

NEGOTIATING BOOT CAMP

WORKSHEET 2: 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 real estate agent. This will give you insight into the process.

Using the Worksheet

- If you have completed the first worksheet with the agent, and you have a copy of that information, you already have completed Step 1. You can just review this with the agent.
- You can take notes as you go through the worksheet. You can do this on your laptop, but don't lose your connection with the agent.

Step 1: Identify a Situation (optional if completed earlier)

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: Bend Their Reality

- Mention that handling the "unfair" issue is best resolved by being the first to mention it. Share a way to do this, such as "If you ever feel as if something is unfair, let me know so we can discuss it."
- The worst-case situation that is being defined should be realistic or it will trigger concerns of being unfair.

Step 3: Create the Illusion of Control

- Open-ended questions are used to keep the conversation going.
- "What" and "How" questions are because these are less confrontational.
- Examples: "What do you want to happen?" or "How would you like to do that?"

Step 4: Guarantee Execution

- There are two parts to this. One is being sure that the person is engaged. The best way to do this is to look at body language and listen to voice tone.
- If you are sure they are engaged, then getting them to define the steps to success allows you to learn their expectations.

Step 5: Bargain Hard

- Help them define the negotiation styles involved.
- If the styles are different, how could that be handled?

Step 6: Find the Black Swan

- A Black Swan is a piece of knowledge that could give you leverage.
- Was there something they found after the fact that could have made a difference?
- How could they have found that? (Review listening, open-ended questions, discovering misinformation.)



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:

- Did they create a worst-case anchor point? Was it realistic? Would it have raised a fairness issue?
- Did they use calibrated questions? Specifically, did they use "What" and "How" questions to find out as much information as possible about your needs and expectations?
- At the appropriate point in the conversation, did they ask you for your steps to success?
- Did they treat you appropriately in terms of the kind of negotiator you are: Analyst, Accommodator, or Assertive? How did they adjust their interaction to take this into account?
- Did they speak less than half the time in the conversation? Did they ask questions that would make you think and provide information you might not have anticipated?

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.