



Trend Report for Independent Mortgage Bankers 2017 Overview



Change in Production Volume

Driven by a decline in refinances, total production in 2017 was down 9% compared to 2016. Forecasters predict a similar drop in production in 2018, with purchase volume remaining fairly flat and refinances decreasing further.



Change in Cost to Originate

For the 5th consecutive year, per-loan costs increased year over year. Per-loan costs increased by \$730 in 2017, easily the largest single year increase in that 5-year span.



Change in Total Production Revenue

Production revenue remained flat for the 2nd consecutive year, an indication that companies did not pass those higher production costs on to consumers.



Change in Pre-Tax Net Income

Earnings decreased by 28 basis points and return on equity was down by 25% in 2017. This suggests that the industry may indeed be ripe for consolidation as companies seek to achieve scale and spread overhead, compliance, and other costs across a larger production operation.

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