

# a new evolution

Helping eliminate debt as fast as possible for your clients is a win for brokers, says *Greg Stanley*, who uses cash management software as a tool to offer a service the banks don't

**Y**ou have a client coming in since his last renewal three years ago. How old is your data in the file? Probably like the rest of us – three years old. You don't know how he has fared since you last saw him. Will he be further into debt with credit cards or other debt? You won't know until he comes in tomorrow to tell you. Instead, wouldn't it be nice if you could know, continuously each year, that your client was indeed on track with eliminating all debt quickly from their lives since you last placed a mortgage with him?

This is now possible if you combine your mortgage solution with a cash management software system that can track your client's day-to-day budget with actual expenses. All you need to do is all agree on the goals desired between now and the next renewal date and the software will monitor and manage your clients for you (all on auto-pilot and hands-free from your end). In my practice we created the "5 Steps to Mortgage Planning" – a process that came from my certified financial planning practice. Here are the steps and then I'll explain them. First you talk about short-term and long-term goals, second you gather data, third you develop a mortgage plan strategy, fourth you implement the plan and fifth you monitor the plan.

The first thing I do with a new client is calculate their current mortgage freedom date. You figure this out by taking his current age and then add the remaining years of amortization on his mortgage loan. People are often shocked to find out that their current path will have them in their 70s or even 80s and still making mortgage payments. Not much of a plan. So much for bad bank advice. That is why they need to see me. I can show that, without changing their current budget, I can package a software program that manages all their day-to-day finances with my mortgage solution. The result on average is that their current mortgage freedom date is improved by 16 years

and will save over \$100,000 in unnecessary interest costs. The important thing is that a client will be debt-free and own their own home well before retirement age or usually within 12 years; whichever comes first.

The client's software file is password-protected but they can give the broker a temporary pass to look at their progress online at any time. The evolution is that a mortgage broker evolves into an adviser that manages the elimination of all debt in a client's file quickly and efficiently. The program's algorithm focuses on paying off all debt faster from a household budget. It speeds up the process at least 50 per cent faster with the software. The cost to add software in your solution package is nominal and cost is never an issue with your clients. You as a broker can develop and open up new networking relationships with Realtors and financial planners who will see the advantage of their clients building up net worth faster and improving their cash flow dramatically. You will be a hero in the eyes of your client and your new found referral partners. The cash management software I use is called Smart Equity and I find that I can package it into a solution for less than \$10 per month difference between having it or not in the solution. However, by having it 192 mortgage payments on average are saved.

Your practice will grow when you eliminate debt as fast as possible in your client's lives. Banks benefit by keeping borrowers in debt. That means that you win as a broker giving a service that the banks will be unwilling to give. It is a necessary broker evolution that guarantees competition survival from the banks. **CMP**



Greg Stanley