

Speaking Borrower Satisfaction

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

AN EXCERPT FROM
STRATMOR
INSIGHTS

Speaking Borrower Satisfaction



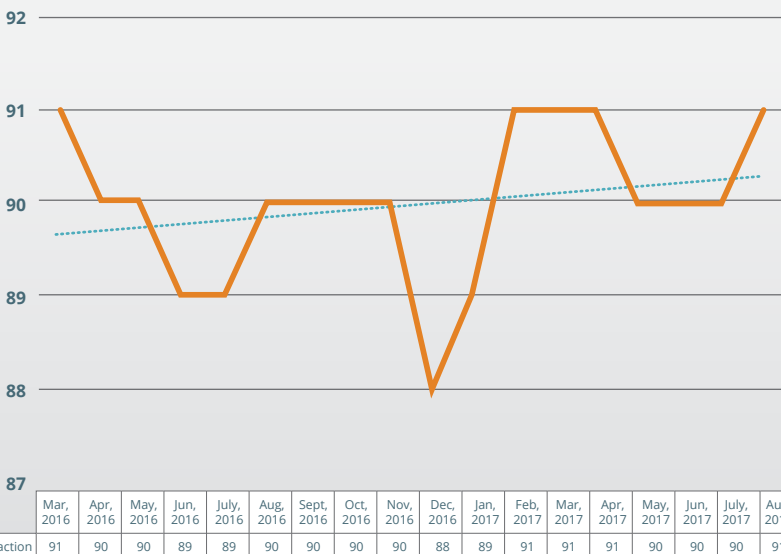
OVERVIEW

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 August 2017 satisfaction score.

18-Month Satisfaction History



MortgageSAT, August 2017 ©STRATMOR Group, 2017.

Satisfaction Scores Dropped During Peak Months

As we can see from the chart, 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.

Over the same period during 2017, satisfaction for MortgageSAT lenders during the peak volume season has modestly improved, with satisfaction scores ranging from 90 to 91. And, as indicated by the dashed trend-line, MortgageSAT lenders are steadily — albeit slowly — improving their average satisfaction scores.

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As we noted last month, the flatness 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 III Satisfaction Versus Race/National Origin, Marital Status And Loan Amount

In the July issue of *STRATMOR Insights*, in the second of a three-part series addressing the extent to which borrower attributes affect satisfaction, we considered a borrower's monthly income, borrower status, e.g., first-time homebuyer, and residency status. This month, we look at satisfaction versus race/national origin, marital status and loan amount covering the period 1/1/2017 through 9/11/2017. While loan amount is not exactly a borrower characteristic, it is in some ways a proxy for a borrower's wealth that begs the question: Do larger loans get more and better attention?

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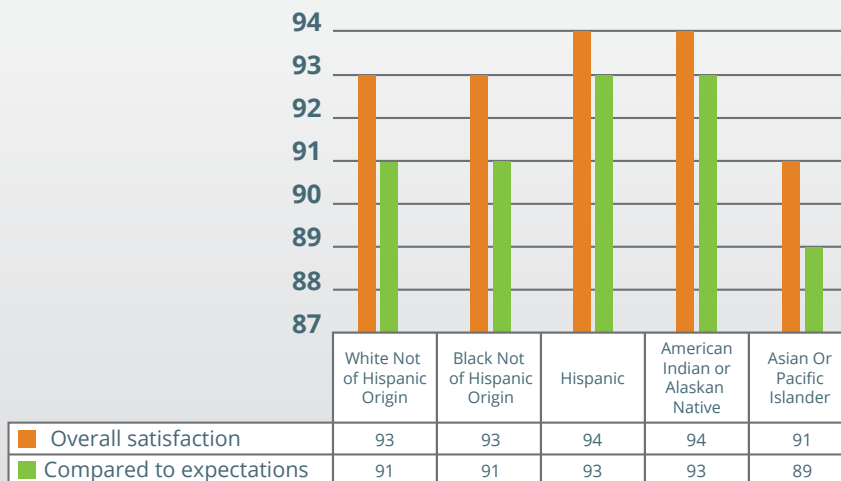
Does satisfaction vary with a borrower's race or national origin?

A

Hardly at all. In general, borrower satisfaction is relatively independent of a borrower's race or national origin.

- Differences in satisfaction scores fall into a narrow band between 93 and 94 (excellent scores) except for Asians or Pacific Islanders who scored their satisfaction at 91.
- Hispanic borrowers recorded a satisfaction score of 94, the highest among all race and ethnic groups considered.

Satisfaction vs. Race National Origin



MortgageSAT, August 2017 ©STRATMOR Group, 2017.

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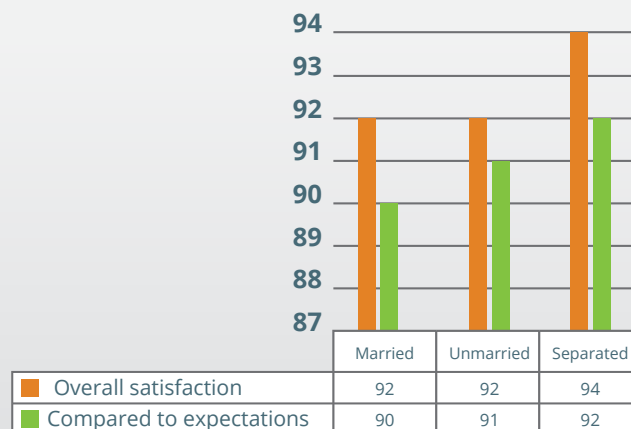
Does satisfaction vary with marital status?

A

Overall satisfaction did not vary between married and unmarried borrowers.

- Both segments recorded an overall satisfaction score of 92.
- Curiously, borrowers who are separated recorded overall satisfaction of 94. One might expect that borrowers undergoing the stress of marital separation would be less tolerant of the stresses associated with getting a mortgage, but, apparently not.
- None of these results varied by gender.

Satisfaction vs. Marital Status



MortgageSAT, August 2017 ©STRATMOR Group, 2017.

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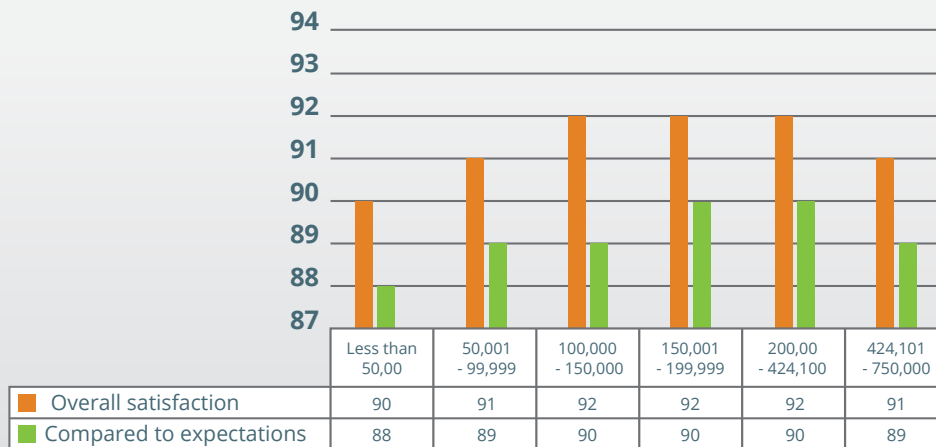
Does borrower satisfaction vary with loan amount?

A

With more loan originator commission and lender profit at stake, one might expect that larger loans would receive substantially more attention and service than smaller balance loans

- While there is some evidence of this for loan amounts under \$100,000, borrower satisfaction for loans ranging from \$100,000 up to the conforming loan limit of \$424,000 is virtually constant at a score of 92.
- Beyond \$424,000, satisfaction drops to 91, suggesting perhaps that borrowers seeking larger loans expect better service.

Satisfaction vs. Loan Amount



MortgageSAT, August 2017 ©STRATMOR Group, 2017.

Satisfaction Scores Do Not Vary Based On Borrower Attributes

Similar to the June and July results regarding satisfaction versus various borrower attributes, 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 ■