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## **Mortgage Builder Shatters New Client Growth Record in “Down Year” for Industry Technology**

*LOS company has surpassed previous best growth year by 50% in first nine months alone, thanks to Internet delivery, the resurgence of FHA and cost-conscious lenders*

**Southfield, MI, October 11, 2009** – Mortgage Builder Software, a leader in loan origination software (LOS) systems, announces that it has smashed its previous record for annual new client signings by 50 percent in just the first nine months of 2009. About 15 percent of the new clients were community banks. Unaffected by the mortgage technology market downturn, which has seen numerous acquisitions and exits by providers, Mortgage Builder has been winning unprecedented acceptance among mid-market lenders for its sophisticated end-to-end origination technology offerings. Mortgage Builder executives believe the constant stream of new clients is a direct result of several factors that combine innovation with one of the mortgage business’ oldest traditions, government lending.

Mortgage Builder has been in the market for over eleven years, and being based in the Midwest, it is no surprise that its original design included a strong emphasis on classic, traditional FHA loan products. In other parts of the country, FHA’s loan limits and detailed documentation requirements relegated its programs to irrelevance for a number of years. New FHA-ready loan origination systems were in short supply, so when FHA came storming back to the forefront, Mortgage Builder found itself riding the wave of HUD’s renaissance, completely prepared with full documentation, automated workflow and an inside track for lenders to use when communicating with HUD -- a direct link to the FHA Connection, which the company introduced early this year.

In 2008, when Mortgage Builder enjoyed its previous record growth year, almost everyone was buying the time-honored software license business model, in which the lender purchases the software, runs it on its own servers and supports the technology with its own people. The results this year have shown a dramatic – but not entirely surprising – reversal of that trend. An overwhelming majority of the lenders that have signed on with Mortgage Builder this year, over 83 percent, have moved away from the traditional purchase method and into the Internet delivery models, ASP (application service provider) and SaaS (software as a service). With these, the most popular of which is SaaS, lenders access their LOS platform via the Internet, while Mortgage Builder does all the heavy lifting, technology-wise. Lenders enjoy all the functionality without the expense and responsibility of running the software themselves, and they benefit from pay-by-the-loan control over fixed expenses. With the MBA reporting average net profits of only about \$180 per loan this year, it is easy to see why these innovative choices are resonating with lenders. Mortgage Builder accentuates the benefits of its SaaS software by charging its per-loan fee only on those transactions that end up funding, so lenders don’t pay for cancellations.

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Mortgage Builder president and CEO Keven Smith believes that SaaS has been a critical factor, but is not the only reason Mortgage Builder is shattering its own records for client acquisitions. Smith, a 20-year mortgage technology veteran, has seen the industry progress from an environment preferring to bolt together components to create LOS systems, to one where the end-to-end approach is favored, where all the parts are engineered into a synchronous platform that hums like a well-tuned automobile. "Things are just more reliable and easy to use when they are built to run together," he says. "And we have designed Mortgage Builder to have all the options included at no additional cost. When looking at all the LOS systems out there, we found that this year lenders were considering everything that impacts their costs," he explains. "They like our built-in compliant document engine, because they don't want to have to pay a third party every time they draw and re-draw loan docs. They like the idea of being able to go paperless with our included electronic document management (EDM), because it's green and can save hundreds of dollars on every loan. More of them want to deliver loans electronically to save time and money, and we include that functionality. They are all about cost this year, but they found that they can actually upgrade their technology significantly at the same time."

Most of Mortgage Builder's new client growth came from smaller and mid-sized mortgage bankers, many of them through the company's relationship with the LendersOne Alliance, the St. Louis-based cooperative of over 140 mortgage bankers that collectively represents the nation's third largest mortgage originator. About 15 percent of the new clients were community banks desiring to have the loan technology needed to compete with familiar name brand institution down the street. "We have had to hire a number of new people to accommodate the growth, especially in customer service, which we've grown by 50 percent," says Smith. "We have also built a new training lab to speed the implementation process. In the days of installed software sales, it could take six months to get up and running. Today it seldom takes 60 days and we had one lender go live in 37 days this year." Things are very different in 2009, Smith feels, even though the FHA resurgence smacks of the past. "Our technology is better, faster and cheaper," he says, "and that's the way of the future. We expect to break more records in 2010."

## **About Mortgage Builder**

Southfield, Michigan-based Mortgage Builder Software, Inc. has been providing industry-leading loan origination software (LOS) to mortgage banks, community banks, credit unions and financial institutions for more than eleven years. Mortgage Builder was the first LOS to provide its full capabilities in Application Service Provider (ASP) form, as Software as a Service (SaaS) and in the traditional licensed, server-based configuration, providing complete flexibility to suit all clients' business models. Mortgage Builder is an end-to-end, "everything's included" lending solution for both retail and wholesale mortgage production channels, automating all origination, post-closing, delivery, tracking and reporting functions, with electronic document management (EDM) and compliant loan documents provided at no additional cost. The company has been named by Mortgage Technology Magazine as one of the industry's Top 50 Service Providers for the third consecutive year, and was the winner of the magazine's prestigious 2008/2009 Help Desk award for outstanding customer service and the industry's best technical support. For more information, visit [www.MortgageBuilder.com](http://www.MortgageBuilder.com).