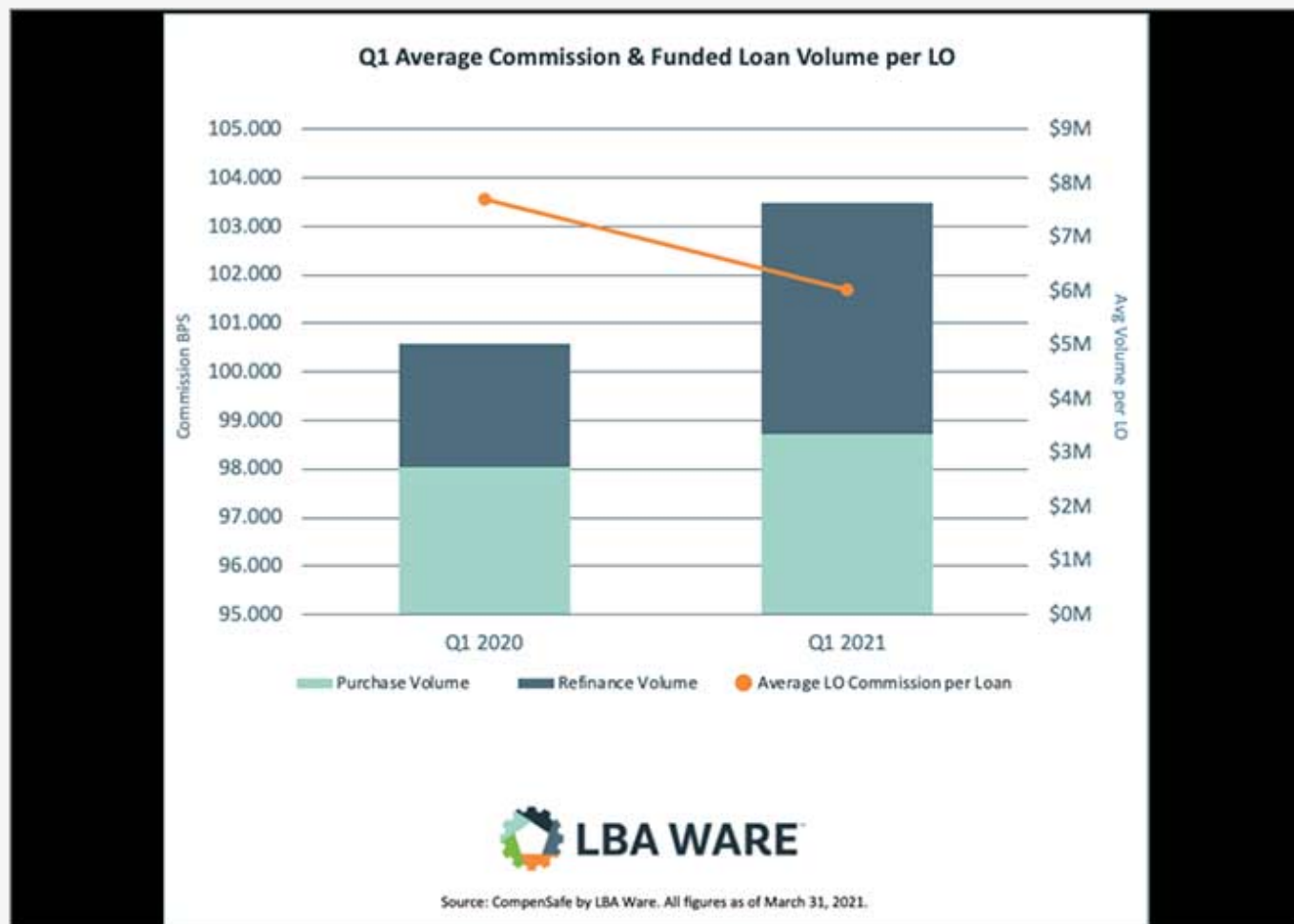


# LBA Ware's Q1 2021 Mortgage Loan Compensation Report shows slight decrease in basis points paid

MACON, Ga., May 5, 2021 (SEND2PRESS NEWSWIRE) – LBA Ware™, a leading provider of incentive compensation management (ICM) and business intelligence (BI) software solutions for the mortgage industry, today released summary statistics on the state of mortgage industry loan compensation in the first quarter of 2021. The firm's analysis of data from its CompenSafe™ ICM platform showed that increases in year-over-year refinance and purchase loan volume contributed to higher overall commissions for loan originators (LO) and loan processors despite a slight decline in basis points (BPS) paid per loan.



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## Methodology

LBA Ware reviewed account data for mortgage lenders who used CompenSafe to automate incentive compensation throughout the first quarters of both 2020 and 2021. The controlled, sample dataset consisted of retail, first-lien production from LOs and loan processors with at least six funded loans during

the three-month period beginning January 1, 2021, and ending March 31, 2021.

## **Key Findings**

\* Commissions earned by LOs in Q1 2021 increased 52% from Q1 2020 because the average LO funded 55% more loan volume in Q1 2021 than in Q1 2020.

\* LOs averaged \$1.43M in funded refinance volume per month, an increase of more than 87% over Q1 2020 (\$764k), and received an average of 96.332 BPS per refinance loan (versus 96.944 BPS in Q1 2020).

\* Purchase volume grew 22% year-over-year, with LOs averaging \$1.11M in funded purchase loans per month (versus \$912k in Q1 2020) and receiving on average 109.091 BPS per purchase loan (versus 108.251 in Q1 2020).

\* Although LO paychecks were larger in Q1 2021 than Q1 2020, the uptick in refinance production and slight downward pressure on BPS paid for refinance loans contributed to a 1.79% decrease in overall per-loan commissions from 103.564 BPS in Q1 2020 to 101.709 BPS in Q1 2021.

\* Loan processors handled 29% more loans per month in Q1 2021 compared to Q1 2020, fueling a 51% increase in average incentive compensation earned from \$1,451 per processor per month in Q1 2020 to \$2,194 in Q1 2021.

\* Loan teams grew significantly from Q1 2020 to Q1 2021, with the average lender increasing LO head count by 32% and processor head count by 58%.

\* On average, 3.6 individuals were paid a form of loan compensation per loan unit in Q1 2021 (versus 3.2 individuals in Q1 2020).

“They say ‘many hands make light work,’ and in the first quarter of this year we definitely saw lenders sharing the workload,” said LBA Ware Founder and CEO Lori Brewer. “Lenders employed 32% more originators and 58% more processors than this time last year and paid incentive compensation to an average of three to four individuals per loan. So far, volume remains brisk across purchase and refi, but as refi volume wanes it could prove difficult to sustain this level of staffing. This is a trend we will be monitoring closely in the coming months.”

## **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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