



Internet Mortgage Leads Q1 – Q4 2017 Funding Study

PROVIDED BY:



Study Available for Download at iLeads.com

In 2017, Online Mortgage Lead Generation Accounted for Nearly **20%** of Total Refinance Originations in the U.S.

In the final analysis of over **7 million Internet generated mortgage leads**, iLeads.com® concluded that online consumers drove over **\$117 billion** in loan origination dollars in 2017, and accounted for nearly **20% of total refinance originations in 2017**.

The iLeads.com® Mortgage Lead Funding Study is an ongoing initiative undertaken by iLeads.com® to provide funding outcome data for the Internet mortgage lead generation channel.

For the final report for 2017, iLeads.com® utilized its nationwide property, title and lien data resources to analyze mortgage leads that were generated online by a select group of the largest Internet lead sources. For more information, please contact iLeads.com.

2017 by the numbers:

Total unique leads analyzed:

7,260,367

Total number of funded loans:

572,912

Funding rate: 7.9%

Total **potential** origination dollars:

2016**

Total **potential** loan origination
(in dollars for Q1-Q3)

\$425,903,472,741

2017

Total **potential** loan origination
(in dollars for Q1-Q4)

\$1,081,306,168,261

Total **actual** origination dollars:

2016***

Total **actual** loan origination
(in dollars for Q1 – Q3)

\$34,022,905,154

2017

Total **actual** loan origination
(in dollars for Q1-Q4)

\$117,695,172,480

* Based on the MBA estimate of total refinance originations of \$600 billion

** 2016 data was 3,019,902 leads analyzed for Q1 through Q3 of 2016

*** Ibid

Total **potential revenue** in origination dollars:

2016*

Revenue **potential** to Originator
(\$5,000 revenue per loan, Q1 to Q3)

Over \$15 Billion

2017

Revenue **potential** to Originator
(\$5,000 revenue per loan):

Over \$36 Billion

Total **estimated cost** of leads if purchased

Estimate Cost to Originator(s)
(\$15 per lead):

\$108,905,505

Total **estimated revenue** in origination dollars:

Revenue Realized to Originator(s)
(\$5,000 revenue per loan):

\$2.8 billion

Average Loan Amount:

\$205,433

Average Time to Fund:

63 Days

Lead Funding Rate:

7.9%

Percentage Change in Overall Market and Online Origination:

	2016**	2017
MBA Quarterly Origination Estimate (refi. - billions):	663b	600b
Market Share of Study Group in Overall Market Fundings:	5.1%	19.5%

* 2016 data was 3,019,902 leads analyzed for Q1 through Q3 of 2016

** Ibid

Originations by Loan Type and State:

Dollar Originations by Loan Type	
CONVENTIONAL	\$81,908,563,388
FHA	\$13,979,900,004
VA	\$13,365,670,016
Line of credit	\$5,952,611,440
No Loan Type (recorded)	\$1,087,744,597
Private Party Lender	\$812,125,098
Building / Construction	\$403,013,672
Other	\$89,699,920
SBA	\$86,836,208
Commercial	\$5,741,837
Grand Total	\$117,695,172,480

Top 10 States by Dollar Volume Funded	
CA	\$30,869,968,722
FL	\$9,246,495,750
TX	\$8,868,987,195
WA	\$5,009,489,602
CO	\$4,779,567,865
AZ	\$4,687,050,748
GA	\$4,093,944,644
NY	\$4,082,938,258
VA	\$3,857,496,362
IL	\$3,672,065,280

For additional questions regarding this study, please contact [Drew Warmington](#) via phone: (949) 610-0113

Author's Commentary:

"2017 proved once again that Internet leads convert to successful loan originations at a very high rate compared with other marketing methods," said Drew Warmington, CEO of [iLeads.com, LLC](#). "While Q3 and Q4 proved challenging for Originators, overall online consumers continue to be very comfortable researching loan options via the Internet."

"With over one trillion dollars in potential origination dollars in play, and nearly 20% of U.S. refinancing's correlated to an online lead, I think that it's impossible to argue that the online consumer is not well worth the time and resources in trying to capture. Some have argued that online leads do not close, or are not quality. Clearly the data proves that sentiment wrong," Warmington said.

"Additionally, compared to other marketing channels, Internet leads tend to be one of the few channels where lenders can have an ongoing dialog with consumers about their real estate financing needs," continued Warmington. "And once again, the key takeaway is both the massive untapped potential origination value of this channel, and the continued growth vs. 2016."

"We use data and analytics to help our clients improve their customer acquisition strategies to take advantage of this untapped potential." finished Warmington.

Conclusion:

2017 shows mortgage originators continue to find great financial success by using the Internet lead channel to acquire new customers. The study also shows that there is great untapped potential remaining in consumers who have raised their hand via an Internet lead form but have not originated a loan yet.

The iLeads.com Mortgage Lead Funding Study report continues to show a clear opportunity for loan origination companies to grow their business through both optimization as well as analysis of their 3rd party lead sellers. To realize this true funding potential, originators need to determine who they are losing the business to, and why.

By combining data and smart analysis with the core benefits of the online lead channel (fixed costs, continued growth and consistency), lenders have a clear path to success.

An Important Note:

In our Q1 through Q3 2017 studies we shared information regarding the total origination amount of mortgage loans from leads (estimated dollar amount). In completing the 2017 year end review we have discovered that this total count contained some inaccurate data that artificially increased the total dollar value of loans originated from online consumers. This error was caused by keystroke mistakes at the county level, and effected a small number of recorded mortgages. After deep analysis we have identified the inconsistency, and have put protocols in place to prevent future errors. We apologize for any issues as a result of this error.

Finally, our 2016 study only included data for only Q1, through Q3 originations and included [3,019,902 leads](#) analyzed.



Contact Info

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About iLeads.com

Since 1996, iLeads.com has innovated new and exciting customer acquisition products for real estate, lending, and the insurance industry. At the heart of our company is our massive proprietary database that is updated weekly and contains residential property and ownership data on 99.8% of the households in the United States. We use data to solve our customer's problems and are expert at providing smart personalized customer acquisition solutions for our clients ranging from high quality leads to providing sophisticated data and analytic tools and consulting.

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