Mortgage Lender Reviews: Best Mortgage Lenders in 2019

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What's the point of mortgage lender reviews? Surely, you just find the lowest interest rate and then go with that one.

Well, maybe. But there were more than 17,500 licensed mortgage lenders by the end of 2018, according to the Nationwide Mortgage Licensing System (NMLS). So good luck finding the lowest offer.

Compare mortgage offers now

Mortgage lender reviews help you find the best deal – overall

And what happens if you're offered identical or very similar rates? Do you just flip a coin? Or do you go with the lender with a great reputation for customer service?

And there's more. Suppose an offer comes with a lower rate but higher closing costs. Which should you choose?

Don't worry. We'll soon get onto naming individual lenders and exposing their pros and cons. But, first, let's continue to explore what you should be looking for generally.

Lenders specialize

Many lenders specialize in helping particular types of borrowers. This means that your relying wholly upon recommendations from friends, family, colleagues or neighbors is often a bad idea.

Of course, it may be fine if you happen to have a similar credit score, down payment and financial situation as the person doing the recommending. But often the lender who offered an exceptional deal to your pal will be hopeless for you.

Related: Shopping for a Mortgage (What APR Can't Tell You)

Your best lender changes as you change

The same applies to you, yourself -- or, at least, a previous you. Imagine that you obtained your mortgage when your credit score was 650. Chances are, your lender specializes in serving those with only fair credit.

If your score's now soared to 705, and you want to refinance or buy a new home, you're likely to get a much better deal from a different lender. That will be one that specializes in borrowers with good or excellent credit.

The same applies to other areas. Over the years, you may have built up significant equity (the amount by which the market value of your home exceeds your mortgage balance) in your home. So you may be able to make a much larger down payment. Or perhaps you have a lower debt burden (credit card balances, auto and personal loans ...) than you did last time around. Either of those would make you a much more attractive borrower who might be better served by a lender that specializes in prime consumers.

And lenders may get better or worse over time

Lenders may look to outsiders like huge, monolithic, unchanging institutions. But they're each still made up of people. And they each go through phases of having less or more money available.

So what do they do when their workforce is at 100% capacity? Or when their reserves are low and they're waiting for the next tranche of financing to arrive?

They try to manage their workload and funds by deterring new borrowers. And they do that by making their mortgage offers less attractive than usual. So there's no such thing as a constant list of the best mortgage lenders. That changes all the time.

All this means that a lender that was offering the best deals last month could now offering lousy ones. So it's important to compare mortgage lenders whenever you want a quote. But too many borrowers still don't bother.

Many borrowers still don't shop for a mortgage

Things may have improved since a survey conducted in 2013 by federal regulator the Consumer Financial Protection Bureau (CFPB). But, back then, a whopping 47% of mortgage borrowers didn't shop for a mortgage at all. Instead, they just went to one lender or broker, effectively putting themselves at a financial company's mercy. Such touching faith.

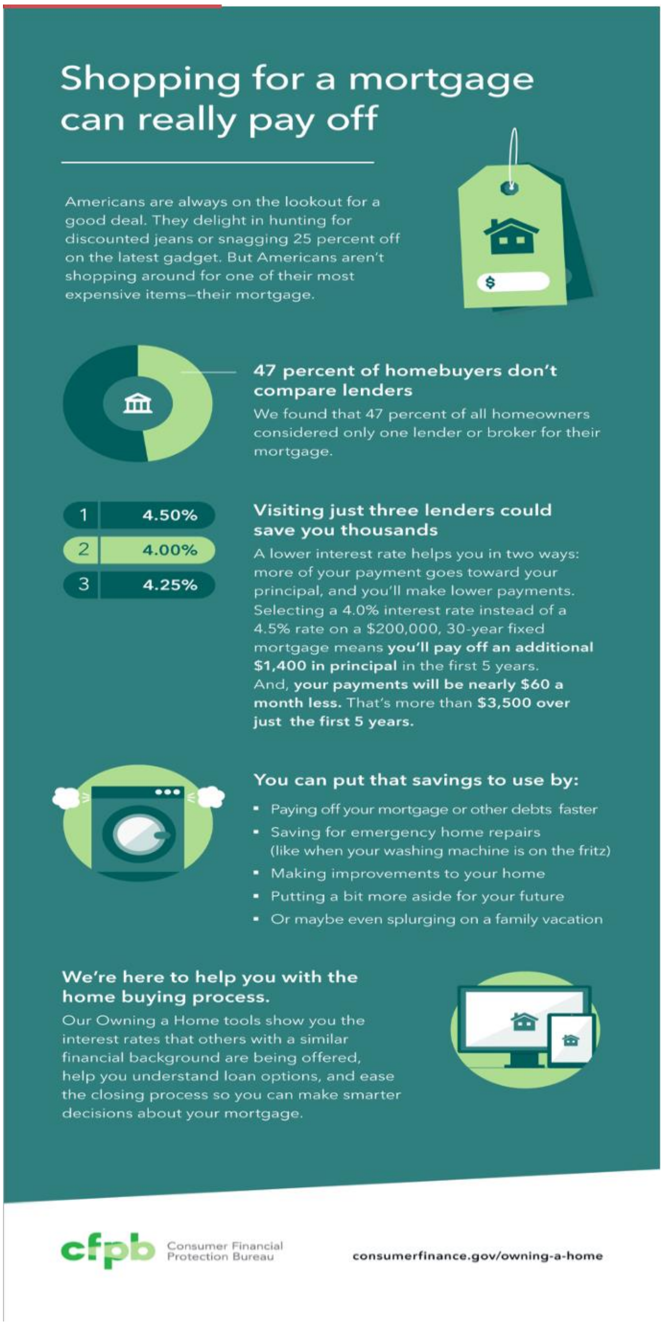
And that likely cost many of them several thousand dollars. The CFPB gave an example in 2015 of how much going with a 4% mortgage saved you, compared with a 4.5% one. On a $200,000, 30-year fixed-rate mortgage, taking the cheaper loan would see you reduce your balance by an extra $1,400 in the first five years -- and save you $60 **a month** on your payments. In other words, you'd be $1,000 a year better off. ($1,400 over five years is $280 a year. Plus $60 a month = $720 a year. $280+$720=$1,000.)

And a study by researchers at Stanford University found that borrowers who obtained quotes from three or four mortgage lenders paid about $2,400 less in fees on a $200,000 mortgage than those who only got one or two quotes. Don't leave money on the table when you shop for a mortgage.

Related: How to Shop for a Mortgage

A persistent problem

True, those rates might be out of date now. But the CFPB identified that 0.5% difference in quoted rates as a common one when people shop for a mortgage. So the savings you can make by comparing multiple quotes are likely similar.



So how much better are things now than in 2013? Well, Ellie Mae, a mortgage technology company, published a survey in August 2018 that found 72% of borrowers were "conducting online research to find out where they can get the best rate." That's a lot better than 53% in 2013. But it still means that more than one in four borrowers is at risk of wasting thousands of dollars by failing to compare mortgage lenders' multiple quotes. Don't be one of them.

Local and smaller lenders

Before we name names, it's worth remembering local lenders. With those 17,500+ mortgage lenders out there, smaller ones stand little chance of making any Top-10 list. But your local or regional bank -- or your credit union -- may be excellent. And many smaller regional lenders do pop up on sites like this one, ready to earn your business.

So talk to them, as well as conducting online searches. When you shop for a mortgage, the more quotes you get, the better.

Best mortgage lenders in 2019

J.D. Power also publishes an annual survey of mortgage originators. At the time of writing, the latest of those was the 2018 U.S. Primary Mortgage Origination Satisfaction Study. And it made happier reading than the servicers' one. It says:

Customer satisfaction with primary mortgage originators has increased in 2018 as digital origination channels play a more significant role in the process ...

You'll certainly spot some of those online-only companies among the J.D. Power Top 10, which we'll be using to select those for which we write mortgage lender reviews. Remember, these scores are derived by surveys of actual customers of each lender and are intended to measure those customers' overall satisfaction.

And, at last, here are those 10. The number next to each is the score out of 1,000 given to the lender by its customers. Keep reading for profiles of each:

1. Quicken Loans (including its Rocket Mortgage brand) 876
2. Fairway Independent Mortgage 873
3. Guild Mortgage Company 857
4. PrimeLending 850
5. Bank of America 849
6. LoanDepot 847
7. Fifth Third Mortgage 843
8. CitiMortgage 840
9. Caliber Home Loans 836
10. PNC Mortgage 835

The industry-average score was 836. So all those did very well. But you'll notice that some big names didn't make the cut.
Those include:

- Chase 834 (so very close)

- Wells Fargo 817
- U.S. Bank 785

Related: In-house Mortgage Financing (Pros and Cons)

Better than all the rest

J.D. Power mentions two other lenders that outscored all those but that are "not rank-eligible because they do not meet the study award criteria:"

- USAA 891
- Navy Federal Credit Union 888

Both these exist to serve the military and veterans. If you're eligible for membership of either, you might want to think about joining before you compare other lenders' quotes. And, if you're already a member, you'll want one or both these on your short list.

Quicken Loans

Fast facts:

- NMLS ID: 3030
- Better Business Bureau: A+ -- Accredited business
- J.D. Power score: 876

Quicken Loans' customer satisfaction leadership is no flash in the pan. It's occupied the J.D. Powers top spot for nine consecutive years. It also says it's America's biggest mortgage lender, having closed nearly $500 billion of loans in the five years between 2013 and 2018. But others make that claim, too.

And yet it was founded as recently as 1985. That's a long way to come in such a short time.

The key to Quicken Loans's success is its use of technology. Of course, you can still engage with a real, breathing human being by phone, email or fax. But expect to carry out much of your mortgage application process online. No eye contact or firm handshakes here.

And, if you prefer the digital to the human, you can choose Quicken Loans's Rocket Mortgage brand. This lets you go from pre-application to closing without speaking to a single person.

Quicken Loans says it specializes in "plain vanilla" loans. These include conventional mortgages as well as FHA, VA and USDA loans. But if you're not a mainstream borrower wanting a mainstream loan, you may have to look elsewhere.

Expect:

- To need a credit score of 620 or better
- A minimum down payment requirement of at least 3% of the purchase price, unless you're eligible for a zero-down-payment loan from the VA or USDA

- Maximum origination fees of 1% -- often significantly less
- Mortgage rates that are competitive rather than industry-beating
- Terms ranging from eight years to 30 years

You don't get to be market leader and customer-satisfaction king without doing a whole lot right. But understand that convenience comes at a price. If the only thing that matters to you is the lowest possible mortgage rate, you might want to keep reading.

Fairway Independent Mortgage

Fast facts:

- Value of retail loans issued in 2018: $25.1 billion -- second biggest (Scotsman Guide)
- NMLS ID: 2289
- Better Business Bureau: A+ -- Accredited business
- J.D. Power score: 873

With 400+ branches across the United States, Fairway may be a good alternative to Quicken Loans and other online lenders, if you value face-to-face encounters. Just how good an alternative will depend on how close your nearest branch is to where you live. There's a locator tool on its website.

At 23 years of age, Fairway is even younger than Quicken Loans. But it, too, has grown fast, closing loans worth $129.4 billion in 2018 alone. And it, too, has some whizzy technology enabling its fast delivery and high levels of customer service. It's especially proud of its mobile app.

Fairway claims you can apply for a mortgage in as little as 10 minutes and close in as little as 10 days. That's genuinely impressive. But "as little as" doesn't necessarily mean you personally will

Expect:

- To need a credit score of 620 or better
- A minimum down payment requirement of at least 3% of the purchase price, unless you're eligible for a zero-down-payment loan from the VA or USDA
- Your origination fees will be disclosed in your quote or loan estimate
- Mortgage rates that are competitive rather than industry-beating
- Terms ranging from 10 years to 30 years

You can see why Fairway is biting at Quicken Loans's heels. Watch out for the Fairway HomeStyle renovation loan. This lets you buy a home and fix it up using a single mortgage. And anyone who's ever purchased a fixer-upper will tell you how valuable that can be.

Guild Mortgage Company

Fast facts:

- Value of retail loans issued in 2018: $15.7 billion -- fifth-biggest (Scotsman Guide)
- NMLS ID: 3274
- Better Business Bureau: A+ -- Accredited business

- J.D. Power score: 857

Founded in 1960, Guild is positively geriatric by the standards of our first two lenders. But it's barely a teen compared with most banks. It's not huge but has 250 branch and satellite offices in 27 states, though these are mostly concentrated in the west and south of the country. It's not currently licensed in New Jersey or New York.

That's a fairly small number of brick-and-mortar outlets for a landmass the size of the United States. So your ability to engage face-to-face will depend on where you live. If you prefer an online experience, it offers all the whizzy technology you'd expect

If you and your new home aren't mainstream enough for Quicken and Fairway, Guild might be more able to help. It's happy to work with the many of the state and local organizations that offer down payment assistance programs. And it's prepared to consider your "alternative" credit history, including rent payments.

Expect:

- To need a credit score of 620 or better
- A minimum down payment requirement of at least 3% of the purchase price, unless you're eligible for a zero-down-payment loan from the VA or USDA
- Higher origination fees -- These could come in a little north of $1,400 -- more if you're atypical. It'll say precisely in your loan estimate but that's higher than many
- Mortgage rates that are competitive rather than industry-beating
- Terms of 15 years or 30 years

It also has its own helpful program for first-time buyers called "3-2-1 Home." If you get together a 3% down payment, it will give you a $2,000 Home Depot gift card plus a $1,500 grant toward your closing costs.

PrimeLending

Fast facts:

- Value of retail loans issued in 2018: $13.7 billion -- sixth-biggest (Scotsman Guide)
- NMLS ID: 13649
- Better Business Bureau: A+ -- Accredited business
- J.D. Power score: 850

PrimeLending was founded in 1986 and now has 2,800 employees and more than 300 office locations nationwide. Like others on this list, it provides some excellent technologies, backed up by helpful customer service through a range of channels.

Expect:

- To need a credit score of 620 or better

- A minimum down payment requirement of at least 3% of the purchase price, unless you're eligible for a zero-down-payment loan from the VA or USDA
- Origination fees that may be a little higher than some. Check your loan estimate for details
- Mortgage rates that are competitive rather than industry-beating
- Terms of 15 years or 30 years

You may think it's less shouty than some of its competitors. But its success and customer satisfaction scores say it all.

Bank of America

Fast facts:

- Value of retail loans issued in 2018: Not in the Scotsman Guide, but CFPB says it originated 111,000 mortgages in 2017
- NMLS ID: 399802
- Better Business Bureau: A+ -- Accredited business
- J.D. Power score: 849

At last! A good old-fashioned bank that wasn't formed within living memory. In fact, Bank of America can trace its roots back 240 years. And it's not old-fashioned in its practices or technologies. Those are bang up to date, including its Digital Mortgage offering.

For those who value a face-to-face relationship with their mortgage bankers, Bank of America is a good bet. At the end of June 2018, it had 4,411 physical sites across America. So your chances of being within an easy drive of one are pretty good. Of course, there are inevitably cool spots where geographical coverage is poor.

The bank encourages borrowers to participate in homeownership- and down-payment-assistance programs. Talk to a loan officer if you need advice.

Expect:

- To need a credit score of 620 or better
- A minimum down payment requirement of at least 3% of the purchase price, unless you're eligible for a zero-down-payment loan from the VA (USDA loans unavailable)
- Your origination fees may be a little higher than some. But you may be eligible for a discount if you're a Preferred Rewards customer. Check your loan estimate for details
- Mortgage rates that are competitive rather than industry-beating
- Terms of 15 years, 20 years or 30 years

You may not find the largest variety of loans here. But this lender does offer excellent deals when it needs to beef up its pipeline, so it's worth a look.

loanDepot

Fast facts:

- Value of retail loans issued in 2018: $27.7 billion -- #1 biggest (Scotsman Guide)
- NMLS ID: 174457
- Better Business Bureau: A -- -Accredited business
- J.D. Power score: 847

And we're back to the newcomers. In fact, loanDepot is the newest of the newcomers so far. It was founded in 2010. To have gone from zero to America's biggest mortgage lender in eight years redefines hitting the ground running. It now employs more than 6,400 people and has 150+ office locations. Those employees include 1,700 licensed loan officers so you've plenty of opportunities for human interaction.

As you'd expect, loanDepot has some of the most up-to-date technologies, allowing smooth online applications. Its smartloan™ option allows you to give the lender direct access in order to verify "your income, employment and assets -- making it the swiftest, safest and most secure data verification process you'll ever experience." Big Brother, or a smart way to avoid paperwork and speed up your application? You decide.

Expect:

- To need a credit score of 620 or better
- A minimum down payment requirement of at least 3.5% of the purchase price, unless you're eligible for a zero-down-payment loan from the VA (USDA loans unavailable)
- Your origination fees may be higher than some. Check your loan estimate for details
- Mortgage rates that are competitive rather than industry-beating. The ones advertised on its site assume a lot about your credit and willingness to buy discount points
- Terms of 10 years, 15 years, 20 years or 30 years

You'll see below that loanDepot's fees can be higher than many of its competitors. But there may be some good news ahead. Its Lifetime Guarantee says, "After you refinance with us once, we'll waive the lender fees and reimburse appraisal fees on any future refinance with loanDepot."

Fifth Third Mortgage

Fast facts:

- Value of retail loans issued in 2018: Not in the Scotsman Guide, nor the CFPB's 2017 list of the top 25 lenders
- NMLS ID: 134100
- Better Business Bureau: as Fifth Third Bank A+ -- Accredited business
- J.D. Power score: 843

Fifth Third started out in 1858 as The Bank of the Ohio Valley. It now has 20,000+ employees and more than 1,200 banking outlets in 10 eastern states.

Judging from its website, it's more comfortable with telephone and in-person interactions than digital ones. When you want to get started, its website asks you a few basic questions and promises that someone will call you -- usually within 90 minutes during normal business hours.

It has a reasonably broad range of mortgages, including conventional, FHA, VA and a specialist one for physicians and dentists. It also offers construction, jumbo and community loans. However, its website wasn't sufficiently helpful for us to complete an "Expect" section. If you're interested, you'll have to ask a bank employee for more information.

CitiMortgage

Fast facts:

- Value of retail loans issued in 2018: Not in the Scotsman Guide, nor the CFPB's 2017 list of the top 25 lenders
- NMLS ID: 413108
- Better Business Bureau: F -- Not an accredited business
- J.D. Power score: 840

CitiMortgage may do well with J.D. Power, but it has a disastrous F-rating with the Better Business Bureau. The BBB alleges it fails to respond to some consumer complaints and doesn't resolve others. And it notes two government actions against the bank.

There are some other downsides. Citi's technology doesn't allow you to complete an online application. And it's shy about revealing its fees (including an application fee!) until some way into the process.

Expect:

- To need a credit score of 620 or better
- A minimum down payment requirement of at least 3.0% of the purchase price, unless you're eligible for a zero-down-payment loan from the VA or USDA
- Your origination fees are a secret, at least to start with. Check your loan estimate when it arrives
- Mortgage rates that are competitive rather than industry-beating
- Terms of 15 years or 30 years

Citibank satisfies most of its customers and it has a wide selection of mortgages. And existing Citi customers may be in line for lower interest rates or discounted closing costs.

Caliber Home Loans

Fast facts:

- Value of retail loans issued in 2018: $17.7 billion -- fourth biggest (Scotsman Guide)
- NMLS ID: 15622

- Better Business Bureau: A -- -Accredited business
- J.D. Power score: 836

Caliber has an impressive portfolio of mortgage options, including several intended for those who've had financial problems in the past. It's also willing to take alternative sources of information (such as rental payments) into account when deciding your creditworthiness.

Although its technology is reasonably impressive and includes a mobile app, it wants you to engage with one of its loan officers early in the process.

Expect:

- To need a credit score of 620 or better
- A minimum down payment requirement of at least 3.0% of the purchase price, unless you're eligible for a zero-down-payment loan from the VA or USDA
- Your origination fees are a secret, at least to start with. Check your loan estimate when it arrives or ask your loan officer
- Mortgage rates that are undisclosed until you've applied
- Terms of 10 years to 30 years

Caliber doesn't advertise its rates or disclose its fees on its website. So that initial conversation with a loan officer needs to be intense.

PNC Mortgage

Fast facts:

- Value of retail loans issued in 2018: not on Scotsman Guide list. But the CFPB reckons it originated 58,000 mortgages in 2017
- NMLS ID: 446303
- Better Business Bureau: B -- Not an accredited business
- J.D. Power score: 835

PNC's history goes back 160 years. It has 2,320 branches and 53,000 employees across 40 states.

Although it's a very long way from one of those technology-led newcomers, PNC's no slouch when it comes to digital innovation. Its Home Insight Tracker can be especially useful, providing an overview of your application's progress that's updated almost in real time. And its website lets you get a preliminary pre-approval that directs you to loans for which you're qualified. Still, you can't complete the entire mortgage process online.

PNC has a decent selection of loans including VA and FHA ones, as well as conventional and jumbo.

Expect:

- To need a credit score of 620 or better

- A minimum down payment requirement of at least 3.0% of the purchase price, unless you're eligible for a zero-down-payment loan from the VA (USDA loans unavailable)
- Costs and fees typically "range from 3% - 5% of the loan amount," says the website. But it doesn't specify what that includes
- Mortgage rates advertised on the site appear competitive
- Terms of 10 years to 30 years

Everyone seems to want a credit score of 620 or better. What if yours is lower? Well, there are lenders out there that specialize in less creditworthy borrowers. But they tend not to be the sort that make Top-10 lists.

How to compare mortgage lenders' offers

When you get quotes from mortgage lenders, they should all come in the same format. These are called Loan Estimate (LE) forms and they make comparing offers much easier than it used to be. Unscrupulous companies can't so easily bury gotcha in the fine print.

It's true that these are as described: estimates. But lenders have a duty to issue them in good faith. That means they can't just increase figures on a whim. There must be specific causes, which are spelled out in the law. And they must tell you as soon as they're aware of such issues.

Your loan estimate must include a whole lot of basic information:

- Loan amount
- Mortgage rate
- Monthly payment
- Monthly mortgage insurance (if any)
- Escrow (if any)
- Whether there's a prepayment penalty (if you want to refinance or otherwise pay down your loan early)
- Estimated property taxes and homeowners insurance
- Likely closing costs
- Estimated cash needed to close (closing costs plus down payment)

And that's just on the first of the three pages. Read the whole document carefully.

"In 5 years" is critical

But pay special attention to the first section on page 3: "Comparisons."

The "In 5 years" field will give you two figures. The first is a single figure that is how much you should have paid in total after five years, including payments for:

- Principal (the amount you originally borrowed)
- Interest
- Mortgage insurance (if any)

- All loan costs -- fees and charges, including closing costs

The second tells you by how much you should have reduced your principal (the sum you owe on your mortgage) after five years. Subtract the second "in 5 years" figure from the first to see how much your lender is taking in interest, insurance and fees.

These two figures are extraordinarily powerful when you compare mortgage lenders' offers. They lay bare the financial bones of each offer and let you make a meaningful comparison. If you expect to have your mortgage about five years, take the total costs and subtract your principal reduction. Te cheaper loan has the lowest number.

Money is key

Nothing's more important than getting a good financial deal when you shop for a mortgage. When you're borrowing a very large sum for a very long time, even small variations in mortgage rates can add up.

Let's work through an example. On the day this was written, a very good borrower (high credit score and down payment; low other debts; plenty of disposable income) might have been offered a rate of 3.59% on a 30-year fixed-rate mortgage. Let's use the HSH.com mortgage calculator to model how small variations in rates might affect your total cost of borrowing.

Suppose that great borrower wanted to borrow $250,000. She'd pay:

- **$158,675.25** in interest over the life of her loan at 3.59%
- **$161,206.38 over that period at 3.64%**
- **$163,745.81 at 3.69%**

So even just 0.1% can add nearly $5,000. But suppose she went for a loan that was 0.5 percentage points higher than the best. You'll remember that was the amount the CFPB identified in 2015 as a common difference between mortgage quotes. She'd get a 4.09% rate and pay **$184,356.61 -- or nearly $26,000 more than necessary**.

But money isn't everything

So getting the money bit of your mortgage right is absolutely essential. But it shouldn't be your only consideration.

Picture the scene. Your closing is days away and you've received a letter you can't understand from your lender telling you there's a problem with your mortgage application. Naturally, you call your loan officer. But he's off that day. So you call back and he's in a meeting. None of his colleagues can help except to take a message and you're already on your seventh voicemail.

You're by now genuinely scared that your whole home purchase is about to fall apart -- taking with it some very special dreams. And you're starting to wish you'd gone with a lender that had a good reputation for customer service, even though it quoted a slightly higher rate. Heck, at this point you'd happily pay $26,000 more than necessary over 30 years, at least if the alternative is to lose the place you set your heart on.

Of course, even the best mortgage lenders aren't perfect. Nobody can work with tens or hundreds of thousands of individuals every year and keep every single one happy. But some have reputations for customer care that are way better than others.

Compare mortgage offers now

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