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2012 LOAN ORIGINATOR SURVEY



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Survey and Analysis of the Nation's Mortgage Loan Originators

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ABOUT OUR SPONSORS



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EXECUTIVE SUMMARY

The 2012 Loan Originator Survey provides insight into issues that are impacting mortgage loan officers. Preferred methods of marketing, favorite service providers and appraisal issues were all identified in the report. Mortgage technology and mortgage news were also addressed. The survey additionally looked at originator income, production levels and employer profiles.

The survey was conducted online between July 22, 2012, and Sept. 27, 2012, and 175 originators participated in the survey. Mortgage Daily confirmed Nationwide Mortgage Licensing System registration on 148 of participants.

Survey results reflect heavy participation by Mortgage Daily subscribers. As a result, a majority of the group was employed by non-bank firms -- a sharp contrast to the overall population of originators which is dominated by originators who are employed by financial institutions. Given the bureaucratic nature of the mega-banks that dominate mortgage lending, non-bank originators likely have more say in the services and products used by their employers.

While some questions were skipped by some of those surveyed, all of the survey questions were completed by 120 of the participants.

Mortgage loan originators are the sales people of the mortgage industry. The male-dominated group is the face of home lending for many consumers. Today's typical originator has spent more than a decade in real estate finance and has a college degree or at least some college education. One state was the home of one-in-five originators surveyed.

Average loan production for participants in the 2012 Loan Originator Survey was mostly unchanged between 2010 and 2011. But thanks to a robust refinance market, this year's business is on pace to jump 40 percent. A small share of surveyed loan officers originate commercial real estate loans.

Nearly 60 percent of the originators who participated in the survey indicated they earn at least \$100,000 annually. Many said that they would have earned more if it weren't for the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 -- though a small share has actually profited from the new requirements. Appraisal requirements appear to be putting an even bigger dent in originator income.

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Executive Summary, Continued

Loan originators tend to be a loyal bunch, with the average originator having been at the same employer for several years. Few of the originators found their current jobs through traditional job search methods. Most of the survey participants indicated that they don't work for a bank -- a sharp contrast to the overall originator population. Over a quarter of survey participants are self-employed.

Loan originators generate new business through a range of sources including advertising, referrals and mortgage leads. Originators spend a good chunk of their advertising dollars online. While social media is being aggressively woven into the marketing plans of many originators, hard results from the young medium are elusive.

Loan originators are primarily Microsoft users, though they switch to Apple products when utilizing mobile devices. But few originators actually perform any loan origination functions on mobile devices. Pricing engines and e-mail are the prominent sources of interest rates for originators.

Originators have been hit with a double-whammy because of appraisals. First, they are now subject to cumbersome requirements when ordering appraisal reports. Second, they face lost deals as a result of low fair market values. This area seems to be one of the biggest sore spots for originators -- who are frustrated with appraisal reports and the appraisal process as well as appraisal management companies and appraisers, themselves.

The 2012 Loan Originator Survey looked at which service providers are utilized most by mortgage loan officers. Among four categories of service providers reviewed were appraisal management companies, loan origination system developers, product and pricing engines and wholesale lenders.

When it comes to news, originators rely primarily on the Internet as use of the printed word continues to fade. One general news source has a 30 percent market share. Among readers of trade news, e-mail is a popular method of delivery.

Originators tend to be a conservative group that is dominated by men. A majority of originators earn six figures, and many would have earned more if it weren't for cumbersome rules and regulations that have been recently implemented. Also hurting earnings and causing much grief is the appraisal process. Among mortgage service providers, Mortgage Daily advertisers have garnered a healthy share of their respective markets.

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