

Investor Strategies in the Correspondent Market

How Correspondent Lenders View Investor Relationships



A National Survey by Campbell Communications Sponsored by Inside Mortgage Finance

As residential mortgage lenders focus on the home purchase market, correspondent lending is drawing attention as an important source of new business.

In 2005, with the continuing decline of the refinance market, the proportion of broker originations will also decrease and correspondent lenders – with their assurance of quality loans and production stability — will emerge as even more desirable partners.

The intensifying spotlight on correspondent lending also highlights the growing need for better market intelligence. That’s why Inside Mortgage Finance and Campbell Communications are undertaking a major new survey of correspondent lenders’ attitudes toward relationships with specific investors.

Strategic Issues Yield Blueprint for Correspondent Success

This ground-breaking survey, following on our 2004 surveys of mortgage brokers and real estate agents and brokers, will address issues such as:

- Which investors are the “best choice” of correspondents for specific loan product types?
- What decision factors are most important when correspondents choose new investors?
- How do investors rate on specific program, quality and service factors?
- Which investors are best positioned to rapidly capture market share with correspondents?
- What are the greatest concerns about investor relationships and how can they be addressed?
- How can investors design offerings to ensure best response from correspondents?



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Detailed Ratings on Major Factors For Correspondent Lending

Correspondent lenders will say what's most important in their relationships in specific, actionable categories, such as:

- **Pricing** - "All-in" pricing, Servicing-Released Premiums, pricing adjustments, discounts on flow loans, pricing on bulk sales
- **Loan Programs** - Broad range of programs and niche programs such as prime conforming, Alt A, and subprime programs
- **Underwriting** - Communication and flexibility on guidelines, timely decision-making
- **Electronic Services** - On-line pricing and rate locks, automated underwriting, electronic file transmission
- **Account Executive Service** - AE visits, responsiveness, knowledge of loan programs

Actionable Data To Improve Every Department

Savvy lenders are beginning to concentrate on correspondent business. This survey report will provide a blueprint for expanding and refining correspondent operations in every department, with detailed information about hot button issues, such as:

- Number of investor relationships
- Reasons for trying a new investor
- Account executive service factors
- Overall range of loan programs
- Pricing factors and tradeoffs
- Underwriting turn times
- Electronic services

Leveraging Previous Survey Projects

This project builds on our three 2004 surveys of mortgage brokers and real estate agents, probing attitudes toward lending relationships and specific lenders for both the prime and nonprime markets. A majority of the nation's largest wholesale and retail lenders have used our survey findings to improve their competitive positions. (For more information about previous research, contact info@campbellsurveys.com or see www.campbellsurveys.com.)





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Methodology

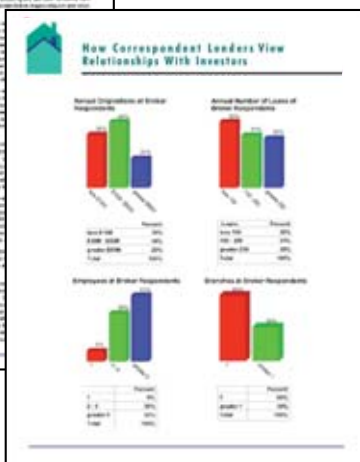
Respondents are invited to complete the survey form on a secure web site after promotion through e-mail messages.

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 investors and correspondent practices.
- **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 correspondent lenders, recruited via a proprietary database of e-mail addresses.
- Additional respondents recruited through publicity and membership organizations.



For more information, call 202.363.2069



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Review the Survey Online

The survey instrument may be reviewed at www.campbellsurveys.com/correspondent05. Designed by Geosegment Systems and Campbell Communications, with input from Inside Mortgage Finance Publications. Pre-tested regarding content as well as online compatibility.

Survey Timing

The survey will be conducted in March 2005. Full report to be delivered in April 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**



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