

EDGE Times are good for Chattanooga-area mortgage lenders

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Signix Executive Vice President Pem Guerry.

Photo by Contributed Photo /Times Free Press.



Times are good for mortgage lenders in Chattanooga since home sales have risen to record highs — and are projected to increase even more this year — as mortgage rates hover near record lows and credit conditions improve.

Still, local lenders are looking their shoulders and seeing their online competitors catching up — namely Detroit-based Quicken Loans, which bills itself as America's largest online lender with more than 2 million mortgages under its belt. Quicken Loans gained a lot attention with its Superbowl 50 ad for its Rocket Mortgage,

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Mortgage lenders Terre Webb, left, and her daughter...

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which promises a completely online mortgage application process with approval in minutes.

Quicken now ranks second for selling mortgage loans in Tennessee, said Terre Webb, branch manager for Mortgage Investors Group in Chattanooga — which she said ranks first. In Hamilton County, Quicken ranked fifth last year, according to figures provided by Webb.

Among the top 10 mortgage lenders in Hamilton County last year, five were mortgage divisions of commercial banks, including top ranked SunTrust and Regions banks. Three other top home loan lenders in Chattanooga last year were primarily mortgage lenders, while one was a credit union and only one was a strictly online mortgage lender.

Quicken had only about 10 percent of Hamilton County's mortgages last year, but Quicken and other online lenders are gaining favor in the market.

"Quicken is making headway in the whole state of Tennessee," said Webb, one of the top mortgage lenders here. She sold just over \$20 million in mortgages in 2015. "They're gaining ground in Chattanooga, which I hate."

The Chattanooga market is hardly alone in seeing changes in the mortgage industry.

Some big banks have backed away from the mortgage business while online lenders and, to a lesser extent, credit unions are stepping in, industry analysts say.

Four of the top 10 slots for U.S. mortgage lending nationwide in 2015 were held by online companies, Quicken Loans, PennyMac Financial, PHH Mortgage, and Freedom Mortgage, according to data from Inside Mortgage Finance cited in a February article in MarketWatch.

Chattanooga-area mortgage lenders aren't sitting on their low-tech laurels. They've adapted to changing times and technology.

Christina Lane, a mortgage lender with 15 years' experience who sold about \$31 million in Chattanooga-area mortgages last year, just left Peoples Home Equity for Movement Mortgage, an up-and-coming mortgage lender based in Charlotte, North Carolina, that was founded by former pro football player Casey Crawford, who played tight end for the Carolina Panthers.

"The way he started this is he Googled 'how to start a mortgage company,'" Lane said. "And now, fast-forward to 2016, and we're at 4,000 employees."

Movement Mortgage says it's revolutionizing the mortgage industry with seven-day mortgage processing, a "fresh, new" culture and "upfront underwriting,"

"The biggest thing that sets them apart from other mortgage companies is they underwrite the file on the front-end," Lane said. "When I talk to a client, and they want to get pre-approved or pre-qualified, their file is actual going in front of the underwriter and the underwriter is fully underwriting their file before they even find a home."

"The advantage is no more last-minute hoops to jump through," she said. "There's been so many times where the underwriter might get the file two or three weeks in after [the sale] went under contract. And they might say, 'Well, this came up on their credit report, or this came up on their income — all different things that can pop up and cause destruction in the mortgage process.'"

'All about relationships, service'

Webb and other leading mortgage lenders here say the personal touch gives local mortgage lenders an edge that online can't match.

"Am I concerned about [online competitors]? No. It's really all about relationships," she said. "People still like being able to call and talk to somebody or stopping by here. It's a changing market, but people still like to deal with people."

"We're eyeball-to-eyeball with the customer and the Realtor," Webb said. "So we're doing everything we can to accommodate them."

Echoing that is Greg DeMars Sr., another top local producer who said he sold well above \$20 million in Chattanooga-area mortgages in 2015 through PrimeLending, a Plains-Capital Company.

"I've been in the business 30 years," DeMars said. "This Internet scare came about 10 years ago, as well. I call it a scare, because we all thought the sky was falling."

"People like personal service," DeMars said. "They like to be able to come locally to talk to someone and bring their information. I don't think we'll ever lose the need for personal attention that the Internet does not offer."

"My business is driven by customer referrals or agent referrals," he said.

Jill McLean, who sold more than \$15 million in Chattanooga-area mortgages through Synovus Mortgage, said she's learned during 24 years in the industry that "it's all about relationships and great customer service."

As for online lenders, McLean said, "usually, their customer service is not all that good."

Chattanooga startup leads online document signage

Whether your mortgage lender operates out of a Chattanooga office or simply has an online presence elsewhere, a growing number of lenders are turning to online tools and signatures to handle legal transactions involved in any mortgage and real estate sale.

One Chattanooga startup company, Signix, which has offices in downtown's tony Warehouse Row, is a big player in the world of online document signage in real estate transactions.

"We're first or second in the markets that we target," said Signix Executive Vice President Pem Guerry. "Real estate documents, not the mortgage itself, but the documents prior to that, we're No. 1 in the market. We've got nearly 500,000 Realtors with access to our system."

"One of the highest-adopting industries for using electronic signatures is Realtors," Guerry said. "But once you get to the mortgage itself, it's one of the lowest adopters. The industry is committed to trying to improve that."

"There's just some challenges that have slowed electronic mortgages," Guerry said. "It's not entirely their fault [but] they're clearly behind the curve."

One of Signix's products, eNotaryDoX, is remote notary, also known as video notary, in which the old process of meeting in person for such things as closing on the sale of a house is replaced by "an entirely digital process" that uses video conferencing technology.

"Think of the convenience of not having to sign a notary," Guerry said. "You don't have to distribute 10 copies of a 200-page document to everybody."

Winners

The Chattanooga Mortgage Bankers Association (CMBA) held its annual awards luncheon in March at the Mountain City Club to recognize the top producers in the local industry for 2015. The winners follow:

DIAMOND \$20 million

Terre Webb – MIG

Kelly Huguenin – SunTrust

Vickie Phillips – Churchill Mortgage

Tammy Self – Bank of Cleveland

Brian Kniegge – Calibar

Greg DeMars – PrimeLending

Christina Lane – formerly Peoples Home Equity now with Movement Mortgage

PLATINUM \$15 million:

Sandy Hodges – First Volunteer

Chris Shoemake – First Volunteer

Sheena Corbett - Synovus Mortgage

Michael Reed – FarmCredit

Ryan Hulton – United Community

Debby Daniels – MIG

Lindsey Wood – MIG

Darren Strickland – FSG Bank

Jill McLean – Synovus Mortgage

Joanna Otero – People’s Home Equity

GOLD \$10 million

Charity Kincaid - PrimeLending

Shay Robins – PrimeLending

Gaye DeMars – First Volunteer

Charlotte Harrell-Kabler - Wells Fargo

Kim Daniel – SunTrust

Sherri Boland – First Bank

Will Sandlin – Community Mortgage

Juan Hansford – Caliber

Jill Green – FSG Bank

Herb Pettit – SunTrust

Traci Hamilton – Bank of Cleveland

Mortgage Bankers of the Year:

Greg DeMars – PrimeLending

Christina Lane – People’s Home Equity

Leading mortgage lenders in Hamilton County

1. SunTrust Bank: 636 loans that averaged \$135,628
2. Regions Bank: 569 loans that averaged \$144,063
3. Mortgage Investors Group: 552 loans that averaged \$167,514
4. First Volunteer Bank: 509 loans that averaged \$204,057
5. Quicken Loans: 424 loans that averaged \$158,771
6. Peoples Home Equity: 380 loans that averaged \$162,784
7. First Tennessee Bank: 347 loans that averaged \$168,641
8. Platinum Financial Funding: 295 loans that averaged \$174,105
9. CapitalMark: 287 loans that averaged \$206,644

10. Tennessee Valley Federal Credit Union: 285 loans that averaged \$134,246

Source: Courthouse Retrieval System data provided by Terre Webb, branch manager for Mortgage Investors Group in Chattanooga

Top mortgage lenders in Tennessee in 2015 (based on total loan amount)

1. Mortgage Investors Group: 6,766 loans that averaged \$174,943

2. Quicken Loans: 6,905 loans that averaged \$158,902

3. Regions Bank: 6,452 loans that averaged \$136,595

4. F&M Bank: 3,328 loans that averaged \$203,258

5. Wells Fargo: 3,985 loans that averaged \$169,350

Source: Courthouse Retrieval System data provided by Terre Webb, branch manager for Mortgage Investors Group in Chattanooga
