Editor's Note

Important Research

I wrote about this new research report in our daily electronic newsletter, but I think it's worth repeating here for those you that missed. I learned that Mortgage Success Source, the provider of client acquisition and retention solutions for thousands of mortgage banking institutions, depository banks, mortgage brokers and their loan officers, released the findings of its landmark study on the best practices of the top performing mortgage loan originators. The new study, "Mortgage Loan Origination: Reaching Peak Performance During Challenging Times" was conducted by independent research firm FirstUSA Data, and provides a roadmap for mortgage firms seeking to improve customer acquisition, retention, and loan production in a year when volume is expected to fall approximately 30 percent, from an estimated $1.4 trillion in 2010 to less than $1 trillion in 2011.

The study found a vast difference between the loan production volumes and work habits of top originators and average performers. Each of the top one-third of loan originators generated loan production sales volume averaging in excess of $30 million in the 12 months prior to the survey, three times more than the $10 million produced during the same period by the average loan originator. Another key finding: top originators spend more time than the national average on both customer acquisition and knowledge acquisition. Top producers dedicate one-third of their time to acquiring new customers and maintaining relationships with prospects and former customers, whereas average originators only spend one-quarter of their time in such activities.

Top performing loan originators are not better trained or more experienced than average performers, according to the study's findings. They are not compensated differently nor work longer hours. However, top performers uniformly stay more in touch with potential customers and adapt more quickly to changes in the marketplace than their peers. For example, top producers continued to prosper in 2009 as they re-focused more quickly on refinance loans as home purchase loan volume collapsed by two million loans, while refinance loans increased by one million from 2008.

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