Mortgage Brokerage Business Valuation Scorecard

Use this scorecard to evaluate the key factors that influence the value of your mortgage business. Each category is assigned a score from 1 (poor) to 5 (excellent). This scorecard can help you quickly assess your business's strengths and identify areas for improvement before preparing for a sale.

Category	Criteria	Score (1-5)	Comments/Notes
1. Financial Performance			
Revenue Growth	Strong, steady revenue growth over the last 3 years.		
Profitability (EBITDA)	Consistent profitability with healthy EBITDA margins (3x-6x EBITDA multiple).		
Cash Flow Stability	Regular, predictable cash flow that covers operational needs.		
2. Client Base and Retention			
Client Retention Rate	High percentage of returning clients (renewals, repeat business).		
Client Diversity	Broad, diversified client base (no overreliance on a few large clients).		
3. Lender and Partner Relationships			
Lender Diversity	Well-established relationships with multiple lenders, minimizing concentration risk.		
Referral Networks	Strong, active referral network (real estate agents, financial planners, etc.) that drives ongoing business.		
4. Operational Efficiency			
Technology and Automation	Use of CRM systems, digital marketing, and mortgage origination platforms to streamline operations.		
Standardized Processes	Well-documented and efficient workflows for client onboarding, compliance, deal tracking, and administration.		

Category	Criteria	Score (1-5)	Comments/Notes
5. Market Position and Reputation			
Market Share	Strong position in the local or niche market, with measurable market share.		
Brand and Reputation	Positive reputation among clients and partners, supported by reviews and testimonials.		

Total Score: ____ / 50

Overall Assessment:

- **45-50**: Excellent – Your business is well-positioned for a strong sale.
- **35-44**: Good – Some minor areas to improve, but overall strong.
- **25-34**: Fair – Address key issues before considering a sale.
- **Below 25**: Needs improvement – Significant work needed before listing for sale.

Action Items:

Identify areas where you scored below 4 and develop strategies to improve these aspects. Use the scorecard to focus on enhancing financial performance, client retention, operational efficiency, and market reputation before approaching potential buyers.