



2018

Top Originators

The top of the profession fearlessly took on
rising rates and limited inventory



he year 2018 was one of contrasts. The U.S. economy remained exceptionally strong, with record-low unemployment rates and strong economic growth. Yet, higher interest rates and headwinds in the housing market made for a challenging year for mortgage originators. The nation's top originators generally posted lower volume numbers in 2018 compared to the previous two years, reflecting tough realities in the marketplace.

There were notable exceptions, however. Shant Banosian, a Massachusetts-based branch manager for Guaranteed Rate, ranked No. 1 in *Scotsman Guide's* annual Top Originators rankings with \$536.4 million in 2018 origination volume, increasing his 2017 volume by 17.1 percent.

Mark Cohen, a broker based in Beverly Hills, California, who had placed No. 1 every year in *Scotsman Guide's* rankings since 2012, finished No. 2 in the 2018 rankings with \$505.5 million in loan volume.

Banosian's winning total remained consistent with the 2018 market trend toward lower volumes, however. The \$536.4 million figure was lower than Cohen's top-ranking totals of \$579.6 million and \$631.6 million in 2017 and 2016, respectively.

Another market trend that was reflected in the 2018 rankings was the full-blown shift to a home-purchase market. Roughly three quarters of all loans in 2018 went toward home purchases, according to the Mortgage Bankers Association (MBA).

Mortgage rates jumped up last year. The 30-year fixed-rate mortgage hovered around the 5 percent mark before falling during the final quarter of 2018. As analysts had predicted, the rising-rate environment took rate-and-term refinancing out of play for most of last year.

"With so many borrowers in low-rate mortgages, it doesn't take a lot to move the market on the refi side," said Joel Kan, MBA's associate vice president of industry surveys and forecasting. "With a 50 basis-point increase in rates, we saw a considerable drop in refi volume. That was one main driver of the slide."

Nationally, origination volume was estimated at \$1.64 trillion in 2018, compared to \$1.71 trillion in 2017 — a decline of 4 percent, MBA reported. This was largely driven by a 24 percent decline in refinance activity, which fell to \$458 billion in 2018.

The housing market also faced headwinds this past year. Home sales were held back by a shortage of inventory, particularly for entry-level homes. Rising rates and purchase prices also hampered affordability.

Overall sales of existing homes in 2018, excluding condominiums, were estimated at 4.74 million, running 3 percent lower than the 2017 pace. Fannie Mae chief economist Doug Duncan noted a plateauing of home sales, which he expects to continue for the next two years.

The bright spot? Driven by rising home prices around much the country, home-purchase mortgage volume increased by about 6 percent year over year to \$1.18 trillion in 2018, MBA reported. (VW)

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