

# 2023

Presented by



**BAC**  
Broker Action Coalition



# BROKER IMPACT STUDY

EXPLORATION OF THE THIRD PARTY ORIGINATIONS CHANNELS: CUSTOMER BASE, COSTS TO BORROWERS, AND RISKS

## IS THE BROKER CHANNEL RISKIER THAN RETAIL?

**No.** This study empirically proves that the Broker channel, though previously thought to be more risky than traditional banking channels, is **on par with the Retail channel**.



The Broker channel is on par with Retail for most risk data.



The Broker channel is lower or equal on loan defaults.



The Broker channel is decreasing in risk in key areas.

## RISK ASSESSMENT

After 2008, Brokered loans were considered riskier by many. This is inaccurate and the risk data below disproves the assumption that Third Party Originations (TPO)/Brokered Loans are riskier – showing instead that the Broker channel is equal with the Retail channel.

### DELINQUENCY

Delinquencies reached over 12% in the 1990s for the entire housing market, and over 11% during the 2008 financial crisis. At present, delinquency rates are in general, **less than 2%**.



The Broker channel's 60 & 90 day delinquency rates are consistently **equal to Retail**.



**EQUAL  
TO RETAIL**

#### 60-DAY DELINQUENCY

YEAR	BROKER	RETAIL
2020	<b>0.11%</b>	0.11%
2021	<b>0.07%</b>	0.06%
2022	<b>0.08%</b>	0.08%
2023	<b>0.09%</b>	0.09%

#### 90-DAY DELINQUENCY

YEAR	BROKER	RETAIL
2020	<b>0.22%</b>	0.22%
2021	<b>0.14%</b>	0.14%
2022	<b>0.13%</b>	0.13%
2023	<b>0.11%</b>	0.11%

Source: Polygon Research - TPO Study, 2023

### FORECLOSURES

The Broker channel is trending favorably with a **266%** decrease in Wholesale foreclosures since 2020, nearly matching Retail with 0.015% in 2022 and 2023.

**266%**  
**DECREASE**



#### FORECLOSURE RATES

YEAR	BROKER	RETAIL
2020	<b>0.04%</b>	0.02%
2021	<b>0.025%</b>	0.02%
2022	<b>0.015%</b>	0.01%
2023	<b>0.015%</b>	0.01%

Source: Polygon Research - TPO Study, 2023

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## BROKER ACTION COALITION

### 501(c)(4) ORGANIZATION

The Broker Action Coalition (BAC) is the **grassroots advocacy network** initiating open communications between mortgage brokers, homebuyer advocates, and their legislators.



**2.5M+**

Miles Traveled for  
Advocacy Efforts



**55K+**

Letters Sent  
to Legislators



**350+**

Legislative  
Meetings Attended



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