

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%** 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%** say that they have saved most of the money they need and they have a good idea where they want to live.
- 4%** 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%** percent of all newlyweds plan to buy a home within their first year of marriage

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

- 30%** of Americans believe erroneously that you need to pay **20%** 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%** of Hispanics say that they feel very or fairly comfortable with the terms involved in buying a home. This compares with **42%** of African Americans and **49%** 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 method. But, like any tool, it's most effective when used properly (and can be totally ineffective when not).

10 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 will have 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 having 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 soon). Be careful when purchasing these lists and ask for a guarantee on the validity of the names and addresses.

3 Incite action with value. – Realize it generally takes 7 to 12 consecutive mailings to see results from a cold list. You can increase the response tremendously

by offering something of value. 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. – The FTHB seminar is a great venue for a Realtor and originator to co-present. 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 percent plan on buying furniture,
- 42 percent plan on buying insurance, and
- 32 percent 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 presentation 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 it this month can plan ahead for the next presentation. And those who have participated know when to tell their friends to attend.

6 Market it everywhere. – If you regularly and consistently market, you can advertise the seminars 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. 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 that promise. The attendees know what to expect and you can follow up with those you don't have a chance to interact with you personally. Bring pizza, or coffee and cookies... nothing elaborate or difficult, but something to eat is always a good idea. If you do intend to serve dinner, 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. Offer to provide a credit review and develop a plan, or refer them to someone who can help. This keeps 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.



The PowerPoint presentation was a very valuable tool that my company used to educate our prospective clients. We were rewarded with two closed real estate transactions totaling over \$3500.00 in commissions. I have recommended In Touch Today to all of our agents.

~ Edward Tab, Neighborhood Realty Group

