



## Press Release

### **J.D. Power and Associates Reports: Overall Satisfaction with Mortgage Servicers Declines Significantly, as Homeowners With Unfavorable Loan Terms Grow Increasingly Frustrated with Their Inability to Refinance**

#### BB&T Ranks Highest in Customer Satisfaction with Primary Mortgage Servicers For a Second Consecutive Year

**WESTLAKE VILLAGE, Calif.: 1 August 2011** — Overall satisfaction with primary mortgage servicers has declined notably from 2010, as frustration continues to mount among homeowners who originated their mortgages during the peak of the housing boom, according to the J.D. Power and Associates 2011 U.S. Primary Mortgage Servicer Satisfaction Study<sup>SM</sup> released today. In addition, brand perceptions of mortgage servicing companies have deteriorated as a result of negative media coverage of reported abuses committed against homeowners by mortgage servicers.

The study finds that overall satisfaction with primary mortgage servicers has declined to 718 on a 1,000-point scale, down 29 points from 747 in 2010.<sup>1</sup> The study measures customer satisfaction with four areas of the mortgage servicing experience: billing and payment process; escrow account administration; website; and phone contact. Satisfaction has declined across all four factors from 2010.

The study also finds that friendly service and reliability are the most important aspects of overall brand image for mortgage servicers. These key aspects are also the two measures that have declined most notably in 2011, compared with 2010. In addition, customers who still retain loans that were originated prior to 2009 are significantly less satisfied in 2011 than they were in 2010.

“Many homeowners who are still in home loans that were originated between 2006 and 2008—when home values peaked and credit standards were the most lax—would like to refinance, but can’t because they either don’t have enough equity in their home due to falling home prices or their credit profile doesn’t meet today’s tougher standards,” said David Lo, director of financial services at J.D. Power and Associates.

“This has become increasingly frustrating to homeowners and a big contributor to their dissatisfaction,” said Lo. “They are unable to take advantage of interest rates that have declined to historic lows. The challenge for legislators and lenders is to find a way to help not only homeowners at risk of default, but also this increasingly frustrated group of homeowners who are caught in loans with unfavorable terms and no ability to change them.”

According to Lo, to help mitigate the effects of current economic factors and negative brand image perceptions on satisfaction, it is crucial for mortgage servicers to deliver operational excellence and proactive, effective customer communication. In particular, key actions that mortgage servicers can take to help elevate satisfaction include helping customers understand how their escrow is calculated; effectively resolving recent customer contacts; ensuring customers have a problem-free experience; and clearly communicating the servicer’s fee structure.

---

<sup>1</sup> Overall satisfaction index score from 2010 adjusted to reflect the removal of the fees factor, which is not a part of the 2011 mortgage servicing satisfaction index model.

Among mortgage servicers that consistently perform all of the applicable best practices identified in the study, satisfaction averages 810—considerably higher than the industry average of 718. Conversely, satisfaction averages only 660 among mortgage servicers that perform these best practices only 41 percent to 60 percent of the time.

“Excellence in mortgage servicing revolves around minimizing problems and addressing them quickly and efficiently when they do occur,” said Lo. “Servicers that excel in these areas benefit from much higher consideration rates for new loans and other products, more recommendations, and a more positive perception of their brand.”

BB&T (Branch Banking & Trust) ranks highest in customer satisfaction among primary mortgage servicers for a second consecutive year, with a score of 768. BB&T performs particularly well in the billing and payment process and escrow account administration factors. Regions Mortgage follows in the rankings with a score of 757, while Wells Fargo ranks third with 755.

The 2011 U.S. Primary Mortgage Servicer Satisfaction Study is based on responses from nearly 5,000 homeowners regarding their experiences with their primary mortgage servicer and was fielded between April and May 2011.

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

Headquartered in Westlake Village, Calif., J.D. Power and Associates is a global marketing information services company providing forecasting, performance improvement, social media and customer satisfaction insights and solutions. The company’s quality and satisfaction measurements are based on responses from millions of consumers annually. For more information on [car reviews and ratings](#), [car insurance](#), [health insurance](#), [cell phone ratings](#), and more, please visit [JDPower.com](http://JDPower.com). J.D. Power and Associates is a business unit of The McGraw-Hill Companies.

#### **About The McGraw-Hill Companies**

Founded in 1888, The McGraw-Hill Companies is a leading global financial information and education company that helps professionals and students succeed in the Knowledge Economy. With leading brands including Standard & Poor’s, McGraw-Hill Education, Platts energy information services and J.D. Power and Associates, the Corporation has approximately 21,000 employees with more than 280 offices in 40 countries. Sales in 2010 were \$6.2 billion. Additional information is available at <http://www.mcgraw-hill.com>.

#### **Media Relations Contacts:**

Jeff Perlman; Brandware Public Relations; Woodland Hills, Calif.; (818) 598-1115; [jperlman@brandwarepr.com](mailto:jperlman@brandwarepr.com)

John Tews; J.D. Power and Associates; Troy, Mich.; (248) 312-4119; [media.relations@jdpa.com](mailto:media.relations@jdpa.com)

No advertising or other promotional use can be made of the information in this release without the express prior written consent of J.D. Power and Associates. [www.jdpower.com/corporate](http://www.jdpower.com/corporate)

# # #

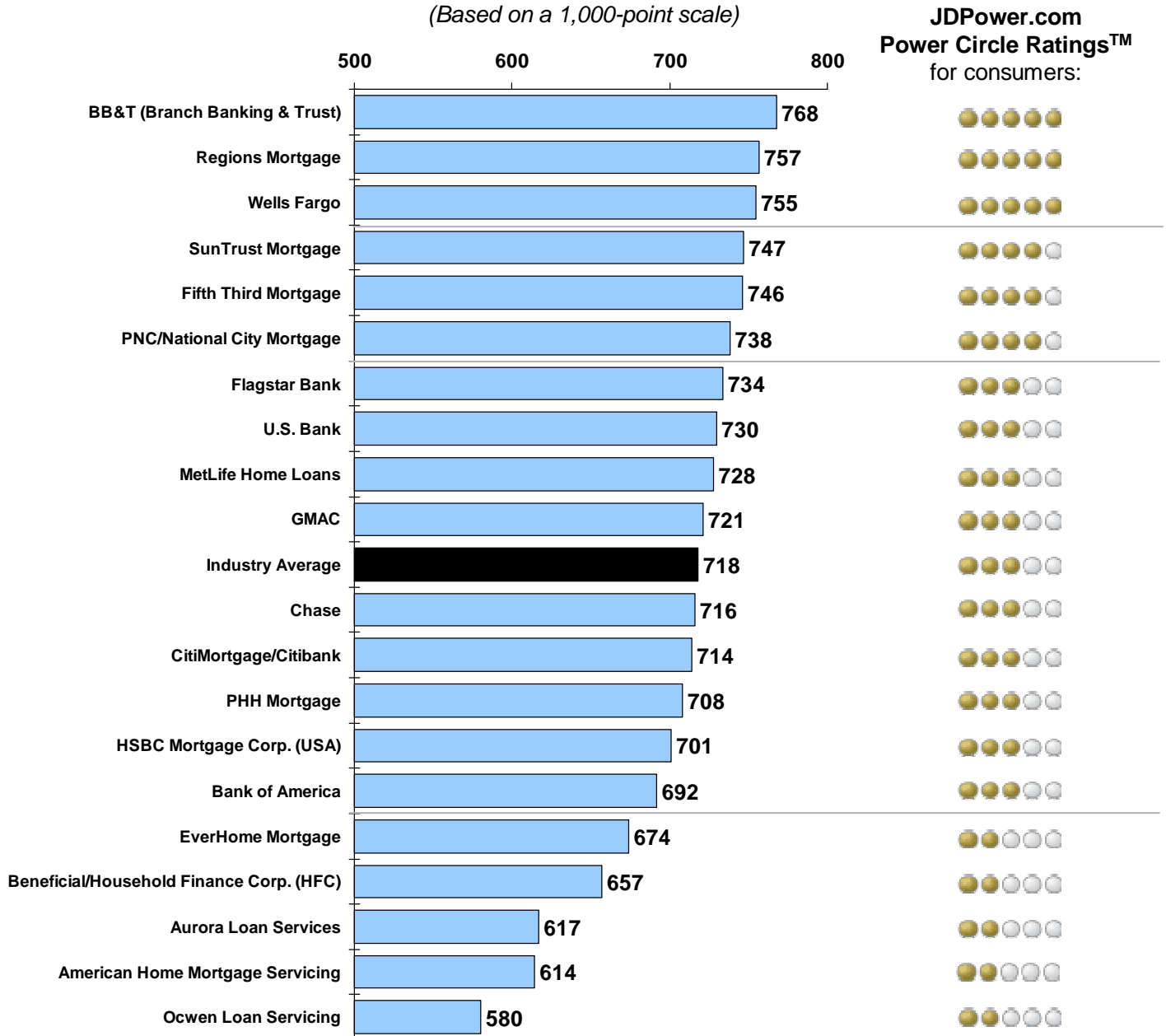
(Page 2 of 2)

NOTE: One chart follows.

# J.D. Power and Associates 2011 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 Cenlar, Dovenmuehle Mortgage, Litton Loan Servicing, OneWest and Provident Funding Associates.

Source: J.D. Power and Associates 2011 U.S. Primary Mortgage Servicer Satisfaction Study

### Power Circle Ratings Legend

- Among the best
- Better than most
- About average
- The rest

Charts and graphs extracted from this press release must be accompanied by a statement identifying J.D. Power and Associates as the publisher and the J.D. Power and Associates 2011 U.S. Primary Mortgage Servicer Satisfaction Study<sup>SM</sup> as the source. Rankings are based on numerical scores, and not necessarily on statistical significance. JDPower.com Power Circle Ratings™ are derived from consumer ratings in J.D. Power studies. For more information on Power Circle Ratings, visit [jdpower.com/faqs](http://jdpower.com/faqs). No advertising or other promotional use can be made of the information in this release or J.D. Power and Associates survey results without the express prior written consent of J.D. Power and Associates.