

Once Again Online Outperforms

Originations are down across the board, but in the second quarter of this year total **online originations** were much **more resilient** when compared to overall volume.

Once again originations in the second quarter of this year were down. Overall, the top 20 lenders originated about \$384 billion, a 36% decline when compared to originations just one year prior among the top 20.

Despite the downturn, online originations fared much better. Online originations were also down in the second quarter of this year, but only by 17%. The numbers indicate that online lending is a more resilient channel, even in the midst of the biggest downturn in modern history.

Some standouts are SunTrust Mortgage Inc., which originated \$4.3 billion online in the second quarter. The company's online originations actually increased by 37% as compared to one year prior. But SunTrust's total originations still declined by 47% in the second quarter.

What does this mean? If online wasn't such a strong and resilient channel, the mortgage industry would be experiencing even greater volume declines this year. Another standout was Bank of America, which saw its online originations increase by 63% in the second quarter of this year as compared to one year prior. But the story with BoA is the same as the SunTrust story because in the second quarter BoA's overall originations fell by 33% over the same time period.

At this year's Fiserv Client Conference held in Orlando, Fla., Mark Sievewight, corporate senior vice president at Fiserv, noted that annual

growth derived from a brick and mortar branch will only grow by 0.5% over the next five years vs. the whopping 27.2% growth expected online over the same time period. Mr. Sievewight warned that Gen X and Gen Y are now coming of age and they want instant answers online. Those younger than Gen X and Gen Y are even more demanding.

Mr. Sievewight shared a story whereby he was coaching his daughter. She was texting a friend and he asked her what she was doing. She said she was texting her friend Nancy. Mr.

Sievewight responded that Nancy was sitting right next to his daughter on the bleachers at the time.

"Lenders need tools to grow their business and expand their markets," stressed Randy Schmidt, president and founder of Mishawaka, Ind.-based Data-Vision Inc. "In terms of getting new markets, we're seeing Gen X and Y starting to buy. They're tech-savvy borrowers. However, this generation doesn't just want to go to a good website, they want tools to help them research online, apply online, lock online and get an instant decision!" **MT**

TOP ONLINE ORIGINATORS IN 2Q 2008

(DOLLARS IN MILLIONS)

RANK	ORGANIZATION NAME	LOCATION	ONLINE ORIGATION VOL.		% CHANGE
			2Q 08	2Q 07	
1	Chase	Iselin, NJ	\$22,462	\$20,081	12%
2	CitiMortgage, Inc.	O'Fallon, MO	\$13,734	\$28,860	-52%
3	AmTrust Bank	Cleveland, OH	\$6,335	\$6,511	-3%
4	SunTrust Mortgage, Inc.	Richmond, VA	\$4,305	\$3,131	37%
5	Provident Funding Associates	Burlingame, CA	\$3,616	\$6,306	-43%
6	Bank of America	Charlotte, NC	\$3,465	\$2,126	63%
7	Quicken Loans, Inc.	Livonia, MI	\$2,700	\$5,230	-48%
8	Taylor, Bean & Whitaker	Ocala, FL	\$1,772	na	na
9	HSBC Mortgage Corp. USA	Depew, NY	\$1,713	\$2,171	-21%
10	Branch Banking & Trust Co.	Wilson, NC	\$1,369	\$259	429%
Top 10 Totals:			\$61,470	\$74,675	-18%
Totals Submitted:			\$64,622	\$77,875	-17%

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 their online figures. CFC was bought by BoA on July 1. Source: Mortgage Technology/Quarterly Data Report. Questions? Email: Paul.Muolo@SourceMedia.com.

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