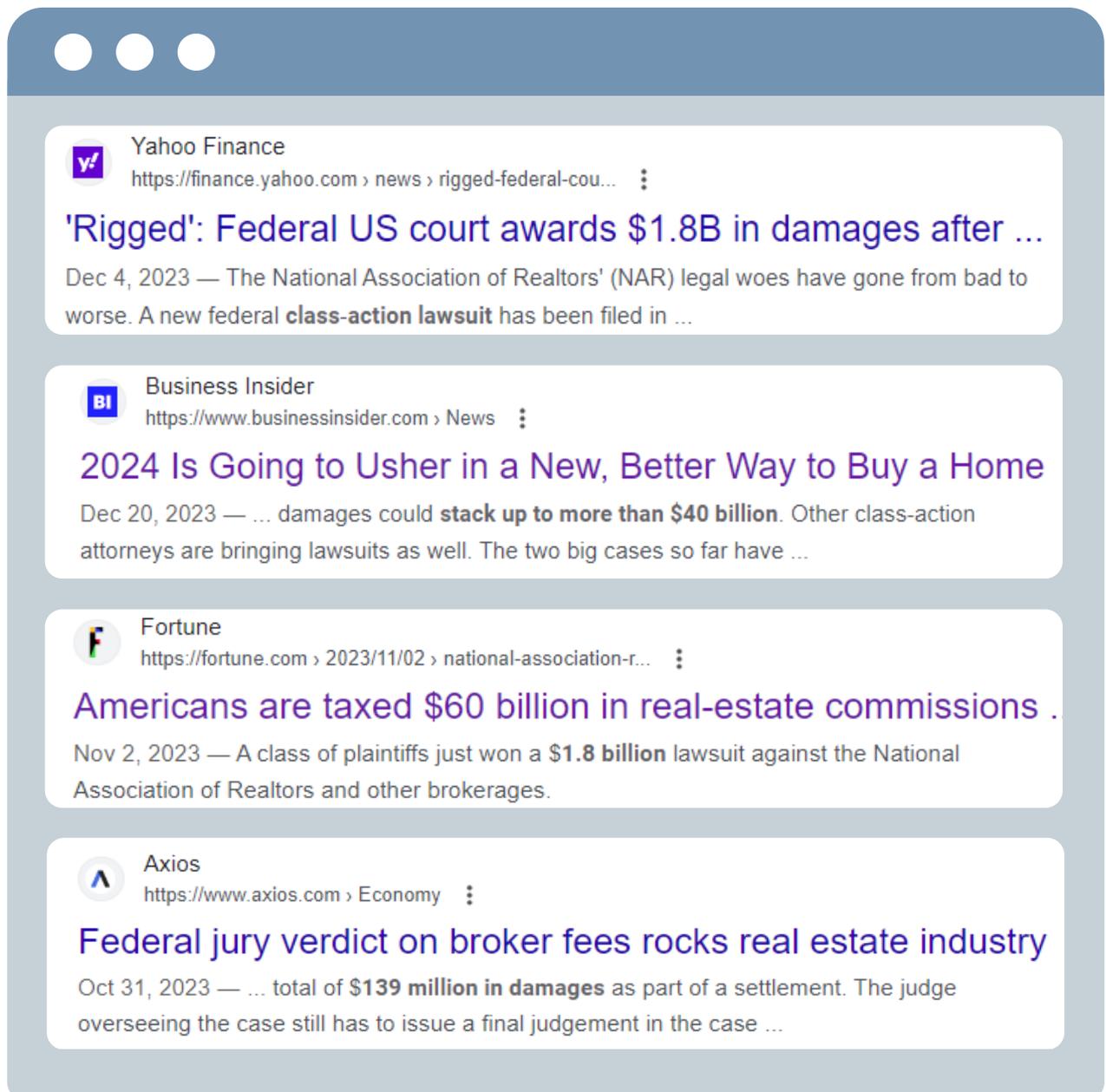
# **BYE-BYE BUYER AGENT COMMISSIONS**

*Implementation Plan*

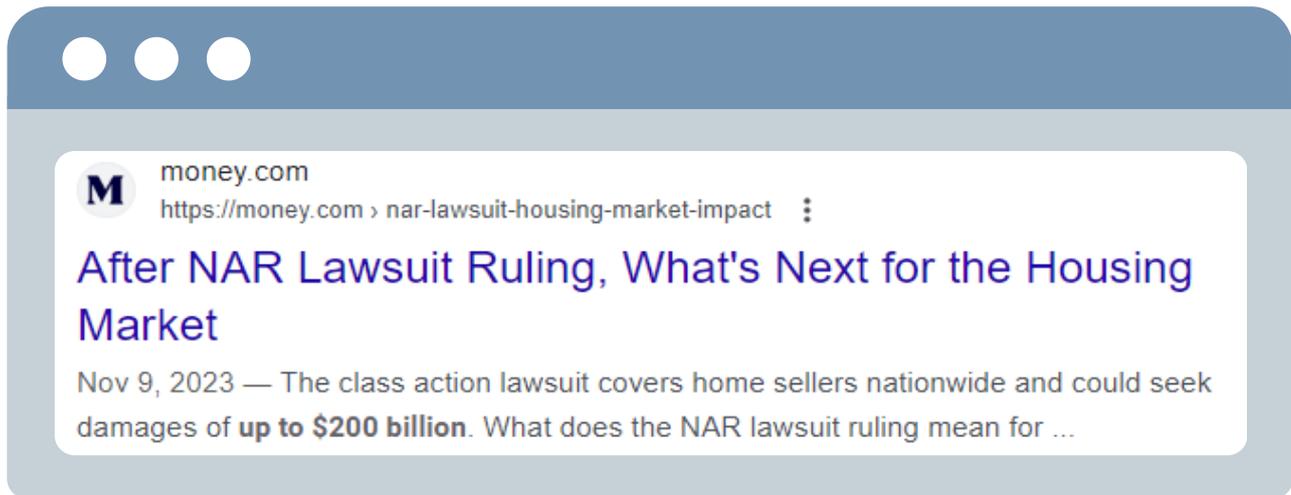
By Josh Mettle

## WHAT'S YOUR STRATEGY TO SURVIVE?

- According to the National Association of Realtors (NAR), 4.09 million existing homes were sold in 2023, by an estimated 3 million active real estate licensees in the United States. The average real estate licensee therefore closed a staggeringly low 1.363 homes in 2023.
- To be fair, 2023 was very likely the cyclical bottom of this housing cycle, and NAR is projecting 4.71 M existing home sales for 2024, bringing the estimated average sales per real estate licensee to 1.57 per year. Still not very inspiring for the average real estate agent and what's more, there are considerable industry headwinds ahead.
- Some estimate the potential damages owed to consumers over the buyer agent commission lawsuits could total as much as \$200 billion.



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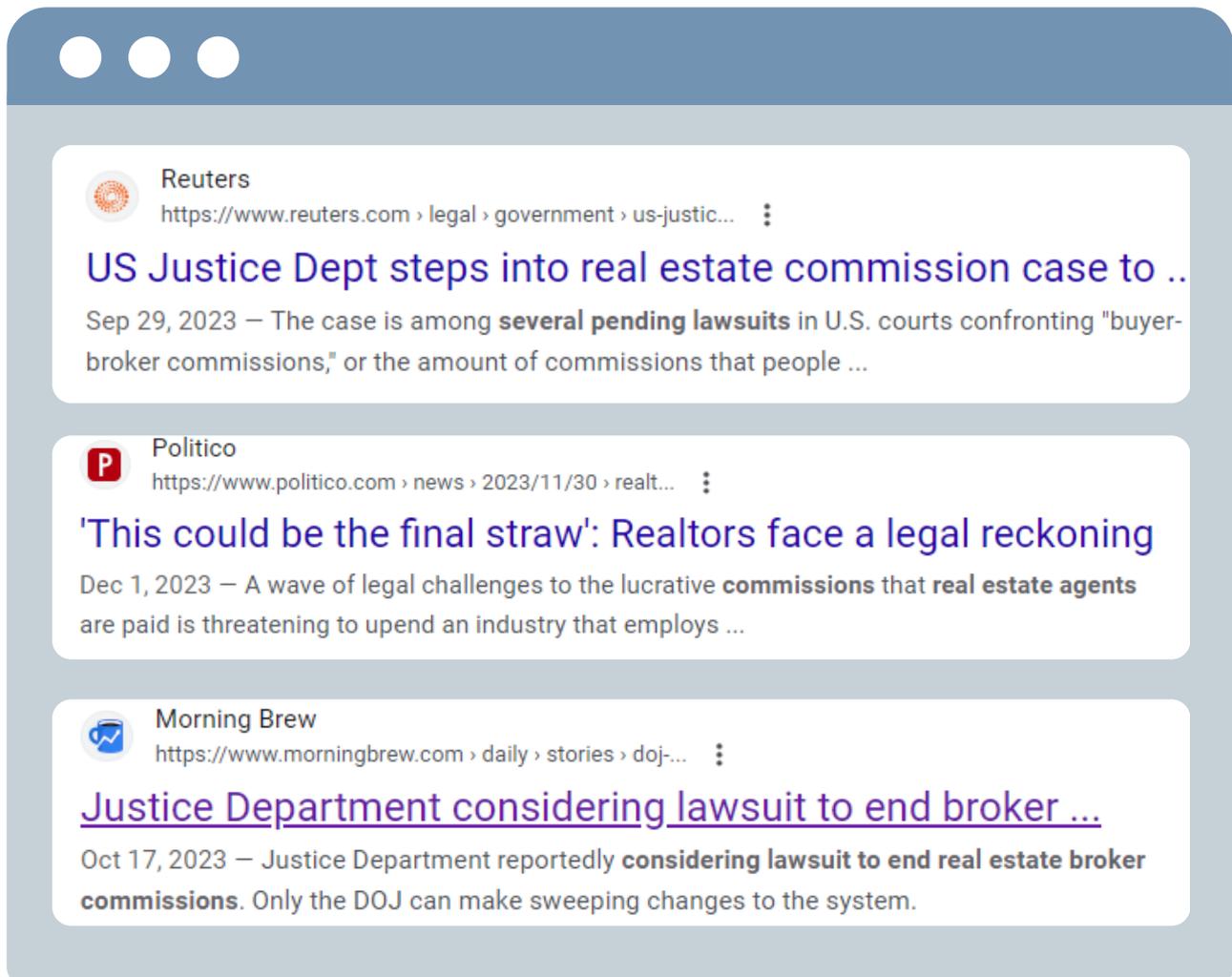


money.com  
https://money.com › nar-lawsuit-housing-market-impact

## After NAR Lawsuit Ruling, What's Next for the Housing Market

Nov 9, 2023 — The class action lawsuit covers home sellers nationwide and could seek damages of **up to \$200 billion**. What does the NAR lawsuit ruling mean for ...

Assuming the NAR and the companies named in these class action lawsuits survive the financial damage, they also face new potential commission restrictions from the Department of Justice.



Reuters  
https://www.reuters.com › legal › government › us-justic...

## US Justice Dept steps into real estate commission case to ..

Sep 29, 2023 — The case is among **several pending lawsuits** in U.S. courts confronting "buyer-broker commissions," or the amount of commissions that people ...

Politico  
https://www.politico.com › news › 2023/11/30 › realt...

## 'This could be the final straw': Realtors face a legal reckoning

Dec 1, 2023 — A wave of legal challenges to the lucrative **commissions** that **real estate agents** are paid is threatening to upend an industry that employs ...

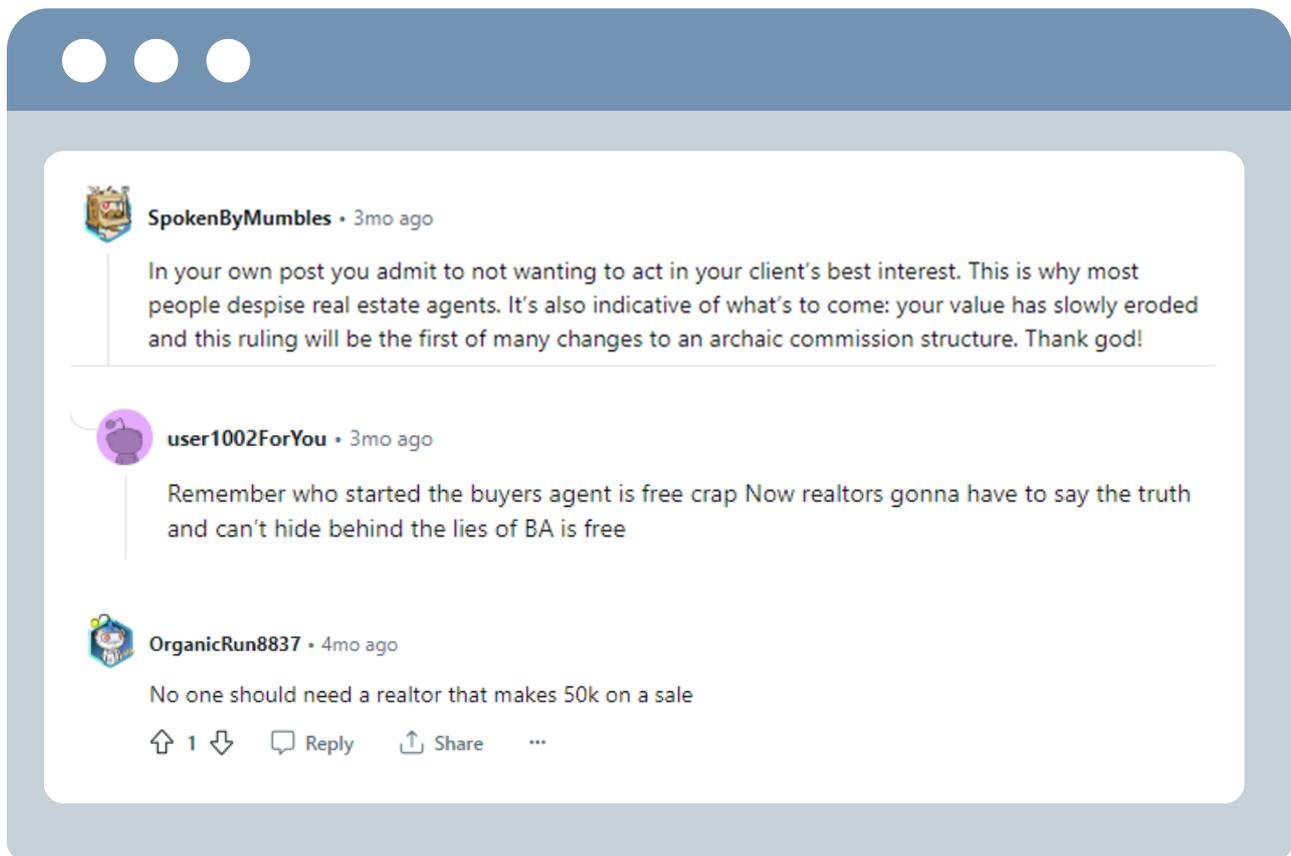
Morning Brew  
https://www.morningbrew.com › daily › stories › doj-...

## Justice Department considering lawsuit to end broker ...

Oct 17, 2023 — Justice Department reportedly **considering lawsuit to end real estate broker commissions**. Only the DOJ can make sweeping changes to the system.

*Continued...*

If the risk from class action lawsuits and the DOJ was not tough enough to navigate, the court of public opinion looks to have already decided.



The real estate industry is facing a triple threat, and as daunting as this might seem, the odds are the industry evolves, and comes out the other side alive.

Analyzing all these risks, my hypothesis is that less dollars will be paid out in real estate commissions per transaction in the future, than there has been in the past. That means there are a lot of real estate professionals who will likely retire or change industries entirely, many of them on the buyer agency side where most of the commission pressure is currently focused.

With this future perspective in mind, it would be prudent for all mortgage professionals to focus our attention on how we can utilize the tools at our disposal to become more valuable to listing agents. After all, those with the inventory control the leads.

But how do we get the attention of busy listing agents and why would they want to send us referrals? Lucky for us, Donald Miller created a simple four step attention and influence formula that works like magic.

Continued...



*"Your customers aren't interested in you. They're interested in how you can help them."*

-Donald Miller

01

Identify the **PROBLEMS.**

02

Show them **EMPATHY.**

03

Demonstrate your **AUTHORITY.**

04

Give them a specific **CALL TO ACTION** to follow.

With Donald's attention and influence formula in mind, what are the top 3 challenges or problems that listing agents are facing and how can we help them thrive in this challenging environment?

1. Housing affordability is still a big issue for families that deeply desire to buy a new home but cannot stomach the payment shock from today's mortgage rates.
2. 83% of potential home buyers believe it's a bad time to buy a home, according to the Fannie Mae National Housing Survey.
3. Many first-time buyers believe it's a better financial decision to rent than it is to buy.

Utilizing ListReports and the tools inside MBS Highway, provides mortgage professionals the ability to locate stale listings, target specific real estate agents or brokerages, and deploy strategic tools to solve for the challenges listing agents are currently facing.

Continued...

## Improving Housing Affordability & Generating Buyer Opportunities

Can you guess who is still selling homes like hotcakes despite elevated mortgage rates and near record low housing affordability? If you guessed homebuilders, you are right.

D.R. Horton sells more homes year in and year out than any other homebuilder. In 2023 they sold 82,917 homes from coast to coast despite the highest mortgage rates in decades. How did they do it?

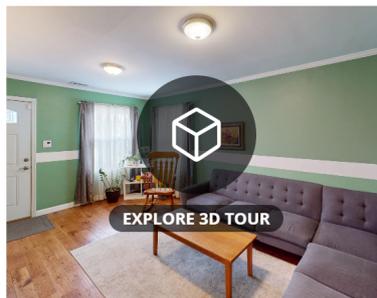
Pretty simple, as mortgage rates got obnoxiously high, they pivoted from selling price and features, to selling below market mortgage rates, and monthly mortgage payments for a new home that were lower than existing homes. BRILLIANT!

The screenshot shows the D.R. Horton website navigation bar with links for 'Who we are', 'Smart home', 'Services', and 'Customer care'. A search bar is present with the text 'Search by ZIP, state, or community'. Below the navigation is a blue promotional banner for 'DHI MORTGAGE A D.R. Horton Company' with the text 'Limited time opportunity Special Interest Rate on certain D.R. Horton homes.' Below the banner are two interest rate options: '4.99% Fixed Rate FHA Mortgage' and '5.50% Fixed Rate Conventional'. To the right of these options is a form labeled 'Fill out the form.' with a small accessibility icon on the left.

It seems most listing agents haven't figured this out yet, check out these listing comments below.

### What do you notice?

Continued...



**\$319,900**

1313 W 300 S, Salt Lake City, UT 84104

**2**

beds

**1**

baths

**824**

sqft

## What's special

MODERN UPGRADES

BACKYARD OASIS

GOOGLE FIBER

NEWLY INSTALLED PRIVACY FENCE

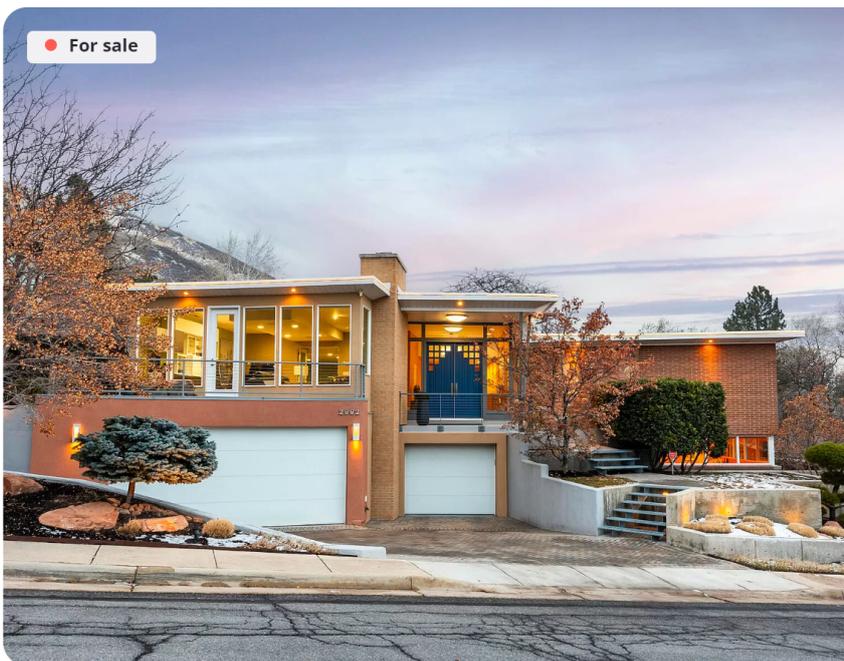
NEW GAS RANGE

NEW WOOD SHEDS

REFURBISHED CABINETS

Welcome to this charming and meticulously updated 1946 Salt Lake City home. This cozy brick rambler features 2 bedrooms and 1 bath, perfectly blending modern amenities with timeless appeal. Conveniently located just 6 minutes from downtown and 10 minutes from the airport. Upon entering, you'll immediately notice the thoughtful updates. Despite these modern upgrades, the original charm of the house has been lovingly preserved, creating a warm and inviting atmosphere that welcomes you home every day. Includes fully updated electrical with an upgraded 100 amp service, ensuring both safety and efficiency. The interior has been adorned with new flooring and fixtures, maintaining the original charm while enhancing functionality. Includes Google Fiber. The kitchen enhanced with a new gas range, and refurbished cabinets providing the perfect setting for culinary delights. Step outside into the backyard oasis, thanks to the newly installed privacy fence adding to the fully fenced property. Additionally, two new wood sheds offer ample storage space for outdoor essentials, ensuring organization and functionality. Further enhancing the appeal of this home is the upgraded HVAC system installed in 2022, guaranteeing comfort year-round. The convenience continues with a new cured-in-place sewer line, eliminating any worries about potential issues in the future. Additionally, the windows have been upgraded and come with a lifetime warranty, providing peace of mind for the next owner. Don't miss the opportunity to make this enchanting retreat yours, where modern comforts harmoniously coexist with timeless character. Schedule your showing today and experience the allure of this property firsthand. Square footage figures are provided as a courtesy estimate only and were obtained from county records. The buyer is advised to obtain an independent measurement.

Continued...



**\$2,950,000**

2992 E Saint Marys Cir, Salt Lake City, UT 84108

**4**

beds

**5**

baths

**5,995**

sqft

## What's special

HOT WATER

ARCHITECTURAL ANGLES

OUTDOOR SPACE

STACKED STONE WALLS

INTIMATE SPACES

BEAUTIFUL BUILT-INS

HOME CAR WASHING STATION

It has been said that how you do anything is how you do everything. The sparkling cleanliness of my clients' cars is the first of many indications that they treat the things around them with the respect they deserve. With a four car garage fully equipped with a home car washing station (hot water, floor drain, and all), my seller has enjoyed the act of washing his own cars in his own garage, year round. And the whole space is tidy, with beautiful built-ins to serve all your garage or clean man cave needs. When my sellers gutted and remodeled this home, they enlisted the talented Mr. Warren Lloyd of Lloyd Architects. Every detail was carefully considered and executed to take advantage of the siting of the home upon its large and terraced lot. Not to mention, the home is planted in the best circle, in one of the best neighborhoods in the city, with some top-notch neighbors to boot. If you've been hit with the layered lines and architectural angles and immaculate landscape in front, then you'll agree, there's no denying the immediate curb appeal. This is just a hint of what's to come in the backyard, filled with terraced gardens, stacked stone walls and solid stone steps, a waterfall and pond, and a putting green. All this, and a multitude of plants and mature trees climbing up the wall of scenery make this one of the best outdoor spaces I've seen. The indoor living space consists of a primary bedroom on the main floor, with a wall of windows that stretches to take in the horizon of valley views. A well-positioned kitchen connects the indoor and outdoor space in back, with a see-through double-sided fireplace as a centerpiece between the two. This home is just as well-suited to family life as it is to entertaining, with a theater room and kitchenette downstairs that won't let you miss a play or crucial scene when you need to grab a snack. There's plenty of room to stretch out inside, while a proper balance of intimate spaces has been maintained. There are some obvious things that my sellers do very well, and maintaining this lovely home is one of them. They inspire me to curate my surroundings with a little more precision and consistency, and to commit to doing even the little things with more intention. Come take a look, and admire the fruits of positive effort at every level.

Continued...

That's right, it doesn't matter if it's a \$300k listing or a \$3m listing, listing agents are only talking about price and the features of the home. Don't you find it odd that housing affordability is the number one problem for buyers and virtually no agent is addressing it head on like DR Horton and the builder community are?

Imagine taking a play out of the homebuilder playbook by advertising the monthly payment savings and below market mortgage rate you've helped the listing agent arrange for this home? An agent can simply reorganize their remarks so the potential monthly savings and below market mortgage rate are front and center, to grab attention and create curiosity.

## About the Home



[View photo gallery](#)

Offered at

**\$499,999**

1535 Hudson Street  
Ogden, UT 84404

🏠 3 Bed 🚿 3 Bath 📏 1,972 Sq Ft

SAVE AS MUCH AS \$847 PER MONTH ON YOUR MORTGAGE PAYMENT. With a full price offer, seller will pay \$20,665 towards temporary mortgage rate buydown as low as 3.875% for well qualified buyers. Come take a look at this pristine east Ogden home. Meticulously taken care of by its owner for many years. Enjoy the mountain views right from your living room with floor to ceiling windows. Featuring 3 bedrooms and 3 bathrooms, and a 3 car garage. Don't forget to see the secret garden to the west of the home! Amazing views and walking distance, within a block, of the Bonneville Shoreline trails.

We've found that marketing the payment and temporary buydown start rate can dramatically improve the inquiries and activity on a stale listing. Those inquiries about the special financing available on this home, then in turn become opportunities for us the mortgage professionals.

## ListReports Strategic Implementation Plan

Below you will find a step-by-step plan to maximize your results with ListReports & MBS Highway, by solving the three primary problems listing agents are facing today (1. lack of affordability, 2. bad time to buy, 3. Better financially to rent vs. buy).

**01.**

**Use Agent Intel to identify agents with stale listings you can help sell with lower payments and attractive temporary buydown mortgage rates.**

- a. You can do this by clicking on Agent Search and adding the specific markets you want to target.
- b. Then, search for agents that are active in that market and review their Buy-Side and List-Side transactions. You can see their active listings and find one that has been listed for longer than average days on market to target.
- c. Or click Agent Listings and Sort by Days on Market (Oldest).
- d. Ensure you follow the agents you want to keep track of; ListReports will notify you whenever they get a new listing or have a sale.

**02.**

**Once you've identified an agent you want to work with and one of their stale listings, go to Marketing Kits and add the address to build the marketing kit.**

- a. Don't spend a lot of time here, the system should pull pictures, comments, etc. While you are waiting for the Marketing Kit to be produced, move on to step 3.
- b. Make sure to follow them so ListReports will provide you updates with the agents buyside and listing activity.

## 03. Head on over to MBS Highway to create some killer marketing collateral for the listing.

- a. Go to Loan Advisor and then click on Seller Contribution.
- b. Start by adding a typical market rate loan scenario for the home based on the current asking price. TIP: Name the scenario and the property address, not the agent's name.
- c. Next click on Temporary Buydown and complete the 1/1, 2/1, or 3/2/1 buydown. No need to add Seller Paid Closing Costs here; it already calculates the seller paying the Seller Paid Buydown Costs.
- d. Now add a price break discount with the same price discount amount as the seller paid for the buydown cost.
- e. You are demonstrating the power of the temporary buydown, which can be 10X as effective in reducing payments than a price reduction alone.
- f. Save this document and name it the same as the property address.

## 04. While on MBS Highway, go to Calculators and click on Appreciation.

- a. Now, we are going to debunk the narrative that this is a bad time to buy by showing the likely appreciation and return on investment over 10 years.
- b. Add the transaction details into the Appreciation calculator and allow the system to calculate the Historical and Forecasted appreciation rates.
- c. Pay special attention to the bottom section of the Appreciation presentation. This is where it calculates the Return on Investment, which is the return on the initial down payment, not just the appreciation of the home. This is POWERFUL to show first-time homebuyers who don't understand the powerful wealth-building

Continued...

potential of owning a home and how the mortgage is actually leveraged to boost their ROI.

d. Save this document and name it as the property address.

## **05.** Now, we'll debunk the myth that it's better to rent than buy. Under the Calculator section, click on Buy vs. Rent.

a. Carefully work through this calculator section by section. If you know what the buyer is likely to spend on rent, make sure to fine-tune that in the top rent section.

b. Notice how this tool shows that while a mortgage payment is fixed, rents go up over time. I prefer the look of this tool over a 10-year period, showing the client that renting is like having an adjustable-rate mortgage that goes up every year.

c. This calculator beautifully illustrates the power of mortgage amortization and appreciation over time.

## **06.** Head back to ListReports and locate the completed Marketing Kit for this property.

a. Once you have located it, click the Edit button and head down to Comments. Once in the comments, edit them to follow the script below, but update the rate and payment savings to match your Seller Concession temporary buydown scenario.

“ *SCRIPT: Save as much as \$847 per month on your mortgage payment. With a full-price offer seller will pay \$20,665 towards a temp mortgage rate buydown as low as 3.875% for well-qualified buyers.* ”

b. Then, explain the home's features in whatever room is left in the description.

## 07 Now we have the Marketing Kit, calculators, and information we need to offer significant value to the agent and help them market their stale listing, it's time to contact the agent.

- a. Be confident when you make contact. You're not asking for anything; you are giving them tools to help them sell their home and earn a commission.
- b. If you don't get them on the first dial, hang up and call them again. Always double-dial agents or prospects who don't answer the first time.
- c. If they don't answer, shoot them this text chain:
  - o Is this Jim?
  - o Can you take a quick call regarding your listing on 123 Stale Listing Lane?
- d. Call them as soon as they respond.

“ *SCRIPT: Hey Jim, I'm calling about your listing on 123 Stale Listing Lane. Is it still for sale? It looks like it's been listed for quite some time. Why do you think it's not selling? (Let them talk and ask open-ended questions about the property and potential buyers' responses thus far.)*

*My name is James Bond, and I'm a mortgage advisor with ABC Mortgage. I'm calling you about your listing because I've seen it sitting and not selling, so I decided to run some payments on it as if I were a prospective buyer. Are you and the seller of this home aware that the payment for the average buyer with 10% down is almost \$4k a month?*

*Based on my experience and many conversations with buyers in this area, you need to be below \$3k a month to get buyers really interested. I took the liberty of creating a few financing scenarios for you. With one of the scenarios, we can get the payment down to \$2.8k a month.*

*Would you be open-minded enough to jump on a quick 10-minute Zoom with me so I can walk you through these strategies and help you market lower rates and lower payments to buyers interested in this home? ”*

## **08.** Avoid giving them too much info on the first call. Drive to a Zoom or in-person meeting.

- a. Tell them that, in your experience, it's not the price of the home but the payment the buyer is running on the home that is causing the listing not to sell.
- b. Walk them through the Seller Concession and demonstrate the power of the temporary buydown.
- c. Walk them through the Appreciation 10-year forecast and explain the ROI a buyer would have if they bought this home.
- d. Walk them through Buy vs. Rent and show how much wealth will be built with buying vs. renting.
- e. Finally, walk them through the ListReports Marketing Kit and show them how, if the seller agrees to the concession amount, you could update the listing comments to focus on payments, savings, and the below-market mortgage rate available for this home.

## **09.** Do not give up!

- a. If you cannot get the agent to answer your calls or texts, watch for an open house and show up.
- b. If they don't have any open houses scheduled, knock on the door and talk to the seller. Why not? It's not illegal to help somebody who is struggling to sell their home.

## **10.** Pair with the agent once you have shown him the power of ListReports and MBS Highway tools.

Once paired, every new listing the agent has will automatically create a new ListReports Marketing Kit.



## PRO TIP!

Trust me, every single buyer who makes an offer will say they already have a lender and don't want to use you. You must ask the listing agent for their commitment that in exchange for your help marketing this property, every offer will be countered with verbiage saying something like this: Seller to credit up to \$10,000 to be used towards rate buy-down or closing costs provided buyer obtains financing from James Bond Loan Officer at ABC Mortgage for this purchase.

The functionality inside ListReports is incredible; don't get lost or confused by trying to do too much. Schedule an hour in your calendar to work on ListReports daily. In less than a month, you will have created multiple new relationships and shown listing agents the value of working with a real mortgage professional. But you must do the work, get aggressive, and remember discipline equals freedom!

## YOUR DAILY ASSIGNMENT, IF YOU CHOOSE TO ACCEPT IT, IS TO:

**01**

Create one new Marketing Kit for a stale listing.

**02**

Create one Seller Concession showing the power of the temporary buydown.

**03**

Create one Appreciation 10-year forecast report.

**04**

Create one Buy Vs. Rent report.

**05**

Rewrite the listing comments to focus on payment and interest rate savings.

**06**

Contact one new agent a day following this cadence.

## YOUR WEEKLY ASSIGNMENT, IF YOU CHOOSE TO ACCEPT IT, IS TO:

1. Send 5 marketing kits, Seller Concession, Appreciation, and Rent vs. Buy reports to new or existing agent relationships.
2. Visit two open houses and present these tools.
3. Call five for sale-by-owners and ask them if they need help marketing their property. FSBO sellers become unrepresented buyers after they sell. These can turn into buyer leads for you and an outbound referral for your agents

## CONVERSATIONS = CLOSINGS

If you want more closings, you need to have a lot more conversations with people who can refer business to you. Now get after it; it's game time!