



# Recovery Tips

## Why Tear Down That Wall?

What can you do in your organization to improve efficiencies and cohesiveness using the techniques of the Great Communicator and Explainer in Chief?

By Daniel Jacobs

**R**onald Reagan knew that tearing down walls trumped building them. Presidents Ronald Reagan and Bill Clinton were both widely known as master communicators. Their extraordinary communication skills were a key element that made them wildly popular and successful as presidents. During this highly partisan, crazy political season, much can be learned about how to improve the way we do business in the mortgage industry by studying either of these former presidents.

Regan was dubbed The Great Communicator. “What made him the Great Communicator was Ronald Reagan’s determination and ability to educate his audience, to bring his ideas to life by using illustrations and word pictures to make his arguments vivid to the mind’s eye,” opined Ken Khachigian, former Reagan speechwriter.

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Clinton was known as the Explainer in Chief. Media analyst and syndicated columnist Steve Aduvato, Ph.D., makes the case that Clinton used two key techniques that contributed to his success as Explainer in Chief. Clinton used the terms “we” and “us” more than “I” when explaining even the most complex geopolitical or economic issues to the electorate. And he employed liberal use of the Q&A approach. Aduvato points out, “The former president consistently asked ‘why?’ something was the case and then quickly and confidently answered that question. For example, Clinton asked; ‘Now why is this true? Why does cooperation work better than constant conflict? Because nobody’s right all the time, and a broken clock is right twice a day.’”

### What Builds Walls

It’s not a question, and it’s not “who” builds walls, but “what” builds walls. In the mortgage

industry, we tend to undertrain and under-explain. We tend to state the “whats” without the “whys” and inadvertently build walls. Let’s use a simple loan origination example to understand this point. When an underwriter provides an approval condition on a loan, he or she typically states what is needed. The processor and the loan originator scurry about to meet the underwriter’s demand and often become extraordinarily frustrated when the underwriter then asks for more information or rejects what is provided as inadequate. The reason often lies in an underlying lack of understanding of why the item was needed by the underwriter. This lack of full communication and understanding the why behind the request leads to additional cycle time for the loan file, additional labor expense for unnecessary back and forth and

general inefficiencies. Perhaps more important, simply stating “what” without “why” is an insidious separator that builds walls between colleagues and erodes the culture of companies and our industry overall.

### Why Educates and Motivates

It has been my long-held belief that we should train everyone to have (and everyone should have a keen interest in having) a working knowledge of performing the role at least two steps beyond theirs in order to fully understand and be effective in their own role. To extend the example, if the processor and loan originator have a full understanding of not only the underwriting guidelines that prompted the underwriter’s condition, but also of the secondary market’s risk factor experiences that prompted the guideline to begin with, the condition likely would have been fully resolved far more easily and efficiently.



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Ultimately, the borrower would have been hassled less, the processor and loan originator would have been more productive and the underwriter's relationship with the production staff would have been stronger. The wall never would have been built had the why been adequately understood with what.

In Regan's famous 1987 Berlin speech he did not simply say, "Mr. Gorbachev, tear down this wall!" In a mere 2,600 words, he made his demand, provided historical context of the building of the Berlin wall and then explained not only how, but why it had failed to achieve its purpose. Then he invited his foes to join him to work together. Toward the end of the speech, he focused on the unity that could be achieved in tearing down the wall by saying, "and I invite Mr. Gorbachev: Let us work to bring

the Eastern and Western parts of the city closer together, so that all the inhabitants of all Berlin can enjoy the benefits that come with life in one of the great cities of the world."

We all know that the Berlin Wall fell, the cold war thawed and the European Union was eventually formed where the wall formerly stood. It did not happen simply because of the demand to tear down the wall. It happened because of the persuasive context of why. What can you do in your organization to improve efficiencies and cohesiveness using the techniques of the Great Communicator and Explainer in Chief? Consider requiring everyone to explain why each time they state what. Imagine the power and benefits why can offer your organization if consistently used. ❖