



## Press Release

### **J.D. Power and Associates Reports: Increasing Number of Delinquent Mortgage Customers Drives Need for Improved Communication by Mortgage Servicers**

#### Regions Mortgage Ranks Highest in Customer Satisfaction with Primary Mortgage Servicers

**WESTLAKE VILLAGE, Calif.: 25 August 2009** — A growing number of customers indicate they are either already behind on their mortgage payments or worried about being late, which provides mortgage servicers with an opportunity to mitigate customer distress through proactive communication, according to the J.D. Power and Associates 2009 Primary Mortgage Servicer Satisfaction Study<sup>SM</sup> released today.

The study finds that 21 percent of customers indicate they are either already behind on their mortgage payments or are worried about being late in the future. While satisfaction with mortgage servicers tends to decrease when customers are delinquent or at risk of being delinquent, proactive contact from the servicer can help to mitigate this decline in satisfaction.

In addition, satisfaction is higher among those customers whose mortgage servicer contacts them first. For those customers who contacted their mortgage servicer, satisfaction averages 613 on a 1,000-point scale, compared with 651 points among those customers whose mortgage servicer initiated contact.

“Taking care of customers in their hour of need is critically important, particularly among homeowners with otherwise blemish-free credit histories,” said David Lo, director of financial services at J.D. Power and Associates. “Helping these customers can form lasting positive impressions of servicers and create lifelong customers. For example, among customers who say their servicer was helpful in dealing with their current situation, 21 percent say they definitely will use their servicer again. Only 1 percent of customers who say their servicer was not helpful plan to use their servicer again.”

The study also finds that mortgage servicers who perform well on the key fundamentals of loan servicing have higher levels of loyalty and retention. These practices include:

- Keeping problems and complaints to a minimum
- Improving speed and effectiveness of problem resolution
- Offering customers choices in billing and payment options
- Providing adequate information on statements
- Clearly communicating information in statements.

“The current challenging economic circumstances give mortgage servicers an opportunity to grow their business, particularly with low interest rates and the large number of customers who wish to refinance their mortgages,” said Lo. “Providing current customers with the best service practices increases the chances that the customer will return with more business and also recommend the mortgage servicer to others. In contrast, just one dissatisfied customer translates to an average of more than five negative recommendations.”

More than 20 percent of customers whose mortgage servicers consistently perform all five top service practices say they “definitely will” recommend their mortgage servicer to others. Among those mortgage servicers that fail to perform three or more of the top service practices, nearly one-third of customers say they would not choose the servicer again.

The study also finds that 18 percent of customers who contacted their servicer had difficulty understanding the representative. Among those customers, contact satisfaction declines dramatically to an average of 353, compared with an average of 707 among customers who didn’t have any difficulty understanding their representative. The most commonly cited reasons for difficulty in understanding the representative include: the representative spoke with an accent and the representative did not speak well or articulate clearly.

The study measures customer satisfaction with four areas of loan service: annual account review/administration; payment processing; billing statements/payment coupon book; and contact.

Regions Mortgage ranks highest in customer satisfaction among primary mortgage servicers with a score of 780 and performs particularly well in the annual account review/administration and payment processing areas. BB&T (Branch Banking and Trust) follows Regions Mortgage with a score of 777, and U.S. Bank ranks third with 771. Among the companies included in the study, those that rank highly tend to perform exceptionally well in limiting the number of customer-reported problems, which results in high brand image ratings.

The 2009 Primary Mortgage Servicer Satisfaction Study is based on responses from more than 5,000 homeowners regarding their experiences with their primary mortgage servicer and was fielded in May 2009.

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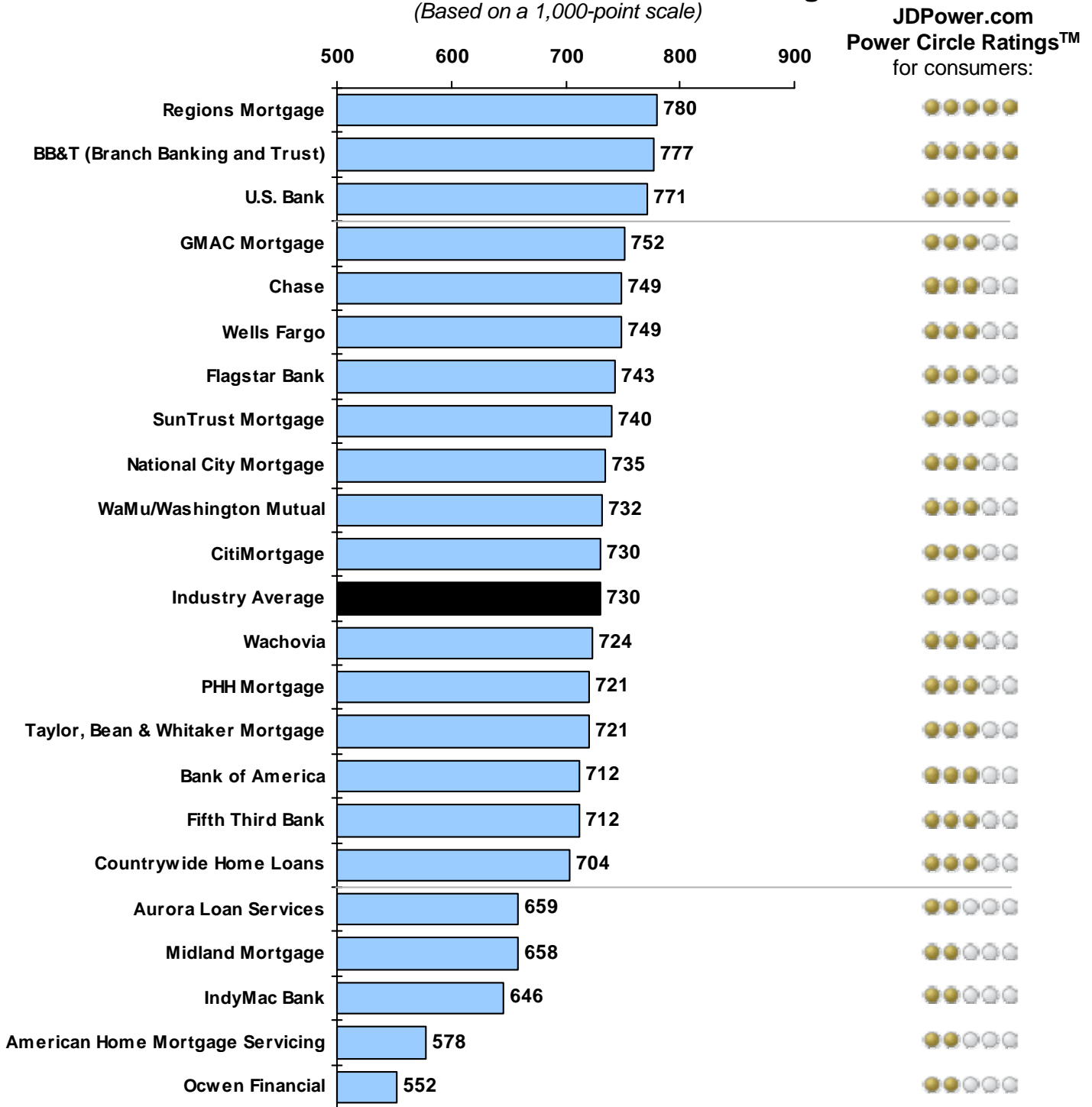
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NOTE: One chart follows.

# J.D. Power and Associates 2009 Primary Mortgage Servicer Satisfaction Study<sup>SM</sup>

## Customer Satisfaction Index Ranking (Based on a 1,000-point scale)



Included in the study but not ranked due to small sample size are Dovenmuehle Mortgage, EMC Mortgage Corp., EverHome Mortgage, HSBC Mortgage Corp. (USA) and Saxon Mortgage Services.

Source: J.D. Power and Associates 2009 Primary Mortgage Servicer Satisfaction Study<sup>SM</sup>

**Power Circle Ratings Legend**

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

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