

Good News Online

Although originations overall are flat to down, third-party **online originations** are on the rise.

As this edition went to press, our stats division was compiling third-quarter online originations, so we'll have to see how things went in the third quarter, but second-quarter numbers are very positive all around.

Specifically, in the October issue *Mortgage Technology* reported that overall online originations increased by 73% in the second quarter of this year as compared to one year prior. Following this trend, in the November issue *Mortgage Technology* reported that online retail volume increased by 61% over the same time period.

The story with third-party online originations is more of the same. Second-quarter third-party online originations climbed by 74% in the second quarter of this year as compared to one year prior.

Who were the big winners? CitiMortgage took the No. 1 spot. Citi continues to benefit from the acquisition of ABN Amro by demonstrating strong online numbers. Citi's online third-party originations tally increased by 154% between 2Q 07 and 2Q 06.

Acquisitions aside, tech-savvy lenders like AmTrust also prospered, coming in at No. 3. AmTrust boasts having done more hybrid e-closings than all other lenders combined. Despite the current downturn, AmTrust continues to invest heavily in technology to gain a competitive advantage.

"There's no doubt that e-mortgages are where we're going as an industry," said Steve Trayte, vice president/director of retail lending at AmTrust at the MBA annual. "We've done over 4,000 transac-

tions involving an electronic note.

"In going down this path we started with the simplest product first, the 30-year fixed. Now we're expanding that to do ARMs as well. Basically what we did was create a collaborative method so that everyone can communicate with each other on the loan. The industry has to remember that processing a loan is really about data.

"What this approach did is it minimized the need to continually QC the loan by getting the data directly from trusted sources," said Mr. Trayte. "Our system can perform all the necessary audits electronically because we're

dealing with trusted data. When you operate in silos you need multiple audits, but if you go directly to the source and control the data, the system can perform the checks on your behalf."

AmTrust has chosen to be outspoken about their technology strategy because the organization believes that the entire industry will have to do what AmTrust is doing at some point. "I'm not giving up trade secrets," laughed Mr. Trayte. "I'm not originating loans in a closet so the industry can't see. I'm talking about our e-strategy because this is going to happen at every lender at some point." **MT**

THIRD-PARTY INTERNET ORIGINATIONS IN Q2 2007

(DOLLARS IN MILLIONS)

RANK	ORGANIZATION NAME	LOCATION	ONLINE B2B ORIGINATION		%
			Q2 07	Q2 06	
1	CitiMortgage, Inc.	O'Fallon, MO	\$27,856	\$10,960	154%
2	Chase Home Finance	Iselin, NJ	\$17,152	\$9,600	79%
3	Amtrust Bank	Cleveland, OH	\$6,416	na	na
4	Provident Funding Associates	Burlingame, CA	\$6,180	\$2,164	186%
5	GreenPoint Mortgage Funding (CL)	Novato, CA	\$4,771	\$8,368	-43%
6	Washington Mutual	Seattle, WA	\$4,727	\$6,442	-27%
7	HSBC Mortgage Corp. USA	Depew, NY	\$2,165	\$1,975	10%
8	Sierra Pacific Mortgage	Folsom, CA	\$783	na	na
9	Delta Funding Corp. (BC)	Woodbury, NY	\$644	\$387	66%
10	Wachovia	Charlotte, NC	\$382	\$1,088	-65%
11	Branch Banking & Trust Co.	Wilson, NC	\$374	\$251	49%
12	Huntington Mortgage	Columbus, OH	\$345	\$192	80%
13	First Horizon Home Loans	Irving, TX	\$172	na	na
14	Nationstar Mortgage (BC)	Dallas, TX	\$108	na	na
Submitted Totals:			\$72,075	41,427	74%

Notes: Third-party volume consists of wholesale and correspondent volume done over the Internet. Some firms report online TPO volumes in different ways which may account for discrepancies.

(BC) This firm produces mostly subprime loans.

Source: MT/Quarterly Data Report. Questions? Email: Paul.Muolo@SourceMedia.com.