



Mortgage Overview

2012
**SERVICE
EXCELLENCE
SUMMIT**

March 14, 2012

Paula Bibik, Sr. Research Manager
Kristy Saieg, Research Manager
Investment Services & Mortgage Practice

Agenda

- Introductions
- Primary Mortgage Servicer Brand Image Analysis
- Alternative ROI Analysis
- 2012 Mortgage Studies
- Study Deliverable Discussion – Usefulness & Actionability
- Potential New Mortgage Studies



Introductions

- Paula Bibik, Sr. Research Manager
- Kristy Saieg, Research Manager
- Introductions
 - Name, company and role
 - Biggest business challenge you are facing in 2012



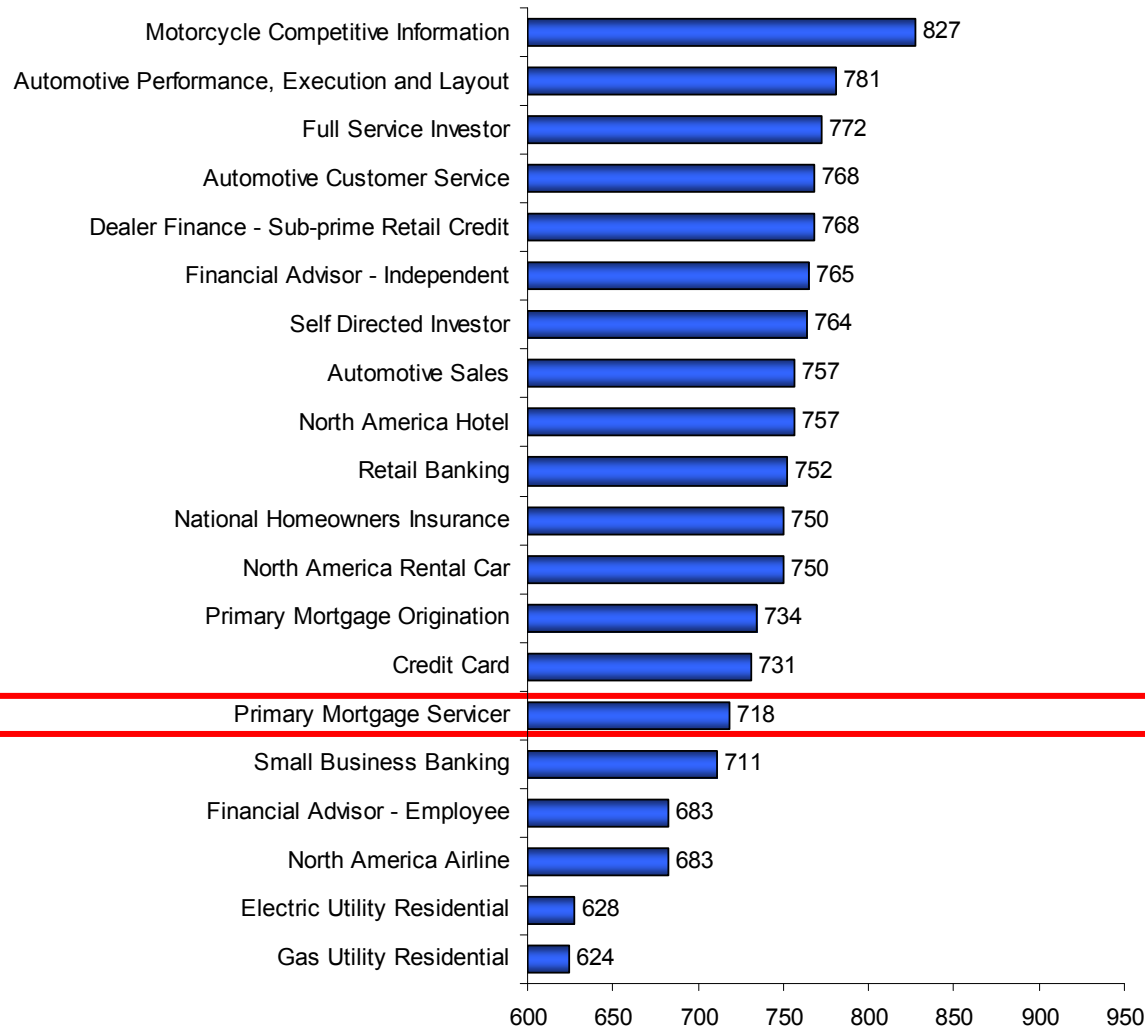
PMS Industry Brand Image Analysis

- Impact of Live Phone Representative Contact on Brand Image Ratings
- Phone Contact is the highest weighted factor when a contact occurs—58%
 - 83% Live Phone Representative
 - 17% Automated Phone



U.S. Cross-Industry Overall Satisfaction Comparison – 2010 and 2011 data

Overall Satisfaction Index



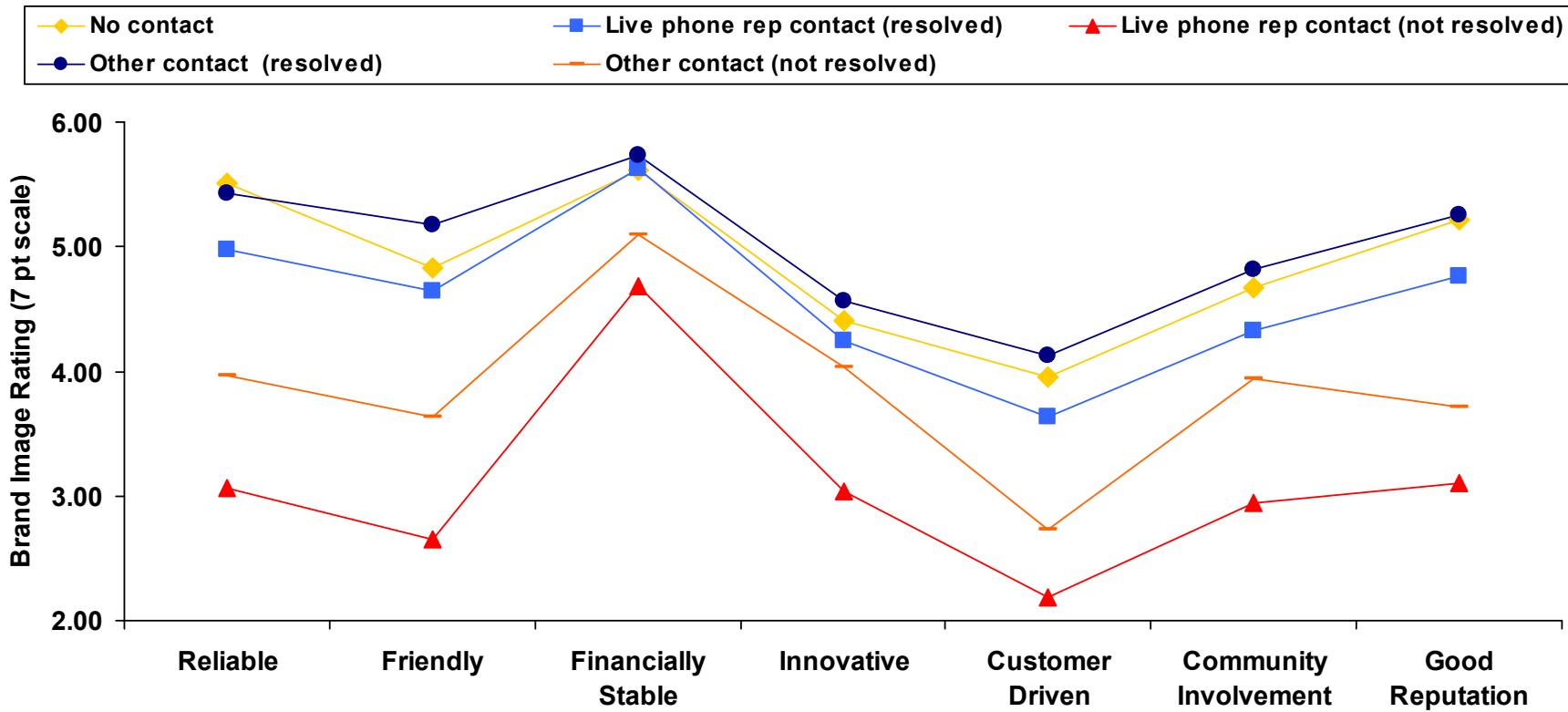
There is an estimated negative impact of nearly 7 index points in 2011 when factoring in the relationship between Brand Image perceptions and Overall Satisfaction

Brand Image Ratings and Impact on Overall Satisfaction

Brand Image Attribute	Relative Importance	2010 avg (7 pt scale)	2011 avg (7 pt scale)	Difference from 2010 to 2011	Predicted OSAT Index Change
Profit driven vs. Customer driven	9%	3.74	3.75	0.01	0.07
Conventional vs. Innovative	17%	4.20	4.29	0.09	1.11
Financially unstable vs. Stable	18%	5.49	5.55	0.06	0.77
Impersonal service vs. Friendly service	26%	4.84	4.63	(0.21)	(4.03)
Inconsistent vs. Reliable	27%	5.41	5.19	(0.22)	(4.34)
Isolated vs. Community involvement	3%	4.54	4.49	(0.05)	(0.13)
				Total Impact	(6.55)

Brand Image ratings are lower if there is a need to call the call center

Live Phone Rep Contact and Impact on Brand Image Ratings



Average brand gap for live phone rep contact vs. no contact

(0.95)

(0.58)

(0.39)

(0.35)

(0.67)

(0.48)

(0.65)



The correlation between Live Phone Representative Satisfaction and Image attributes is extremely high

Image attributes	Correlation between Live Phone Representative Satisfaction Index and Image attributes
Reliable vs. Inconsistent	0.89
Friendly vs. Impersonal service	0.88
Financially stable vs. Financially unstable	0.84
Innovative vs. Conventional	0.81
Customer driven vs. Profit driven	0.90
Community involvement vs. Isolated	0.78
Good reputation vs. Bad reputation	0.91



Live Phone Representative performance impacts Brand Image ratings

Live Phone Representative Touch Points and Impact on Brand Image Ratings

	Reliable	Friendly	Financially stable	Innovative	Customer driven	Community involvement	Good reputation
Resolved most recent contact	0.92	0.94	0.59	0.61	0.63	0.76	0.77
Did not experience difficulty understanding representative	0.58	0.81	0.57	0.40	0.35	0.85	0.62
First-contact resolution	0.60	0.64	(0.02)	0.36	0.40	0.24	0.39
Time frame for response to contact provided and met	0.29	0.47	0.21	0.37	0.49	0.33	0.33
Talked to one person during contact	0.25	0.21	0.16	0.21	0.15	(0.05)	0.32
Servicer followed-up after contact	(0.57)	(0.36)	(0.04)	(0.05)	(0.17)	0.12	(0.28)
Servicer did not follow up after contact	(1.02)	(0.85)	(0.14)	(0.40)	(0.73)	(0.39)	(0.69)

Bold differences are significant at a 95% confidence interval



PMO Alternative ROI

- Review and discuss recent ROI analyses
- Discuss alternative ROI analysis options



PMO Impact of Satisfaction on Market Share

Impact of Satisfaction on Market Share

	Average Difference in Satisfaction 2009-2011	Average Index Score 2011	Cumulative Change in Market Share
<u>Satisfaction Improved</u> Chase Fifth Third Mortgage PHH Mortgage Quicken Loans SunTrust Mortgage U.S. Bank	+35.1	753	+4.65%
<u>Satisfaction Stayed Relatively Stable</u> BB&T (Branch Banking & Trust Co.) CitiMortgage/Citibank MetLife Home Loans Provident Funding Associates Wells Fargo	+3.4	747	-0.07%
<u>Satisfaction Declined</u> Bank of America Flagstar Bank GMAC Mortgage PNC/National City Mortgage	-24.5	734	-4.98%

Note: ING Bank not included in analysis due to small sample in previous years



PMS Impact of Satisfaction on Inbound Calls

	Prime		Non-Prime		At Risk	
	Lower Satisfaction (index <800)	High Satisfaction (index 800+)	Lower Satisfaction (index <800)	High Satisfaction (index 800+)	Lower Satisfaction (index <800)	High Satisfaction (index 800+)
% within segment	49%		29%		22%	
Estimated # of problems	0.32	0.14	0.89	0.15	3.52	0.97
Average # contacts required to resolve contact	1.81	1.24	1.90	1.30	2.97	1.75
Total # of contacts per customer	0.58	0.17	1.69	0.20	10.45	1.70
Net problem improvement assuming 1,000,000 loan portfolio	-10%		-1.3%		-10%	
Net Reduction in Inbound Call Volume			↓		-11%	



2012 Mortgage Studies

- Key Dates
- Planned Enhancements
- Key drivers and relevance to current market conditions
 - Are we measuring the right things?



2012 U.S. Primary Mortgage Servicer Satisfaction Study Details



- **Methodology:** Online
- **Sample Source:** Panels
- **Data collection:** March/April 2012
- **Publish Date:** July 17, 2012



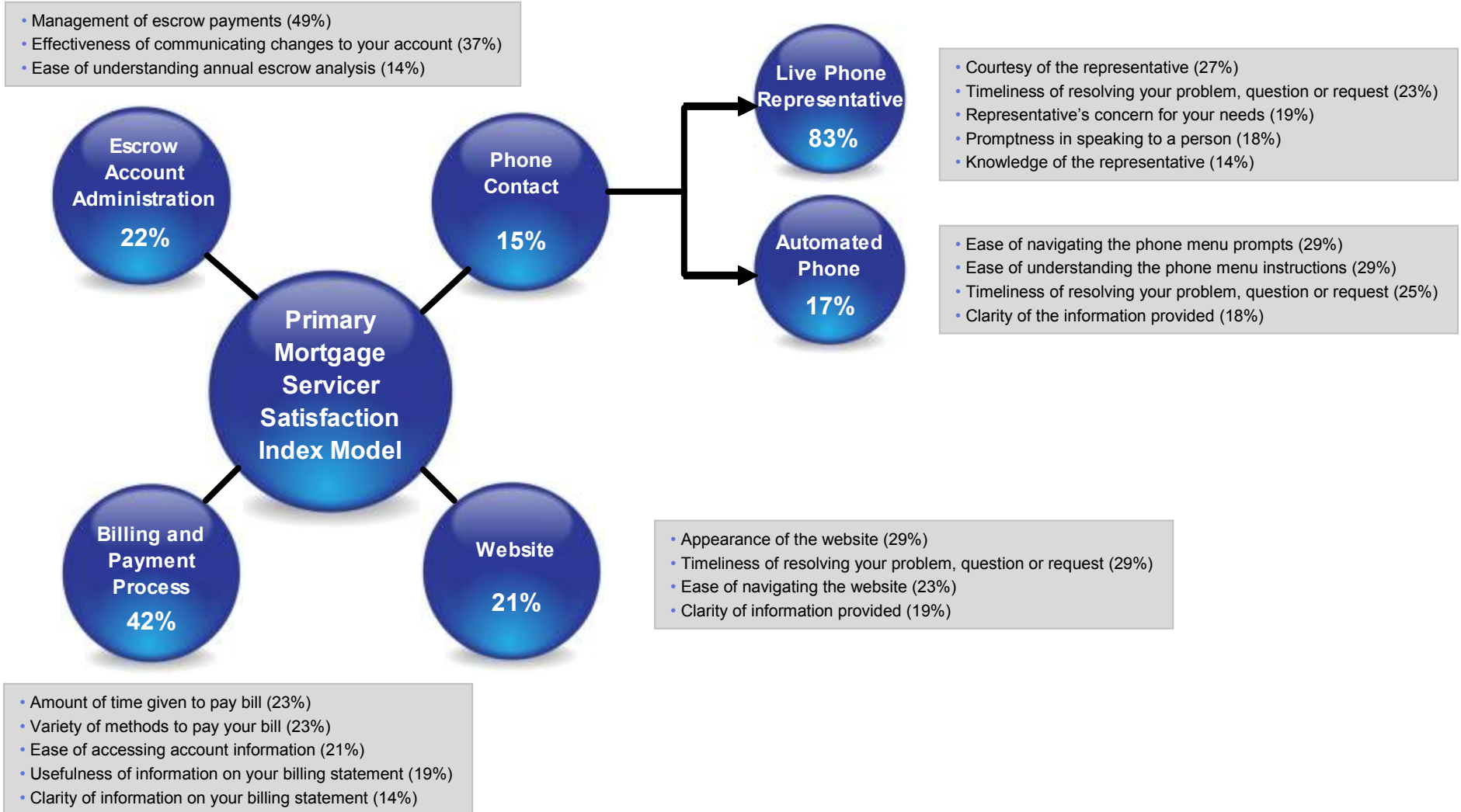
2012 U.S. Primary Mortgage Servicer Satisfaction Study - Enhancements

- Questions added around receiving a welcome packet
- Added open-end around reasons customers find paying online difficult
- Increased website content to include features used, ease of finding features/information, interactions with online representatives
- Added open-end to capture details around specific problems with customer service representatives



2011 Primary Mortgage Servicer Satisfaction Study Model Factors and Attributes

Are we measuring the right items?



2012 U.S. Primary Mortgage Origination Satisfaction Study Details

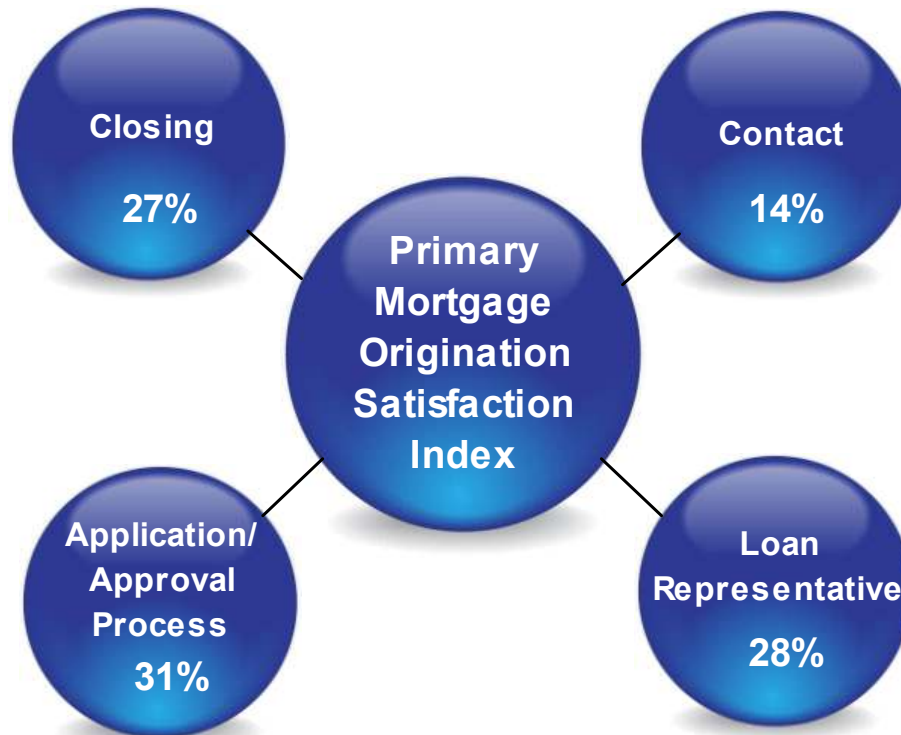


- **Methodology:** Online
- **Sample Source:** Panels
- **Data collection:** July/August 2012
- **Publish Date:** November 13, 2012



2011 Primary Mortgage Origination Satisfaction Study Model Factors and Attributes – Are we measuring the right items?

- Length of time from final loan approval to closing (29%)
- Convenience of closing (27%)
- Ease of understanding closing documents (23%)
- Reasonableness of closing costs (21%)



- Length of time from loan application to final approval (30%)
- Reasonableness of the amount of supporting documentation required (18%)
- Ease of completing loan application (17%)
- Competitiveness of interest rates offered (13%)
- Reasonableness of all fees paid at application (13%)
- Variety of loan options to choose from (9%)

- Loan representative's concern for your needs (22%)
- Clarity of explanation of loan options (21%)
- Courtesy of loan representative(s) (20%)
- Loan representative's responsiveness to questions (19%)
- Knowledge of loan representative(s) (18%)



2012 U.S. Primary Mortgage Origination Satisfaction Study – Items to discuss

- Loan representative factor
 - Feedback on multiple rep questions added
 - Anything else?

- Check lists—do you provide them?
 - Application
 - Closing
 - Others?



Deliverable Review/Discussion

- What deliverables that we provide are the most useful?
- What deliverables are not useful?
- What is missing?



Study Deliverables

- Written content:
 - Executive Summary
 - Detailed Findings

- Analysis Tools:
 - Performance Analysis
 - Company Summary
 - Gap Analysis
 - mTAB

- Presentation



Potential New Mortgage Studies

- Shopper/Rejector Study
 - Is there any interest?
 - What are the challenges?

- Loan Modification Club Study
 - Discuss levels of interest

