

NEGOTIATING BOOT CAMP

WORKSHEET 1: NOTES FOR MORTGAGE BANKER

Please note that the worksheet could easily apply to situations you have faced as a mortgage banker as well as situations faced by a real estate agent. It's strongly suggested that you choose a situation that you have encountered and complete the worksheet yourself before meeting with the realtor. This will give you insight into the process.

Using the Worksheet

- Be sure you have two copies of the worksheet with you.
- It may work best if you take the notes while the agent talks. That way they are not distracted and you are of greater service. You can do this on your laptop, but if you do be careful not to lose your connection with the agent.
- When you are done, if you have been taking notes by hand be sure to get a copy of the worksheet. That may facilitate your second meeting.

Step 1: Identify a Situation

Negotiation is such a part of an agent's job that they may not think of a situation right away. Ask them about such things as:

- Getting a seller to agree with the commission rate.
- Getting a buyer to sign a buyer's agreement.
- Getting another agent to agree to an offer on a house.
- Even administrative things, such as getting a rush on an inspection can qualify.

Step 2: Use Mirroring

- The goal is to get information, not be annoying. The secret is to smile as you mirror so you appear both engaged and truly curious.
- Once you have decided on the mirror words, practice the presentation.

Step 3: Label Their Emotions

- The goal is to connect by showing similar emotions. Keep the "story" to one or two sentences.
- What do you do if you don't have a personal story? Reference the situation of a friend.

Step 4: Master the "No" Question

- We've been trained to ask "yes" questions, so this takes a moment.
- If they can't come up with a "no" question, have them come up with a "yes" question. Then help them turn it into a "no" question.

Step 5: Get a "That's Right"

- Summaries can state facts (such as market situations) as well as what has been agreed to. The ability to create a great summary is key to getting a "that's right."
- Get them to compare the summary to what they and the other person wanted.
- Did they get what they wanted, split the difference, or lose their position to the other negotiator?



CONVERSATIONAL PRACTICE: NOTES FOR MORTGAGE BANKER

You can use the scenario you just analyzed or you can offer another. Other sample scenarios can include:

- Getting a buyer to sign a buyer's agreement. In the wake of recent court rulings, this may be more significant since most buyer's agreements include an obligation for the buyer to pay the agent's commission if the seller does not.
- Getting the price a buyer offers for a home. Inventory is likely up, but it is still a seller's market.
- Getting a seller to accept a lower listing price than they had in mind.

You will play the non-agent role: the buyer, the seller, or the other agent. Ask the agent to begin the conversation. (They should start with an open-ended question.)

You'll be looking for four things during the practice:

- Does the agent use **verbal mirroring**. Specifically, do they repeat part of a sentence you have spoken to achieve more clarity on a point you are making. Were they able to elicit additional information when they did this?

This is also an example of **active listening**. Were they using your words exactly?

- When you seemed to be reluctant to agree, did they **label your pain**? Did they get it right?

This is also an example of **empathy**. Did you feel as if they really understood your concern?

- Did they ask a question early in the process that you could **respond to with a "no"**? Was it a question that gave you a sense that you were in control?

This is also a good way to keep the conversation going. Did they have good follow-up?

- At the end of the conversation, did they summarize the main points? Did they ask for a **"that's right"**?

When reviewing the conversation with them, you'll also want to show empathy. Share where you are challenged. If they accomplished something particularly well, ask them to share what they were thinking.