

## Online Origination Winners Dominate

Across the entire mortgage industry, it seems as if the origination leaders continue to gobble up more market share.

In almost every sector of the market, the origination leaders seem to be taking over more and more market share. The big are only getting bigger.

Overall in the first half of 2006, the top five servicers accounted for 48% of the market, the top five originators equaled 45% of the market, and the top five residential online originators chalked up almost 45% of the market. What does this mean?

First, it means that it's becoming increasingly difficult to be the new guy on the block. Further, if a new lender does emerge that is successful, they'll be a prime acquisition candidate for the top five.

However, technology remains a differentiator. For example, Taylor, Bean & Whitaker increased its online originations by 315% over the same period just one year ago. As *Mortgage Technology* detailed in August/September 2005 issue, TB&W is nimble and proactive instead of reactive.

The lender proved that when it decided to go with Avista Solutions, a newer vendor that doesn't tout a laundry list of top 20 clients, for its community banking online division origination system. What's more revealing is that TB&W told *MT* that it went with Avista because it wanted to do business with a small vendor that was more flexible, not something you hear everyday in this industry as lenders tend to rely heavily on a vendor's client roster before choosing.

TB&W also went with Avista because they wanted to move fast. Oftentimes the more established LOS vendors that do have marquee clients take 18 months or

more to roll out their applications and TB&W wasn't prepared to wait. This success story is proof that there is something to be said in choosing innovation over stagnation.

And the recent MORTECH study suggests that more lenders may follow TB&W's lead. "There is a profound shift in

lender behavior," said Jeff Lebowitz, owner of MORTECH LLC, publisher of the annual MORTECH survey on lender behavior and business use of technology. "Always in the past, negative expectations forced deferrals in capital spending. That's not the case any more."

MT

### TOP ONLINE ORIGINATORS IN THE FIRST HALF OF 2006

(DOLLARS IN MILLIONS)

RANK	ORGANIZATION	LOCATION	ONLINE VOLUME		% CHANGE	MARKET SHARE
			1H 2006	1H 2005		
1	IndyMac Bancorp, Inc.	Pasadena, CA	\$22,349	\$16,615	35%	9.66%
2	Chase Home Finance	Iselin, NJ	\$21,800	\$20,900	4%	9.42%
3	CitiMortgage, Inc.	O'Fallon, MO	\$20,161	\$18,697	8%	8.71%
4	Washington Mutual	Seattle, WA	\$18,783	\$23,807	-21%	8.12%
5	GreenPoint Mortgage Funding	Novato, CA	\$14,873	\$16,607	-10%	6.43%
6	New Century Financial Corp. (BC)	Irvine, CA	\$14,700	\$11,993	23%	6.35%
7	WMC Mortgage Corp. (BC) (E)	Woodland Hills, CA	\$14,100	\$14,273	-1%	6.09%
8	ABN Amro Mortgage	Ann Arbor, MI	\$12,732	\$17,906	-29%	5.50%
9	SunTrust Mortgage, Inc.	Richmond, VA	\$8,662	\$6,985	24%	3.74%
10	Quicken Loans, Inc.	Livonia, MI	\$6,226	\$5,616	11%	2.69%
11	Taylor, Bean & Whitaker	Ocala, FL	\$5,577	\$1,345	315%	2.41%
12	Navy FCU	Merrifield, VA	\$3,298	\$3,258	1%	1.43%
13	Bank of America	Charlotte, NC	\$3,246	\$771	321%	1.40%
14	Wachovia	Charlotte, NC	\$2,232	na	na	0.96%
15	Netbank	Columbia, SC	\$2,119	\$2,414	-12%	0.92%
16	ResMAE Mortgage Corp. (BC)	Brea, CA	\$1,945	\$1,517	28%	0.84%
17	DHI Mortgage	Austin, TX	\$1,574	na	na	0.68%
18	MILA, Inc. (BC)	Mountlake Terrace, WA	\$1,461	\$2,010	-27%	0.63%
19	First Savings Mortgage Corp.	Vienna, VA	\$1,206	\$1,358	-11%	0.52%
20	HomeBanc Mortgage Corporation	Atlanta, GA	\$976	\$865	13%	0.42%
<b>Top 20 Totals:</b>			<b>\$178,020</b>	<b>\$166,937</b>	<b>7%</b>	<b>76.92%</b>
<b>Totals Submitted:</b>			<b>\$185,919</b>	<b>\$173,334</b>	<b>7%</b>	<b>76.92%</b>

NOTES: Marketshare based on estimated online production of \$242 billion for the first half of 2006. Results may be incomplete because some firms would not respond to our survey. NMN asks lenders to ONLY include mortgages where the consumer applied or pre-applied online. (BC) Firm is a subprime specialist. (E) Estimate.

SOURCE: Mortgage Technology/Quarterly Data Report. Questions? Email: Paul.Muolo@SourceMedia.com.