

# YTD 2020 Snapshot



## FOR INDEPENDENT MORTGAGE BANKERS



### CHANGE IN PRODUCTION VOLUME



Many lenders set a new company record for monthly origination volume beginning in April that was subsequently surpassed in each and every following month in 2020. Volume for the year nearly doubled compared to 2019 thanks to new lows in mortgage rates which brought the industry to see the first year since 2012 in which refinances made up over 50% of all originations. The purchase market was also strong, showing an increase in purchase volume of over 40% year over year. Due to these significant production levels, lenders averaged 2.75 funded loans per employee each month in 2020, which was up from 1.79 loans per



### CHANGE IN SECONDARY GAIN ON SALE (BPS)



Secondary margins were higher throughout 2020 than in any previous quarter or year in our benchmarking programs' history. Year over year increases in secondary gains were 75 basis points which accounted for more than two thirds of the entire increase in profitability over 2019.



### CHANGE IN COSTS TO ORIGINATE



Total costs decreased by \$240 per loan compared to 2019. Even though loans per employee during the year reached all-time highs, personnel costs compared to last year increased by \$172 per loan. Most of the decreases in costs came from operating expenses which decreased by a total of \$414 per loan.



### CHANGE IN NET PRODUCTION INCOME (BPS)



Net production income reached an average of 158 basis points or over \$4,300 per loan during 2020 which was over 3x higher than profits from 2019. In actual dollars, the average net production income for the peer group was higher in 2020 than the past 8 years combined.



### CHANGE IN SERVICING PORTFOLIO VALUES



During Q1, servicing portfolio values dropped from 93 basis points as of December 31, 2019 to about 80 basis points as of March 31, 2020. Throughout the rest of 2020, servicing values remained relatively unchanged at 79 basis points.

For access to the detailed reports, including an analysis of the results, please email us at [RMSelect@richeymay.com](mailto:RMSelect@richeymay.com)