



# The Future of the Independent Mortgage Banker: What's the Outlook?

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# Some of the Challenges of 2007



- Reliability of secondary market and correspondent outlets, particularly in the absence of a portfolio execution option.
- Keeping track of changing underwriting guidelines.
- Pipeline valuation issues and inability to hedge rapidly increasing credit spreads, particularly for bulk sellers.
- Differences in retail pricing versus wholesale pricing by wholesale buyers.
- Shrinking sources of warehouse funding.
- Changing warehouse line cost and lower leverage.
- Differentials in GSE pricing structures.
- Operating and credit loss pressures on capital.
- Cost containment and employee morale.