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Making It Happen

EverBank: Wholesale Exodus Is Opportunity

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An Article Written By Harry Terris

Terry Wakefield, the chief executive of Wakefield Co., a Grafton, Wis., mortgage consulting firm, agreed that EverBank's expansion appears to be one of the first of its kind during the current downturn.

“EverBank is kind of at the head of the pack in terms of fostering this very decimated segment of the marketplace,” he said. “Clearly others will follow.”

Mr. LaMalfa predicted “a large expansion in the broker channel over the next 15 months,” but Mr. Wakefield said the model has been permanently damaged and that it is hampered in particular by subprime and alternative-A fallout.

“There is just no way that the non-GSE wholesale market is going to function as it has historically, because there has just been way too much money lost,” Mr. Wakefield said.

To rebuild the broker business, he said, companies “are going to have to be very flexible on how they operate, and they're going to have to be open to some pretty significant changes in the way they operate if they're going to survive.”

That includes “restricting the broker's ability to order settlement services” or “restricting the broker's role in processing information,” practices that encompass agency lending, he said.