

# MBA's Home Equity Lending Study

## OVERVIEW

MBA's Home Equity Lending Study includes benchmarking data — volume, utilization rates, operational metrics and growth expectations — related to lending and servicing open-ended Home Equity Lines of Credit (HELOCs) and closed-end Home Equity Loans (HE Loans).

For its 2020 study, MBA collected data from 29 member companies — including large banks, community banks, credit unions and independent mortgage companies — representing \$62.3 billion in originations volume for 2019, \$495.9 billion in maximum credit extended to borrowers as of December 31, 2019, and \$227.7 billion in outstanding borrowings as of December 31, 2019.

## WHO SHOULD PARTICIPATE

- The study will collect data on companies' home equity lending and servicing functions, including open-end home equity lines of credit (HELOCs) and closed-end home equity loans (HE Loans).
- The study will target the "Top 100" HELOC and HE Loan lenders, though servicers and other lenders may also participate.
- Participants in the MBA Home Equity Lending Study receive a customized summary report showing their data compared to the industry averages.

## STUDY ELEMENTS (SUBJECT TO CHANGE)

### NEW HELOC AND HE LOAN CREDIT COMMITMENTS FOR GIVEN PERIOD

- Application and Approval Pull-Through
- Processing Times
- Sources of HELOC and HE Loan Applications
- Financing Terms

### PORTFOLIO CHARACTERISTICS

- Volume of Fixed vs. Variable Rate Outstandings
- Portfolio Churn by Committed Lines and Outstandings (Capturing Runoff) in Count and \$
- Utilization Rates
- Distribution of Contractual Line Limits, with Min and Max Limit
- Average LTV and FICO
- Draw Characteristics

## REPAYMENT TERMS

- Draw period, Repayment period, Total term
- Delinquency and Foreclosure

## OTHER INFORMATION

- Organizational Structures for Lending and Servicing
- Technology and Vendors
- Cost to Originate and Service
- Lender Sentiment about Future Lending

## PROCESS

- All data will be collected and each submission will go through a detailed data review process.
- Outputs reports comparing “Your Firm” with group averages or median will be prepared. Depending on the number of companies, sub-groups may be created based on volume or other factors.
- Representatives from each of the participating organizations and MBA will review and discuss the data and analysis via webinar.
- To assure confidentiality, this will be conducted as a “blind” study: all results will be aggregated and individual company results will not be displayed to other participating companies.

## PARTICIPATION BENEFITS

- Participants in MBA’s Home Equity Lending Study receive custom output analyses that compare their firm’s results with the full sample averages - both simple and weighted - as well as the 20th percentile, median, and 80th percentile.
- Participants are also invited to join a complimentary webinar to review and discuss the study results with MBA’s Research & Economics team.

## TIMELINE

### SURVEY LAUNCH

Mid-February

### DATA SUBMISSION DUE

Late April

### OUTPUTS DELIVERED

Early June

### RESULTS WEBINAR

Mid-June

## CONTACTS

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## OUR 2020 STUDY PARTICIPANTS INCLUDED:

Associated Bank, N.A.

Bank of America

Bank of the West

BB&T

BBVA

Cadence Bank, N.A.

Cenlar FSB

Citibank, N.A.

Desert Financial Credit Union

Discover Bank

Fifth Third Bank

First Citizens Bank

First National Bank of Pennsylvania

FirstBank

The Huntington National Bank

KeyBank

M&T Bank Corporation

Navy Federal Credit Union

PenFed Credit Union

Peoples Bank

PNC Bank, National Association

Regions

South State Bank

Southland Credit Union

SunTrust Bank

TCF National Bank

TD Bank

TIAA Bank

U.S. Bank

Webster Bank

Wells Fargo

