

## Online Still Booming

Despite seven-year historic volume drops overall in 4Q 2007, online **volume** continued to **increase**.

The fourth quarter of 2007 brought some bad news in terms of overall volume. Specifically, residential mortgage bankers funded \$496 billion in the fourth quarter, which represented the industry's worst quarter in nearly seven years.

However, the story online was very different. Online volume during the same period bunked this downward trend and actually increased by 27%.

Why? For one, three of the top 10 online lenders have demonstrated their desire to innovate in a down market. First, Taylor, Bean & Whitaker went with Avista Solutions as their LOS despite the fact that the vendor was relatively new to the mortgage space at the time. TB&W told this publication at the time that they liked Avista's technology and the fact that they could customize it hand-in-hand with a vendor partner instead of going with an out-of-the-box solution.

Second, both Quicken Loans and AmTrust Bank continue to march closer and closer toward the e-mortgage despite market conditions. According to a source within Fannie Mae, AmTrust is sending them a record number of e-notes each month and is now charging their correspondents extra if they want to deliver AmTrust paper.

Similarly, Quicken has been the No. 1 online retail lender for some time. Further, a source within Quicken confirmed that the lender will continue to develop its e-mortgage strategy this year. Quicken sees technology investment now as delivering a competitive edge in the long run.

And if this year's MBA Tech and SourceMedia Tech shows are any indication, several lenders that are committed to the space are very aware of the fact that they have to look to technology now to increase efficiency, remain competitive and prepare for better times to come. The E-Mortgage Update session at MBA Tech, for example, was actually standing room only. Literally all the seats were occupied and people attending were sitting on the floor.

While attention to the e-mortgage may be expected at a technology show, it's important to consider that attendance at MBA Tech this year was

half of what it was last year and yet the e-mortgage sessions were still jam-packed despite the fact that two other sessions were going on at the same time. The questions posed by the audience were also very telling. Audience members weren't asking for clarifying definition, or even return on investment numbers, they were asking practical questions on how to get started.

Does this mean e-mortgages will be mainstream by the end of this year? Certainly not, but more and more lenders are entering the e-mortgage fray each day. The savings is clear. The efficiency is there. **MT**

### TOP RETAIL ONLINE ORIGINATORS IN 4Q 2007

(DOLLARS IN MILLIONS)

RANK	ORGANIZATION NAME	LOCATION	ONLINE ORIGATION VOL.		%
			4Q 07	4Q 06	
1	CitiMortgage, Inc.	O'Fallon, MO	\$17,240	\$14,277	21%
2	Chase Home Finance	Iselin, NJ	\$15,577	\$10,824	44%
3	Taylor, Bean & Whitaker	Ocala, FL	\$7,192	\$6,960	3%
4	Amtrust Bank	Cleveland, OH	\$5,618	na	na
5	Provident Funding Associates	Burlingame, CA	\$4,056	\$5,109	-21%
6	Quicken Loans, Inc.	Livonia, MI	\$3,614	\$4,722	-23%
7	Bank of America	Charlotte, NC	\$2,782	\$1,819	53%
8	HSBC Mortgage Corp. USA	Depew, NY	\$1,904	\$2,435	-22%
9	ING Bank, FSB	Wilmington, DE	\$1,228	\$783	57%
10	Branch Banking & Trust Co.	Wilson, NC	\$815	\$263	210%
Top 10 Totals:			\$60,025	\$47,192	27%
Totals Submitted:			\$62,224	\$49,505	26%

NOTES: QDR defines an online origination as any new loan where the consumer applied or pre-applied online. Some firms include their tele-sales numbers in with their online volume which will cause distortions in these results. Countrywide and Wells Fargo no longer disclose this figure.

Source: MT/Quarterly Data Report.  
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