

### Primary Mortgage Servicers Need to See Customer Satisfaction as Cost-Reduction Strategy

More Satisfied Customers Can Translate into Increased Profitability;  
Quicken Loans Ranks Highest in Primary Mortgage Servicer Satisfaction for a Third Consecutive Year

**COSTA MESA, Calif.: 28 July 2016** — Mortgage servicers that invest strategically in the customer experience can not only recapture that investment, but also increase profits and raise customer satisfaction, according to the J.D. Power 2016 Primary Mortgage Servicer Satisfaction Study,<sup>SM</sup> released today.

The study contradicts those in the mortgage servicing industry who believe customer experience investments are unnecessary and unprofitable. That perception can come from knowing that customers don't typically pick their mortgage servicer—48% of customers indicate they didn't, according to study findings—and that there are a lot of barriers to changing mortgage providers.

“Servicers with a captive audience can often view taking measurable steps that improve the customer experience as an unnecessary investment,” said **Craig Martin, senior director of the mortgage practice at J.D. Power**. “They aren't against improving satisfaction, but cost containment is their top priority. The study clearly shows, however, that interacting with customers more efficiently—and more effectively—can reduce costs and increase profit for servicers regardless of the business model, while having the added bonus of improving satisfaction.”

The study identifies four primary ROI benefits for servicers that invest in improving the customer experience:

- **Complaint reduction:** Enabling customers to find answers to their own questions before making a call and resolving issues on the first contact reduce the number of repeated customer contacts and escalations, which can draw the attention of regulators and other agencies.
- **Cost containment and reduction:** Eliminating the need for any contact and increasing the use of self-service channels can reduce customers' reliance on the live phone channel.
- **Limiting portfolio loss:** Delivering a satisfying experience dramatically improves the chances customers will consider the lender for future mortgage needs, which protects against undesired attrition and supports future revenue growth by reducing acquisition costs.
- **Developing new business opportunities:** Delivering a highly satisfying experience can promote increased cross-sell of existing customers or lead to more new business with partners.

Not surprisingly, customers experiencing a problem are highly likely to call their servicer (83%). But customers with a problem also increase the chance of public scrutiny, with 13% of such customers posting a comment on social media. Eliminating problems goes right to the bottom line by reducing call center costs and lowering the risk of receiving unwanted regulatory attention and its associated costs.

The study also finds that when servicers have an easy-to-navigate website with useful information, there is a substantial reduction in calls to live agents (from 42% to 30%). Just as important, customers want to use

self-service options, with 40% saying they searched the servicer's website before calling, thereby spotlighting the missed opportunity to solve issues in the customer's preferred channel.

"Most servicers tend to focus on the complaints they receive, but the truly successful servicers get to the root causes of problems and take a more proactive approach," Martin said. "They realize better communication and self-service options can help their bottom line by reducing unnecessary calls."

There are business growth opportunities at stake, too. The study shows a clear link between satisfaction and customers' willingness to work with a firm in the future. When overall satisfaction is below 600 points (on a 1,000-point scale), 63% of customers indicate they would switch mortgage servicers in order to find better/improved customer service. Conversely, when overall satisfaction is above 900 points, 66% say they would "definitely will" refinance with their current servicer.

Further, the mortgage servicing experience can affect the broader relationship for companies that offer other products and services. When overall satisfaction is below 600 points, 27% of customers say their servicing experience triggered them to close or consider closing other accounts at their mortgage servicer company.

**Quicken Loans** ranks highest in the study with a score of 850, followed by **Huntington National Bank** with a score of 828. **Regions Mortgage** ranks third with a score of 810, an improvement of 77 points from 2015.

The 2016 U.S. Primary Mortgage Servicer Satisfaction Study measures customer satisfaction with the mortgage servicing experience in six factors: new customer orientation; billing and payment process; escrow account administration; interaction; mortgage fees; and communications. Satisfaction is calculated on a 1,000-point scale. It is based on responses from 7,542 customers who have had a mortgage on their primary residence for at least one year. The study was fielded in March through April 2016.

#### **Media Relations Contacts**

John Tews; J.D. Power; Troy, Mich.; 248-680-6218; [media.relations@jdpa.com](mailto:media.relations@jdpa.com)

Geno Effler; J.D. Power; Costa Mesa, Calif.; 714-621-6224; [media.relations@jdpa.com](mailto:media.relations@jdpa.com)

**About J.D. Power and Advertising/Promotional Rules** [www.jdpower.com/about-us/press-release-info](http://www.jdpower.com/about-us/press-release-info)

###

(Page 2 of 2)

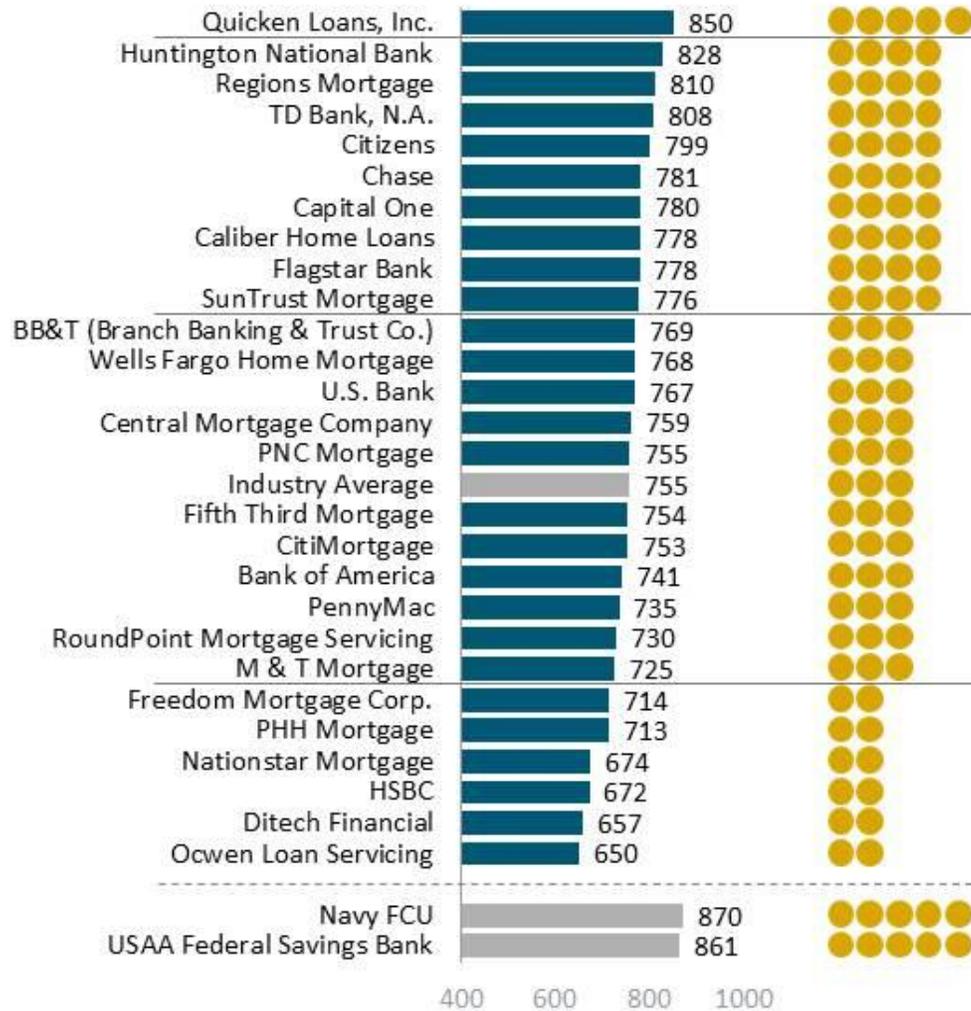
Note: Two charts follow

# J.D. Power 2016 U.S. Primary Mortgage Servicer Satisfaction Study<sup>SM</sup>

## Overall Primary Mortgage Servicer Satisfaction Index Ranking

(Based on a 1,000-point scale)

JDPower.com  
Power Circle Ratings<sup>TM</sup>  
for consumers:



Included in the study, but not ranked due to small sample size are Bayview/Lakeview Loan Servicing, BBVA Compass, EverBank Mortgage, Franklin American Mortgage, Provident Funding, Santander Bank, and Seneca Mortgage Servicing. USAA and Navy Federal Credit Union are not ranked because they do not meet the study award criteria.

Source: J.D. Power 2016 U.S. Primary Mortgage Servicer Satisfaction Study<sup>SM</sup>

**Power Circle Ratings Legend**

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

Charts and graphs extracted from this press release for use by the media must be accompanied by a statement identifying J.D. Power as the publisher and the study from which it originated as the source. Rankings are based on numerical scores, and not necessarily on statistical significance. No advertising or other promotional use can be made of the information in this release or J.D. Power survey results without the express prior written consent of J.D. Power.

# J.D. Power

## 2016 U.S. Primary Mortgage Servicer Satisfaction Study<sup>SM</sup>

### Award-Eligible Mortgage Servicing Companies Included in the Study

| <u>Company Name</u>               | <u>Executive Name</u>  | <u>Company Address</u> |
|-----------------------------------|------------------------|------------------------|
| Bank of America                   | Brian Moynihan         | Charlotte, N.C.        |
| BB&T (Branch Banking & Trust Co.) | Kelly King             | Winston Salem, N.C.    |
| Caliber Home Loans                | Sanjiv Das             | Irving, Texas          |
| Capital One                       | Richard Fairbank       | McLean, Va.            |
| Central Mortgage Company          | Steven Plaisance       | Little Rock, Ark.      |
| Chase                             | James Dimon            | New York, N.Y.         |
| CitiMortgage                      | Michael Corbat         | New York, N.Y.         |
| Citizens                          | Bruce Van Saun         | Providence, R.I.       |
| Ditech Financial                  | George Awad            | Tampa, Fla.            |
| Fifth Third Mortgage              | Greg Carmichael        | Cincinnati, Ohio       |
| Flagstar Bank                     | Alessandro DiNello     | Troy, Mich.            |
| Freedom Mortgage Corp.            | Stanley Middleman      | Mount Laurel, N.J.     |
| HSBC                              | Paul J. Lawrence       | New York, N.Y.         |
| Huntington National Bank          | Stephen Steinour       | Columbus, Ohio         |
| M & T Mortgage                    | Robert Wilmers         | Buffalo, N.Y.          |
| Nationstar Mortgage               | Jay Bray               | Coppell, Texas         |
| Ocwen Loan Servicing              | Ronald Faris           | West Palm Beach, Fla.  |
| PennyMac                          | Stanford Kurland       | Moorpark, Calif.       |
| PHH Mortgage                      | Glen Messina           | Mount Laurel, N.J.     |
| PNC Mortgage                      | William Demchak        | Pittsburgh, Pa.        |
| Quicken Loans, Inc.               | William Emerson        | Detroit, Mich.         |
| Regions Mortgage                  | O. B. Grayson Hall Jr. | Birmingham, Ala.       |
| RoundPoint Mortgage Servicing     | Kevin Brungardt        | Charlotte, N.C.        |
| SunTrust Mortgage                 | William Rogers Jr.     | Atlanta, Ga.           |
| TD Bank, N.A.                     | Bharat Masrani         | Cherry Hill, N.J.      |
| U.S. Bank                         | Richard Davis          | Minneapolis, Minn.     |
| Wells Fargo Home Mortgage         | John Stumpf            | San Francisco, Calif.  |

*Charts and graphs extracted from this press release for use by the media must be accompanied by a statement identifying J.D. Power as the publisher and the study from which it originated as the source. Rankings are based on numerical scores, and not necessarily on statistical significance. No advertising or other promotional use can be made of the information in this release or J.D. Power survey results without the express prior written consent of J.D. Power.*