

Press Release

J.D. Power Reports: Customer Satisfaction Improves as Primary Mortgage Servicers Strive to Comply with New Regulations

Overall Satisfaction Substantially Increases Year over Year, as Performance at Large National Servicers Improves

WESTLAKE VILLAGE, Calif.: 18 July 2013 —New business practices instituted in the wake of nationwide reforms appear to be contributing to the increase in overall customer satisfaction with primary mortgage servicers, according to the J.D. Power 2013 U.S. Primary Mortgage Servicer Satisfaction StudySM released today.

The study measures satisfaction in four factors of the mortgage servicing experience: billing and payment process; escrow account administration; website; and phone contact. Overall satisfaction with primary mortgage servicers has increased to 733 (on a 1,000-point scale) from 725 in 2012.

Overall satisfaction substantially increases year over year, as performance at large national servicers improves. However, overall satisfaction with some smaller national servicers that have performed well-above average in previous studies has shifted toward the industry average. This leveling off is potentially the result of an increase in new clients combined with a new set of rules released by the Consumer Financial Protection Bureau (CFPB)—effective January 2014—which has had many firms focused on ensuring their policies and procedures are fully compliant.

One of the overarching concerns covered by the CFPB addresses general servicing policies and procedures. Under these new rules, servicers are required to have systems, policies and procedures in place to ensure customers receive the appropriate information and support from servicers. “This study helps gauge the effectiveness of firms’ servicing capabilities from the customer’s perspective,” said Craig Martin, director of the financial services practice at J.D. Power. “The fact that satisfaction continues to increase seems to indicate that changes being made in response to these new regulations are having a positive impact on the experience of customers.”

Reforms have also emerged from the National Mortgage Settlement, an agreement reached in February 2012 between 49 state attorneys general and the country’s largest mortgage servicers, which include Bank of America; CitiMortgage; J.P. Morgan Chase; and Wells Fargo. The settlement requires these firms to make several changes to the way they service policies, including adequately training staff; ending improper fees and dual tracking; maintaining better communication; and appointing a single point of contact for loss mitigation efforts.

Without a single point of contact, customers in a distressed credit situation may receive mixed messages and become confused, especially concerning loan modifications and foreclosures. Funneling all customer communications through one mortgage representative may help ensure consistency and clarity, thereby creating a more satisfying customer experience. Overall satisfaction among customers who indicate they had a single point of contact is 154 index points higher than among those who indicate they worked with

multiple representatives. Servicers may also benefit by reducing the extra staffing required to respond to the additional demands created by customers making multiple contacts regarding the same topic.

“For now, these five servicers are the only ones required to abide by the terms of the settlement, but the fact that they are also posting large increases in customer satisfaction scores is telling,” said Martin. “The new policies governing communication, particularly the appointment of a single point of contact, might easily become the de facto standard for problem resolution across all mortgage servicers in the near future.”

The importance of improving communication is readily apparent in escrow account administration, as reflected in the 21-point increase in satisfaction from 2012—the largest increase among the four study factors. Escrow payments are among the most difficult aspects for customers to understand, making straightforward communication critical. Year-over-year satisfaction ratings have increased for all three attributes that comprise the escrow account administration factor: management of escrow payments; effectiveness of communication; and ease of understanding how the escrow payment applies to the loan.

“We have seen an increase in the use of escrow analysis guides, which are very helpful in explaining how the escrow process works. While there isn’t a silver bullet, mortgage servicers that focus on the Voice of the Customer and improve communication by being more proactive and using various methods to provide information to borrowers appear to be reaping the benefits through higher levels of satisfaction,” said Martin.

BB&T Ranks Highest in Customer Satisfaction for a Fourth Consecutive Year

BB&T (Branch Banking & Trust Co.) continues to rank highest in customer satisfaction among primary mortgage servicers for a fourth consecutive year, with a score of 765, despite a 38-point decline from 2012. Regions Mortgage ranks second with a score of 764, and SunTrust Mortgage ranks third with a score of 762.

Consumer Tips

Consumers do not have to rely solely on the business practices of their mortgage servicer to ensure a satisfying experience. To help avoid negative experiences, J.D. Power offers the following tips for consumers.

- Be an educated consumer. Those who are most aware of their options and rights are the most satisfied customers, according to the study.
- Request a single point of contact. This is especially important in distressed credit situations where multiple conversations may be necessary and having to work with multiple representatives may result in miscommunication or misunderstanding.
- Understand alternative payment options. For instance, many firms offer the option of making more than one monthly payment or paying more toward the loan balance ahead of schedule. While you will have to pay more frequently, you will ultimately pay less over the lifetime of the loan.

The 2013 U.S. Primary Mortgage Servicer Satisfaction Study is based on responses from 4,669 customers regarding their experiences with their primary mortgage servicer and was fielded between April 17, 2013 through May 8, 2013.

About J.D. Power

J.D. Power is a global marketing information services company providing performance improvement, social media and customer satisfaction insights and solutions. The company's quality and satisfaction measurements are based on responses from millions of consumers annually. Headquartered in Westlake Village, Calif., J.D. Power has offices in North/South America, Europe and Asia Pacific. For more information on [car reviews and ratings](#), [car insurance](#), [health insurance](#), [cell phone ratings](#), and more, please visit JDPower.com. J.D. Power is a business unit of McGraw Hill Financial.

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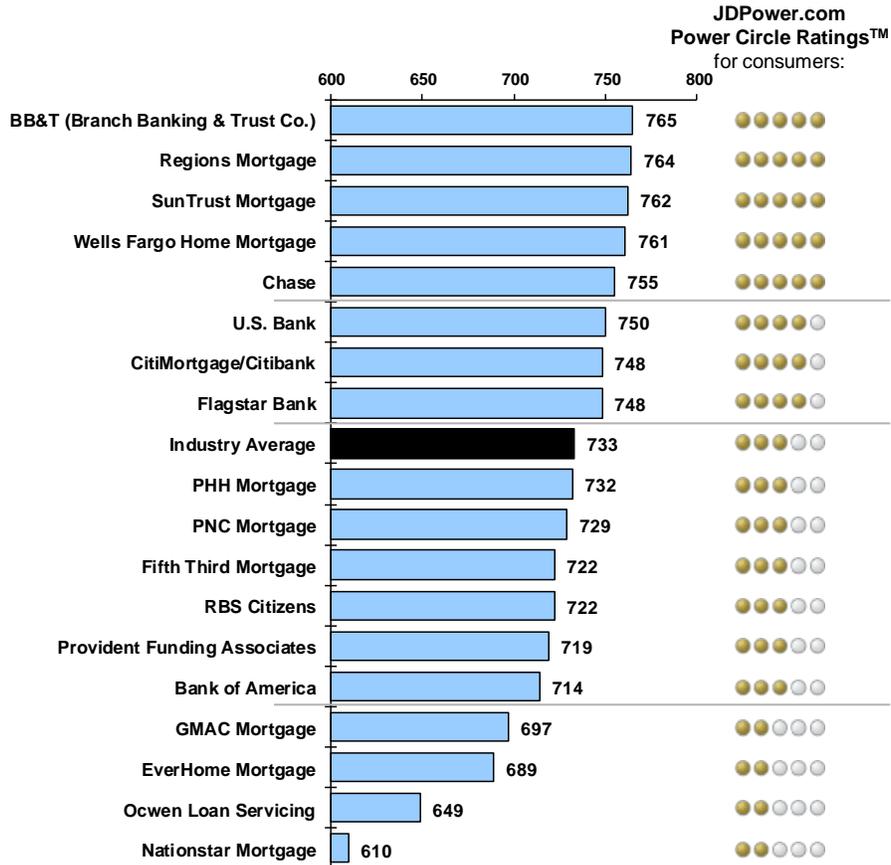
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NOTE: One chart follows.

J.D. Power 2013 U.S. Primary Mortgage Servicer Satisfaction StudySM

Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)



Note: Included in the study but not ranked due to small sample size are M&T Mortgage, MetLife Home Loans, Cenlar, OneWest Bank, Seterus and Dovenmuehle Mortgage.

Source: J.D. Power 2013 U.S. Primary Mortgage Servicer Satisfaction StudySM

Power Circle Ratings Legend

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

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