



Investor Contact:

Michelle D. Esterman
Chief Financial Officer
770-612-7007

Michelle.Esterman@altisource.com

Press Contact:

Britt E. Gottlieb
Senior Manager, Communications
617-728-6118

Britt.Gottlieb@altisource.com

Altisource Releases Report on the State of the Originations Industry

Originators weigh in on industry risks and challenges present in the market

LUXEMBOURG, January 22, 2019 – [Altisource Portfolio Solutions S.A.](#) (“Altisource” or the “Company”) (NASDAQ: ASPS), a leading provider of real estate, mortgage and technology services, today released its 2018 report, “[The State of the Originations Industry](#).” The report showcases results from the annual Origination Solutions Survey, a survey of over 200 decision makers in the mortgage origination business.

Mortgage origination professionals (29 percent) cited increased purchase business competition as the biggest challenge in today’s mortgage market; 25 percent said margin compression due to regulatory mandates and 24 percent pointed to elevated interest rates. With the increased purchase business competition, there are fewer loan transactions for which to compete. This is primarily driven by a tightened inventory of existing and new construction, which helped drive home price appreciation. The combination of higher interest rates and higher home prices has impacted affordability, which has made it harder for consumers to upgrade to more expensive housing and limited the inventory of starter homes. As the available purchase business declines, capturing this business relies on the originator’s ability to quickly respond to requests and originate loans faster, with great customer experience.

When looking at the most promising market opportunity, the mortgage origination professionals surveyed ranked construction loans as the most promising (25 percent) and non-QM loans (not

including jumbo loans) (20 percent) as the second most promising. Construction activity should increase over the next year due to the robust demand in the overall housing market and the historical shortage of existing housing supply. The non-QM market is predicted to grow by 400 percent over the next year¹ and while this growth only represents an increase of \$5 billion-\$8 billion in annual production, the appetite for this asset class is still growing and the non-QM opportunity should be watched.

“The survey uncovered many industry insights, including risks and challenges present in the market,” said Justin Vedder, Chief Operating Officer, Origination Solutions, Altisource. “The biggest challenge identified, with respect to the mortgage market, is the economic environment today and into the near future. With that said, originators can take certain steps to stay competitive. For example, consider outsourcing some or all fulfillment, closing and processing operations, join a peer network, continue to look for new talent while also focusing on the retention of top performers, add new loan programs but offload the risk and operational cost to a third-party and be bold with piloting programs that will generate higher margin revenue.”

Click [here](#) to download the full report, “The State of the Originations Industry.”

Survey Methodology

The Origination Solutions Survey was completed online among 202 decision makers in the U.S. mortgage origination business. Fieldwork was conducted by independent global market analytics firm, Echo Research, between July 17 and 22, 2018. The margin of error associated with the sample of n=202 is +/- 6.9 percent at a 95 percent confidence level.

About Altisource®

Altisource Portfolio Solutions S.A. (NASDAQ: ASPS) is an integrated service provider and marketplace for the real estate and mortgage industries. Combining operational excellence with a suite of innovative services and technologies, Altisource helps solve the demands of the ever-changing markets we serve. Additional information is available at altisource.com.

###

Source: Altisource Portfolio Solutions S.A.

¹ <https://www.housingwire.com/articles/43458-mba-secondary-the-industrys-appetite-for-non-qm-is-growing>