

Speaker 1: 00:02 Should we have been soon because from McGill alone talking about their annual survey of letters revealing that ending supply will increase in 2018. So check it out.

Speaker 2: 00:13 Welcome to our show and on today's program we have Mr. Dean us from McGill loans. How are you. I'm great. Great. Thanks for having me. You're very welcome. Thanks for taking time out of your day to chat with us. You guys put out a survey each year it's called a loan survey of lenders and it's revealed this year that lending the loan lending supply is going to increase in 2018. So that's pretty good news for banks and cranes out there. So why is this going to happen.

Speaker 3: 00:37 Well we think it's primarily because of the strength of the economy. I mean some of these things are a little obvious. I

Speaker 4: 00:42 mean it's affected the sentiment survey to come out loosely the way it is. And but there's points of it that are very interesting. So for me it's strengthened the economy. I think it's also predictability with the banker's comfort that while nobody knows exactly what's going to happen with interest rates I think they feel that there is some predictability in it at least for the next year where you know is it so many rate hikes are this rate base that matters to you much as much as they know with some level of certainty they believe how many they're going to be and what the spacing is. And that predictability I think gives the banks comfort and. And you can't argue with the low unemployment rates. And I think banks are feeling better.

Speaker 5: 01:33 Things are looking good. Things are looking good and a lot of speaking of the banks and the financial institutions out there. What does it mean for them it doesn't mean like all right. No holds barred let's start lending to everybody.

Speaker 3: 01:44 What does this mean for the financial elite out there as a business owner. I wish it was like that was that about a guess but a little bit a little bit.

Speaker 6: 01:52 If you see part of our survey revealed that a good portion of the lenders are saying that they are going to loosen criteria in order to lend. So obviously this statement of I want to lend more. It's like saying you know I want to be able to run a marathon like I can do that unless I prepare for a bank in order to prepare. They need to know that we will loosen loan devalue requirements or we will loosen credit requirements. Not

Speaker 4: 02:23 to say it's a free for all like you and I were joking a second ago but loosening is loosening. And I would encourage people that if you were either worried about trying or were told maybe it was a fruitless endeavor.

Speaker 7: 02:40 I would try try again. I would try again. Yeah.

Speaker 4: 02:43 And that's that's what McGill is all about. Continued ability to try and still run your business right. We all know that we have limited time so trying means I've got to shut down and run it to branch by branch and try to figure out how to try. That gives you the ability to test the waters finds a meaningful bank relationships and save a lot a lot of time. That

Speaker 5: 03:11 business owners don't have on the front end search and there's nothing better than being pre-approved and going looking for a home. I mean that's the greatest feeling in the world because you have a lot of leverage.

Speaker 6: 03:20 That's horrorcore or even just educating yourself. Like even if it's not a preapproval that's the result. And these knowing where the book ends are in anything that you do is important because most of the time the book ends are based on my own experience. Or the experience of a friend. It's OK. It's not that great.

Speaker 8: 03:41 Yeah because I really want to know what the book ends on January 18th because as you and I are talking about they moved so the kids are not the same as they were in November. Things have changed and they always are changing. And that gives you the ability to to to find the book ends on what's possible in that now instead of based on history.

Speaker 3: 04:08 OK. Even if the history of the recent past history may or may not be that relevant.

Speaker 5: 04:12 Right. Right. So what were some of the key findings in your survey. One of the ones that you just mentioned was the one that I circled. I was gonna bring up but you brought it up already and you know more than a third 36 percent of lenders will be reducing their current requirements for loan approval. That was the big one that I circled. Wow wow I'm going to bring this one up but you already brought up the outlet. No

Speaker 4: 04:30 I think we still talk about it. Sure. For me I was trying to wrap my head around this one because the first part of the survey says that 88 percent of the lenders say they're going to lend but only

36 percent said they're going to loosen requirements. So Judy I want to run a marathon. What are the other whatever the math is what are the other. You know that they think like the Senate lowlanders going to be doing KELEMEN More I just can't. Will it happen right. I want to lend more money. How how many more borrowers. I need looser requirements so the way I wrap my head around that one is I think you have in any industry you have leaders followers. And I think that 36 percent of the lenders that said they're going to loosen requirements. I think we can infer from that are the leaders which means the administration of that bank.

- Speaker 4: 05:27 You know the people in the offices the people who are reading the tea leaves and checking all the economic reports they've already started the process in my opinion of loosening the criteria. Because there's going to be a huge delay in time between when the person of significance at a bank reads all the economic data and decides going into the first quarter of 2013. This is our strategy. The time frame dictated the strategy. And that information and change of circumstances trickling down to the loan officer level is delaying. And I think the 36 percent of lenders started earlier. So the other the other 55 percent they heard somehow that their organization is going to lend more. But I don't think they really know how it's coming.
- Speaker 4: 06:19 And I think they're following the other leaders. And I think if we take this survey you know which you know later on in the year I think you'll see those numbers start to chew to come closer. Yeah I know I would say that 36 Brit. I don't think 36 percent are going to reduce it in the other. You know 64 going to leave him the way they are because how's 88 percent of lenses going to lend more. Exactly. Again we're serving the same lenders.
- Speaker 3: 06:46 So it's not that we're mixed we're not mixing responses from them. It's apples and apples okay. So I think that's a function of leaders and followers and I don't see followers in a negative sense.
- Speaker 7: 06:57 I get there ahead of the curve to totally get totally yet. Were
- Speaker 5: 07:00 there any other takeaways from your survey that kind of stood out. There was what fifty fifty six percent of lenders believe the Fed rate hike will influence how much money they lend to borrowers because he said they're going to be probably a couple more hikes this year.
- Speaker 4: 07:13 Yes I know I think I think I think predictable modest rate hikes I think are good for lending.

Speaker 9: 07:21 I think on some level it's also good for borrowers to get off the fence. I come from a real estate background.

Speaker 4: 07:30 Dunnellon single family residential and rate hikes aren't always bad. You know people are shopping. People are thinking about refinancing everyone's busy and and the rates change you know and you go home with your wife or your significant other and you say shoot the Dow Jones or my Yeah I told you should've done in December because.

Speaker 7: 07:55 You can't unwind the clock now.

Speaker 4: 07:57 And if you know that more are coming you know do you want to wait again and miss two of these opportunities. If you're if you're in a variable rate situation and or you term is coming you know join and you want to stay in your house and you're not planning on a move. I mean why wouldn't you. It doesn't matter the rates are still low right. Right

Speaker 7: 08:21 . They are really low. So you know why would you want to look at it. I agree totally for a reasonable time. Yeah. Yeah.

Speaker 5: 08:28 Another takeaway that I found interesting. Lenders are more interested in increasing their originations in the northwest and the southwest regions of the U.S.. Why

Speaker 7: 08:37 those regions what's going on with the rest of the country gives you and I are over here. Maybe it's because of you.

Speaker 3: 08:44 I mean as a West Coaster I've found that you know a lot of pride there. That's where people want to be. I don't know we see it in Miguel. We saw it we felt it in Manguel before the survey. Yeah. So the reason we do this survey is so far south is also. So

Speaker 4: 09:00 we're not we don't have gas at any and all at once the gas and life at anything you want to know concrete is nice. And it felt like hey we're really really happy. And we saw a lot of out of state banks that are legally licensed to do loans in California interested in those California laws and that's really what it's all about because you know it sounds like you're in southern California. I'm in northern California so my visibility to lenders is somewhat limited to the banks I'm either familiar with there's branches. I see a billboard or whatever reason what reason I have some connection with that bank. How many banks are in Southern California that aren't in Northern California. I mean an unbelievable amount. Yeah. So if there's a Southern California bank that's relevant to my loan. I want to know about it there's

no way for me to know about it. I'm not that smart. Right. And to make it even more powerful. There's a bank in Arizona.

- Speaker 3: 10:06 There's a bank in Arizona. This license is in California that branches in Northern California. Why would not want to expose my needs to that bank.
- Speaker 4: 10:16 And why wouldn't that bank want to meet someone like me there on January 18. Choices choices choices are never bad. And I don't think that's that survey is saying that you know the other regions are in the doldrums. I'd say things are generally positive but the sentiments the sentiment they want to be in the Northwest themselves.
- Speaker 10: 10:39 And I think that's great.
- Speaker 7: 10:43 I mean we're big economies over here. Why don't you.
- Speaker 5: 10:46 And the real estate market is doing quite well as well at least I'm not here I'm not going away it's it's going out next year too. I
- Speaker 4: 10:52 mean things are. You know there's a lot of pent up demand to real estate developers. After the downturn there was a lot of inventory of subdivisions that needed to still get built or mothballed. Same here and same with the lending the lenders you know they were so restricted and they were so cracked down and their requirements were so high. There's my own personal feeling is that there has to be an element of pent up demand for the lending as well which is I think why you see that sentiment at 8 percent. Yeah everyone wants to get back to work and get back to lending and get back to building and get back to developing and buying that piece of equipment that you put off because you couldn't get the financing. So you keep you know you know limping along Old Betsy over there and whatever whatever industry that you're in I think now is going to be a much better time to upgrade reinvesting in your business.
- Speaker 4: 11:55 Maybe buy your own building and go owner Yuzuru if you don't have rent anymore. I mean obviously the list is endless as to what we think people are going to do in 2018 and what McGill is going to be able to help people accomplish their task.
- Speaker 5: 12:12 You know and way way more efficiently can behave before we go can you give McGill a quick plug. I'd

Speaker 6: 12:17 like to know but people out there give me a little bit more of what Mr. Geller was started by two business owners to accomplish a seemingly simple question you know which is what we touched on earlier. Who is the most appropriate lender for my needs. Whether it's a home or business loan real estate.

Speaker 4: 12:36 On January 18th and as a business owner not having the time to go branch by branch phone call by phone call that just takes way too long and is an incomplete search a grossly incomplete search.

Speaker 6: 12:51 So with thousands and thousands of lenders including credit unions community banks large national lenders all lenders I mean the list is very into some of your readers and your listeners. I've learned a lot in the two years Miguel has been around. We've done 4.5 billion dollars of loans in two years which is a shockingly high number.

Speaker 4: 13:14 And I learned a lot specifically about Kennedys. I have predispositions as to what a credit union is all about. And I in Gilla we see credit unions engaging on loans that I would have never thought about credit for that particular law.

Speaker 3: 13:31 Well that's just my naivete right. I

Speaker 4: 13:33 can't know everything about every lender right. That's the point. And together your listeners should feel comfortable that when you come together you fill out our forms you're not asked for your name you're not us versus your Social Security number. Your phone will not ring. None of us have time for that. What will happen. Banks real banks real loan officers will with your proposal. See if they can help you.

Speaker 9: 13:59 They'll put their best foot forward and at that point you are in control. Your borrower the borrowers get to choose they can choose none of the proposals.

Speaker 3: 14:08 One all doesn't matter. They can play it however they want to play. OK. But if they choose to they're going to have to phone calls not 100.

Speaker 7: 14:16 Yeah exactly. Yes. Thank you. That's attractive. That's a job.

Speaker 3: 14:21 If you're listening certainly chapter of the US government that that. OK. You don't like the results. Do it again.

Speaker 2:	14:28	Very very cool. I like. I like that. And so to wrap up here working folks find out more details on the survey because I think there's really good information in there.
Speaker 3:	14:36	It should be posted up on together loans dotcom com energy I I L.A. loans dot com dot com era.
Speaker 2:	14:42	I'm on the Web site right now. So oil we will point folk to that we'll put that link on the show notes for Pope folks to get right to it and all the contact information they want to give you guys a call and ask them questions be cool so Id appreciate the time.
Speaker 3:	14:53	Thank you. Meet you. This has been great.