

# Conficasa Using TPOs to Help Make Cross-Border Loans

By BONNIE SINNOCK

HOUSTON—Conficasa here is offering to give third-party originators who speak at least some Spanish two points per closed loan on leads that it will hand to them. All TPOs working with the company need to do is submit a minimal amount of preliminary borrower information, collect a \$150 application fee from their assigned leads and wait for the loan to close, according to president and chief executive officer Eduardo Perez.

It sounds like relatively simple work. But for this wholesaler it is anything but.

Because Conficasa's work is multifaceted, requiring the coordination of various real estate and finance professionals on both sides of the United States-Mexico border, even describing the company with as single word such as "wholesaler" might be considered insufficient. Nevertheless, Mr. Perez considers the term "wholesaler" to be accurate in that Conficasa is using borrower information collected by TPOs to process and fund mortgages.

The loans Conficasa makes are specifically for former residents of Mexico who are now working legally in the United States and want to purchase property back in their home country. Mr. Perez said that the Mexican government has found that that there are approximately 1 million Mexican-Americans working legally in the United States "that want to and could purchase a house in Mexico."

The loans in the program are guaranteed by the Mexican government and as of press time last month Mexico had put \$380


million toward efforts Conficasa supports.

Conficasa works with several other parties in Mexico and the United States to get these government-sponsored mortgages funded. The company starts by taking information submitted by third-party originators in the United States, running credit checks on both sides of the border and coming up with loan amounts for which borrowers are pre-qualified. Borrowers then have up to five

months to find a property in Mexico to buy.

Mr. Perez said the average value of the properties securing these loans is \$50,000, but that amount can go as high as \$150,000 or as low as \$14,000 to \$15,000. No prepayment penalties can be imposed on the mortgages, which have a maximum 90% loan-to-

value ratio and a 25-year term. The loans

typically carry what appear to be high interest rates relative to U.S. standards, but low compared to interest rates in the Mexican mortgage market and the fact that these borrowers would generally not be able to obtain home loans at all. 

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**WHOLESALE**

## Conficasa: TPO Work Simple But Different

HOUSTON—Third-party originators who work with Conficasa have a relatively simple role to play in originating these cross-border loans for the company, but so far this simplicity has not necessarily guaranteed equal success for all TPOs working for the company.

"We have some that are responding more successfully than others," said Mary Salinas, a loan officer at Conficasa who provides support to about 100 third-party originators who have been working with the company.

Currently, the company works with about 100 TPOs in Texas and Illinois. By the end of the year, it hopes to have a total of 1,500 representatives and add the states of Nevada, California, Florida, New York, Georgia and Colorado. As of last month, the company had received about 4,000 applications and closed about a dozen loans.

Ms. Salinas said that TPOs who want to maximize their success should realize that originating loans for Conficasa, while simple, is usually different than what they may be used to when it comes to communicating with clients. She said Conficasa aims to help its loan broker partners with this by providing advice regarding sales techniques, training and other resources through a toll-free phone number and through its website (Conficasa.com). Loan status also can be monitored through the company's website.