

# How Mortgage Brokers View The Prime Conforming Market



## New Research Aimed at Increasing Business in a Declining Environment

With climbing interest rates expected to reduce overall mortgage originations by 15 percent or more this year, mortgage market players are battling an extremely competitive marketplace and shrinking margins. And leading originators are scrambling to develop strategies that will allow them to retain—if not build—business volume in 2006's tough lending environment.

Although subprime and niche lending has been growing over the past two years, the lion's share of new mortgage volume continues to come from two main sources—the prime conforming market and mortgage brokers. Successful lenders in 2006 will need to capitalize on the booming wholesale market for prime conforming mortgages.

A major new survey of mortgage broker attitudes toward the prime conforming space and wholesale lenders, sponsored by Inside Mortgage Finance and conducted by Campbell Communications, will provide a roadmap for increasing a company's wholesale prime business.

## Learn the Answers to New Wholesale Strategic Issues

Many wholesale lenders are trying to attract broker business by reflexively giving price discounts or other compensation. That could be a serious—and costly—mistake.

A major goal of this survey will be to determine quantitatively how much price matters—what is the real role of pricing and yield spread premium.

It will address such issues as:

- ? • What factors encourage mortgage brokers to give more volume, or more profitable business, to a lender?
- ? • When brokers are in a preferred broker program, do they want price discounts or are there other factors that they find more important?
- ? • What is the tradeoff between pricing and turn times?
- ? • What is the tradeoff between pricing and use of electronic data submission?
- ? • What actions are brokers taking to affect their pull-through rates with lender partners?
- ? • How do brokers rate specific lenders as sources for prime conforming loans—on factors most important to brokers?
- ? • Which lenders are best positioned to increase their business with brokers in the prime conforming mortgage sector?



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### Detailed Rankings and Ratings of Major Lenders in Several Prime Categories

Mortgage brokers rank and rate specific lenders on:

#### Pricing

- Competitive rates
- Low closing costs
- Pricing concessions for high volume
- Pricing concessions for pull-through
- Pricing concessions for electronic submission

#### Service

- Overall AE service
- Local AE
- AE responds to phone calls/emails
- Centralized call center solves problems

#### Underwriting

- Underwriter solves problems
- Reliable pre-approvals, no cost increases
- Reliable closing dates
- Grants needed underwriting exceptions
- Fast underwriting turn times

#### Loan programs

- Broad range of prime programs
- Also offers low-doc programs
- Also offers subprime programs

### Actionable Data to Improve Marketing Focus

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

- Interaction with AEs
- Financial incentives
- Better electronic services
- Trust in lender brand name
- Soliciting customers for refinances
- Competition with retail divisions
- Very competitive interest rates
- Faster turn times

### Leveraging Previous Major Research Studies

This comprehensive new project builds on our 2003-2005 surveys of mortgage brokers, our 2003-2006 surveys of real estate agents, and our 2005 survey of correspondent lenders, 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 competitive position. For more information about previous research, contact [info@campbellsurveys.com](mailto:info@campbellsurveys.com) or see [www.campbellsurveys.com](http://www.campbellsurveys.com).



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## Methodology

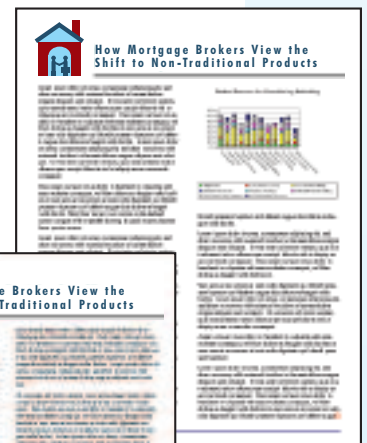
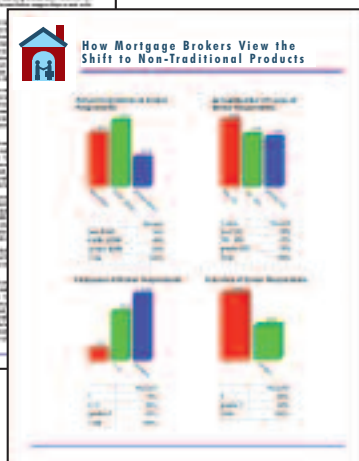
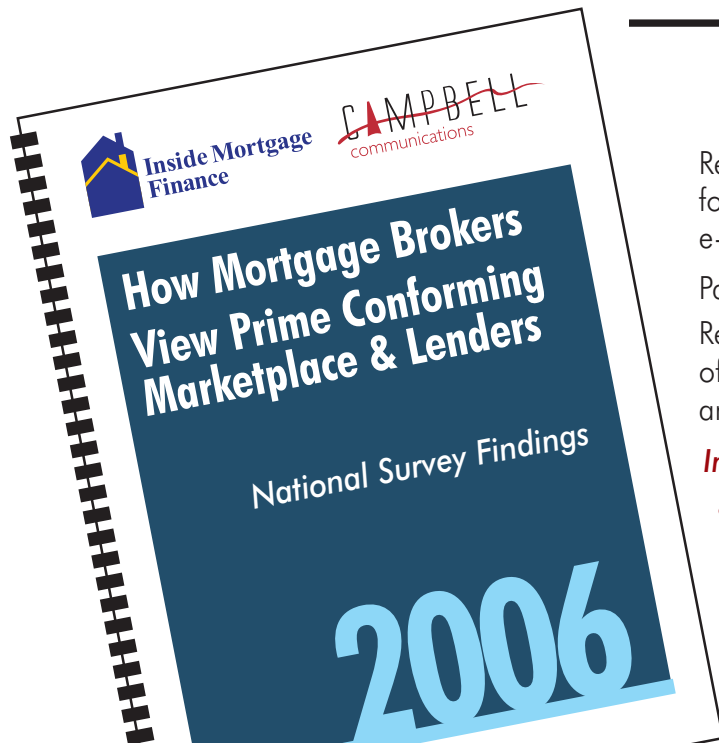
Respondents are invited to complete the survey form on a secure web site after promotion through e-mail messages.

Participants complete the survey online.

Respondents are assured anonymity, ensuring validity of responses and higher response rate; their names and firms are kept confidential.

### **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 loan programs and process.
- **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**



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# Review the Survey Online

The survey instrument may be reviewed at [www.campbellsurveys.com/prime06](http://www.campbellsurveys.com/prime06). Designed by Geosegment Systems and Campbell Communications, with input from Inside Mortgage Finance Publications, as well as lenders and brokers. Pre-tested regarding content and online compatibility.

### Survey Timing

The survey is being conducted in April-May 2006. Full report to be delivered in late May 2006.

### 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.

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