



NEWS RELEASE

ICE Mortgage Technology Borrower and Lender Survey Shows Momentous Surge in Technology Adoption

5/13/2021

Record volume during pandemic shifts industry to increased digital mortgage focus

PLEASANTON, Calif.--(BUSINESS WIRE)-- **ICE Mortgage Technology™**, part of Intercontinental Exchange, Inc. (NYSE: ICE), a leading global provider of data, technology and market infrastructure, today shared that this past year borrowers took advantage of historically low interest rates and the mortgage industry embraced digital mortgages more than ever before. According to **ICE Mortgage Technology's™** latest **Borrower and Lender Insights Survey**, the pandemic has permanently changed the way consumers utilize technology and those looking to buy or refinance a home are seeking lenders who offer online tools to complete their mortgage loans from home.

The overwhelming majority (90%) of lenders believe that technology can help improve the mortgage application process, citing benefits that include simplifying the entire process (74%), reducing time to close (70%) and minimizing data entry (67%).

"Last year brought our industry a perfect storm," said Joe Tyrrell, President, ICE Mortgage Technology. "You not only had COVID, which required lenders to shift to virtual workforces, but you also had to conduct business in a safe and socially distanced way with borrowers; at the same time we were experiencing a historical increase in loan volume. This caused many lenders to reevaluate their technology partners, how they were leveraging technology, the systems that they employed, and the tools that they relied on. We heard many stories from our lenders across the country that had to completely and permanently shift the way they served borrowers."

Importance of digital solutions on the rise



According to the survey, the importance of lenders offering digital solutions such as online applications during the lending process increased for borrowers in 2020, with 58% saying the availability of an online application would likely impact their lender decision (up from 50% in 2018*). While still important, the offering of a mobile app specifically was less likely to influence borrowers' lender selection, with 47% saying availability of one would factor into their decision in 2020 (compared to 40% in 2018).

Homeowners who used an online application appreciated the simpler application process (55%), reduced time to close (53%) and resulted in fewer in-person interactions (49%). Not surprisingly, decreased in-person interactions grew in importance in 2020, as just 37% of consumers in 2018 cited 'no need to meet in person' as something they liked about their online application process. Whether they had been through the mortgage loan process or not, 64% of consumers surveyed believe that an online mortgage process would make buying a home or refinancing easier than an in-person process.

"From a borrower's perspective, the pandemic has accelerated the demand for a consistent, digital first borrowing experience," said Tyrrell. "Signing documents electronically is quickly becoming the minimum, and borrowers expect a seamless experience from start to finish. In 2020, many lenders cobbled together different solutions to meet borrower demands, but that often led to a more confusing, fragmented process. COVID highlighted the need for a single consistent digital experience for borrowers."

Currently, online applications and online portals are the digital tools most offered among lenders, with more than nine in 10 offering both options to borrowers (91%) respectively. Of lenders who offer online applications, 60% said more than half of all loan applications are submitted online, while 38% said more than 80% of their applications were completed online in 2020. However, traditional loan application methods may be more common at larger organizations. Half of large institutional lenders, or those with 200 or more employees, indicated that less than 50% of their loan applications were submitted online.

Borrower respondents who were offered online and/or mobile options by their lenders took advantage of those tools during the mortgage loan process. 61% of borrowers used an online application in 2020, slightly up from 58% in 2018. 61% also used an online portal for electronically signing and notarizing documents, compared to 56% in 2018.

Borrowers, lenders agree on amount of communication, but not necessarily the channel

Responses from borrowers also revealed opportunities throughout the mortgage application process for better alignment, understanding and service on the lender's part. Specifically, borrowers and lenders had differing views on the time needed to fill out a loan application and the method used for ongoing communication with borrowers.

However, lenders and borrowers tended to agree on the right amount of communication to be used throughout the mortgage loan process.

Additional insights included:

- Nearly nine in 10 lenders (86%) said borrowers should spend less than 30 minutes filling out a loan application, but 68% of borrowers said they actually spent 30 minutes or more completing their application.
- The majority of lenders (72%) felt borrowers were satisfied with the amount of communication from them. More than half of lenders (74.8%) said they contacted borrowers at least once per week to update them on the status of their loan after the application was filed. Borrowers shared this sentiment, as 77% said they had “just the right amount of contact” with their lender this past year.
- If they were to apply for a new mortgage within the next year, borrowers would most appreciate interacting with their lender through an equal blend of traditional and digital methods (26%), closely followed by interactions that have a more traditional focus (e.g., telephone) (25%) and purely traditional interactions (e.g., in-person) (24%).
- Homeowners who used an online application appreciated the simpler application process (55%), reduced time to close (53%) and fewer in-person interactions (49%) – a significant rise due to the pandemic. In 2018, only 37% of consumers cited ‘No need to meet in person’ as something they liked about their online application process.

“We recently launched Encompass® eClose for our customers and it’s a prime example of how the industry is viewing technology moving forward,” said Nancy Alley, Vice President of product strategy, ICE Mortgage Technology. “Due to the large scale of volume happening and an increase in consumer demand and expectations, a number of lenders in 2020 had to piece together different electronic closing solutions to keep up. The survey results completely align with the growing need for one consistent and seamless automated platform that connects borrowers to lenders all the way to e-signing, and saves lenders time and money along the way.”

To download the ICE Mortgage Technology Borrower and Lender Insights Survey eBook, and for more information, visit: <https://www.icemortgagetechnology.com/resources/collateral/ebook-borrower-insights-survey-2020>.

ICE Mortgage Technology combines technology, data and expertise to automate the entire mortgage process from consumer engagement through loan registration and every step and task in between. ICE Mortgage Technology is the leading cloud-based loan origination platform provider for the mortgage industry with solutions that enable lenders to originate more loans, lower origination costs, and reduce the time to close, all while ensuring the highest levels of compliance, quality, and efficiency. Visit icemortgagetechnology.com or call (877) 355-4362 to learn more.

Methodology

ICE Mortgage Technology surveyed approximately 2,000 individuals ages 18+ in the US who have taken out a mortgage loan within the last five years or are currently renting and 147 U.S. mortgage lenders. The surveys were fielded using the Qualtrics Platform, and the panels were sourced from an owned list of ICE Mortgage Technology customers for the Lender Insights Survey and from Lucid for the Borrower Insights Survey. Fielding was executed in December 2020 and January 2021.

2018 data is in reference to a November 2018 survey of 2,106 U.S. individuals 18 and older (both male and female) who had taken out a mortgage loan within the prior five years or were renting at the time. The survey was fielded using the Qualtrics Insight Platform, and the panel was sourced from Fulcrum by Lucid.

About Intercontinental Exchange

Intercontinental Exchange, Inc. (NYSE: ICE) is a Fortune 500 company that designs, builds and operates digital networks to connect people to opportunity. We provide financial technology and data services across major asset classes that offer our customers access to mission-critical workflow tools that increase transparency and operational efficiencies. We operate **exchanges**, including the **New York Stock Exchange**, and **clearing houses** that help people invest, raise capital and manage risk across multiple asset classes. Our comprehensive fixed income **data services** and execution capabilities provide information, analytics and platforms that help our customers capitalize on opportunities and operate more efficiently. At **ICE Mortgage Technology**, we are transforming and digitizing the U.S. residential mortgage process, from consumer engagement through loan registration. Together, we transform, streamline and automate industries to connect our customers to opportunity.

Trademarks of ICE and/or its affiliates include Intercontinental Exchange, ICE, ICE block design, NYSE and New York Stock Exchange. Information regarding additional trademarks and intellectual property rights of Intercontinental Exchange, Inc. and/or its affiliates is located **here**. Key Information Documents for certain products covered by the EU Packaged Retail and Insurance-based Investment Products Regulation can be accessed on the relevant exchange website under the heading "Key Information Documents (KIDS)."

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995 -- Statements in this press release regarding ICE's business that are not historical facts are "forward-looking statements" that involve risks and uncertainties. For a discussion of additional risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see ICE's Securities and Exchange Commission (SEC) filings, including, but not limited to, the risk factors in ICE's Annual Report on Form 10-K for the year ended December 31, 2020, as filed with the SEC on February 4, 2021.

© 2021 ICE Mortgage Technology, Inc. All rights reserved. Encompass® and the ICE Mortgage Technology logo are

trademarks of the entities of ICE Mortgage Technology, Inc.

Source: Intercontinental Exchange

Sara Holtz

ICE Mortgage Technology

(925) 227-2193

sara.holtz@ice.com

Jenny Gendron

ICE Mortgage Technology

(925) 227-3490

jenny.gendron@ice.com

Alexandra Gardell Kreuter

Allison+Partners

(646) 428-0618

ICEMortgageTechnology@allisonpr.com

Source: ICE Mortgage Technology