

Primary Loan Servicers Have a Trust Problem with their Customers, J.D. Power FindsFocus on Efficiency and Cost Controls Comes at Expense of Customer Experience

COSTA MESA, Calif.: 1 Aug. 2019 — Mortgage servicers occupy a unique slice of the consumer finance marketplace in which many of their customers do not select them but are acquired when the servicers purchase loans in the secondary market. According to the J.D. Power 2019 U.S. Primary Mortgage Servicer Satisfaction Study,SM released today, the involuntary nature of this relationship, combined with an industry-wide focus on efficiency and cost controls, has resulted in mortgage servicers earning some of the lowest customer satisfaction and Net Promoter Scores® (NPS)¹ of any industry group studied by J.D. Power.

The industry average for overall satisfaction with mortgage servicers is 777 (on a 1,000-point scale) in 2019, which sits just below life insurance (779) and just above health plans (712) at the bottom of the industries studied by J.D. Power. The average NPS for primary mortgage servicers is 16, one of the lowest of any industry studied by J.D. Power.

"Mortgage servicers are really missing an opportunity to build the kind of goodwill with their customers that has proven to translate directly to increased advocacy and repeat business," said **John Cabell, Director of Wealth and Lending Intelligence at J.D. Power**. "The industry's laser focus on lowering costs, managing regulatory compliance and minimizing delinquencies has come at the expense of customer experience. It is negatively affecting customer trust in their brands."

Following are some key findings of the 2019 study:

- **Trust gap carries consequences:** More than two-thirds (70%) of customers do not have complete trust in their primary mortgage servicer. Not surprisingly, these customers also have the lowest customer satisfaction and NPS scores. However, for the 30% of customers who "completely trust" their mortgage servicer, customer satisfaction scores average 256 points higher, NPS is 69 points higher and customers are three times more likely to reuse the company for the purchase of a new home.
- **Digital tools not keeping pace:** About 60% of customers are accessing information via their mortgage servicer's website and just 31% are accessing information via mobile, both of which lag other financial sectors in retail banking. Despite relatively low usage, overall satisfaction is highest among customers who use digital self-service channels. Digital utilization varies considerably by servicer, with best-in-class brands showing utilization rates that are about 20% higher than the industry average for key functions such as checking alerts and messages and reviewing FAQs.
- **Transferred customers—earning goodwill with a unique customer type:** Transferred customers seek the same basic customer experience criteria as those who actively choose a mortgage servicer, yet their satisfaction scores are lower, and they have a significantly higher incidence of problems with payment and escrow accounts. In fact, 54% of first-time home buyers say they are confused, angry or irritated when transferred. This phenomenon spotlights the unique communications and customer experience challenges mortgage servicers still need to address with transferred customers.

¹ Net Promoter,® Net Promoter System,® Net Promoter Score,® NPS,® and the NPS-related emoticons are registered trademarks of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc.

Study Rankings

Quicken Loans is the highest-ranked mortgage servicer for the sixth consecutive year, with a score of 878. **Regions Mortgage** (848) ranks second and **Guild Mortgage** (828) ranks third.

The 2019 U.S. Primary Mortgage Servicer Satisfaction Study was redesigned this year and measures customer satisfaction with the mortgage servicing experience in five factors: communications, customer interaction, billing and payment process, escrow account administration, and new customer orientation. The study is based on responses from 7,531 customers who originated or refinanced more than 12 months ago. It was fielded from March through May 2019.

For more information about the Primary Mortgage Servicer Satisfaction Study, visit <https://www.jdpower.com/business/resource/us-primary-mortgage-servicer-satisfaction-study>.

See the online press release at <http://www.jdpower.com/pr-id/2019118>.

J.D. Power is a global leader in consumer insights, advisory services and data and analytics. These capabilities enable J.D. Power to help its clients drive customer satisfaction, growth and profitability. Established in 1968, J.D. Power has offices serving North America, South America, Asia Pacific and Europe.

Media Relations Contacts

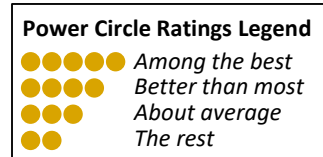
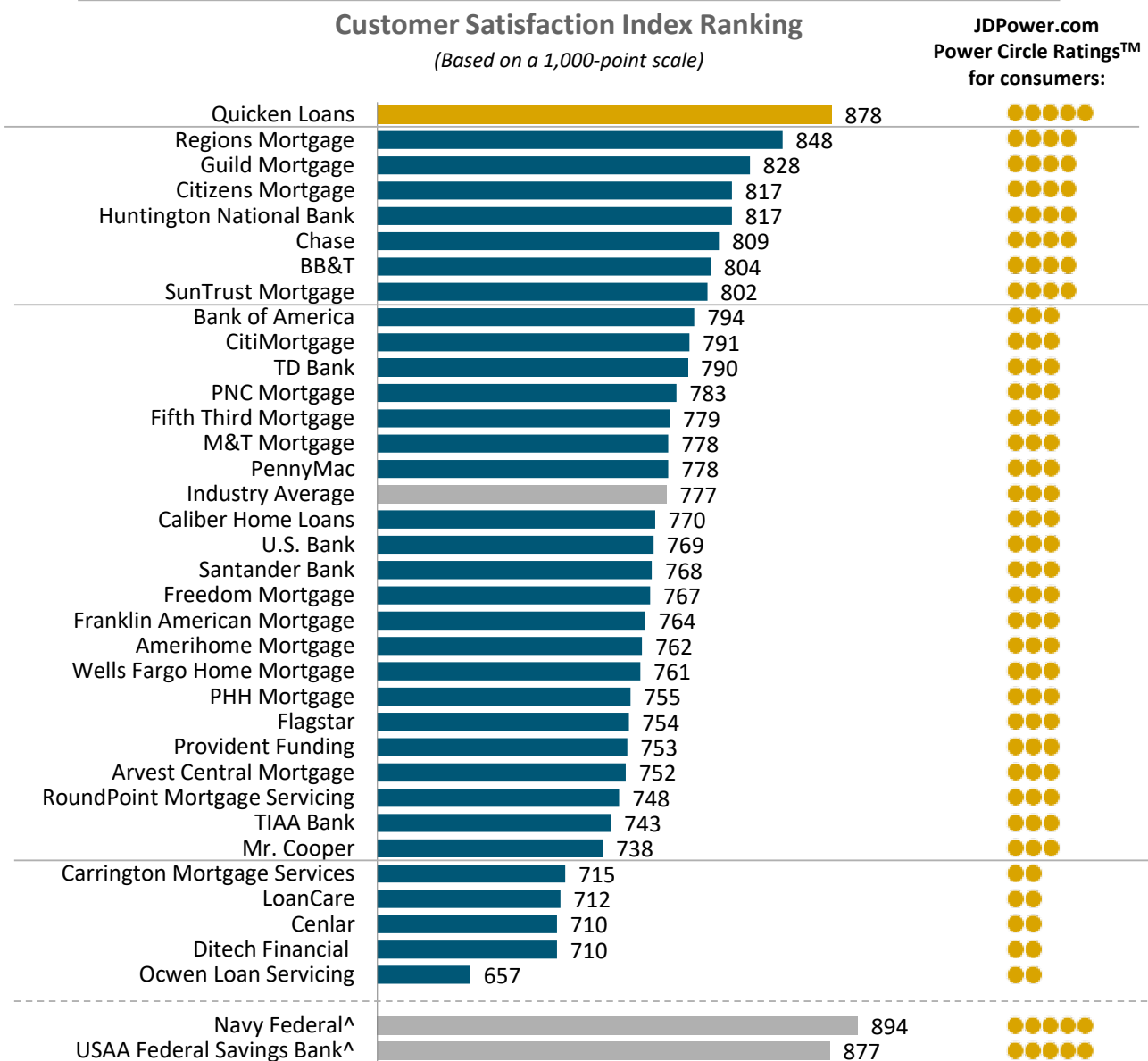
Geno Effler, J.D. Power; Costa Mesa, Calif.; 714-621-6224; media.relations@jdpa.com
John Roderick; St. James, N.Y.; 631-584-2200; john@jroderick.com

About J.D. Power and Advertising/Promotional Rules: www.jdpower.com/business/about-us/press-release-info

#

NOTE: One chart follows.

J.D. Power 2019 U.S. Primary Mortgage Servicer Satisfaction StudySM



[^]Navy Federal Credit Union, and USAA are profiled but not rank-eligible because they do not meet the study award criteria.

Source: J.D. Power 2019 U.S. Primary Mortgage Servicer Satisfaction StudySM

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.