



January 20, 2015

LendingTree Finds Consumers Can Save as Much as \$24,000 Over Life of Loan by Comparison Shopping

LendingTree's mortgage rate spread study finds that the more consumers shop and compare loan offers, the greater the savings opportunity

CHARLOTTE, N.C., Jan. 20, 2015 /PRNewswire/ -- [LendingTree](#) (NASDAQ: TREE), the nation's leading online loan marketplace, has released the findings of its ongoing study to track the difference between the highest and lowest interest rate offered to borrowers for the same loan. Between October 1 and December 31, 2014, consumers who received multiple 30-year fixed-rate loan offers experienced an average interest rate difference of 31.2 basis points or .312%. Additionally, the study found that with each additional mortgage offer received, the greater the difference between the highest and lowest loan offer. The data suggests that the more consumers shop and compare multiple loan offers, the more likely they are to realize substantial savings on their [home loan](#).



According to LendingTree, the average loan amount in Q4 2014 for prime borrowers in search of a 30-year fixed rate home loan was \$223,314. Using the average loan amount, the chart below further illustrates the potential savings opportunity by applying the 31.2 basis point (0.312%) rate differential:

Loan Amount: \$223,314	Offer 1 (4.00%)	Offer 2 (4.312%)	Difference
Monthly Mortgage Cost	\$ 1,066.14	\$ 1,106.69	\$ 40.55
Annual Mortgage Cost	\$ 12,793.68	\$ 13,280.28	\$ 486.60
Total Cost (30 yrs)	\$ 383,807.00	\$ 398,409.00	\$ 14,602.00

Additionally, the study found that with each additional loan offer received, the difference in the highest and lowest offer increases. On average, the rate differential for a consumer with two offers is 0.24%. By comparing just two separate loan offers, consumers can see savings as high as \$11,000 over the life of an average-sized loan. Consumers receiving five offers could see savings as high as \$24,000, illustrating that the more offers received, the greater the likelihood to see greater savings. By shopping and comparing multiple loan offers, consumers have the potential to save substantially on interest over the life of the loan.

# of Offers	Rate Spread	Potential Savings Over 30 Yrs*	* Calculation based on loan amount of \$223,314 and lowest rate of 4.00%
2	0.24%	\$11,209.00	
3	0.36%	\$16,872.00	
4	0.45%	\$21,149.00	
5	0.51%	\$24,009.00	

"Comparison shopping for loans gives consumers confidence that they are getting a good deal by evaluating and comparing available options," said Doug Lebda, founder and CEO of LendingTree. "LendingTree is focused on providing price transparency through comparison shopping, providing consumers a one-stop shop to compare loan offers from up to five lenders prior to making a decision. In the past two years, we've launched several [tools to aid borrowers](#) in the loan shopping process. LendingTree's Loan Explorer and Mortgage Negotiator tools allow borrowers to not only see the difference in available rates, but can also immediately contact the lender with the lowest rate without going through the hassle of visiting multiple lenders and filling out multiple forms."

About LendingTree

LendingTree is the nation's leading online loan marketplace, empowering consumers as they comparison-shop across a full suite of loan and credit-based offerings. LendingTree provides an online marketplace which connects consumers with multiple lenders that compete for their business, as well as an array of online tools and information to help consumers find the best

loan. Since inception, LendingTree has facilitated more than 32 million loan requests. LendingTree provides access to lenders offering home loans, home equity loans/lines of credit, auto loans and more. LendingTree, LLC is a wholly-owned subsidiary of LendingTree, Inc. For more information go to www.lendingtree.com , dial 800-555-TREE, join our [Facebook page](#) and/or follow us on Twitter [@LendingTree](#) .

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