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Mortgage Bankers Believe First-time Homebuyers Will Be a Boon for Business in 2017

Lenders One members express concern for election uncertainty and the possibility of higher interest rates

ST. LOUIS, MO, October 17, 2016 – [The Lenders One® Cooperative](#), a national alliance of independent mortgage bankers, correspondent lenders and suppliers of mortgage products and services, polled participants at its annual summer conference on key trends in the mortgage industry, finding that the majority (58 percent) are concerned about the impact of the November presidential elections on the mortgage industry.

Despite the uncertainty an election year can bring, the survey suggests that mortgage bankers are optimistic when it comes to first-time homebuyers. In fact, 66 percent of respondents believe first-time homebuyers will offer the greatest opportunity to drive business growth in 2017. The second greatest opportunity lies in increasing rental prices that are pushing buyers to purchase homes instead of continuing to rent (20 percent). On the flip side, 39 percent of respondents believe that higher interest rates could have the greatest negative impact on the mortgage industry's growth in 2017.

Consumers Demand Technology Innovation

The survey indicates that borrowers want more online and/or mobile access to information and the status of requests to improve the loan process, according to nearly half (47 percent) of respondents. It is not a surprise then that 64 percent of respondents believe adapting new



technologies to drive efficiencies would help lenders stay competitive while trying to increase margins in an increasingly commoditized industry.

TILA–RESPA Integrated Disclosure (TRID) A Year Later

This year has been a time of TRID adoption and implementation. TRID went into effect on October 3, 2015, and lenders have had almost a year to understand how TRID would impact the loan process. The majority of survey respondents (58 percent) identified the top TRID-related challenge as dealing with process and workflow changes concerning when the loan estimate must be delivered (within three business days). Consolidation of existing documents into the two new disclosures (loan estimate and closing disclosure) was a concern for a small number of respondents (8 percent).

“While the mortgage industry is often adjusting to regulatory and compliance uncertainty, the issues around TRID have become clearer, enabling lenders to proactively manage workflow challenges and set strategies to better meet consumer needs through technology integration and innovation,” said Bryan Binder, chief executive officer of Lenders One.

Market Pulse

When asked to characterize the housing market for 2017, a majority of respondents (64 percent) anticipate a modest to heavy sellers’ market:

- Heavy buyers’ market (9 percent)
- Modest buyers’ market (27 percent)
- Modest sellers’ market (43 percent)
- Heavy sellers’ market (21 percent)

Survey Methodology

The survey had 95 participants and was conducted at the Lenders One 2016 Summer Conference held in August. Respondents consisted of Lenders One members, national secondary providers and national program providers. All findings are available upon request by contacting Lenders One.

About Lenders One® Cooperative



Lenders One (LendersOne.com) was established in 2000 as a national alliance of independent mortgage bankers, correspondent lenders and suppliers of mortgage products and services. Members of the platform originated \$247 billion in mortgages in 2015, collectively ranking as one of the largest retail mortgage origination entities in the U.S. Lenders One is managed by a subsidiary of Altisource Portfolio Solutions S.A.

About Altisource®

Altisource Portfolio Solutions S.A. (NASDAQ: ASPS) is a premier marketplace and transaction solutions provider for the real estate, mortgage and consumer debt industries.

Altisource's proprietary business processes, vendor and electronic payment management software and behavioral science-based analytics improve outcomes for marketplace participants. Additional information is available at altisource.com.

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