

# Mortgage Metrics Matter

**SELECT HIGHLIGHTS FROM 2017  
ORIGINATOR CENSUS SURVEY**

AN EXCERPT FROM  
**STRATMOR  
INSIGHTS**

# Mortgage Metrics Matter



## ORIGINATOR CENSUS

**The better you understand and measure the key attributes of your sales force, the better able you will be to proactively manage them. And more than anything else, a high performing sales force will improve the franchise value of your company.**

STRATMOR's Originator Census Survey provides lenders with valuable insights into the makeup of their sales force and how it compares to peer lenders.

In 2017, the results included input from more than 13,000 Retail originators and 1,900 Consumer Direct originators from Independent and Bank Owned/Affiliated mortgage companies ranging in size from under \$500 Million to over \$10 Billion in annual production.

Participants in Origination Census receive a report that includes 15 pages of individualized results. If you missed the Spring survey, you can still participate in 2018 by registering now for the Fall survey. Participants in the Fall survey also have access to the full Spring results (Spring results are provided after the Fall survey closes). If you are interested in learning more about the survey or would like to participate, contact [originatorcensus@stratmorgroup.com](mailto:originatorcensus@stratmorgroup.com).

## Select Results from the 2017 Originator Census Survey

Q

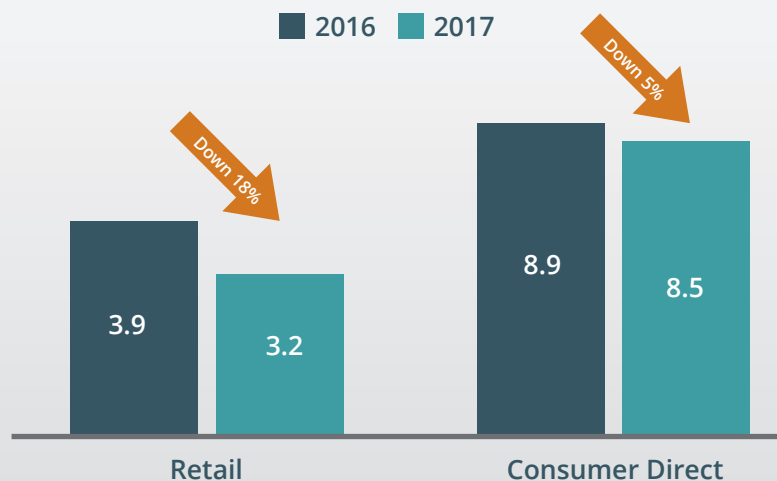
**What changed in this year's Originator Census findings?**

A

For 2017, the average retail originator closed 3.2 loans per month, down from 3.9 in 2016 which represents a drop of 18 percent. This is not surprising given the roughly 15 percent drop in overall market volume. What this data tells us is that lenders were not cutting Retail originators as volume dropped. Instead, fewer loans were being originated by roughly the same population. Many lenders believe that to beat the market headwinds they should add originators and "grow through the downturn." While this is possible, the data shows that it is not what happened in 2017.

By contrast, Consumer Direct productivity only dropped five percent for the same period. A Consumer Direct originator averaged 8.5 closed loans per month in 2017 versus 8.9 in 2016. This sample includes Consumer Direct lenders that are primarily engaged in New Customer Acquisition activity as well as those who operate a Servicing Retention or Affiliate Referral model. For both lead sources, the productivity drop is not as dramatic as that in the Retail channel. This data suggests that Consumer Direct lenders are more likely to manage their salesforce to productivity standards. The centralized environment makes it easier to add or lay off sales people with changes in lead flow.

### Loans Per Month Per Originator



STRATMOR Compensation Originator Census, 2017. ©STRATMOR Group, 2018.

# Mortgage Metrics Matter

## ORIGINATOR CENSUS

Q

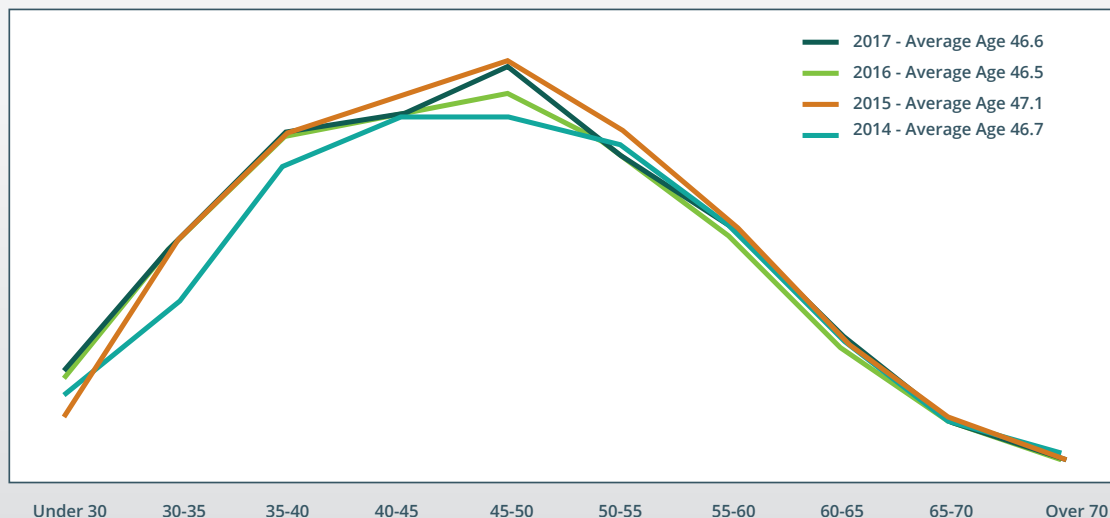
**What stayed the same for 2017 versus prior years?**

A

The average Retail originator is still roughly 46 years old, about the same average age as in the last four years. When we chart the data collected over the last four years, there is virtually no difference in the results.

While we don't expect to see a major shift in any given year, it is surprising to see that there was not more movement in the Under 30 category. The talk of hiring younger loan officers to serve the Millennial market dominates industry conferences, but we don't see the industry making significant traction in bringing on LOs in this age group. In fact, there are twice as many originators over 60 than there are under 30.

### Originator Age Distribution



STRATMOR Compensation Originator Census, 2017. ©STRATMOR Group, 2018.

Where we do see a significant number of younger originators is in Consumer Direct. The average age of Consumer Direct originators for 2017 was 38.7. Consumer Direct is the channel with the largest number of LOs Under 30, with 21 percent of the population in this category.

Consumer Direct is the channel where young talent is entering the industry. In a centralized call center environment, it is easier to provide training and mentoring than it is in a traditional “bricks and mortar” retail model. In Consumer Direct, the company is generating leads, even in a New Customer Acquisition model. This enables the loan officer to cultivate skills in converting leads and serving the customer versus creating a referral network. For Retail, the originator is responsible for generating leads and the LO must cultivate a personal network. This may be more difficult for a younger originator given that the bulk of the transactions have been for borrowers who are over 40.