

## Press Release

### **J.D. Power Reports:**

### **Customer Satisfaction with Mortgage Origination Lenders Reaches Seven-Year High, While Gap in Satisfaction between Home Buyers and Refinancers Narrows**

#### Quicken Loans Ranks Highest in Primary Mortgage Origination Satisfaction for a Fourth Consecutive Year

**WESTLAKE VILLAGE, Calif.: 14 November 2013** — Overall customer satisfaction with mortgage lenders reaches a seven-year high, with satisfaction among first-time home buyers improving considerably from 2012, according to the J.D. Power 2013 U.S. Primary Mortgage Origination Satisfaction Study<sup>SM</sup> released today.

Overall customer satisfaction improves for a third consecutive year, averaging 771 (on a 1,000-point scale) in 2013, up from 761 in 2012 and 747 in 2011. The study measures customer satisfaction in four key factors of the mortgage origination experience (in order of importance): application/approval process; loan representative; closing; and contact.

#### **KEY FINDINGS**

- Overall satisfaction is lower among home buyers than among home owners who refinance (765 vs. 775, respectively), in part due to refinance customers' familiarity with the process.
- Overall satisfaction among first-time home buyers is 772, compared with 757 among repeat buyers.
- Despite improvements, customers purchasing a home, particularly first-time home buyers, continue to experience difficulties understanding the loan options available to them. In the 2013 study, 61 percent of first-time home buyers indicate that their loan representative clearly explained their options and that these options were completely understood, compared with 74 percent of repeat home buyers and 81 percent of refinancing customers.
- The use of electronic closing documents improves customer closing satisfaction. Closing satisfaction among the 8 percent of customers who closed their mortgage using electronic documents in person averages 830, while satisfaction among the 84 percent of those who closed with paper documents in person is 772.
- The incidence of incurring additional fees at closing is higher among first-time home buyers (17%) than among repeat buyers (8%) and refinancing customers (7%).

"As refinancing volumes are on the decline, consumers contemplating purchasing a home are likely to have multiple lenders competing for their business. This can be particularly beneficial for those who are first-time home buyers," said Craig Martin, director of the financial services practice at J.D. Power. "First-time buyers often have questions and should not be afraid to ask prospective lenders about the specifics of the mortgage process and how they will be kept informed. Much of the stress with borrowing comes from a lack of information and knowledge during the process. Asking when you will be updated and how that information will be provided are two key questions that may help improve the borrowing experience."

According to Martin, customers purchasing a home, especially for the first time, have special needs and priorities that influence their level of satisfaction. Individual mortgage firms that are able to effectively deliver on these priorities may be able to distinguish themselves from the competition.

**Rankings:**

Quicken Loans ranks highest (841) among primary mortgage lenders and performs well across all factors. BB&T (Branch Banking & Trust Co.) ranks second (798), also performing well across all factors. U.S. Bank ranks third (783) and performs particularly well in the application/approval process (756) and loan representative (810) factors.

The 2013 U.S. Primary Mortgage Origination Satisfaction Study is based on responses from 3,267 customers who originated a new mortgage or refinanced within the past 12 months. The study was fielded between July 30 and August 30, 2013.

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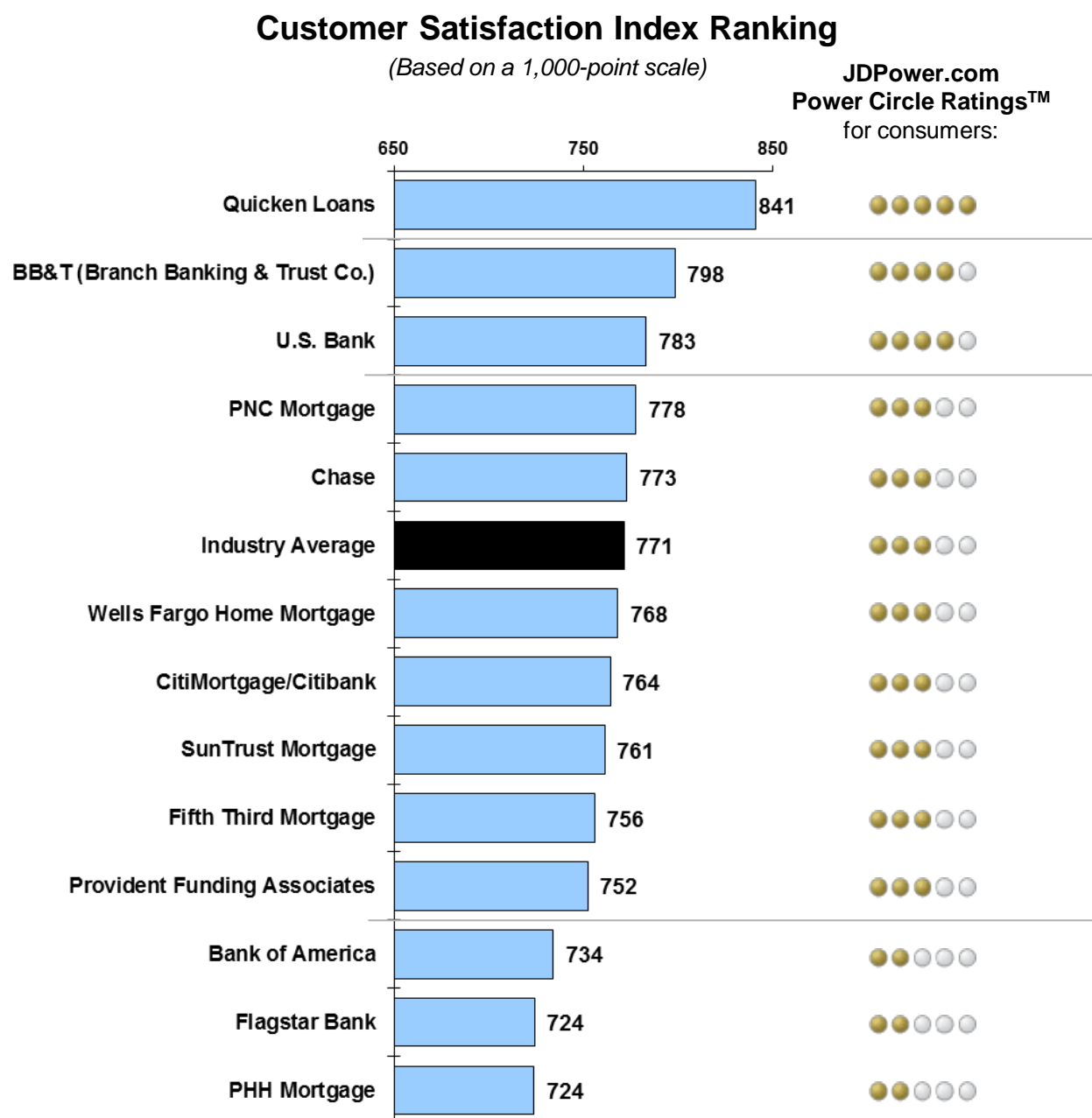
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Note: One chart follows.

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## 2013 U.S. Primary Mortgage Origination Satisfaction Study<sup>SM</sup>



*Note: Included in this study but not ranked due to small sample are Amerisave Mortgage, EverHome Mortgage, Franklin American Mortgage, Guaranteed Rate, M&T Mortgage, Nationstar Mortgage, Ocwen Loan Servicing, RBS Citizens and Regions Mortgage.*

Source: J.D. Power 2013 U.S. Primary Mortgage Origination Satisfaction Study<sup>SM</sup>



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