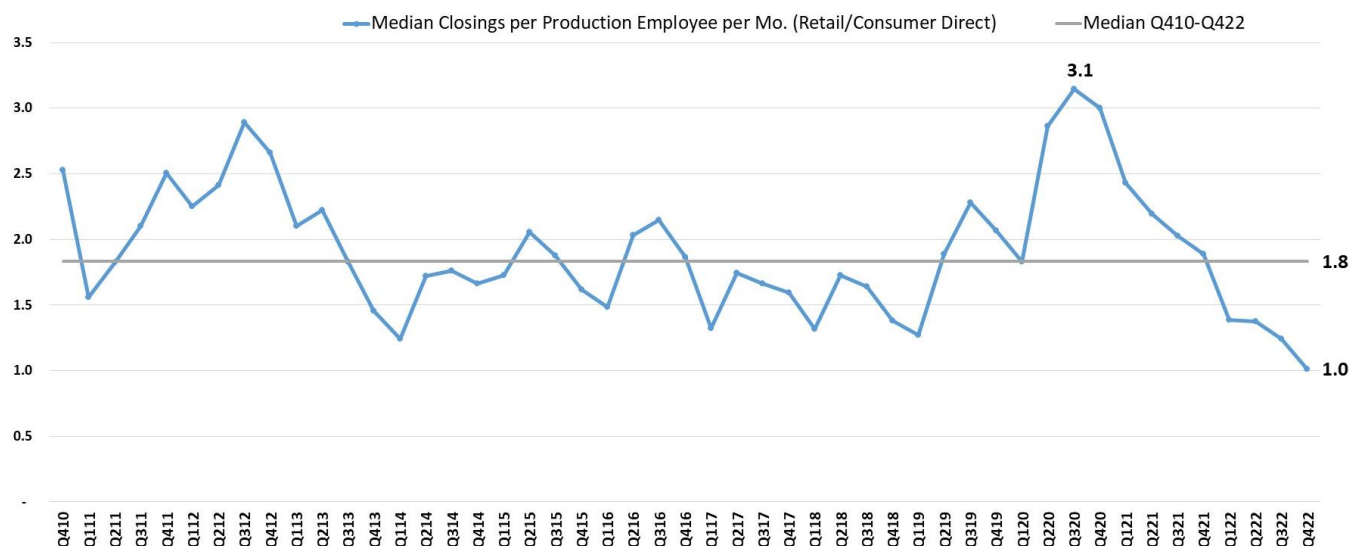


## Chart of the Week – April 7, 2023

### IMB Loans Closed per Production Employee per Month (Retail/Consumer Direct)



Source: MBA’s Quarterly Mortgage Bankers Performance Report

According to MBA’s [Annual Mortgage Bankers Performance Report](#) released this week, volume for Independent Mortgage Banks (IMBs) and mortgage subsidiaries of chartered banks declined by 50% from an average of 16,590 loans per company in 2021 to 8,371 loans per company in 2022. This decline is close to MBA’s industry loan count estimates of a 56% drop from 13.5 million loans in 2021 to 5.9 million in 2022. In this week’s MBA [Chart of the Week](#), we look at the median productivity of Production employees for these independent mortgage bankers, given this drop in production volume.

Production employees are comprised of the following:

- Sales employees such as Loan Production Officers and other Sales employees.
- Fulfillment employees such as Processors, Underwriter, Closers, and other Fulfillment staff
- Production Support and Other Staff such as Secondary Marketing, Post-Closing, Production Technology, Shipping and Delivery and Management.

Production productivity – defined as all Production employees and divided by the number of closed loans – reached a study-low median of 1.0 loans closed per Production employee per month in the fourth quarter of 2022. For the full-year 2022, the median loans closed per Production employee was 1.4. By comparison, in 2018, a year where average origination volume for these IMBs was similar to 2022 at 8,171 loans per company, the median productivity was higher at 1.6 loans closed per month. The record high for productivity was 3.1 loans closed per Production employee per month in the third quarter of 2020, while the median over the last 13 years has been 1.8 loans.

Throughout 2022, IMBs tried to reconcile rapidly declining origination volume with their Production personnel. But given the rapid change in the market environment over a short period of time, it was not easy to do. MBA’s forecast calls for mortgage loan counts to decline again in 2023 before an expected rebound in 2024 and 2025.