

Sales Boomerang Q2 2022 Mortgage Market Opportunities Report

OWINGS MILLS, Md., and IRVINE, Calif., July 20, 2022 (SEND2PRESS NEWSWIRE) – [Sales Boomerang](#), the mortgage industry’s top-rated automated borrower intelligence and retention system, today released its latest Mortgage Market Opportunities Report. Sharp quarter-over-quarter increases in cash-out, credit-improvement and new-listing alerts in Q2 2022 point to areas of opportunity for lenders in a contracting mortgage market.



SALES BOOMERANG Q2 2022 MORTGAGE MARKET OPPORTUNITIES REPORT

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Image Caption: Loan Opportunity Alerts.

Methodology

The Mortgage Market Opportunities Report draws on Sales Boomerang system data to identify market opportunities of relevance to today’s borrowers and lenders. To generate the report, Sales Boomerang reviewed data from more than 170 residential mortgage lenders that use its borrower intelligence and retention tools to monitor millions of customer and prospect records. Sales Boomerang then calculated and compared the aggregate frequency with which those contact records triggered loan-opportunity, prescriptive-scenario and risk-and-retention alerts during the first and second quarters of 2022.

Key Findings*

Sales Boomerang's loan-opportunity alerts identify the contacts inside a lender's database who are actively shopping for a mortgage loan or who may be able to benefit from a new mortgage loan. Across the sample group, the frequency of each alert type in Q2 2022 was as follows:

- **Mortgage Inquiry Alert: 3.24% of monitored contacts (down 28.58% from Q1)**
A customer or prospect has shopped with a competitor in the last 24 hours.
- **EPO Alert: 2.31% of monitored contacts (down 8.93% from Q1)**
A customer or prospect whose loan closed \leq 6 months ago has shopped with a competitor in the last 24 hours.
- **Credit Improvement Alert: 4.10% of monitored contacts (up 131.64% from Q1)**
A customer or prospect has improved their FICO score.
- **New Listing Alert: 1.44% of monitored contacts (up 69.02% from Q1)**
A customer or prospect has listed their home for sale.
- **Equity Alert: 7.93% of monitored contacts (down 13.14% from Q1)**
A customer or prospect's home equity has increased.
- **Rate Alert: 2.57% of monitored contacts (down 40.63% from Q1)**
The interest rate of a customer or prospect's existing mortgage is significantly higher than current prevailing rates.

Sales Boomerang's prescriptive-scenario alerts analyze not only whether a consumer could benefit from a given loan type, but also whether the consumer is credit-qualified to apply for financing. This additional layer of intelligence makes prescriptive-scenario alerts among the highest-converting available to mortgage lenders today. The frequency of each alert during Q2 2022 was as follows:

- **Cash-Out Alert: 6.87% of monitored contacts (up 30.94% from Q1)**
A borrower is credit qualified and has built sufficient equity to tap into the cash in their home.
- **Rate-and-Term Alert: 2.53% of monitored contacts (down 48.70% from Q1)**
A borrower is credit qualified and can benefit from the current interest rates for a refinance.
- **FHA MI Removal Alert: 7.93% of monitored contacts (down 24.36% from Q1)**
An FHA borrower has exceeded 20% equity and can remove mortgage insurance (MI).

For a subset of lenders that maintain servicing portfolios, the frequency of risk-and-retention alerts was as follows:

- **Risk & Retention Alert: 21.56% of monitored contacts (down 34.41% from Q1)**
A customer is engaging in one or more of 15 credit activities that may put their serviced loan at risk

Analysis*

- With **New Listing Alerts** on the rise for a second consecutive quarter and Realtor.com reporting that new home listings are growing at a pace not seen since 2017, purchase origination opportunities continue to dominate the market, underscoring the importance of strong referral partner relationships.
- **Cash-Out Alerts** increased significantly from Q1 to Q2 as tappable home equity continued to grow in many markets nationwide. Lenders that don't currently offer home-equity products (e.g., cash-out refis, HELOCs) may be leaving money on the table.
- **Credit Improvement Alerts** saw a significant quarter-over-quarter increase, echoing widely publicized reports that Americans' overall financial well-being has improved thanks to pandemic-related fiscal measures including government stimulus payments, tax credits and student loan moratoriums. Since FICO scores are a lagging indicator, the impact of more recent COVID variants and consumer inflation have yet to be seen in credit scores. Regardless, now is a great time for lenders to revisit loan applicants they previously turned down due to a history of poor debt repayment.
- Rising interest rates have slowed the speed at which borrowers are paying off their mortgages, as evidenced by a precipitous drop in **Risk & Retention Alerts**. As a result, the value of mortgage servicing rights continues to grow. Lenders must carefully weigh the pros and cons – and potential balance sheet impacts – of retaining versus selling MSRs.
- This quarter saw a decline in **Mortgage Inquiry Alerts, Rate Alerts, and Rate-and-Term Alerts**, a predictable result at a time when interest rates are discouraging rate shopping and refinances.

“New home listings and cash-out alerts both trended upward in Q2, making purchase and home-equity products smart areas of investment for lenders as they prioritize assignment of limited resources,” said Sales Boomerang Executive Vice President of Product Mike Spotten. “Another trend we are monitoring with interest is a massive upswing in credit-improvement alerts. Mortgage advisors are going to want to revisit prospects previously denied loans for credit-related reasons before they take their business to a competitor.”

*Key findings and analysis provided for informational purposes only. The data represented in the Mortgage Market Opportunities report is historical. Past performance is not a reliable indicator of future results. Sales Boomerang accepts no responsibility or liability for readers' use of the key findings or analysis included in this report.

About Sales Boomerang and Mortgage Coach:

Sales Boomerang and Mortgage Coach are trusted by more than 300 lenders, including brokers, independent mortgage companies, credit unions and banks to connect borrowers with the right loan at the right time.

Sales Boomerang transformed the relationship between mortgage lenders and borrowers with the introduction of the first automated borrower intelligence

system in 2017. The company's intelligent alerts notify lenders as soon as a past customer or prospect is ready and credit-qualified for a loan. As the mortgage industry's #1 borrower retention tool, Sales Boomerang helps lenders build lasting borrower relationships that maximize lifetime customer value. To learn more, visit <https://www.salesboomerang.com>.

Mortgage Coach is an award-winning platform that empowers mortgage lenders to educate borrowers with interactive presentations that model home loan performance over time. The company's side-by-side loan comparisons allow borrowers to make faster, more informed mortgage decisions while enabling lenders to consistently deliver an on-brand, consultative home financing experience that increases borrower pull-through, repeat business and referrals. To learn more, visit <https://www.mortgagecoach.com>.

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