More than 3 in 10 Consumers are Delinquent on Mortgage Payments due to Bad Billing and Payment Experience

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New research from ACI Worldwide on paying mortgages reveals that convenient payment methods significantly reduce late payments, call center calls and social media complaints

NAPLES, Fla.--(BUSINESS WIRE)--Feb. 7, 2018-- When it comes to mortgages, convenient payment methods reduce late payments by up to 76 percent, per new benchmark data from ACI Worldwide (NASDAQ: ACIW) and MasterCard Advisors. A survey of 400 U.S. consumers with a mortgage reveals that convenience also reduces call center calls by nearly 85 percent (83%) and social media complaints by nearly 50 percent (49%).

Principal consumer findings include:

- Beyond interest rates, nearly 6 in 10 respondents (57%) consider if the mortgage company offers convenient ways to pay when choosing a mortgage company
- Bad billing and payment experience accounts for 34 percent of late mortgage payments
- Respondents preferred method to pay their mortgage is with a card and note that this method will increase as more millennials become home owners
    - Half of millennials are dissatisfied with current payment methods like ACH, online banking and check
    - Complicated payment processes cause 23 percent of late mortgage payments by millennials
    - More than 30 percent of millennials have contacted their mortgage servicer for questions and complaints regarding the payment process

Mortgage company pain points and opportunities:

- Many mortgage companies don't offer borrowers' preferred method to pay—card
- Profitability is at risk due to outdated payment experiences that increase late payments, wreak havoc on call centers and mar reputations

Leading mortgage servicers are responding to consumer demand by offering debit card payments.

"First and foremost, we want members to pay and have the options to make it convenient for them to do so," said Rob Lefkowicz, vice president, Operations, Langley Federal Credit Union. "Therefore, we offer many easy options, including debit cards and ACH across self-service channels for members to pay their mortgages."

"To enhance their profitability, 4 of the 20 top mortgage servicers accept card payments today," said Steve Kramer, vice president, ACI Worldwide. "When it comes to mortgage payments, we've gone beyond early adopters to the early majority stage, which is further reinforced by this new data. Card payments will (continue to) enhance ease and convenience for mortgage customers."

ACI payments experts will be on hand at the National Mortgage Servicing Conference & Expo 2018 to highlight best practices for mortgage professionals. Additionally, a detailed analysis of this mortgage data—"Mortgage Servicers Don't Offer Customers Their Favorite Way to Pay...Card!"—can be foundhere.

Methodology and Demographics:

Methodology: Online survey of 400 U.S. consumers with a mortgage conducted by MasterCard Advisors in November 2017.

Detailed data: Describe why you missed or made a late mortgage payment:

- Bad billing and payment experiences (34%) includes both
    - Forgot to pay 23% (which could have been avoided with text / email reminders to pay or automatic payments)
    - The payment process was complicated 11%
- Didn't have money available to make a payment 57%
- I had to prioritize another bill over my mortgage payment 17%

**Total sums to more than 100% as some respondents may have multiple reasons*

About ACI Worldwide

ACI Worldwide, the Universal Payments (UP) company, powers electronic payments for more than 5,100 organizations around the world. More than 1,000 of the largest financial institutions and intermediaries, as well as thousands of global merchants, rely on ACI to execute $14 trillion each day in payments and securities. In addition, myriad organizations utilize our electronic bill presentment and payment services. Through our comprehensive suite of software solutions delivered on customers' premises or through ACI's private cloud, we provide real-time, immediate payments capabilities and enable the industry's most complete omni-channel payments experience. To learn more about ACI, please visit www.aciworldwide.com. You can also find us on Twitter @ACI_Worldwide.

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