



Press Release

J.D. Power and Associates Reports: Customer Satisfaction with Home Equity Line of Credit/Loan Origination is Up, Despite Turmoil in the Housing and Lending Markets

Bank of America Ranks Highest in Customer Satisfaction with Home Equity Line of Credit/Loan Origination

WESTLAKE VILLAGE, Calif.: 29 May 2008—Despite an economy affected by a stagnant housing market, decreasing home values and upheaval among lenders, overall customer satisfaction with the [home equity line of credit/loan origination](#) process has improved since 2007, according to the J.D. Power and Associates 2008 Home Equity Line/Loan Origination StudySM released today. Overall customer satisfaction in 2008 averages 780 on a 1,000-point scale, increasing by 14 points from 766 in 2007.

“Ongoing troubles in the housing and mortgage lending markets have had the effect of lowering customer expectations around the home equity loan and line of credit origination process. Since homeowners may have feelings of uncertainty toward property values and lenders, they may associate the loan application process with hassle and frustration,” said Tim Ryan, senior research director of the finance and insurance practice at J.D. Power and Associates. “As a result, customers who obtained a home equity product report being more satisfied with the process in 2008, compared with 2007, even though measures of service—such as the average length of time for application approval—have remained consistent during the past year.”

Now in its third year, the study measures customer satisfaction with home equity lenders. Four factors are examined to determine overall satisfaction. They are, in order of importance: application/approval process (36%); closing (35%); loan officer/representative or banker (26%); and problem resolution (4%).¹

For consumers shopping for a home equity loan or line of credit lender, closing costs and price—including interest rates and fees—are particularly important considerations. Understanding and comparing terms from various lenders may help homeowners obtain a better deal.

“One tip for consumers who are shopping for a home equity loan or line of credit is to contact several lenders and allow them to compete for your business,” said Ryan. “Shoppers may be able to secure lower fees and points and better interest rates as a result. In addition, shoppers should make sure they completely understand the terms of their loan before signing the closing papers. If anything is unclear or unexpected, shoppers have the right to receive an explanation, as well as to re-negotiate the terms or to walk away. Another approach is for shoppers to work with their existing lender. Through this lender, shoppers may be able to consolidate multiple accounts, as well as negotiate for—and obtain—a competitive interest rate.”

Bank of America ranks highest in satisfying customers who recently obtained a home equity product, receiving an overall index score of 811 and performing particularly well in the application/approval process factor. SunTrust (809) and Wachovia (807) follow Bank of America in the rankings. SunTrust performs particularly well in the loan officer/representative or banker factor while Wachovia performs well in the closing factor.

“Bank of America, SunTrust and Wachovia all perform well in specific areas that are important to customers, including having problem incidence rates and application approval times that are better than the industry average,”

¹Percentages may not total 100 due to rounding.

said Ryan. "With high levels of service provided by these and other lenders who have performed well at fulfilling customer expectations, now may be an opportune time for homeowners who qualify to apply for a home equity product. However, those homeowners with lower credit scores or who are in an area where property values have declined may have a more difficult time qualifying for a home equity product under the current circumstances."

The study finds that there are five key performance indicators for lenders that are critical to satisfying customers. These indicators include: approving applications and providing customers with access to their funds quickly; setting and meeting expectations during the application approval process; avoiding surprising the customer during the origination process; being versatile and flexible in the location of the closing; and being mindful of the pitfalls of using a mortgage broker.

The study also finds that lenders that perform well in these performance indicators will increase their percentage of highly committed customers, who are more than twice as likely to recommend their lender to others and to reuse their current lender for their next home equity or mortgage product. In turn, this growth can help these lenders outperform their competitors over time.

The 2008 Home Equity Line/Loan Origination Study is based on responses from 3,176 customers who originated a home equity line/loan between February 2007 and January 2008. The study was fielded in February and March 2008.

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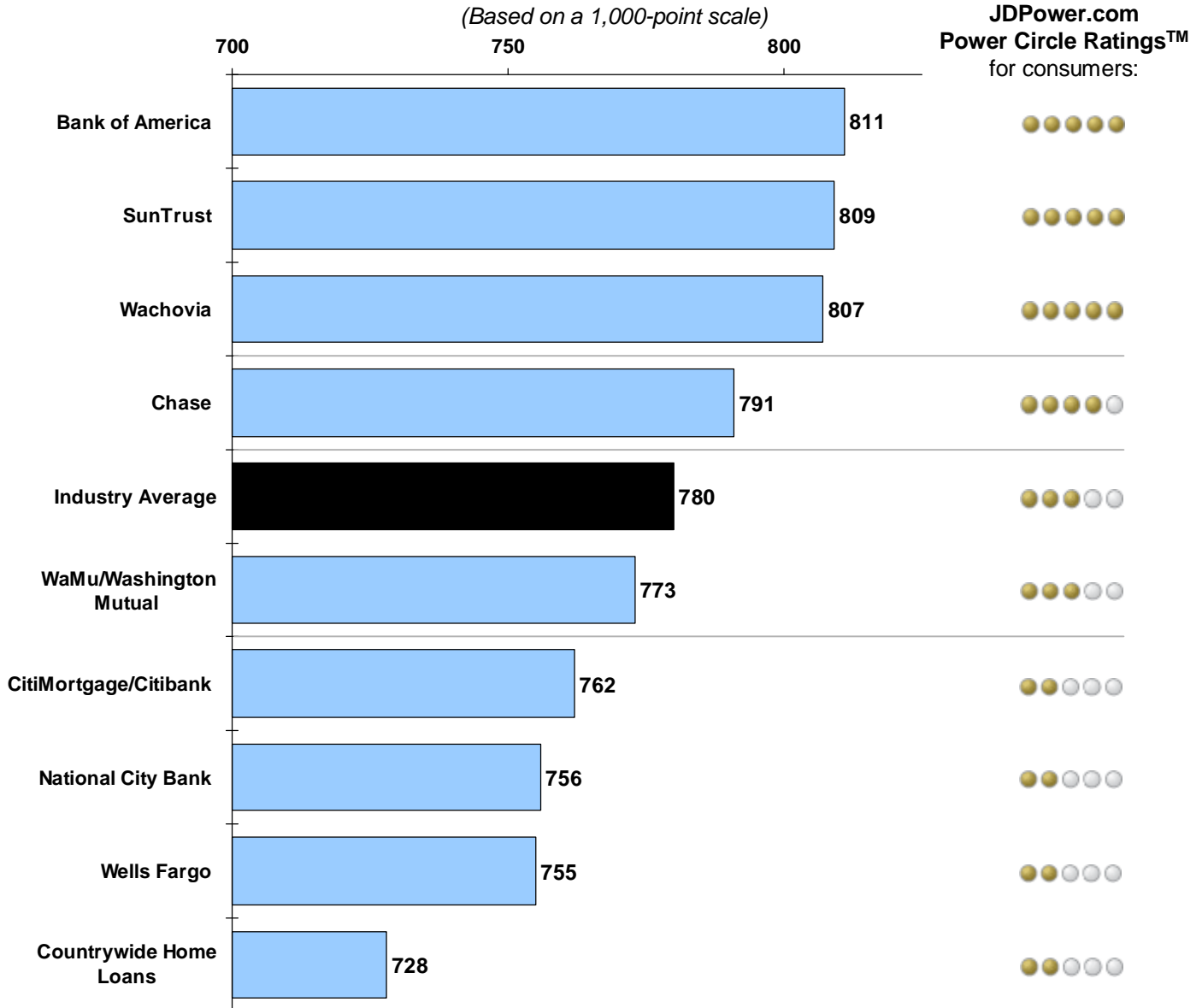
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NOTE: One chart follows.

J.D. Power and Associates 2008 Home Equity Line/Loan Origination StudySM

Customer Satisfaction Index Scores

(Based on a 1,000-point scale)



Included in the study, but not ranked due to small sample size, are: Beneficial, Capital One, CitiFinancial, CitiFinancial Mortgage, Citizens Bank, Fifth Third Bank, First Horizon Home Loans, GMAC Mortgage, HSBC Mortgage Corporation, and U.S. Bank.

Source: J.D. Power and Associates 2008 Home Equity Line/Loan Origination StudySM

Power Circle Ratings Legend

- ★★★★★ Among the best
- ★★★★☆ Better than most
- ★★★☆☆ About average
- ★★☆☆☆ The rest

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