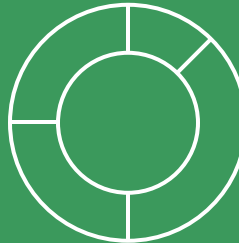
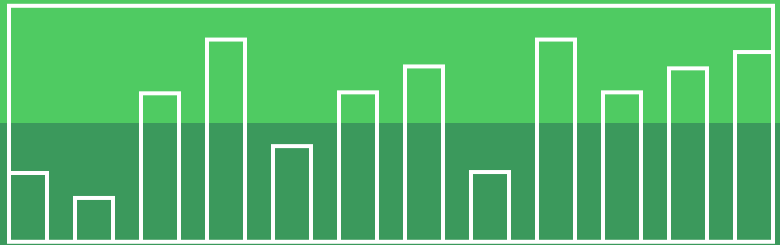
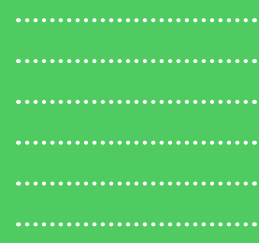
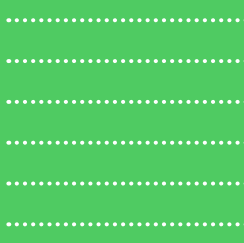
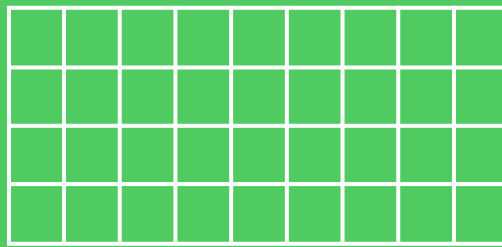
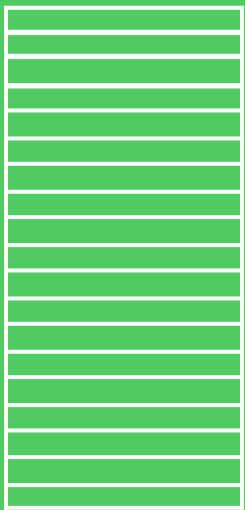


Loan Originators Survey Report

Staying the course



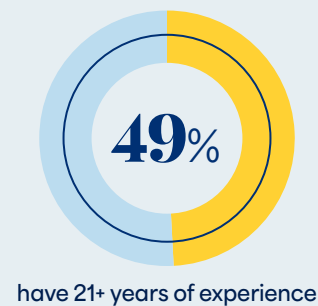
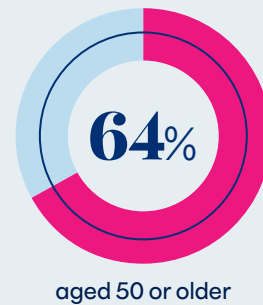
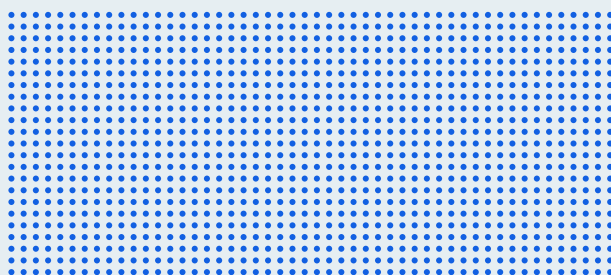
A REPORT BY MGIC AND LOAN OFFICER HUB

This survey was conducted in June 2024. The market looked much as it did in June 2023, at the time of our last survey, with mortgage applications hovering near the lowest levels seen since the mid-1990s. Survey answers show that loan originators continue to put in the work but are eager to stop treading water and start moving forward.

While a similar number of originators took our survey this year as in 2023, we do see some demographic shifts, specifically in terms of tenured loan officers. From year to year, we saw increases in the tenure brackets from 1 to 15 years and corresponding decreases in tenure brackets from 16 to 31+ years.

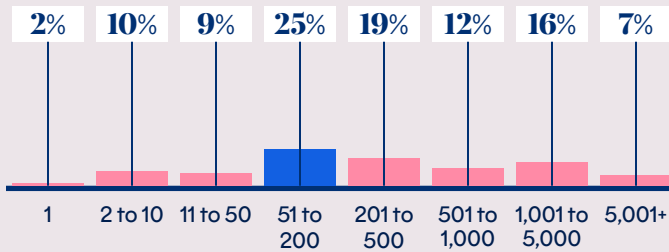
Survey respondents at a glance

About **1,000** originators

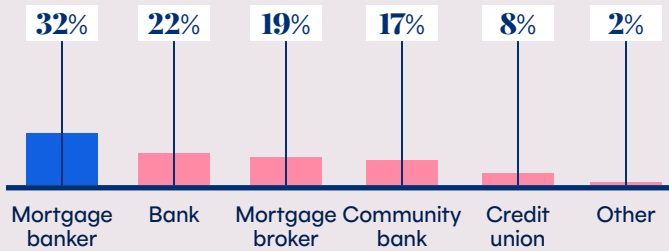


Who responded to our survey

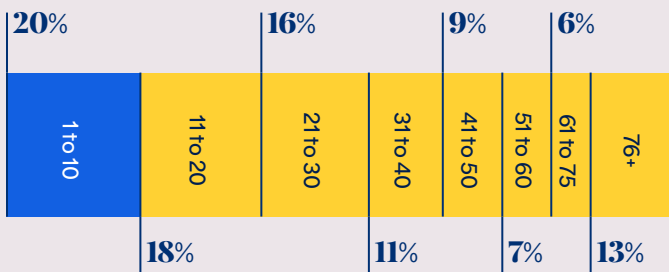
Number of employees at the company



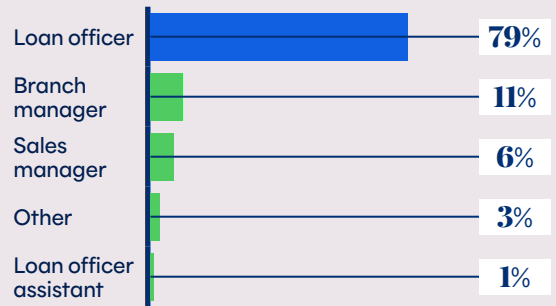
Employer type



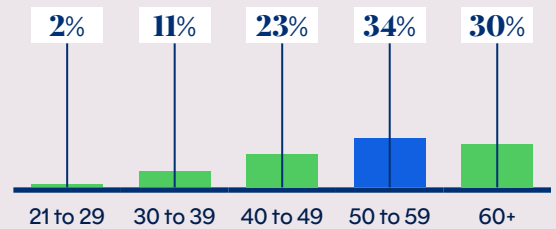
Loans originated in 2023



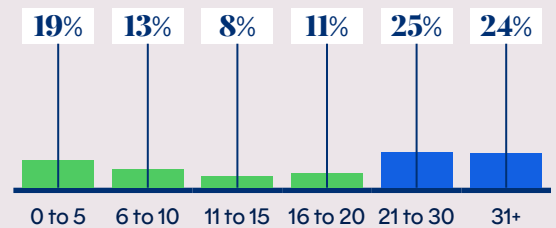
Origination role



Age



Years as a loan originator



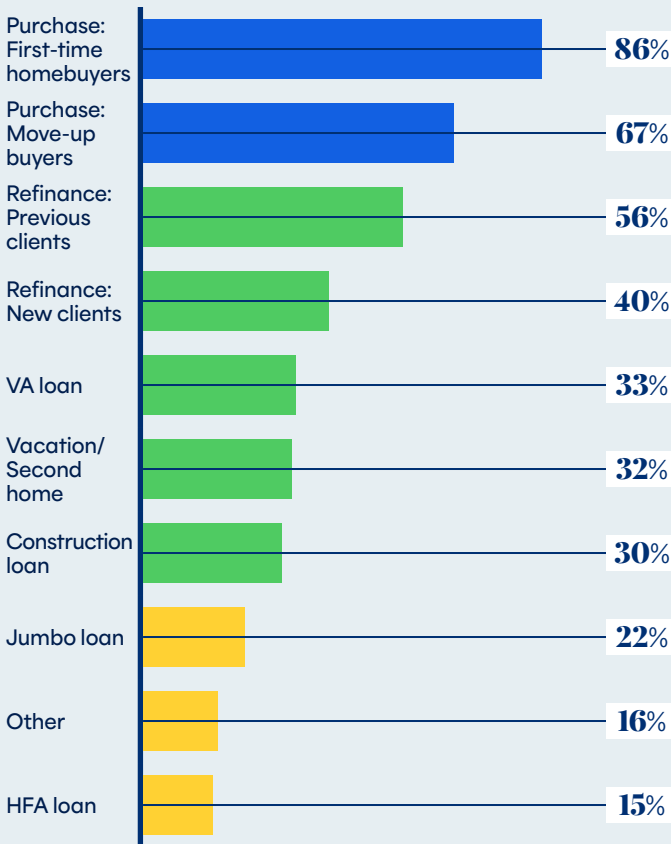
Race or ethnicity



Respondents were able to select multiple responses.

Reaching and working with borrowers

Where loan officers focus their outreach efforts



Respondents were able to select multiple responses.

As one might expect, **newer loan officers are less likely to focus on move-up buyers and refinancing previous clients** than more seasoned loan officers, likely because they have smaller networks.

How originators and their companies are reaching out to underserved markets



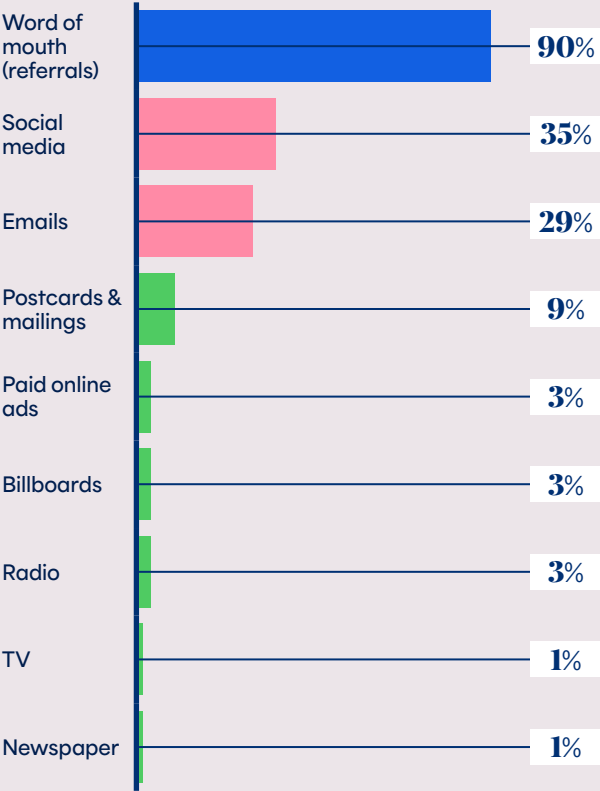
Respondents were able to select multiple responses.

4 most effective methods for working with borrowers



Respondents were able to select multiple responses.

Which marketing media are most successful for originators



Respondents were able to select multiple responses.

Social media platforms loan officers use most for business

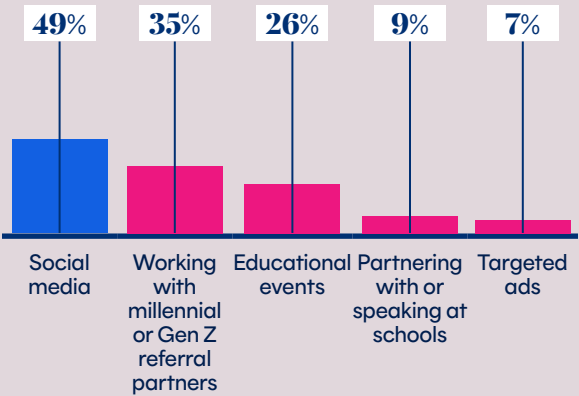


Respondents were able to select multiple responses.

While still not used widely, **YouTube and TikTok are growing slightly in popularity.** 7% of respondents overall said they use YouTube often for business – a percentage that held relatively steady across experience levels. TikTok appears to be more popular with less-experienced LOs: 13% of loan officers with 5 or fewer years of experience indicated they use TikTok often for business, compared to 3% of LOs with 11+ years' experience.

How originators reach out to millennials and Gen Z

While **34% of respondents said they aren't doing anything specific to reach out to the next generations of homebuyers**, many originators are paying special attention to these demographics.



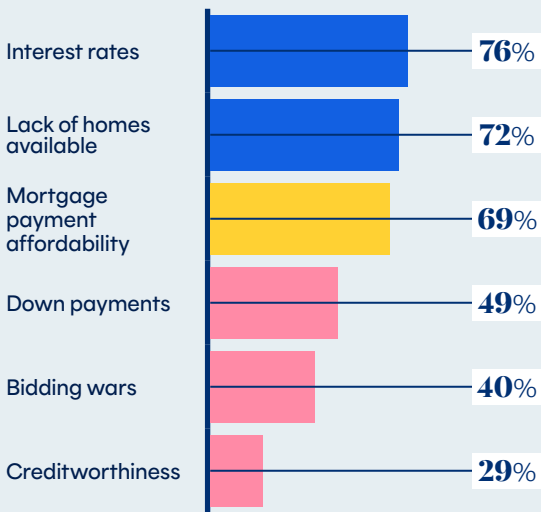
Respondents were able to select multiple responses.

“Past clients’ children and their referrals to friends.”

“Organized networking groups. I belong to three, including a chamber of commerce, and two category-exclusive networking groups.”

Meeting borrower challenges

Greatest challenges for borrowers in the last 12 months

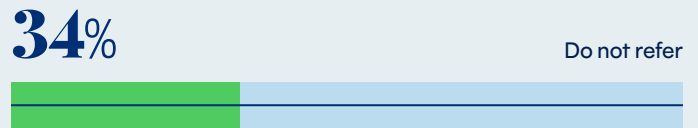
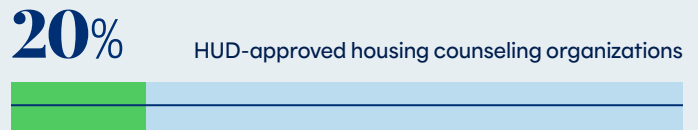
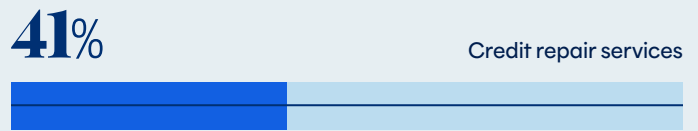


Respondents were able to select multiple responses.

Borrowers continue to face affordability challenges. Down payments, mortgage payment affordability and interest rates all ranked higher in 2024 than in 2023, while inventory and bidding wars ranked lower.

Helping homebuyers who are not yet ready

We asked originators to share which partners to whom they refer borrowers when the borrowers don't yet qualify for a mortgage.



Respondents were able to select multiple responses.

Many respondents mentioned internal programs or how they work personally with the borrower to help them become eligible.

“I stay working with them and we sit down and make a plan for what the next steps are. Whether that is working on credit, saving up, paying down debt, I stick with them.”

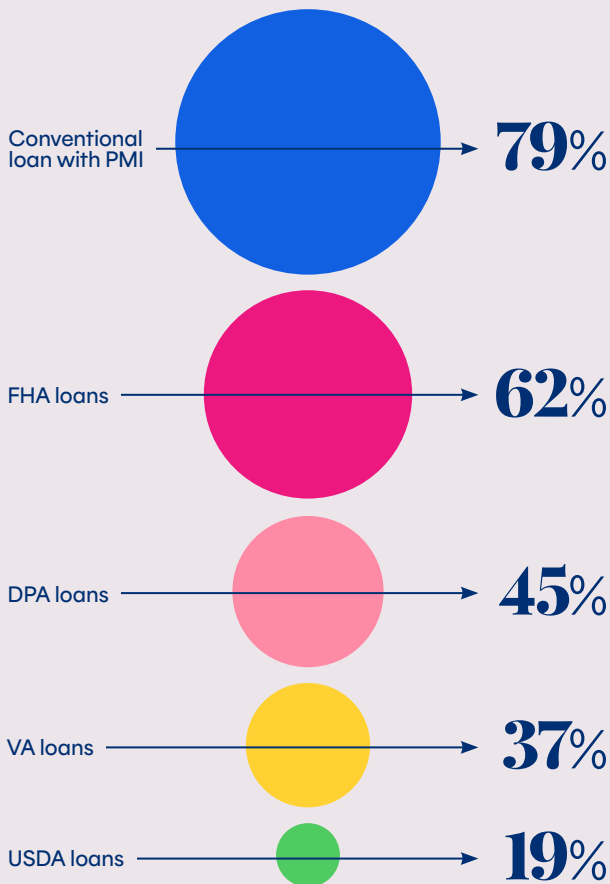
“I do my best to set up a road map for them to get to purchase.”

“If credit and DTI related, I coach. If [they] need additional financial assistance, I refer to local community organizations.”

Originators and low-down-payment loans

In the last 12 months, 64% of LOs' closed loans were 80%+ LTV on average.

Programs and products used most often for low-down-payment loans



Respondents were able to select multiple responses.

LOs in the middle of their careers are more likely to use conventional loans with PMI – 94% say they use them often.

There is a distinct trend upward by tenure for use of VA and USDA loans; for each additional 10 years of experience, a loan officer is a few percentage points more likely to say they use these programs often.

How originators decide which low-down-payment solutions to recommend

No matter the market, loan officers know their borrowers need expert advice to find the right loan program that meets their needs. In their answers to this open-ended question, originators emphasized that each loan scenario is different. While their processes and go-to programs may vary slightly, in the end, loan officers look for the low-down-payment solution that is the best match to their borrowers' individual situations.

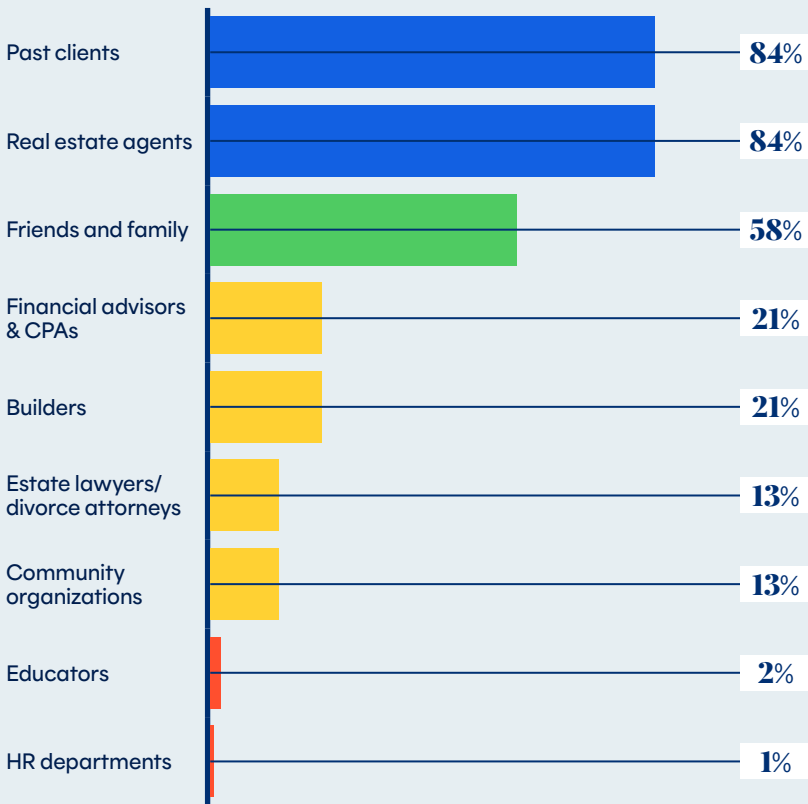
Frequent factors that come into play:

- ★ — Credit
- ★ — Income
- ★ — Products & programs
- ★ — DTI
- ★ — Down payment funds
- ★ — Available down payment assistance
- ★ — Location
- ★ — Home price
- ★ — Length of time expected in home

"I need all their information to make that determination. Credit score will tell me whether conventional or FHA might be best. Is the person a veteran and have they used their eligibility in the past? Do they qualify for a DPA program and are the funds they will receive sufficient to make the difference in the interest rate worth taking? Then I will typically run a loan analysis comparing the best options so the customer can see which program is best for them in the short term as well as longer term."

Working with referral partners

Top referral sources

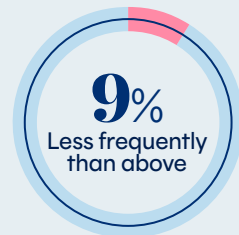


Respondents were able to select multiple responses.

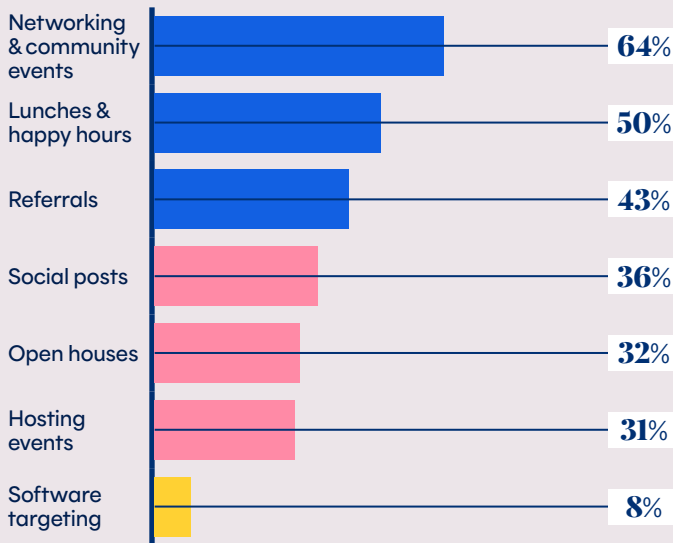
40% of loan officers who closed 76+ loans last year said builders were among their top referral partners, compared to 21% overall.

Loan officers at banks, credit unions and community banks also mentioned branches and other employees at their institutions.

Most LOs frequently stay in touch with their best referral partners



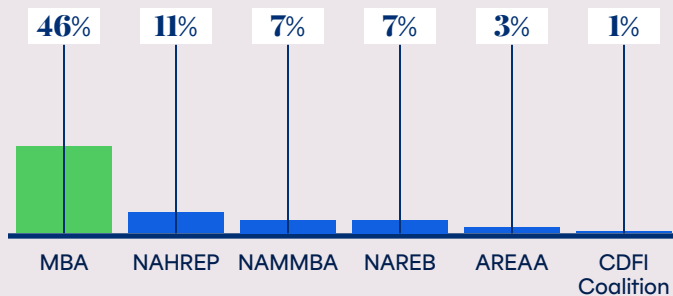
How originators build relationships with real estate agents



Respondents were able to select multiple responses.

“Wowing listing agents during transactions.”

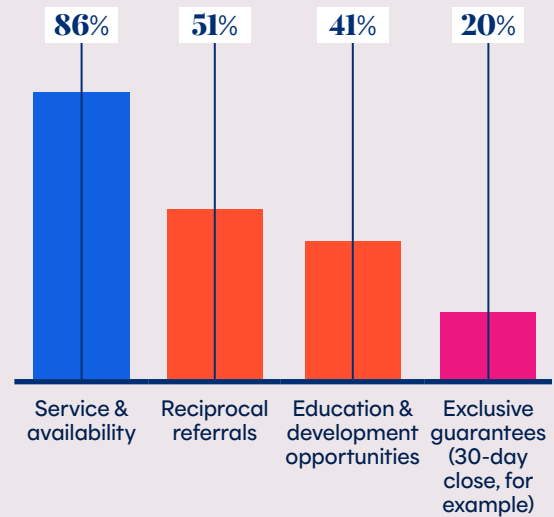
National trade organizations LOs belong to or partner with



Respondents were able to select multiple responses.

Others mentioned include AIME, NAMB and the LGBTQ+ Real Estate Alliance.

What LOs feel provides the most value to real estate agent referral partners



Respondents were able to select multiple responses.

Communication is key! LOs agree that picking up the phone and communicating throughout the loan process is essential. Some originators also said offering special loan programs helps them establish their unique value proposition.

“Letting them know we are always available for whatever they need. Fast communication with their clients.”

“Providing programs they can market to buyers.”

Getting work done

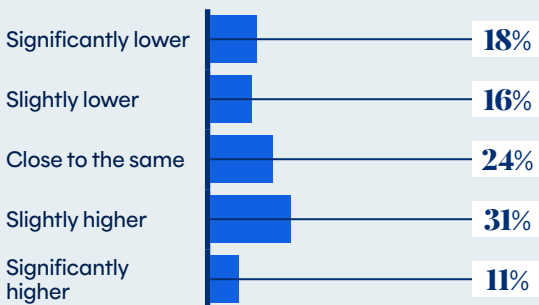
Challenges facing loan originators

With 55% of loan officers saying they expect to end 2024 close to the same or slightly higher than 2023, it seems the market has remained relatively steady after a tumultuous transition from the heights of 2020 and 2021. But a steady market does not mean a comfortable market for many loan officers who still feel they are operating in survival mode.

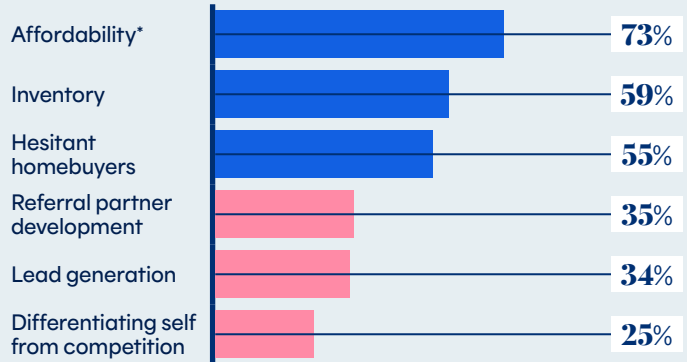
“Affordability” rose to the top of the list of challenges for borrowers, gaining 12 percentage points over answers to the same question in 2023.

Interest rates have come down since this survey was conducted. It remains to be seen how much rate changes over the next year will affect affordability prior to our 2025 survey!

How originators expect to end 2024 compared to last year



Greatest challenges for loan officers in the last 12 months



Respondents were able to select multiple responses.

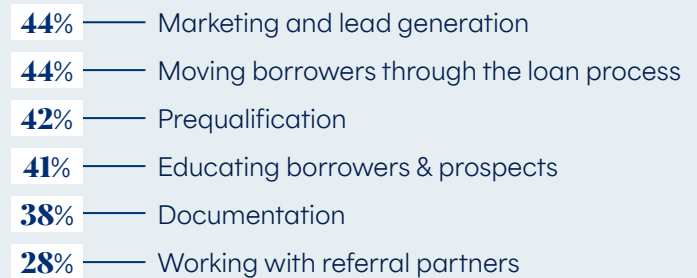
*Including down payment, mortgage payment and interest rate impacts

While real estate commission changes were a major industry news topic in 2024, only 6% percent of LOs selected uncertainty around the NAR settlement repercussions as a challenge.

LOs who did 76+ loans were more likely to list inventory as one of their greatest challenges – and less likely to list lead gen, referral partner development, and hesitant homebuyers.

“Fear of the unknown by the potential buyer. Many times, after explaining the process to purchase, most did move forward.”

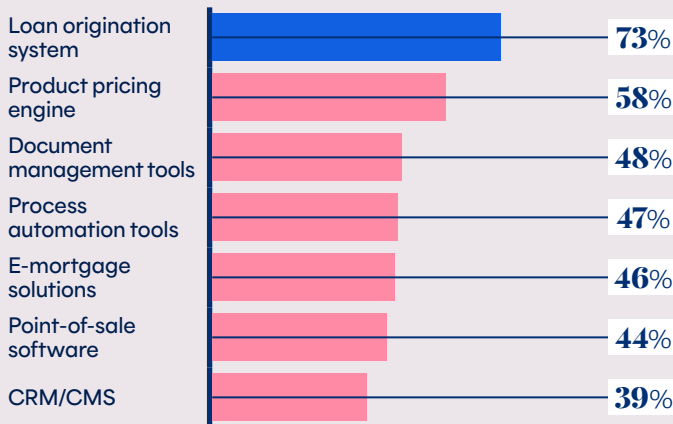
Activities that require the most time for loan officers on a weekly basis



Respondents were able to select multiple responses.

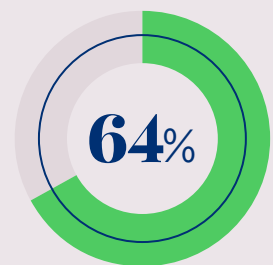
Technology most critical to originators' success

Percentage of respondents who said that these elements of their company's tech stack is very critical to their success



Respondents rated each category. The percentages above are those who chose "very critical to my success" for each category.

LOs and AI



of originators said they don't use AI or aren't sure if AI is incorporated into any of their tools.

Ways that LOs are using AI for business:

- 26% — Marketing
- 8% — Data collection
- 6% — Customer service

42% of newer LOs say they use AI for marketing, 16 percentage points above the average.

"I create my own AI and machine learning algorithms to drive marketing and image recognition."

We asked originators: What are your business goals?

This question was an open field, so answers ranged from very general to very specific. 18% of respondents shared goals that included either a specific number of loans or a specific production amount:

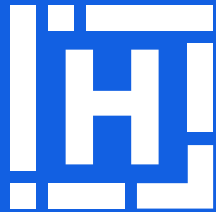
Goal	Median	Mean	Mode
Production in dollars	\$18 million	\$22 million	\$15 million
Number of loans	30	45	24

Consistent trends

- **24%** of responses included growth words like **grow, double, expand, exceed** or **increase**
- **14%** of responses focused on **referral strategies**
- **5%** of responses included the word **survival**, reflecting the continuing challenging market. But this is slightly down from 7% in 2023

"Continue to educate borrowers and prepare them for the change in the market and interest rates."

Surveys like this are one way originators can glean insights from their peers. And in a rapidly changing industry, keeping up with changes, trends and forecasts is more important than ever. Go to loanofficerhub.com for more insights from originators and mortgage experts.



LOAN OFFICER HUB powered by mgic

Loan Officer Hub gathers the best business information and marketing strategies from around the mortgage industry to help loan officers grow, learn and succeed. Get fresh LO strategies at loanofficerhub.com.

mortgage guaranty insurance corporation

MGIC Plaza
Milwaukee, WI 53202
mgic.com

©2024 Mortgage Guaranty
Insurance Corporation
All rights reserved

24-50138 10/24