

# MBA'S NATIONAL MORTGAGE SERVICING

**BUILDING  
TOGETHER**  
*for* **TOMORROW**

CONFERENCE & EXPO 2008

## Customer Satisfaction in 2007

MBA's National Mortgage Servicing Conference 2008

New Orleans, LA

Wednesday February 27, 2008 10:30am – 12pm

Greg S. Genua – Session Coordinator & Moderator

Profit & Privacy Consulting

- *Mortgage servicers and their business partners are continuously looking for better ways to reduce operating costs while optimizing service levels to benefit their customers.*
- *In a tight mortgage market, good customer service is key to retaining quality in your business.*
- *Our panel of experts from the mortgage servicing industry and a representative from JD Power and Associates will discuss the results of the JD Power Satisfaction Study.*
- *Servicers will gain a better understanding of Web services as a driver of business value, while learning how to incorporate Web services into their business operations to enhance the customer experience.*



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Home Loan Servicing

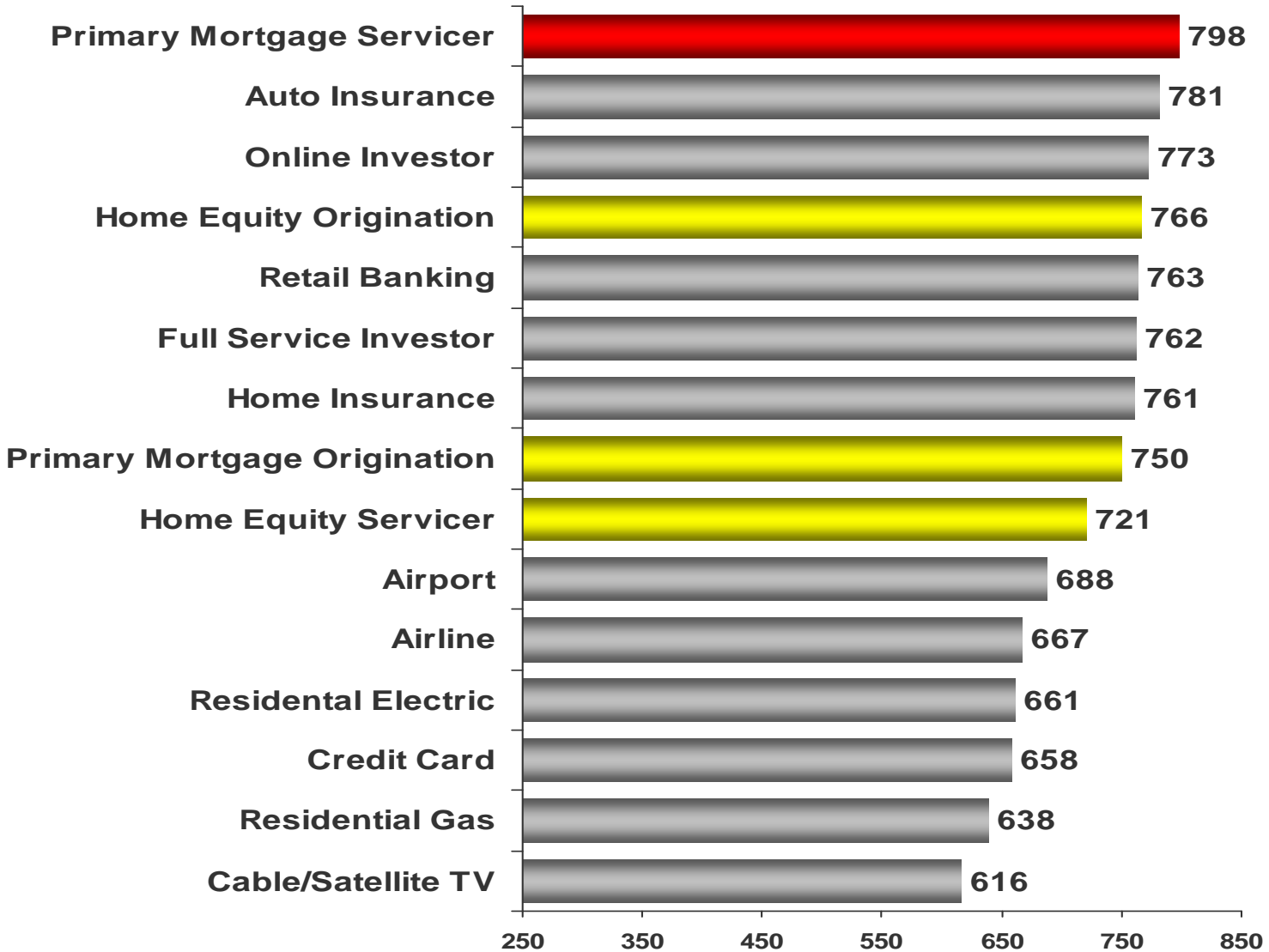
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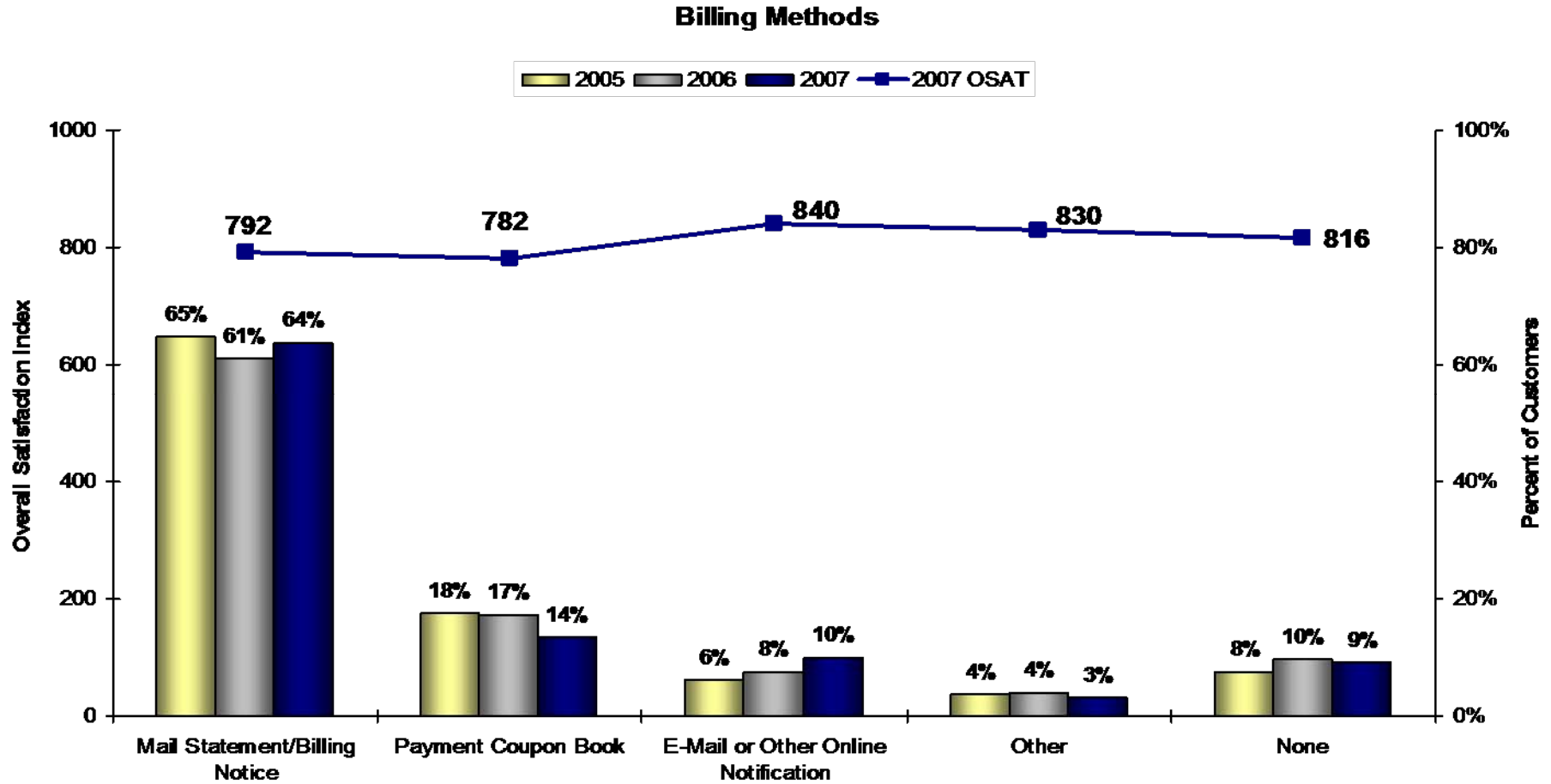
Mortgage Servicer Comparative Industry Ranking  
Index Model & Changes  
Billing Methods  
Problem Resolution & Commitment  
Online Usage and Trends  
Metrics - Cost Savings and Revenue Generation  
Online Self Service Functionality  
Promoting Customer Adoption for Online Self Service  
Application Development and Technology  
Ensuring Customer Satisfaction – Today and Tomorrow  
Listening to VOC  
Improving Customer Experience  
Increasing Self-Service Usage  
Improving Retention  
Compliance & Customer Satisfaction  
Questions & Answers

# Primary Mortgage Servicer has High Satisfaction



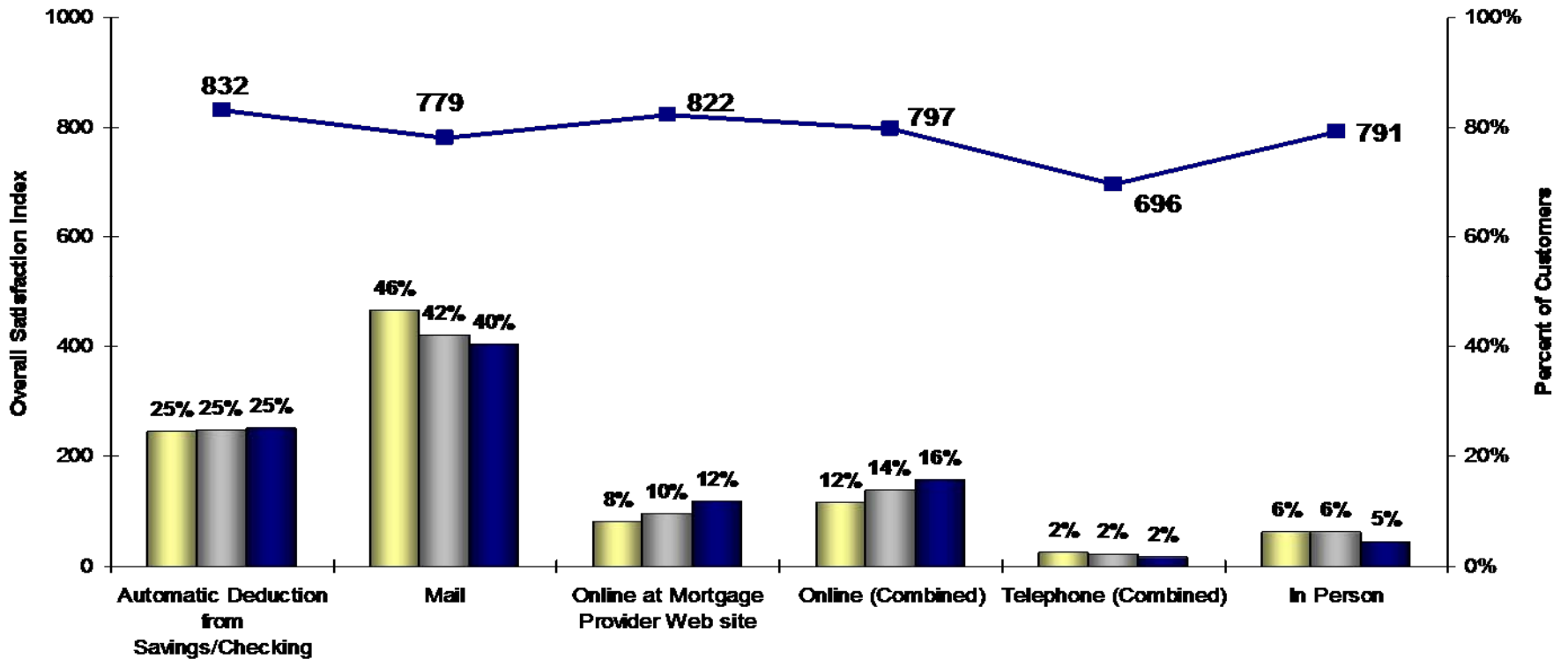
## **Eliminate friction in billing and payment process**

- » Ideal combination appears to be e-mail notification and ACH payments

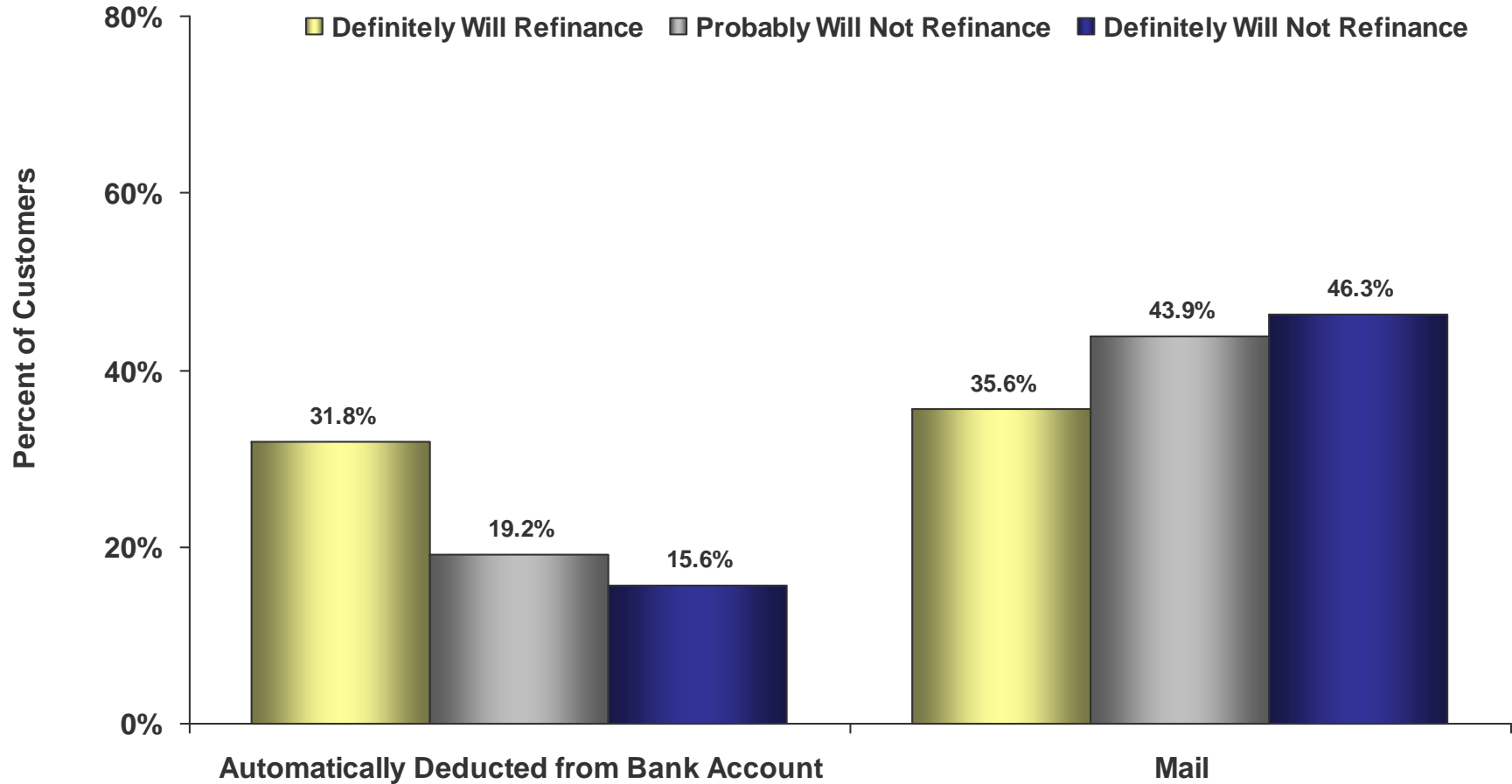


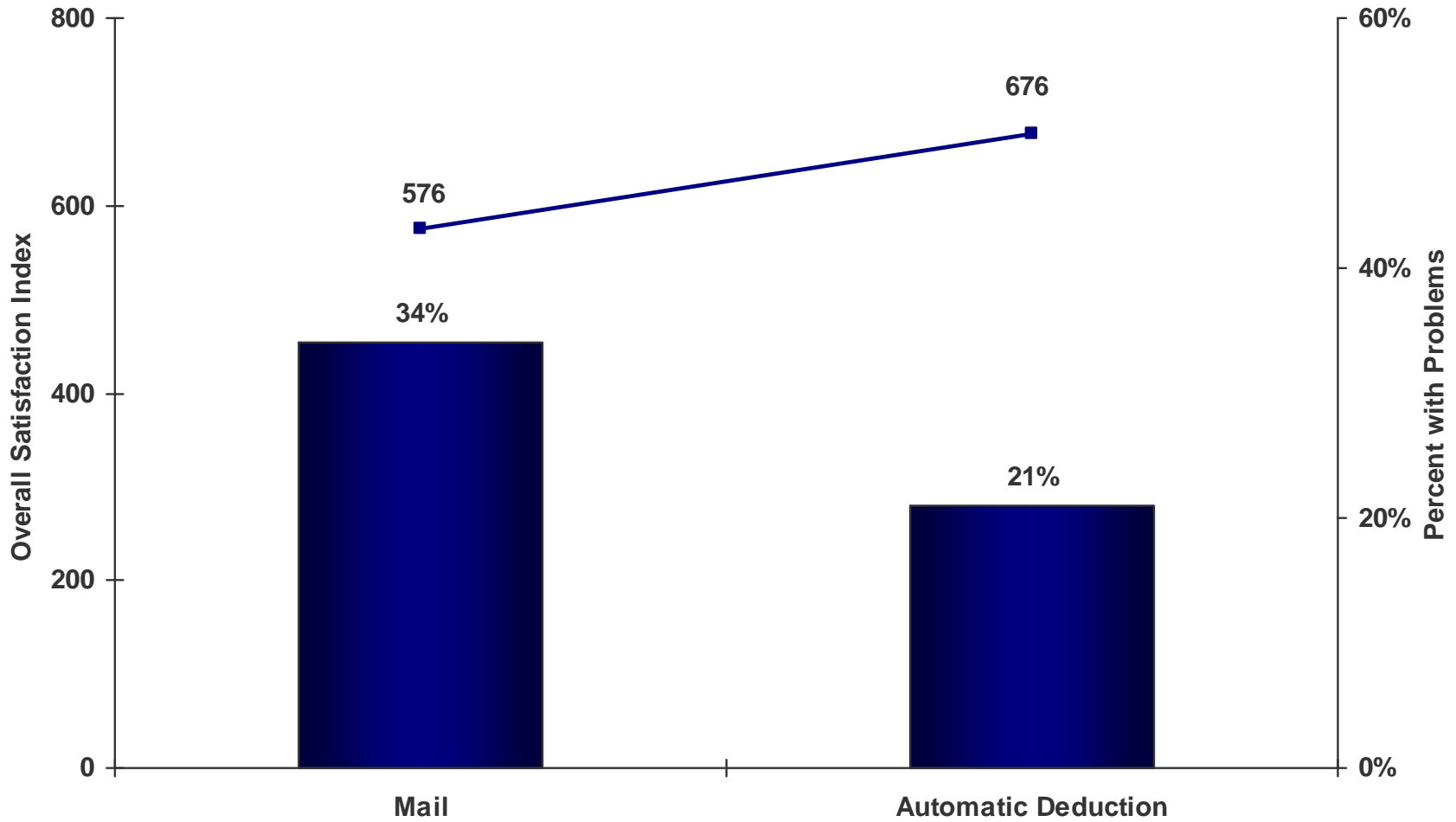
### Payment Options

2005 2006 2007 2007 OSAT



## How Do You Make Your Mortgage Payments?



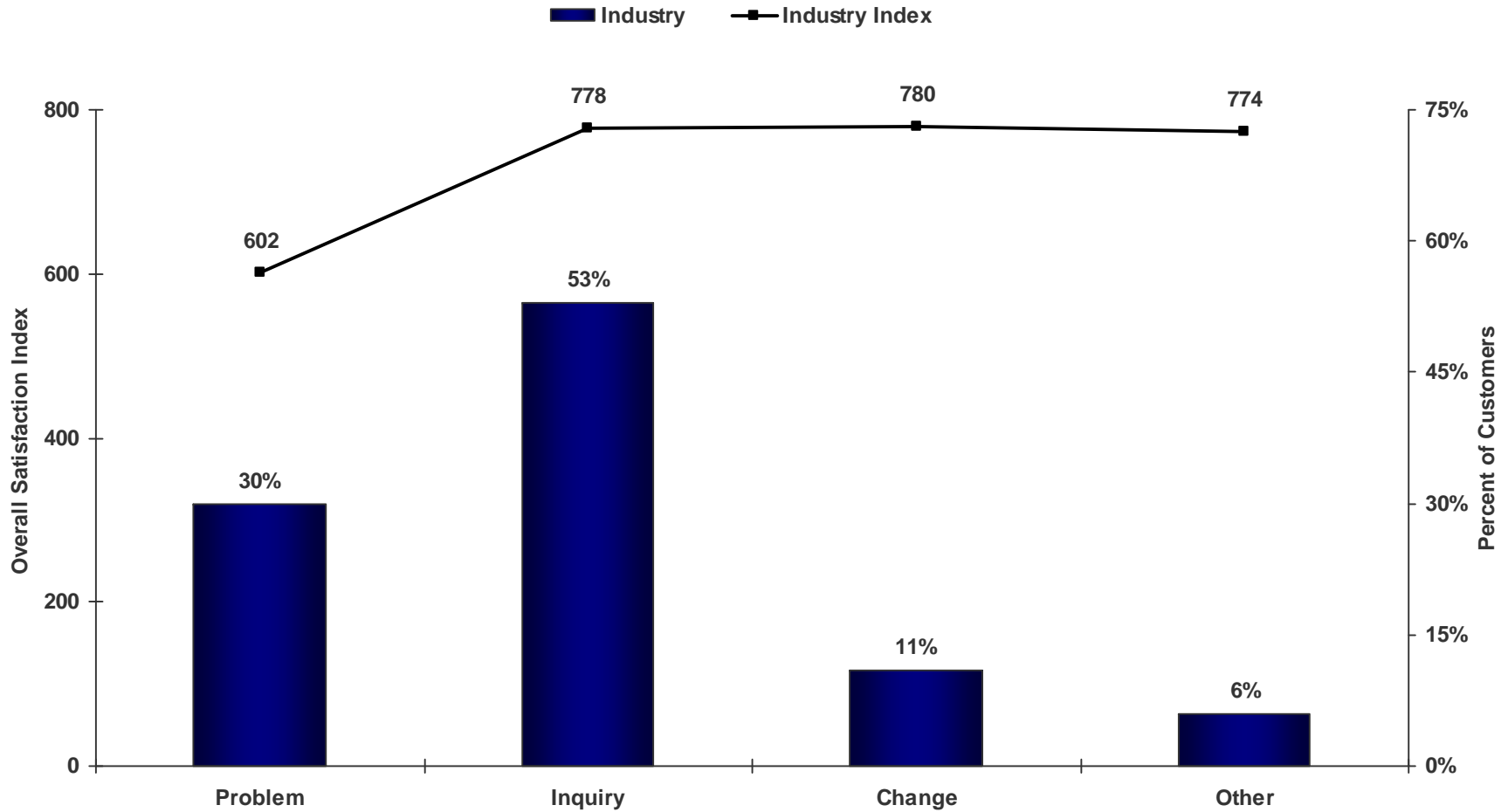


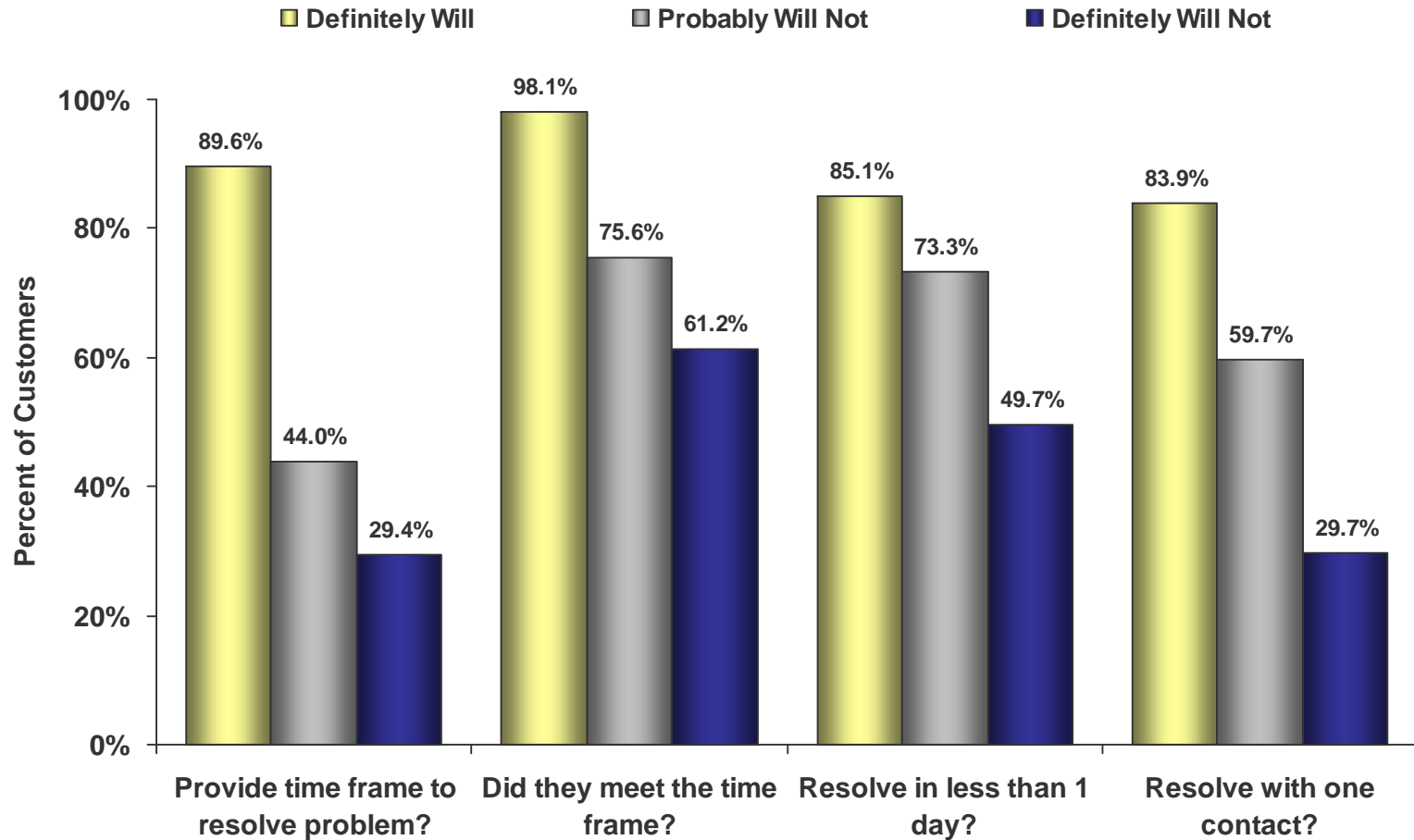
### **Eliminate friction in billing and payment process**

- » Ideal combination appears to be e-mail notification and ACH payments

### **Reduce occurrence of problems and improve management of resolution process**

- » 38% of customers who “definitely will not refinance” had contacted lender with problem vs. less than 3% who “definitely will refinance”
- » Among those that “definitely will not refinance,” biggest reasons are unmet expectations in payment of property taxes (26%) and homeowners insurance (18%) from escrow accounts





Q40: How likely are you to refinance with current lender?

### **Eliminate friction in billing and payment process**

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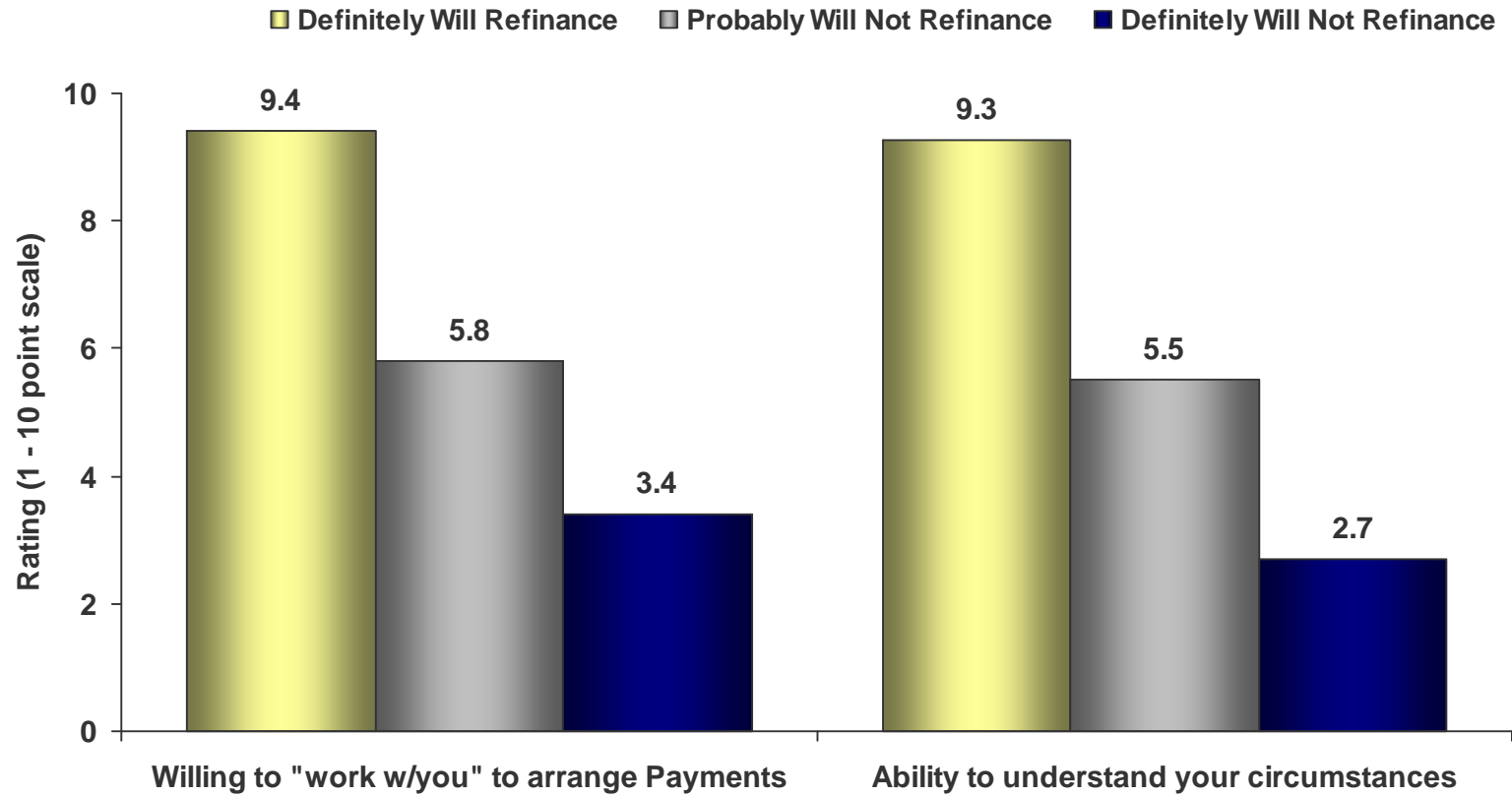
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### **Improve collection experience**

- » Improve understanding of circumstances and providing flexibility in making payment arrangements

## Payment Arranging and Understanding Circumstances



Q40: How likely are you to refinance with current lender?

## Key Takeaways

### Eliminate friction in billing and payment process

- » Ideal combination appears to be e-mail notification and ACH payments

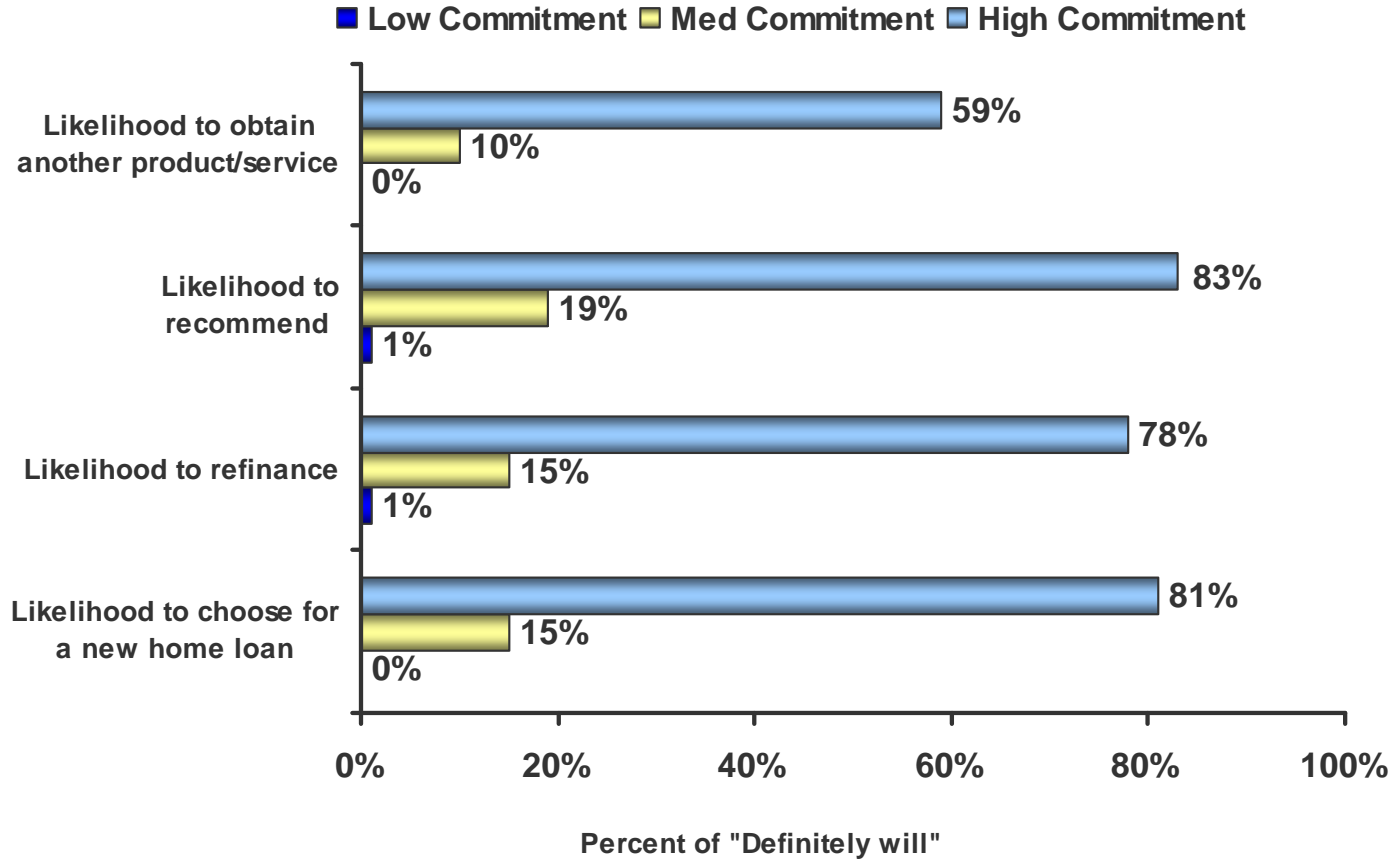
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### Improve collection experience

- » Improve understanding of circumstances and providing flexibility in making payment arrangements

### Financial benefits from improving retention and reducing costs are significant

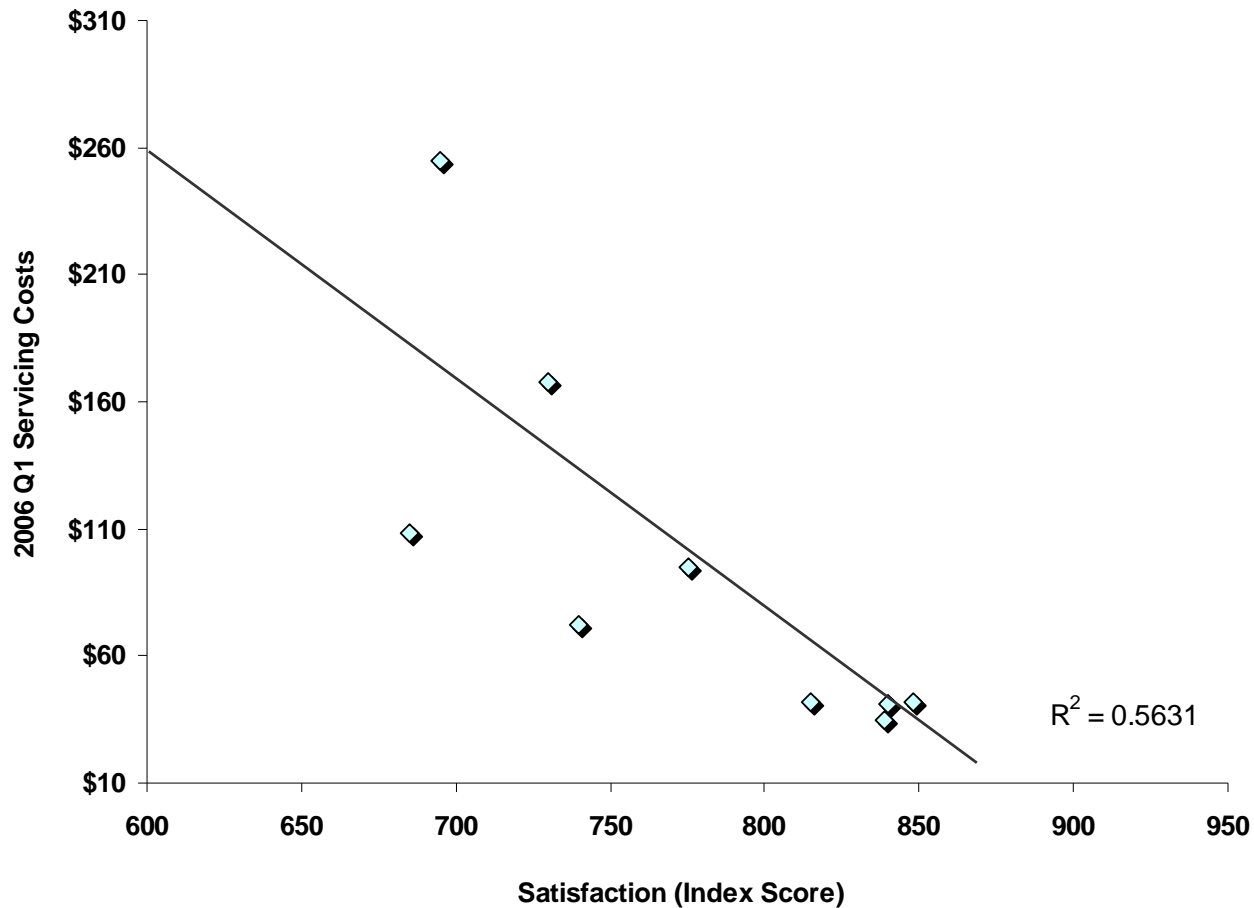


Q40: How likely are you too...?

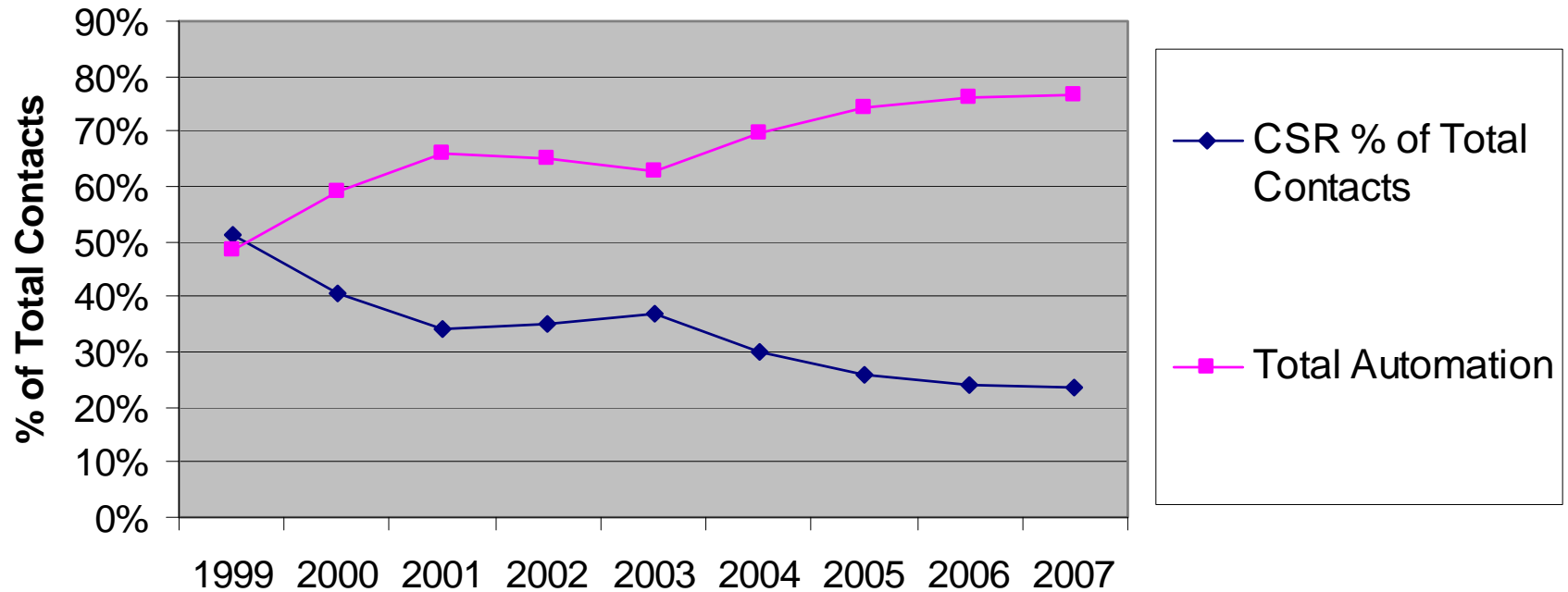
- Highly committed customers are significantly more likely than moderately committed customers to recommend their lender to others, consider them for their next home loan or refinance, or stay with their current lender.
- Highly committed customers also hold 50% more additional products.

	Commitment Group		
	Low	Medium	High
Proportion of Customers	26%	61%	13%
Definitely Recommend	1%	19%	83%
Number of Positive Recommendations	0.1	0.9	3.0
Definitely Reuse for New Mortgage	0%	15%	81%
Definitely Reuse for Refinance	1%	15%	78%
Definitely Will Not Switch Lenders	17%	42%	82%
Number of Products With Primary Institution	0.4	0.6	1.2
Average Years as Customer	3.4	4.5	6.2
Overall Experience Rating	670	820	841

### Higher Satisfaction = Lower Servicing Costs



### CSR Contacts and Total Automation Contacts as % of Total Contacts



Continue to see gains in contacts from customers who choose to self service in automation – Web and IVR/Speech.

## Metrics for Cost Savings and Revenues

### Web Containment Rate

- Metric reflecting the percentage of activity that was contained on the website and did not generate a call to the call center within 30 days, for that call type
- Provides high level look at which applications can use additional review, especially when combined with customer survey feedback

### Repeat Cost Savings

- Measure Web Containment Rate vs CSR Repeat Call Percentage for same CSR transactions

### Adjusted Call Prevention Savings

- Online Transactions less Automation Percentage to use for FTE savings

### Revenues

- Count and report on clicks to applications to fundings, from dynamic text messaging and banners on the website
- Report on fees and revenue generated from website transactions

## Online Self Service Functionality

CSR Call Type Analysis – Identify why customers call and talk to a CSR to identify opportunities for self service

Automated Workflows within Servicing - These serve as a foundation of online options that are available for customers. If a process is automated for an internal person, leverage programs by applying different front end and business rules for a customer to self service

Leverage Automation – IVR/Speech and Web, Business Partner Website and use same back end programs that are used by the desktop, IVR/Speech and other processes.

Competitors Analysis – Review other sites from identifying family and friends with mortgages at other companies that will let us document those sites with screen shots and masking personal information

More, Faster, Smaller – Develop website applications with a Software Development Life Cycle that supports web development and might be slightly different than the other software development done in the enterprise

Web won't save the first call.....the customer is already on the phone so utilize CSRs to promote online confirmation and future fulfillment

## Current Online Functionality

The entire site can be viewed in English and Spanish

**Profile Updates:** Email Address, Phone Number, Mailing Address, Property Address, User ID and Password Changes

**Message Center:** View Messages, Send Comments (Do not accept any incoming email)

**Account Information:** Account Overview (aggregated look), Account Details, Amortization Schedule Calculator, Homeowners Insurance (update, renewal, replacement, additional premium request), Loan Documents (Note, HUD1), Mortgage Insurance Deletion, Payoff Information, Payment Change, Payment Posting Details, Property Tax, Statements (Monthly-2 years, ARM, Escrow, HELOC-2 years, Year End-2 years), Transaction History

**Payment Services:** PayPlan Enrollments (PP/12, PP/24, PP/26, PP/52), PayPlan Maintenance (Hold, Resume, Change Draft Date, Change Additional Amounts), Mortgage Pay on the Web

**Sales and Retention:** Dynamic Text Messaging for Offers, Rotating Banners, Rate Tools and Calculators, Links to Products/Service Pages

**Information Center:** Contact Us, FAQs, Disclosures, Site Map, etc.

**Servicing Alerts:** Push, Halt with Acknowledgement, Halt with Action

## Promote Customer Adoption for Online Self Service

CSR Referrals: Desktop system prompts for automation options

Service Plus – Marketing campaign to brand online mortgage self service.

Email Address Collection: CSR goals, tracking and feedback

Auto enrollment in E-notifications that provide confirmations of payments received and escrow disbursements made

Welcome Strategy: CSR and Online Versions that prompt for information validation and promote online self service options

Provide the ability in the origination process to enroll online in a PayPlan option.

Brochures and Statement Billboards promote Service Plus and online options

Build online applications that are easy to use for customers to self service and provide the confirmation of 'completion' and not to call in to confirm.

## Ensure Customer Satisfaction – Today and Tomorrow

- Identify Important Elements for online Servicing which might be slightly different than elements for online sales for an enterprise. Elements: data integrity, system stability, page resolution, printer friendly formats, clear confirmations
- Online applications are streamlined, easy to find, easy to use, incorporate best practices and have a consistent feel to them to promote adoption
- Conduct general and transactional surveys to improve customer adoption and improve containment rates
- Balance Customer Choices vs. Business Needs – These aren't mutually exclusive and when they appear to be or you have to defer to a business need....find ways to ensure that the online process is clearly communicated and set appropriate customer expectations
- CSR Call Type Analysis should be ongoing to ensure that new application development is still timely and reduces calls and improves customer satisfaction

## Three Major Initiatives to Drive Customer Loyalty and Retention:

- Improve Customer Experience and Satisfaction by continuously soliciting customer feedback and reacting to it
- Improve Customer Loyalty by increasing electronic banking through education campaigns, website improvements and IVR improvements.
- Improve Retention through prudent cross-selling.

# Improve Customer Experience and Satisfaction

Customer Feedback Mechanisms:

- » Secured Messaging and Emails - Surveys
- » Third Party Customer Surveys
- » CSR Roundtables
- » Voice of the Customer Scorecard
- » Website Suggestion Box

about us | contact us | privacy | ID notice | security

imb IndymacBank<sup>®</sup> Raise your expectations.<sup>®</sup>  US (Call Toll-Free): 1-800-781-7399 International: 269-353-2460 M-F 8:00 AM to 9:00 PM (EST)

Home Loan Servicing Customer CareNet

[Logoff](#)

**Personal Preferences**

**Loan Servicing Center**

- [Current Loan Information](#)
- [Loan Activity](#)
- [Tax and Interest](#)
- [Amortization Schedule](#)
- [Loan Documents](#)
- [Payoff Statement](#)
- [Year End Statement](#)
- [Auto Draft Payment](#)
- [Late Payment Options](#)
- [View Bill / Make Payment](#)

**Equity Line Information**

[Apply Now](#)

**Secured Messaging**

[Frequently Asked Questions](#)

## Loan Servicing Center

Loan Number:  
Property Address:  
Borrower Name:  
Co-Borrower Name:

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### We Welcome Your Suggestions

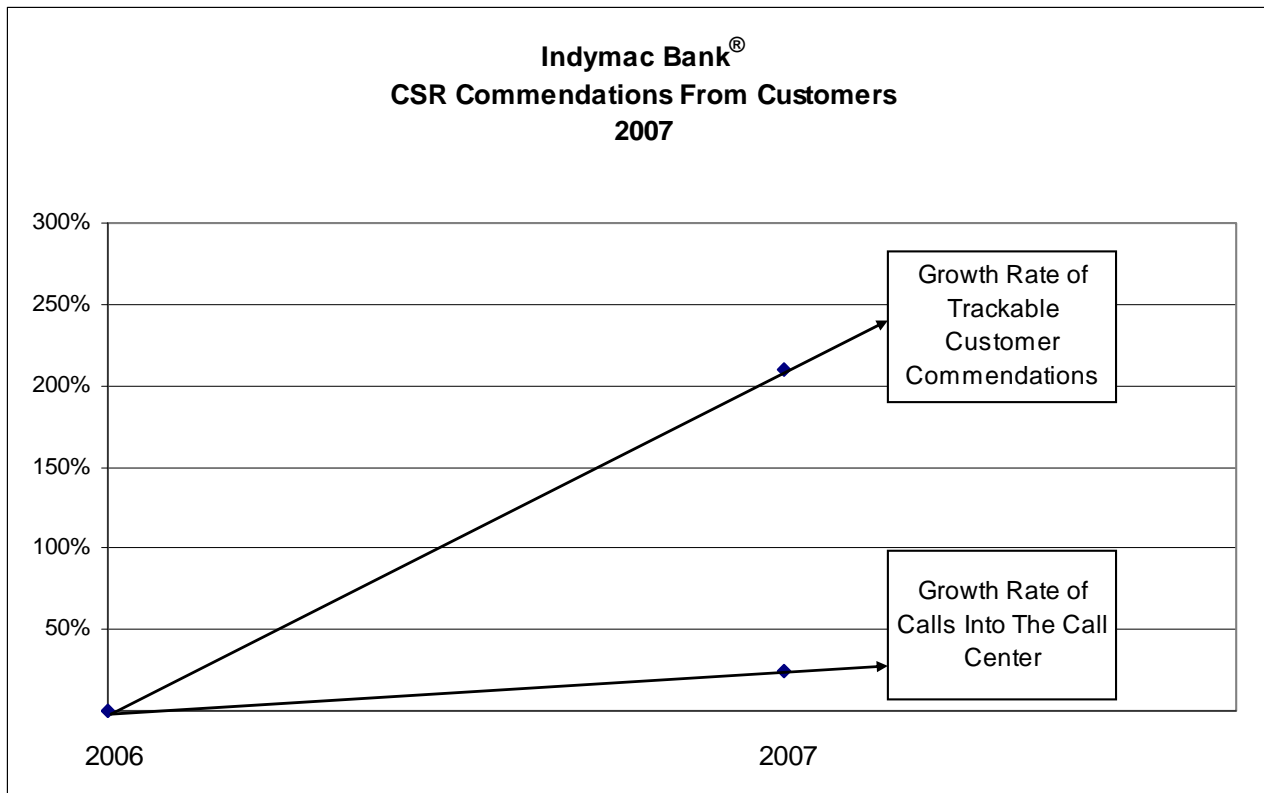
At Indymac Bank, our goal is to provide the very best customer service in the mortgage servicing industry. If you have any suggestions about how we can better serve you, please e-mail me directly at the address listed below.

I look forward to hearing from you.

Sincerely,

Michael J. Bekes  
First Vice President  
Home Loan Servicing  
Indymac Bank  
Direct e-mail: [Michael Bekes](mailto:Michael.Bekes)

# One Measurement of Customer Satisfaction



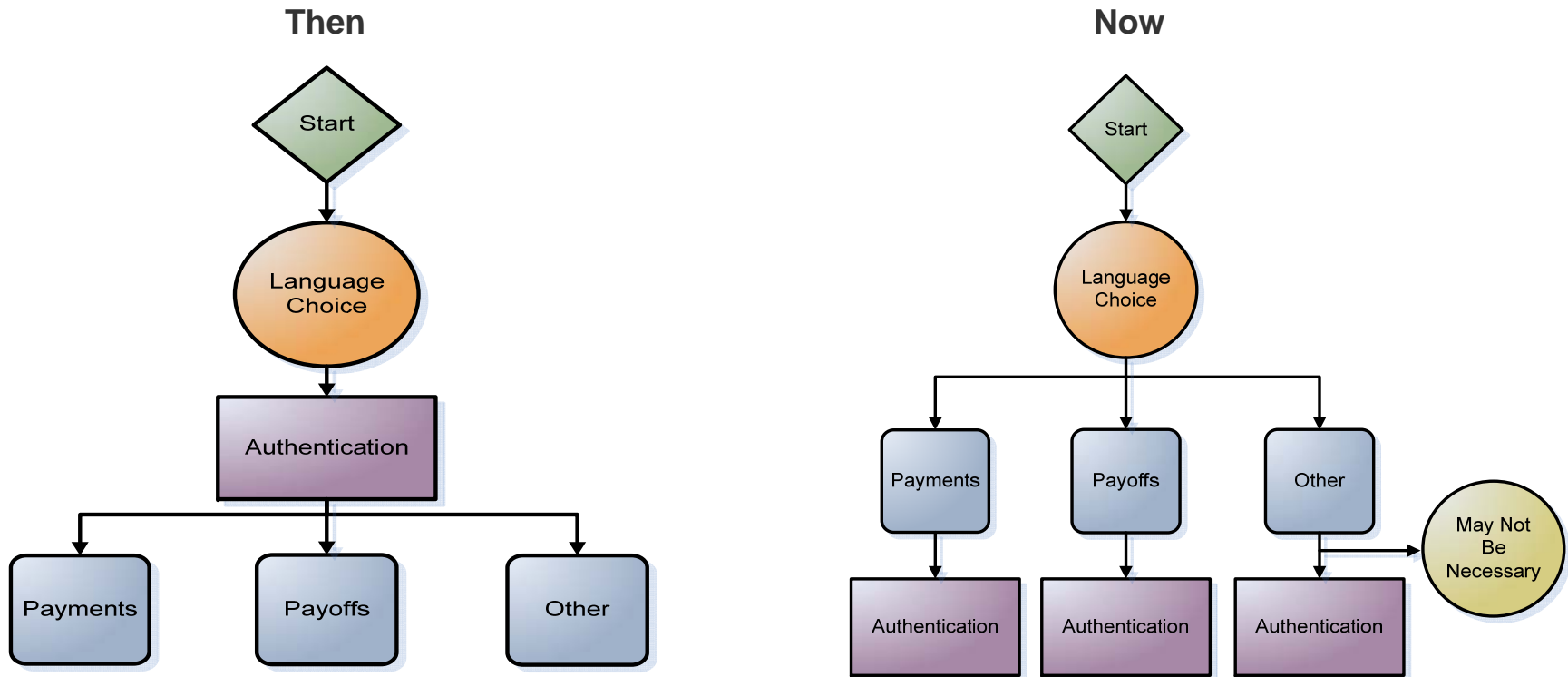
## Improve Customer Loyalty

Increase Self-Service:

- » Customer Education
  - Statement Backs
  - Monthly E-Newsletters – Singular topics
  - CSR phone call education
  - Email Vault – Singular topics sent immediately by CSR
  
- » Website Improvements
  
- » IVR Improvements

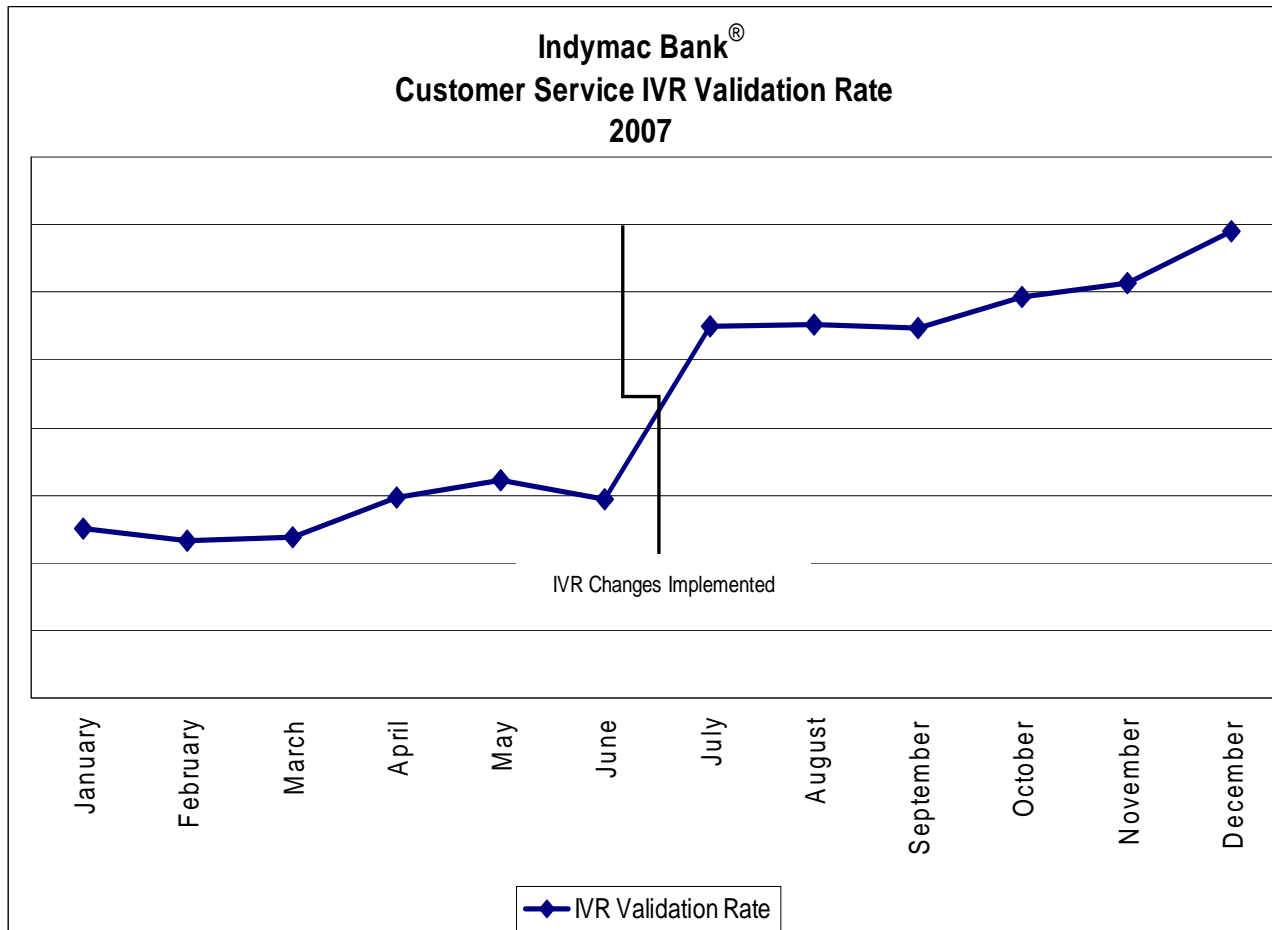
# Increase Self-Service Usage Through IVR Improvements

- Completely Restructured for Efficiency
- Increase customer validation

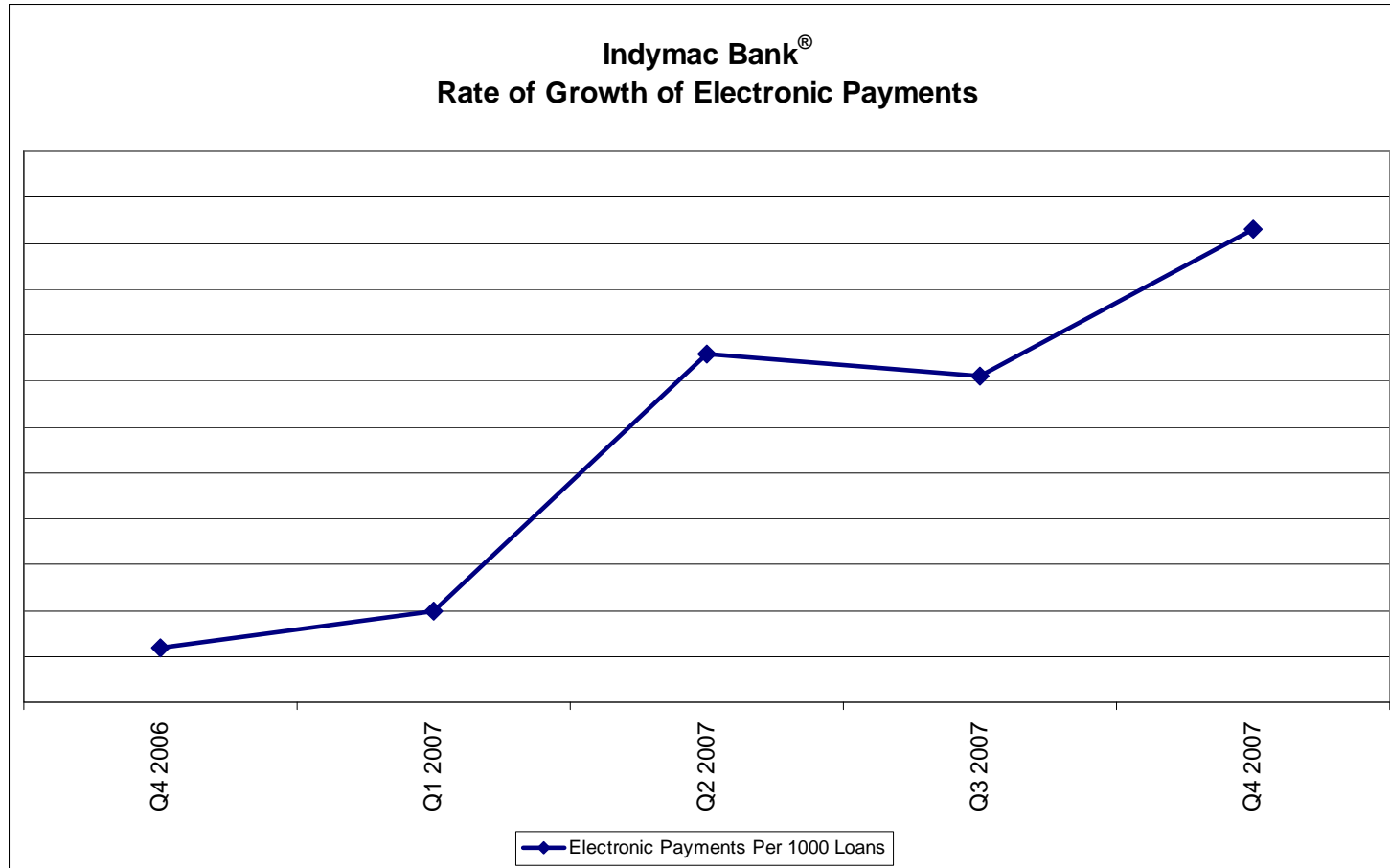


New IVR Tree includes: simplified menus, repeating entry errors, multiple loans ID, added information about payment options, payoff improvements and HELOC support.

# 2007 IVR Validation Rates



# Increase of Payments Made Electronically



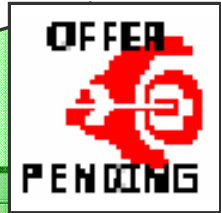
## Formula for Success

- Improved Customer Satisfaction +
- Improved Customer Loyalty +
- A Great Sales Engine =

**Improved Retention**

## Improve Retention by Focusing on Cross-Selling

- Offer Pending Screen Shot



**LENDING PORTAL** Selected Region: Indy Mac

NOTS | Loan Calculator | Loan Snapshot

Client: [ ] Loan No.: [ ] Retrieve [ ]

comnt	DTD	cssnap	LSCH	NOTS	scripts	ser2	tsk2	ADD1	ADD2	LAST	Tri	HAZ1	BILI
PAY1	PL05	PL03	BPT1	AQN1	MIP1	TSK1	P309	DLQ1/CBRH	pymt Brk	SAF1	DLQ2	LMT1	DLQ3/FINA

Acquisition | Recent Escrow Analysis | **OFFER PENDING** | Imaged | FIXED I/O

Copy | E-Mail | Next Task | Run Script | Print | Search | Windows | Preferences | Navigator | Help

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PF1 **NOTS** CONSOLIDATED NOTES LOG 02/12/08 13:52:40

PF3 L: F: B: R: DUE TYPE CONV. RES.

PF4 ANA Y ARM Y ASM Y BLN Y BNK Y CCN Y COL Y ELC Y FOR Y HAZ Y LMT Y

PF5 MIP Y PIF Y PMT Y REO Y SER Y TAX Y TSK Y DATE SELECT: MMDDYY PRINT: \_

PF7 -----\* PF8 FOR MORE \*-----

PF8 SER 021208 010 TRAN TO LENDING 2TRLEN

PF9 SER 021208 010 VERBAL AUTH TO SPEAK WITH 2CSAUT

PF12 VERBAL AUTH IS GOOD FOR ONE WEEK, FROM 2/12 TO EOB 2/19/08

SER 021208 010 ANSW QUESTIONS RE: ESCROW STMT SHORTAGE CSESS

TSK 021208 010 PLEASE ADJUST PMNT AMT TO REFLECT NEW PREM FOR ESCRTA

HAZARD INSURANCE, PLEASE SEND OUT NEW BILL UPON COMPLETION

SER 021208 010 ANSW QUESTIONS RE: ESCROW STMT SHORTAGE CSESS

SER 021208 10N BORR CALLING ABOUT PAYMENT INCREASE, WHEN BORR ON CSHAZ

HOLD, CALL DROPPED

HAZ 021108 91E BALBOA CUSTOMER SERVICE OTHER THAN BORROWER CALL BALNON

SPWA UPDTD POL INFO PER DOC\*

TO XNCL LPT REQ PYMNT PER DOC M/C OK..

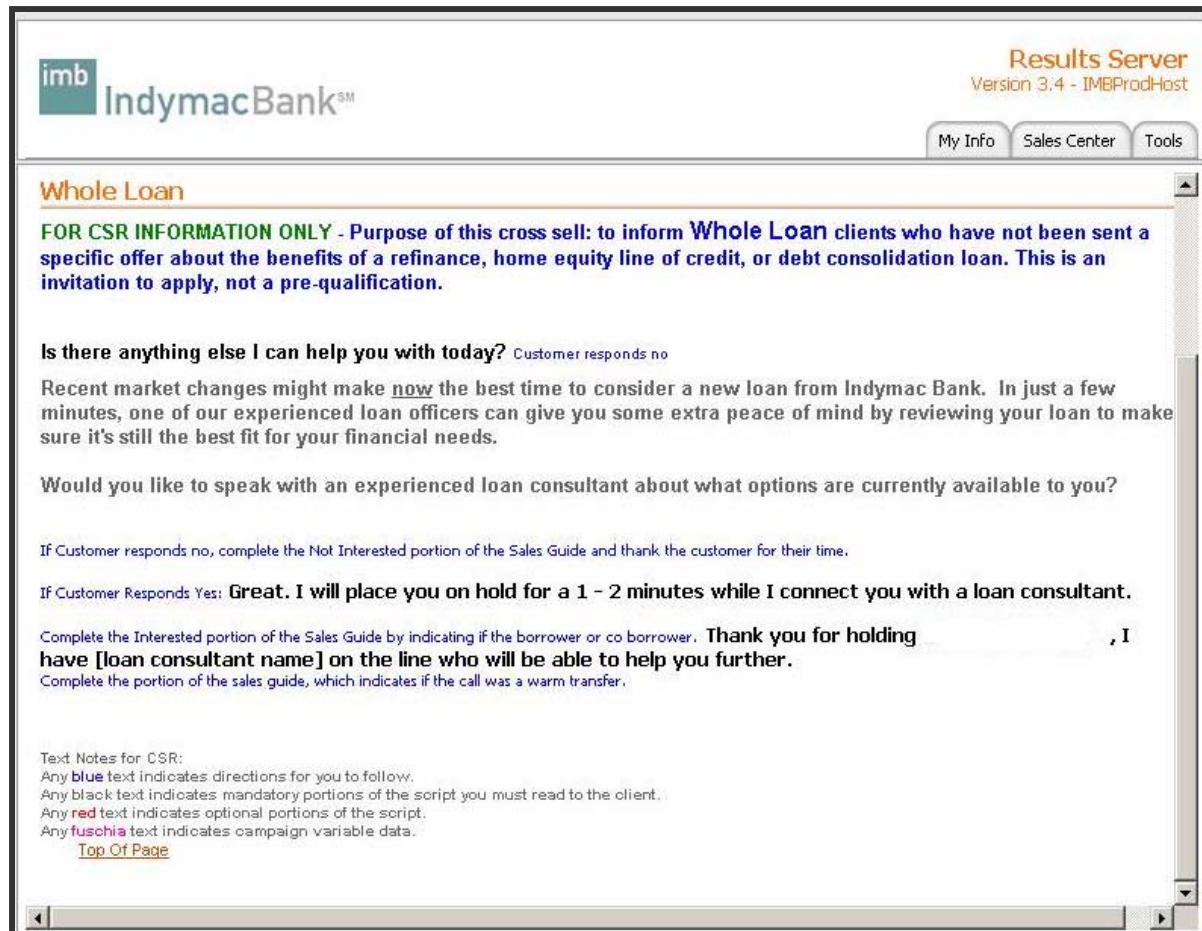
.....OFH/DBR/351

HAZ 020708 381 CSR/SWA VRFYD FAX\*, STTS W/FAX

POL INFO AND PAY REQ.....CML

## Improve Retention by Focusing on Cross-Selling

- Offer Script Screen Shot



**Whole Loan**

**FOR CSR INFORMATION ONLY** - Purpose of this cross sell: to inform **Whole Loan** clients who have not been sent a specific offer about the benefits of a refinance, home equity line of credit, or debt consolidation loan. This is an invitation to apply, not a pre-qualification.

**Is there anything else I can help you with today?** Customer responds no

Recent market changes might make **now** the best time to consider a new loan from Indymac Bank. In just a few minutes, one of our experienced loan officers can give you some extra peace of mind by reviewing your loan to make sure it's still the best fit for your financial needs.

**Would you like to speak with an experienced loan consultant about what options are currently available to you?**

If Customer responds no, complete the Not Interested portion of the Sales Guide and thank the customer for their time.

If Customer Responds Yes: **Great. I will place you on hold for a 1 - 2 minutes while I connect you with a loan consultant.**

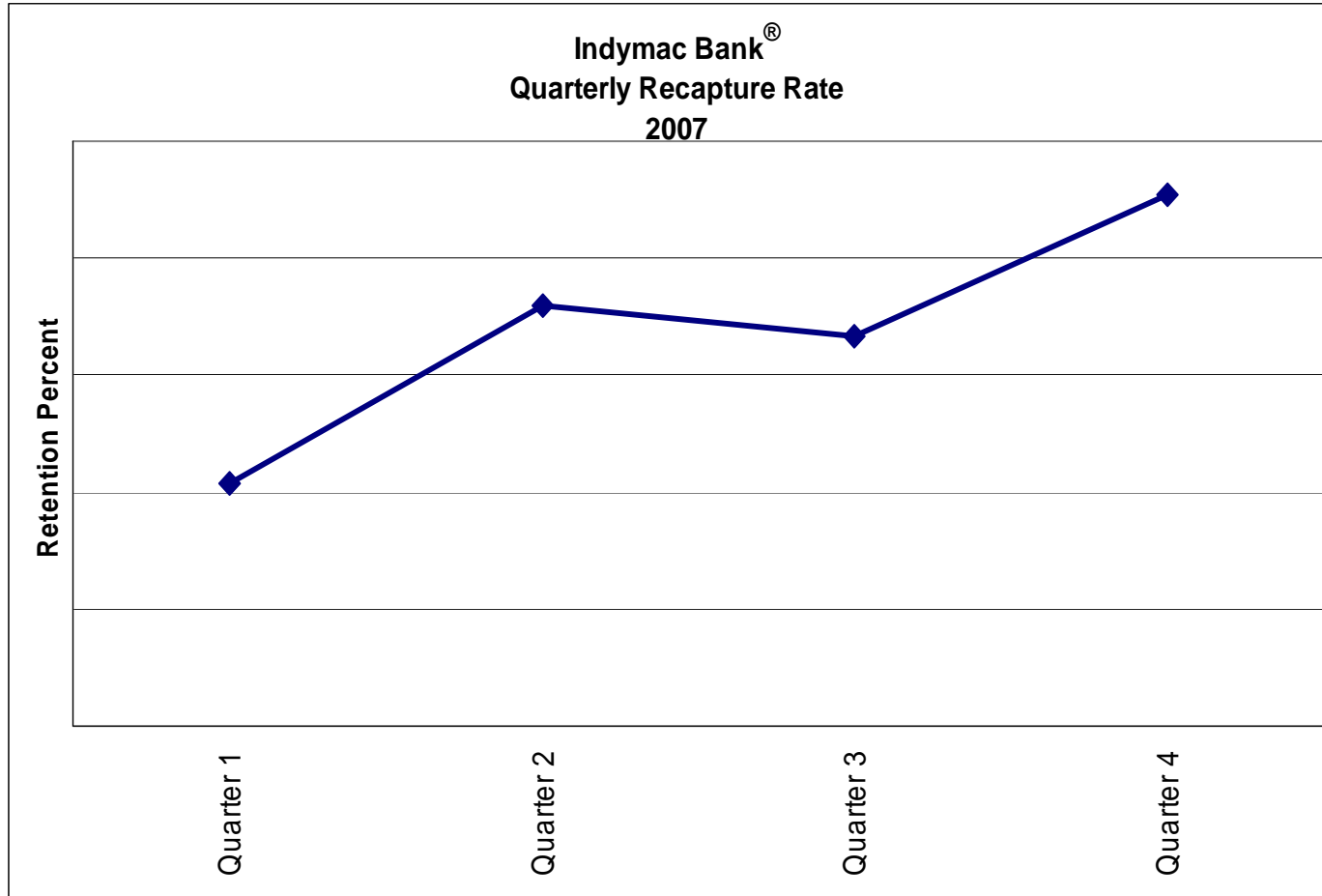
Complete the Interested portion of the Sales Guide by indicating if the borrower or co borrower. **Thank you for holding [customer name], I have [loan consultant name] on the line who will be able to help you further.**

Complete the portion of the sales guide, which indicates if the call was a warm transfer.

Text Notes for CSR:  
 Any **blue** text indicates directions for you to follow.  
 Any **black** text indicates mandatory portions of the script you must read to the client.  
 Any **red** text indicates optional portions of the script.  
 Any **fuschia** text indicates campaign variable data.

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# Improved Retention



Defined as: The percent of our paid off loans that were refinanced with Indymac Bank<sup>®</sup>

- **FACTA changes affect on Customer Service**

- Original Purpose:

- Combat identity theft
- Increase the accuracy of credit reports
- Restrict the use of medical information in credit eligibility determinations
- Allow consumers to exercise greater control regarding the type and number of solicitations they receive

- Regulators to apply a broad interpretation to threshold definitions of:

- “Creditors”
- “Financial Institutions”
- “Covered Accounts”
- “Service Providers.”

- Privacy Compliance impact on Web Services and Customer Satisfaction

## **Affiliate Marketing**

- Oct 1, 2008 Mandatory Compliance Deadline
- Reassess existing third party “Service Provider” relationships
- New Opt-Out obligations
- “3<sup>rd</sup> Opt-Out

## • **Identity Theft Red Flags**

- Nov 1, 2008 Mandatory Compliance Deadline
- Detect, prevent, and mitigate identity theft
- Mortgage Originators
- Parent Companies and “Continuity of Compliance”

*a logical or natural association between two or more things, organizations, or people*



- Facilitating Audience Questions:
  - Please raise hand and moderator will bring microphone to you.
  - State your name, organization, and state question to panelist(s).
  
- To Receive Copy of PowerPoint Presentation, please provide business card with e-mail address to moderator at the end of session.



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