

Prospectus

Home Equity & Mortgage Lender Market Shares & Data

- **Loans Originated By Lender & Market**
 - **Existing Customers By Lender & Market**
 - **Companion Spreadsheets: National Receivables
And Mortgage Servicing**
 - **"Off The Shelf" Or Customized Reports**
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Summary: Market Shares, And Lots More

The terrible recession is now fading. Some home lenders are returning to more aggressive loan marketing.

The opportunity is that some others are not. So, for those with an appetite to grow, there's a new opportunity to build market share.

SMR produces two separate off-the-shelf statistical reports each quarter on home lenders – by county, state, and nationally.

Home Equity Lender Market Shares is the only report of its kind in the United States, dedicated solely to tracking home equity loans.

Mortgage Lender Market Shares tracks each major lender's production of first-lien home purchase and refinancing loans.

Both reports show lender market shares of numbers and dollars of loans produced over trailing 12-month periods, market by market.

But they also include other data that make them even more unique.

We track not only lender shares of loan originations, but also each lender's share of all existing customers in each local market.

In addition, the Home Equity report includes a spreadsheet ranking banks, thrifts, and credit unions by their **total national home equity loan receivables**. Heloc and closed-end loan breakouts are included.

And the Mortgage report includes a spreadsheet ranking banks, thrifts, and credit unions by **total home mortgages serviced**, with breakouts for loans in portfolio versus those serviced for others.

We utilize multiple sources. Originations and share-of-customers data come from our own courthouse records database, among the largest in the U.S.

Receivables and servicing data come from SMR databases of more than 13,000 quarterly updated financial reports filed by all U.S. depository institutions.

Further, we can generate customized reports to your specifications.

We can produce reports that match your "footprint" regions.

And we can add more information – like the percentage of existing customers currently "under water," or breakouts of conventional vs. government loan production.

To borrow a recently popular political phrase, our attitude toward competitive data is "Yes, we can." This Prospectus explains the services in detail.

More Comprehensive Data

SMR's reports contain more of the information you need to know than any other source. To wit:

- **We have the only report anywhere focused solely on home equity lending.**

We have at least one major competitor producing originations data on first-lien mortgages (although they offer less information).

But as far as we know, **only SMR** offers a **separate report** on lender-by-lender home equity lending.

- **We cover both key subjects in local markets: share of originations plus share of the entire customer base.**

You care about loan originations, and you should. But how about share of the entire customer base? That counts, too.

Out of all people in a county or state with a mortgage loan, what portion got the loan from your company? How about share of all customers with home equity loans in each locale?

Only SMR provides coverage of both subjects by county and state: originations and loans outstanding.

- **Our geographical coverage is strong.**

No vendor to our knowledge is able to get **current** loan origination data on every local U.S. market. But the firm that supplies our raw data has the most comprehensive coverage in the USA.

We compute market shares of major lenders in counties that represent more than 70% of all loans originated in the nation.

- **Each quarter, our clients get two spreadsheet reports rather than just one.**

County courthouse records provide our originations and share-of-customers data. But since no vendor covers all locales with courthouse records, we add more information on the national positioning of lenders.

Subscribers to the Home Equity Lenders service get a "bonus" spreadsheet each quarter.

It shows the total national open-end Heloc and closed-end home equity loan receivables of each U.S. bank, thrift, and credit union with at least \$100 million worth of these loans.

Subscribers to our **Mortgage Lender** market share reports also get a "bonus" spreadsheet. It ranks banks, thrifts, and credit unions by their total first-lien residential mortgage servicing portfolios, with breakouts for loans serviced for others and those held in portfolio.

These additional reports make our overall service by far the most comprehensive – the only reports that show:

- 1) Current local market loan production by lender,
- 2) Current share of the local market's total customer base,
- 3) Prior-quarter national data on home equity receivables by lender, and
- 4) Prior-quarter national data on mortgage servicing by lender.

Trend Data By Lender

How about market share trends by lender? Whose share is rising or falling?

SMR's spreadsheets show each lender's current share of total loan production – but we also show how that share has increased or declined from a prior 12-month period.

You see instantly if your position among all lenders is rising or falling, and by exactly how much.

More Breakout Data

Each of our report series contains additional breakout data.

The Mortgage Lender Market Share reports break out each major lender's loan production into home purchase and refi segments.

The Home Equity Lender Market Share reports break out home equity loans by those originated as free-standing products (relatively low risk) and those originated in piggyback structures (historically very high risk).

We also show each lender's average loan size by county and state.

Frequency & Cost: Off-The-Shelf Reports

Lender market shares can change quite a bit in the course of a year or two. They can even change noticeably by quarter.

SMR generates its "off-the-shelf" market share reports by quarter, each time covering a trailing 12-month period.

By doing the "standard" report this way, we can keep the cost down to **\$2,490** per quarter, or **\$9,960** per year.

Another vendor of mortgage market share data offers their reports by month. But the price is **\$36,000** per year!

And, monthly data can be very odd. County recorders who release all the loan filings will sometimes report older loans at a later date. When you look at "monthly" loan originations, better check against your internal record-keeping!

Customized Reports

Our "off-the-shelf" reports come one way so that we can keep the price low.

But we'd be happy to quote a price to match reports to your specifications. Examples:

- Instead of adding up loans by county and state, we can add them up and compute lender market shares by **your loan "footprint" regions or markets.**
- Instead of looking at loans originated over a trailing 12-month period, we can shift to **any time period you prefer.** (We may need to discuss your choice.)
- Instead of adding up loans by county and state, **we can add them up by metro areas** (as defined by the federal government).
- We can compute **the under-water portion** of each lender's existing customers (based on who originated the loan). It tells you a lot about go-forward credit risk.
- In mortgages, we can break out **FHA, VA, and conventional loans.**
- Our national spreadsheet on home equity loan receivables can include **90-day-plus Heloc and closed-end loan delinquency rates for all lenders.**
- Our national spreadsheet on mortgage servicers can include the **percent of loan dollars serviced for others in the foreclosure process at banks.**
- **How about true national total mortgage originations?** Courthouse records omit some geographies.

But our quarterly companion mortgage spreadsheet can be reconfigured to include all home mortgages originated for sale at banks, and all mortgages originated by thrifts and credit unions. We can even break out the bank and thrift originations based on whether they came via retail or wholesale channels! (There is typically a one-quarter lag in these data.)

- **Interested in something else? Just ask. We often have it.**

Putting It All Together

SMR is not the only vendor of home loan market share data.

Let's compare what we produce to the products of our largest competitor.

SUBJECT	AVAILABLE FROM <u>SMR</u> ?	AVAILABLE FROM <u>COMPETITOR</u> ?
Home equity lender market share data	YES	NO
Mortgage market share data	YES	YES
Numbers and dollars of mortgage loans originated by lender	YES	YES
Numbers and dollars of home equity loans originated by lender	YES	NO
% Share of originations by lender by place	YES	YES (but <u>not</u> for home equity)
% Share of all mortgages that exist by lender by place	YES	NO
% Share of all home equity loans that exist by lender by place	YES	NO
Federal data on national home equity loan receivables at banks, thrifts, and credit unions; Heloc & closed-end breakouts	YES	NO
Federal data on national mortgage servicing; portfolio and serviced-for-others breakouts	YES	NO
Customized reports can break out under-water borrowers	YES	NO
Customized reports can break out delinquency or loans in foreclosure	YES	NO
Max Price, Off-The Shelf Reports	\$9,960 / year	\$36,000 / year
Email delivery	YES	YES

Methodologies

County courthouse loan records can be complicated to work with. Please see our full description of methodologies on our web site.

Go to www.SMRresearch.com. Click on the mortgage or home equity subject buttons, then click on our latest Mortgage Lender Market Shares or Home Equity Lender Market Shares line.

You'll be directed to a full explanation of Methodologies.

Sample Spreadsheet

Use our web site (see above) to see a sample spreadsheet. Follow the same "clicks" described above, then click on the Sample Spreadsheet.

Please keep in mind that this sample is from one of our off-the-shelf reports. All sorts of additional data are available, plus many other choices, for customized spreadsheets.

See Page 5 for some customized report options.

Ordering Reports

See the Order Form enclosed or as available on the web site.

You can order data for all counties covered in any individual state for **\$500** (or **\$2,000** for an annual subscription to four quarterly reports).

You can order full national data by county and state for **\$2,490** per quarter, or **\$9,960** per year.

To get **customized reports** to meet your specs, give us a call to discuss what you want – or email your questions or request. Contact Stephanie Rady, director of data services, at 908-852-7677, or email to Stephanie.Rady@SMRresearch.com.

Market Share Reports: The SMR Difference

- The only U.S. report on home equity lender loan production.
- The only market share reports on mortgage and home equity loan originations plus share of all existing customers in each market.
- Companion home equity spreadsheet shows national receivables for all major banks, thrifts, and credit unions, with Heloc/closed-end breakouts.
- Companion mortgage spreadsheet shows total national servicing for all major banks, thrifts, and credit unions, with portfolio/serviced for others breakouts.
- Customized reports for any time period or any geographic aggregation.
- Customized reports can include local under-water borrower data, national lender delinquency data, total national originations for depository institutions, "govvie"/conventional breakouts, and more.