

Borrowers open up on the mortgage experience

Solidifi 2021 Consumer Mortgage Experience Survey



solidifi

Executive Summary

On the heels of another banner year in the mortgage industry, historically low interest rates and a recovering economy continued to fuel strength in mortgage originations in 2021. As households adjust to a new normal of hybrid workplaces, social migration and low interest rates played an increasing role in the American consumers' choice to become homeowners rather than renters.

The Solidifi 2021 Consumer Mortgage Experience Survey took an expansive look inside the borrower's experience, including what motivates them, how they select a lender and what drives satisfaction with their lender. Our survey focused on the consumer experience during the valuation and closing processes, uncovering insights about what ultimately drives consumer preferences and expectations. This year's results reaffirmed findings of the past two years and uncovered interesting, new generational differences that will shift how our industry can better serve consumers in the future.

Key Findings

Homeownership still represents the American dream. Regardless of age, borrowers believe owning a home represents an investment in their future stability, a place for children to grow and thrive. It also represents the most significant financial transaction in their life.

Based on our findings the caliber of the appraiser and closing agent is a key determinant of customer satisfaction. And, the importance of in-person interaction in both the appraisal and closing process continues to build trust and drive an extraordinary borrower experience. Borrowers revealed that appraisals are very valuable to them; interactions with the appraiser and scheduling flexibility increase customer satisfaction; and, the majority of borrowers say that having a full interior evaluation increases trust in their lender.

The survey revealed that convenience drives consumer preferences when it comes to closings. The majority of borrowers prefer to close in an office or at their home versus online with a majority indicating they would like mobile notaries to facilitate their closing. An overwhelming majority of borrowers still prefer an in-person closing. Those who prefer a digitally-supported experience are looking for "the best of both worlds" with a preference for using digital tools to review and eSign documents prior to closing.

Resoundingly, borrowers indicated the importance of having a trusted professional to guide them through the most important transaction of their lives. And, that responsive communication, convenience and a streamlined process drive customer satisfaction and repeat business for lenders. As lenders seek to improve their processes by investing in data and technology that will change how they do business from the outside in – leading with the customer experience will help bring simplicity and peace of mind to a complicated and misunderstood process.

Solidifi is at the intersection of data and technology like no other.

Join us in making the home ownership experience extraordinary by empowering incredibly smart decisions.

About Our Research

The **Solidifi 2021 Consumer Mortgage Experience Survey** was conducted by Market Street Research. It surveyed 1,000+ residential borrowers 18 years of age or older in the United States who have refinanced or purchased a home within the last two years. Panelists included an equal mix of those who have purchased a home or refinanced a mortgage in the last year and a mix of those who closed between one or two years ago. The survey was fielded using Snap Surveys, and the panel was sourced from Dynata. Fielding was executed in July 2021.

Survey Respondent Demographics

Gender

47%

Female



52%

Male



Familiarity with the Mortgage Process

Number of Homes Purchased in the Past

20%



First-Time Homebuyers

52%



2-3 Homes

28%



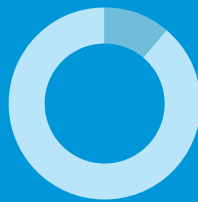
4 or More Homes

Type of Property



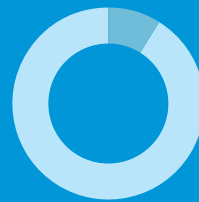
80%

Primary Residence



11%

Secondary/
Vacation Home



9%

Investment Property



50%

Refinance

The Mortgage Market

Homeownership still represents the American dream. Owning a home represents:

54%



Investment in my future

53%



Stability

35%



Place for children to grow and thrive

39%



The most significant financial transaction in my life

Mortgage Market Drivers

Purchase Motivators

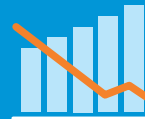
- 63% Social Migration (be closer to family, new job, want to live in a different area)
- 42% More space or upgrade
- 22% Don't want to rent
- 12% Vacation home or Investment Property
- 11% Downsizing



Lower rates increased homeownership and vacation/investment property purchases.

Refinance Motivators

- 82% Take advantage of lower rates
- 45% Reduce monthly payments
- 19% Change the mortgage terms
- 15% Pay for home improvements
- 8% Access cash for life events



Lower rates continue to drive refinance of homes.

Great customer service and a seamless experience matter in selecting a lender.

86% of borrowers used a lender they have used in the past.

14% chose a new mortgage lender.

More than half of borrowers started their mortgage process online, and younger borrowers are especially likely to do so.

Approximately 3 in 5 Millennials and Gen Z started the process online.



Borrowers bundle their services with a lender.



60% Personal banking



38% Credit card



16% Investment or retirement savings account



11% Auto loan



10% Personal or student loan

28% Other

The decision to choose a new lender is largely driven by using the lender for other products or services.

Borrowers who had an exceptional experience with their lender are over 2x as likely to recommend their lender, and 94% are likely to use the lender again.

Younger generations drive online reviews of lenders.

64% of Gen Z and 48% of Millennials who were very satisfied with their lenders would write a positive review vs 29% of Gen X and 19% of Boomers.



Long waits, poor-quality staff and bait-and-switch tactics are leading causes of borrowers' dissatisfaction.



30% long wait



19% bait-and-switch tactics



19% poor-quality staff

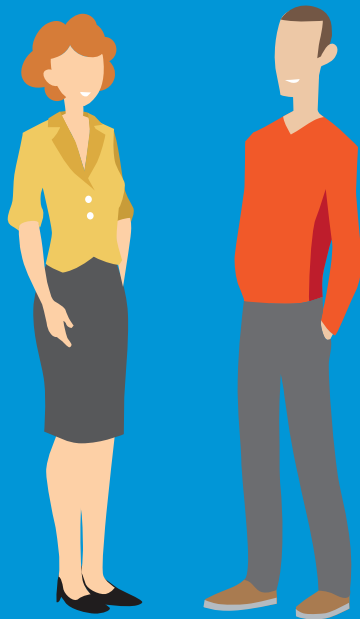
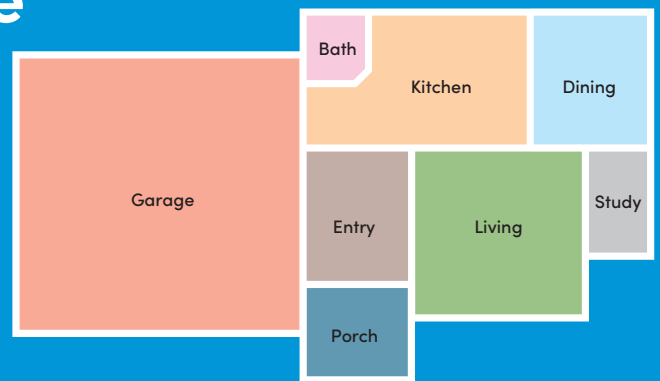


16% multiple errors

The Appraisal Experience

63% of borrowers say that appraisals are very valuable to them.

2 in 3 borrowers say that having a full interior evaluation increases trust in their lender.



Borrowers who interacted with the appraiser had a better experience.

3 in 4 borrowers interacted with the appraiser in some way – either in-person or via video call.

Borrowers who interacted with the appraiser in any way were nearly 2x as likely to rate the appraiser as excellent or very good compared to borrowers who did NOT interact with the appraiser.

88% of borrowers who interacted with the appraiser were more likely to be satisfied.

Scheduling flexibility increases borrower satisfaction.

88% believe it is important to accommodate their schedule.

83% who had a say in the interior evaluation time were more likely to rate their appraiser's performance excellent vs. borrowers who had no choice.

90% more likely to be satisfied with the appraisal process vs. borrowers who had no choice.



The caliber of the appraiser determines customer satisfaction.

4 in 5 borrowers were satisfied with the appraisal process.

Appraisal satisfaction drivers:

- ✓ Appraised value met or exceeded expectations
- ✓ Appraiser was thorough
- ✓ Confidence in the appraised value
- ✓ Appraiser was professional, knowledgeable
- ✓ Flexible meeting time
- ✓ Easy process








Having an appraiser who did a great job usually results in a satisfied borrower even if the value is lower than expected.

The Closing Experience

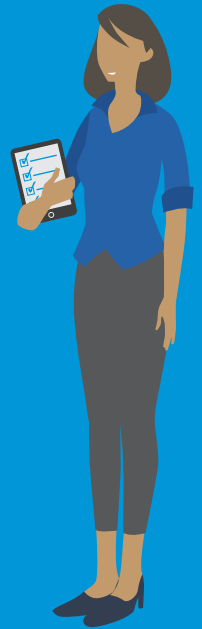
Great communication and being prepared can make or break the closing experience.

Most important attributes in notary/signing agent:

-  **59%** Communicates the process and what you need to do
-  **53%** Prepared for your closing/ prepares paperwork
-  **36%** Professional appearance and behavior
-  **30%** On-time and keeps the process moving
-  **27%** Makes you feel comfortable and at-ease


Main reasons for dissatisfaction:

-  **49%** Poor communication or follow-through
-  **49%** Errors, mistakes, not prepared
-  **10%** Didn't like agent's demeanor
-  **10%** High cost




The quality and professionalism of the closing agent strengthens the closing experience.

How consumers felt about their closing agent:

 **66%** a trusted advisor

 **18%** a rock star who went above and beyond to make my closing a great experience

 **15%** not memorable at all

 **1%** a train wreck: someone I'd never do business with again



The Digital Experience

81% of borrowers prefer an in-person closing.

38% of all borrowers and 43% of Millennials prefer an in-person closing experience that uses at least some electronic documents.

Preference for using digital tools is increasing, especially for reviewing documents prior to or during closing. A combination of digital and paper would have the most appeal in the closing experience.



50% of borrowers want to review documents digitally prior to closing.



44% of borrowers prefer paper for signing documents.



Borrowers prefer having an agent in-person.

- ✓ Better organization, minimize delays, get immediate answers
- ✓ Better oversight (greater trust in face-to-face)
- ✓ More personal interaction
- ✓ Feels more professional
- ✓ Better communication
- ✓ Feels more comfortable or trustworthy during important transactions

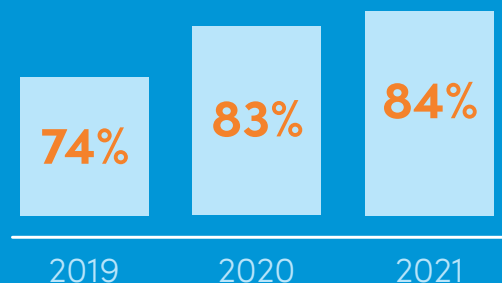
More than half of borrowers wanted to be face-to-face because buying a home is one of the single largest investments in their life.

Millennials are most likely to say digital tools are indispensable.

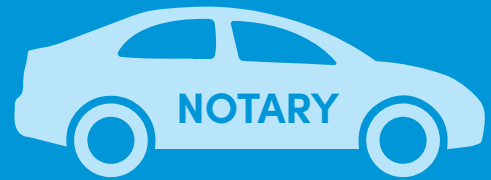
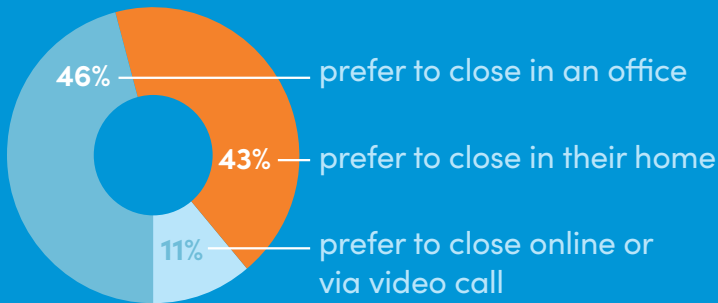
Boomers are mixed: some prefer face-to-face and others want to rely on digital tools.



Trust in eSignatures continues to increase.

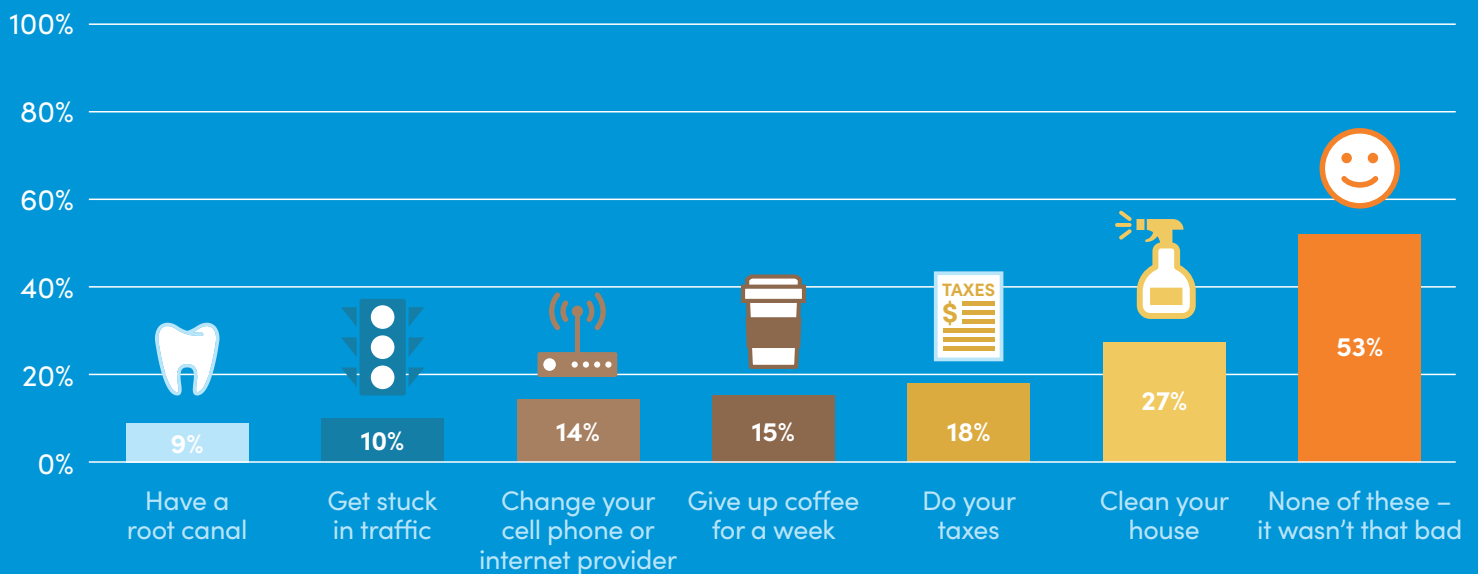


Convenience drives consumer preferences when it comes to closings.



71% of Millennials are most interested in a mobile notary.

Borrowers would rather do something else than go through another closing process.



The results indicate that younger consumers are more likely to experience challenges, and that a seamless, professional experience is an important way to earn their loyalty.

Younger borrowers and first-time home buyers are most likely to have a difficult experience and 1 in 3 new purchase borrowers were not happy with the amount of communication.

The Solidifi Difference

Meaningful interactions, communication, and preparedness make or break the consumer experience. Solidifi works with the best appraisers and closing agents that compete for business based on performance and professionalism.

As a result, we deliver first-time quality and proven performance you can depend on, every time.

Solidifi outperforms the competition on customer satisfaction.

Solidifi received a 94% consumer satisfaction rating on the appraisal experience.

Nearly all who used Solidifi said they had a say in scheduling.



9 out of 10 customers were satisfied with Solidifi and the closing process.



Solidifi given a rating of 8, 9 or 10 on a 10-point scale.

91%
Solidifi

74%
Others

Ask us how Solidifi can help you make every borrower experience extraordinary. www.solidifi.com

About Solidifi

Solidifi is a leading network management services provider for the residential lending industry. Our platform combines proprietary technology and network management capabilities with tens of thousands of independent qualified professionals to create an efficient marketplace for the provision of mortgage lending services. We are a leading independent provider of residential real estate appraisals and title and settlement services. Our clients include the majority of the top 100 mortgage lenders in the U.S. Solidifi is a wholly owned subsidiary of Real Matters (TSX: REAL).

For a list of AMC Registration Numbers for Solidifi U.S. Inc., go to solidifi.com/registration-numbers.

<https://go.solidifi.com/2021mortgageexperiencesurvey>

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