

skills coupled with a background in finance. Job prospects may be better in health insurance than in property and casualty and life insurance. As Federal and State laws require health insurers to accept more applicants for insurance, the number of policies sold will increase. Also, as the population ages, there will be a greater need for health and long-term care insurance.

Because insurance is considered a necessity for people and businesses, there will always be a need for underwriters. It is a profession that is less subject to recession and layoffs than other fields. A broad knowledge of insurance is desirable, so that underwriters can transfer to another underwriting specialty if downsizing were to occur.

Earnings

Median annual earnings of insurance underwriters were \$43,150 in 2000. The middle 50 percent earned between \$33,300 and \$57,280 a year. The lowest 10 percent earned less than \$27,280, while the highest 10 percent earned over \$74,060. Median annual earnings in the industries employing the largest number of insurance underwriters in 2000 were:

Fire, marine, and casualty insurance	\$44,360
Life insurance	42,900
Insurance agents, brokers, and service	42,140
Medical service and health insurance	38,060

Insurance companies usually provide better than average benefits, including employer-financed group life, health, and retirement plans.

Related Occupations

Underwriters make decisions on the basis of financial and statistical data. Other workers with the same type of responsibility include accountants and auditors, actuaries, budget analysts, cost estimators, financial analysts and personal financial advisors, financial managers, loan counselors and officers, and credit analysts. Other jobs in the insurance industry include insurance sales agents and claims adjusters, appraisers, examiners, and investigators.

Sources of Additional Information

Information about a career as an insurance underwriter is available from the home offices of many life, health, and property-casualty insurance companies.

Information about the property-casualty insurance field can be obtained by contacting:

► The Insurance Information Institute, 110 William St., New York, NY 10038. Internet: <http://www.iii.org>

Information on careers in the health insurance field can be obtained from:

► Health Insurance Association of America, 555 13th St. NW., Suite 600 East, Washington, DC 20004-1109. Internet: <http://www.hiaa.org>

Information on careers in the life insurance field can be obtained from:

► LIMRA International, P.O. Box 203, Hartford, CT 06141. Internet: <http://www.limra.com>

Information on the underwriting function and the CPCU and AU designations can be obtained from:

► The American Institute for Chartered Property and Casualty Underwriters/Insurance Institute of America, 720 Providence Rd., P.O. Box 3016, Malvern, PA 19355-0716. Internet: <http://www.aicpcu.org>

Information on the CLU and RHU designations can be obtained from:

► The American College, 270 South Bryn Mawr Ave., Bryn Mawr, PA, 19010-2196. Internet: <http://www.amercoll.edu>

Loan Counselors and Officers

(O*NET 13-2071.00, 13-2072.00)

Significant Points

- Loan officer positions generally require a bachelor's degree in finance, economics, or a related field; training or experience in banking, lending, or sales is advantageous.
- Slower than average employment growth for loan officers is expected because technology is making loan processing and approval simpler and faster.
- Earnings often fluctuate with the number of loans generated, rising substantially when the economy is good and interest rates are low.

Nature of the Work

For many individuals, taking out a loan may be the only way to afford a house, car, or college education. Likewise for businesses, loans are essential to start many companies, purchase inventory, or invest in capital equipment. *Loan officers* facilitate this lending by seeking potential clients and assisting them in applying for loans. Loan officers also gather information about clients and businesses to ensure that an informed decision is made regarding the quality of the loan and the probability of repayment.

Loan officers usually specialize in commercial, consumer, or mortgage loans. Commercial or business loans help companies pay for new equipment or expand operations; consumer loans include home equity, automobile, and personal loans; mortgage loans are made to purchase real estate or to refinance an existing mortgage. As banks and other financial institutions begin to offer new types of loans and a growing variety of financial services, loan officers will have to keep abreast of these new product lines so that they can meet their customers' needs.

In many instances, loan officers act as salespeople. Commercial loan officers, for example, contact firms to determine their needs for loans. If a firm is seeking new funds, the loan officer will try to persuade the company to obtain the loan from their institution. Similarly, mortgage loan officers develop relationships with commercial and residential real estate agencies so that, when an individual or firm buys a property, the real estate agent might recommend contacting a specific loan officer for financing.

Once this initial contact has been made, loan officers guide clients through the process of applying for a loan. This process begins with a formal meeting or telephone call with a prospective client, during which the loan officer obtains basic information about the purpose of the loan and explains the different types of loans and credit terms that are available to the applicant. Loan officers answer questions about the process and sometimes assist clients in filling out the application.

After a client completes the application, the loan officer begins the process of analyzing and verifying the application to determine the client's creditworthiness. Often, loan officers can quickly access the client's credit history by computer and obtain a credit "score." This score represents the creditworthiness of a person or business as assigned by a software program that makes the evaluation. In cases where a credit history is not available or where unusual financial circumstances are present, the loan officer may request additional financial information from the client or, in the case of commercial loans, copies of the company's financial statements. With this information, loan officers who specialize in evaluating a



Loan officers guide clients through the process of applying for loans.

client's creditworthiness—often called loan underwriters—may conduct a financial analysis or other risk assessment. Loan officers include this information and their written comments in a loan file, which is used to analyze whether the prospective loan meets the lending institution's requirements. Loan officers then decide, in consultation with their managers, whether to grant the loan. If the loan is approved, a repayment schedule is arranged with the client.

A loan may be approved that would otherwise be denied if the customer can provide the lender with appropriate collateral—property pledged as security for the repayment of a loan. For example, when lending money for a college education, a bank may insist that borrowers offer their home as collateral. If the borrowers were ever unable to repay the loans, the homes would be seized under court order and sold to raise the necessary money.

Loan counselors, also called loan collection officers, contact borrowers with delinquent loan accounts to help them find a method of repayment to avoid their defaulting on the loan. If a repayment plan cannot be developed, the loan counselor initiates collateral liquidation, in which the collateral used to secure the loan—a home or car, for example—is seized by the lender and sold to repay the loan. A loan officer may also perform this function.

Working Conditions

Working as a loan officer usually involves considerable travel. For example, commercial and mortgage loan officers frequently work away from their offices and rely on laptop computers, cellular phones, and pagers to keep in contact with their offices and clients. Mortgage loan officers often work out of their home or car, visiting offices or homes of clients while completing loan applications. Commercial loan officers sometimes travel to other cities to prepare complex loan agreements. Consumer loan officers and loan counselors, however, are likely to spend most of their time in an office.

Most loan officers and counselors work a standard 40-hour week, but many work longer, depending on the number of clients and the demand for loans. Mortgage loan officers can work especially long hours because they are free to take on as many customers as they choose. Loan officers usually carry a heavy caseload and sometimes cannot accept new clients until they complete current cases. They are especially busy when interest rates are low, a condition that triggers a surge in loan applications.

Employment

Loan counselors and officers held about 265,000 jobs in 2000. Approximately half were employed by commercial banks, savings

institutions, and credit unions. Others were employed by nonbank financial institutions, such as mortgage banking and brokerage firms and personal credit firms.

Loan officers are employed throughout the Nation, but most work in urban and suburban areas. At some banks, particularly in rural areas, the branch or assistant manager often handles the loan application process.

Training, Other Qualifications, and Advancement

Loan officer positions generally require a bachelor's degree in finance, economics, or a related field. Most employers prefer applicants who are familiar with computers, and their applications in banking. For commercial or mortgage loan officer jobs, training or experience in sales is highly valued by potential employers. Loan officers without college degrees usually have reached their positions by advancing through the ranks of an organization and acquiring several years of work experience in various other occupations, such as teller or customer service representative.

The American Institute of Banking, which is affiliated with the American Bankers Association, offers correspondence courses and college and university classes for students interested in lending, as well as for experienced loan officers who want to keep their skills current. The Mortgage Bankers Association's School of Mortgage Banking also offers classes, both classroom- and Internet-based, for people involved in real estate lending. Completion of these courses and programs enhances one's employment and advancement opportunities.

Persons planning a career as a loan officer or counselor should be capable of developing effective working relationships with others, confident in their abilities, and highly motivated. For public relations purposes, loan officers must be willing to attend community events as representatives of their employer.

Capable loan officers and counselors may advance to larger branches of the firm or to managerial positions, while less capable workers—and those having inadequate academic preparation—could be assigned to smaller branches and might find promotion difficult. Advancement beyond a loan officer position usually includes supervising other loan officers and clerical staff.

Job Outlook

Automation of many financial services and the growing use of online mortgage brokers are expected to have a significant impact on the demand for lending professionals. However, population growth and the increasing variety of loans and other financial services that loan officers promote will ensure modest employment increases for these professionals. Employment of loan officers is projected to increase more slowly than the average for all occupations through 2010. In contrast, loan counselors are expected to grow about as fast as the average for all occupations through 2010 as requirements for filing for bankruptcy tighten, forcing many to seek counseling to manage their debt. Most job openings will result from the need to replace workers who retire or otherwise leave the occupation permanently. As in the past, college graduates and those with banking, lending, or sales experience should have the best job prospects.

The use of credit scoring has made the loan evaluation process much simpler than in the past, and even unnecessary in some cases. Credit scoring allows loan officers, particularly loan underwriters, to evaluate many more loans in much less time, thus increasing loan officers' efficiency. In addition, the mortgage application process has become highly automated and standardized. This simplification has enabled online mortgage loan vendors to offer loan shopping services over the Internet. Online vendors accept loan applications from customers over the Internet and determine which lenders have the best interest rates for that particular loan. With

this knowledge, customers can go directly to the lending institution, thereby bypassing mortgage loan brokers. Shopping for loans on the Internet—though currently not a widespread practice—is expected to become more common over the next 10 years, particularly for mortgages, thus reducing demand for loan officers.

Employment in banking generally is less affected by the upturns and downturns of the economy than is employment in other industries, contributing to job stability in banking occupations. Although loans remain a major source of revenue for banks, demand for new loans fluctuates and affects the income and employment opportunities of loan officers. When the economy is on the upswing or when interest rates decline dramatically, there is a surge in real estate buying and mortgage refinancing that requires loan officers to work long hours processing applications and induces lenders to hire additional loan officers. Loan officers often are paid by commission on the value of the loans they place and some have high earnings when demand for mortgages is high. When the real estate market slows, loan officers often suffer a decline in earnings and may even be subject to layoffs. The same applies to commercial loan officers, whose workloads increase during good economic times as companies seek to invest more in their businesses. In difficult economic conditions, loan counselors are likely to see an increase in the number of delinquent loans.

Earnings

Median annual earnings of loan counselors were \$32,160 in 2000. The middle 50 percent earned between \$25,290 and \$43,510. The lowest 10 percent earned less than \$20,850, while the top 10 percent earned more than \$62,380.

Median annual earnings of loan officers were \$41,420 in 2000. The middle 50 percent earned between \$30,610 and \$57,250. The lowest 10 percent earned less than \$24,200, while the top 10 percent earned more than \$82,640. Median annual earnings in the industries employing the largest numbers of loan officers in 2000 were:

Commercial banks	\$43,370
Savings institutions	42,760
Mortgage bankers and brokers	42,100
Personal credit institutions	35,040
Credit unions	29,700

The form of compensation for loan officers varies. Most loan officers are paid a commission that is based on the number of loans they originate. In this way, commissions are used to motivate loan officers to bring in more loans. Some institutions pay only salaries, while others pay their loan officers a salary plus a commission or bonus, based on the number of loans originated. Banks and other lenders sometimes offer their loan officers free checking privileges and somewhat lower interest rates on personal loans.

According to a salary survey conducted by Robert Half International, a staffing services firm specializing in accounting and finance, mortgage loan officers earned between \$36,000 and \$48,000 in 2000; consumer loan officers with 1 to 3 years of experience, between \$42,250 and \$56,750; and commercial loan officers with 1 to 3 years of experience, between \$48,000 and \$64,750. With over 3 years of experience, commercial loan officers could make between \$66,000 and \$95,250, and consumer loan officers can make between \$55,500 and \$75,500. Smaller banks ordinarily paid 15 percent less than larger banks. Loan officers who are paid on a commission basis usually earn more than those on salary only.

Related Occupations

Loan officers help the public manage financial assets and secure loans. Occupations that involve similar functions include securities and financial services sales representatives, personal financial

advisors, real estate brokers and sales agents, and insurance sales agents.

Sources of Additional Information

Information about a career as a mortgage loan officer can be obtained from:

► Mortgage Bankers Association of America, 1125 15th St. NW., Washington, DC 20005. Internet: <http://www.mbaa.org>

State bankers' associations can furnish specific information about job opportunities in their State. Also, individual banks can supply information about job openings and the activities, responsibilities, and preferred qualifications of their loan officers.

Lodging Managers

(O*NET 11-9081.00)

Significant Points

- Employment is projected to grow more slowly than average.
- College graduates with degrees in hotel or restaurant management should have the best job opportunities.

Nature of the Work

A comfortable room, good food, and a helpful staff can make being away from home an enjoyable experience for both vacationing families and business travelers. While most lodging managers work in traditional hotels and motels, some work in other lodging establishments, such as camps, inns, boardinghouses, dude ranches, and recreational resorts. In full-service hotels, lodging managers help their guests have a pleasant stay by providing many of the comforts of home, including cable television, fitness equipment, and voice mail, as well as specialized services such as health spas. For business travelers, lodging managers often schedule available meeting rooms and electronic equipment, including slide projectors and fax machines.

Lodging managers are responsible for keeping their establishments efficient and profitable. In a small establishment with a limited staff, the manager may oversee all aspects of operations. However, large hotels may employ hundreds of workers, and the general manager usually is aided by a number of assistant managers assigned to the various departments of the operation. In hotels of every size, managerial duties vary significantly by job title.

The *general manager*, for example, has overall responsibility for the operation of the hotel. Within guidelines established by the owners of the hotel or executives of the hotel chain, the general manager sets room rates, allocates funds to departments, approves expenditures, and establishes expected standards for guest service, decor, housekeeping, food quality, and banquet operations. Managers who work for chains also may organize and staff a newly built hotel, refurbish an older hotel, or reorganize a hotel or motel that is not operating successfully. In order to fill low-paying service and clerical jobs in hotels, some managers attend career fairs.

Resident managers live in hotels and are on call 24 hours a day to resolve problems or emergencies. In general, though, they typically work an 8-hour day and oversee the day-to-day operations of the hotel. In many hotels, the general manager also is the resident manager.

Executive housekeepers ensure that guest rooms, meeting and banquet rooms, and public areas are clean, orderly, and well maintained. They also train, schedule, and supervise the work of housekeepers; inspect rooms; and order cleaning supplies.