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DOGGED PURSUIT: MetLife Home Loans' Tony Clintock has his sights set on the New York mortgage market.

Snoopy & Co. homes in on mortgages

Giant insurer MetLife tries hand in new area

BY AMANDA FUNG

When Tony Clintock signed on at MetLife Home Loans after 17 years at J.P. Morgan Chase, he wasn't too happy about one thing: the prospect of having a floppy-eared dog named Snoopy emblazoned on his business card.

But he quickly changed his mind.

"Consumers love Snoopy," said Mr. Clintock, Northeast regional sales leader for the residential mortgage division of MetLife Bank. "Working for one of the most recognized brands doesn't hurt."

Good timing

In fact, MetLife is counting on its popular mascot to help the company take a big bite out of the Big Apple's residential mortgage business. Best known as the nation's largest life insurer with $55.9 billion in revenues, and ranked among the largest lenders in commercial real estate, the giant is breaking new ground in the city it calls home. It is entering the residential mortgage market just as rock-bottom lending rates and rising consumer confidence are beginning to lift home sales here. Happily for Snoopy & Co. that entrance comes as many traditional lenders are still struggling to cope with mountains of bad mortgages on their books.

"As a new lender, we don't have the baggage of the past," said Mr. Clintock.

Step-by-step

MetLife laid the foundation for its big home mortgage push in 2008, when it acquired the residential mortgage business from Tennessee-based First Horizon National Corp. Two years later, the insurer opened an operations-and-fulfillment center in Hauppauge, L.I., that now boasts 60 staffers processing and underwriting loans. More recently, MetLife Home Loans has been recruiting an army of salesmen, making room for them initially at offices at Penn Plaza and at 260 Madison Ave.

In just one year, that sales force has grown to 40, covering all five boroughs. The company will open an office in Brooklyn's Park Slope this summer and another in Queens, possibly Forest Hills, by year's end. More outposts are likely to follow next year.

"Right now, MetLife is doing everything right," said David Lykken, managing partner at consultant Mortgage Banking Solutions. "New York is one of the hardest markets to crack, but they will be one of the dominant lenders here."

Two percent and rising

Already, MetLife has grabbed a 2% share of the market. Last year, it funded the purchase of 229 apartments in the city, and in just the first five months of this year it funded another 355.

Most of that volume stems from financing sales at dozens of new condo developments—including Extell Development Co.'s The Aldyn and The Rushmore, where the bank has become the projects' preferred lender. At several of those new projects, potential buyers had struggled to secure a mortgage before deep-pocketed MetLife entered the picture. That was because Fannie Mae has pulled back and will not guarantee loans until certain requirements are met.

MetLife attributes much of its local success to the talent it has been able to attract from battered rivals. Earlier this year, the firm snagged Jeffrey Appel, a well-known mortgage sales veteran, from Bank of America. That followed MetLife's hiring of another BofA mortgage professional, Steven Lefland, as national co-op manager.

"All the banks are selling the same flavor of ice cream; one way we differentiate ourselves is through the quality of our talent," said Brian Hale, MetLife Bank's president of mortgage banking.

'All the banks are selling the same flavor of ice cream'

The connections that talent brings also help. Mark Wenitzky, MetLife's district sales leader, worked with O'Connor Capital Partners, the developer of the huge Upper East Side condo conversion Manhattan House, when he was at J.P. Morgan Chase. After signing on at MetLife, Mr. Wenitzky reintroduced himself to the developer, according to Thomas Quinn, a partner at the firm.

A flexible lender

Today, MetLife is one of three preferred lenders providing conventional and jumbo loans at the sprawling 575-unit complex. Courtesy of its vast resources, it is able to make loans despite the fact that Fannie Mae only guarantees mortgages for one-third of those units.

"MetLife is flexible in deals that can get complicated for big national banks," said Mr. Quinn, adding that his firm has a long history with MetLife. Another arm of the insurer has in the past invested in O'Connor's funds.

Success in New York will not come quickly or cheaply. Home sales are far below prerecession peaks, and increased regulatory oversight is making it more expensive to run a mortgage business, noted Mr. Hale. But company executives insist that cracking the city's mortgage market is worth the effort.

"We are not in a footrace," said Mr. Clintock. "We are taking a much more measured and detailed approach to growth." ■