



The Way Forward: Strategic Partnerships Transforming Industry Practices

VO [00:00:09] Welcome to The Way Home, a Freddie Mac podcast series that explores the latest in mortgage solutions for today's dynamic housing market. Here, housing industry leaders will share insights and actionable strategies that you can put to work today to help make home possible. Let's get ready to dive in and to explore the complexities of the housing market with Freddie Mac.

Phil Treadwell [00:00:31] In this episode, guest host Phil Treadwell, founder of M1 Academy and host of the Mortgage Marketing Expert podcast, talks with Erin Lavinge, SVP of National Retail Operations at Guild Mortgage, about advancing practices in the mortgage industry and leveraging partnerships with Freddie Mac. All right, Erin, thank you so much for taking some time here at MBA Annual.

Erin Langevin [00:00:51] Happy to be here.

Phil Treadwell [00:00:52] I am excited for this conversation. We got to chat a little bit before we started recording, but before I ruin any surprises or anything, we're going to have some coffee talk.

Erin Langevin [00:01:00] A little coffee talk.

Phil Treadwell [00:01:01] For those that aren't watching the video version of this, we're having some coffee. It's day two or day three at MBA.

Erin Langevin [00:01:07] It's a blur.

Phil Treadwell [00:01:08] It's a blur.

Erin Langevin [00:01:09] Day three, depending on when you came in.

Phil Treadwell [00:01:10] I think it's technically day three. Second full day.

Erin Langevin [00:01:14] We can agree on that.

Phil Treadwell [00:01:15] Perfect. Awesome. Well, it's kind of cold, a little chilly, so coffee's a good situation. But we were laughing earlier, no one raised their hand in kindergarten and said, "I want to be in the mortgage business when I grow up." Unless maybe that was what your parent did and they did really, really well. So everybody has



an interesting story about how we got here. I've gotten to hear some cool ones. I'd love to hear yours.

Erin Langevin [00:01:34] Thanks for asking. That's one of the things I love the most about the mortgage industry is you can literally come from nothing and turn yourself into something. It's about gumption and perseverance. So I came into the mortgage business in '98 and I answered an ad in a newspaper, yes, the old pieces of paper, for an administrative assistant. And this job was working for a loan officer who was also a branch manager, and it was a husband/wife couple who managed the branch as a loan officer origination team. And at the time, I was really coming up from some difficult times in my life. When we're come through our young 20s, some of us are just off our rocker, which maybe I was for a hot minute there. And so I actually had to take the bus, couldn't even drive a car, and I took the bus 45 minutes outside of downtown Denver to DTC and walked into my job interview. Then afterwards, walked myself back to the bus stop and I got hired for the job. Now little did I know that the hiring manager told me later, she hired me because she saw me walking from the bus stop and she knew that if I had that kind of grit to take the bus to an interview, I'd probably be a good hire. So it started there. And I didn't know my FHA from VA, DTI from LTV, but I learned it. And then eventually, I started LOAing, I started processing, and then I was at a company that taught me closing. So I did processing, closing, and then, here's a cool part. That couple moved to another state and handed me down to another loan officer in the office. Well, that loan officer happened to be a realtor and so he moved to work in the real estate office. So I ended up processing LOAing and closing loans for all the realtors in the office too, because everybody was doing income no asset, they could double end the deal. So that was my lead in to eventually become an ops manager. So it was a good start. And working with realtors, showed homes, all of it. So I've seen both sides of the coin.

Phil Treadwell [00:03:34] I love that story. And you have the closest story to my own. In the first probably 50 episodes I did of my personal podcast, Mortgage Marketing Expert, I always asked the question. I've heard some crazy stories in some normal ones, but I also answered a newspaper ad. My dad was a builder, my mom was a teacher. I've always had this entrepreneurship meets academia thing going on, and I wanted to take over my dad's company, but he said, "You need to think long and hard before you want to be a builder for the next 40 years because you don't remember how bad it was in the '80s." I saw when he did really well as a builder, but not those difficult times. He said, "I want you to see what else is out there first." So I thought if I go to some newspaper ads and answer some interviews, maybe I get a job for a period of time, I'll come back and he'll let me take over his business. So I answered this newspaper ad. They were looking for sales and management experience. I had both. And a 30-minute interview turned



into a three-hour conversation, and the guy at the time, the owner of the company said, "Listen, if you decide to get in this business, you're going to look back at this conversation one day and cuss me, because once you get in the mortgage business, it's really tough to get out of it."

Erin Langevin [00:04:37] It's true. It's the mafia.

Phil Treadwell [00:04:39] 19 and a half years ago. Here we are at Mortgage Bankers Association. So I'm very passionate about this industry because, to your point, someone can come in and make something of themselves for nothing. But I think as my kids are growing up into adults and I see what their passions are, the mortgage business is one of the best kept secrets because if you have a passion for technology, if you have a passion for talking to people, regardless of what you have a passion for, there is a company or a vendor or an organization where you can create an incredible career within this space. And so that's kind of leads into the next question I want to ask you. Right now, there's a lot of negative media attention. Everyone wants to talk about rates and supply and all this stuff, but what we know is there's opportunities in every market and there's opportunities even within mortgage. So I'd like you to take that really wherever you want to take it, either what are the opportunities right now that lenders, originators, and operations people need to paying attention to? Or what are some opportunities within the market and some of these blind spots that we need to fill as an industry to really keep up with other verticals?

Erin Langevin [00:05:44] Great question. I'll start with the high level one is as an industry, what we need to do. We were looking at some statistics yesterday and the peak age to begin home ownership is 36 years old. And we are at that stage right now where the highest population of people coming into home ownership is literally next year. We have no houses. And so number one, obviously, we have got to solve for the housing shortage as an industry. And that takes really, I think, a lot of lobbying. It's going to take moving the needle for builders, really incentivizing them somehow to help us solve this problem. Now, we know that's a little longer term solution, but that is a critical kingpin part of this.

Phil Treadwell [00:06:31] So I want to pause on that for a second. Is part of that solution, because we all want to talk about affordable housing. Obviously, Freddie Mac is very passionate about helping create affordable housing and affordable housing programs for people. Do you think that part of this solution, and something that I don't think is talked about quite as much, is finding more turnkey solutions for multifamily attached or condos or things like that? Because anyone in lending knows getting a condo, lending on it or getting those projects approved, is a pretty difficult process. Is that part of this solution to supply?



Erin Langevin [00:07:04] Absolutely. 100%. I'm so glad you brought that up. If we could take a look at what it takes to be approved as a project, I think we could open the doors much more quickly. We just had a loan a couple of months ago and we had to hold up for another 30 days and just wait to hit the pre-sales. It really is a barrier. And if you want to shift things in our industry, again, we've got to make some policy decisions to change the landscape for builders, to incentivize them to provide the housing. So without getting too far into details, I would just move to my next subject, which is creating unique programs for those home buyers, and that's something that Freddie Mac does beautifully. We've been a long time affordable housing partner with Freddie Mac and creating innovative solutions to reduce barriers to home ownership. Different programs that we offer, combined with the 97 HomePossible programs, really make a difference where we can provide some down payment, we can provide buy downs, we can provide additional resources to help customers avoid a issue in the first five years. Yesterday we were talking about how having a financial emergency within the first five years of home ownership is one of the primary reasons for default. So how do we partner with Freddie Mac to create programs to help insulate that? So Guild's looking at what we can do to have a reserve in place that if a customer has a bonafide emergency, we can give them a 0% loan to help them get through that emergency that they come back and it helps keep them in their home. It helps them keep their credit intact. It really makes a difference for these homeowners. That's more about keeping them in their home, but I think we've got to really solve the problem of the entry point into housing.

Phil Treadwell [00:08:51] Yes, yes. I couldn't agree more and very well said. I also think that part of the conversation, to segue a little bit more into some of the more of the innovation space. Part of the conversation in affordable housing is driving the cost down in, for lack of a better term, the loan manufacturing process throughout the operations piece, and how do you get the borrower in, get that loan closed for them? Technology's a big part of that. Automation's a big part of that. Not in replacing humans, but in making that process more streamlined compared to how people conduct business in this Amazonified world, if you will. What are some things that you guys have done, both internally and in partnership and collaboration with Freddie Mac, to participate in that and to create those efficiencies in driving the cost down?

Erin Langevin [00:09:38] That's a great question, and especially in this market right now, everyone has to be so cost conscious and it's not just about incremental gain. It's, right now, real dollars that we need to put on the bottom line. And so looking at the AIM product is really important for each lender. And it can be even, at the branch level, something that you may take a different stance from one branch to another, depending on P&L structure, cost structure. The AIM products have a lot to offer where we can speed up our cycle times considerably. So we may pick up some days on selling that loan, but on that front end, it's a real hard cost to the bottom line P&L. So what does that structure look like? Do you pass the cost on to the consumer or not? And I think the



most important part of getting the ROI out of a product like this is making sure that you have correct adoption of the manufacturing process that gets you the ROI. Because if you have collected pay stubs, bank statements, W-2s from your borrower, and then you're running the verification, first of all, you didn't get the customer experience out of that deal that you could have. So you're not necessarily going to have a high MPS in order to get more deals out of that customer. And then once you have that documentation, did somebody already look at all of it? So your staff is doing the work anyways. Now you're ordering a umpteen dollars verification to use that, and so maybe it sped up underwriting at teensy bit because you didn't give them all the documentation, but if you already spent that time with the LO, the LOA, the processors, looking at all these documents, you're not really getting the pickup on the ROI. So I think those loan officers who shifted their origination process back when we were really busy and they said, I have got to make a change now to get me and my team more efficient, and they chose that early stage tech adoption, they're seeing the ROI, and it's awesome for them to continue to keep that up. For those who did not, if they're still stumbling through that, collecting all the docs, still doing the VOs, dah, dah, dah, I think it's a lot less efficient. And so now is a time where we're not as busy, but the focus for an LO has to be, right now, on going and getting more deals. It has to be partnering with those referral partners. It has to be focused on how do I get new channels of business? I mean, they are hitting the streets in creative ways like never before. Right? And so I would just caution shifting the focus of your sales team right now to be learning to change their manufacturing process. So while you're like, oh, it's slow, this is a good time to make a change, is that really the best use of time for your LOs who need to be out building relationships? I wouldn't say so.

Phil Treadwell [00:12:29] Yeah. I couldn't agree more because, to your point, yes, there's a simplicity and efficiency piece of it, but unless you're going to use it to get an ROI with the borrower and to provide a better customer experience with them, you're almost doubling up on the cost and resources of what you're trying to do. If you want to do that on the front end after getting an application, a client profile, and then being like, hey, we don't need to do all of these things we'd normally have to do, that creates a sticky or a better experience, that may be worth the dollars. But to your point, there is a system that has to be in place. So the question is, you've got to be out focused on getting deals, but since it is a little slower, you do have time and margin, is now the time to start putting the framework together so that as your business grows and you get busier, you can adopt this seamlessly, as opposed to, holy cow, we're crazy busy, now I want to adopt this, but you don't have the time margin to put the structure in place. So it's kind of that double-edged sword that you really have to balance.

Erin Langevin [00:13:25] Yeah, and that's where I think you have to look at it on an individual branch basis, at the LO level, and say, who has the right aptitude for this? Who has the right capacity for this? Who is able right now to plug into a real change in



process and different conversations that loan officers have to have with customers to take advantage of a process like that?

Phil Treadwell [00:13:43] Yeah, I couldn't agree more. Let's talk about borrower education, because there's not only so much information out there, there's a lot of misinformation and even some disinformation. What's the right thing, at least for either you guys at Guild or just the industry as a whole, to not only educate referral partners, realtors, borrowers on what's actually happening in the mortgage business, but how we can be a positive solution to driving the housing market and its sustainability and things of that nature? What does that look like? Because again, you can open up Instagram and hear all kinds of things or YouTube or whatever. How do we get the message across that this is fluff, this is truth?

Erin Langevin [00:14:24] Yeah, I think it's a really big problem we've got to solve as in industry is to overcome the misinformation that's out there. And so I think it's multifaceted, right? It's individual conversations, it's the groundswell, and then it's hitting the social media as well. So for example, speaking in soundbites, we've got several loan officers who do a fantastic job at very soundbity information. So whether it's text or videos, getting those out and then multiplying the effort across our whole organization. And so we freely share that information, loan officer to loan officer. We have an amazing coaching program, and so our coaches may come up with some texts like that, and then others are free to use it. And we've seen so much go viral and it really does help overcome that misinformation. But I think we have to just do that so much more at the industry level. Lenders need to partner arm in arm to help overcome what is the perception right now of home buyers and sellers who are not getting off the fence. They're not even on the fence anymore. They're way back in the yard, in the house on the couch by the fireplace with a cup of coffee

Phil Treadwell [00:15:33] Yeah, and dogs on their lap. They're not going anywhere.

Erin Langevin [00:15:34] Yeah, like "Get back on the fence."

Phil Treadwell [00:15:38] No, I think that's exactly right. And I also think Freddie Mac is doing a great job of providing resources and providing information that you can turn into these soundbites, you can turn these clips. Because right now, it's interesting to me, the younger generations want, on social media, to consume very, very short form content, 30, 60-second videos, but they'll listen to a three-hour Joe Rogan podcast, right? And again, we're on a different podcast, so if you listen to Joe Rogan, make sure you listen to this one too. But I think some of the older generations, everything's within these 20 or 30 minute clips. That was what a TV show was. That's what a radio program is, a podcast, whatever. And I say that because if we can get these short form video clips, these sound bites, these even just infographics test graphics to get a conversation started, I think that that's really where the war will be won as an industry, and hand-to-



hand combat, one-on-one conversations, which I understand aren't scalable, but getting the nets in the water, getting the hook to start the conversation is scalable, and we have plenty of people to do that. There's so many people that don't know how to do that. I love that within your company, you guys are sharing these things because if something works, let's do it at scale, at mass. Everything should be learnable, teachable, duplicatable. If something's working well, then let's adopt it as a whole.

Erin Langevin [00:16:55] That's right.

Phil Treadwell [00:16:55] So one final question for you. As we're bringing in this new generation of mortgage professionals, as we are trying to show them this not only is a worthy cause, but here's some of those foundational principles and elements, what advice would you have with someone that wants to enter this industry or is newer and is trying to really make a career of it? What's a piece of advice you would have asked bus stop you?

Erin Langevin [00:17:18] Be hungry. Be coachable. I was just talking this week to one of our top producers within Guild. He is reinventing himself for the third time since I've known him, and he's telling me four new things that he's doing to build partnerships with referral sources. He's never done any of this before in his life, and he's out making it happen. And I was like, "Well, how's that going for you?" And he said, "I don't know, I just started this week." But here's the thing is he is hungry and he's willing and he will persevere and he is going to hunt and try and innovate until it works. And so I think if you are somebody who needs things spoonfed to you, this ain't your gig. Maybe there's a part in our industry that is for you, but if you're coming in on the origination side, you got to be hungry. You got to be coachable, not afraid, go innovate. Because the world's your oyster, and now is the time where champions are made.

Phil Treadwell [00:18:17] I love that. Humble, hungry, and smart. That used to have in a sales leadership role, and that's exactly what you said. People that want it bad enough, people that are smart, people that understand what they're trying to do. Whenever I speak, there's a stat that I'll let people know about, which is 92% of people don't achieve their new year's resolutions or goals that they set for themselves. And the two main reasons, the first one is clarity. They're not clear about what it is they're trying to do. People are like, I want to get fit this year. I want to get healthy this year. I want to grow my business. Okay, what does that mean, right? Do you want to do an endurance event? You want to lose body fat? Do you want to have 10 people on your team? Do you want to make \$1 million? You got to get super clear. And the second main reason people don't is they just don't want it bad enough. And so when you give me an example like that, I'm like, that's someone that no matter what's thrown at them, they're going to succeed. I think that was bus stop you. And I know that with me as I look back, I've told the story several times and I should probably share it more. There was an



element where I was making a \$750 draw check every two weeks for probably the first six months. I started in June, and in December, I remember getting my first check for \$1,012.63, and it was right before Christmas and I was expecting another 750. And I was like, "What's this?" He's like, "No, that's yours." But in that time, I was rolling quarters for gas. I remember driving through, one time, through the bank, because I know I didn't have \$10 to pull out of an ATM, and asking them how much I had in my account. Well, they slip a piece of paper out that has a few dollars on it. I'm like, "Give me everything you can give me and still keep the account open to get a gallon." Yeah, all these different things. And I was handing black and white photocopied flyers as I MapQuested from office to office. I'd go to the offices twice a day, morning and afternoon, and I remember one of the front desk ladies at a realtor office said, "Aren't you afraid that if you keep coming every morning and afternoon that they're not going to want to work with you because they don't think you're doing any business?" And I thought about it for a second. I said, "If the same realtor's here morning and afternoon, they're not doing any business either, and I'm going to keep trying to find the ones that are." And I say that to say, not to pat myself on the back, but I know you have stories like this too, where we should have gotten out of the business. It wasn't, did we think about it?

Erin Langevin [00:20:25] Oh, yeah. Many, many times.

Phil Treadwell [00:20:26] Right? There was times that we were just like, we should be getting out right now. But there was something inside that says, no, no. People told me I couldn't do this. I see the opportunity. I see where I'm going and I'm going to do it. And you look a couple decades later and you're like, man, that was a really good decision. So I love that piece of advice. You got to be hungry. You've got to reinvent yourself. The strategy that got you here will not be the strategy that gets you to that next place. If someone wants to connect with you, learn more about you, just ask questions or hear more about those stories, what would you throw out? Social media handles, websites, something like that.

Erin Langevin [00:20:57] Yeah, you bet. Reach out to me on LinkedIn. That's really the best way. I love connecting with people. I love connecting with other people in our industry, hearing their stories, and just seeing how we can work together to educate each other, encourage one another. We could all use a little encouragement right now, and so a kind word goes a long way. And then just sharing what we're struggling with technically in this business to say, how are you overcoming this? What are you doing about that? Because there's always a new thing. There's always a new thorn in our side. So as much as we can work together to help solve for these things and share ideas, it lifts all the boats. And there's no competition here. I just really love encouraging other people and getting to know them. So, reach out.



Phil Treadwell [00:21:37] Awesome. Well, thank you very much and I look forward to catching up again very soon.

Erin Langevin [00:21:40] Sounds great. Thank you.

VO [00:17:50] The Way Home is brought to you by Freddie Mac, where we make home possible. For more thought-provoking discussions and expert insights, join us for upcoming episodes by following The Way Home on your favorite podcast platform. Connect with us on LinkedIn @freddiemacsf. You can also sign up for our newsletters by navigating to our subscription center at sf.freddiemac.com.