



mortgage
intermediary
census

The comprehensive
track of Mortgage
Adviser insights

December 2005
Packagers Special Report



December 2005 *Packagers Special Report*

In appreciation of your participation in the Mortgage Intermediary Census, NMG Research is pleased to deliver summary results of the *Packagers Special*.

In a discussion of key trends in the current mortgage market, **NMG Research** has conducted the following special study amongst the UK Mortgage Intermediary community. This study includes opinions surrounding adviser usage of packagers, predicted future usage and movement towards on-line adverse lender services.

Your opinions really do matter, as without your valued support, results such as these would never reach key decision makers within today's mortgage market.

We hope that you enjoy this **Mortgage Intermediary Census: Packagers Special Report**; conducted among **236 Mortgage Intermediaries** during December 2005.

The following visual exhibits are found within the report:

Exhibit 2.1: Packager usage

Exhibit 2.2: Reasons for using a Packager

Exhibit 2.3: Expected change in proportion of business

Exhibit 3.1: Use of on-line adverse lending service

Exhibit 3.2: Main reasons for using on-line adverse lender services

Exhibit 3.3: Changes in usage of adverse lender on-line services

Exhibit 3.4: Level of satisfaction with adverse lenders

We look forward to your continued support and participation in the **Mortgage Intermediary Census**.

Kind Regards,

Mortgage Intermediary Team

NMG Research

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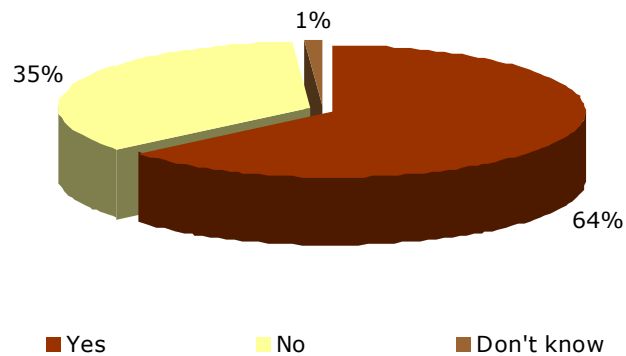
The Association of
Mortgage Intermediaries

2. Packagers

Mortgage Intermediary Census samples are representative of market demographics in both sex and gender. The majority of respondents are from smaller / medium size firms; those tending to generate less than £300,000 income per annum. Mortgage procurement fees account for the highest proportion of income, whilst respondents do not receive large proportions of firm income through Insurance commissions.

Exhibit 2.1: Packager usage

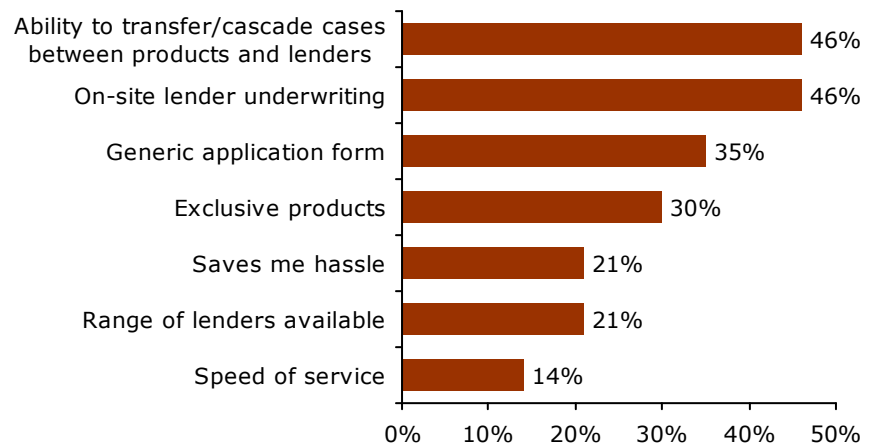
64% of respondents currently use packagers



Among 236 overall respondents, approximately two-thirds use packagers. (Exhibit 2.1) Most common reasons for using packagers include: the ability to transfer/cascade cases between products and lenders and on-site lender underwriting. Least important is speed of service. (Exhibit 2.2)

Exhibit 2.2: Reasons for using a packager

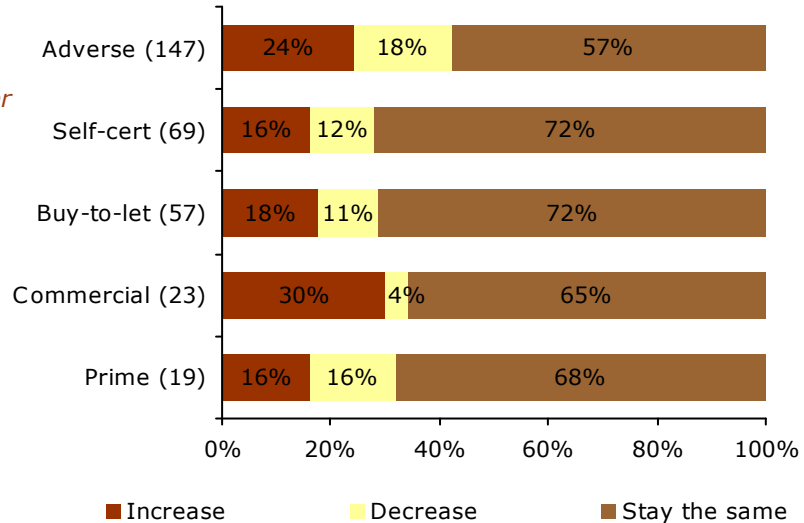
Respondents are most driven to use a packager for added functionalities opposed to improved services



2. Packagers

Exhibit 2.3: Expected change in proportion of business

Respondents expect the proportion of all business types placed via a packager to stay the same

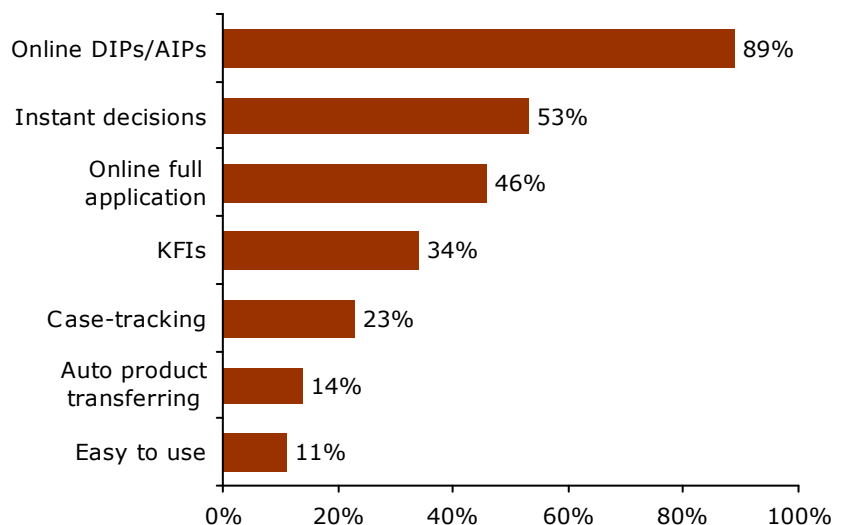


Among users, approximately 30% to 40% of business is typically placed through a packager. More specifically, an average of 41% of adverse business is being placed this way. While one-quarter of respondents expect this figure to increase, the majority (nearly two thirds) predict that adverse business placement will remain the same. Just below 20% predict that their usage for adverse will decrease. (Exhibit 2.3).

3. On-line services

Exhibit 3.1: Main reasons for using on-line adverse lending services

On-line DIP/AIP functionalities are the prime driver for use of on-line adverse lending services



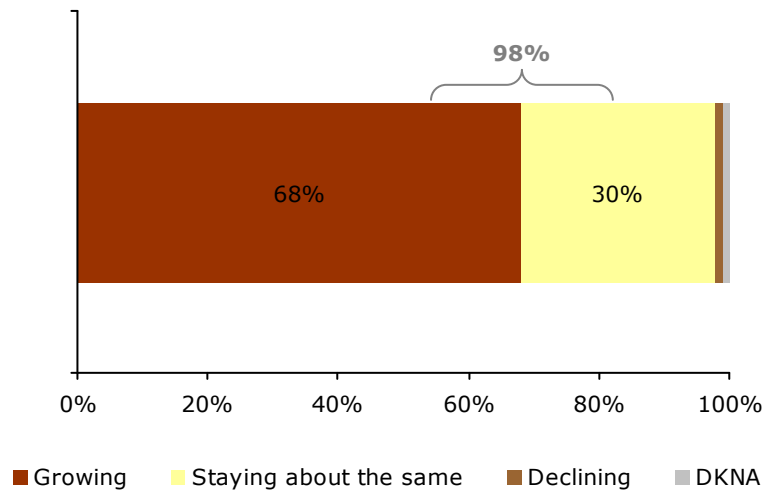
3. On-line services

Among all respondents, nearly three quarters make use of on-line services offered by adverse lenders. With 89% of users driven by on-line DIPs/AIPs; other reasons include the improved ability to make instantaneous decisions and the convenience of on-line application completion. (Exhibit 3.1)

Nearly 70% of on-line adverse lender service users claim that usage levels are growing; the remaining 30% indicate that they are remaining the same. These findings indicate that on-line adverse lender services will be account for a much larger and more integral part of future on on-line adverse business placement. (Exhibit 3.2)

Exhibit 3.2: Changes in usage of adverse lender on-line services

The clear majority of on-line users predict adverse on-line services to either remain the same or increase



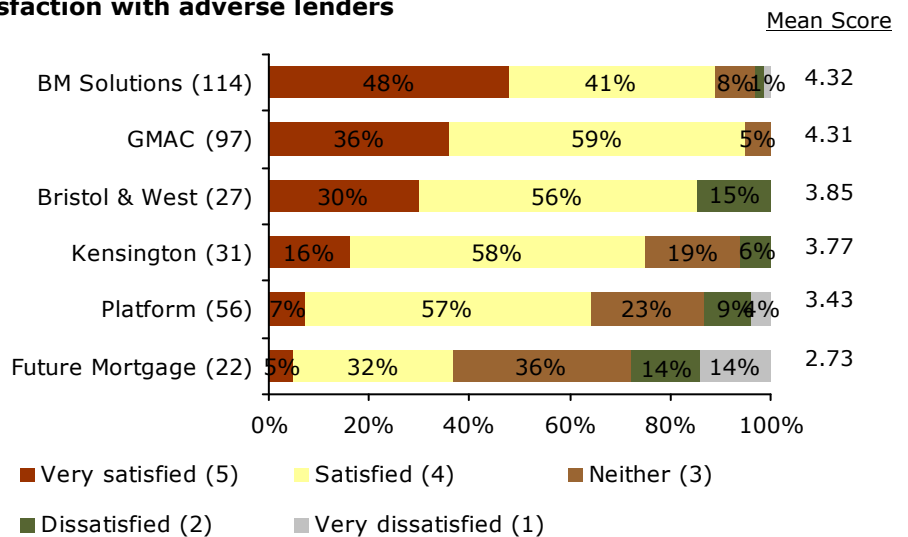
The majority of respondents predict that on-line adverse lender services will be an integral part of future placement. This places importance on advisers' further development of technical skills if they are to fully adopt and integrate the benefits of on-line service which includes both increased functionality and improved service levels.

Future Mortgages, with the lowest mean satisfaction score overall, is also the adverse lender with the least amount of on-line service users. The trend of lower levels of satisfaction being reported by those lenders with less users overall is apparent across the board. The better the service, the greater the number of users. A prime example being BM Solutions and GMAC; with the largest number of on-line users also report very high levels of satisfaction; 87% and 90% respectively. (Exhibit 3.3)

3. On-line services

Exhibit 3.3: Level of satisfaction with adverse lenders

Unsurprisingly, BM Solutions and GMAC, with the largest user bases, also hold the highest satisfaction scores by far



4. Conclusions

Overall opinions among users of packagers are varied. Whilst packagers are generally seen as a good overall service and one that can help to reduce time spent with new administration issues, users are apprehensive regarding fees and question some of the supposed benefits.

"Using a good packager can save time while providing an excellent service".

Those that choose NOT to use packagers tend to question their overall value. Common concerns and complaints include: poor staff and services provided, risked loss of control and overall business conduct. Non users worry as packagers seem to be an increasing force in areas such as specialist lending.

Those not using either on-line adverse services nor packagers fully understand that both are a major part of current business progression, and the time will come when they may need to adopt this services. Confidence in using on-line services will be enhanced by the further development of simpler systems which are both more logical and more efficient.

We hope that you have found these key findings from our **Mortgage Intermediary Census: Packagers Report** to be of interest. Further information about the **Packagers Report** can be obtained by contacting **NMG Research** directly (info@mortgageintermediarycensus.com).

We would like to take this opportunity to thank you again for your valued support in the **Mortgage Intermediary Census** and its special modules; including the **Packagers component**.

We very much look forward to your participation in our future waves of research.

Yours Sincerely,

Mortgage Intermediary Census Team

NMG Research

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