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BY JEAN GRUSS | EDITOR/LEE-COLLIER

Staying home

Homeowners who refinance usually do so with a new lender. Two Naples entrepreneurs hope to change that.

Homeowners are deluged with offers to refinance their mortgage, but when's the last time they heard a pitch from their own mortgage servicer?

Most homeowners who want to refinance their mortgage shop online for a new lender and don't even think of their current mortgage servicer. But two Naples entrepreneurs say they've figured out a system that will help servicers identify their own customers who are shopping for a new mortgage and give them a chance to keep their business.

"People don't realize they're better off staying with their own company," says Tim Allen, president and CEO of aboutMYmortgage.com and a veteran mortgage banker.

Allen, who started the company with Edward Wollman, a partner with the Naples law firm of Wollman Gehrke & Solomon, says that's because a loan modification avoids many of the closing and interest costs typically associated with a new mortgage.

Fact is, lenders pay commissions to



Brian Tietz

EDWARD WOLLMAN and **TIM ALLEN** built a patented process to help mortgage servicers retain customers who are looking to refinance.

their employees to make new loans, not modify existing ones — even if it's a better deal for homeowners. "Nobody has an incentive to bring them back to the company," says Allen, former president of the Mortgage Bankers Association of Florida.

But mortgage servicers lose 80% of their customers when they refinance even though the majority of these borrowers are satisfied with their service.

That costs money: If a customer pays off a \$250,000 mortgage after four years, the expected servicing cash loss over the estimated life of the loan is more than \$5,000.

The potential market is huge. More than 66 million U.S. homeowners have a mortgage and millions search the internet for refinancing information every year. That's why internet companies such as LendingTree are so



What we're doing is something completely different.

Tim Allen | President and CEO, AboutMYmortgage.com

successful.

Problem is, mortgage servicers haven't created the staff to retain their own customers who want to refinance. "Servicers need to hire retention specialists," says Allen, whose company will offer training.

For an industry that's focused almost exclusively on new sales, customer retention is a new opportunity. "What we're doing is something completely different," Allen says.

Wollman and Allen started working on their patent 15 years ago and were turned down seven times before being awarded it in 2014. "I would use the

word tenacious," Wollman chuckles. "Most people would've walked away."

Using web-search aggregators who gather names of people looking for refinancing on the internet and matching them with databases of information on borrowers, aboutMYmortgage.com sells that data to lenders for \$125 per borrower. Knowing their customer is considering refinancing can help servicers make a pitch to keep their business and resolve any problems from unhappy customers who might be inclined to complain to regulators. "This is the most exclusive lead," Allen says.

Already, Allen and Wollman have

raised \$450,000 from investors, half of whom invested after Allen presented at a VenturePitch event in Fort Myers organized by Tamiami Angel Funds last year. "We're looking at a second round of financing," Allen says, aiming for \$5 million.

Their first customer is Guardian Mortgage of Texas and Allen says the company aims to have 10% of servicers as customers within a year, including many of the top companies. Within four years, Allen says the revenue potential is \$100 million.

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