



Next Generation Mortgage and Loan BPS Market Assessment and Forecast

Market Analysis
Abstract

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Who Is This Report For?

NelsonHall's "Next Generation Mortgage and Loan BPS Market Assessment and Forecast" report is a comprehensive market assessment report designed for:

- Sourcing managers investigating sourcing developments within the retail and commercial banking industry
- Vendor marketing, sales and business managers developing strategies to target service opportunities within the retail and commercial banking industry
- Financial analysts and investors specializing in the retail and commercial banking sector.

Scope of the Report

The report analyzes the global market for mortgage and loan BPS services and addresses the following questions:

- What is the current and future market for mortgage and loan BPS?
- What is the size and growth of the mortgage and loan BPS market by market segment?
- Within mortgage and loan BPS, which processes are emerging strongly?
- What are the market segments for mortgage and loan BPS and their characteristics? What are the drivers, benefits, and inhibitors for each segment? What are vendor capabilities by segment?
- What technologies and platforms are being utilized and what are the implications by market segment?
- What are vendor challenges and critical success factors by market segment?
- How vendors are positioned within each mortgage and loan BPS market segment?
- Additional topics include: contract lengths; pricing models; partnerships; acquisitions; delivery center locations and the use of offshoring; vendor targeting by client size, geography, and industry.



Key Findings & Highlights

The lending industry is adapting to slowing loan growth (and anticipated portfolio shrinkage); it will need to aggressively variabilize and reduce the cost of operational delivery using automation and 3rd party operations delivery. Origination, due to its high cost (i.e., \$7k to \$9k per closed retail mortgage in the U.S.) has been the highest priority target for cost reduction. BPS vendors are offering lenders lower cost services, supported by more standardized, consolidated, automated operations across multiple markets. Operations need to support very low-cost delivery and rapid changes to the offering mix and scale up/down without impacting margins.

NelsonHall estimates the size of the mortgage and loan (M&L) BPS market to be ~\$9,700 m in 2018, and that it will grow at 2.3% per year in the period 2018 to 2022.

The M&L BPS is established with tier one banks in mature markets. Lower tier banks are beginning to consider widespread adoption due to severe cost pressures.

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Report Length

94 pages, consisting of 6 chapters and 3 Appendices

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