



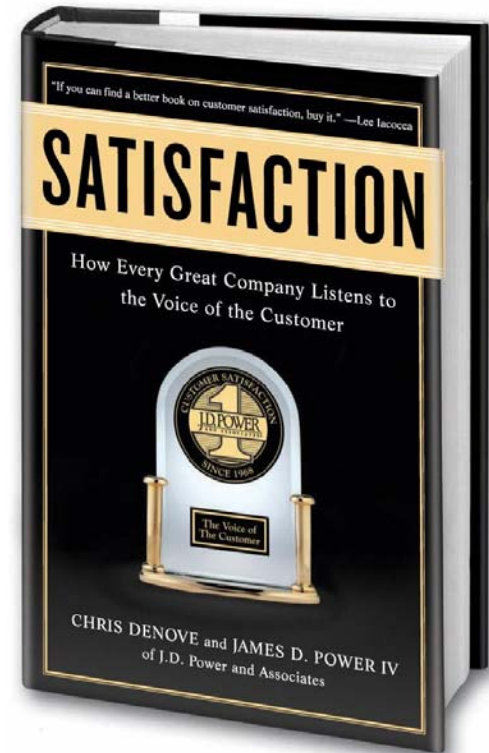
2007 Primary Mortgage Servicer Satisfaction StudySM

Housekeeping

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- Click Zoom icon button in lower left corner of screen to maximize size now
- Questions will be fielded at the end of the presentation
 - Send during presentation using Chat feature in lower right corner
- If you need technical assistance during this call, please call (888) 421-4223. When prompted, select 1 and then 2 and reference meeting # 441292494
- The presentation deck will be emailed to today's participant by the end of business today

Agenda

- About J.D. Power and Associates
- 2007 Study Approach
- Companies Profiled
- Preview of 2007 Key Findings
- Deliverables and Delivery Platform
- Important Dates
- Contact Information
- Questions and Answers

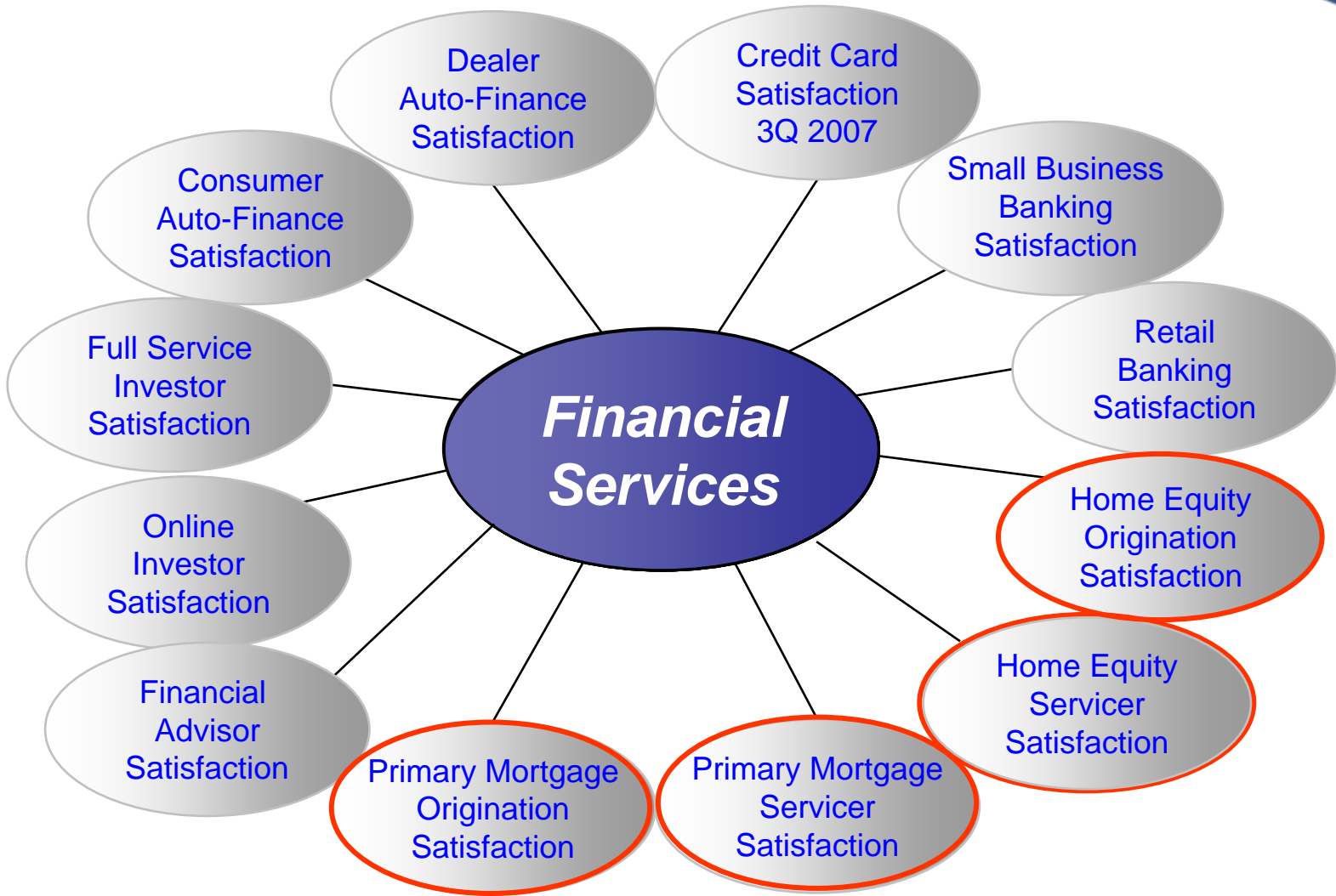


About J.D. Power and Associates

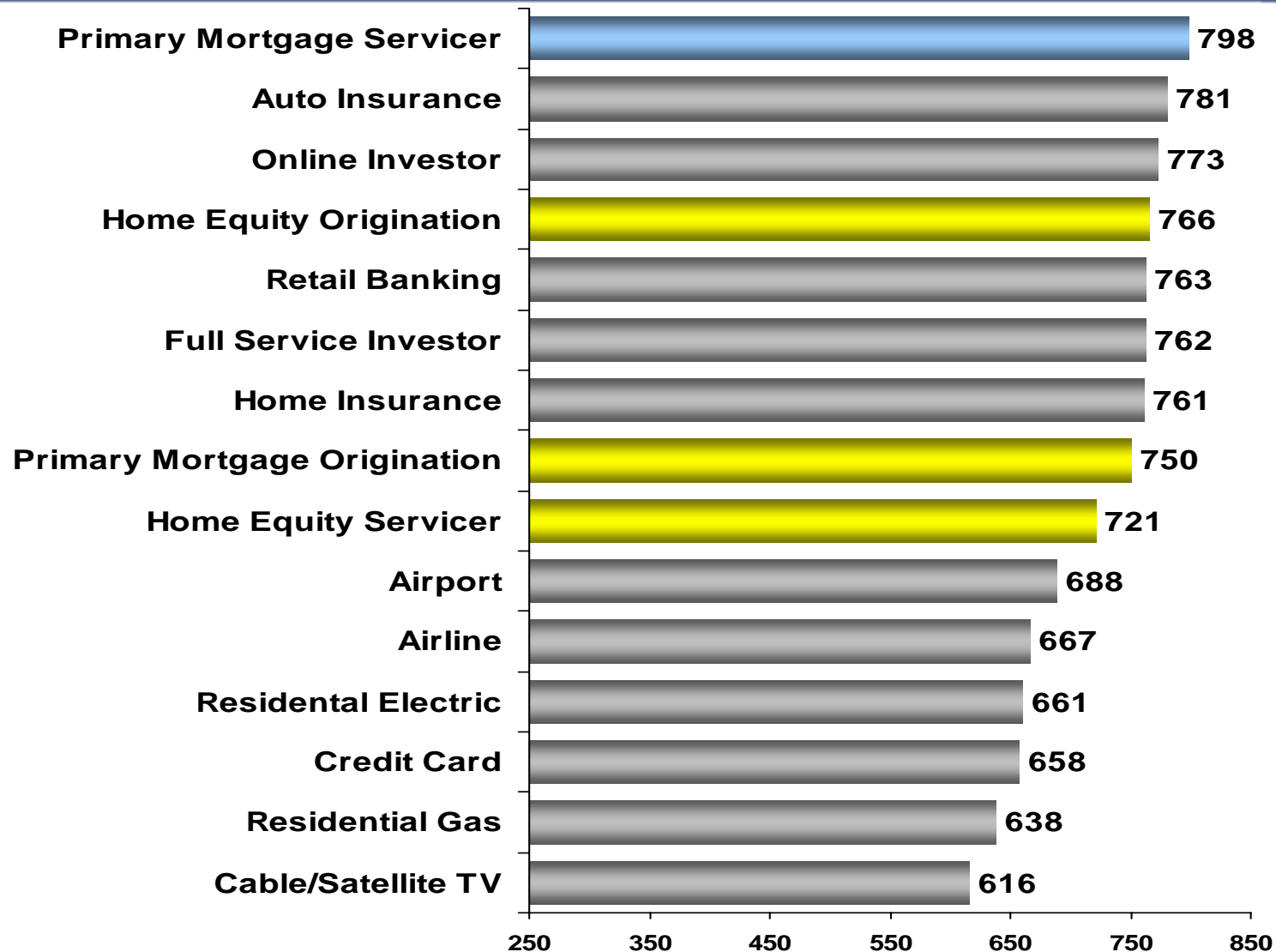


- An international marketing information services firm recognized by many industries as the *voice of the customer*
 - Independent and proprietary studies and services for four decades
 - As founder and Chairman J.D. Power III points out, “It’s the consumers who are talking, we’re just listening.”
- A recent independent nationally representative study found:
 - 81% of consumers in the U.S. are aware of the J.D. Power and Associates name
 - Of those, nearly 87% recognize the brand with an independent source of credible, product-related information.

Financial Services Benchmark Studies



Primary Mortgage Servicer has high satisfaction



Primary Mortgage Servicer Study Objectives

- Benchmark the major financial institutions/mortgage servicers in the industry.
- Determine the key dimensions of satisfaction for customers of mortgage servicers.
- Understand the relationship between satisfaction, loyalty, and additional product usage.
- Explore reasons for maintaining the mortgage or switching to a new lender.
- Explore the “emotional” factors that affect the customer experience including image perceptions and propensity to be loyal.

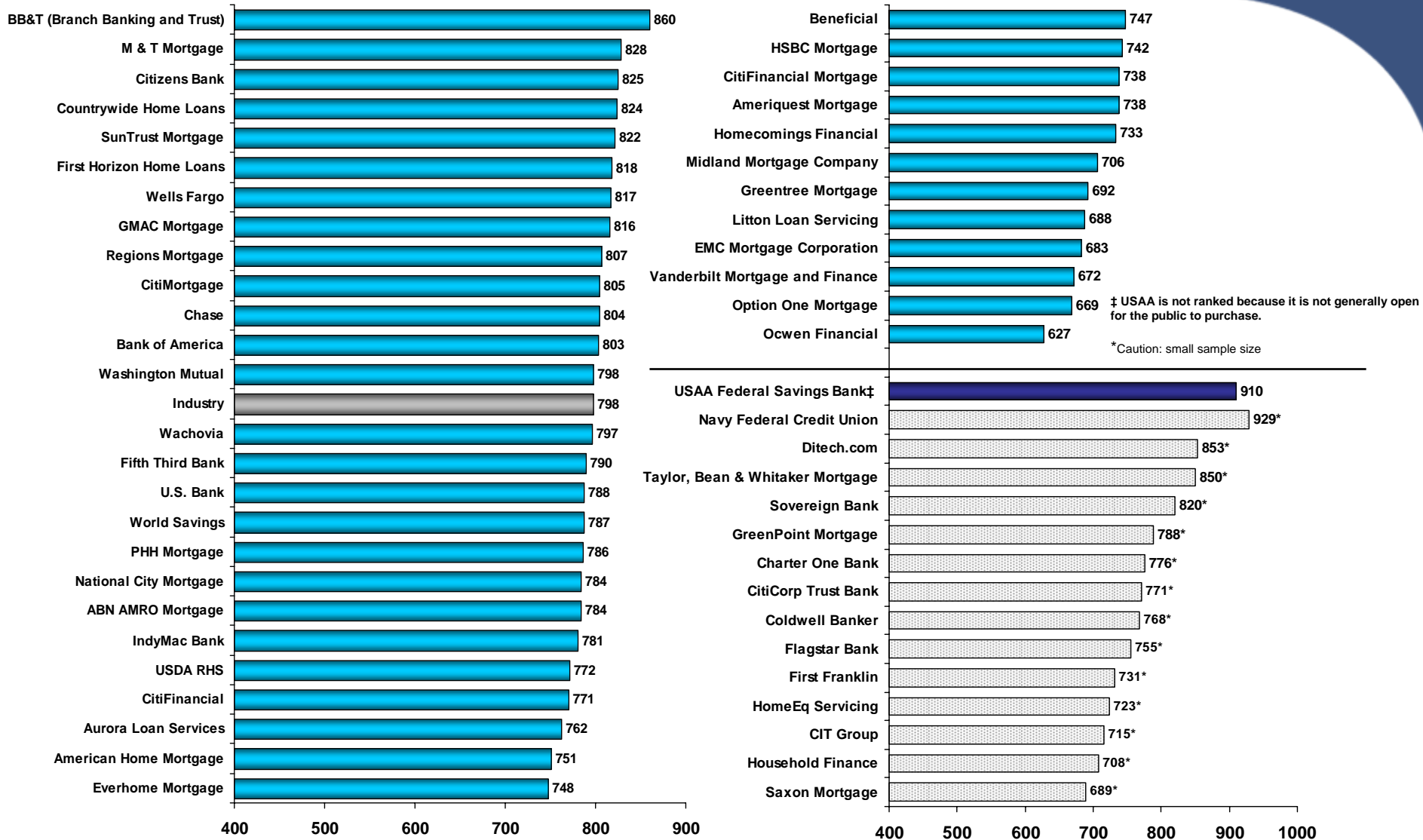
Questionnaire Changes

- This a study that has been in the market for a number of years and had very few changes for 2007
 - A question was added on Mortgage Studies to reflect past year participation
 - An additional diagnostic question concerning amount of time given to submit statements
 - Additional choices were added to response lists to reflect answers discerned from previous open end questions

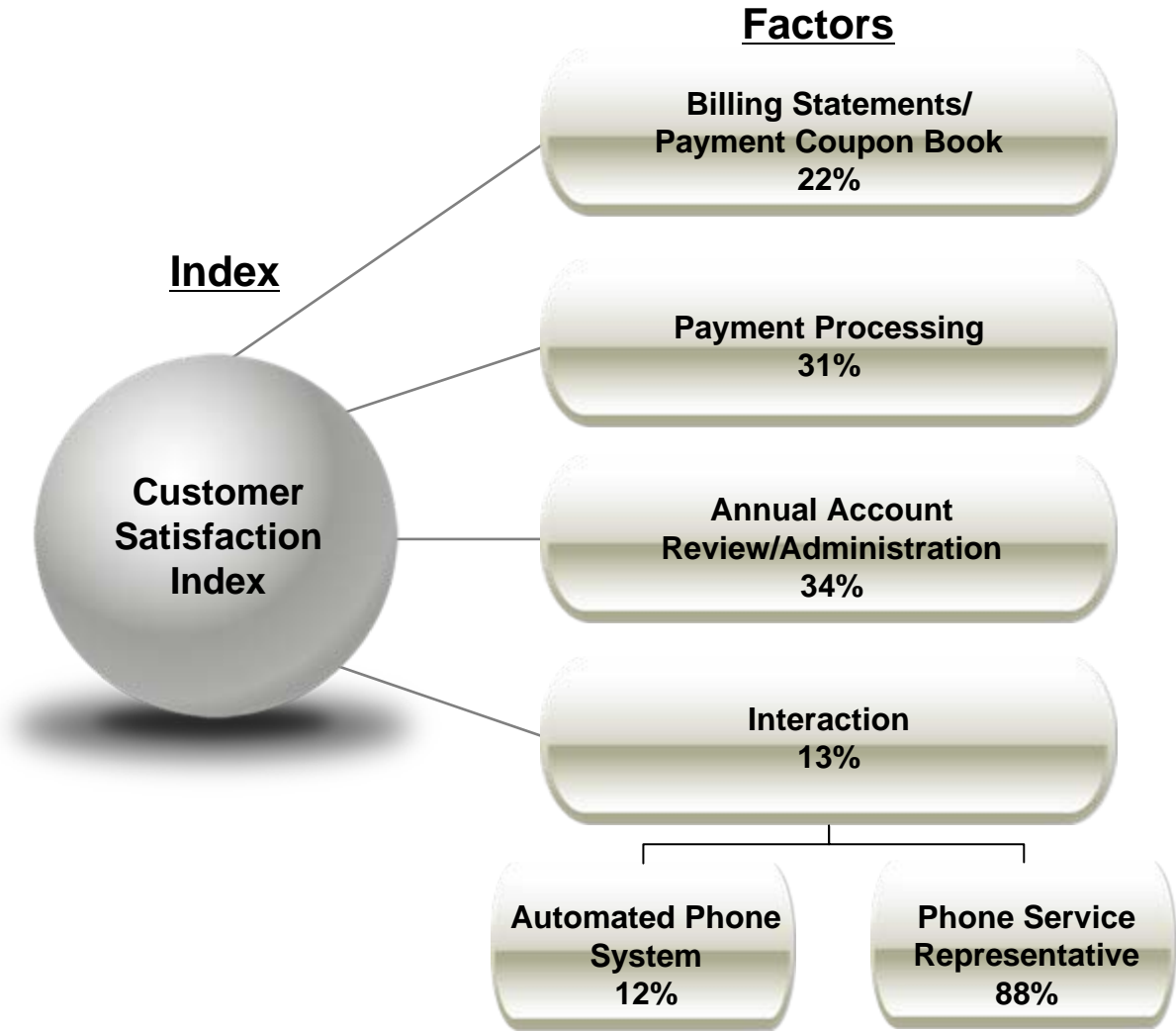
Data Collection

- Online survey fielded in three waves of data collection
 - November 2006, February 2007, and May 2007
- Interviews collected from multiple Internet panels
- Data is weighted to reflect market share as listed in National Mortgage News
- Completed surveys totaled 11,481

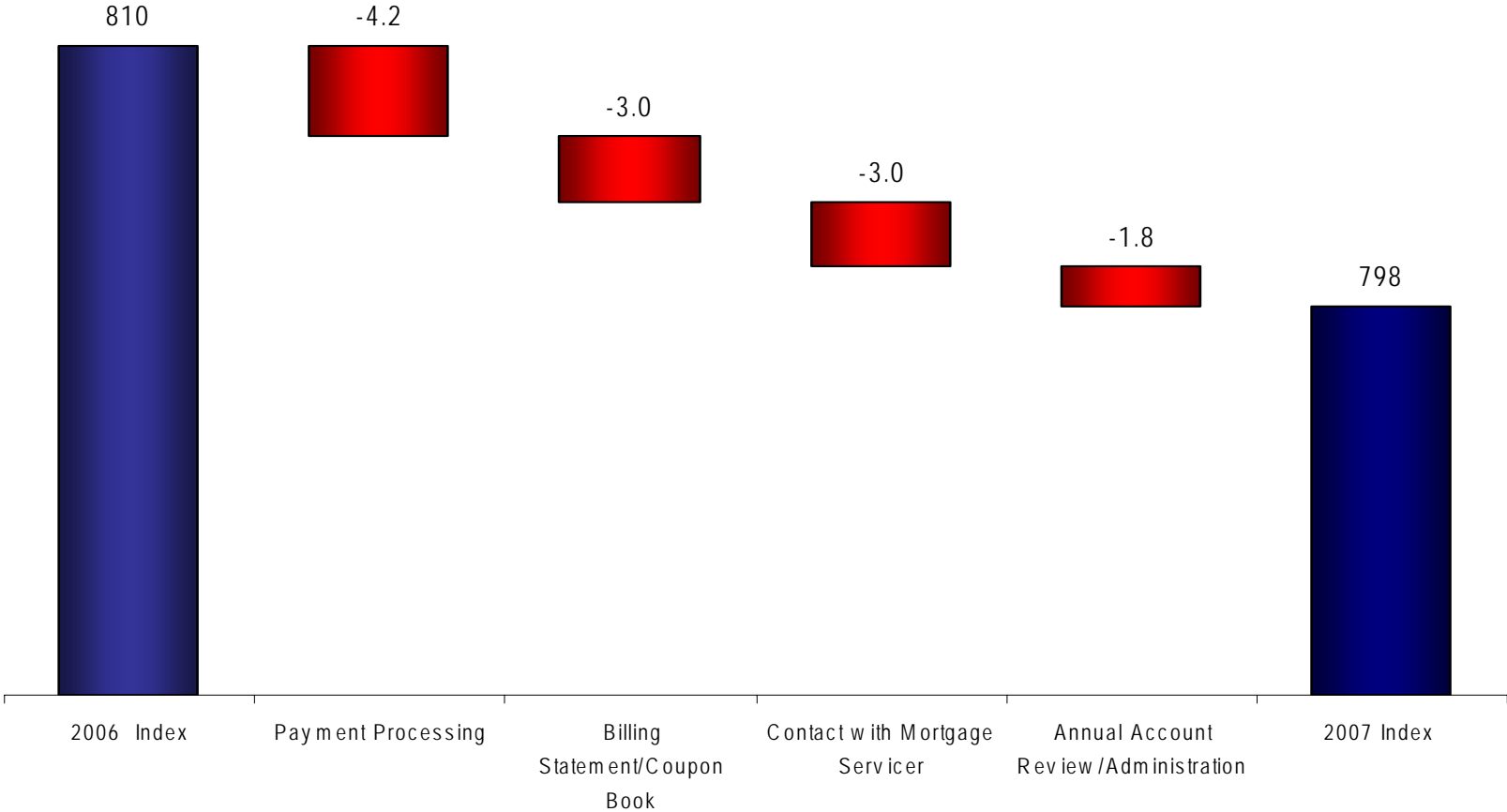
Overall Index Ranking



Overall Servicer Satisfaction Index Model Composition



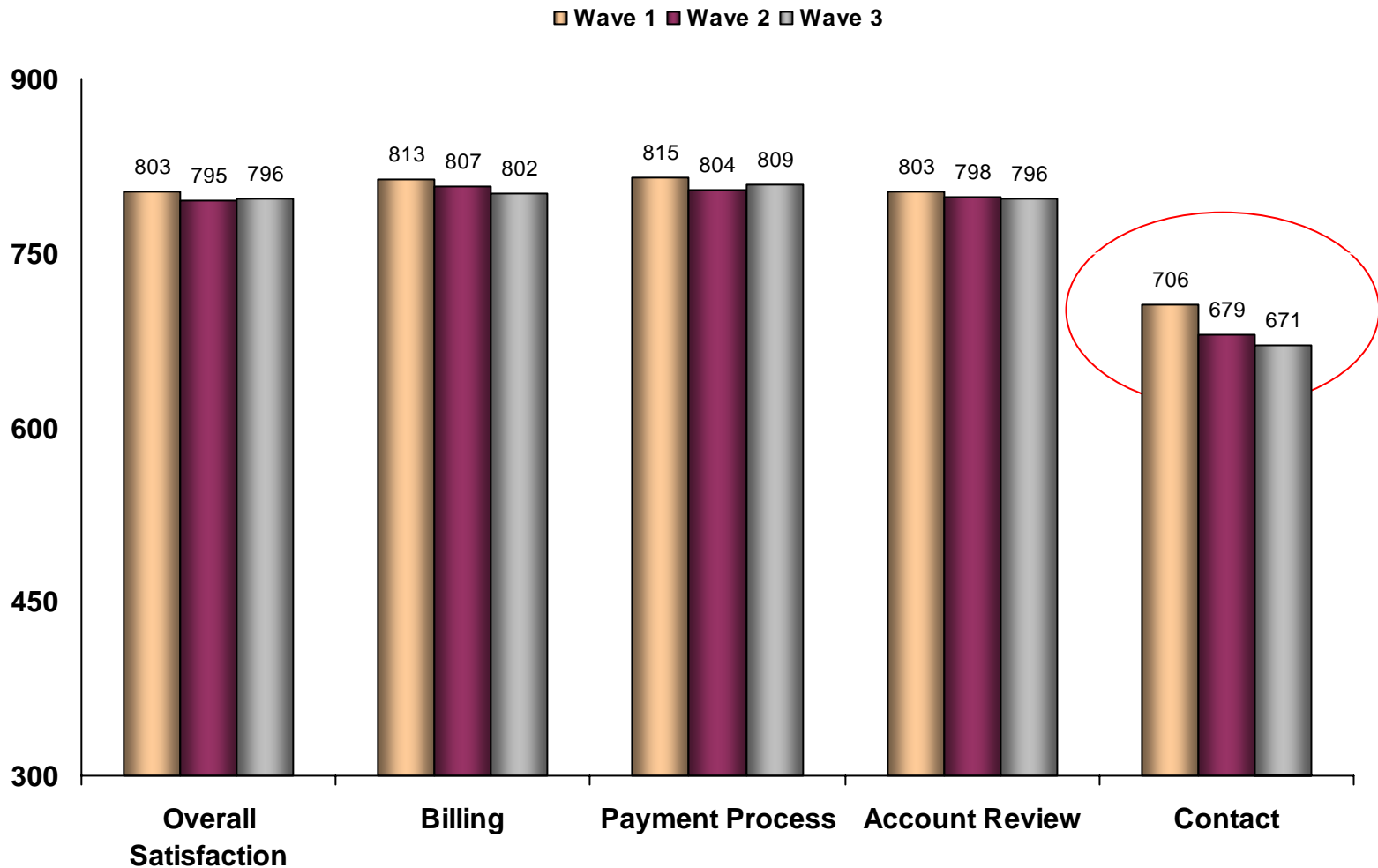
Industry Changes 2006 to 2007



High Level 2007 Findings

- The index level decreased 13 points to 798.
 - A small decrease; wave to wave the index was very stable
- Contact went from 30% in 2006 to 26% in 2007
 - As a result the weight of the contact factor declined to 13%
- Satisfaction within the contact factor declined for each wave of data
 - Negative recommendations went up
 - Delinquencies increased in each wave
- Automated payments increased, again, to 53%
 - Steady incline; 19% increase in 3 years.
- Problem incidence increased 3%
 - Though higher than 2006 it is still lower than 2005

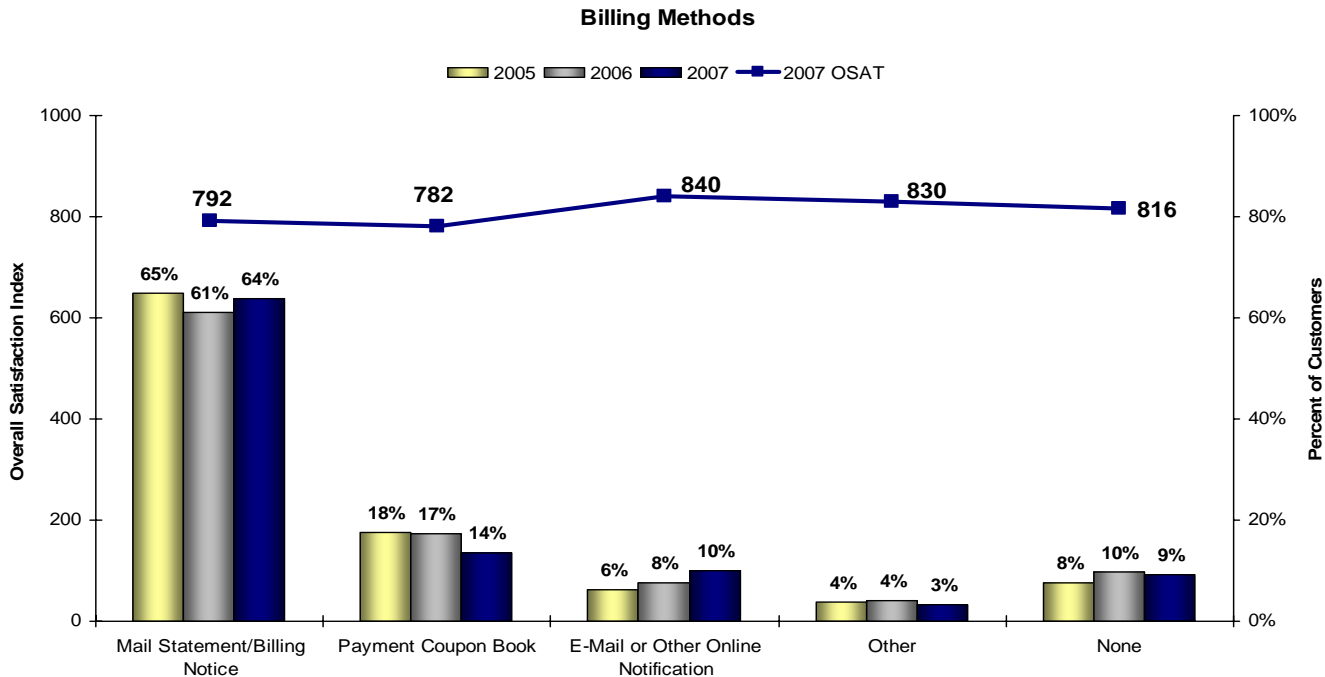
Satisfaction declined across Waves



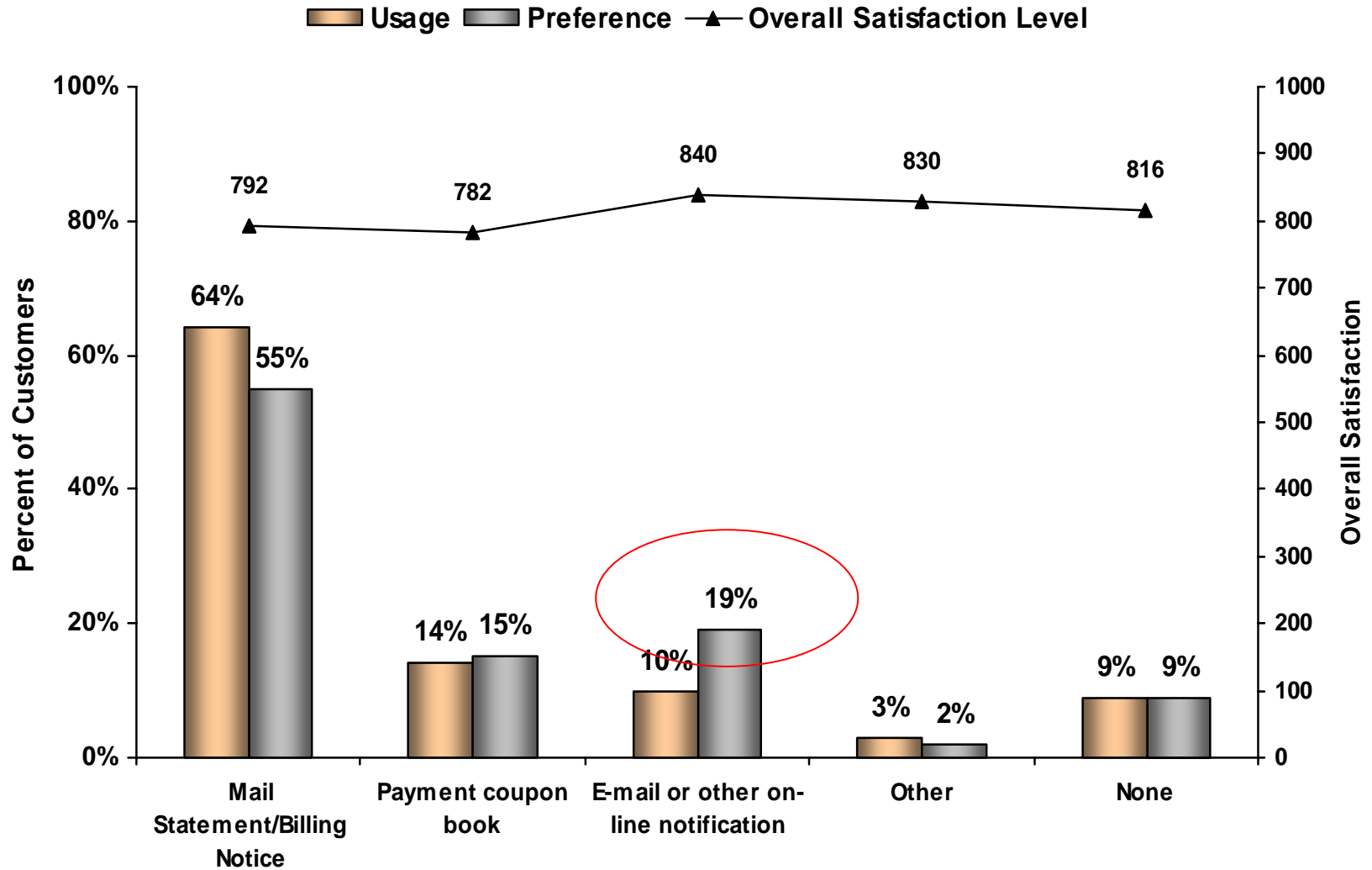
Key Findings

Billing

- Billing trends continue to move away from the traditional payment coupon book and toward electronic options.
- Customers who receive billing statements electronically have the highest satisfaction.



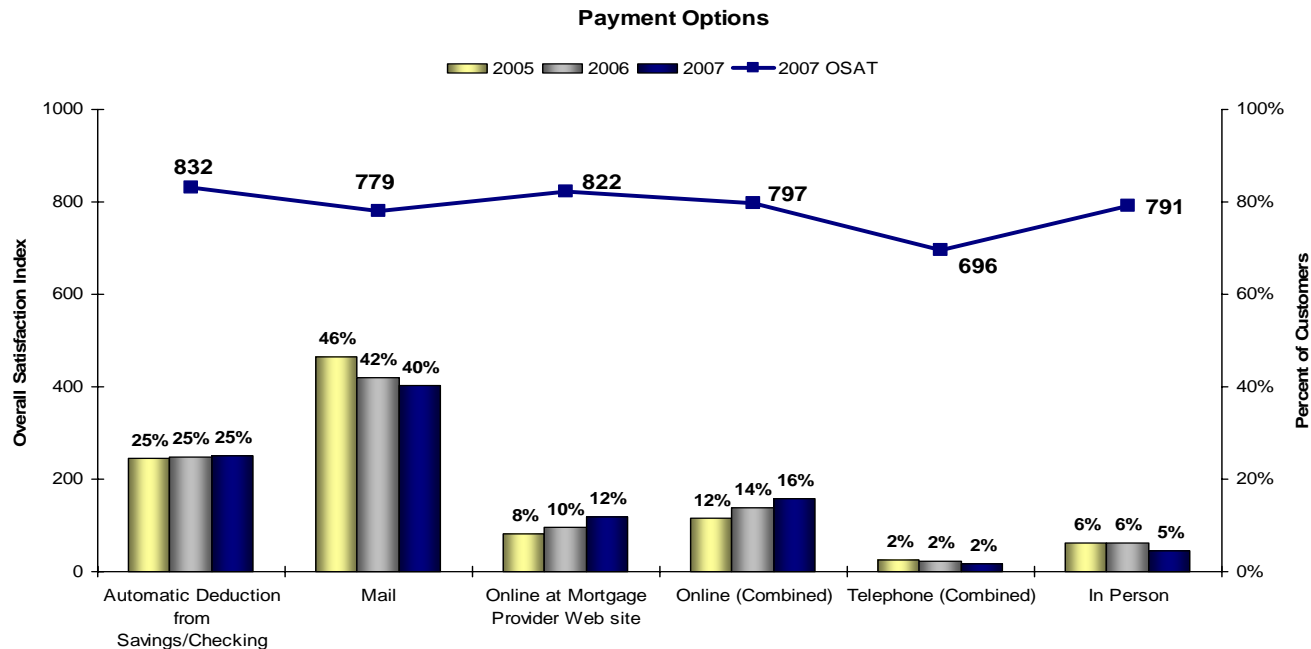
Billing Methods: Usage vs. Preference



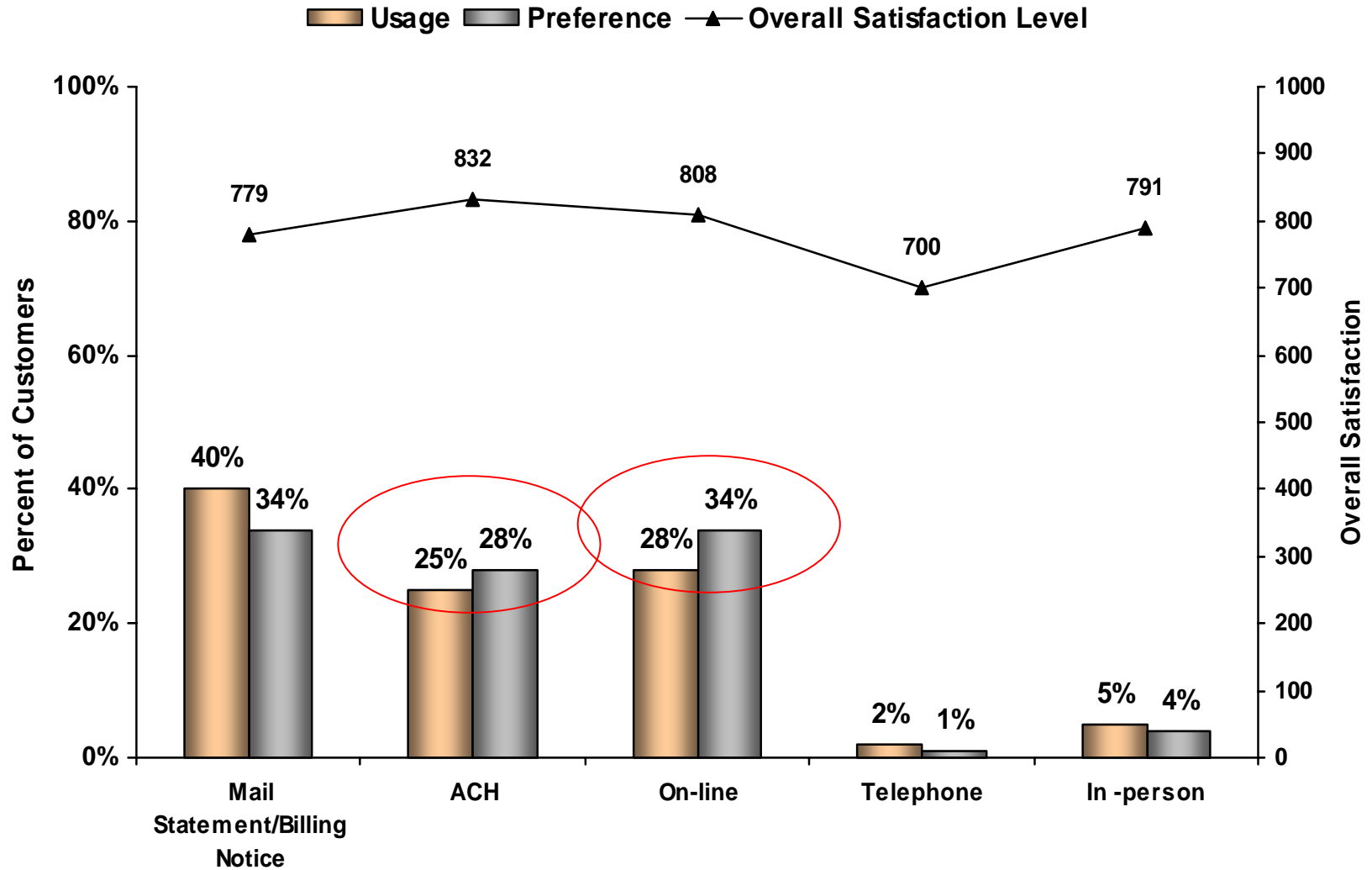
Key Findings

Payment Processing

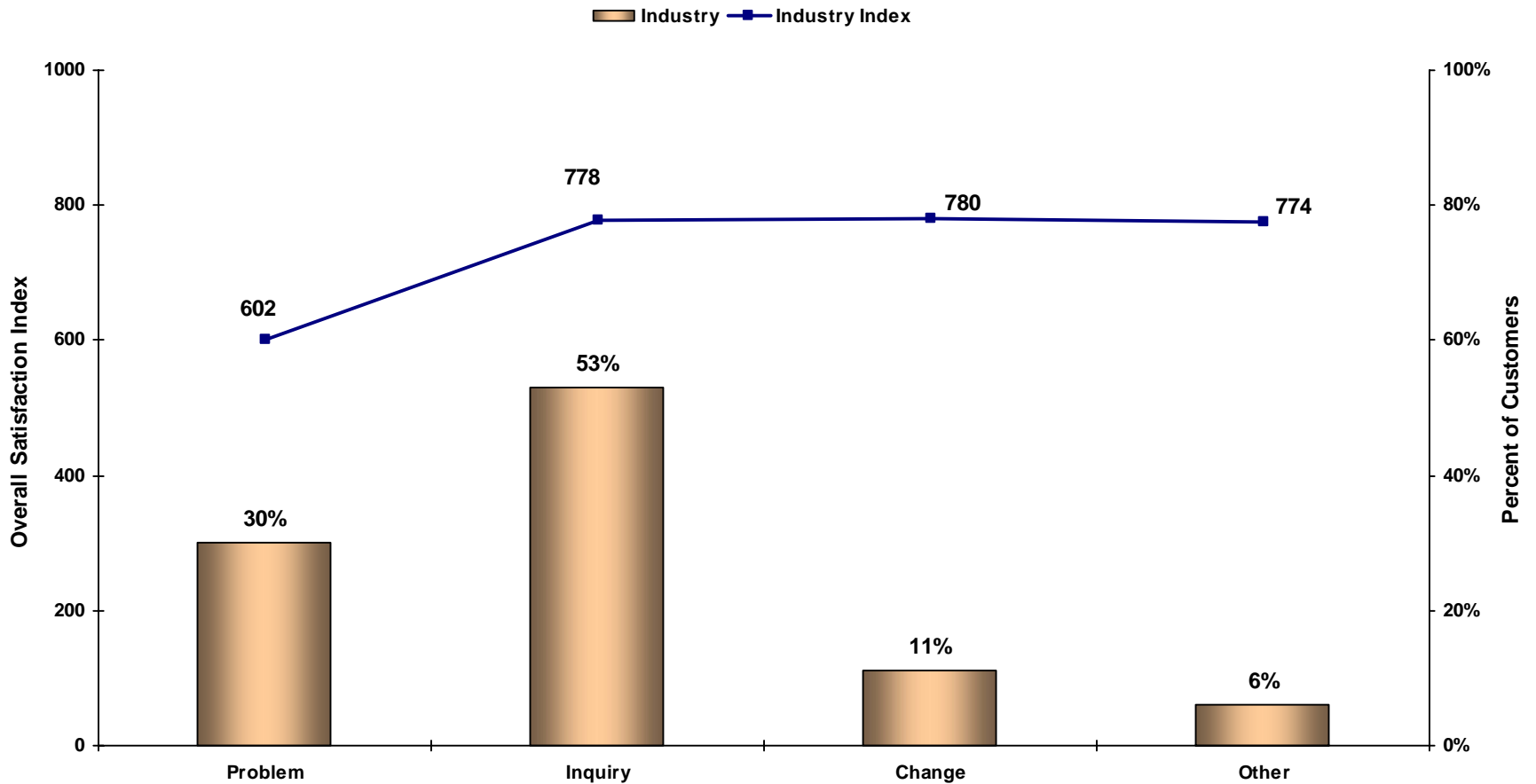
- While the highest percentage of customers make payments by mail, use of this option is decreasing.
- Online payments show the greatest increase, and are now used by approximately 28% of customers.
- The percentage of customers having their mortgage payment automatically deducted from their savings or checking account has remained constant.



Payment Methods: Usage vs. Preference

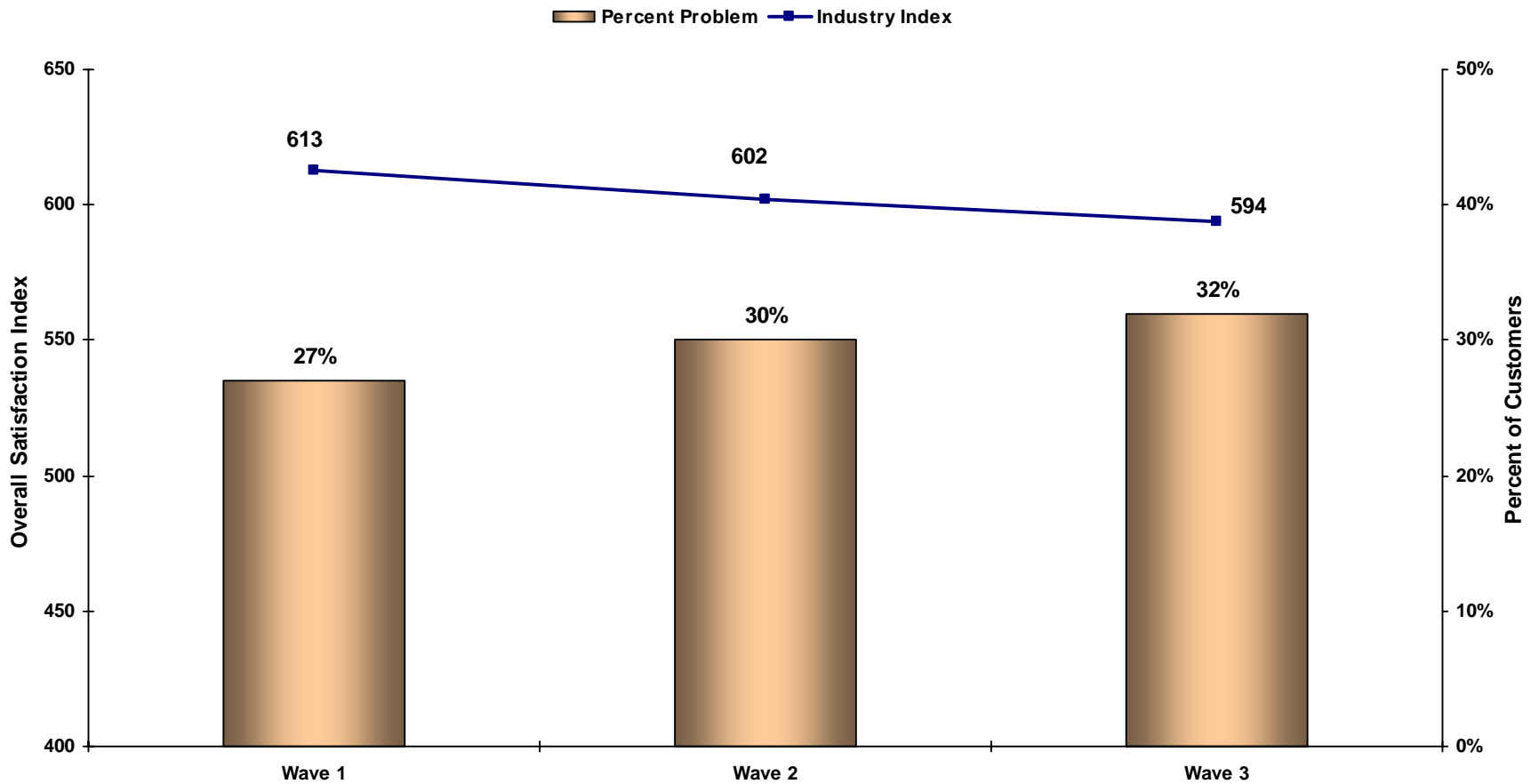


Type of Contact

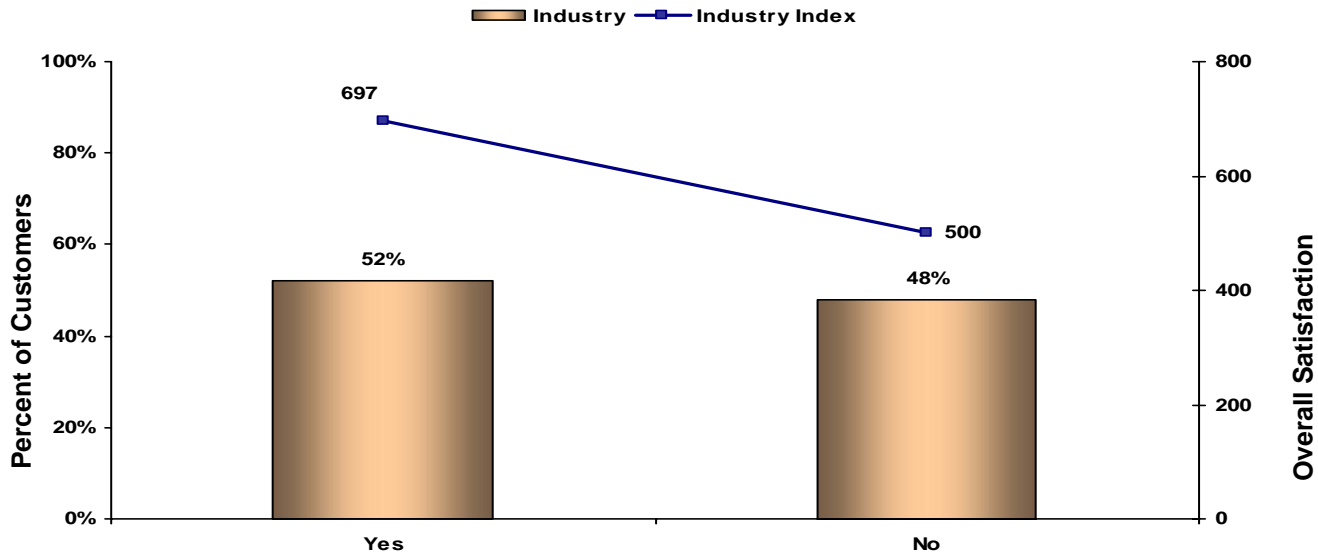


Q31a: What was the "nature" of your most recent contact?

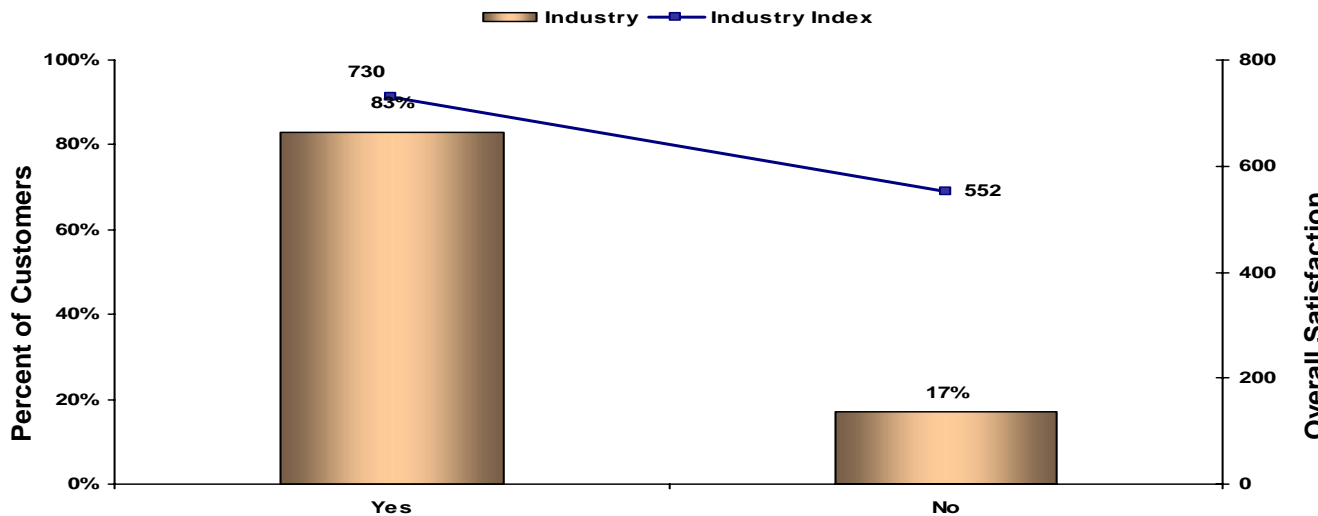
Trend of problem contact



Expectations on Problem/Inquiry Resolution

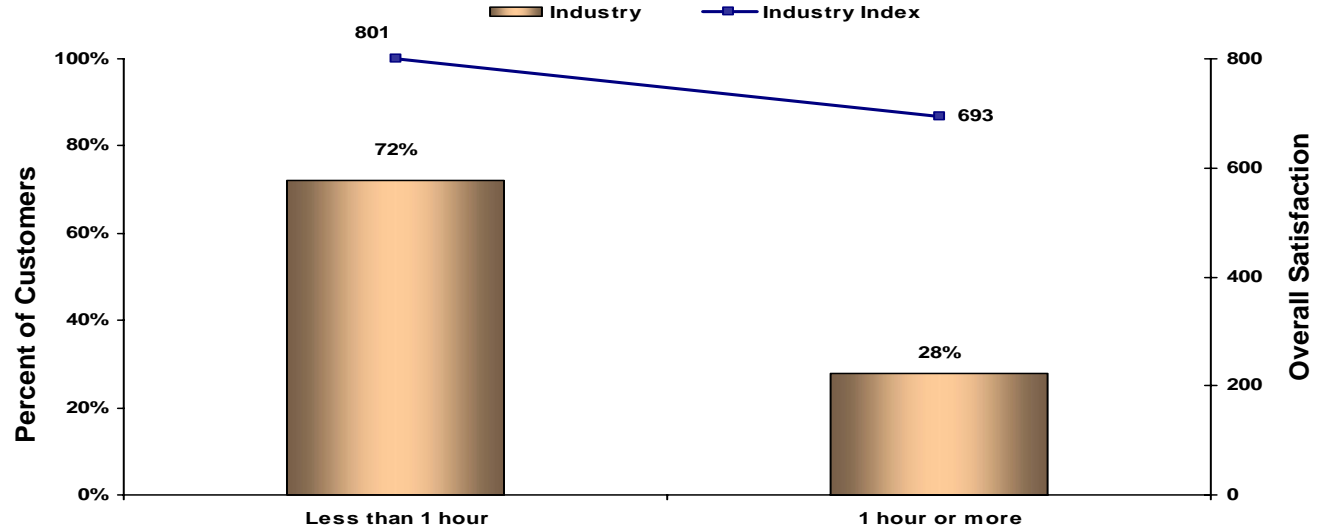


Q32a: Did they give you a timeframe when problem/inquiry would be resolved?

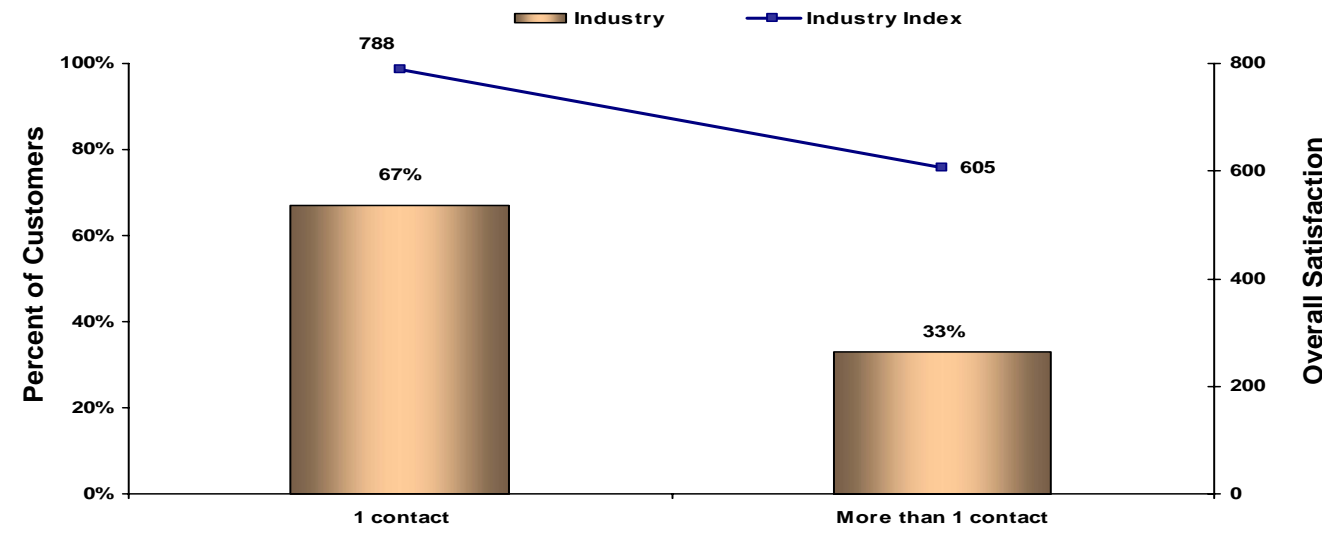


Q32b: Did they meet the time frame?

Time Frame For Problem/Inquiry Resolution

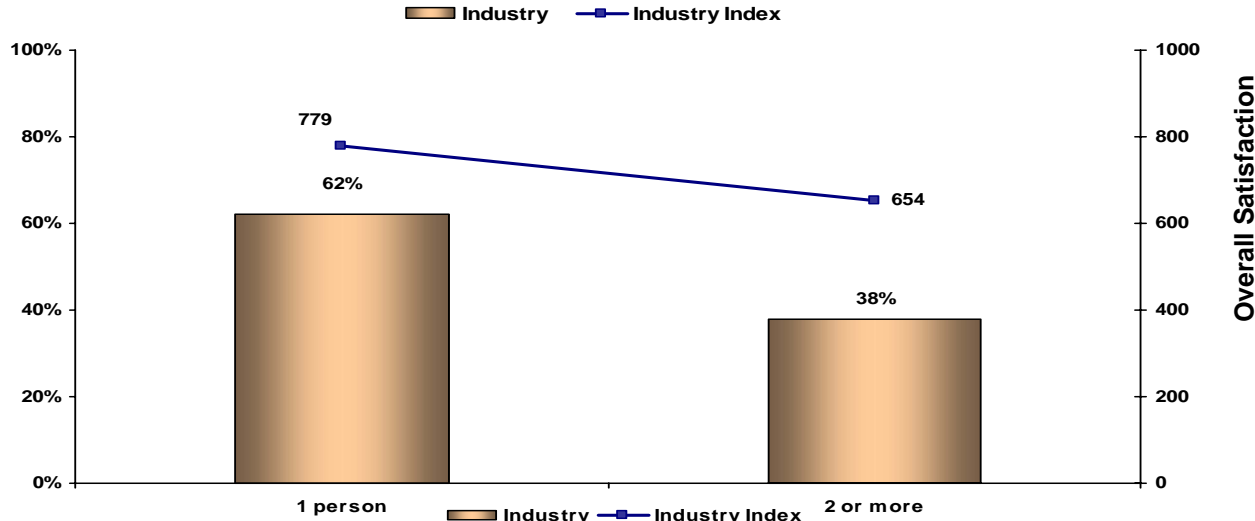


Q32c: How long did it take to resolve your most recent problem/inquiry?

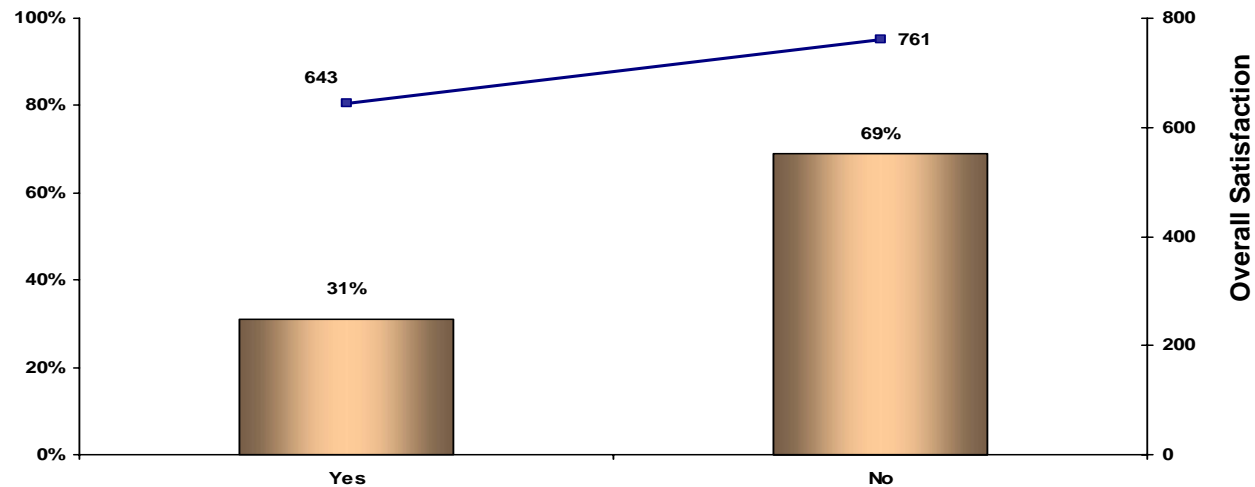


Q33: How many times did you have to contact lender regarding your most recent problem/inquiry?

Contact Issues



Q34: During your most recent contact, how many people did you speak with?

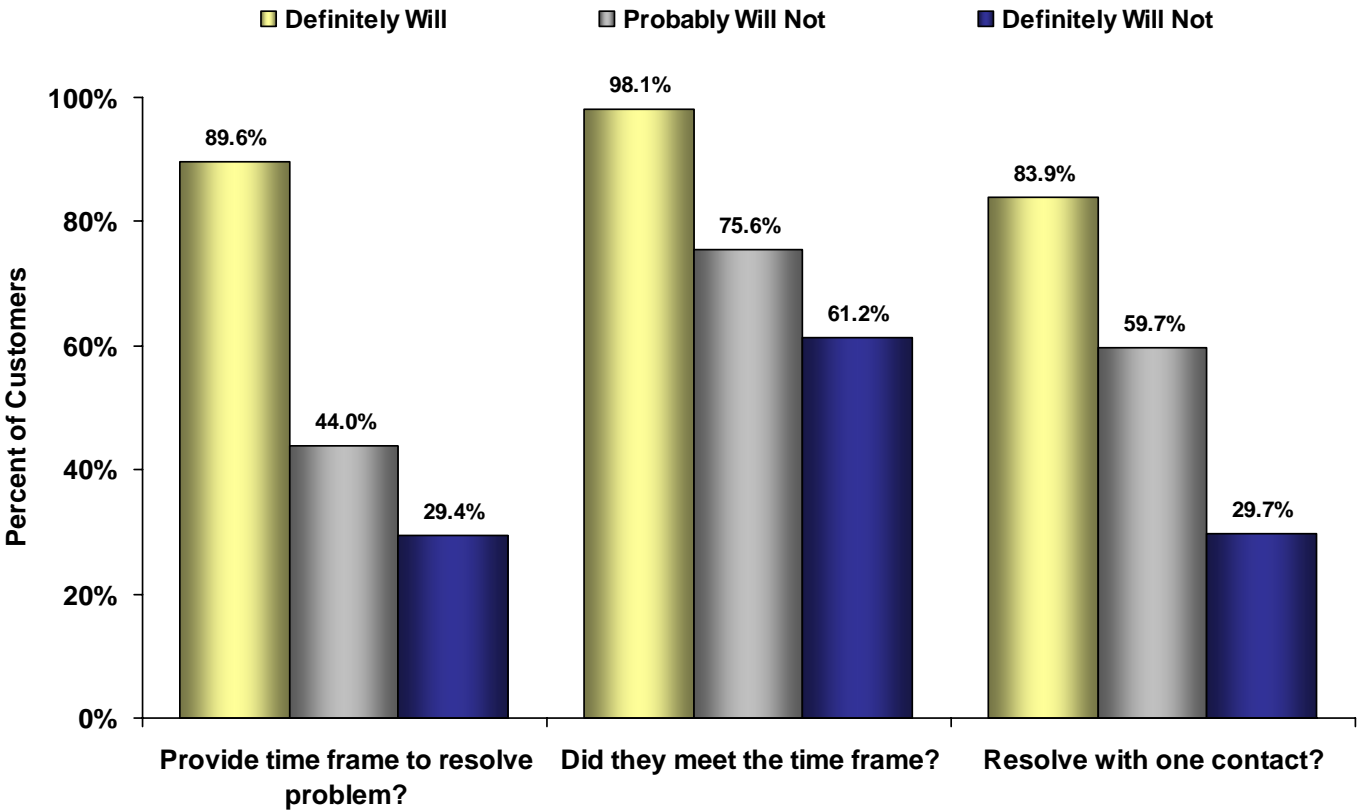


Q36a: Did your problem/inquiry require a call-back?

Financial Impact of Servicing Satisfaction

- Doubling customer retention (the percentage of customers who pay off a loan and then refinance or take out a mortgage for a new loan with their current lender) from industry average to best in class can result in an increase in mortgage servicing right valuations of 2.73% or \$38 million on a hypothetical portfolio of \$100 billion

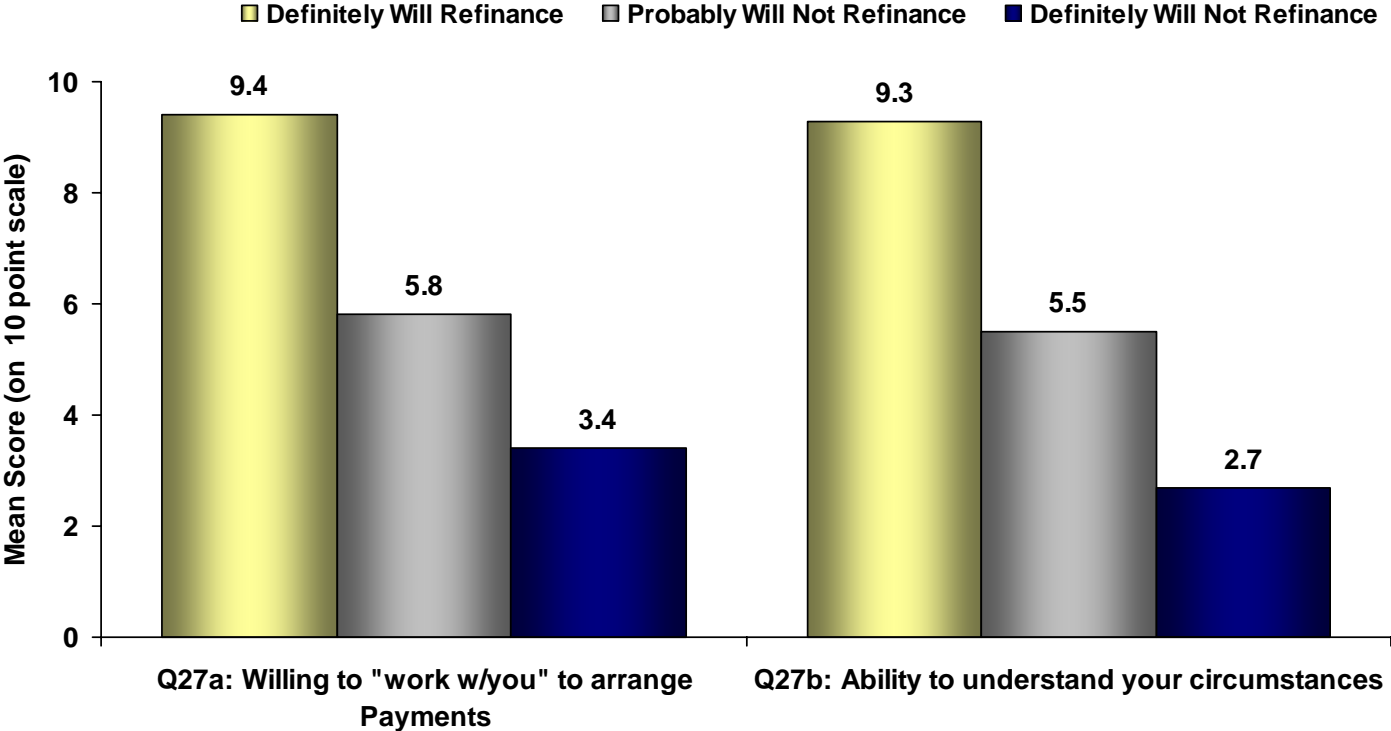
Inquiry/Problem Resolution



Q40: How likely are you to refinance with current lender?
 Q32a: Did they give you a timeframe for when the problem would be resolved?
 Q32b: Did they meet the timeframe?
 Q33: How many times did you have to contact lender regarding your most recent inquiry/problem?

Collection Experience

Payment Arranging and Understanding Circumstances



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

Commitment

- 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 Purchase 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

New Study Deliverables

- CompassSM portal to view/customize results
- Weighted Wave Data on Compass
- Able to view weighted gaps on analysis page (toggled with mean scores)
- Gap Analysis Charts on Compass (Lender vs. Industry)

Compass-New Reporting Tool

- Web portal accessibility 24/7
- Executive-friendly dashboard format that can be customized for individual preference and include any number of canned graphs
- Ability to easily construct side-by-side competitive comparisons across all attributes
- Create custom aggregations by merging companies to produce a personalized competitive set
- Chart/graphs and tables that can be exported into Excel and PowerPoint
- Include 2006 data for trending

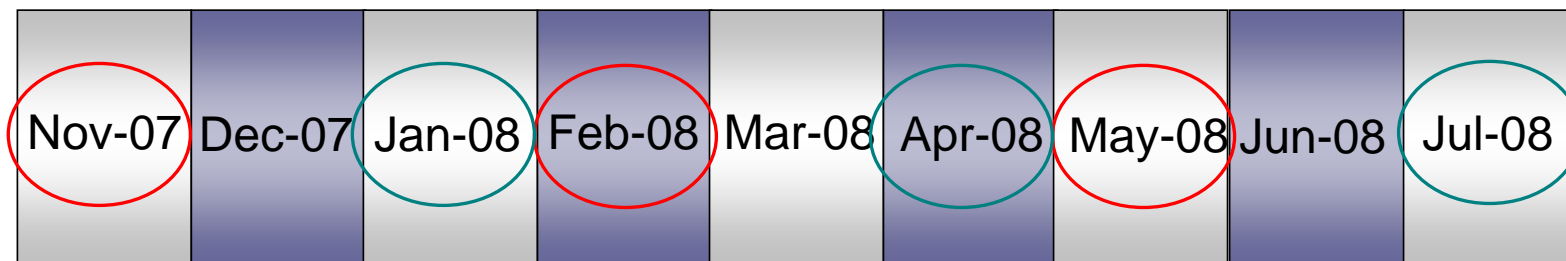
The screenshot displays the J.D. Power and Associates COMPASS reporting tool interface. The top section shows a scorecard with a table of survey results for June 2005. The bottom section shows a custom chart for Q17 'Courtesy of representative' comparing Company B, Company C, and Company D in 2006, with an associated data table.

Attribute	June 2005	June 2005	June 2005
Overall Satisfaction Index	826	846	855
Product Index	780	823	842
Process Index	684	687	655
Contract Index	792	824	843
Timeliness to respond to you	7.91	8.04	8.36
Ability to answer all of your questions	7.98	8.52	8.80

Company	2006	Sample
Company B	76	64
Company B	37	342
Company D	64	108
Total	59	514

2008 Primary Mortgage Servicer Timeline

PMS 2008 Schedule



	In-Field	Compass Delivery
Wave 1	November 2007	January 2008
Wave 2	February 2008	April 2008
Wave 3 & Final	May 2008	July 2008

What's Next – Primary Mortgage Servicer Study

- Purchase study
- Get informed of analysis and schedule executive presentation with your primary competitors as a contrast point
- If unranked, consider an over-sample to compare your bank's performance to those in the syndicated study
- J.D. Power and Associates deliver Executive Presentation of findings to subscribers

Primary Mortgage Origination Satisfaction

Our next study, 2007 Primary Mortgage Origination Satisfaction, will release on November 29th. This is a continuing study which will -

- Measure the drivers behind satisfaction in the origination process such as cycle times on underwriting and closing, expectations management and problem resolution
- Determine those behaviors that drive loyalty and commitment
- Examine specific issues such as the dislocation in the non-prime and Alt A markets this year and the resulting disruption in the market
- The data was collected in three waves so trends throughout the year will be identified. Approximately 5,000 completed surveys are anticipated. Fielding ended September 13th.
- Ranked Lenders: Bank of America, Chase, CitiMortgage/Citibank, Countrywide, Fifth Third Bank, GMAC, National City, SunTrust Mortgage, US Bank, Wachovia, WaMu and Wells Fargo

Questions?

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