METRICS & LINE ITEM DEFINITIONS

This document contains descriptions and definitions of the data points included in Richey May Select, which include the following reports:

Click on any of the reports to navigate directly to the definitions for that report.

Balance Sheet (BS)

The Balance Sheet report contains information concerning the financial position of an organization. Richey May Select's Balance Sheet report contains items that are commonly included for any company, as well as specific items to mortgage banking.

Balance Sheet Metrics:

Common-Sized

A common sized balance sheet divides each item by total assets and shows amounts as a percent. This metric is useful to identify how assets and capital are allocated and can be helpful when you are comparing entities with different balance sheet sizes.

Thousands

Each item on the balance sheet is divided by 1,000 to show it summarized in thousands of dollars.

Cash & Cash Equivalents
All cash including restricted and unrestricted cash.

Mortgage Loans Held For Sale
The unpaid principal balance plus or minus the fair value adjustments or lower of cost or market adjustments.

Accounts Receivable
All accounts receivable from unrelated parties.

Derivative IRLC & Hedge Asset (Liab)
The net derivative asset (liability) related to unclosed and uncommitted mortgage loans, which includes:
- Fair value of unclosed interest rate lock (IRL) pipelines,
- Open hedging trades

Pair Off Receivable (Payable)
Closed but not settled (in-cash) trades related to hedging unclosed pipelines and uncommitted loans held for sale.

Other Assets
All other current assets not included in the above items. Common other assets include:
- Marketable securities,
- Servicing and foreclosure advances,
- Prepaid expenses, and
- Security deposits

Fixed Assets
All property, equipment, furniture, leasehold improvements, computers, net of related depreciation.

Mortgage Loans Held for Investment
Mortgage loans held in portfolio for temporary or long term investment.

Mortgage Servicing Rights, Net
The value of capitalized and retained mortgage servicing rights (MSRs) net of amortization, impairment or fair value changes.

Real Estate Owned
Real estate owned by the organization and acquired through foreclosure.

Investments in Other Entities
Value of investments in unconsolidated joint ventures, partnerships or other entities.

Goodwill, Intangibles & Related AR
Goodwill, intangible assets and related party receivables including employee loans and advances.

Warehouse Lines of Credit
Outstanding debt related to financings mortgage loans held for sale (MLHFS).

Operating & Other Lines of Credit
Operating and other lines of credit which may include lines of credit collateralized by MSRs.

Accrued Expenses & Accounts Payable
Payables and accrued expenses which commonly include:
- Commissions, salaries, benefits payable,
- Trade account payables,
- Credit card payables, and
- Income tax, payroll tax, state tax

Other Short Term Liabilities
Other short term liabilities not included in the above items which commonly include:
- Escrow liabilities related to MLHFS
- Current portions of long term debt and notes payable
- Deferred compensation to branch managers and key employees
- Other loss reserves (NOT related to loan losses).

Other Long Term Liabilities
Long term liabilities for notes payable, subordinated debt and others.

Loan Loss Reserves
Loan loss reserves for indemnifications, repurchases and EPOs and EPDs.

Equity
Total equity plus the current period net income. Common equity accounts include:
- Commons stock,
- Preferred stock,
- Additional paid-in-capital,
- Treasury stock,
- Other Comprehensive Income (OCI)
- Retained earnings,
- Members' or partners' capital, and
- Distributions

Adj Tangible Net Worth (ATNW)
Equity minus goodwill, intangibles and related party accounts receivable (including employee loans and/or advances).

ATNW Capital Ratio
The capital ratio is basically the percent of assets "actually" owned by the organization. The calculation is total adjusted tangible net worth (total equity minus goodwill, intangible assets and related party receivables) divided by total assets.

Calculation:
ATNW / Total Assets

Debt-to-ATNW Leverage Ratio
The debt leverage ratio is calculated by dividing total liabilities by the adjusted tangible net worth.

Calculation:
Total liabilities / ATNW

Income Statement (IS)

The Income Statement report contains information concerning the financial performance of an organization during a specified time frame for all activities carried out by the organization. Richey May Select's Income Statement report displays similar line items that are typically contained in a mortgage banking company's annual audited financial statements.

Income Statement Metrics:

Basis Points

Basis points are calculated by taking each item and dividing it by closed loan production (and then multiplied by 10,000) for the specified period. Although basis points commonly used terminology in the mortgage industry, when it comes to peer to peer comparison, dollars per loan or common-sized metrics may provide for better comparison in certain circumstances.

$ Per Loan

Dollars per loan are calculated by taking each item and dividing it by the total number of closed loans for the specified period.

Common-Sized

A common sized income statement divides each item by gross revenue and shows amounts as a percent. This metric is the same calculation used for profit margin and is an especially good metric for examining trends in revenues and expenses simultaneously.

Thousands

Each item on the income statement is divided by 1,000 to show it summarized in thousands of dollars.

Gain on Sale of MLHFS, Net
Gains and losses from the sale of mortgage loans in the secondary markets including:
- Service release premiums,
- Capitalized retained MSRs,
- Pair off gain (loss),
- Fees paid to third party originators (related to TPO channels),
- Unrealized gain (loss) related to closed loans held for sale
- Unrealized gain (loss) related to derivative IRL pipelines and trades
- Discount or premium points and
- Direct secondary market costs like investor fees, etc.

Loan Origination fees, Net
Fee income and expense related to mortgage loan originations, including:
- The origination fee charged to borrowers,
- Broker fee income on loans brokered out,
- Pass through income and expense (credit reports, appraisals, etc.),
- Direct origination costs like lender credits, etc.

Loan Servicing Fees, Net
Regular and realized servicing (for MSRs only) income and expense, including:
- The servicing fee income (25 bps-Conv, 37.5 bps-Govt)
- Late and ancillary fee income, and
- Subservicing fee expense or direct costs (if servicing in-house).

**Capitalized MSRs included above in Gain on Sale of MLHFS, net*
**MSR amortization, MSR impairment, fair value changes or gain (loss) on bulk sale is included below in MSR Adjust. & (Gain) Loss on Sale*
**Interim servicing income on MLHFS included in Interest Income*

Interest Income
Interest income related to interim servicing of MLHFS and all other interest income.

Interest Expense
Interest expense and warehouse fees related to interim financing of MLHFS on warehouse lines of credit and all other interest expense.

Other Income
All other income not included in the items noted above, which commonly includes:
- Gain (loss) related to REO and marketable securities
- Income (loss) portion from investments in other entities
- Rental income (occupied by other entities).

Salaries, Commissions & Benefits
All salaries, wages, commissions and employee benefits.

Occupancy, Equipment & Communication
All expenses related to occupancy, equipment, technology and communications (excluding depreciation and amortization), which commonly includes:

- Rent
- Utilities
- Telephone equipment
- Copier Lease
- Repairs & Maintenance
- Internet Expense
- Software licenses
- CPU equipment

General & Administrative
Common business expenses related to:

- Marketing and advertising,
- Professional fees,
- Liability insurance (E&O),
- Meals, travel, entertainment, contributions,
- Dues and subscriptions, and
- Printing, courier, postage, office supplies.

Depreciation & Amortization
Depreciation of capitalized fixed assets and amortization of capitalized technology based licenses & equipment. Amortization of MSRs is NOT included here, instead it is listed below in MSR Adjust. & (Gain) Loss on Bulk Sale.

MSR Adjust. & (Gain) Loss on Bulk Sale
All non-cash adjustments to the MSR asset (except for capitalized MSRs) which include:

- Amortization of MSRs,
- MSR Deletions (Runoff-Loss) of MSRs,
- Changes in fair value of MSRs, and
- Gain or Loss recognized from a bulk sale of the MSR portfolio.

Provision for Loan Losses
Expense related to increasing the loan loss reserve which includes:

- Estimated future loan indemnifications and repurchases,
- Early Pay Off (EPOs) and Early Payment Default (EPDs), and
- Known indemnifications and repurchases.

Other Losses
Other losses (excludes loan losses) which commonly include:

- Provision expense for other losses
- Goodwill impairment
- Captive insurance premiums and,
- Legal settlements that are not common.

Income Tax
Federal income tax expenses

Net Production Income (NPI)

The Net Production Income report contains information concerning the financial performance of an organization during a specified time frame for their “core” mortgage banking activity. Thus, certain transactions are excluded from this report that would commonly be included in an income statement, such as:

- Gains or losses related to unclosed IRLC & hedging derivatives
- Mortgage servicing income, expense or adjustments
- Provisions expense for loan losses or other losses
- Items related to loans held for investment, REO and other investments

Net Production Income Metrics:

Basis Points

Basis points are calculated by taking each item and dividing it by closed loan production (and then multiplied by 10,000) for the specified period. Although basis points is commonly used terminology in the mortgage industry, when it comes to peer to peer comparison, dollars per loan or common-sized metrics may provide for better comparison in certain circumstances.

$ Per Loan

Dollars per loan are calculated by taking each item and dividing it by the total number of closed loans for the specified period.

Common-Sized

A common sized income statement divides each item by total production revenue and shows amounts as a percent. This metric is the same calculation used for profit margin and is an especially good metric for examining trends in revenues and expenses simultaneously.

Thousands

Each item on the net production income report is divided by 1,000 to show it summarized in thousands of dollars.

Secondary Gain on Sale, Net

Realized gains and losses from the sale of mortgage loans in the secondary markets including:

- Premiums on whole loan sale,
- Service release premiums,
- Fees paid to third party originators (related to TPO channels),
- Unrealized gain (loss) related to closed loans held for sale
- Discount or premium points and
- Direct secondary market costs like investor fees, etc.

**All gains or losses related to derivative fair value of unclosed IRLCs and open hedging trades are not included in this report.*

Capitalized MSRs

The initial capitalized fair value of mortgage servicing rights (MSRs) retained during the period.

**Amounts in this line item wouldn't be reflective of actual MSR values unless all loans were sold with the servicing retained. Instead, amounts in the Capitalized MSR line item will indicate how much of a company's secondary revenue is deferred and invested in servicing mortgages. Additionally, all other servicing related transactions are excluded from this report. For detail on servicing portfolio values and all other servicing transactions, see the Net Servicing Income report.*

Pair-off Gain (Loss)

Gains and losses related to hedging interest rate risk of unclosed IRLCs and uncommitted MLHFS. Pair-off fees are also included in this line item.

Loan Origination Fees, Net

Fee income and expense related to mortgage loan originations, including:

- The origination fee charged to borrowers
- Broker fee income on loans brokered out
- Pass through income and expense (credit reports, appraisals, etc.)
- Direct origination costs like lender credits, etc.

Gross Loan Margin Revenue

The gross revenue earned on closed loans from the origination and sale or mortgage loans in the primary and secondary markets.

Warehouse Interest Income

Interest income related to mortgage loans held for sale (MLHFS) only. Interest income on mortgage loans held for investment (MLHFI), as well as all other interest income is excluded from this report.

Warehouse Interest Expense & Fees

Interest expense and banking fees on warehouse lines of credit used to finance mortgage loans held for sale (MLHFS). All other interest expense is excluded from this report.

Total Production Revenue

All revenue earned on closed mortgage loans during the period.

LO's, AE's & Producing Sales Mgmt
Total average headcounts for Loan Officers, Account Executives, Producing Branch Managers and other producers. Common job titles for this line item include:

- Loan Officer
- Loan Consultant/Advisor
- Account Executive
- Branch Manager

Non-Producing Sales Mgmt
Total average headcounts for sales management who do not regularly produce mortgage loans and instead manage sales units, divisions or branches. Common job titles included in this line item include:

- Branching Model Branch Manager
- Non-producing branch manager
- Regional/Area Manager
- National Sales Manager
- Head of Sales (if not part of the executive management team).

Sales Support & Admin
Total average headcounts for personnel who support the sales function. Most of this group is made up of loan officer assistants, but other common support and administrative positions include:

- Branch Receptionist
- Branch Office Manager
- Account Executive Assistants
- Broker Approval
- Loan Officer Assistants.

Processing
Total average headcounts to personnel in the processing function. Common job titles in this line item include:

- Processors,
- Processing Team Lead/Manager,
- Disclosure Team
- Loan Set-Up.

Underwriting
Total average headcounts to personnel in the underwriting function. Common job titles for this line item include:

- Underwriters
- Underwriter Assistants
- Underwriting Team Lead/Manager
- Credit Risk/Underwriting Policy Manager

Closing
Total average headcounts to personnel in the closing function. Common job titles for this line item include:

- Closers
- Closing Assistants
- Closing Team Lead/Manager

Secondary, QC, Post Close & Support
Total average headcounts for personnel in the secondary marketing, quality control, compliance, post-closing and fulfillment supporting functions. Common job titles in this item include:

- Secondary Marketing Manager/Specialist
- Lock Desk Manager,
- Hedging/Capital Market Manager
- Quality Control Underwriter/Auditor
- Quality Control Manager
- Compliance Specialist
- Compliance Manager
- Post-Closing Manager
- Post Closer
- Insurer
- Trailing Docs
- Shipper
- Funder
- Wire Desk Manager
- Appraisal Specialist/Manager.

Corp Executives & Directors
Total average headcounts for the company's executive team and upper management. Common job titles in this line item include:

- CEO/President
- COO/Head of Operations & Fulfillment
- CFO/Head of Finance & Accounting
- Head of Production & Sales

Corp Admin & Mgmt
Total average headcounts for personnel in traditional corporate administration functions which include the following departments:

- Accounting & Finance
- Corporate Administrative Support
- Human Resources
- Information Technology
- Marketing & Advertising
- Training & Corp Business Development

Total Benefits Expense
Employee benefits expense for all employees, including:

- Payroll Tax
- Payroll Processing Fees
- Medical, Dental, ST/LT disability insurance
- Workman's compensation
- 401k / Retirement contributions
- PTO / Vacation time
- Training
- Recruiting fees

Rent & Occupancy
Rent expense, utilities, and other occupancy expenses such as janitorial/cleaning services and property tax.

Equipment & Depreciation
Fixed asset expense, which commonly includes:

- Telephone and other communications
- Equipment rental and lease expense
- Repairs and maintenance
- Depreciation expense

Technology Related
All technology related expense, which commonly includes:

- CPU, software and LOS licenses
- CPU equipment maintenance
- Amortization (not MSR related)
- Internet expense

Advertising & Marketing
All advertising expense, which commonly includes:

- Internet, radio, and TV advertising,
- Lead purchasing
- Marketing Service Agreements (MSAs)
- Company Promotions & Public Relations.

Professional Fees
Fees paid to third parties, typically related to the following:

- Legal services
- Accounting services
- Hedge advisory services
- Other consulting services.

General & Administrative
All other operating expenses not included in the above items. Commonly, these expenses include:

- Business Liability Insurance (E&O)
- Office supplies, courier/postage/printing
- Meals, travel, lodging and contributions
- Dues and subscriptions.

Total Costs to Originate (CTOs)

Total costs to originate and sell mortgage loans. Expense items that are excluded from this include the following:

- Loan loss provision expense
- Servicing personnel compensation
- Operating expenses allocated to servicing for In-House Servicers ONLY
- Captive insurance premiums
- Servicing portfolio amortization, fair value changes, impairment
- Other interest income and expense
- Gains and losses from derivatives related to IRLCs, open hedge trades
- Income and expense related to LHFI, REO, rental properties and investments in other entities

Break Even Units

The number of mortgage loans required for a net production income of $0. It is calculated by totaling the "fixed" costs for the period and dividing that by the contribution margin per loan. Fixed costs are approximated to be all operating CTO's and all personnel CTO's except for sales personnel CTO's. The contribution margin is calculated as the total production revenue minus total sales personnel CTO's. Typically, most companies will have fixed and variable component costs included in this definition of “fixed” costs, however for accurate and straight forward peer to peer benchmarking, Richey May is assuming that non-sales related costs are mostly fixed and sales related costs are mostly variable.

Calculation:
((Fulfillment personnel CTOs (000s) + Back office Personnel CTOs (000s) + Operating CTOs (000s)) x 1,000) / Contribution margin ($ per loan)

Break Even Surplus (Deficit) %

The percent of actual loans originated during the period above or (below) the number of loans required for a net production income of $0. This metric is presented as a percent of break-even units.

Calculation:
(Actual production units - Break even units) / Break even units

Contribution Margin

Generally, the contribution margin is the products selling price minus variable costs. The total production revenue is approximated to be the "selling price" and the total sales personnel CTO's is approximated to be the "variable costs."

Calculation:
Total production revenue - Total sales personnel CTOs

Net Servicing Income (NSI)

The Net Servicing Income report contains information concerning the financial performance of an organization during a specified time frame for their “core” mortgage servicing activity. The only transactions included in this report specifically relate to mortgage servicing rights retained by the company.

Net Servicing Income Metrics:

Basis Points

Basis points are calculated by taking each item and dividing it by the average mortgage servicing portfolio volume (and then multiplied by 10,000) for the specified period.

$ Per Loan

Dollars per loan are calculated by taking each item and dividing it by multiplying the amounts in basis points by the average loan size in the mortgage servicing portfolio for the specified period.

Thousands

Each item on the net production income report is divided by 1,000 to show it summarized in thousands of dollars.

**Net Servicing income amounts for basis points and $ per loan are annualized to be reflective of the minimum stated servicing fees established (25 basis points for conventional loans and 44 basis points for government loans). Net servicing adjustment items are NOT annualized for basis points or $ per loan.*

Servicing Fee Income
The regular and ordinary income earned from servicing mortgage loans in the servicing portfolio. Common items include:

- Servicer fee income (25 bps for Conventional and 44 bps for Government)
- Late Fee & other Ancillary income
- GNMA Guarantee Fee Expense
- Other direct costs

Subservicing Expense
Expenses paid to an outsourced sub-servicer who will perform the servicing activities related to the mortgage servicing portfolio. Usually around 6 basis points

Servicing Personnel
Compensation paid to personnel in the servicing department. For lenders who use a sub servicer, this expense item should be a small amount, but for lenders who service in-house, this expense will be larger.

In-House Operating Expense
For lenders who service **in-house ONLY**. All operating expenses that are allocated to the servicing department are included here. Lenders who use a sub-servicer do not report any operating expense allocations because the amount is negligible.

Net Servicing Income (annualized)
The net servicing income (annualized) represents the actual earned income during the period related to servicing mortgages. Amounts in basis points and $ per loan are annualized to approximate the stated minimum servicing fees earned (Conv=25 bps annually, Govt=44 bps annually). Basis points and $ per loan calculations use average portfolio volume and loan sizes

New Capitalized MSRs
The initial capitalized fair value of mortgage servicing rights (MSRs) retained during the period. Amounts in this line item wouldn't be reflective of actual MSR values that were capitalized, rather, amounts here show the amount of gain in the income statement for new mortgage servicing rights retained during the period relative to the average portfolio volume and loan size.

Amortization Expense
The amount of the MSR asset that was amortized during the period, only if MSRs are valued at LOCOM.

Portfolio FV Change
Amount of the MSR asset that was adjusted for gains or for losses due to changes in the market values of mortgage servicing rights, only if MSRs are valued using the fair value method.

Gain (Loss) on Bulk Sale
Gains or losses from a bulk sale of MSR's from the servicing portfolio. This should not include MSR sold in a flow arrangement which is more similar to a SRP than an MSR. Gains and losses are non-cash amounts that represent the difference between the cash received for the bulk sale and the book value of the MSRs at the time of sale.

Net Servicing Adjustments

The net servicing adjustments are the non-cash adjustments to the income statement related to mortgage servicing rights. Amounts are NOT annualized like the net servicing income above. Basis points and $ per loan calculations use average portfolio volume and average loan sizes.

MSR Portfolio Value at FV

The average value of the entire servicing portfolio as of the period end date, if using the fair value method to value MSRs.

Calculation:
MSR Asset / Servicing Portfolio Volume outstanding

MSR Portfolio Value at LOCOM

The average value of the entire servicing portfolio as of the period end date, if using the amortized cost method to value MSRs.

Calculation:
MSR Asset / Servicing Portfolio Volume outstanding

Ratios

The Ratios report contains a wide ranging list of key ratios covering debt covenant ratios, balance sheet ratios, performance ratios, operational ratios and even warehouse ratios for a quick snapshot at the overall performance of the company.

Adj Tangible Net Worth (ATNW)
Equity minus goodwill, intangibles and related party accounts receivable (including employee loans and/or advances)

Debt-to-ATNW Leverage
The debt leverage ratio is calculated by dividing total liabilities by the adjusted tangible net worth.

Calculation:
Total liabilities / ATNW

ATNW to Annualized Production (bps)
This ratio is another leverage ratio with a focus on the relationship of ATNW and production volume. Basically, it answers the question, how much capital (in basis points) do we have to cover 1 years' worth of production volume.

Calculation:
ATNW / Last 4 quarters total production volume x 10,000

ANTW Capital Ratio
The capital ratio is basically the percent of assets "actually" owned by the organization. The calculation is total adjusted tangible net worth (total equity minus goodwill, intangible assets and related party receivables) divided by total assets.

Calculation:
ATNW / Total Assets

Return on Avg Equity (annualized)
Percent of equity that was returned in the form of net income. The ratio is annualized, which assumes that net income for the current quarter would be reproduced for the next three quarters and that average equity levels will remain unchanged. In reality, these assumptions usually don't occur as net income is variable from quarter to quarter and equity levels will change because net income (loss) is retained to equity in part or in whole.

Calculation:
Annualized net income / average total equity

Return on Avg Assets (annualized)
Percent of assets that was turned into net income. The ratio is annualized, which assumes that net income for the current quarter would be reproduced for the next three quarters and that average total assets will remain unchanged. In reality, these assumptions usually don't occur as net income and total assets is variable from quarter to quarter.

Calculation:
Annualized net income) / average total assets

MLHFS at Fair Value (bps)
The value of closed mortgage loans held for sale (in basis points) as of the current balance sheet date. (Only if using the fair value method to value MLHFS)

Calculation:
FV Adj of MLHFS / UPB of MLHFS x 10,000

Net Derivative Asset (Liab) over IRLC Pipeline PT Weighted (bps)
Fair value estimate (in basis points) of unclosed interest rate lock commitment (IRLC) pipelines net of pull-through estimates. This includes the open hedging trades also.

Calculation:
Derivative IRLC & Hedge Asset (Liab) / UPB of IRLC Pipeline (PT Weighted) x 10,000

MSR Portfolio Value at FV (bps)
The value of the entire mortgage rights servicing portfolio (only if using the fair value method to value MSRs)

Calculation:
MSR asset / UPB of Servicing Portfolio x 10,000

MSR Portfolio Value at LOCOM (bps)
The value of the entire mortgage rights servicing portfolio (only if using the lower of cost or market LOCOM method to value MSRs).

Calculation:
MSR asset / UPB of Servicing Portfolio x 10,000

Pre-Tax Net Income (bps)
The pre-tax net income from the income statement in basis points of closed loan volume.

Calculation:
Pre-tax net income / UPB of closed production volume x 10,000

Net Production Income (bps)
The net production income is a report which specifically breaks out the profitability of the company's core mortgage lending activities and transactions. See the net production report for more details on this.

Calculation:
Net production income / UPB of closed production volume x 10,000

Net Servicing Income (bps)
The net servicing income is a report which specifically breaks out the profitability of the company's core mortgage servicing activities and transactions. See the net servicing report for more details on this.

Calculation:
Net servicing income / Average UPB of servicing portfolio volume x 10,000

Loan Loss Reserve Balance (bps)
The amount of the loan loss reserve on the balance sheet in basis points of 1 years' worth of production volume. The loan loss reserve generally includes known and future indemnification and repurchases losses as well as EPOs and EPDs.

Calculation:
Loan loss reserve amount on balance sheet / Total production volume in last year x 10,000

Loan Loss Settlements (bps)
This is a calculation that is used to approximate the actual loan loss settlements released from the loan loss reserve in the current period in basis points of the average production volume during the last 4 quarters.

Calculation:
(Beginning loan loss reserve balance + provision for loan losses - ending loan loss reserve balance) / Average production volume during last 4 quarters x 10,000

Loan Loss Provision Expense (bps)
The amount of provision expense added to the loan loss reserve during the current period.

Calculation:
Provision expense for loan losses / production volume x 10,000

Production Volume
The total UPB of closed loan volume originated during the current quarter.

IRLC Pipeline (PT Weighted)
Total UPB of unclosed interest rate lock commitments (IRLCs) net of pull-through estimates as of the balance sheet end date.

Servicing Portfolio Volume
The total UPB of mortgage servicing rights portfolio as of the balance sheet end date.

Loan Produced Per FTE
The monthly average number of loans closed per full time equivalent (FTE) for all personnel (except servicing).

Calculation:
Count of closed loan units / Total FTEs / 3

Warehouse Days
The average number of days that mortgage loans are financed by warehouse lines of credit.

Total Available Warehouse Credit
The amount of possible debt borrowings available through lines of credit that can be used to finance mortgage loans held for sale.

Pct of Warehouse Usage
The percent of the total available warehouse credit that is outstanding at the period end and used to finance mortgage loans held for sale.

Calculation:
Total available warehouse credit / Warehouse line of credit outstanding on balance sheet

Avg Warehouse Interest & Fee Rate
The effective rate charged by warehouse lines of credit. The rate includes warehouse interest and warehouse fees.

Calculation:
*Warehouse interest expense & fees / *Average daily outstanding debt on the warehouse lines of credit*

**Average O/S debt is calculated:*
Production volume x Advance rate x Average Days / 365.25

Note Rate Spread Over (Under)
The difference between the average warehouse interest and fee rate and average note rate on mortgage loan production in the current period.

Warehouse Advance Rate / MLHFS
The percent of mortgage loan UPB that is financed through warehouse lines of credit as of the current period end. This is the inverse of the haircut required to fund loans.

Calculation:
Outstanding warehouse debt / UPB of MLHFS (both of these from the balance sheet)

Personnel (EE)

The Personnel report contains operational- and efficiency-focused metrics for specified personnel groups within a typical mortgage banking company.

Personnel Metrics:

Loans Per FTE

The monthly average number of loans closed per employee (FTE) in each personnel group. This metric is calculated by dividing the total number of closed loans during the period by the total headcount. From here amounts are converted to a monthly average by dividing amounts by the number of months in each period.

Volume Per FTE

The monthly average volume of loans closed per employee (FTE) in each personnel group. This metric is calculated by dividing the total volume of closed loans during the period by the total headcount. From here amounts are converted to a monthly average by dividing amounts by the number of months in each period.

Headcount

The headcount is calculated based on the full-time equivalency (FTE) status of each employee in each personnel group during each period. For example if an employee was only with the company for half of Q1, then that employee would only count for 0.5 FTEs for the Q1 total.

Common-Sized

Each headcount is converted to a percentage of the total headcount.

**Please note that servicing and non-mortgage lending personnel are excluded from this report. For the typical independent mortgage banker, all personnel will be included except for a few employees who oversee retained mortgage servicing rights and any miscellaneous employees if the company is engaged in other business activity that isn't core to mortgage lending.*

LO's, AE's & Producing Sales Mgmt

Total average headcounts for Loan Officers, Account Executives, Producing Branch Managers and other producers. Common job titles for this line item include:

- Loan Officer
- Loan Consultant/Advisor
- Account Executive
- Branch Manager

Non-Producing Sales Mgmt

Total average headcounts for sales management who do not regularly produce mortgage loans and instead manage sales units, divisions or branches. Common job titles included in this line item include:

- Branching Model Branch Manager
- Non-producing branch manager
- Regional/Area Manager
- National Sales Manager
- Head of Sales (if not part of the executive management team).

Sales Support & Admin

Total average headcounts for personnel who support the sales function. Most of this group is made up of loan officer assistants, but other common support and administrative positions include:

- Branch Receptionist
- Branch Office Manager
- Account Executive Assistants
- Broker Approval
- Loan Officer Assistants.

Processing

Total average headcounts to personnel in the processing function. Common job titles in this line item include:

- Processors,
- Processing Team Lead/Manager,
- Disclosure Team
- Loan Set-Up.

Underwriting

Total average headcounts to personnel in the underwriting function. Common job titles for this line item include:

- Underwriters
- Underwriter Assistants
- Underwriting Team Lead/Manager
- Credit Risk/Underwriting Policy Manager

Closing

Total average headcounts to personnel in the closing function. Common job titles for this line item include:

- Closers
- Closing Assistants
- Closing Team Lead/Manager

Secondary, QC, Post Close & Support
Total average headcounts for personnel in the secondary marketing, quality control, compliance, post-closing and fulfillment supporting functions. Common job titles in this item include:

- Secondary Marketing Manager/Specialist
- Lock Desk Manager,
- Hedging/Capital Market Manager
- Quality Control Underwriter/Auditor
- Quality Control Manager
- Compliance Specialist
- Compliance Manager
- Post-Closing Manager
- Post Closer
- Insurer
- Trailing Docs
- Shipper
- Funder
- Wire Desk Manager
- Appraisal Specialist/Manager.

Corp Executives & Directors
Total average headcounts for the company's executive team and upper management. Common job titles in this line item include:

- CEO/President
- COO/Head of Operations & Fulfillment
- CFO/Head of Finance & Accounting
- Head of Production & Sales

Corp Admin & Mgmt
Total average headcounts for personnel in traditional corporate administration functions which include the following departments:

- Accounting & Finance
- Corporate Administrative Support
- Human Resources
- Information Technology
- Marketing & Advertising
- Training & Corp Business Development