

Speaking Borrower Satisfaction

**NATIONAL SATISFACTION INDEX PLUS
WHAT BORROWER ATTRIBUTES AFFECT
SATISFACTION? — PART II**

AN EXCERPT FROM
STRATMOR
INSIGHTS

Speaking Borrower Satisfaction



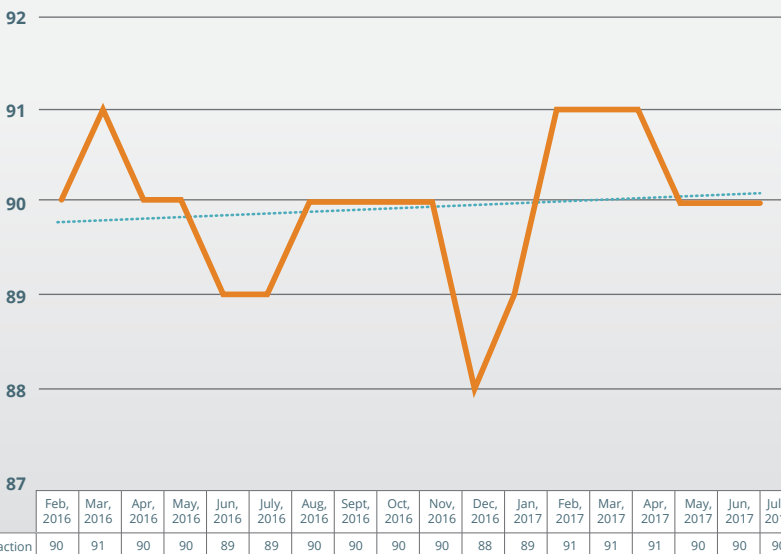
OVERVIEW

Each month's edition of *STRATMOR Insights* includes a *Speaking Borrower Satisfaction* section containing a **National Borrower Satisfaction Index** plus a **Topic of The Month** based on data collected by STRATMOR's *MortgageSAT Borrower Satisfaction Program*.

National Borrower Satisfaction Index

The National Borrower Satisfaction Index Chart below displays the Total Borrower Satisfaction Score for MortgageSAT participating lenders over an 18-month look-back period looking back from the July 2017 satisfaction score.

18-Month Satisfaction History



The chart shows that the satisfaction score during the peak home purchase/finance months in 2016 (March through July) dropped from a high of 91 in March to 89 in June and July. As we have noted in previous *Insights* issues, we believe that this fall-off reflects the increased volume that must be handled by back office personnel during the peak origination months, resulting in more processing errors and delays.

Satisfaction During 2017 Peak Season Steadily, Slowly Improved

During 2017, satisfaction for MortgageSAT lenders during the peak volume season has modestly improved, with satisfaction scores ranging from 90 to 91. And, as

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indicated by the dashed “trend-line,” MortgageSAT lenders are steadily — albeit slowly — improving their average satisfaction scores.

The flattening of the trend line hints at the possibility that satisfaction scores in the low 90s may represent an operational barrier that will only be breached if lenders deliver a top borrower origination experience every time. This may prove extraordinarily difficult since MortgageSAT data shows that any one of a handful of simple errors during the process can materially lower borrower satisfaction (see “The Seven Commandments for Achieving Borrower Satisfaction” in the June issue of *STRATMOR Insights*).

TOPIC OF THE MONTH — WHAT BORROWER ATTRIBUTES AFFECT SATISFACTION — PART II Satisfaction Versus Monthly Income, Homebuyer Status And Residency Status

In last month’s issue of *STRATMOR Insights*, in the first of a three-part series addressing the extent to which borrower attributes affect satisfaction, we considered borrower’s gender, age and credit score. This month, we look at satisfaction versus monthly income, homebuyer status and residency status.

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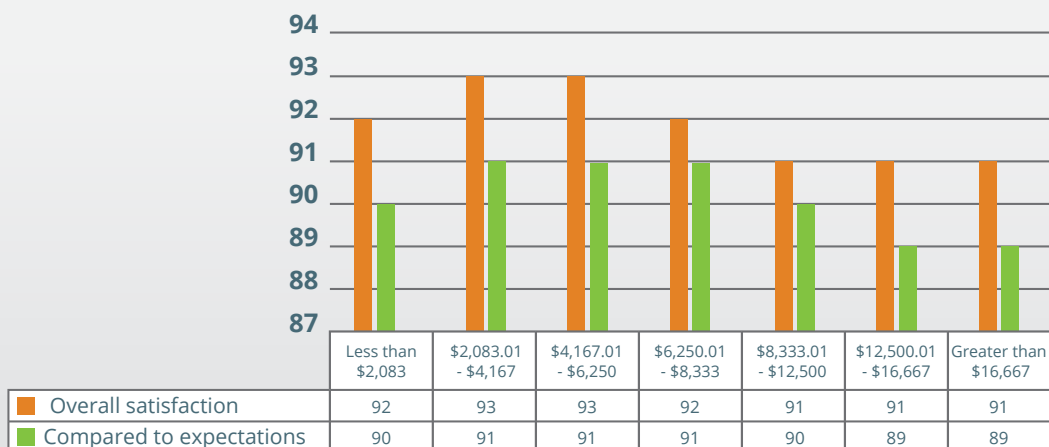
Q

Does satisfaction vary with monthly income?

A

Not by much. In general, borrower satisfaction is relatively independent of borrower income except for a slight falling off at higher income levels. Lower satisfaction scores recorded by higher income borrowers compared to expectations suggests that higher income borrowers have higher expectations.

Satisfaction vs. Monthly Income (\$)



MortgageSAT, July 2017 ©STRATMOR Group, 2017.

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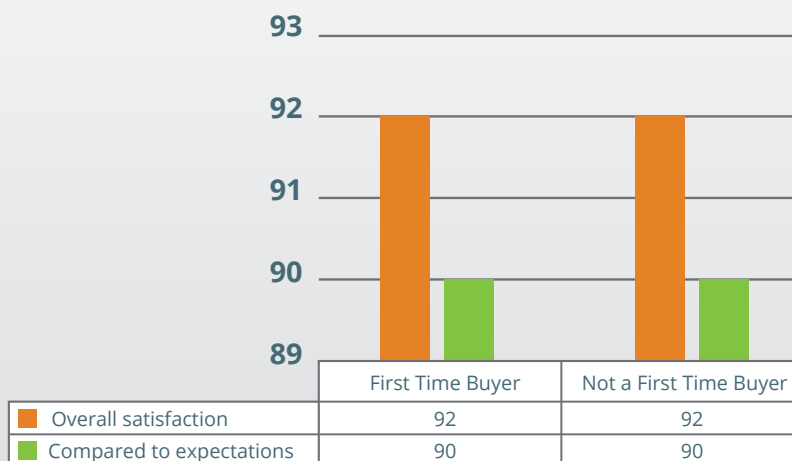
Q

Does satisfaction vary with homebuyer status?

A

No. There is absolutely no difference either as to overall satisfaction or satisfaction compared to expectations. This latter result is especially surprising insofar as we might expect first-time homebuyers to have different going-in expectations compared with repeat buyers who have previously gone through the home financing process.

Satisfaction vs. Buyer Status



MortgageSAT, July 2017 ©STRATMOR Group, 2017.

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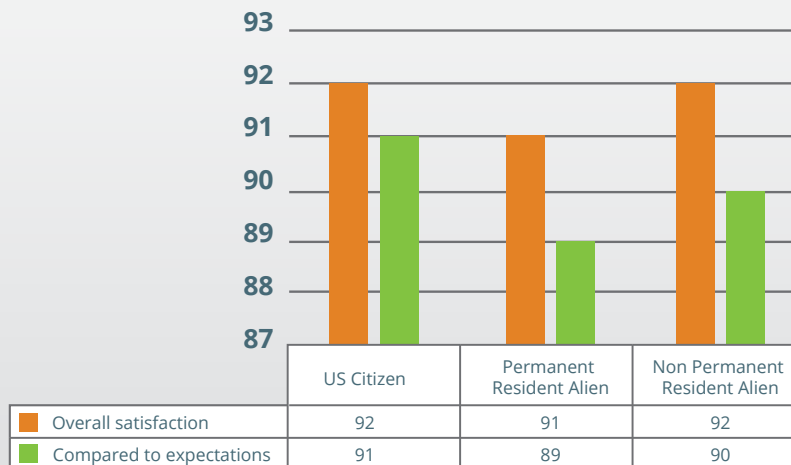
Q

Does satisfaction vary with residency status?

A

Very little, if at all. Both U.S. citizens and non-permanent resident aliens scored their overall satisfaction at a relatively high 92, with permanent resident aliens scoring just one point lower at 91. Expectations of permanent resident aliens were slightly higher than the expectations of the other two groups.

Satisfaction vs. Residency Status



MortgageSAT, July 2017 ©STRATMOR Group, 2017.

Similar to last month's results about gender, age and credit score, the above results suggest that mortgage lenders treat all borrowers much the same, resulting in borrower satisfaction scores that do not vary materially based on borrower attributes.

But we must again point out that MortgageSAT results consider only borrowers whose loans have closed. Borrowers who withdrew their application because they either felt mistreated, were unhappy with service they received, or simply selected a different lender are not reflected in the results.

If you are interested in learning more about STRATMOR's *MortgageSAT Borrower Satisfaction Program*, [click here](#). Or reach out directly to Mike Seminari, Director of MortgageSAT, at 614.284.4030 or mike.seminari@stratmorgroup.com ■