

NRMLA's Virtual Summer Meeting

July 13-14, 2021



NATIONAL REVERSE MORTGAGE LENDERS ASSOCIATION

WELCOME





Improving HECM Penetration Rates

Production is up - market penetration is down

Why it matters and what can be done to reverse the trend?

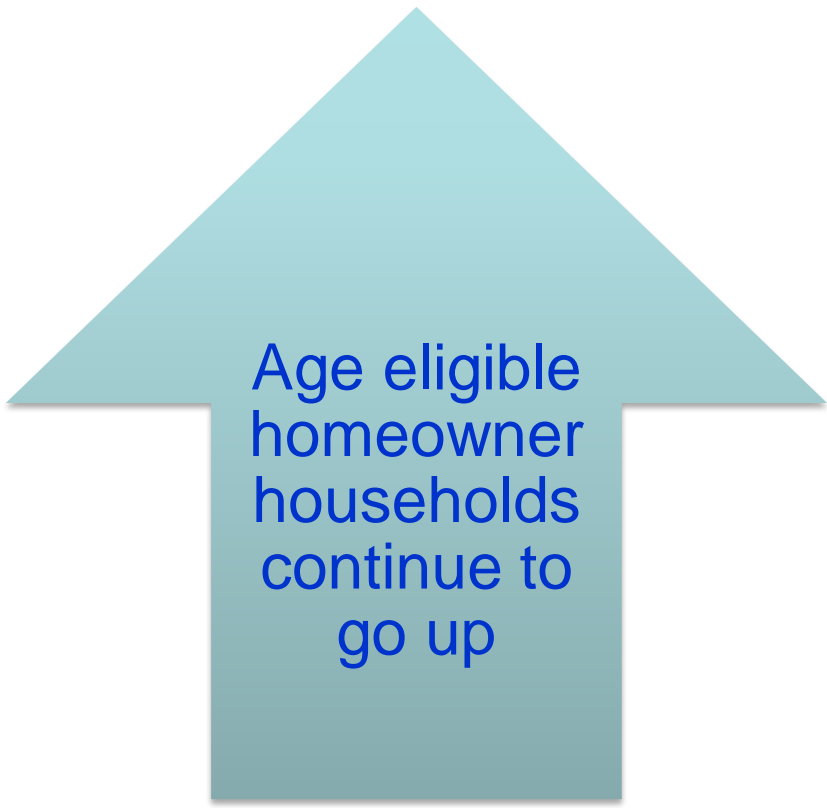
What is Penetration?

- Penetration is our market share as an industry
- How many customers do we have out of those who are eligible

Penetration Dynamics



Number of
HECMs in
servicing
portfolios
have been
going down
since 2017

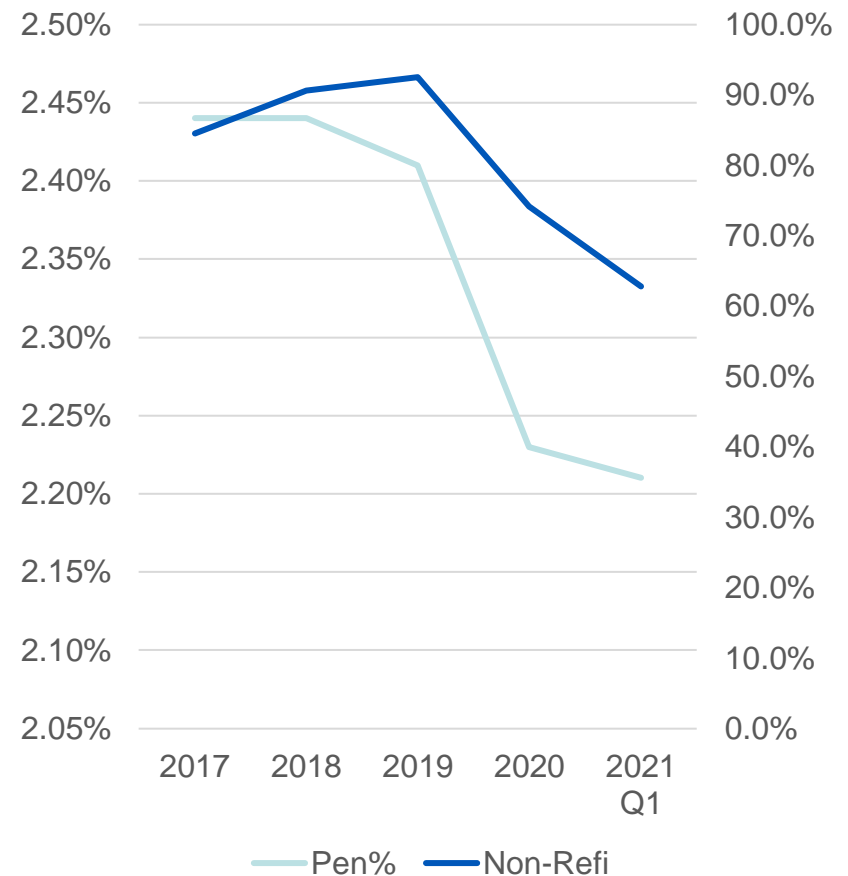


Age eligible
homeowner
households
continue to
go up

What's the story?

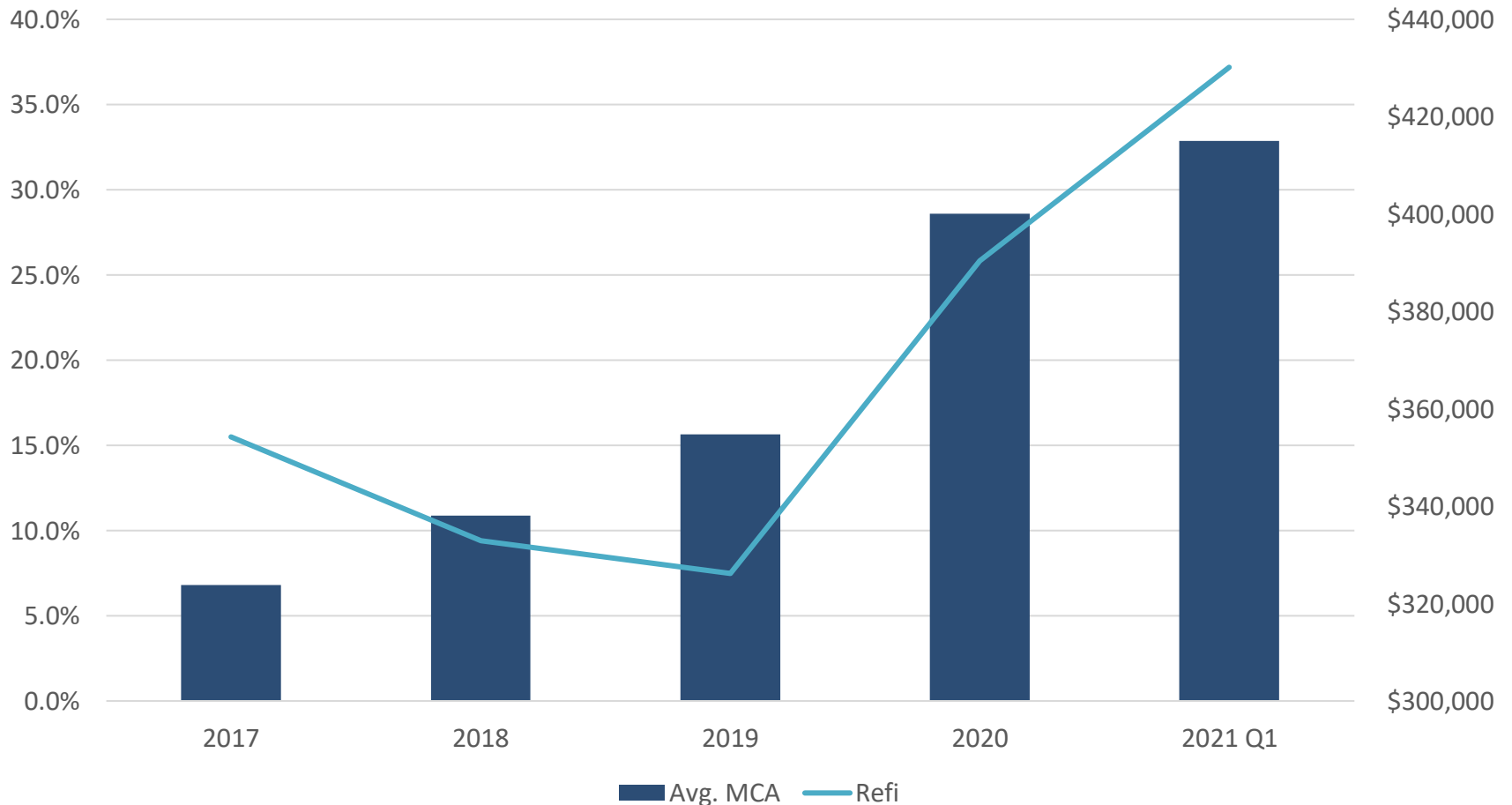
- Assignments shift loans from servicers to HUD
- Refinances serve repeat borrowers – not adding new customers
- Low interest rates and sharply appreciating home values benefit customer
- Maturing the industry and mainstreaming the product don't happen @ 2% penetration

Penetration Rate vs. Share of Non-Refi Endorsements

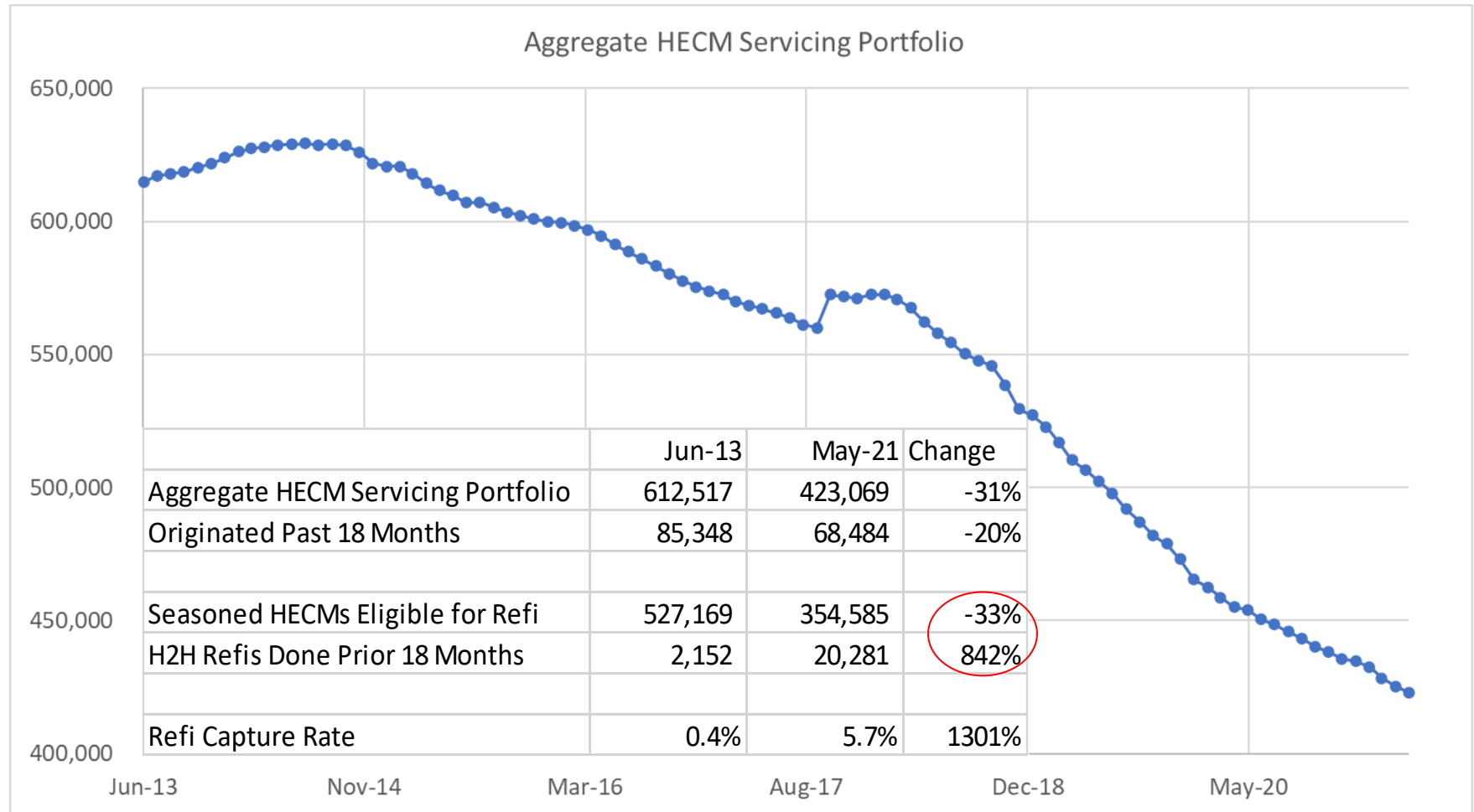


HECM to HECM continued

HECM Avg MCA vs. Refi Share of Endorsements



Shrinking Pool Of Loans to Refinance



Need to continue growing!

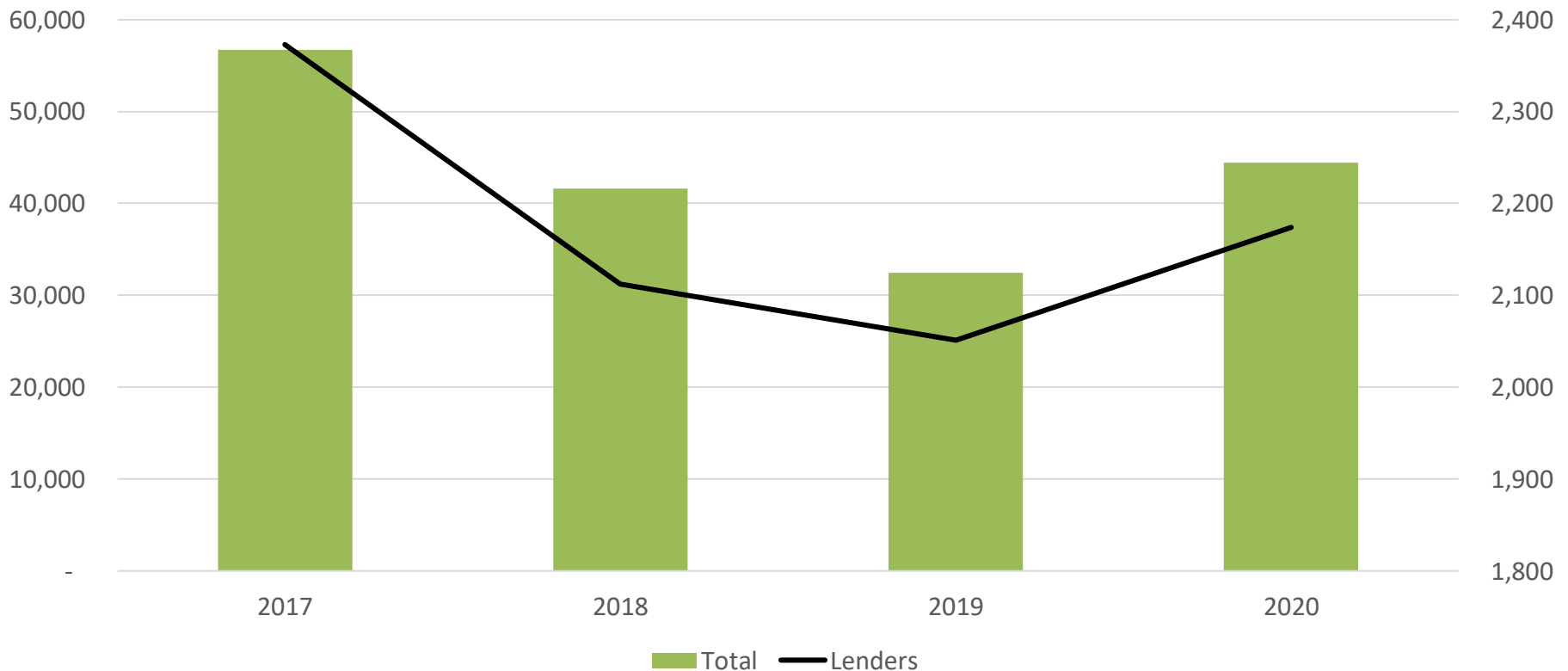
- Continue educating referral partners such as Financial Planners, Realtors, Attorneys, etc.
- Continue adding new forward companies to the mix



Need to continue growing!

- More companies is a great thing!

HECM Endorsements vs. Active Lenders



We can grow from within to start!

Bucket	Curr Vol	Vol Chg	Brokers	Chg	Vol Shr	Broker Shr
0-1	4544	1.0%	1814	-0.8%	21.1%	87.7%
2-5	5138	5.0%	196	2.6%	23.9%	9.5%
6-10	2714	59.6%	33	57.1%	12.6%	1.6%
11-25	3743	134.5%	19	90.0%	17.4%	0.9%
26-50	1652	12.2%	3	-25.0%	7.7%	0.1%
51+	3737	162.8%	3	200.0%	17.4%	0.1%
Total	21528	38.1%	2068	0.6%	100.0%	100.0%

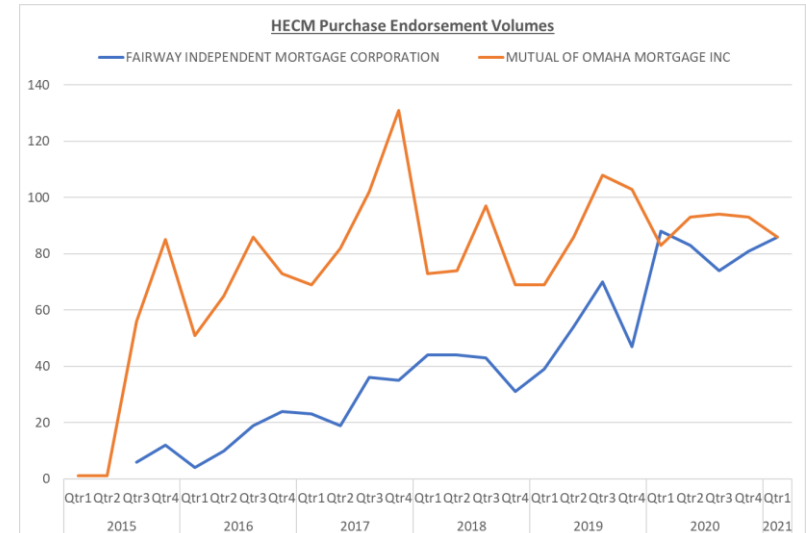
Growing low volume accounts can be a major boost to volume

Data above for Jun 2020 through May 2021

Leadership by example!

- **HECM for Purchase leaders**
 - Mutual of Omaha Mortgage
 - Fairway Independent

- **New to Reverse**
 - Longbridge Financial
 - HighTech Lending

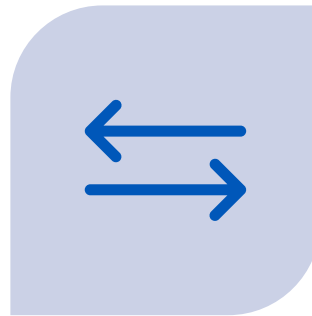


How do proprietary loans fit into growth?



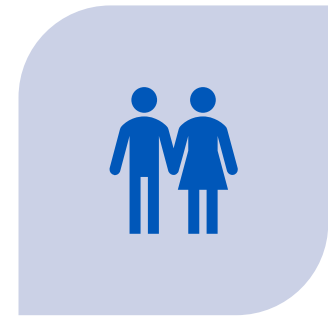
**MORE THAN JUST
JUMBOS**

Home Types & Second
Residences



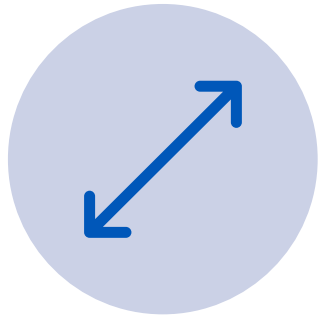
**“TRANSFORMER
LOANS”**

Early Payment
Requirements Bridge to
Reverse



**YOUNGER AGE LIMITS
INCREASE POTENTIAL
BORROWER POOL**

What can we learn from the forward business?



CONTINUE TO INNOVATE

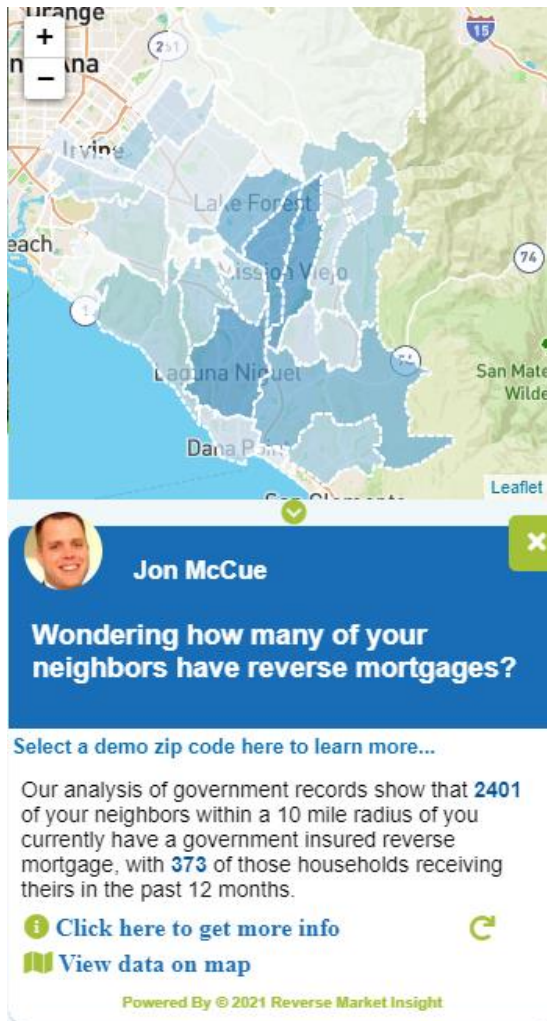


CREATE NICHE PRODUCTS
THAT SERVE A SPECIFIC
PURPOSE



EXAMPLES: HOME
IMPROVEMENT,
CONSTRUCTION TO PERM,
ENERGY EFFICIENCY, ETC.

Widget Data Captivates Web Visitors



The HECM Neighborhood Widget helps you grab attention and capture leads:

Place the engaging tool on your web site for visitors to use

Use our comprehensive market data to reveal reverse mortgage popularity by zip

Customize to your brand colors and/or include interactive map

Receive as part of your Retail Dashboard subscription or subscribe separately

Q&A - Thank you

John Lunde
RMI, President/Co-Founder

Jon McCue
RMI, Director of Client of Relations

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