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Lenders Optimistic that Policy Changes Could Benefit the Lending Environment

Operational changes demand lenders invest in technology, compliance and staffing

ST. LOUIS, June 1, 2017 – A large majority of lenders surveyed (73 percent) believe the new administration's policies will have a positive impact on the lending environment, according to the 2017 Lenders One® Mortgage Barometer, a survey of 200 mortgage lending professionals.

"Despite some industry concerns over rising interest rates, lenders are optimistic about the potential for a more flexible regulatory environment in 2017 and beyond," said Bryan Binder, chief executive officer of Lenders One.

Lenders are also ready to make investments in their organizations' business operations. In fact, 42 percent of lenders indicate their biggest investment is in operational changes (hiring new staff, compliance support and software support), and 25 percent of lenders surveyed say they are currently making the greatest investment in marketing. While these investments are necessary for the industry to keep pace with consumer demand, they may also be driving up the cost per loan, with 65 percent of respondents indicating that the cost per loan will continue to increase.

Regulations Don't Weigh Quite as Heavy on Lenders in 2017

Lenders are ready for new regulatory requirements, such as updates to the Home Mortgage Disclosure Act (HMDA), with two-thirds (65 percent) indicating they are very prepared for HMDA changes. Yet, the biggest HMDA compliance challenge for lenders is around additional resources needed to report transactional data, such as home equity lines of credit (HELOC) and dwelling secured loans for apartments. While lenders are investing in staff and technology, about one-third (32 percent) of them cite challenges with securing additional resources to report, connect and analyze transactional data.

E-closings See Broad Adoption a Decade after Their Inception

Though 39 percent of lenders report they are not using electronic closings (e-closings) on mortgage loans, a third of those respondents expect their organizations to implement e-closings in one to two years, on average. The majority (61 percent), however, say their organization has implemented e-closings while seasoned lenders — those in the business for 10 or more years — are the predominant category of lenders utilizing them (67 percent).

Survey Methodology

The Lenders One Mortgage Barometer was conducted online among a random sample of 200 mortgage lenders. Fieldwork was conducted by independent research firm Ebiquity between January 4 and 14, 2017. The margin of error associated with the sample of n=200 is +/- 6.9 percent at a 95 percent confidence level.

About Lenders One® Cooperative

Lenders One (LendersOne.com) was established in 2000 as a national alliance of independent mortgage bankers, correspondent lenders and suppliers of mortgage products and services. Participants on the Lenders One platform originated approximately $300 billion of mortgages during 2016, collectively ranking as one of the largest retail mortgage origination entities in the U.S. Lenders One is managed by a subsidiary of Altisource Portfolio Solutions, S.A.

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 market. Additional information is available at altisource.com.

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