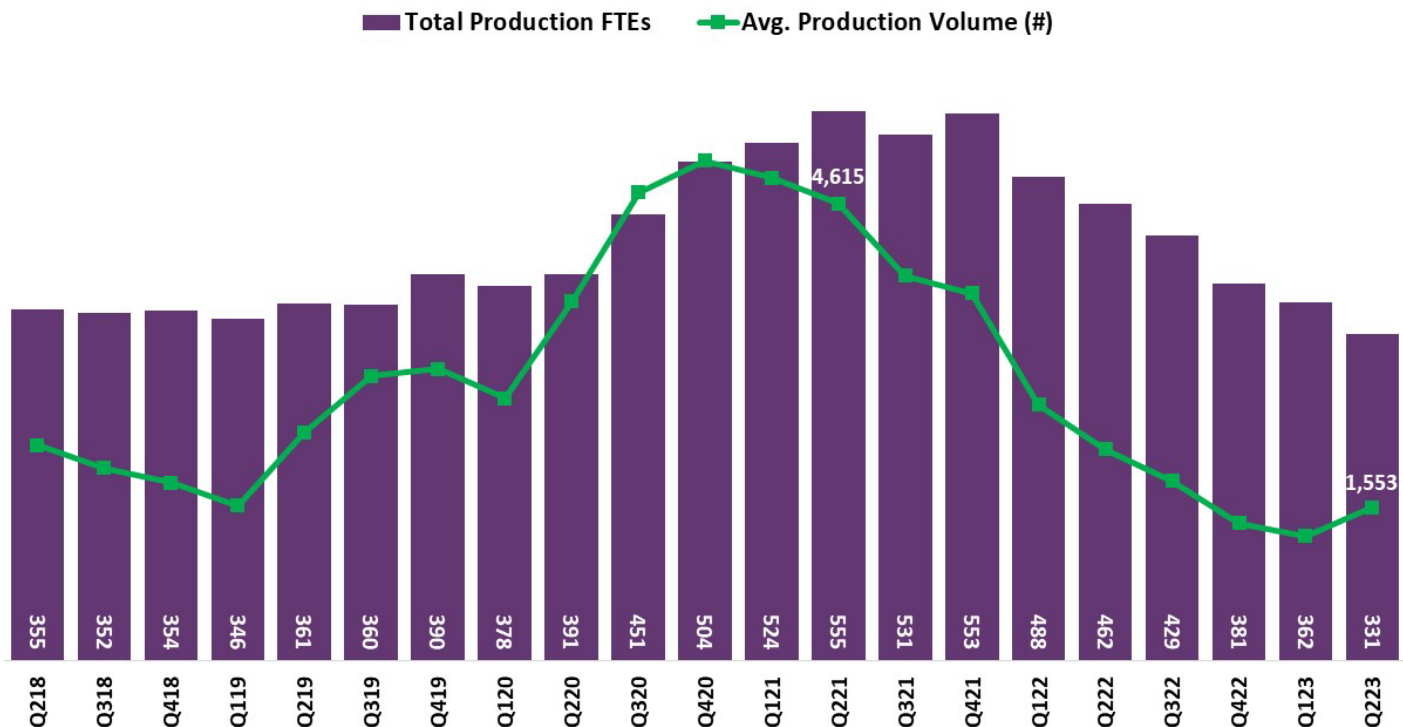


Chart of the Week – August 18, 2023 IMB Average Production FTEs vs. Average Production Volume



Source: MBA's Quarterly Mortgage Bankers Performance Report; www.mba.org/performance-report

This week, MBA Research released the second quarter results of its [Quarterly Mortgage Bankers Performance Report](#) (QPR). The sample of 344 independent mortgage banks (IMBs) and bank subsidiaries reported an average pre-tax net loss of \$534 on each loan they originated in the second quarter of 2023. While improved from the reported loss of \$1,972 per loan in the first quarter of 2023, this was the fifth consecutive quarter of production losses. The more encouraging data was an increase in production volume and a decline in the cost to originate a loan from \$13,171 per loan in the first quarter of 2023 to \$11,044 per loan in the second quarter of 2023, after 11 consecutive quarters of increases.

Today's [Chart of the Week](#) compares production personnel, or full-time equivalents (FTEs), to average quarterly production volume in count over the last five years. The companies included in the QPR averaged 331 production FTEs in the second quarter of 2023, which is the lowest level since the third quarter of 2015. As volume increased in 2020 and 2021, IMBs ramped up production FTEs to meet demand. From the peak in the second quarter of 2021 to the trough in the second quarter of 2023, IMBs experienced a 40 percent decline in production FTEs. Volume over this same period declined by 66 percent from an average of 4,615 loans closed to 1,553 loans closed.

Personnel decisions, sales strategies, loan originator compensation, company culture, and remote work are all top of mind for mortgage companies. In this tough mortgage market, MBA is hosting its annual [Human Resources Symposium](#) on September 6-7 in Arlington, VA where HR directors, compliance managers, and incentive plan analysts discuss a range of relevant personnel topics with legal experts and industry veterans. Download the full agenda [here](#).



RESEARCH AND ECONOMICS

Definitional Note: Production FTEs include Loan Officers, Fulfillment Personnel (Processors, Underwriters, Closers & Other Non-sales Originations Personnel), Production Support (Warehousing, Secondary Marketing, Post-Close, Shipping & Delivery, QC, Interim Servicing) as well as Originations related Management & Directors who oversee the entire Originations function.