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Guild Mortgage: Culture of Customer Service, Entrepreneurship At Heart of Independent Mortgage Lender's Growth

*Advanced Technology, Wide Range of Products, Experienced Leadership
and Smart Acquisitions Help Company Become One of Fastest Growing in the U.S.*

Guild Mortgage was founded in San Diego in 1960 and has grown from a single office to become one of the largest independent mortgage lenders in the U.S. because of its entrepreneurial culture, quality people and commitment to customer service.

The company set records in purchase loan and servicing volumes during 2017, while reaching near-record overall loan volume of \$15.94 billion for the year, off less than 1 percent from \$15.96 billion in 2016.

Since 2010 when its loan volume was \$4.1 billion and it had 75 branches in 16 states, Guild has grown almost four-fold as it expanded from its base in the West to the Southwest, Southeast and South. It now has more than 4,000 employees operating from 344 branch and satellite offices in 29 states. The company currently services more than 190,000 loans and has correspondent banking relationships with credit unions and community banks in 47 states.

"We've grown because of the talent and dedication of our people, our culture of customer service and our competitive advantage as an independent mortgage lender," said Mary Ann McGarry, president and CEO. "We offer loan options that help us to serve more potential homebuyers – everyone from the first-time homebuyer with Veterans Affairs and Federal Housing Administration financing to those moving up to jumbo loans. Our entrepreneurial, team-oriented approach has also helped attract top talent as we enter new markets."

In November 2017, Guild earned the J.D. Power award for "Highest in Customer Satisfaction with Primary Mortgage Sales in the U.S.", based on results from its 2017 Primary Mortgage Origination Satisfaction StudySM.

The study measures customer satisfaction with the mortgage origination experience in six factors, including application/approval process, interaction, loan closing, loan offerings, onboarding and

problem resolution. It is based on responses from 5,893 customers who originated a new mortgage or refinanced within the previous 12 months.

The customer service culture has resulted in Guild seeing record growth in purchase loans. Its purchase loan volume gained 19.2 percent to a record \$12.7 billion in 2017, up from \$10.7 billion in 2016. Purchase loans represented 80.1 percent of the company's production volume during 2017, up from 66.8 percent the previous year. The average loan size increased in 2017 to \$232,552, up 1.7 percent from \$228,500 in 2016.

Guild continued to grow its servicing business during 2017, reaching a record \$38.6 billion and 190,672 loans serviced as of Dec. 31, 2017, up 28.6 percent from \$29.9 billion and 155,129 loans serviced at the end of 2016. The average loan size serviced in 2017 was \$202,197, up 4.6 percent from \$193,315 in 2016.

Guild Mortgage offers a traditional range of residential mortgage products and funds most of its loans, which provides consistency and helps speed approvals. Because they specialize in residential lending, Guild professionals are experts who can provide the latest loan options that non-specialists might not be aware of – an advantage for independent mortgage bankers.

Guild has pioneered programs to help first-time homebuyers achieve homeownership, often through government loan programs that require special expertise to implement and manage, helping responsible people obtain a loan. By focusing on high-quality purchase loans, the company has achieved considerable success while building a reputation for exemplary customer service. Guild also provides many options for helping active duty and retired military personnel secure VA loans, which provide 100 percent financing and flexible qualifying standards.

In 2016, Guild joined with homeownership investment company Unison to launch the HomeBuyer down payment assistance program. Under the program, Unison contributes up to half of a 20 percent down payment in combination with a Guild loan to empower more people to buy the home they want. Unison's home ownership investment is not a loan. It is a long-term investment in the property. There are no interest charges or monthly payments. Unison does not receive a payment until the homeowner decides to sell their home – up to 30 years in the future.

In May 2017, Guild launched a nationwide, competitively priced conventional loan program that requires only a 1 percent down payment from the homebuyer. Combined with a 2 percent grant from Guild, the 3 percent equity results in a loan with a 97 percent loan-to-value (LTV) ratio. The grant does not need to be repaid. The program was designed to help solve financing challenges for first-time and move-up buyers with low-to-moderate income.

“Our 1% Down loan program provides a new option to low-and-moderate-income homebuyers who are having a difficult time with the down payment,” said David Battany, executive vice president, capital markets. “We developed this program because of our history of working with first-time homebuyers for more than 50 years and what we saw as a need to fill a void in the market. Now, many homebuyers will be in a stronger position to afford a first home, or upgrade to another home.”

In addition to expanding its wide array of products and loan options, the company has grown by opening new branches and through acquisition, adding branches in new and existing markets, and preserving its customer service culture with experienced, talented loan officers with established relationships.

In early 2018, Guild reached an agreement to acquire Cornerstone Mortgage of St. Louis, Mo., a fast-growing independent with 19 offices in three states and loan volume of \$1.0 billion in 2017. The acquisition added 19 branches and more than 200 employees in Missouri, Illinois and Kansas, giving Guild a significant presence in the Midwest for the first time.

Guild Mortgage's success over the past half-century was built on a foundation of core principles: unparalleled customer service, industry-leading technology and a vision that emphasizes long-term stability and profitability over short-term gains. To reinforce its commitment to solid values, the company launched the Guild Giving Program in 2010, which encourages employees to donate time and money to their own communities.

“Guild has the warmth and soul of a small mortgage lender, with the resources and expertise of a large, well-established organization,” said McGarry.

The Early Days

Martin Gleich, a San Diego-based homebuilder, founded Guild as a subsidiary of his American Housing Guild in 1960 to provide mortgage loans to his customers, mostly first-time homebuyers who were purchasing the single-family homes his company built. Soon, Guild became a recognized expert in FHA loans, a government-backed program for prospective low- to moderate-income homebuyers.

As the new company's proficiency and reputation grew, it provided loans to resale homebuyers, and customers of builders other than American Housing Guild.

By the 1970s, Guild started establishing branches outside of California. It continued helping first-time homebuyers and was one of the first independent firms to work with the Government National Mortgage Association, or Ginnie Mae, a federal agency, to provide home loans to those who couldn't afford a large down payment.

In 2008, Gleich retired and control of the company shifted to the leadership team through a management buyout, launching a new era for the values-based mortgage lender. McGarry, a member of Guild's board of directors since 1988, was named president in 2005 and chief executive officer in 2007. McGarry, trained as a CPA with major accounting firm experience, leads the development and execution of the company's strategic plans and objectives and directs all corporate and subsidiary operations. She is one of the driving forces in formulating and executing the company's financial, operational and technological strategies, and focuses on adapting those strategies to keep up with the fast pace of change in the mortgage market.

Throughout its history, Guild has focused on high-quality loans and set underwriting parameters designed to minimize risk. The company gained competitive advantage against some of the largest lending organizations in the United States when it avoided sub-prime and other exotic loans during the easy-money lending frenzy.

Guild also distinguishes itself from competitors by a culture that is based on strong corporate values, including collegiality, entrepreneurship, outstanding customer service and, perhaps most importantly, a warm and personable quality.

Embracing Technology

From its earliest days, Guild established itself as a technology innovator. Rather than relying on off-the-shelf software, it designed its own systems, from automated underwriting programs, to today's network that provides access to real-time information. The integrated systems allowed Guild to add new branches with relative ease as it launched its national growth plan.

"We have one system and everyone and everything talks to each other," said Linda Scott, senior vice president for technology and software development. "Our technology has been developed in-house over time, and we are continuously enhancing our systems as part of our dedication to provide high levels of customer service, manage risk and maximize operational efficiency."

In April 2017, Guild launched MyMortgage, a digital mortgage portal aimed at combining a paperless loan application with a personalized mortgage experience. MyMortgage allows customers to upload documents and manage their checklists from any mobile device, simplifying the process from application to close.

Guild's experts worked with Roostify, a secure, cloud-based technology platform, to create a more intuitive and streamlined mortgage process for lenders, agents and homebuyers. MyMortgage integrates with the company's proprietary systems, providing faster and more accurate analysis and recommendation of the right loan for the customer. This advanced technology enhances Guild's culture of customer service excellence that has distinguished the company for more than 50 years.

"MyMortgage provides a state-of-the-art digital mortgage that improves the customer's experience," said McGarry. "A mortgage is such a personal transaction. Beyond the use of technology to make the loan process more efficient, our professionals help customers to find the right loan in what is often the most important financial transaction of their lives."

Keeping the Customer Satisfied

Guild has built its reputation through customer service. As McGarry and other company executives point out, Guild has many different customers, ranging from first-time homebuyers to investors to real estate professionals and its own employees.

"When customers walk into a Guild office, they are made to feel at home by the friendliness of the employees who greet them and the useful information provided by our experienced loan officers," said Barry Horn, executive vice president, national production manager. "We focus on each homebuyer's needs and treat people with respect. Our goal at the end of every loan process is to have a satisfied homebuyer who offers referrals and returns to Guild for the next home loan."

Guild's philosophy is a "high tech, high touch" approach, which combines customer service with technology. McGarry and her team believe technology is important, but people and relationships are the true differentiator in the mortgage business.

"A key to our success has been how well our loan professionals connect with borrowers in the communities they serve," said Catherine Blocker, executive vice president, production operations. "From underwriting to servicing, we've worked hard to build a positive service culture at Guild. Our Guild Giving program adds another level of local engagement. As a result, our positive customer satisfaction scores continue to soar."

The emphasis on respect and customer service carries over to pride in being a good employer. In 2017, for the fifth straight year, the company was recognized as one of San Diego's 'Top Places to Work' by the annual survey conducted by *The San Diego Union-Tribune*, the region's largest daily newspaper. Guild has been recognized by national trade media and professional organizations as a top place to work and among the fastest growing independent mortgage lenders in the country.

Leadership Team

Setting the tone for the company's growth and continuous improvement is the executive team headed by president and CEO McGarry, with Guild since 1985.

The company's partners have an average tenure of more than 30 years at Guild, while its growing leadership team has a diverse range of experience in finance, accounting, economics and entrepreneurship, as well as many years of experience in the dynamic and fast-changing mortgage industry.

Prior to becoming president and CEO, McGarry has served as senior vice president of loan administration and information technology, chief financial officer, chief production operations officer, and chief operating officer. Terry Schmidt, trained as a CPA like McGarry, is executive vice president and chief operating officer.

Together, they have overseen the development of a team-oriented corporate environment, characterized by deep employee loyalty, innovation, collaboration, empowerment and a commitment to Guild's continuing success.

As a result, Guild has successfully weathered the turbulence of occasional upheavals in the housing market and emerged in a strong position for continuing growth and prosperity.

Guild Mortgage Company is an Equal Housing Lender, company NMLS #3274.

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For additional information, see www.guildmortgage.com

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