



## Press Release

### **J.D. Power and Associates Reports: Mortgage Servicers Fail to Deliver on Best Practices During the Loan Modification Process**

#### BB&T Ranks Highest in Customer Satisfaction with Primary Mortgage Servicers

**WESTLAKE VILLAGE, Calif.: 26 August 2010** — Mortgage servicers more often miss on delivering key service practices during the loan modification process than during the loan origination process, according to the J.D. Power and Associates 2010 U.S. Primary Mortgage Servicer Satisfaction Study<sup>SM</sup> released today.

The study finds that, compared with the loan origination process<sup>1</sup>, mortgage servicers more often fail to deliver on certain best practices during the loan modification process, including providing and meeting a time frame for approval; not asking for information more than once; explaining the entire process during application; and providing proactive status updates during the process. For example, only 28 percent of customers were asked to provide information more than once during the mortgage origination process, compared with nearly 80 percent of customers during the loan modification process.

“While the loan origination process is already a milestone event for most homeowners, the stakes are even higher for those going through the modification process,” said David Lo, director of financial services at J.D. Power and Associates. “Homeowners navigating the loan modification process may be fearful of losing their home, and that can add significant fear and anxiety to an already stressful experience. As a result, it’s especially important that servicers make every effort to deliver on key best practices and make the experience as painless for customers as possible.”

Overall, the key service practices that have a particularly strong positive impact on customer satisfaction during mortgage servicing are:

- Fee transparency: Communicating all fees in a concise way to ensure complete understanding and no surprises.
- Informative account statements: Providing account statements to ensure that the most important information customers need is easily found.
- Billing and payment by preferred method: Ensuring that customers are able to receive account statements and make payments through their preferred method.
- Problem resolution: Ensuring that once a problem is identified, it is resolved quickly and efficiently.

The study measures [customer satisfaction](#) with five areas of the mortgage servicing experience: fees; billing and payment process; escrow account administration; website; and phone contact.

The study also finds that focusing on preventing problems during the servicing process—which may be accomplished by consistently performing key service practices—may not only improve customer experiences, but may also reduce the number of inbound customer contacts. On average, customers with lower levels of

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<sup>1</sup> According to the J.D. Power and Associates 2009 Primary Mortgage Origination Study.

satisfaction within the prime segment are nearly 3.5 times more likely to contact their servicers, compared with highly satisfied customers (satisfaction scores of 800 or higher, on a 1,000-point scale).

“Focusing on performing best practices, such as providing transparency around fees, using the customer’s preferred method of billing and payment, and providing concise, informative, and easy-to-find account information, not only has a strong positive effect on loyalty and retention rates, but can also result in decreases in inbound call volume of up to 13 percent—leading to cost savings for mortgage servicers,” said Lo.

The study also finds that higher customer satisfaction may lead to higher levels of loyalty and retention. Among customers in the prime credit segment, 34 percent of those who are highly satisfied (scores of 800 or higher) say they “definitely will” recommend their servicer—compared with just 6 percent among customers with lower satisfaction scores. Similarly, 27 percent of highly satisfied prime credit customers say they “definitely will” select their servicer for a new home mortgage, while only 6 percent of less-satisfied customers say the same.

BB&T (Branch Banking & Trust) ranks highest in customer satisfaction among primary mortgage servicers with a score of 795 and performs particularly well in fees and billing and payment process. SunTrust Mortgage follows with a score of 767, and U.S. Bank ranks third with 755.

The 2010 U.S. Primary Mortgage Servicer Satisfaction Study is based on responses from 4,516 homeowners regarding their experiences with their primary mortgage servicer and was fielded May through June 2010.

#### **About J.D. Power and Associates**

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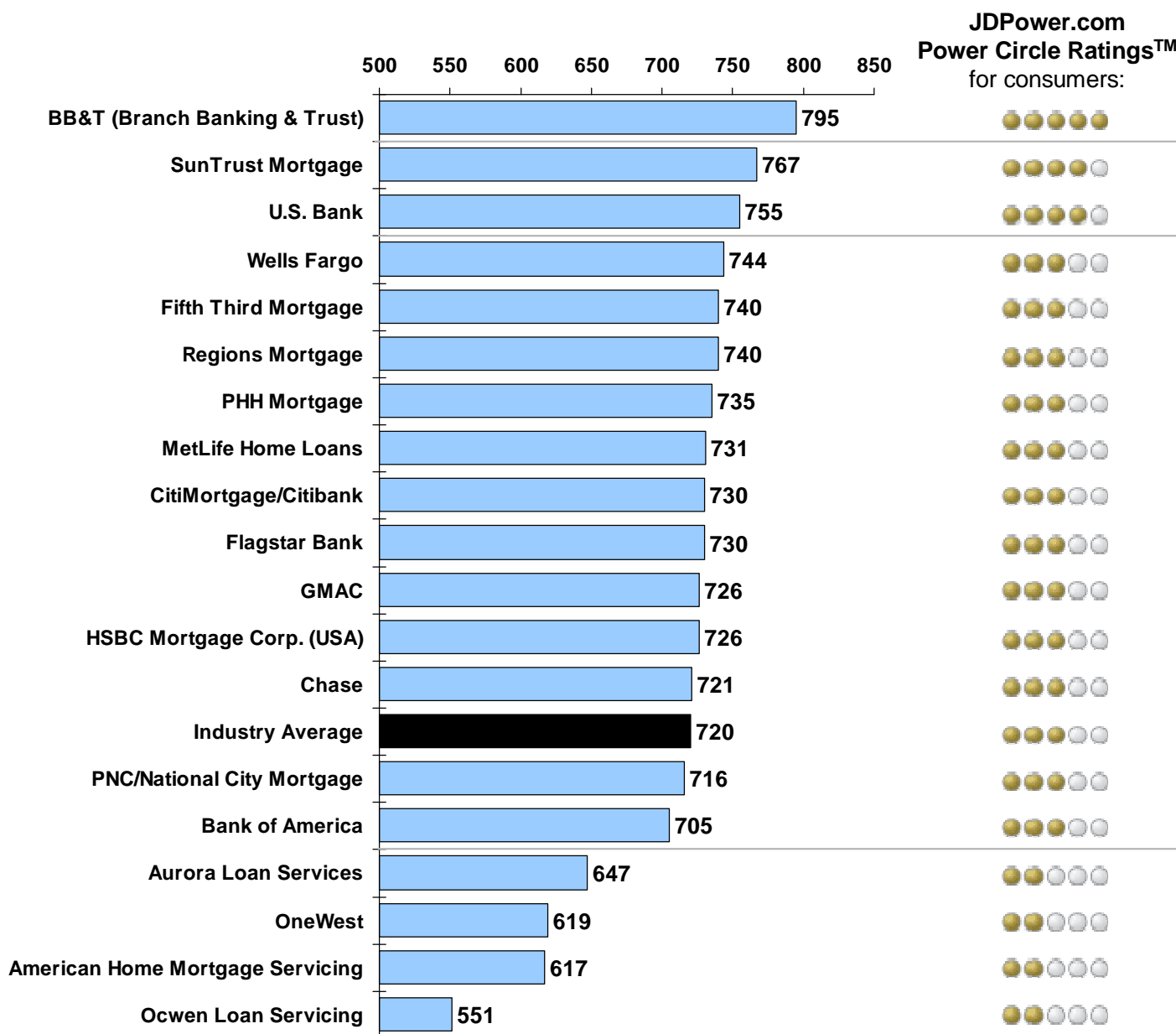
NOTE: One chart follows.

# J.D. Power and Associates

## 2010 U.S. Primary Mortgage Servicer Satisfaction Study<sup>SM</sup>

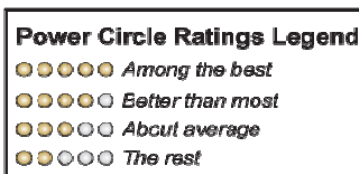
### Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)



Included in the study but not ranked due to small sample size are Dovenmuehle Mortgage, EverHome Mortgage, Litton Loan Servicing and Provident Funding Associates.

Source: J.D. Power and Associates 2010 U.S. Primary Mortgage Servicer Satisfaction Study<sup>SM</sup>



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