

Mortgage Metrics Matter

**SELECT HIGHLIGHTS FROM 2017
COMPENSATION CONNECTION SURVEY**

AN EXCERPT FROM
**STRATMOR
INSIGHTS**



COMPENSATION CONNECTION

Determining compensation amounts and structure is fundamental to ensuring that your organization hires, motivates and retains the best talent while simultaneously controlling costs and justifying compensation to your stakeholders.

In our consulting practice, STRATMOR often works with companies to not only determine the correct split of compensation between base salary and incentives, but also to guide the company through the process of finding the right balance of incentive plan components that will provide fair compensation to the executives and employees and encourage the right behaviors to deliver superior results to the company.

While most of the energy around compensation plans is focused on Originators, there are many other key positions within any mortgage company. Compliance, as an example, is critical for mortgage companies but little attention is typically focused on how compliance personnel are compensated, especially in terms of bonus structures geared toward company objectives. STRATMOR's Compensation Connection closes this gap via a Production Support module that includes market results for key support positions, including Compliance Managers and Compliance Analysts.

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Select Results from Compensation Connection

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What are companies paying for Compliance Managers and Analysts?

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Based on STRATMOR's 2017 results, Compliance Managers are paid, on average, \$95,000 annually and a Compliance Analyst averaged approximately \$60,000 for the same period. In our study, total compensation includes base salary, overtime and incentive pay.

In talking about compensation, most people think of the average as the "market" rate. At STRATMOR, we look at average compensation; however, we believe there are other statistics that are equally important. For each position in STRATMOR Compensation Connection, participant lenders are provided reports showing not only the average, but also the median and a range of percentiles for each component of compensation. This helps lenders understand the variation in compensation levels, including highs and lows for a given position.

For the Compliance positions, the median and average are similar, which indicates that "market"

compensation is concentrated at these levels. If there are significant outliers at either the top or bottom of the ranges, there will be a large difference between median and average.

For Compliance Managers, compensation ranged from a low of approximately \$71,000 to \$134,000. This is a fairly large range and the variance can be due to geography, span of control, tenure and individual qualifications. However, as noted above, the median and average are similar at \$95,000, which is a true mid-point for compensation for this position.

	Total Cash Compensation					
	Bottom 10%	Bottom Quartile	Median	Top Quartile	Top 10%	Average
Compliance Manager	\$70,993	\$75,542	\$95,292	\$106,647	\$133,980	\$95,504
Compliance Analyst	\$44,564	\$49,363	\$58,449	\$66,559	\$80,816	\$59,951

STRATMOR Compensation Connection Survey, 2017. ©STRATMOR Group, 2018.

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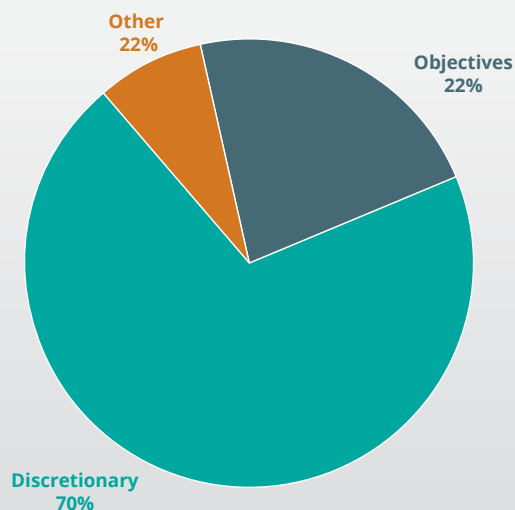
What are the most common components of Compliance incentive compensation?

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The majority of Compliance Managers (75 percent) were paid some incentive in 2016. This incentive made up approximately 10 percent of overall compensation. So, if the average compensation for this position was \$95,000, then the incentive represented \$9,500. Unlike sales positions or fulfillment positions that are closer to the loan, incentives for Compliance Managers are not based on volumes. Instead the incentives are primarily discretionary awards (70 percent) and based on the achievement of objectives (22 percent).

The incentives for Compliance Analysts are even more heavily weighted to discretionary awards (82 percent). However, these incentives make up less than three percent of total compensation. For a Compliance Analyst who averages \$60,000 in total compensation, only \$1,600, on average, is incentive based. The questions then are: "How important is this role, and, as such, do we have the right rewards program in place to be commensurate with our risk management objectives?"

Compliance Manager



STRATMOR Compensation Connection Survey, 2017. ©STRATMOR Group, 2018.

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Making the Compensation Connection

Since 2010, STRATMOR Compensation Connection has provided valuable insights into what mortgage lenders are paying for critical positions and how compensation is structured. We gather data from across the industry through our Compensation Connection Survey, and then we report the details on what loan officers, processors, underwriters and key executives are being paid — and we analyze their compensation structure and benefit packages.

As an incentive to participate in the survey, STRATMOR provides participants with a customized summary report comparing the participant's company data to industry averages. We also offer the survey in modules to allow participants to select the area or areas for which they are providing information:

- Executive Management
- Retail Sales (Head of Production to Loan Officers)
- Consumer Direct Sales
- Fulfillment (All Channels)
- Production Support

We are recruiting participants for our 2018 Compensation Connection Survey, which covers compensation for the full year of 2017. If you are interested in participating in the survey, or would like to learn more about the Compensation Connection Survey Report, [visit our website](#) or email Nicole.Yung@stratmorgroup.com.