

How Real Estate Agents View Lender Relationships

New Strategies for Broker-Owner Partnerships in the 2005 Market



Annual Campbell Communications Survey Of Realtors Probes Attitudes, Preferences

2005 is shaping up to be another strong year for the nation's home purchase marketplace. Once again, the success of mortgage lenders will depend greatly on how well they can tap individual real estate agents and broker-owner partnerships for mortgage business.

That's why Inside Mortgage Finance and Campbell Communications are undertaking their third annual survey of real estate agent attitudes toward retail mortgage lending and specific lenders.

Provocative Questions on Key Strategic Issues

This comprehensive study builds on ground-breaking surveys of real estate agents and broker-owners in 2004 and 2003, answering important questions such as:

- ? • In what percent of all home purchase transactions do real estate agents control or influence the selection of mortgage provider?
- ? • What is the capture rate for typical partnerships between broker-owners and mortgage lenders?
- ? • What are the most common forms of partnerships—Affiliated Business Arrangements, Joint Ventures, Desk Rental, or informal alliances—and which is most effective?
- ? • What are most common reasons that agents do not refer homebuyers to a partnered lender?
- ? • What advantages do broker-owners provide partnered lenders—attendance at weekly sales meetings, exclusive access to company premises, use of company mailboxes for rate sheets—and how disadvantaged are non-partnered lenders?
- ? • What are the most significant problems that real estate agents perceive with mortgage lenders--missed closing dates, faulty pre-approval letters, employment and income verifications at the last minute, as well as 16 other specific issues?
- ? • Do partnered lenders that operate out of the brokerage office have higher capture rates than lenders with centralized operations?
- ? • What are the most important reasons for recommending a direct lender—local loan officer, partnership with broker-owner, reliable pre-approval letters, competitive rates, and 20 other rating factors?
- ? • How do individual direct lenders rate on 23 product and service factors?
- ? • How do agent preferences and attitudes differ among prime, subprime, and low documentation lenders?



REAL ESTATE AGENTS AND BROKERS

Annual Purchase Market Survey

Actionable Data To Improve Every Department

Executives will get specific, actionable data they need to improve every department in the retail lending process, with detailed information about hot button issues such as:

- Service levels at centralized call centers
- Unexpected closing costs
- Missed closing dates
- Employment and income verifications at last minute
- Tardy HUD-1 statements
- Inflexible underwriting
- Loan officer training
- Last-minute switching of lenders by mortgage brokers
- Unreliable pre-approval letters
- Service by local loan officers

Detailed Ratings on Major Direct Lenders

Agents rate lenders on 19 specific product and service factors, including:

- Loan officer relationships
- Broker-owner partnerships
- Trust of lender brands
- Quick pre-approval letters
- Reliable pre-approval letters
- Competitive rates
- Low closing costs
- Guaranteed closing costs
- Loan programs for homebuyers with prime credit
- Subprime loan programs
- Low documentation loan programs
- Range of loan programs

Leveraging Previous Surveys of Real Estate Agents, Broker-Owners, Mortgage Brokers and Correspondents

This project builds on our 2003 and 2004 surveys of mortgage brokers, real estate agents, and broker-owners, as well as this year's survey of correspondent lenders about investor relationships. Numerous mortgage companies, GSEs, investment banks, and other industry players — including a majority of the nation's top 30 lenders — have used these studies to develop wholesale and retail strategies for both prime and nonprime lending. (For more information about past survey projects, see www.campbellsurveys.com.)



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Methodology

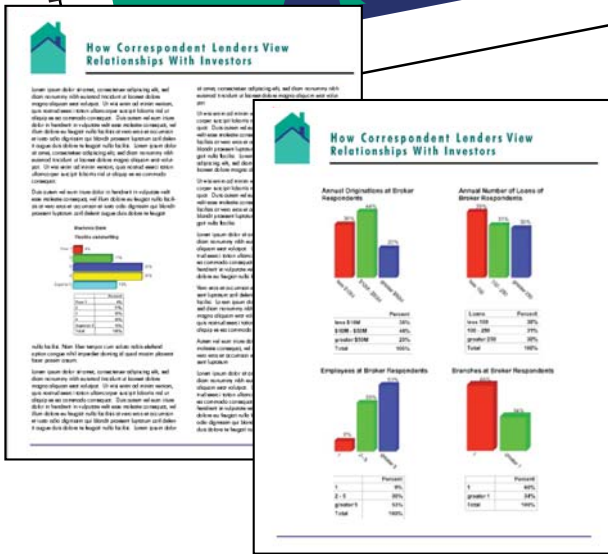
Respondents were invited to complete the survey form on a secure web site after promotion through e-mail messages.

Participants completed the survey online.

Respondents were assured anonymity, assuring validity of responses and higher response rate; their names and firms are kept confidential. All data in reports are presented in the aggregate.

Incentive for respondents to participate:

- **Complimentary report.** Following analysis and tabulation, all respondents will receive an electronic copy of generic findings — not strategic, proprietary information — on the attitudes of their peers toward retail lending and lenders.
- **Ease of participation.** Simple online function, web-based, can be accomplished at convenience of respondent at home or office, day or night.
- **Length and simplicity.** Relatively brief instrument requires little time, no need to refer to documents. Virtually all information needed is present in mind of respondent.



Reasons for Disaffection	Brokers Using		
	All Loans	Low Rate	Local/Urban
Switching Wholesale Lenders (Specialist and Consulting Sub-Priced Loans) or Not a Lender at All	50%	50%	24%
Primary Reason for Disaffection			
High Future Commission Rates	53%	17%	10%
Low Future Commission Rates	7%	8%	13%
Slow Underwriting	36%	49%	10%
Quality of Loan Files	7%	7%	1%
Market Coverage	17%	7%	1%
Reliability/Underwriting	10%	10%	1%
Four State Prop Services	50%	10%	13%
No Lender Services	4%	4%	1%

Targeted Respondents

Targeted respondents were recruited in two ways:

- A substantial sample of the nation's real estate agents, recruited via a proprietary database containing more than 200,000 e-mail addresses.
- Additional respondents recruited through publicity and membership organizations.

For more information, call 202.363.2069



REAL ESTATE AGENTS AND BROKERS Annual Purchase Market Survey

Review the Survey Online

The survey instrument may be reviewed at www.campbellsurveys.com/agent05.
Designed by Campbell Communications, Inc. and Geosegment Systems Corporation, with input from Inside Mortgage Finance Publications, Inc. Pretested regarding content as well as online compatibility.

Survey Timing

The survey is being conducted during May 2005. Full report to be delivered June 2005.

Full Report Contents

A complete set of survey findings will be provided, consisting of data analysis, summary tables, color graphs, and interpretative narrative. Analysis and preparation of report by Campbell Communications and Geosegment Systems. Documents in PDF format with permission to print out and duplicate copies for companies' internal use. Purchasers may obtain PowerPoint versions of graphs and tables at no extra charge.

Pricing and Delivery

Price of the full report is \$9,500. Customers will receive expedited electronic delivery of findings in order of purchase.

Questions and Further Information

Call John Campbell 202.363.2069, or e-mail john@campbellsurveys.com.

To Order Survey Report

- E-mail info@campbellsurveys.com, providing name and company name and contact information
- Call **202.363.2069**



Inside Mortgage Finance Publications, Inc. is a leading publisher of strategic newsletters in the mortgage industry. Campbell Communications, Inc. is a marketing and research firm which conducts syndicated surveys in vertical markets. Geosegment Systems Corporation, a market research firm specializing in the mortgage industry, is principal designer of studies undertaken by the two companies and primary author of the survey reports.

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