

The First Time Homebuyer Seminar: Maximizing the Potential

Most of us close to the industry forget how scary it can be to buy your first home. In fact market research points out most consumers view the mortgage process as a 'necessary evil'. It can be intimidating to the most seasoned homebuyer – and to those just thinking of buying their first home it can be petrifying.

According to the Fannie Mae 2002 National Housing Survey, 23% of Americans are currently making plans to buy their first home:

- 13 percent of Americans say that they have started saving money for the down payment and that they are thinking about where they want to live
- 6 percent say that they have saved most of the money they need and they have a good idea where they want to live
- 4 percent say that they have the money they need for the down payment and they are actively looking or have made an offer on a home

And according to Modern Bride Magazine:

- 47% of all newlyweds plan to buy a home within their first year of marriage

Further, according to the Fannie Mae statistics there is a need to educate these first time homebuyers:

- 30 percent of Americans believe erroneously that you need to pay 20 percent of the cost of the home up front
- One in four African Americans say that if they wanted to buy a home now, not knowing how to get started would be a major obstacle
- Only 33 percent of Hispanics say that they feel very or fairly comfortable with the terms involved in buying a home. This compares with 42 percent of African Americans and 49 percent of non-Hispanic whites

Needless to say, the vast majority of FTHB are unaffiliated with a lender or an agent. How can you tap into this high potential market and endear your Realtors to you with a steady stream of referrals? The First Time Homebuyer Seminar can be a very effective way. But, like any tool, it's most effective when used properly (and can be totally ineffective when not).

So what are the secrets to success? Here are ten tips sure to fill your pipeline if you're thinking about offering a FTHB Seminar of your own:

1. **Know your target within this market** – The FTHB is a *big* potential market. You could focus on newlyweds, minorities of one type or another, renters in a certain income range, corporations hiring students fresh out of college... the list is only limited by your imagination. If you have a clear focus, your marketing can take on a clear (and more effective) direction.
2. **Start with a high quality list.** – This can be the most challenging part of capturing the FTHB. If you're targeting newlyweds, you may choose to compile your own list by taking a booth at a bridal show, advertising in a local Brides magazine, or partnering with a bridal gown or tuxedo store. List companies do sell newlywed and renters lists (and can even target a specific segment of renters who have leases expiring within the next so many days). But make sure you're careful when purchasing these lists and receive some sort of guarantee on the validity of the names and addresses.
3. **Incite action with value.** – Realize it will generally take 7 to 12 consecutive mailings to see good results from a cold list. You can increase the response tremendously by offering something of value free of charge.

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A free report on “Secrets to Saving Money on Your Mortgage”, a free pre-qualification or credit report, or a free report on “First Time Homebuyer Down Payment Assistance Programs” are just a few ideas.

4. **Team up.** – Obviously the FTHB seminar is a natural for a Realtor and originator to give together. But what about other strategic partnership ideas? If you are targeting new college grads, doctors, lawyers, etc, teaming with a financial planner makes sense.

Did you know that of newlyweds polled 60% plan on buying furniture, 42% plan on buying insurance, and 32% plan on buying a computer in the first year of marriage? How about lining up free gifts with a local furniture store or computer store? Or teaming up with an insurance agent?

5. **Set regular dates.** – The lenders who have had the most success with FTHB seminars all have one thing in common: they hold the seminars regularly and predictably. If you are holding FTHB seminars the first Wednesday of every month, those who may not be able to make this month can plan ahead for next. And those who have participated know when to tell their friends to attend.
6. **Market it everywhere.** – If they are regular and ongoing, you can market them on all your regular marketing materials (website, emails, business cards, mailers, etc.) and reap the rewards of your current clients suggesting the seminars to their sons, daughters, co-workers, etc.

Also, don't overlook the publicity potential. Housing agencies may spread the word for you. And if you call your local newspapers and radio stations, they often sponsor public service announcements free of charge.

7. **Make them short, sweet and non-threatening.** – Advertise that it's an hour-long seminar. Keep to that promise. The attendees know what to expect and you can follow up at a later date with those you don't have a chance to interact with personally. Bring in pizza, or coffee and cookies... nothing elaborate or difficult, but something to eat is always a good idea. If you do intend on serving dinner of some kind, include that in your marketing – it makes the commitment that much easier to keep if they know dinner is one less thing to worry about that evening.
8. **Offer ongoing support.** – There may be a number of attendees who require more credit counseling than others. If you can find a way to coach those people along, or refer them to someone who can, you can keep the relationship alive until they're ready to buy.
9. **Build trust slowly.** – Remember the point of capturing this market is to slowly develop a homebuyer, and then client for life. It takes time to build trust with any cold market, and especially with those who know nothing about the industry.

High quality marketing materials, a caring and compassionate staff, consistency and patience will go a long way in letting these people know you're there as their mortgage consultant for the long run, no matter how long it takes for them to become a homeowner. Don't forget to follow up with phone calls and mailings to remind them you're ready and willing to help when the time is right.

10. **Remember why you do this.** – Being able to help people buy a home (and especially their first home) can be incredibly gratifying work. Keep that in mind and remember if *you* have fun and don't take it too seriously, so will they.

In Touch Today offers a **First Time Homebuyer Seminar** (<http://www.intouchtoday.com/mortgage/powerpoint.htm>) at is customizable with logo and company information and comes with a homebuyer's checklist. This seminar is also available in Spanish. Additional **Seminar Topics** (<http://www.intouchtoday.com/mortgage/powerpoint.htm>) available for purchase.

Visit <http://www.intouchtoday.com> for more information or call 1.800.433.3755.