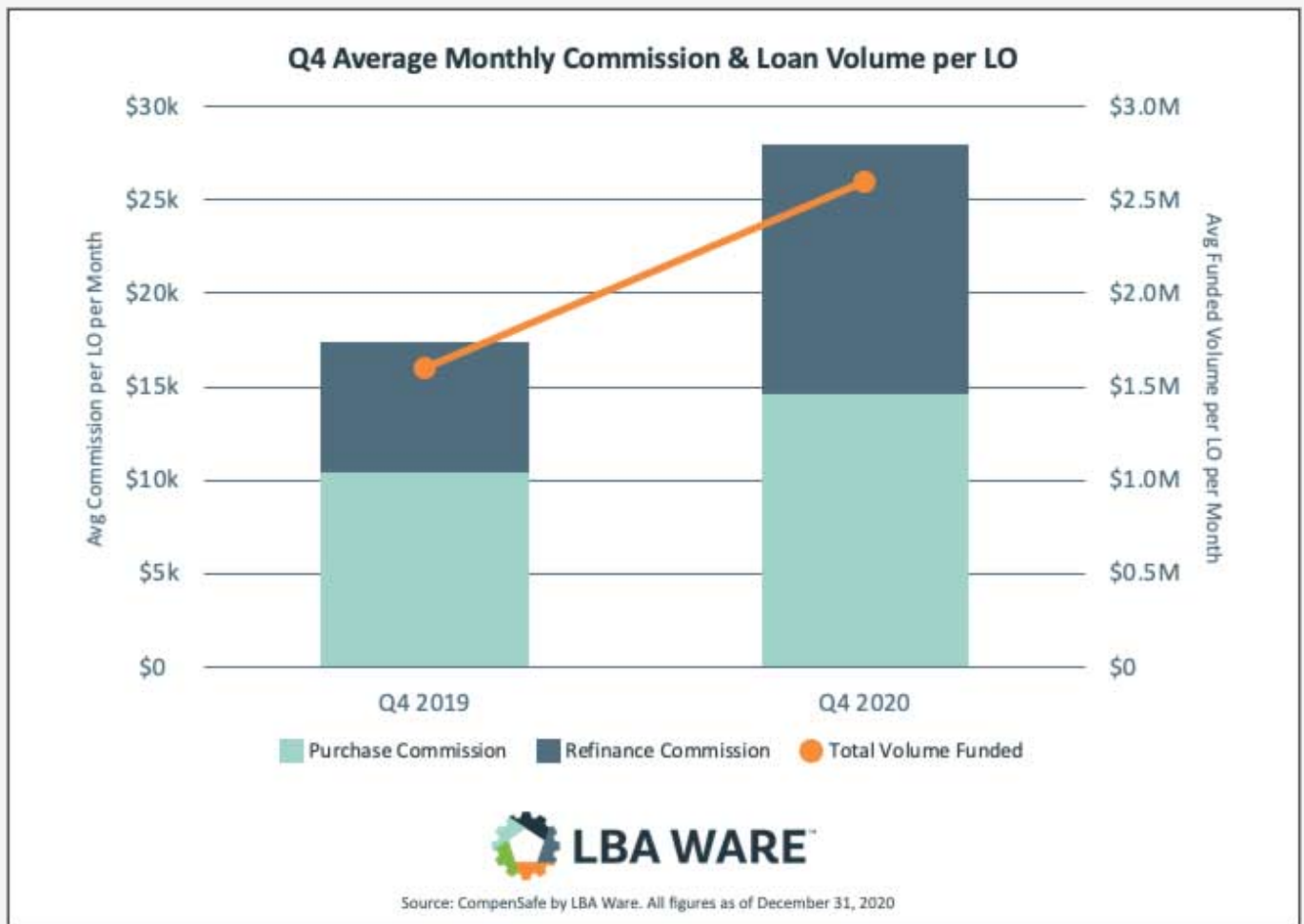


# LBA Ware Issues Q4 2020 Loan Compensation Report, Includes Summary of 2020 Loan Originator Commission Trends

MACON, Ga., Jan. 27, 2021 (SEND2PRESS NEWSWIRE) – LBA Ware™, a leading provider of [incentive compensation management \(ICM\)](#) and [business intelligence](#) software solutions for the mortgage industry, today released summary statistics on the state of mortgage industry incentive compensation in the fourth quarter of 2020 and loan originator (LO) commissions for the year as a whole. The firm's analysis of data from its [CompenSafe™](#) ICM platform shows that robust refinance and purchase loan volume in Q4 contributed to markedly higher earnings for both LOs and loan processors in 2020 when compared to the same period in 2019.



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## Methodology

LBA Ware reviewed account data for mortgage lenders who used CompenSafe to automate incentive compensation throughout the fourth quarters of 2019 and

2020. The controlled, sample dataset consisted of retail, first-lien production from LOs and processors with at least six funded loans during the three-month period beginning October 1, 2020, and ending December 31, 2020. LBA Ware also reviewed full 2020 calendar-year production for the same sample dataset.

#### **Q4 2020 Key Findings**

- Total loan volume funded increased 106% in Q4 2020 compared to Q4 2019.
- LO headcount increased 27% year-over-year.
- Average individual production in Q4 2020 was \$2.6M per month, an increase of 63% from \$1.6M in Q4 2019.
- Per-loan LO commissions held relatively steady, decreasing 0.2% from 105.4 basis points (BPS) in Q4 2019 to 105.2 BPS in Q4 2020.
- Purchase volume grew 71% year-over-year with LOs averaging \$1.35M in funded purchase loans per month in Q4 2020 (a 38% increase from \$0.98M in Q4 2019) and receiving on average 111.1 BPS per purchase loan (up from 109.1 BPS in Q4 2019).
- Refinance volume grew 158%, accounting for 51% of total volume funded in Q4 2020 (versus only 41% of total volume funded in Q4 2019). LO commissions on refinance loans remained steady at 99.3 BPS in Q4 2020 compared to 99.2 BPS in Q4 2019.
- Processor headcount increased 51% year-over-year, allowing this group to handle 99% more loan files in Q4 2020 compared to Q4 2019.
- Per-loan bonus compensation earned by processors increased 21% to \$128 per loan in Q4 2020 (\$106 in 2019), earning processors an average production bonus of \$2,503 per month (\$1,569 in 2019).

#### **2020 Loan Originator Commission Trends**

- On average, LOs funded \$20.4M in annual volume in 2020, with transactions split evenly at 50% purchase loans, 50% refinance loans.
- Per-loan commissions earned by LOs in 2020 averaged 105.5 BPS, with refinance loans averaging 100.2 BPS and purchase loans averaging 110.6 BPS.

“Low interest rates flamed an increased demand for mortgage activity, which in turn benefited LOs and processors. They were rewarded for their long hours with robust compensation checks,” said LBA Ware Founder and CEO Lori Brewer. “As rates are predicted to rise in 2021 and for several years to come, loan teams that wish to maintain their earnings would do well to put a strategy in place that enables them to offset waning refi volume with more purchase volume.”

#### **About LBA Ware™:**

LBA Ware is a leading provider of cloud-based software for mortgage lenders. Since 2008, LBA Ware has been on a mission to help mortgage companies reach

new heights with software that integrates data, incentivizes performance and inspires results. Today, more than 100 lenders of all sizes, including some of the nation's top producing mortgage companies, use LBA Ware's award-winning technology to enhance lender experiences and maximize the human potential within their organizations. A 2020 Inc. 5000 fastest-growing private company, LBA Ware is headquartered in Macon, Georgia. For more information, visit <https://www.lbaware.com>.

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