

# Speaking Borrower Satisfaction

**NATIONAL SATISFACTION INDEX PLUS  
TOPIC OF THE MONTH — LITTLE THINGS  
MEAN A LOT**

AN EXCERPT FROM  
**STRATMOR**  
***INSIGHTS***

# Speaking Borrower Satisfaction



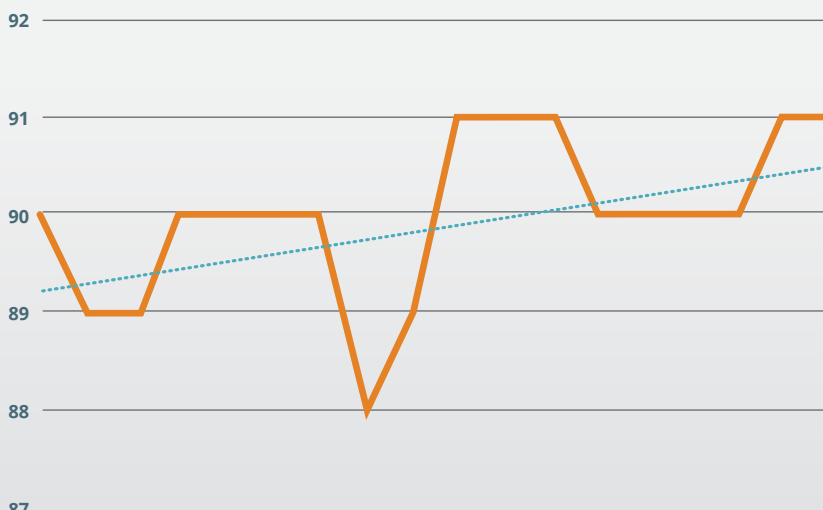
## OVERVIEW

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 period from May 2016 through October 2017.

18-Month Satisfaction History



### Borrower Satisfaction Up Slightly

As we can see from the chart to the left, the satisfaction score of 91 for September and October of 2017 was one point higher than for the same months in 2016. We attribute some portion of this not insignificant one-point pickup to the roughly 20 percent lower origination volumes in 2017 over the same period in 2016. And, at 91, September and October 2017 scores were also one point higher than the June through August 2017 scores of 90, even though origination volumes during June through October were roughly the same. This suggests that MortgageSAT lenders are simply delivering better service. This interpretation is also supported by the upward sloping trend line.

MortgageSAT, October 2017 ©STRATMOR Group, 2017.

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LITTLE THINGS MEAN A LOT

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## TOPIC OF THE MONTH — LITTLE THINGS MEAN A LOT

Inattention to little things can be costly in terms of borrower satisfaction, and in the June 2017 Insights feature article, [“The Seven Commandments for Achieving Borrower Satisfaction,”](#) we focused on seven things a lender must do to assure high borrower satisfaction. This month we add to that list of “musts” by looking at how borrower satisfaction takes a big hit when a lender fails to advise borrowers purchasing a newly-constructed home that they may have to provide documentation more than once.

Borrowers financing the purchase of a new home under construction by a local or national builder are typically faced with an uncertain closing date since the completion of construction is not certain. If construction goes well beyond the original estimated closing date, certain documentation, e.g., verification of employment, credit report, statement of assets, etc., will likely need to be updated for the lender to extend the permanent financing commitment (note here that we are talking about permanent financing, not a construction-permanent loan).

Through November 8, 2017, about 5,177 or 7.60 percent of the 68,159 purchase borrowers responding to the MortgageSAT survey in 2017 were borrowers purchasing a new construction home. In the 2017 MortgageSAT survey, such borrowers (and only such borrowers) were asked the following question:

**MORTGAGESAT**  
MEASURING THE BORROWER EXPERIENCE

English

Obtaining a mortgage on a newly constructed home typically takes a longer time. Were you advised that you may have to provide documentation more than once?

Yes

No

Don't know

Back Next

About 15 percent of borrowers answered “No.”

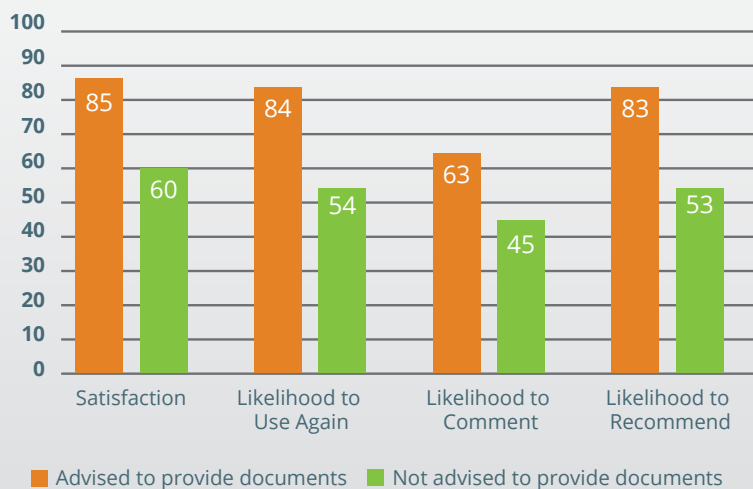
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LITTLE THINGS MEAN A LOT



The chart below illustrates how not advising new construction borrowers that they may have to provide documentation more than once impacts their borrowing experience and likely future behaviors.

### Impact of Not Advising New Construction Borrowers That They May Need to Provide Documentation More Than Once



MortgageSAT, October 2017 ©STRATMOR Group, 2017.

Not advising new construction borrowers drops overall satisfaction from a score of 85 to 60. And, it gets worse, since in terms of future behavior, not advising borrowers drops their Likelihood to Use Again score from 84 to 54 and their Likelihood to Recommend from 83 to 53. In other words, by not advising new construction borrowers that they may need to provide the same documentation more than once, the lender has likely lost a repeat borrower and favorable referrals. This is a costly error that can be avoided through clear, consistent communications with the borrowers.

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](mailto:mike.seminari@stratmorgroup.com) ■

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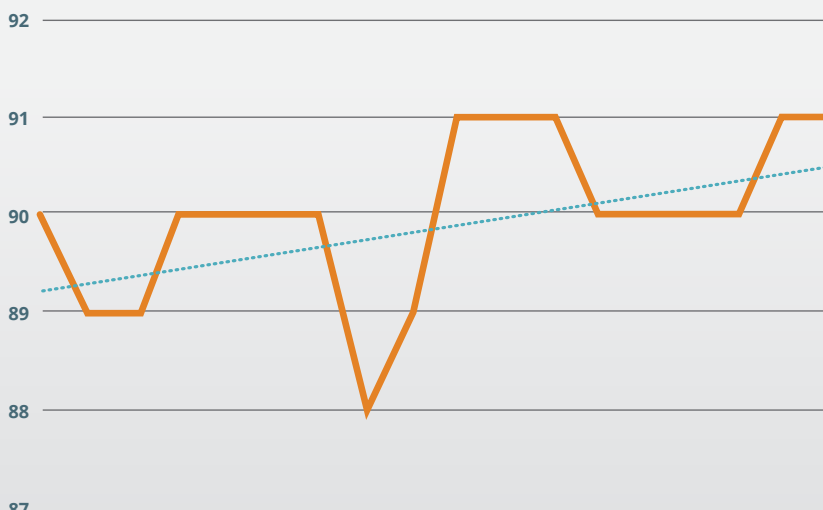
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	May, 2016	Jun, 2016	July, 2016	Aug, 2016	Sept, 2016	Oct, 2016	Nov, 2016	Dec, 2016	Jan, 2017	Feb, 2017	Mar, 2017	Apr, 2017	May, 2017	Jun, 2017	July, 2017	Aug, 2017	Sep, 2017	Oct, 2017
Satisfaction	90	89	89	90	90	90	90	88	89	91	91	91	90	90	90	90	91	91

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