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Dear Management: There's LOTS of "misunderstandings" occurring out there with commission agreements...

Especially at the "creative" end of the gamut...

So if you're gonna lose an LO, let it be because you need to "up" your game, not because the competition tricked a loan officer into thinking they were getting a better deal.

Educate LOs on the business.  And what it takes to keep the doors open.  There's tons of industry data available, to show them...

Funny... but all this reminds me of the days (when you could do this) of the income split games that were played.

Let's say you paid an LO 40% of all the loan orig + fee income.

Then a competitor came in and promised them 100%!!!  Of course less a desk fee, copier use fee, bathroom pass fee, etc. etc. etc.

After all the dust cleared, the loan officer ended up making 35%.

And this still happens today... just much more creatively...

Simple rule I follow - the more complicated the calculations in an agreement...  the more time you better spend, in the small print.

Be diligent peeps!