



Domain Knowledge Scan (DKS): Trends in Online Mortgages

June 2014

Confidentiality

ICG and their clients compete in a marketplace that generates value through the creation and management of information. It is therefore important that both parties maintain the confidentiality of each party's information. ICG will protect the confidentiality of all client information it receives and manages. Similarly ICG asks that its clients protect ICG interests and under no circumstances share, or in any other way distribute, ICG information without the explicit and prior written permission of ICG.

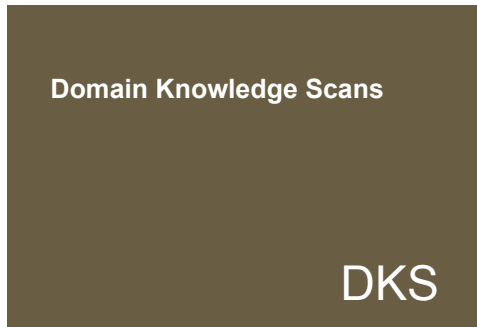
Disclaimer

ICG has made good faith efforts to ensure that this Domain Knowledge Scan (DKS) is a high-quality publication, and a reasonable interpretation of the material it purports to review. However, ICG does not warrant completeness or accuracy, and does not warrant that use of the DKS through ICG's provisioning service will be uninterrupted or error-free, or that the results obtained will be useful or will satisfy the user's requirements. ICG does not endorse the reputations or opinions of any third party source represented in the DKS.

Copyright Notice

While third party materials have been referenced and analysed in this DKS, the content represents the original work of ICG's personnel. This work is subject to copyright. ICG is the legal copyright holder. No person may reproduce the DKS without the explicit written permission of ICG. Use of the copyright material in any other form, and in any medium whatsoever, requires the prior agreement in writing of the copyright holder. The user is allowed "fair use" of the copyright material for non-commercial, educational, instructional, and scientific purposes by authorised users.

Domain Knowledge Scans (DKS)



Key case study— new approach for Santander Private Banking client statements

Santander moved to a new monthly statement system in order to improve operational efficiency and leverage them as a marketing tool

Existing Situation	The Problem	The Solution
<p>Santander Private Banking is under a part of the Santander Private Banking Division</p> <ul style="list-style-type: none"> • Formerly known as Abbey International • Operates in Europe, Latin America and USA • Employs over 2,000 professionals with more than 100 branches • One of the largest private banks in the world 	<p>Santander Private Banking needed to move to new monthly statements as part of a major operational initiative</p> <ul style="list-style-type: none"> • Rebranding from Abbey to Santander • Wanted to transform the effectiveness of these transactional documents as a marketing tool • Wanted to reduce its costs by improving operational efficiency 	<p>Triforum redesigned Santander Private Banking's statements</p> <ul style="list-style-type: none"> • Redesigned Santander Private Banking's statements to open up new transformation possibilities • Daily statements are produced on Triforum's scalable document processing service—ensuring full production audit trail and integrity. <p>Benefits delivered:</p> <ul style="list-style-type: none"> • New summary sheet with dedicated website marketing messaging box • Improved look and feel • Paper usage reduced by over 60% • Significant savings on postage

Source: expert research, secondary research, Santander Private Banking - Triforum (March 2012)

© Internal Consulting Group 2015. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording, or by any information storage and retrieval system, without the prior written permission of Internal Consulting Group.

ICG

Domain Knowledge Scans

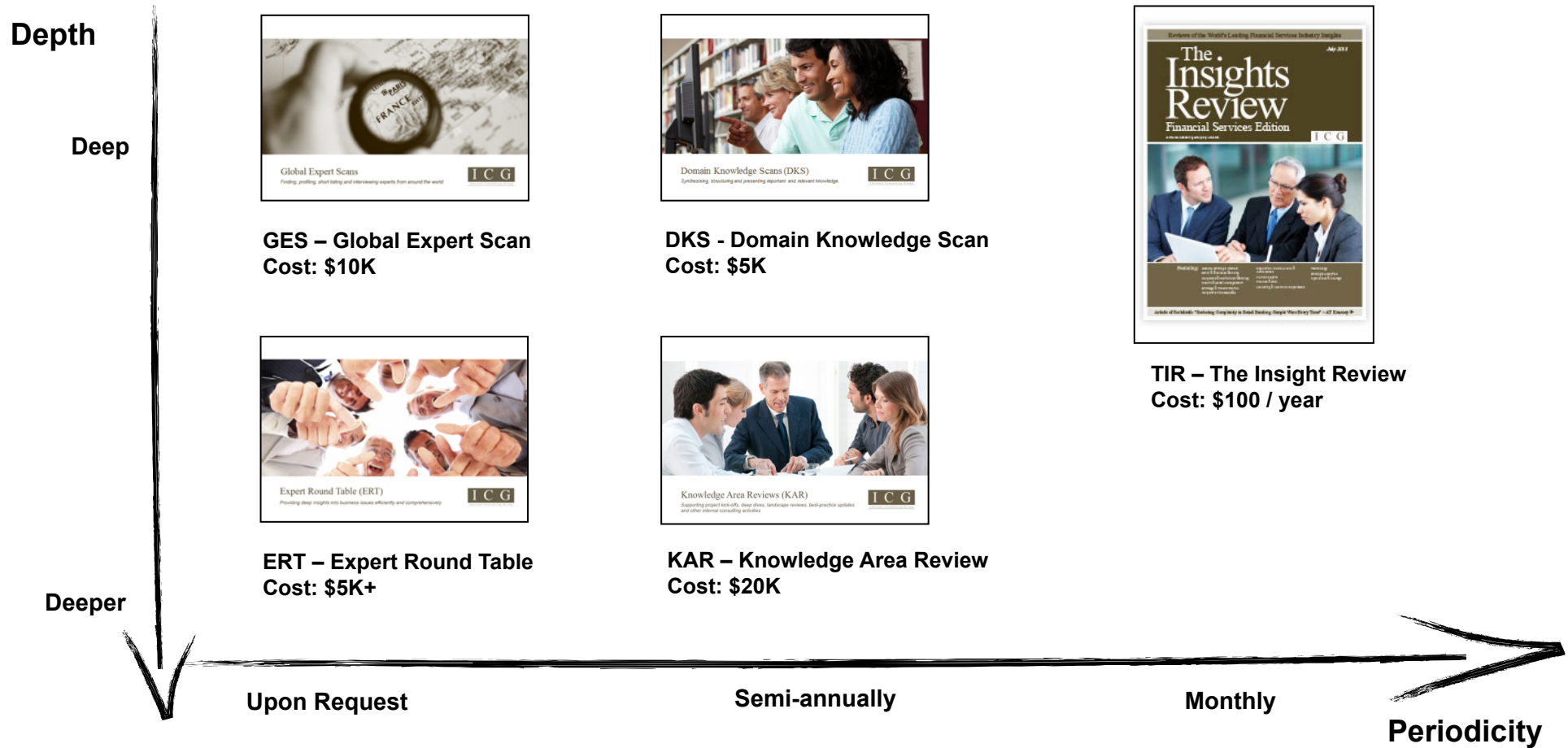
Domain Knowledge Scans (DKS) are an effective way to ensure your team is exposed to the very latest thinking in your industry, sub-sector or function

Assess the very latest thinking, practices and insights and share with your team in report form and/or via a 2 hour briefing session.

- A unique highly distilled synthesis of the newest thinking in your industry, sub sector or function
- Can include critical ideas, frameworks, case studies, insights
- Garnered from relevant peer markets across consulting and advisory firms as well as academia and industry
- Includes a stimulating presentation to your team and or an extended audience
- Includes references for further review and investigation
- Ensures your team's expertise is current
- DKSs are a companion resource to our monthly global periodical The Insights Review (TIR) and deeper full dives on a specific topic – our Knowledge Area Reviews (KAR).

DKSs are one of many innovative research tools for internal consultants and executives

ICG RESEARCH PRODUCT TAXONOMY

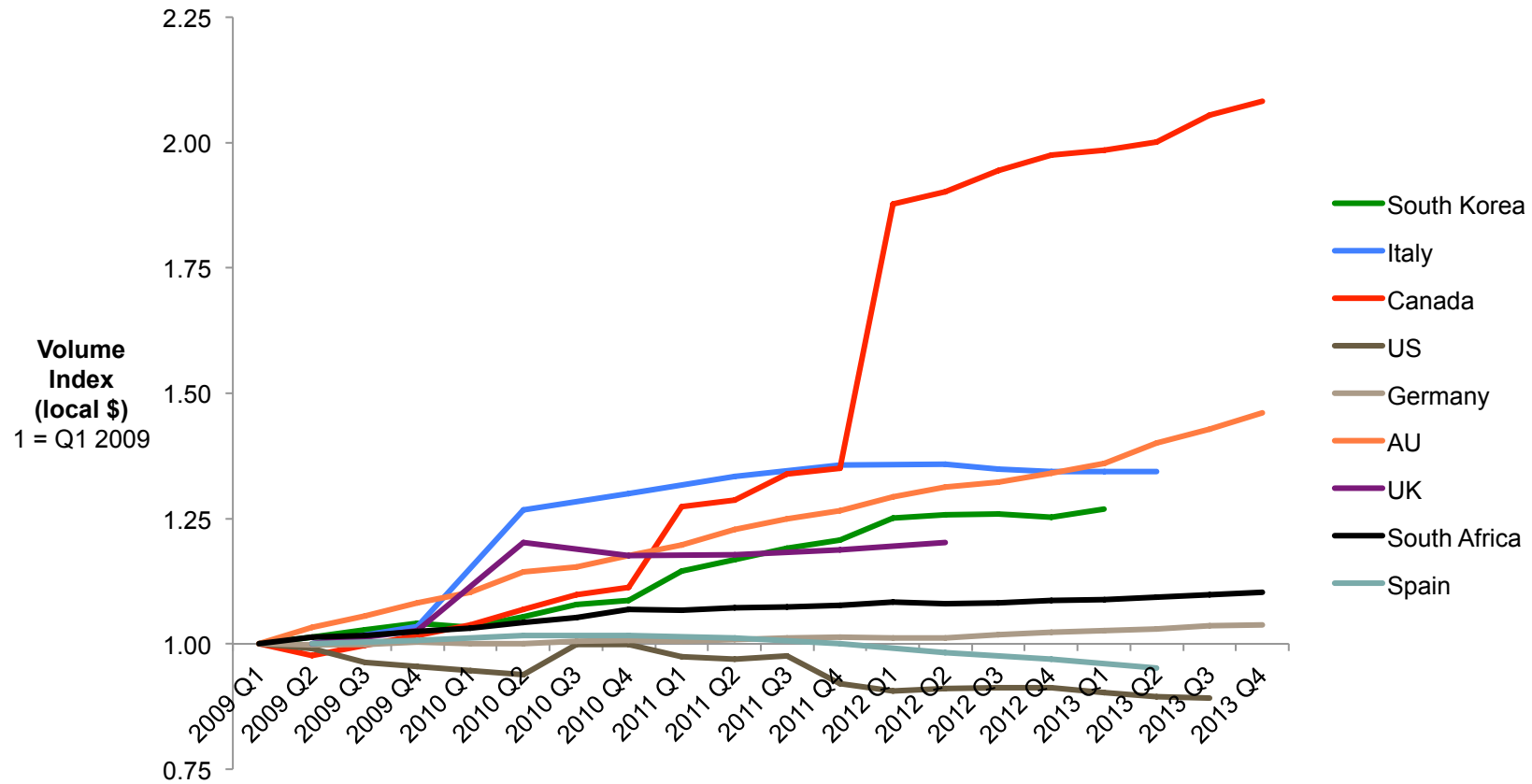


Online Mortgage opportunity

Scope	Key questions & definition
1. Current market definition	Global market for Mortgages <ul style="list-style-type: none"> • Potential for growth • Flows per channel – brokers are growing
2. Online market evolution	Will there be a fully online mortgage origination capability: <ul style="list-style-type: none"> • Consumer perspective • Capability perspective • Economic perspective
3. The Australian market opportunity	Australian market for Mortgages <ul style="list-style-type: none"> • Channel mix • Consumer channel migration • Market expectations • Constraints ICG perspective on transition path
4. Approach Incumbents are taking,	Competition & differentiation <ul style="list-style-type: none"> • What are the key strategies to capture online mortgage market • Potential strategies to shift consumer preference for offline channels towards online Simplified Estimate of size of the prize (Example Australia)

Clear evidence of a multi-speed mortgage market in developed economies

Residential Mortgage Loans Top Global Markets



Source: IMF, Financial Stability Indicators

Household debt levels also continue to grow on a number of measures

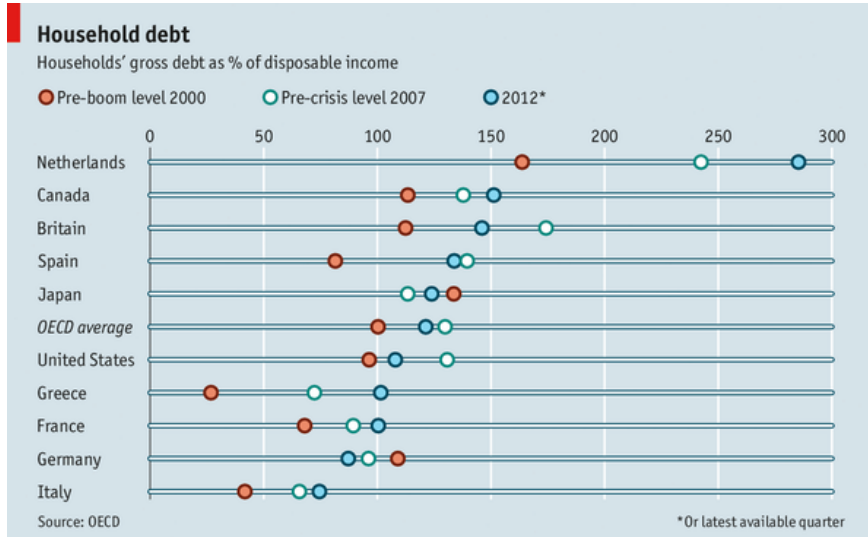
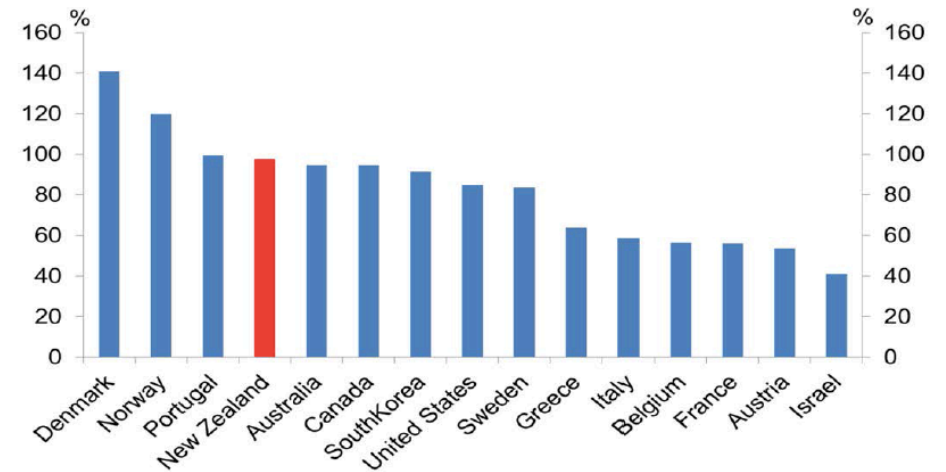
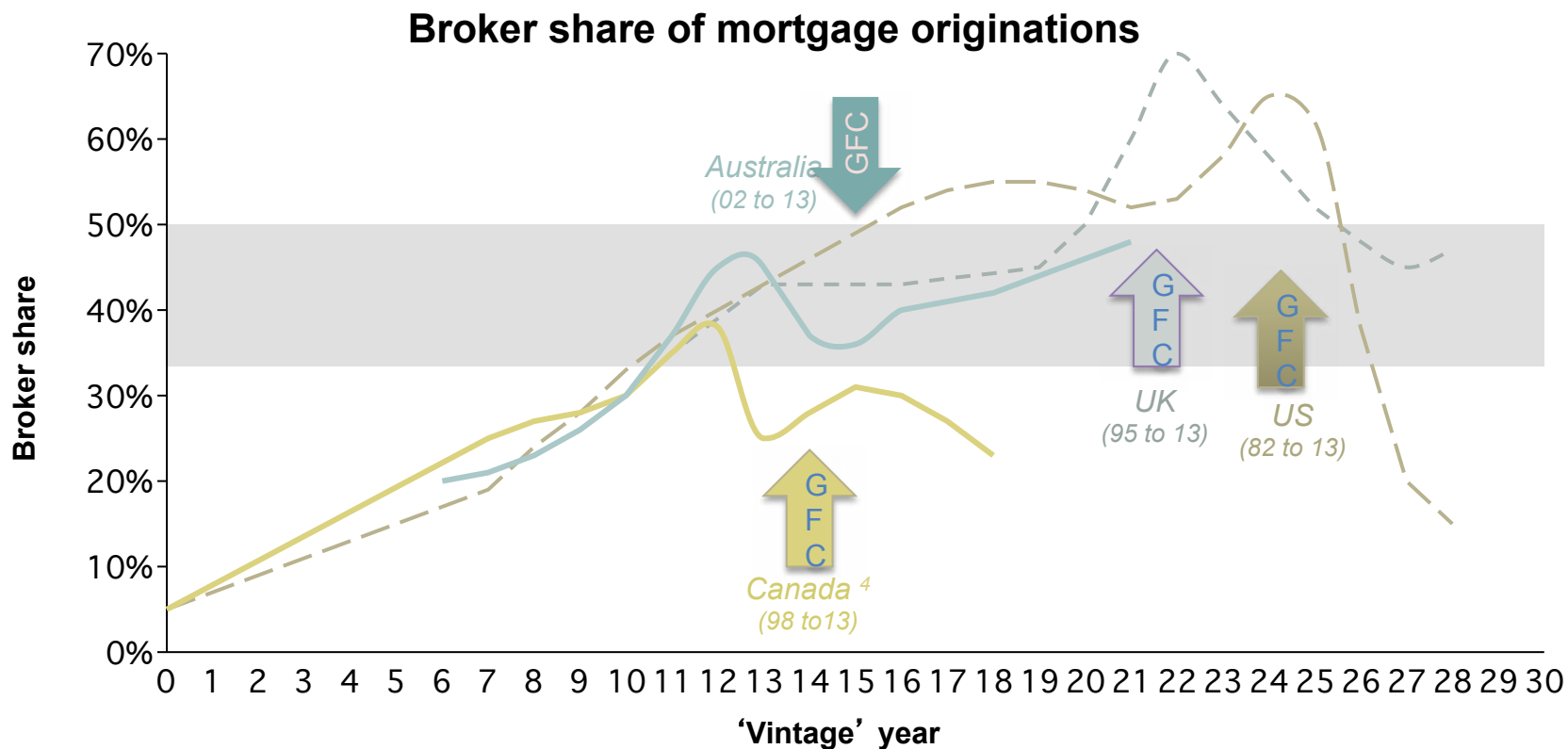


Figure 5: Household debt-to-GDP in advanced countries 2012



Source: IMF Financial Soundness Indicator (FSI) database and RBNZ
Note: Country selection based on data available from IMF.

In most countries, mortgage markets support a significant role for intermediaries who can offer choice, advice & price discovery



Intermediary share of originations in most markets seem to be evolving toward ~50% of market volumes; The exceptions (US & UK) have both been subject to significant regulatory intervention to correct mis-selling & exceptional risk taking

Source: Literature search, Broker associations, National Statistics and independent market research organisations

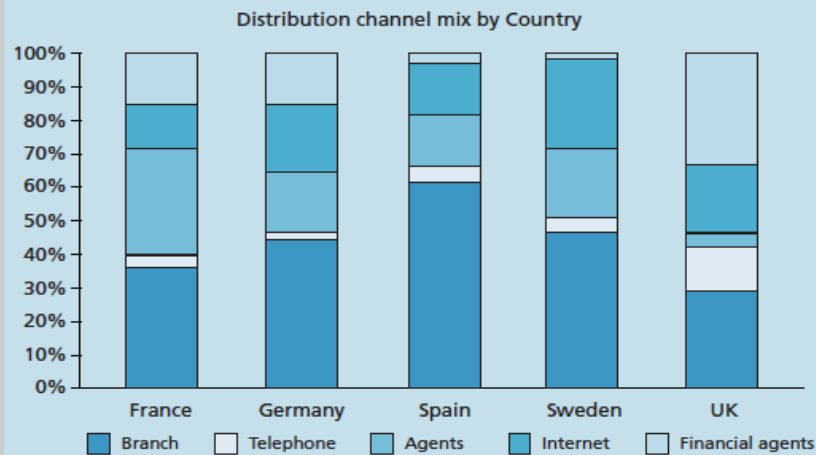
Online Mortgage opportunity

Scope	Key questions & definition
1. Current market definition	Global market for Mortgages <ul style="list-style-type: none"> • Potential for growth • Flows per channel – brokers are growing
2. Online market evolution	Will there be a fully online mortgage origination capability: <ul style="list-style-type: none"> • Consumer perspective • Capability perspective • Economic perspective
3. The Australian market opportunity	Australian market for Mortgages <ul style="list-style-type: none"> • Channel mix • Consumer channel migration • Market expectations • Constraints ICG perspective on transition path
4. Approach Incumbents are taking,	Competition & differentiation <ul style="list-style-type: none"> • What are the key strategies to capture online mortgage market • Potential strategies to shift consumer preference for offline channels towards online Simplified Estimate of size of the prize (Example Australia)

Most forecasts believe that a significant proportion of Sales & Advice conversations will shift towards remote channels (internet, mobile, call center etc.)

EU Mortgage Distribution Channels circa 2007

A heavily skewed mortgage distribution mix

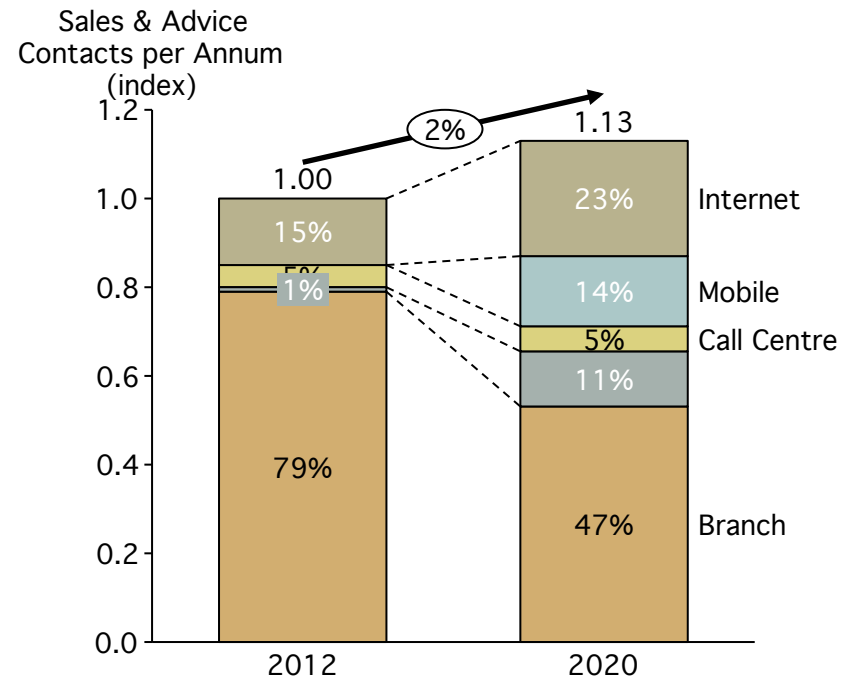


There is a bias towards internet channels accounting for over 10% of share in all markets and over 20% in Sweden. Mortgage distribution mix is heavily skewed across Europe : in mature mortgage market, such as UK and Netherlands, more than 60% of mortgages are distributed through indirect channels.

Source customer survey

Source: EFMA, 2007; BCG Distribution 2020

Global Sales & Advice Contacts for Financial Services



“By 2020, 40 percent of all sales-and-advice interactions with consumers will be handled through on-line channels. But branches will still be important. Frontline face-to-face and voice-to-voice channels will handle 60 percent of all sales-and-advice interactions by 2020, primarily advising on complex products (investments and complex mortgages).”

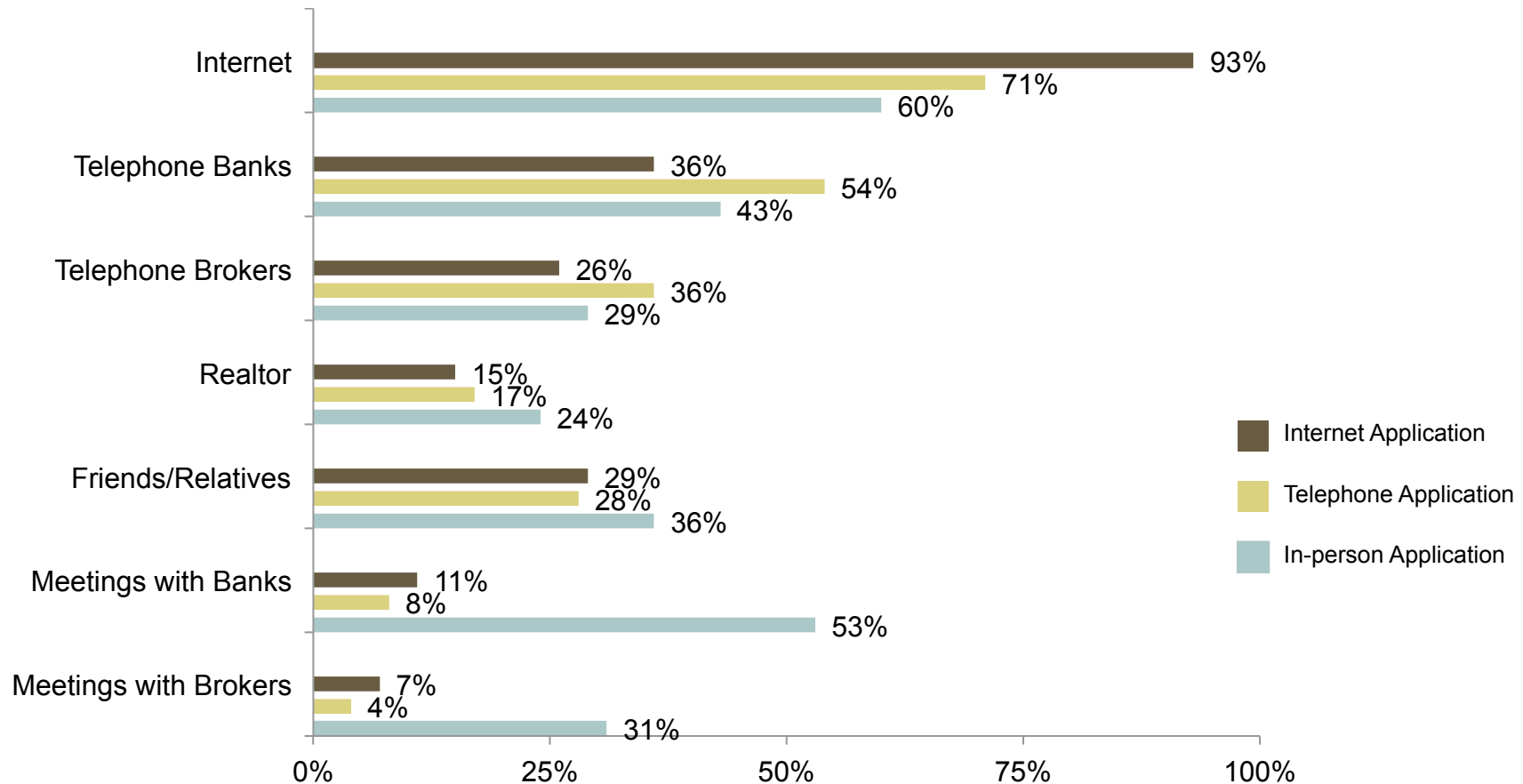
Underlying trends suggest online Mortgages may be inevitable for a significant segment of the market

- Consumers increasingly expect online capabilities
- Both Lenders and mortgage brokers expect online capabilities and competitors
- Consumer behaviour today is moving online
 - Simple transactions have moved highly online or digital
 - Virtually all customers begin their research process online
 - Customers value convenience and speed (best achieved in a fully digital way)
 - Customers are increasingly trialing on-line process
 - Transition of every-day transactions away from branch means that high-value sales (like mortgages) need to manage yield-loss in acquisition process
 - Highest loss are between research to application & application to decision
 - Banks have enough information (if automated) to offer fully online mortgage (for existing customers)
 - Leaders around the globe are already moving online
- However, there are significant constraints to a full end-to-end mortgage experience as it is dependent on digitisation and automation of many 'infrastructure' components
 - Online Identity Verification, Biometrics, Income Verification for non-bank customers
 - Robust continuous credit behaviour bureaux and property valuation services
 - Digitisation of title management and conveyancing
- ... And significant proportion of the market will continue to be too complex to migrate on-line for the foreseeable future

Consumers increasingly use the internet as the primary source of information when conducting research for a mortgage

Information sources used before applying

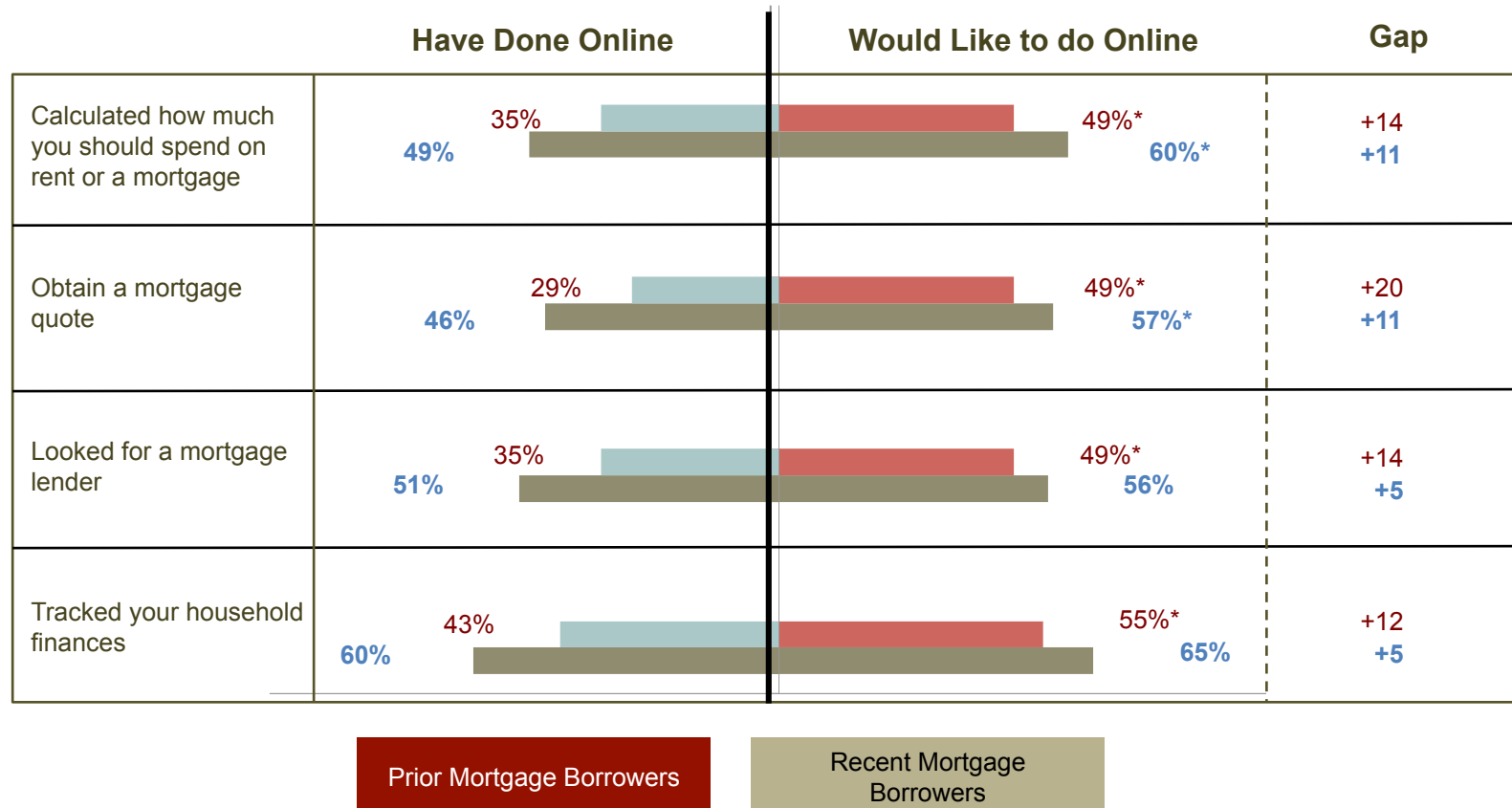
Base = Respondents who used each application method



Note: Percentages do not total 100 because some respondents did not use some information sources\

Source: Deloitte: Turning doubters into Online Believers 2011 – Exhibit 1

In the US, both recent & prior mortgage borrowers are moving online behaviour beyond research



*Denotes a statistically significant difference between “would like to do online” and “have done online” at the 95% confidence level

Q: Have you ever done this online? [multiple responses permitted] **A:** “Yes, using a smartphone” / “yes, using a tablet” / “yes, using a personal computer” / “No” *Showing % Yes, have done online using at least 1 device – Mortgage Borrowers*

Q: Would you like to do this online in the future? [multiple responses permitted] **A:** “yes, using a Smartphone” / “Yes, using a tablet” / “Yes, using a personal computer” / No” *Showing % Yes, would like to do online using at least 1 device – Mortgage Borrowers*

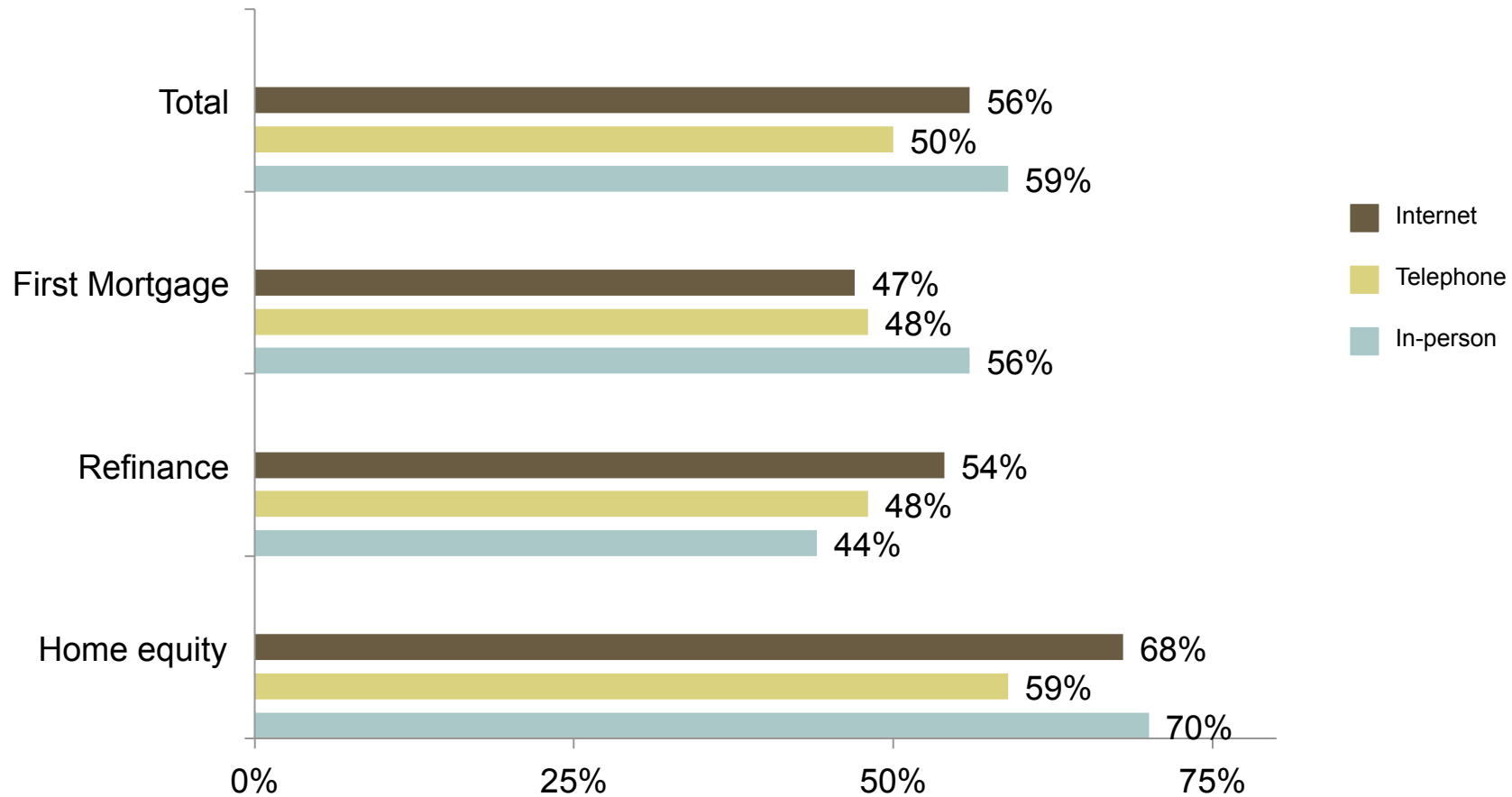
Source: FannieMae, Online survey 2014

Online application process meets customers needs

Satisfaction with application process

Percent of respondents very satisfied (6-7 on 7-point scale)

Base = Respondents using each product and application method

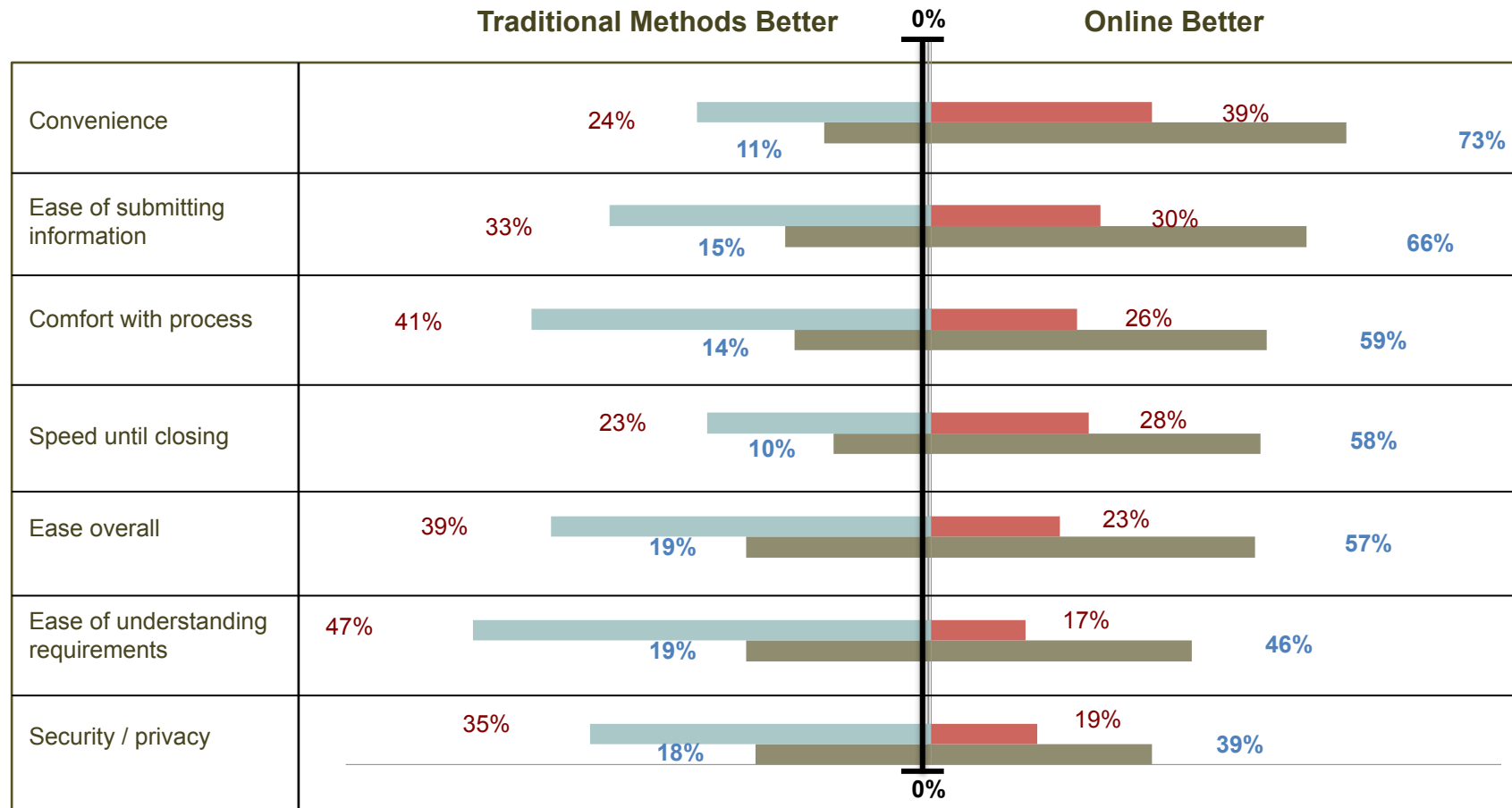


Source: Source: Deloitte: Turning doubters into Online Believers 2011; Exhibit 4

Even doubters are beginning to see value in online methods of application

Two views of online applications: Believers v. Doubters

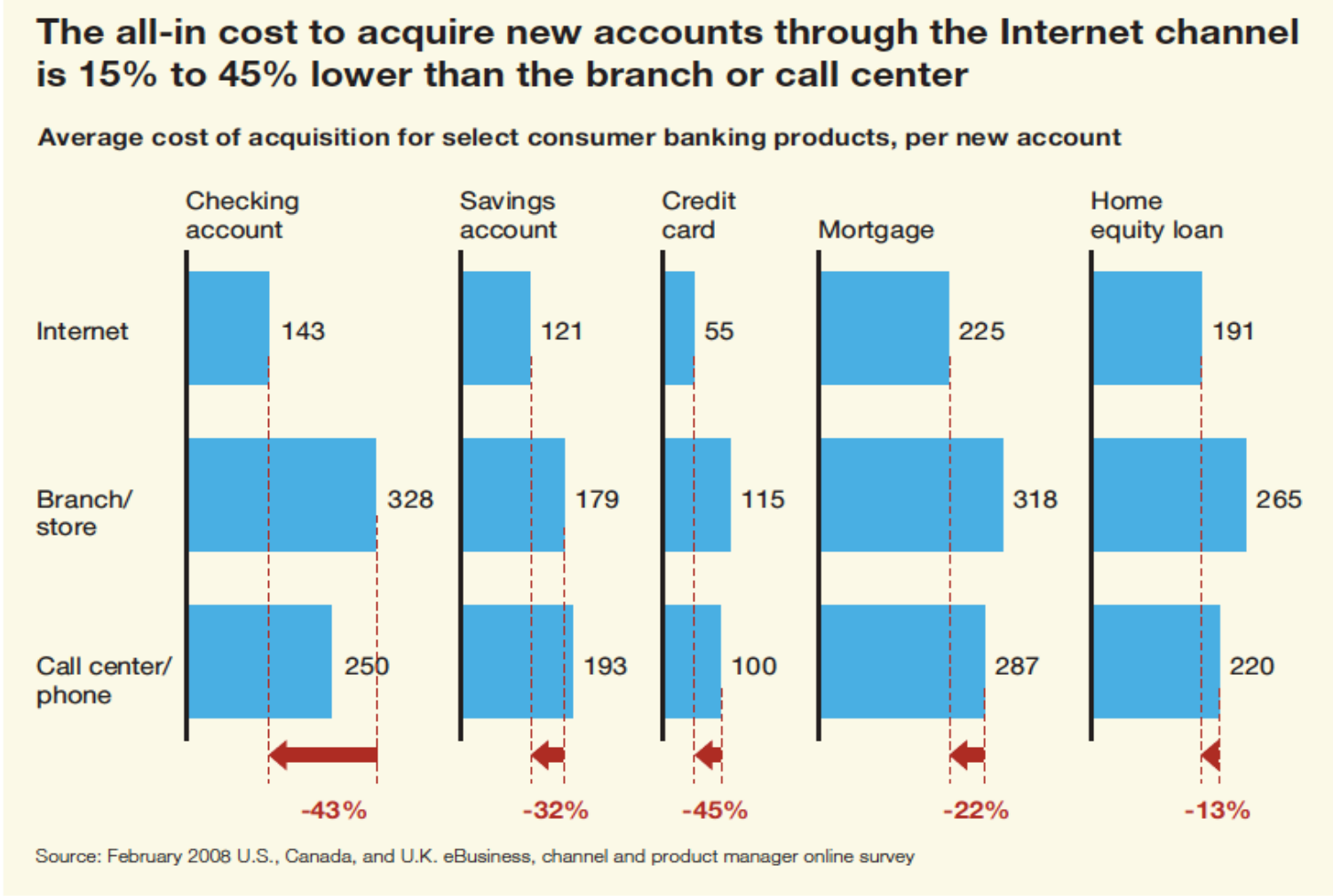
Traditional application methods = telephone and in-person



■ Traditional applicants
 ■ Online applicants

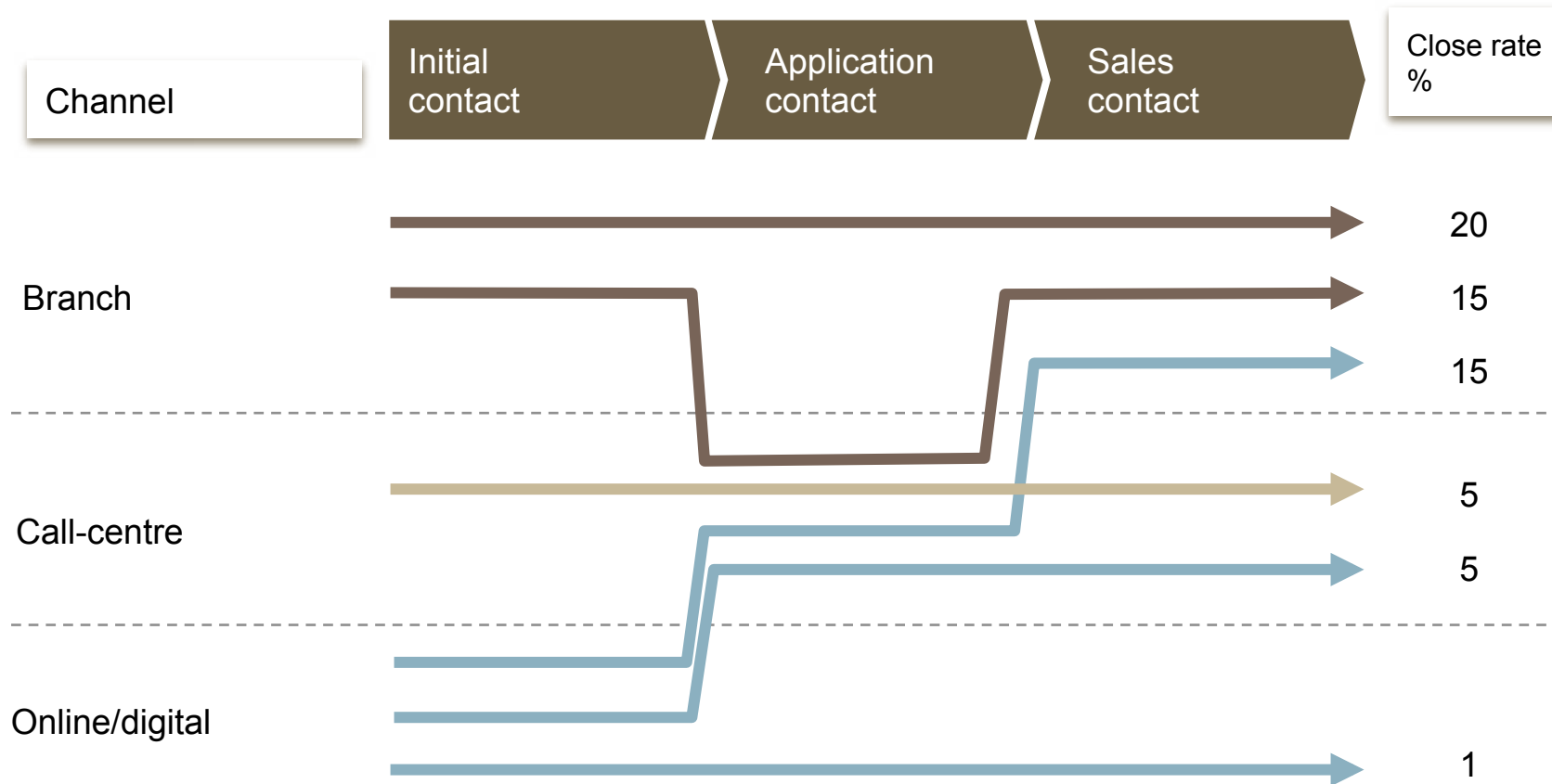
Source: Source: Deloitte: Turning doubters into Online Believers 2011; Exhibit 6

Fact: Pure Mortgage origination is less costly via direct channels
Internet/Call center



Source: Mckinsey Retail Banking Multi-channel 2010

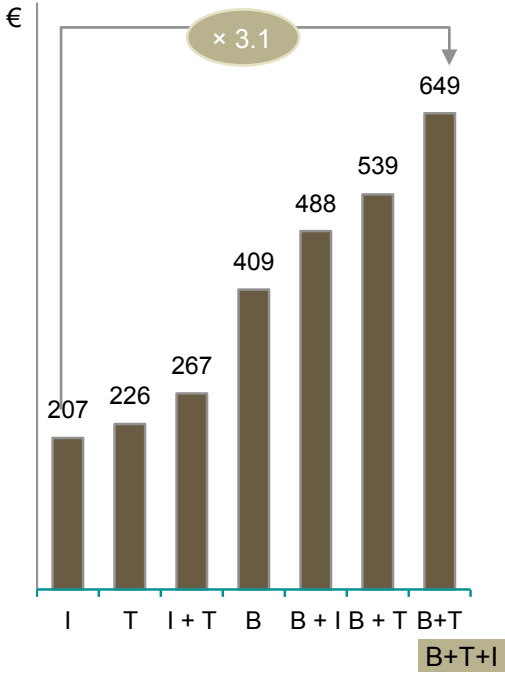
And... Multi-channel customers are more likely to buy



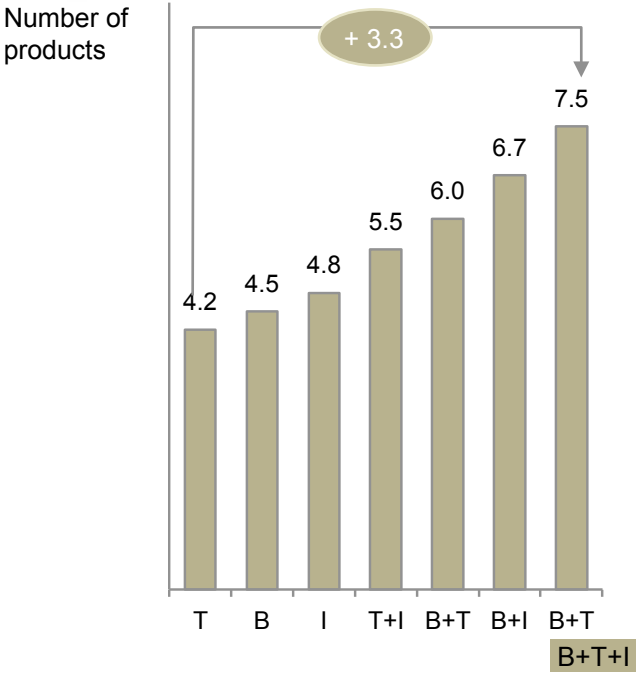
Source: BCG Multi-channel publication

Leading digital banks are showing that multi-channel drives profit, wallet share & loyalty

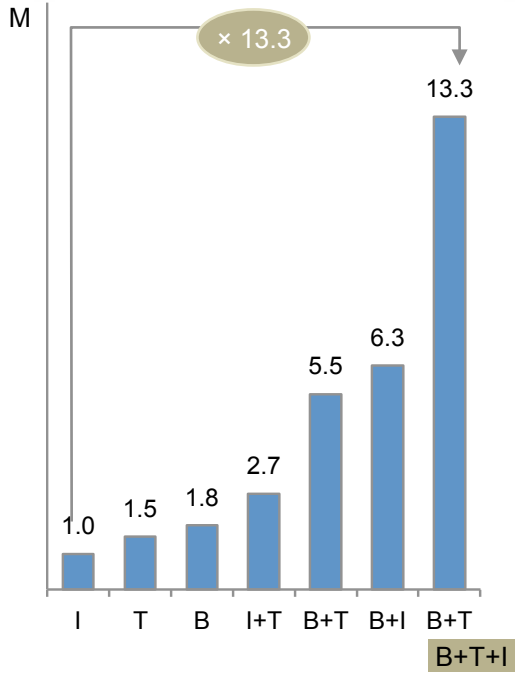
Average profitability per customer



Average number of products per customer



Customer loyalty



Effect of multi-channel usage: Threefold profitability

3.3 additional products per customer

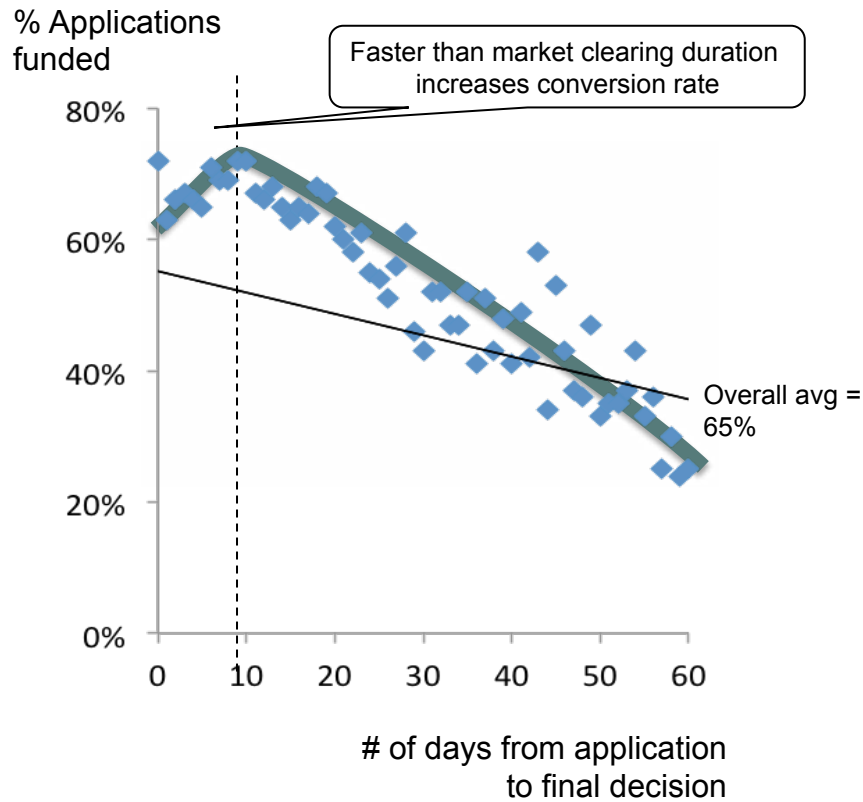
13.3 times higher loyalty than pure Internet user

B = Branch
T = Telephone
I = Internet

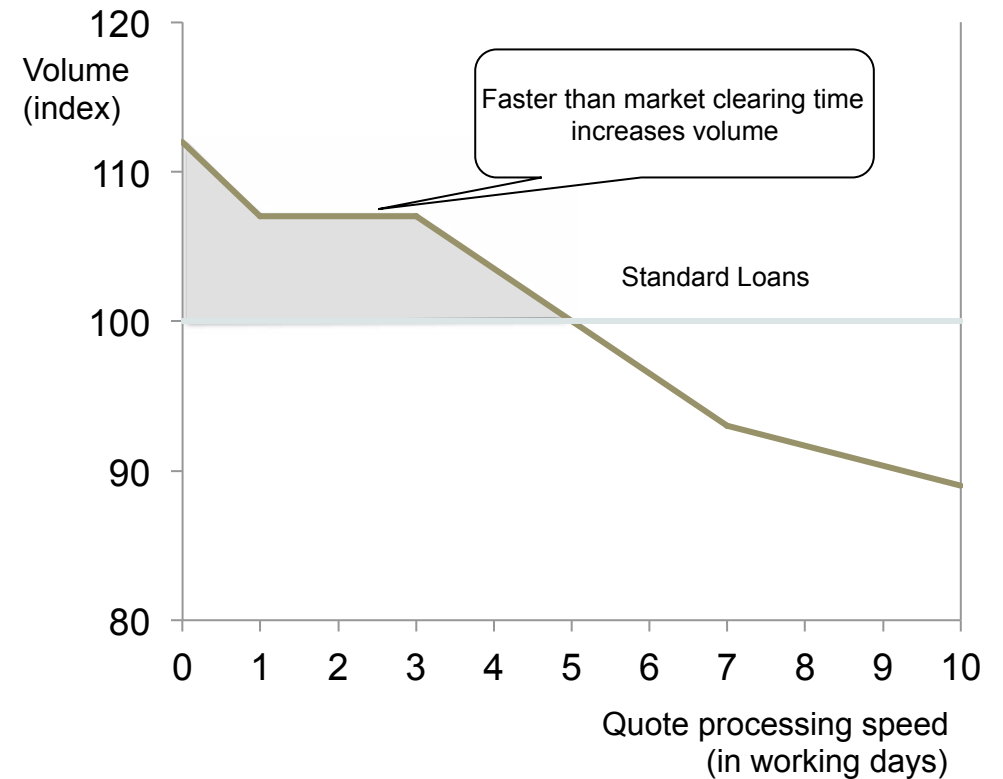
Source: Literature search

Time is money in mortgages

Speed Increases Conversion *NA Example*



Speed Increases volume *EU example*



Source: ICG experience

In 2004, HBOS introduced 15 minute Mortgage

Halifax mortgage promise

Branch
~ 15 mins

Can I have a mortgage? How much can I borrow?

Get straightforward answers to your questions by applying for a Mortgage Promise. It will take just fifteen minutes to fill in the form, and immediately you will get an indication of what we are prepared to lend you

We'll confirm this by giving you a Mortgage Promise Certificate, which is really handy if you are buying a home and want to prove you are a serious buyer

Call centre
~ 5–15 mins

What do I need to do?

We'll take you step by step through the Mortgage Promise. We recommend you have the following information to hand, as this will make your application much easier to complete

- Any existing mortgage information, for example, how much you owe
- Any existing Halifax account information (including roll numbers, sort code, and account numbers)
- Your income details (and National Insurance number if you can find it)
- Your address and employment history for the last three years
- Details of any bank accounts, including credit cards and store cards
- Details of the house you are buying (if this applies/if you have any details to hand)
- Your e-mail address

Online
~ 60 seconds

Source: Literature search

Case examples

Simple application process

Minimum customer info requested ('your national insurance number if you can find it')

Available through all Halifax/ BoS-branded channels



Can be completed as a one off promise (minimizes time spent on vague prospects)

Also used as first stage in a formal mortgage interview (60–90 min)

Allows the advisor to start with the good news . . .

. . . but also to identify customers with credit problems early in the process

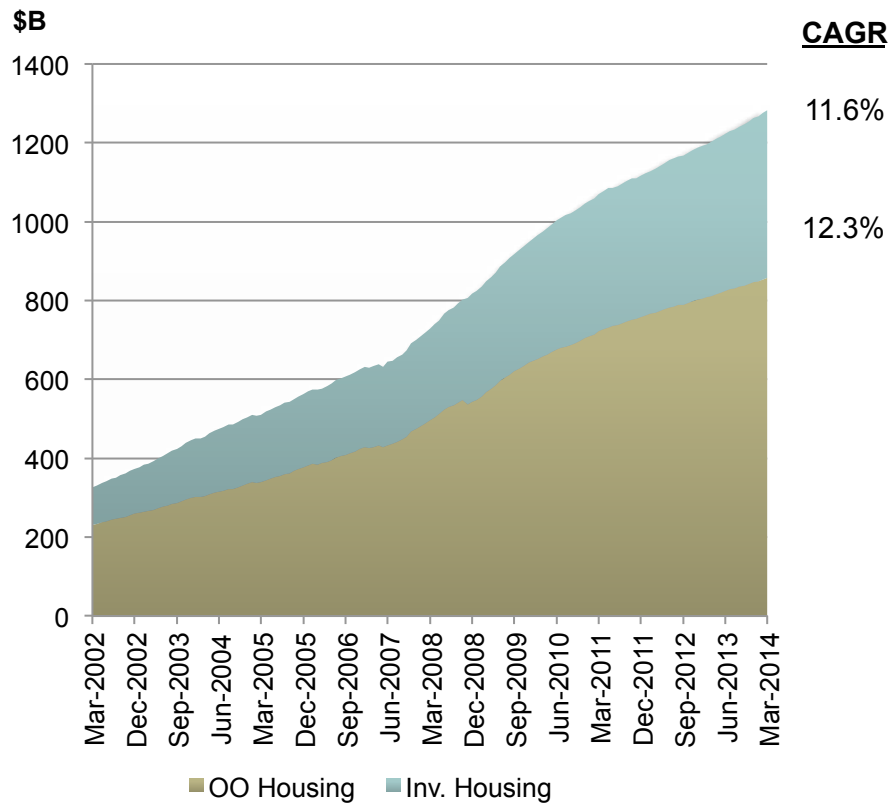
Online Mortgage opportunity

Scope	Key questions & definition
1. Current market definition	Global market for Mortgages <ul style="list-style-type: none"> • Potential for growth • Flows per channel – brokers are growing
2. Online market evolution	Will there be a fully online mortgage origination capability: <ul style="list-style-type: none"> • Consumer perspective • Capability perspective • Economic perspective
3. The Australian market opportunity	Australian market for Mortgages <ul style="list-style-type: none"> • Channel mix • Consumer channel migration • Market expectations • Constraints ICG perspective on transition path
4. Approach Incumbents are taking,	Competition & differentiation <ul style="list-style-type: none"> • What are the key strategies to capture online mortgage market • Potential strategies to shift consumer preference for offline channels towards online Simplified Estimate of size of the prize (Example Australia)

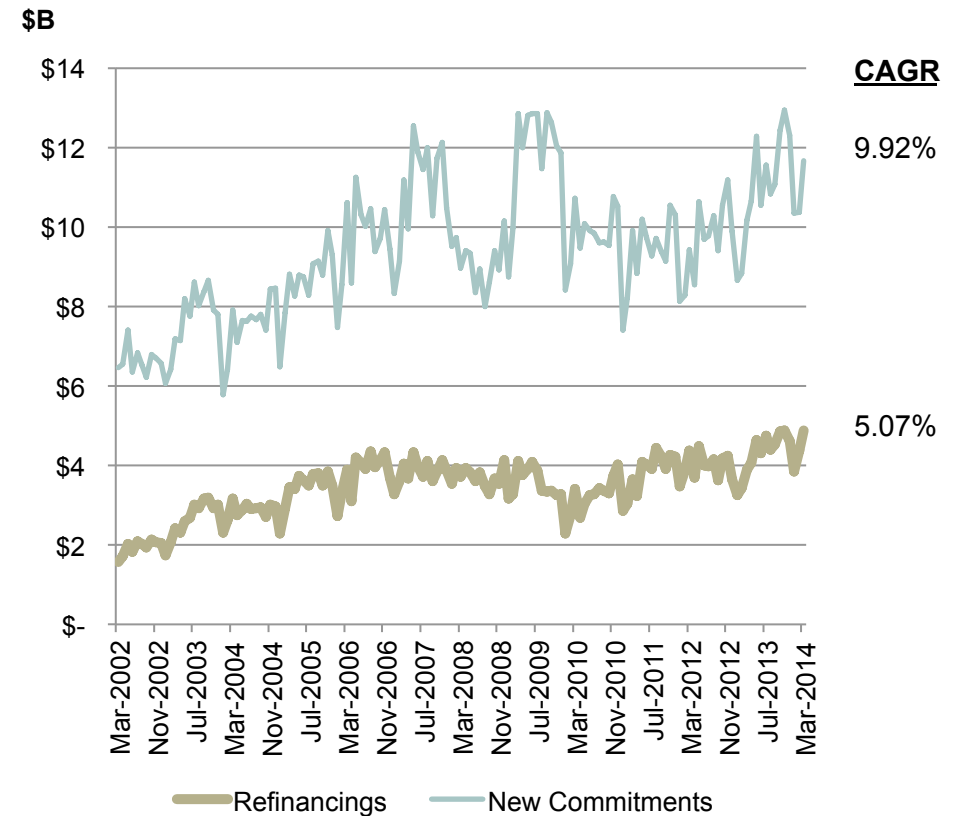
Australian Market Development

Australian Mortgage market is approaching \$1.3T Outstanding, ~2/3 Owner occupied & 1/3 Investment Housing.
 Monthly commitments exceeding \$16B, 4.9B in Re-financing, & \$11.7B in New Commitments

Outstanding Housing Loans



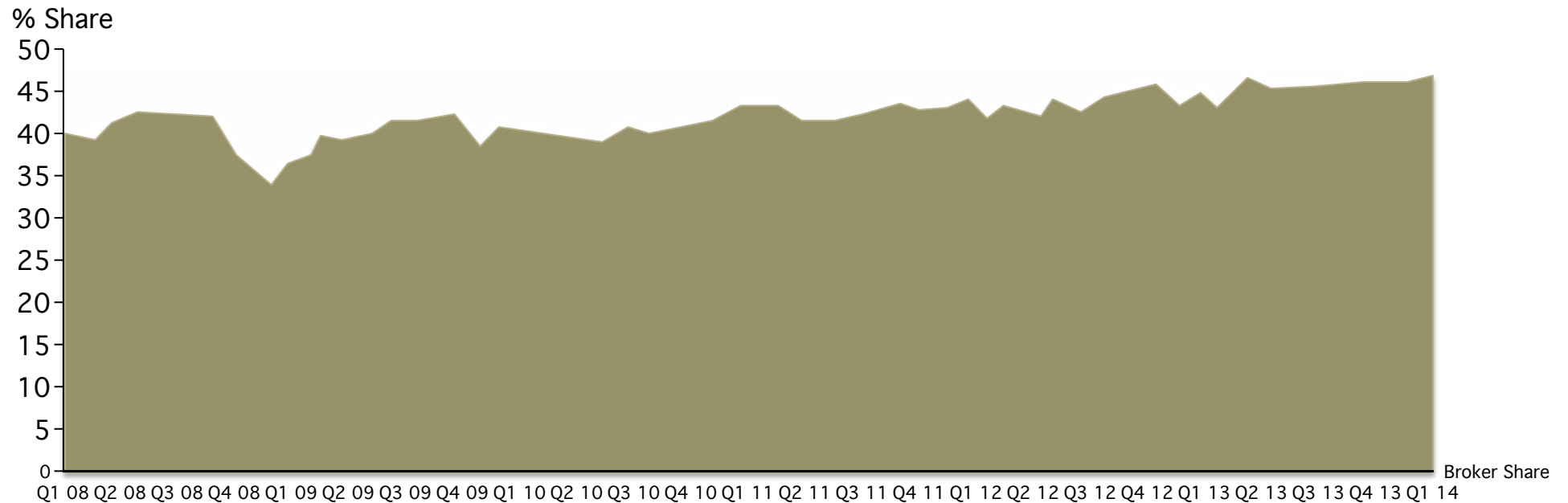
Monthly Mortgage Commitments



Source: Australian Bureau of Statistics; 5609.0 - Housing Finance, Australia, Mar 2014 ; Table 12

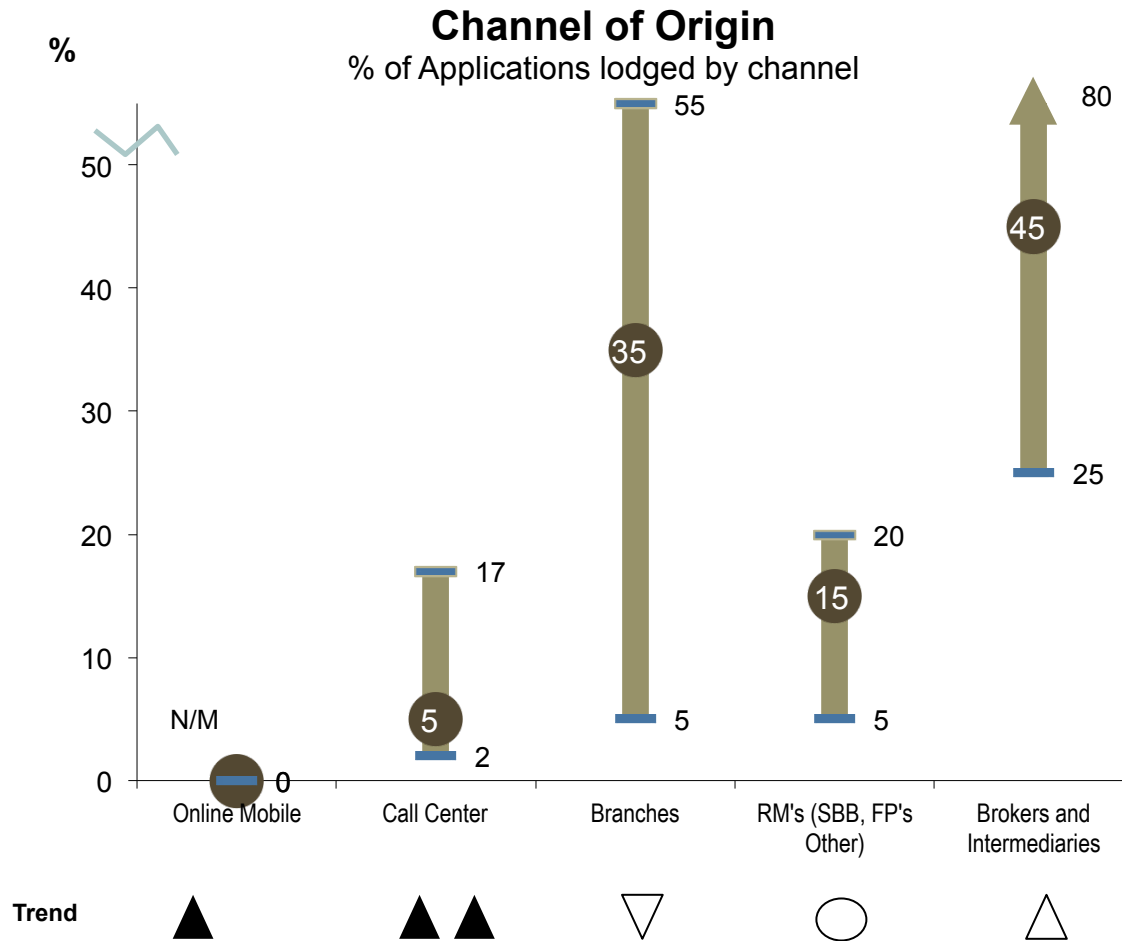
AU Broker share grown to approach 50% of originations

Broker originated loans as a proportion of all new commitments fell post Global Financial Crisis to a low of ~35% as banks tightened credit. Share recovered quickly through 2009 to ~40% and has grown to ~50% of the market



Source: 2012 JPMorgan / Fujitsu Mortgage Market Study; 2012-14; Comparator Report data, Digital Finance Analytics

In Australia, Online share of applications originated & funded is negligible, today...



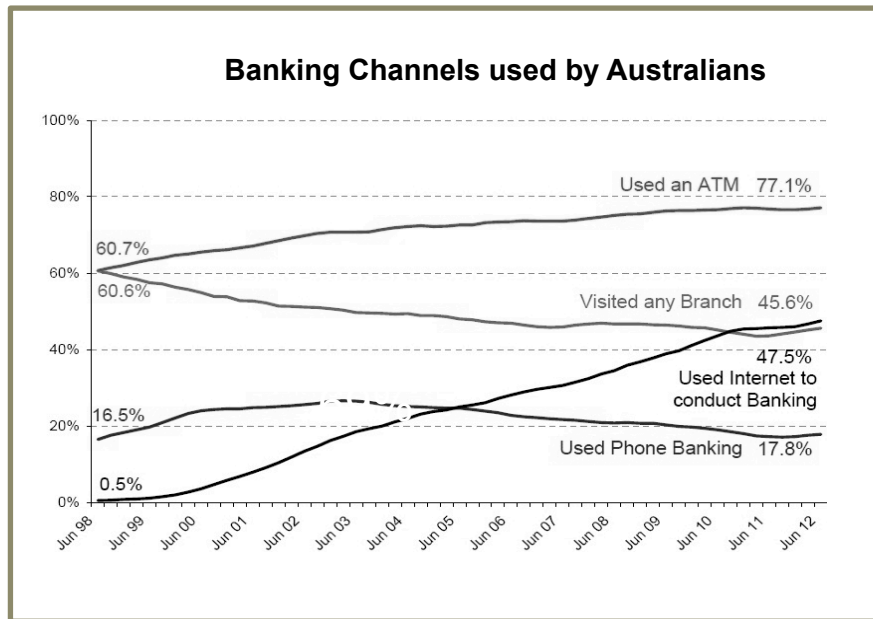
- Few universal banks around the world provide a fully online end-to-end mortgage process. Those furthest advanced have automated the process from application to decision, these include:
 - Sweden – SBAB
 - Spain, - Bankinter
 - Canada – PC Financial
 - Australia – Commbank

In each case, while it is possible to get a decision and mortgage documents online, the post-application submission the process is transferred to an advisor (either in-person, video or online) to handle communications closing and cross-sell activities.

- With declining margins, consumer behavior moving away from branch usage and the prospect for higher capital reserves against the mortgage portfolio, banks are seeking ways to retain shift share away from their most expensive channel – intermediaries towards proprietary staff, in branches, mobile lenders and contact center staffed specialists
- Additional capabilities being built to improve productivity of proprietary channels include:
 - Digital & multi-channel Application capture
 - Analytics & Context sensitive offers
 - Robust referrals and lead management
 - Multi-channel measurement & incentives

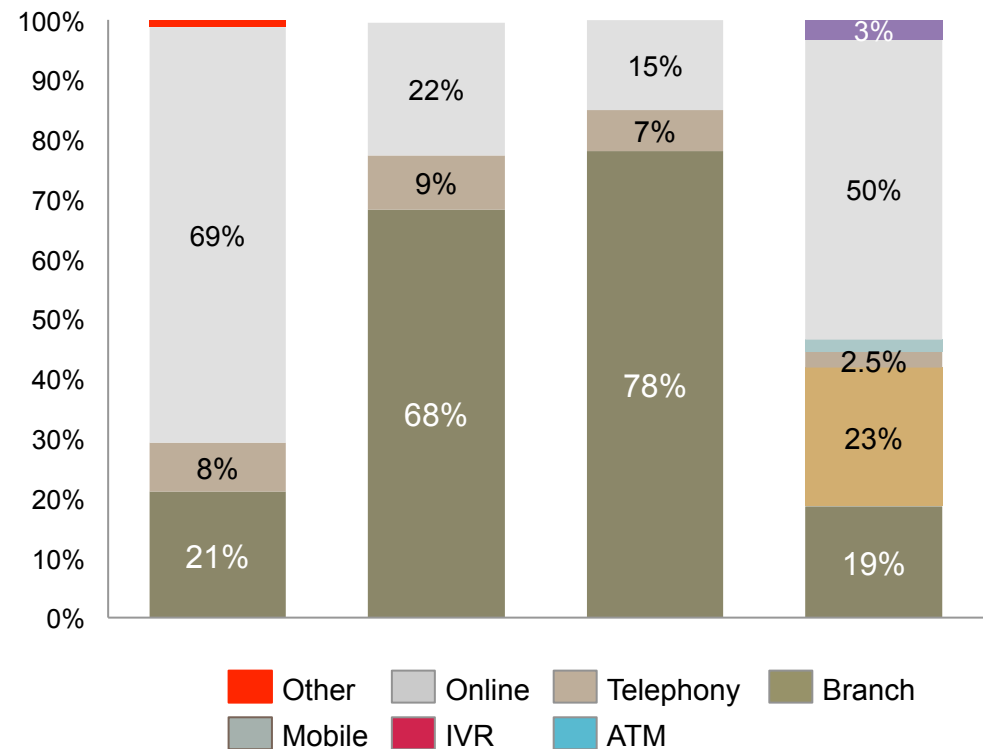
Source: ICG experience
1) Channel of App Lodgement

Australian customers are already conducting many of their FS product journeys through multiple channels



“This year, for the first time ever, Internet Banking has overtaken branch visits and is now the second most popular channel of banking, behind ATMs”

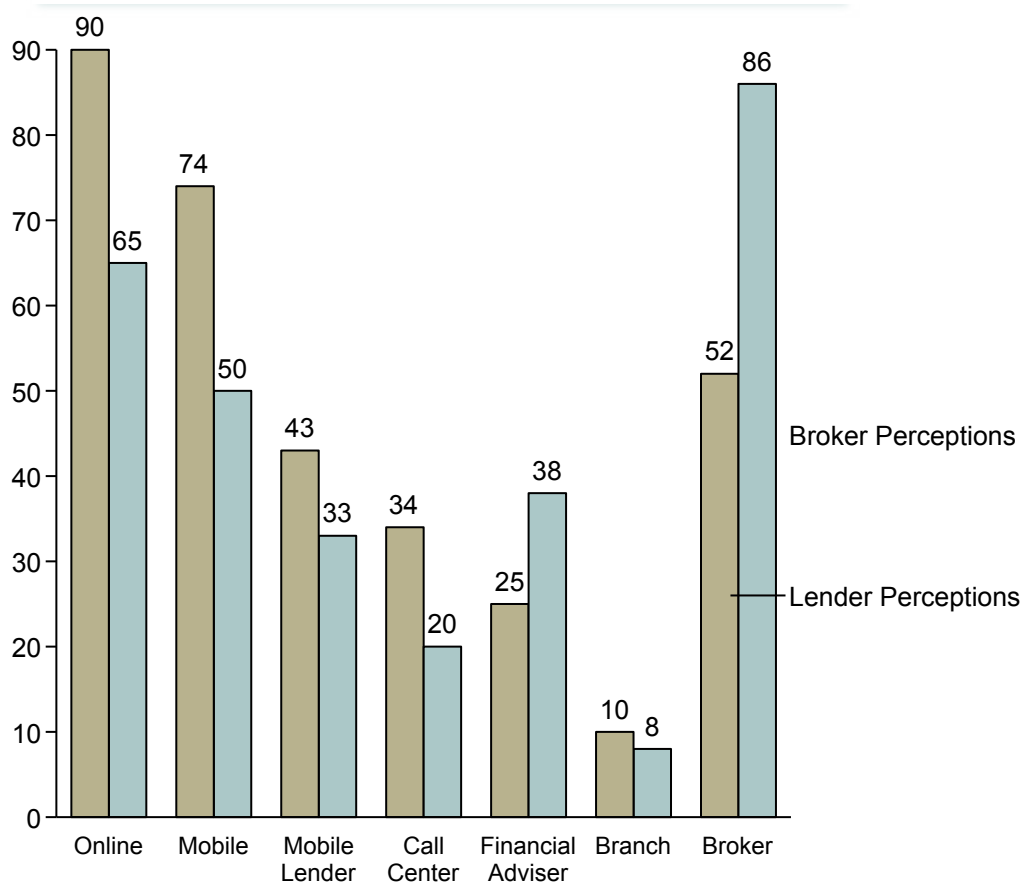
Source: Roy Morgan Single Source (Australia), July 1997 – June 2012



Source: BCG perspective on consumer channel preferences 2012-2017
All Banking Products

In Australia, both Lenders and Brokers alike expect growth in digital channels

Lenders and Brokers expect Online and Mobile to grow relative to traditional channels (2014-2019)



Source: Genworth HomeGrown Study 2013

Digital revolution has changed the way lenders interact with borrowers;

- Borrowers will increasingly use online/mobile channels to apply for mortgages
- Growth will come at the expense of Branch (43% of lenders expect volume sold in branch will decrease; 57% of brokers expected the same)

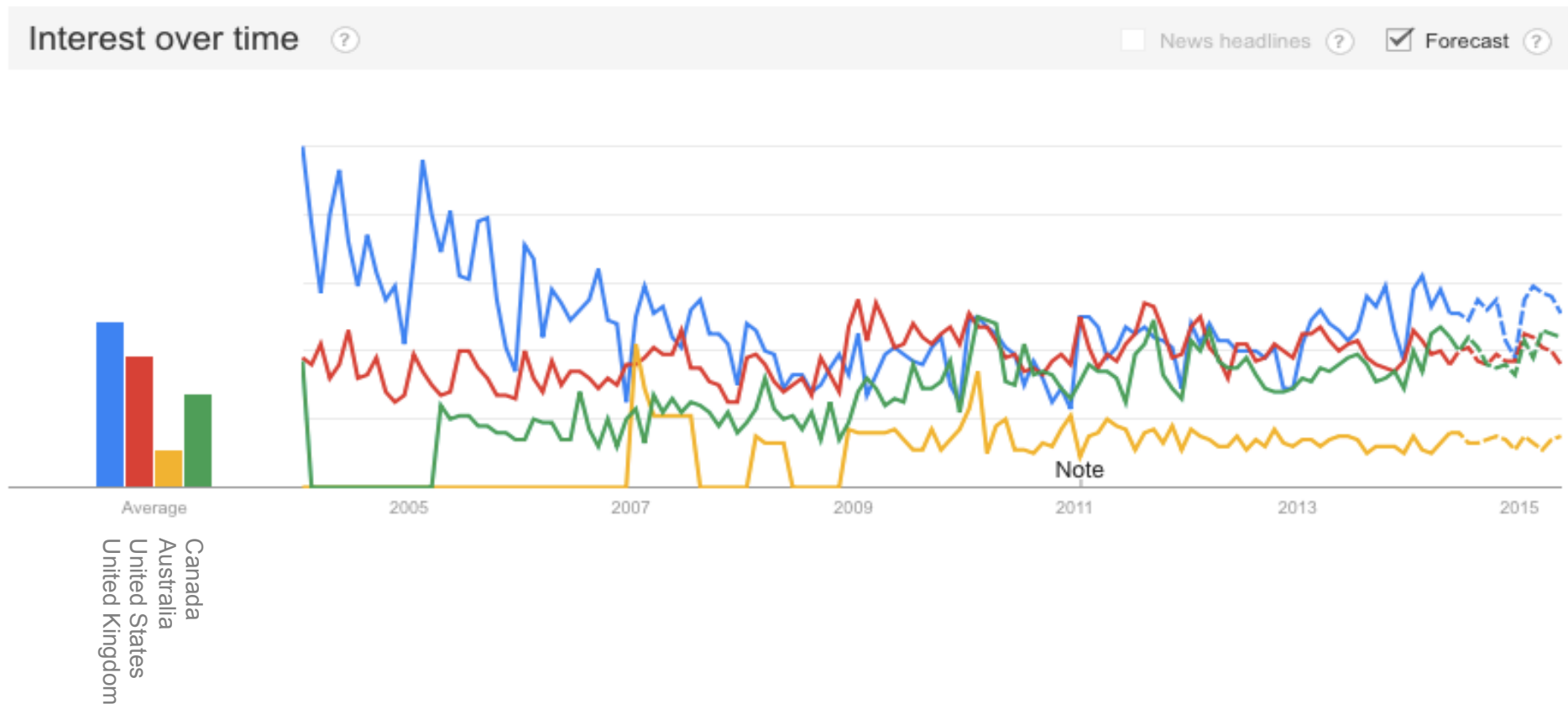
However the full end-to-end mortgage loan is a long way away;

- “Too complicated; Too many variants” – Banker
- “Attackers will simplify things and banks will have no choice but to follow suit, changing the shape of market share distribution”

Where the trade-off will happen is... increasingly, transaction-based activities will migrate from branches to digital. The lower value... activities integral to obtaining a mortgage [such as] determining affordability [and] comparing offerings will also increasingly migrate to digital. Strategic advice and aligning suitability of offering to specific customer needs will continue to benefit from human interaction, which will underwrite the longevity of the broker channel.” – Lisa Claes, Executive Director at ING DIRECT

But unlike consumers elsewhere, interest on-line mortgage is not yet increasing

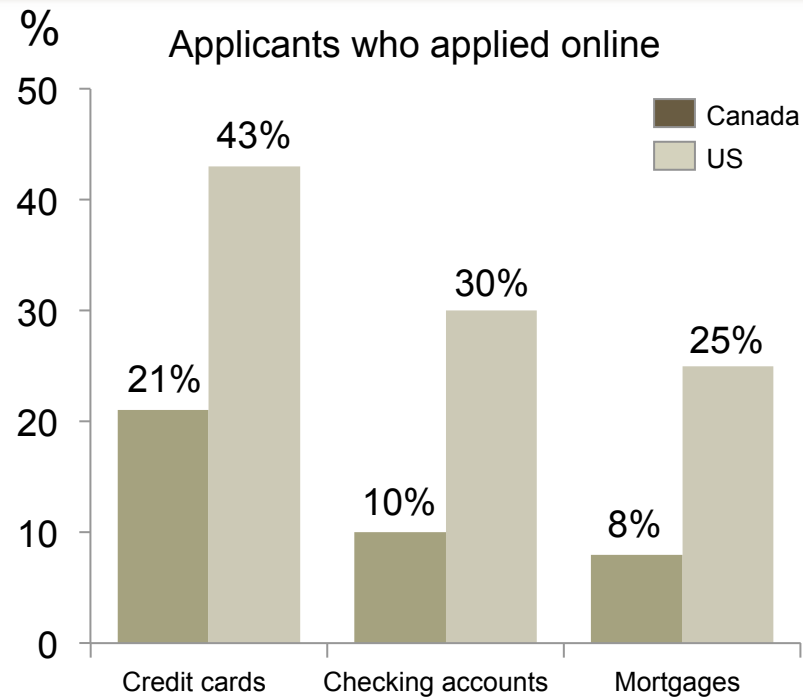
Google Trends: “Online-Mortgage”



Source: Google Trends (May 2005-2014; Forecast of 2015)

Key Constraints = Mortgage complexity & lack of online capabilities in Australia

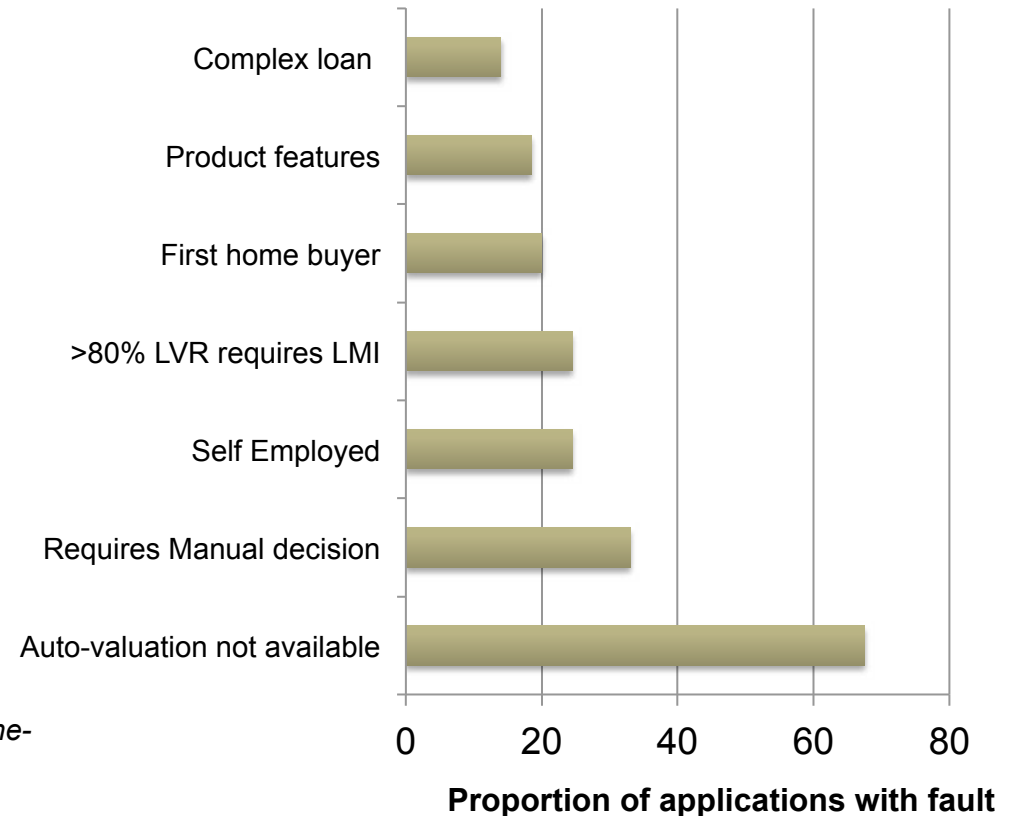
Online application rates are a chicken & egg problem



Low Canadian application rates driven by lack of bank provided online-channel capabilities

In 2013, 15% of all US mortgage commitments were initiated online

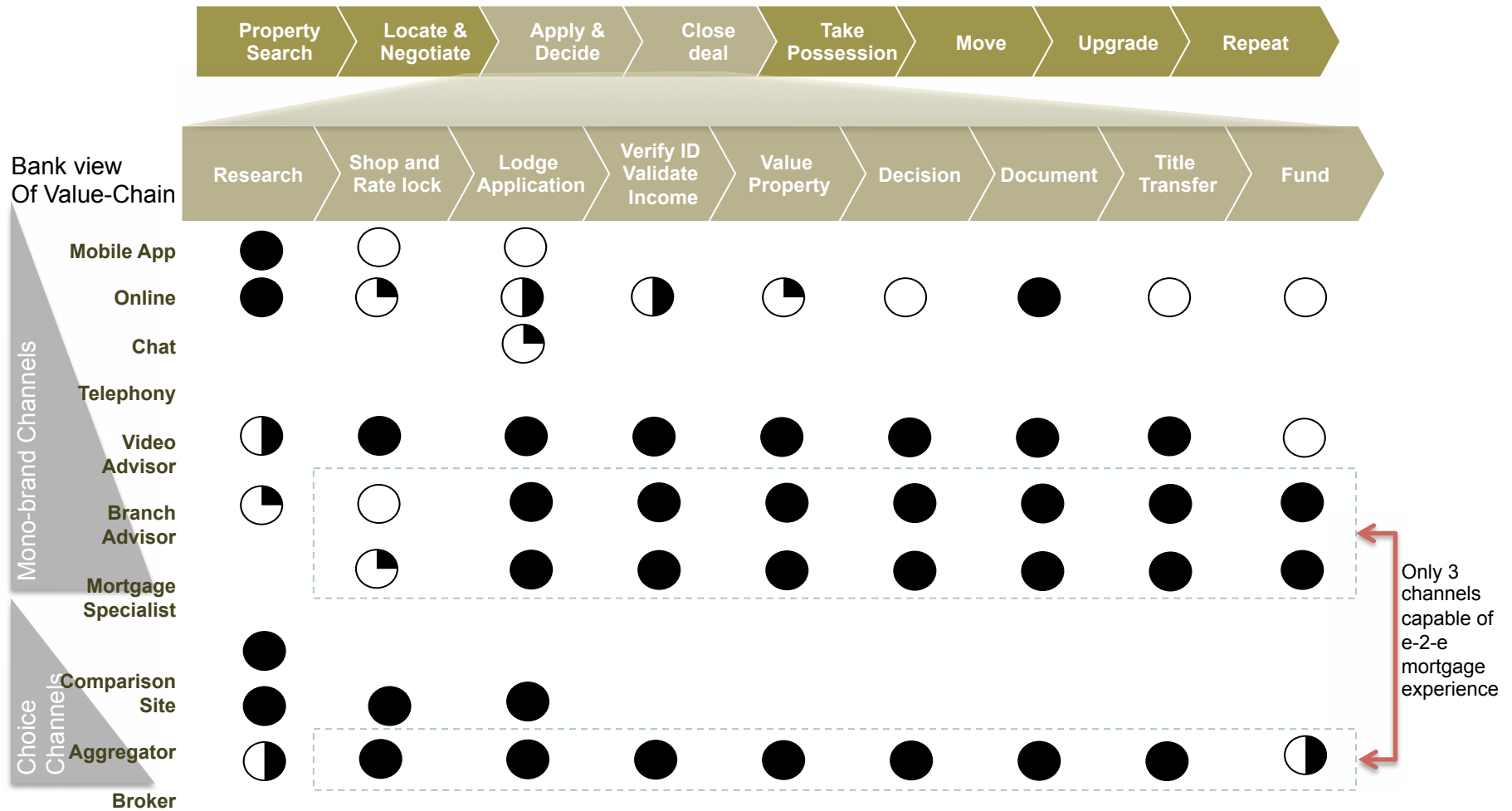
Today, in Australia many complexity drivers, require human intervention



Source: Forrester Research: Canadian Trends in Researching and Applying for Financial Products online, November 2007, Online Mortgage Shoppers' Path to Purchase, June 7, 2006, Online Credit Card Shoppers' Paths to Purchase, October 23, 2006, Who Researches and Buys Current Accounts Online? March 21, 2006, ICG Client Experience 2012

But in Australia, an Online mortgage is constrained by channel capability

The end-to-end mortgage process is challenging and complex; Moving today's process fully to digital channels will likely take many years; Initial efforts will work to improve yield of research to offer, and offer to decision; Full title transfer on-line is not likely feasible in the Australian context until 2015;



Source: Literature search; PEXA website, ICG experience

Infrastructure underlying ‘fully’ online mortgage: Next 5 years will see fundamental building blocks in place

	Australian Market Capability Status and Challenge	Capability Required	Time horizon estimate
Identity Verification & Income Verification	Low positive match rates today; Requires paper documentation, citing pay slips/ bank statements	>90% positive Identity verification for those borrowers who are approved	Up to 5 years
Underwriting Capabilities	Credit decision focused primarily on affordability, and valuation coverage; Significant use of LMI to cover event risks (divorce, loss of job); U/W largely focuses on capacity, willingness & security quality	Positive and negative reporting signals/ Fraud data/ & cashflow currency; Implementation of risk-based pricing online	2015+
Property Valuation Capabilities	eVal's & subscriptions growing; increasing use of internal models; Significant proportion of valuations still require physical evaluation	Up-to-date valuations on majority of land values & recent property transactions	Will align with PEXA
Title Verification & Transfer	PEXA has gone live in Victoria and NSW, by 2015 will enable full e-conveyancing process to be completed on-line	Online title verification & transfer to give up-to-date collateral management	2015-2016
Effective aggregation platforms	Aggregators today primarily concerned with capture of underwriting information;	EU markets where lenders are more fragmented have built effective ‘utility’ aggregators which incent on-line innovation	??

Online mortgage sales is likely to evolve slowly, but transition rapidly

- **Banks around the world are focused on driving productivity:**
 - Higher sales per staff member
 - Better utilisation
 - Higher cross-sell & retention
 - Lower costs
- **As a consequence they are focusing intensely on automating and digitising the customer experience of their most expensive and highest value products (mortgages)**
- **AND integrating the financial transaction into the customer event (upstream & downstream value add)**

Banks are also keen to displace high-cost intermediaries (who offer choice, but also can displace the customer advisory relationship)

The best way to do this is with a differentiated experience (faster, simpler, easier) – the online mortgage can do this

Banks will inevitably offer customers the option to self-service fully online mortgage transactions, such as:

- Renewals (same customer, collateral & product)
- Refinancing decisions (same risk, different products)
- Top-ups (same customer, same collateral, same product)

The simultaneous evolution of the underlying infrastructure to enable:

- Better Identification/verification,
- Richer underwriting,
- Better collateral valuation,
- Title conveyancing, &
- Real time payments

Naturally will create the opportunity for new digital entrants

Consequently, banks in laggard geographies will have no choice but to take the mortgage online in the coming years, extending servicing transactions to originating new loans, is a modest step, once customers are familiar with on-line transactions

Online Mortgage opportunity

Scope	Key questions & definition
1. Current market definition	Global market for Mortgages <ul style="list-style-type: none"> • Potential for growth • Flows per channel – brokers are growing
2. Online market evolution	Will there be a fully online mortgage origination capability: <ul style="list-style-type: none"> • Consumer perspective • Capability perspective • Economic perspective
3. The Australian market opportunity	Australian market for Mortgages <ul style="list-style-type: none"> • Channel mix • Consumer channel migration • Market expectations • Constraints ICG perspective on transition path
4. Approach Incumbents are taking,	Competition & differentiation <ul style="list-style-type: none"> • What are the key strategies to capture online mortgage market • Potential strategies to shift consumer preference for offline channels towards online Simplified Estimate of size of the prize (Example Australia)

Strategies banks should pursue to enable Multi-channel Competitive Advantage in mortgages

1) Integrate financing decision into customer 'housing' journey (eg. CommBank Property App)

2) Use online & mobile to reach new markets

- Provide choice platforms (eg. Comparator, bankinter)

3) Make it easy for customer to move directly from research to action

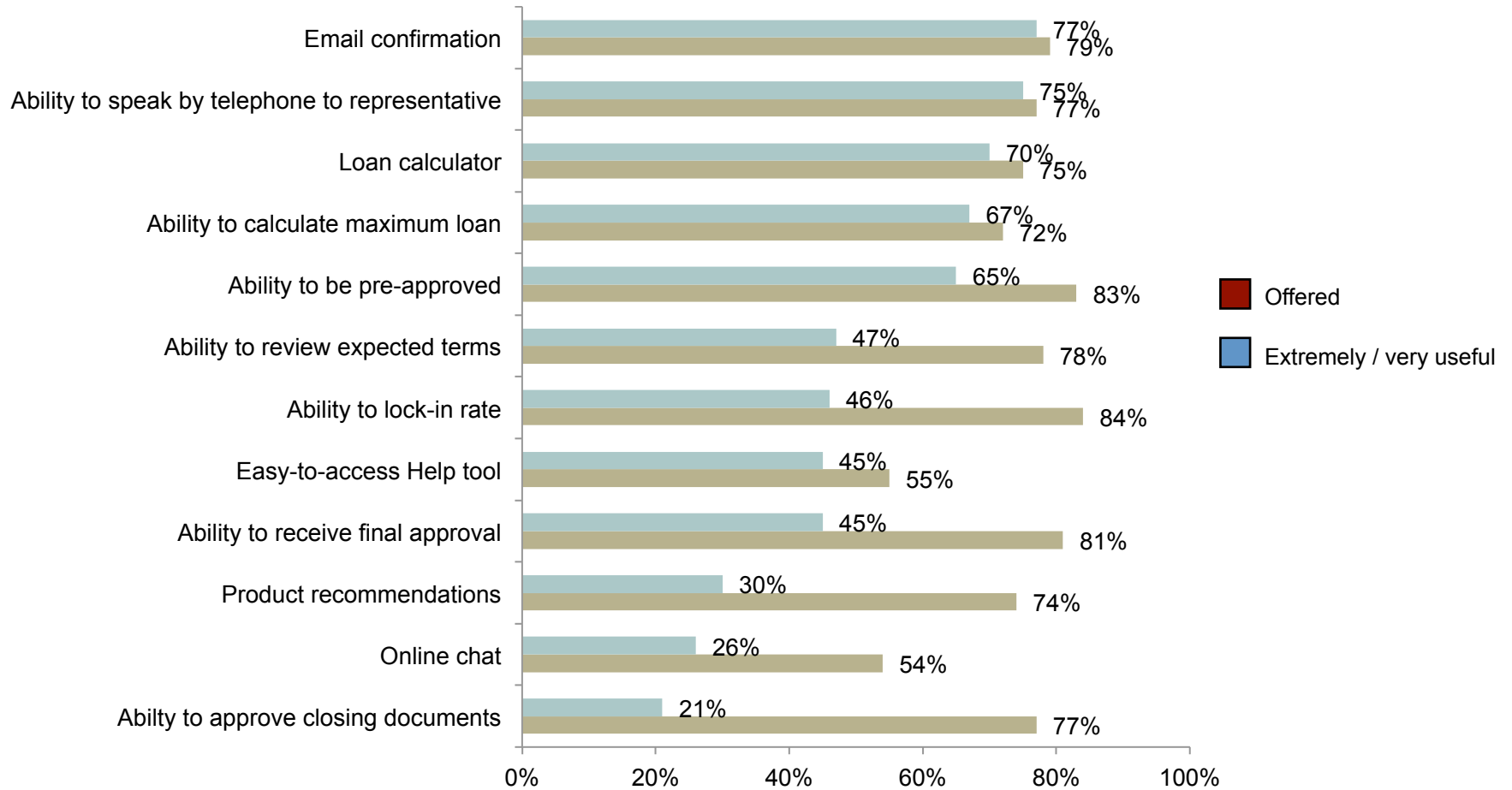
- Simplify online product & segment role of channel migrating complex customers to assisted channel
- Build required infrastructure -- Suspend & Resume, Chat, online/assisted integration
- Simplify adjudication/decision process leveraging existing customer data
- Provide pre-approval
- Shift product structure to enable faster lower risk decision making

4) Move faster – leverage off-the shelf software to increase speed of change and learning

Critical features consumers expect to facilitate a positive online mortgage experience

Features on lender's Web site

Base – Respondents who applied online



Note: Respondents who used each feature were asked to rate how useful they were

Source: Consumer Online Mortgage Report –: Deloitte: Turning doubters into Online Believers 2011; exhibit 7

How much is online mortgage origination worth to the innovators: Example: potential size of the prize for Australia

High-level example based on firm with 15% share of flow

Value Drivers

Increased conversion rate

Cost savings & avoided costs

Value pools not estimated

Rationale	Calculation	Full Market Potential Value	Example value
<ul style="list-style-type: none"> convenience & speed of digital origination capability Converting share of 'interest' into share of applications 	# loans funded per annum x Avg. Value / loan funded ÷ Yield loss approv to funded ÷ Approval rate = Mortgage Volume per annum X improved conversion rate for online applications X Max % of apps eligible for online <u>X Avg. margin</u> = Annual increased flow	~\$332B of unique loans approved ÷ 65% = \$511B of lodged applications X 5-7 day advantage <u>X 1.25-2% better conversion /day</u> 6.25-10% X 40-50% <u>X 90 bps</u> = 1.1-\$3B	\$ 46M per annum; NPV = \$231M for 10 years
<ul style="list-style-type: none"> Consumers take on effort of data entry avoiding touch time for mortgage applications ~4-6 hours 	Avoided effort between # of applications lodged, and # approved applications X touch-time \$ per application	1.7 M applications lodged - 1.1M applications approved & funded <u>X \$3-500 per application</u> \$175M – 485M per annum	\$7M per annum PV = \$35M over 10 years
<ul style="list-style-type: none"> Revenue benefit of re-deploying Freed up capacity of staff to work on more complex advice activity Revenue benefit of improved satisfaction/retention/ cross-sell of better process Growth volume benefit of differentiation 			

Note: Assumes Profit margin of 90bps on mortgage volume; Cost of Capital 15%; Time horizon for advantage = 10 years;
Source: ICG Experience

Key articles reviewed

Article	Source & contents
World Retail Banking Report 2013	Cap-Gemini / EFMA – trends in customer satisfaction and use of digital channels; Country by country comparison of Customer Experience Index and drivers
Genworth International Mortgage Trends report 2011	Description of mortgage industry trends in industrialised countries
European Mortgage Distribution 2007	EFMA, Fortis, Oliver Wyman; Analysis of all EU countries with a particular focus on channel trends (branches, intermediaries, remot chanel)
Carlisle & Gallagher Consulting	US Mortgage Lending, Strategies to gain share in the new Normal
Submissions to the Financial Systems Inquiry	ABA, Westpac, ANZ Bank, NAB, ING Direct Others (mortgage & Finance Association of Australia, RateSetter, SocietyOne)
Mobile Banking around the world; BAI Retail 2012	Profiled of Hana Bank Korean Mobile bank; Bankinter: Spanish direct channel leader
Mortgage Market Review: UK Financial Services Authority 2010	Review of the role of intermediaries (face-to-face vs. Direct)
Winning Strategies in the Brokered Mortgage Market, Deloitte 2010	Reviw of the role of broker intermediation in Canadian Mortgage market
International Monetary Fund: Financial Stability Indicators of major countriws	Statictics on debt & other financial services penetration rates by country
European mortgage Markets, What can we learn	Study by Hypostech Management consultancy; Review of product, distribution & processing for Dutch, UK, Belgian, German, Danish & Swedish markets circa 2007
Assoc'n of Mortgage Intermediaries: Value of Mortgage advice	Review of the role of brokers in the UK market
Fannie Mae Online Mortgage Survey 2014	Detailed survey of mortgage behaviour and shopping patterns in US
Genworth Homgrown report 2013	Includes a review of distribution dynamics and role of lenders/intermediaries in Australia

Key articles reviewed

Article	Source & contents
Deloitte	Retail Lending 3.0 Boosting productivity and improving the customer experience Mortgage Report 2014 Silver lining in Lending – turning doubters into online believers
Toronto Retail lending statistics	Mortgage Broker Association, Broker channel Market share data
ABA Statistics	Housing Loans
The Residential Mortgage Market in Canada: A Primer	Crawford, Meh, Zhou; for Bank of Canada
Mckinsey & Co	Banking on Multi-channel
BCG	Multichannel retailing
EFMA 2007: A new deal in mortgage distribution	Summary of study with Oliver Wyman on distribution of mortgages across various EU Markets
Mortgage distribution channels: Extimates of Lending (2001)	Journal of Housing Finance, Study on evolution of channel strategies and channel landscape across various countries
Quicken Loans (disclosures)	More than 2M loans originated; second largest retail lender in the US, closing \$80B in home loan volume in 2013 (up 9% from 70B in 2012 which itself was up 133% over 2011 volume of 30B; Also entering the servicing business servicing over 100B of loans; Its technology is used exclusively by Charles Schwab Bank and JP Morgan Chase



Internal Consulting Group

Email enquiries@internalconsulting.com or
visit our website at www.internalconsulting.com.