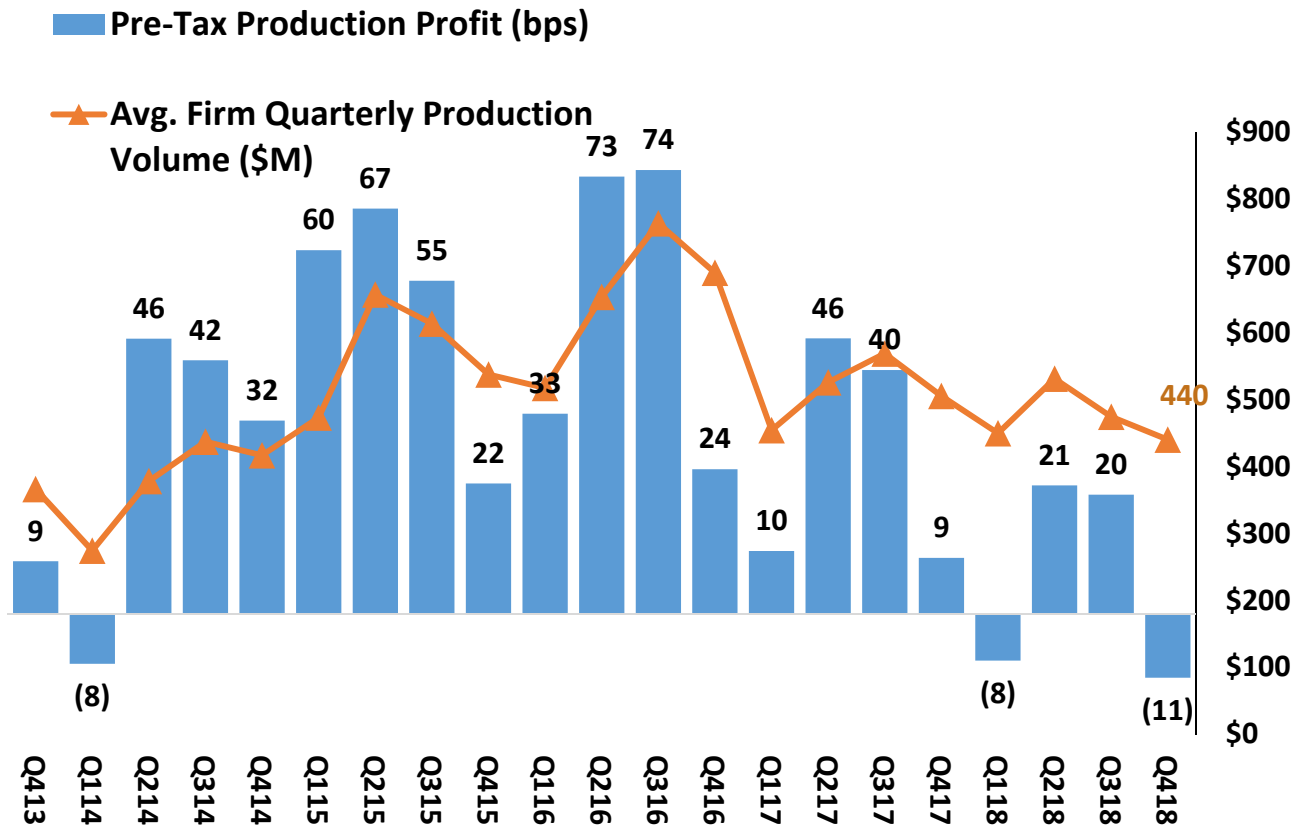


Chart of the Week - March 29, 2019 IMB Production Profit and Volumes



Source: MBA's Quarterly Mortgage Bankers Performance Report; www.mba.org/performance-report

Independent mortgage banks and mortgage subsidiaries of chartered banks reported average pre-tax production losses of 11 basis points (a loss of \$200 on each loan they originated) in the fourth quarter of 2018, down from 20 basis points (\$480 per loan) in last year's third quarter, according to MBA's Quarterly Mortgage Bankers [Performance Report](#) released this week.

Contributing factors to this record low profit loss included a continued drop in overall production volume, lower revenues and higher costs relative to the third quarter. Total production revenue decreased to 351 basis points (bps) (\$8,411 per loan) in the fourth quarter from 358 bps (\$8,654 per loan) in the third quarter. Mortgage bankers saw their total loan production expenses increase to 362 bps (\$8,611 per loan) in the fourth quarter, from 338 bps (\$8,174 per loan) in the third quarter.

Including all business lines (both production and servicing), 44 percent of the firms in the study posted pre-tax net financial profits in the fourth quarter, down from 71 percent in the third quarter.

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