

# Wholesale Strategies in a Changing Mortgage Market

## How Mortgage Brokers View the Shift to Non-Traditional Products



### *A National Survey by Campbell Communications Sponsored by Inside Mortgage Finance*

In 2005, the residential mortgage market is continuing to see a major shift in loan product preferences. While originations of traditional mortgages — such as the conventional fixed-rate loan — are declining, the production of non-traditional products — particularly subprime and alternative mortgages — is soaring.

And mortgage brokers are quickly adapting to a new environment where borrowers expect — and even demand — a large menu of products from which to choose. One result is that mortgage wholesalers need to rethink the way they deal with the increasingly large and important broker channel.

Do mortgage brokers want more product choices from their key wholesalers? Or are they content to deal with a variety of lenders that specialize in specific loan products? Has the shift away from traditional prime mortgage products changed the way brokers choose a lender?

These are some of the vital questions that will be answered in a major new survey of mortgage broker attitudes toward wholesale lenders, is sponsored by *Inside Mortgage Finance* and conducted by Campbell Communications.

### **Learn the Answers to Key Wholesale Strategic Issues**

This new survey builds upon two previous years of wholesale mortgage industry research and addresses such issues as:

- ? • What are the most important reasons for using different kinds of mortgage lenders for different types of loan products?
- ? • When using a prime (or Alt A or subprime) lender, what are the most important loan programs?
- ? • What are the most significant reasons for borrowers choosing interest-only, Option ARM, or some other alternative mortgage over traditional fixed-rate or standard ARM products?
- ? • What are the most important factors in brokers' decisions to offer second lien products such as "piggyback" loans or home equity offerings?
- ? • Which lenders are considered the "best choice" for brokers looking for prime, Alt A or subprime mortgage programs?
- ? • Which lenders are best positioned to increase their business with brokers in the growing alternative mortgage sector?



## How Mortgage Brokers View the Shift to Non-Traditional Products

---

### Detailed Rankings and Ratings of Major Lenders In Prime, Alt A & Subprime Categories

Mortgage brokers rank and rate specific lenders on:

- **Rate and Term Types**  
Conforming fixed rate, conforming ARM, interest-only
- **Documentation**  
Prime low-doc, subprime low-doc, stated income/stated assets, stated income/verified assets, no income/no assets
- **Types of Loans**  
Jumbo, FHA, VA, home equity, second mortgage for piggyback
- **Pricing**  
Competitive rates, low closing costs, pricing concessions
- **Service**  
Sales force service, local sales reps, prompt response, electronic services
- **Underwriting**  
Reliable pre-approvals, reliable closing costs, granting of exceptions, fast turnaround times

### Actionable Data to Improve Your Marketing Focus

The survey report will provide marketing executives specific, actionable data to allocate scarce marketing resources – with detailed information about the how brokers consider various factors in establishing new lender relationships, including:

- Direct mail advertising
- Media advertising
- Personal sales rep visits
- Very competitive interest rates
- Distinctive loan programs
- Better electronic services
- Faster turn times
- Trust in lender brand name
- And other important considerations

### Leveraging Previous Major Research Studies

This comprehensive new project builds on our 2003 and 2004 surveys of mortgage brokers, and our 2005 surveys of correspondent lenders and real estate agents, probing attitudes toward key lending relationships and specific lenders. Each year, a majority of the nation's largest wholesale and retail lenders count on our survey findings to improve their competition position. For more information about previous research, contact [info@campbellsurveys.com](mailto:info@campbellsurveys.com) or see [www.campbellsurveys.com](http://www.campbellsurveys.com).





# How Mortgage Brokers View the Shift to Non-Traditional Products

## Methodology

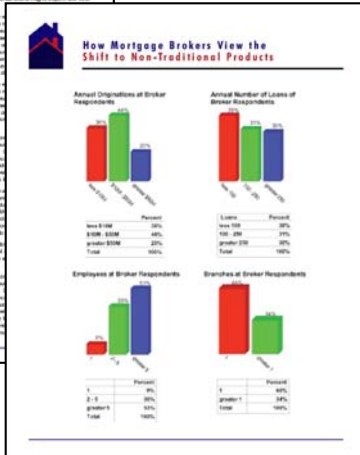
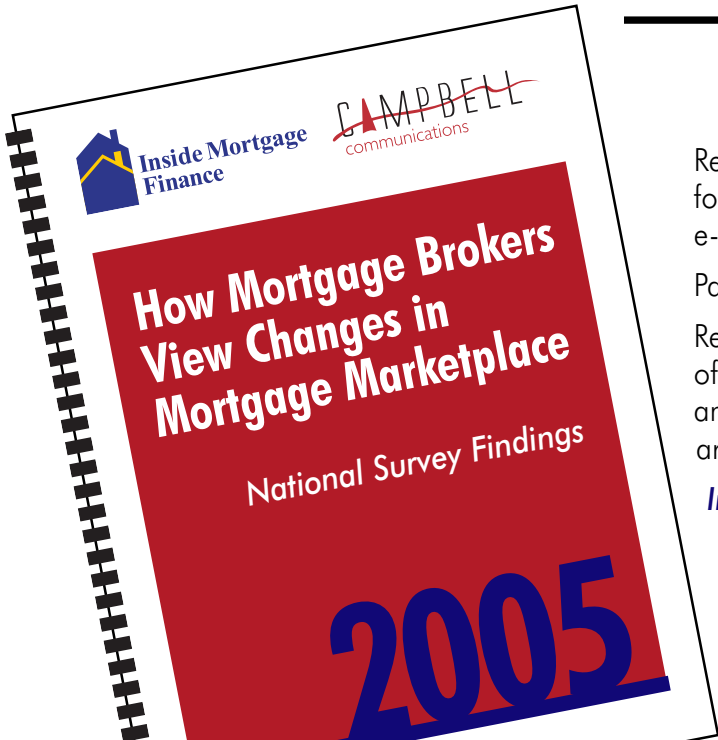
Respondents are invited to complete the survey form on a secure web site after promotion through e-mail messages.

Participants complete the survey online.

Respondents are assured anonymity, ensuring 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 summary 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 lenders and loan programs.
- **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.



## Targeted Respondents

Targeted respondents were recruited in two ways:

- A substantial sample of the nation's mortgage brokers, recruited via a proprietary database of 50,000 e-mail addresses.
- Additional respondents recruited through publicity and membership organizations, as well as lender notification.

## For more information, call 202.363.2069



## How Mortgage Brokers View the Shift to Non-Traditional Products

### Review the Survey Online

The survey instrument may be reviewed at [www.campbellsurveys.com/broker05](http://www.campbellsurveys.com/broker05). Designed by Geosegment Systems and Campbell Communications, with input from Inside Mortgage Finance Publications, as well as lenders and brokers. Pre-tested regarding content as well as online compatibility.

#### Survey Timing

The survey will be conducted in September 2005. Full report to be delivered in October 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 \$12,500. 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](mailto:john@campbellsurveys.com).

### To Order Survey Report

- E-mail [info@campbellsurveys.com](mailto: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. The survey instruments in this and other projects undertaken by the two firms are designed by Geosegment Systems Corporation, a market research firm specializing in the mortgage industry.

[www.imfpubs.com](http://www.imfpubs.com)

[www.campbellsurveys.com](http://www.campbellsurveys.com)

[www.geosegment.com](http://www.geosegment.com)