

**J.D. Power Reports:
Lenders Often Fall Short in Providing Advice and Guidance to First-Time Homebuyers**

Quicken Loans Ranks Highest in Primary Mortgage Origination Satisfaction

WESTLAKE VILLAGE, Calif.: 13 November 2014 — First-time home buyers report challenges with understanding the mortgage process and the options that are available to them, according to the J.D. Power 2014 U.S. Primary Mortgage Origination Satisfaction StudySM released today.

The study, which has been redesigned in 2014, measures customer satisfaction with the mortgage origination experience in six factors: loan offerings; application/approval process; interaction; closing; onboarding; and problem resolution.

Among survey respondents purchasing a home, 58 percent are first-time home buyers. Lack of experience among these customers and uncertainty about the process may influence how they first inquire about a mortgage, with 48 percent heading to a lender's local office to meet with a loan representative in person and receive personalized advice.

"Recent National Association of Realtors data indicates the percentage of first-time home buyers is well below historical norms. With many prospective borrowers looking for guidance and reassurance, it is imperative that lenders are fully prepared to provide the detail and information these customers desire or the borrowers may decide to stay on the sidelines," said Craig Martin, director of the mortgage practice at J.D. Power. "The loan representative is the face of the organization for most borrowers and is relied upon to provide effective explanations, set accurate expectations and ensure consumers have confidence that they are making a good decision."

KEY FINDINGS

- Overall customer satisfaction with the mortgage origination process averages 786 (on a 1,000-point scale) in 2014.
- Customers want a transparent mortgage process. More than one-third (35%) of all mortgage customers—and 43 percent of first-time home buyers—indicate they do not completely understand the process, resulting in an average decline of 179 points in overall satisfaction.
- The majority (54%) of first-time home buyers indicate they don't fully understand the different loan options available to them. Only 41 percent of first-time buyers and 56 percent of experienced mortgage customers indicate their representative completely explained the types of loans, terms, special programs, fees and options to reduce their down payment.
- Consistent communication is another important part of a good borrowing experience. Satisfaction falls by 236 points when loan representatives fail to call customers back as promised.
- The closing experience is often confusing for customers. Among first-time home buyers, 44 percent indicate that the closing agent didn't completely explain all of the closing documents vs. 26 percent of experienced customers. Overall satisfaction declines by an average of 144 points when lenders fail to effectively communicate loan documents and terms.

While many mortgage customers obtain information and updates online and by using mobile devices, the study shows that the loan representative is still a key part of the equation. Interestingly, some of the most important things lenders can do to deliver a great experience remain heavily reliant on human interaction.

“From describing what will happen during the process in terms a customer can understand to explaining the benefits of different options, the loan representative sets the tone of the experience,” said Martin. “A potential challenge with first-time homebuyers is that they may be afraid to appear uninformed, so they won’t admit when they are confused or don’t understand something. For a lender to truly stand out, their staff must foster relationships that promote open and honest communication.”

2014 U.S. Primary Mortgage Origination Satisfaction Rankings

Quicken Loans ranks highest in primary mortgage origination satisfaction for a fifth consecutive year, with a score of 835. Quicken Loans performs particularly well in all six factors. Bank of America ranks second with a score of 807, followed by Chase at 805. USAA achieves a score of 824, but is not award-eligible because it is a mortgage provider open only to U.S. military personnel and their families.

The 2014 U.S. Primary Mortgage Origination Satisfaction Study is based on responses from 3,893 customers who originated a new mortgage or refinanced within the past 12 months. The study was fielded in July through September 2014.

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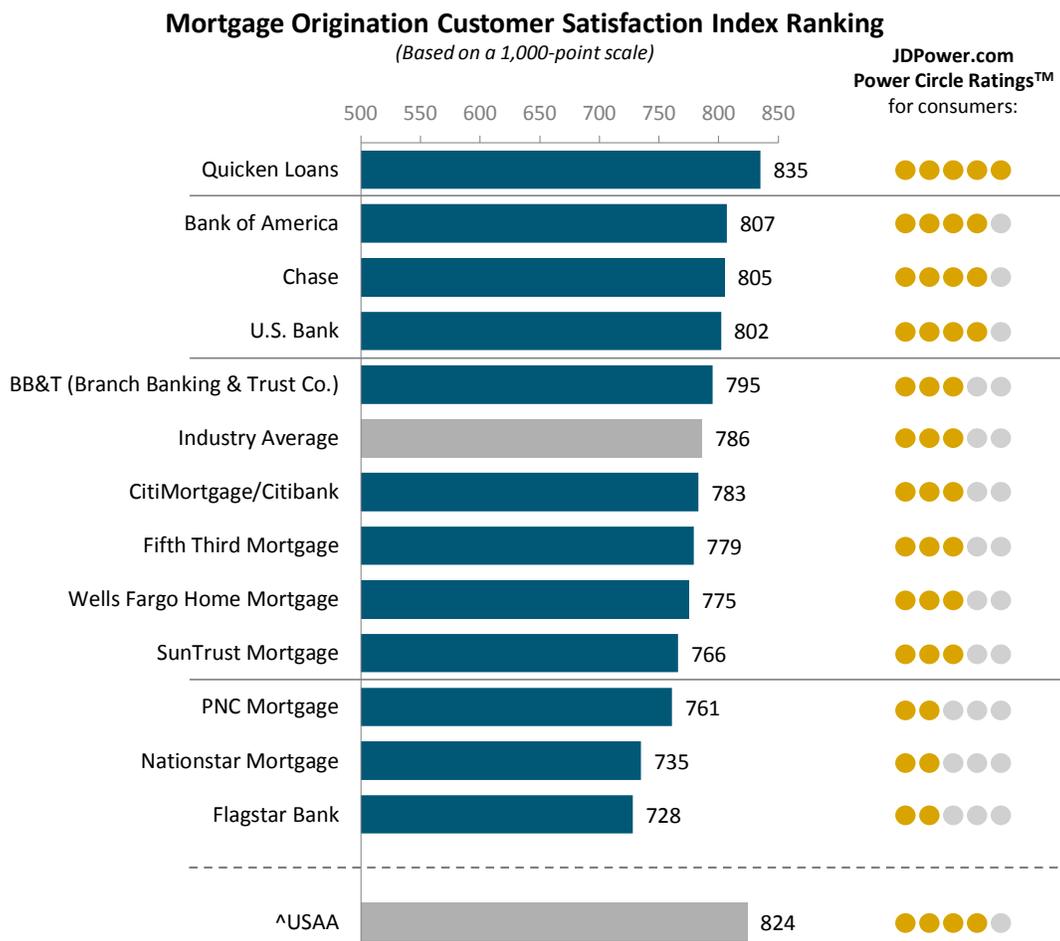
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Note: One Chart Follows.

J.D. Power

2014 U.S. Primary Mortgage Origination Satisfaction StudySM



Included in the study but not ranked due to small sample size are: Academy Mortgage Corporation; Caliber Home Loans; EverBank Mortgage; Franklin American Mortgage; Freedom Mortgage Corp.; LoanDepot.com; M&T Mortgage; Ocwen Loan Servicing; PennyMac; PrimeLending; RBS Citizens; Regions Mortgage; and TD Bank, N.A.

Note: ^USAA and Navy Federal Credit Union are mortgage providers open only to U.S. military personnel and their families and, therefore, are not included in the rankings.

Source: J.D. Power 2014 U.S. Primary Mortgage Origination Satisfaction StudySM

Power Circle Ratings Legend

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

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