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**J.D. Power and Associates Reports:  
Mortgage Brokers Provide Valuable Service for Home Loan Customers**

USAA Ranks Highest in Mortgage Customer Satisfaction for Third Consecutive Year

**FOR IMMEDIATE RELEASE: November 11, 2004**

**WESTLAKE VILLAGE, Calif.**—Although slightly fewer than one-third of mortgage shoppers use a broker to help them find their current mortgage, those customers who do tend to be very satisfied with the lending experience, according to the J.D. Power and Associates 2005 Home Mortgage Study<sup>SM</sup> released today.

Among consumers who responded to the survey, 29 percent indicate that they contacted a broker to help them find their current mortgage. Those customers who used a broker tend to be substantially more satisfied with the broker personnel compared with those who interfaced directly with the lender's personnel.

"Brokers appear to perform significantly better in meeting customer expectations," said Jeremy Bowler, director of the finance and insurance practice at J.D. Power and Associates. "Brokers are perhaps more dependent on customer referrals than the direct lenders. As a result, brokers may be more in tune with the cause and effect of customer satisfaction and advocacy."

However, those customers who contact a broker while shopping but then apply directly to an originating lender appear to be the most satisfied with the mortgage origination experience.

"While this is the case for only 5 percent of all mortgage customers, those direct-to-lender customers who comparison shopped with at least one broker rate both the lender personnel and the loan application and approval process higher than do customers who never contacted a broker in their shopping process," Bowler said.

The study's Customer Satisfaction Index is based on four key factors of the mortgage lending process. Day-to-day administration of the account is the most important factor, accounting for 32 percent

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of overall mortgage service satisfaction. Billing and payment experiences are nearly as important (30 percent), followed by the loan origination process (21 percent) and the customer-initiated contact experience (16 percent).

“With rates on the rise, lenders have seen a decline in call-center call volumes from shoppers,” Bowler said. “However, for those customers who do contact their lender with a question or problem, the way the lender handles their needs is critical in influencing their long-term impressions of the lender, and their likelihood to consider their current service provider the next time they’re in the market for a home loan.”

Timely resolution of a problem has the greatest impact on customer contact satisfaction. The longer it takes to resolve a problem, the lower a customer’s satisfaction is with their contact experience. About one-half of all problems are remedied within three days, but customer satisfaction declines dramatically when a problem takes more than one week to resolve.

“This can have a profound impact on customer loyalty and customer recommendations,” Bowler said. “The likelihood that a customer will offer a personal recommendation for their loan service provider decreases by almost one-half when they are not completely satisfied with their lender.”

Among consumers who rate their lender a nine overall on a 10-point scale, only two in five indicate they will definitely recommend their lender to others.

For the third consecutive year, USAA ranks highest in overall customer satisfaction. World Savings and Branch Banking & Trust follow USAA in the rankings. Bank of America and Cendant make substantial year-over-year improvements in the study, climbing to fourth and fifth rank positions, respectively.

The 2005 Home Mortgage Study is based on responses from more than 11,000 home mortgage customers. A more detailed listing of the results by mortgage provider is available at the J.D. Power Consumer Center at <http://www.jdpower.com/cc/index.jsp>. Then click on the homes icon.

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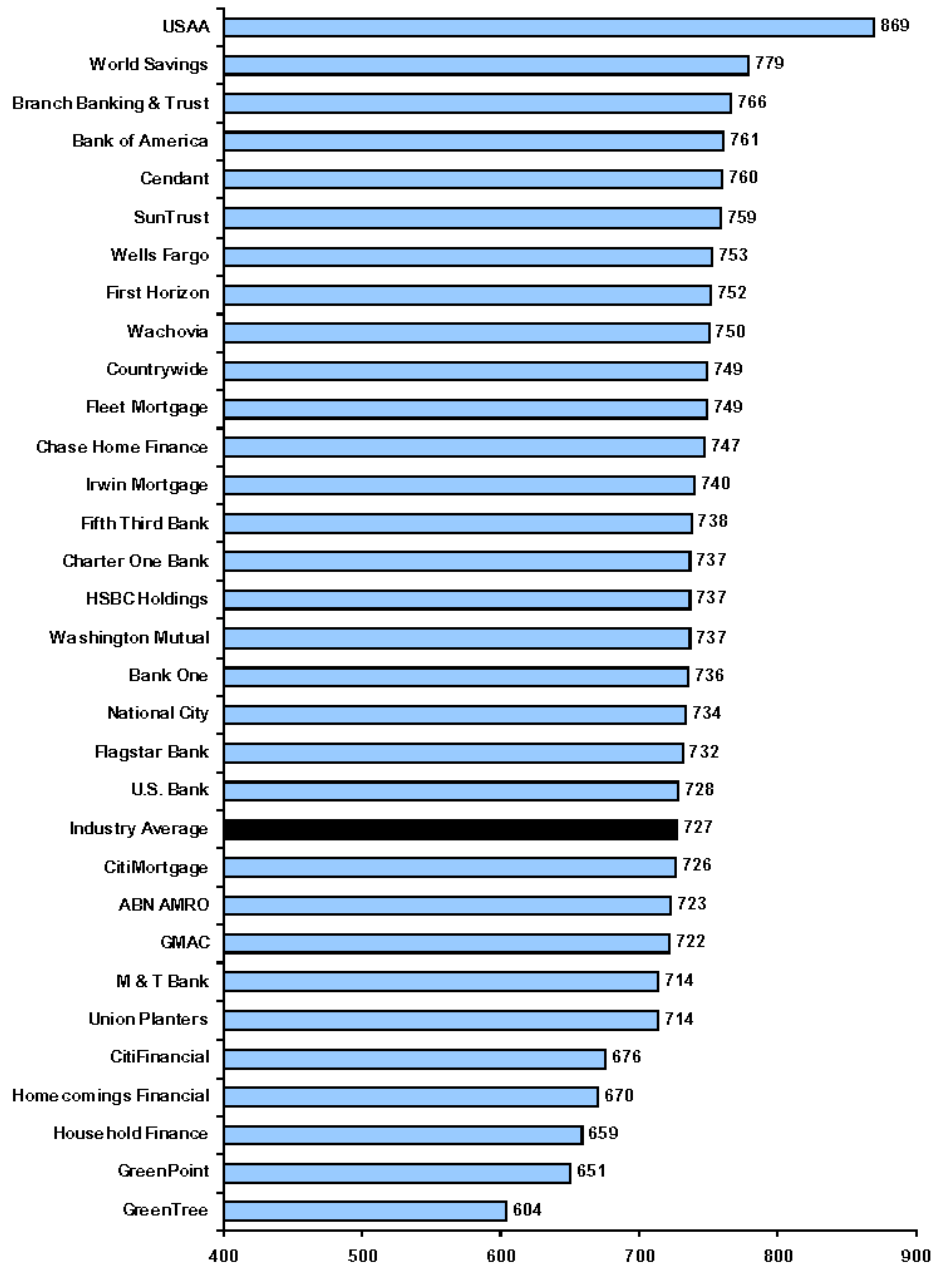
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Note: One chart follows.

# J.D. Power and Associates 2005 Home Mortgage Study<sup>SM</sup>

## Customer Satisfaction Index Scores Among National Home Mortgage Companies



Source: J.D. Power and Associates 2005 Home Mortgage Study<sup>SM</sup>

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