

# How Mortgage Brokers Value AEs & Technology in Subprime Lending

## New Research Pinpoints Most Important Electronic Services for Subprime Wholesale Lenders



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

With continued compression of subprime margins, technology has taken on a vital role in increasing sales effectiveness and reducing underwriting costs for subprime wholesale lenders. With many potential areas for technology enhancement—loan program promotion, pricing engines, electronic submission, prequalification and automated underwriting, pipeline management, on-line docs, loan funding and delivery—lenders need to know the key areas to focus their development projects.

This survey—sponsored by Inside Mortgage Finance and conducted by Campbell Communications—is our third survey of subprime mortgage brokers. The survey was conducted in December 2006, with the final survey report to be published in January 2007.

### **Actionable Data on Subprime Technology Issues**

This first-ever subprime survey will focus on key issues related to broker business convergence, pricing, product guidelines, and convenience vs. necessity in choosing programs.

It will address such issues as:

- ? • What are the most important technology and non-technology factors for brokers in selecting a subprime lender?
- ? • What are most common ways brokers use technology to find subprime loan programs and obtain pricing information?
- ? • Which multiple-lender pricing engines are most often used?
- ? • What are the most significant impediments to electronic loan submission for subprime?
- ? • Which mortgage brokerage sizes and segments could most expand their use of electronic submission?
- ? • How does acceptance of reissued credit reports affect selection of subprime lenders?
- ? • Which pipeline management features are most important to brokers?
- ? • How do brokers rate specific lenders as sources for subprime on factors most important to brokers?



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## Detailed Rankings and Ratings of Major Subprime Lenders

Mortgage brokers rank and rate specific lenders on:

### Pricing

- Competitive rates
- Low closing costs
- Rate discounts for high volume
- Discounts for electronic submission

### Service

- Lender has local AE
- AE responds promptly to phone calls/emails
- AE knows programs and guidelines
- AE solves problems
- Electronic services

### Underwriting

- Accepts reissue of broker-pulled credit
- Follows published guidelines
- Reliable pre-approvals, no cost increases
- Grants needed underwriting exceptions
- Fast underwriting turn times
- Meets closing date commitments

### Loan programs

- Broad range of subprime programs
- Also offers Alt A programs
- Also offers prime programs

## Actionable Data to Improve Technology Focus

The survey report will provide subprime lenders' executives specific, actionable information to allocate scarce technology resources – with detailed information about how brokers use and don't use technology, including:

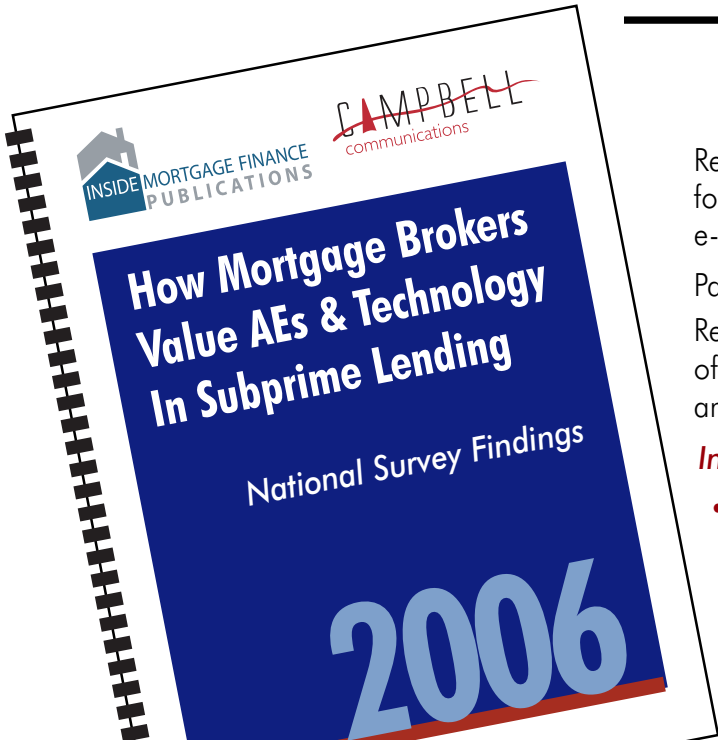
- New programs — how brokers hear
- Broker use of pricing engines
- Impediments to broker sign-up
- Why electronic services aren't used
- Technology issues in underwriting
- Lender acceptance of reissued credit
- Pipeline and loan status reporting
- Other important considerations

## Leveraging Previous Major Research Studies

This comprehensive new project builds on our 2003-2006 surveys of mortgage brokers in prime and nonprime lending, our 2005-2006 surveys of correspondent lenders, and our 2003-2006 surveys of real estate agents and brokers – probing attitudes toward key lending relationships and specific lenders and investors. Each year, a majority of the nation's largest wholesale and retail lenders count on our survey findings to improve their competition position in a fast-changing marketplace. For more information about previous research, see [www.campbellsurveys.com](http://www.campbellsurveys.com).



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## Methodology

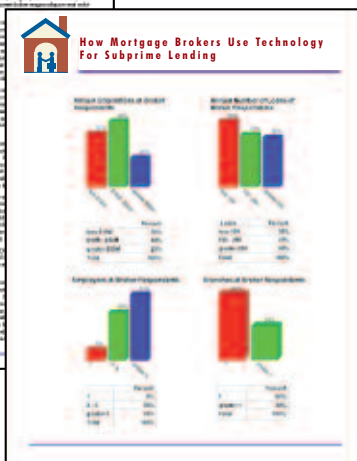
Respondents are invited to complete the survey form on a secure web site after promotion through e-mail messages.

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 55,000 e-mail addresses.
- Additional respondents recruited through 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/subprime06](http://www.campbellsurveys.com/subprime06). 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 was conducted in December 2006. Full report published in late January 2007.

#### 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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