

# LBA Ware Releases 2019 LO Compensation Report

MACON, Ga., Jan. 16, 2020 (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 compensation in 2019. The firm's analysis of year-over-year data from its CompenSafe™ ICM platform reveals compelling trends about how mortgage lenders nationwide are managing commissions for loan originators (LOs).



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## Methodology

LBA Ware reviewed account data for mortgage lenders that used CompenSafe to automate incentive compensation management for the full calendar years 2018 and 2019. The controlled, sample dataset consisted of retail, first-lien production from LOs that funded at least six loans in one of the calendar years. The LO commissions were for a wide range of large and small lenders across the United States, comprised of 68 percent independent mortgage companies, 27 percent banks and 5 percent credit unions.

## Key Findings

- The sample group funded significantly more loans in 2019 than 2018, with the total number of closed loans up 18.28% and total loan volume up 29.44% year-over-year. Together, these unit and volume gains resulted in an additional 31.42% in L0 commissions paid in 2019 vs. 2018.
- The average base commission earned by L0s in 2019 was 93.912 basis points, on par with 2018's average of 93.114. After accounting for commission tiers and minimum/maximum caps, L0s earned an average of 102.089 basis points per loan in 2019 compared with 2018's average of 100.594 basis points, an average increase of 1.49 basis points per funded loan.
- The average 2019 loan amount was \$259,652, up 9.43% year-over-year. This higher average loan amount helped push the average L0 commission per loan from \$2,332 to \$2,591 (an 11.11% year-over-year increase).
- Loan originators continue to account for the lion's share of compensation expenses, with L0 commissions accounting for 69% of lenders' total incentive compensation expenditure.
- Overall L0 employment was nearly flat for our sample group from 2018 to 2019, with the total number of L0s on payroll down a mere 0.14% year-over-year.

“Despite speculation that lender efforts to reduce operational costs would include curbing loan originator commissions in 2019, our analysis shows that base commission for L0s did not significantly change from 2018 to 2019,” said LBA Ware founder and CEO Lori Brewer. “This data implies that lenders may not get serious about reducing L0 commissions until they're in significant financial pain, which isn't predicted to happen until later in 2020, when refinance volume is expected to wane.”

## 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, 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 2019 Inc. 5000 fastest-growing private company, LBA Ware is headquartered in Macon, Georgia. For more information, visit <https://lbaware.com>.

\*LOGO link for Media:

<https://www.Send2Press.com/300dpi/19-0923s2p-lbaware-300dpi.jpg>

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