

# Mortgage Lender Sentiment Survey<sup>®</sup>

## Providing Insights Into Current Lending Activities and Market Expectations

Q4 2020 Summary Report – published December 9, 2020



# Disclaimer

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# Key Findings – Q4 2020

**The latest survey showed signs of continued optimism for the mortgage industry with strong mortgage demand reported, but lenders now expect less profitability and further tightening of credit standards moving into 2021.**

## Mortgage Demand

- For purchase mortgages, the net share of lenders reporting demand growth over the past three months rose across GSE-eligible and government loans, reaching a new survey high for GSE-eligible loans and the highest fourth quarter reading for government loans. Looking ahead to the next three months, demand expectations fell from last quarter, but GSE-eligible and government loan expectations reached the highest readings for any fourth quarter in the survey’s history (since 2014).
- For refinance mortgages, the net share of lenders reporting refinance demand growth over the prior three months dipped slightly across all loan types from last quarter. Refinance demand growth expectations on net for the next three months fell significantly from last quarter across all loan types but remain similar to the levels seen in Q4 2019.

## Profit Margin Outlook

- Lenders’ net profit margin outlook declined significantly this quarter, with a higher share of lenders expecting profit margins to decrease. “Competition from other lenders” and “GSE pricing and policies” were cited as the top reasons by those lenders expecting lower profit margins.

## Credit Standards

- On net, lenders continued to report that credit standards tightened for the prior three months, though significantly less so compared to last quarter. Most lenders expect credit standards to stay about the same for the next three months.



# Objectives of Mortgage Lender Sentiment Survey®

The Mortgage Lender Sentiment Survey® (MLSS), which debuted in March 2014, is a quarterly online survey among senior executives in the mortgage industry. The survey is unique because it is used not only to track lenders' current impressions of the mortgage industry, but also their insights into the future.

**Tracks insights and provides benchmarks into current and future mortgage lending activities and practices.**

## Quarterly Regular Questions

- **Consumer Mortgage Demand**
- **Credit Standards**
- **Profit Margin Outlook**

## Featured Specific Topic Analyses

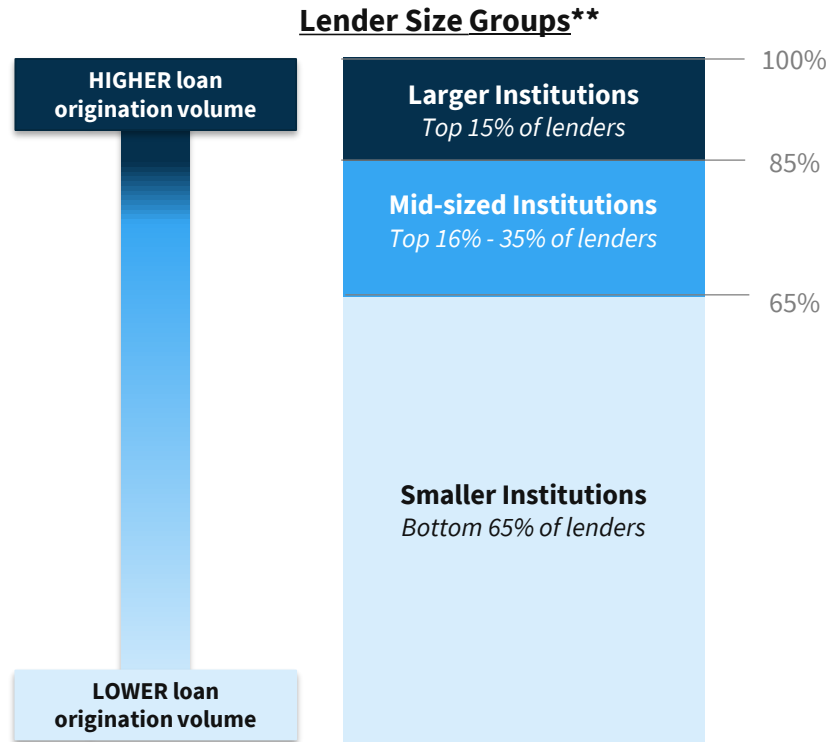
- **CONDO Mortgage Lending Opportunities**
- **COVID-19 Challenges and Lender Business Priorities**
- **Impact of Technology on Lender Workforce Management**
- **Business Priorities and Industry Competition**
- **APIs and Mortgage Lending**
- **Artificial Intelligence for Mortgage Lending**

The MLSS is a quarterly 10-15 minute online survey of senior executives, such as CEOs and CFOs, of Fannie Mae's lending institution customers. The results are reported at the lending institution parent-company level. If more than one individual from the same institution completes the survey, their responses are averaged to represent their parent company.



# Q4 2020 Respondent Sample and Groups

The current analysis is based on fourth quarter 2020 data collection. For Q4 2020, a total of 222 senior executives completed the survey between October 27-November 8, representing 202 lending institutions.\*



Sample Q4 2020		Sample Size
<b>Total Lending Institutions</b> The "Total" data throughout this report is an average of the means of the three lender-size groups listed below.		202
<b>Lender Size Groups</b>	<b>Larger Institutions</b> Lenders in the Fannie Mae database who were in the top 15% of lending institutions based on their total 2019 loan origination volume (above \$1.25 billion)	52
	<b>Mid-sized Institutions</b> Lenders in the Fannie Mae database who were in the next 20% (16%-35%) of lending institutions based on their total 2019 loan origination volume (between \$379 million and \$1.25 billion)	55
	<b>Smaller Institutions</b> Lenders in the Fannie Mae database who were in the bottom 65% of lending institutions based on their total 2019 loan origination volume (less than \$379 million)	95
<b>Institution Type***</b>	<b>Mortgage Banks</b> (non-depository)	84
	<b>Depository Institutions</b>	67
	<b>Credit Unions</b>	45

\* The results of the Mortgage Lender Sentiment Survey are reported at the lending institutional parent-company level. If more than one individual from the same institution completes the survey, their responses are weighted to represent their parent institution.

\*\* The 2019 total loan volume per lender used here includes the best available annual origination information from Fannie Mae, Freddie Mac, and Marketrac. Lenders in the Fannie Mae database are sorted by their firm's total 2019 loan origination volume and then assigned into the size groups, with the top 15% of lenders being the "larger" group, the next 20% of lenders being the "mid-sized" group and the rest being the "small" group.

\*\*\* Lenders that are not classified into mortgage banks or depository institutions or credit unions are mostly housing finance agencies or investment banks.



# Loan Type Definition

Questions about consumer mortgage demand and credit standards are asked across three loan types: GSE-eligible, non-GSE-eligible, and government loans.

Loan Type Definition Used in the Survey	
Loan Type	Definition
<b>GSE-eligible Loans</b>	GSE-eligible Mortgages are defined as mortgages meeting the underwriting guidelines, including loan limit amounts, of the Government Sponsored Enterprises (GSEs) Fannie Mae and Freddie Mac. Government loans are excluded from this category.
<b>Non-GSE-eligible Loans</b>	Non-GSE-eligible Mortgages are defined as mortgages that do not meet the GSE guidelines for purchase. These loans typically require larger down payments and may carry higher interest rates than GSE loans. Government loans are excluded from this category.
<b>Government Loans</b>	Government Mortgages primarily include Federal Housing Administration (FHA) and the Department of Veterans Affairs (VA) insured loans, but also includes other programs such as Rural Housing Guaranteed and Direct loans.



# U.S. Economy and Consumer Demand

- Lenders became more optimistic in Q4 2020, with an increasing number believing that the U.S. economy is on the right track, continuing the trajectory from Q3.
- For purchase mortgages, the net share of lenders reporting demand growth over the past three months rose across GSE-eligible and government loans, reaching a new survey high for GSE-eligible loans and the highest fourth quarter reading for government loans. Looking ahead to the next three months, demand expectations fell from last quarter, but GSE-eligible and government loan expectations reached the highest readings for any fourth quarter in the survey's history (since 2014).
- For refinance mortgages, the net share of lenders reporting refinance demand growth over the prior three months slightly declined across all loan types from last quarter. Refinance demand growth expectations on net for the next three months fell significantly from last quarter across all loan types but remain similar to the levels seen in Q4 2019.



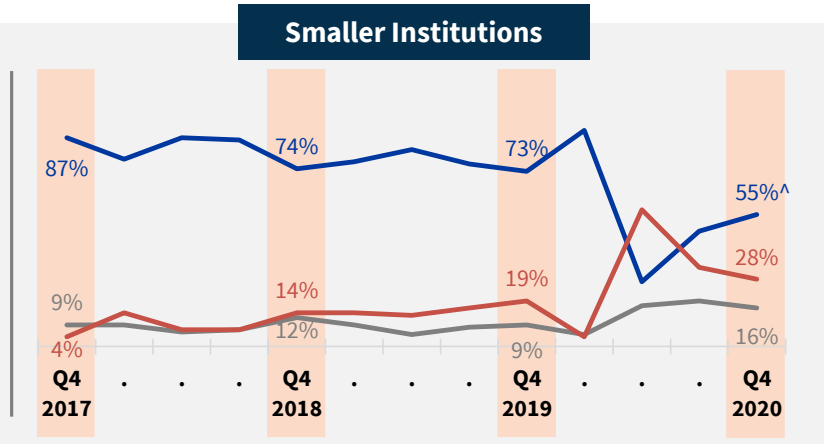
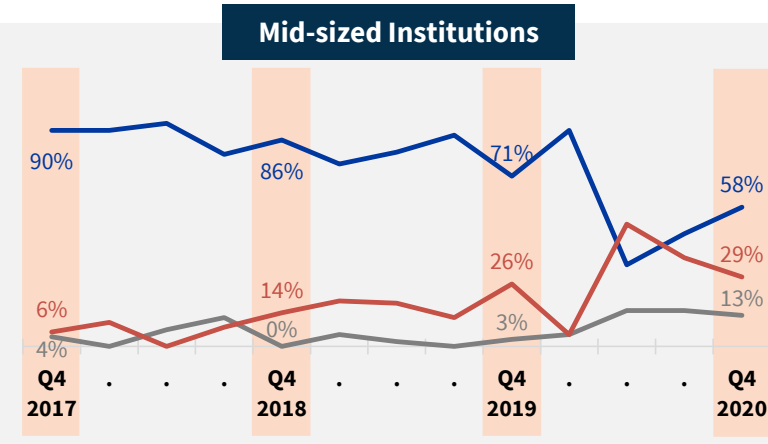
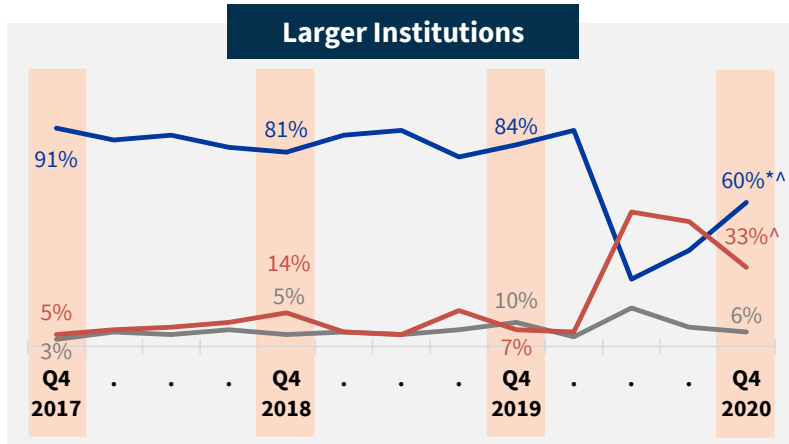
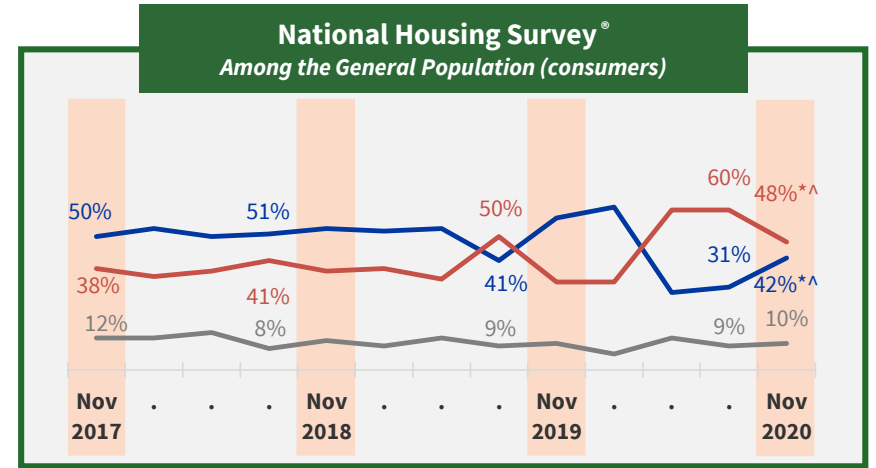
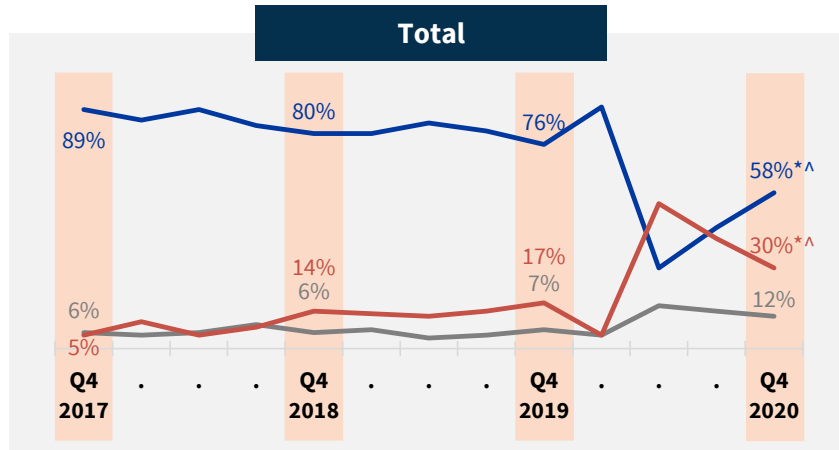


# U.S. Economy Overall

Lenders became more optimistic in Q4 2020, with an increasing number believing that the U.S. economy is on the right track, continuing the trajectory from Q3.

In general, do you, as a senior mortgage executive, think the U.S. economy overall is on the right track or the wrong track?

- Right Track
- Don't know
- Wrong Track

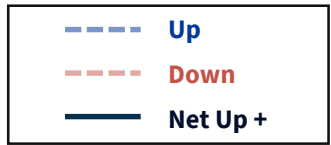


\* Denotes a statistically significant change compared with Q3 2020 (previous quarter)  
 ^ Denotes a statistically significant change compared with Q4 2019 (same quarter of last year)

National Housing Survey: <http://www.fanniemae.com/portal/research-and-analysis/housing-survey.html>



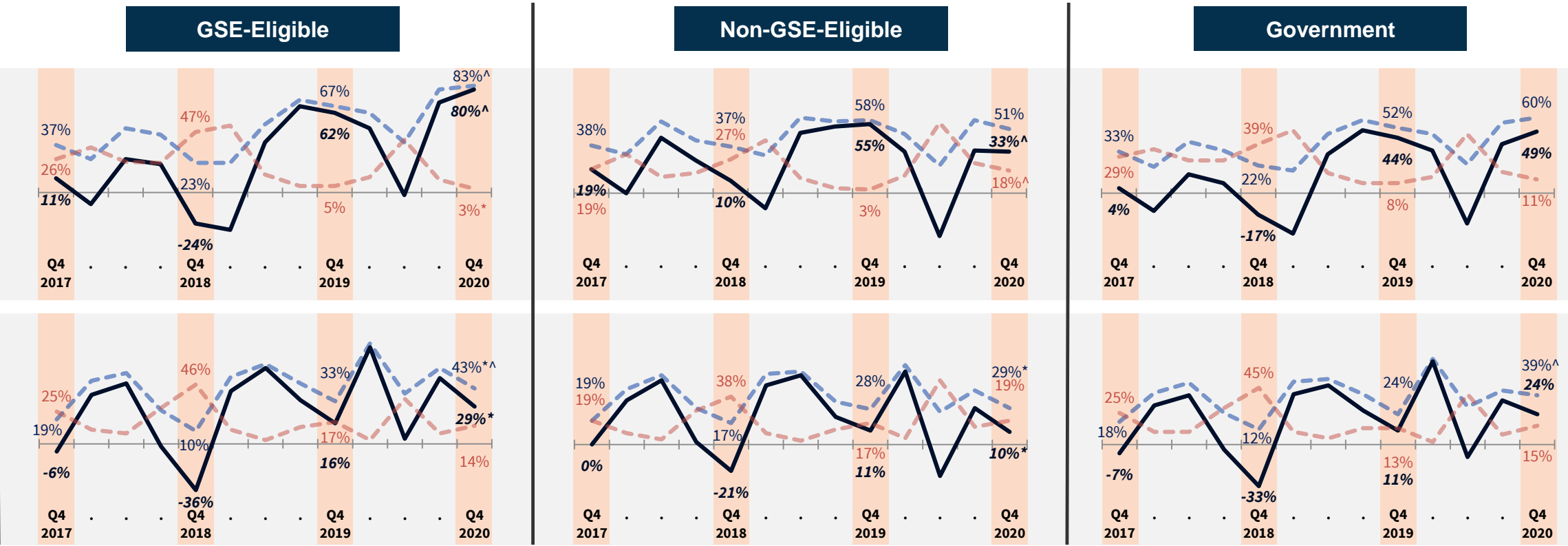
# Purchase Mortgage Demand



The net share of lenders reporting demand growth over the past three months rose across GSE-eligible and government loans, reaching a new survey high for GSE-eligible loans and the highest fourth quarter reading for government loans. Looking ahead to the next three months, demand expectations fell from last quarter, but GSE-eligible and government loan expectations reached the highest readings for any fourth quarter in the survey's history (since 2014).

**Past 3 Months**

**Next 3 Months**



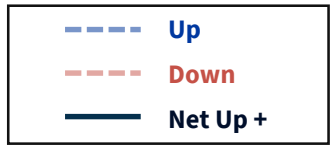
Net Up + = % of lenders saying up minus % of lenders saying down  
The % saying "stay the same" is not shown

\* Denotes a statistically significant change compared with Q3 2020 (previous quarter)  
^ Denotes a statistically significant change compared with Q4 2019 (same quarter of last year)

Q: Over the past three months, apart from normal seasonal variation, did your firm's consumer demand for single-family purchase mortgages go up, go down, or stay the same? "Up" = Went up significantly + Went up somewhat, "Down" = Went down significantly + Went down somewhat  
Q: Over the next three months, apart from normal seasonal variation, do you expect your firm's consumer demand for single-family purchase mortgages to go up, go down, or stay the same? "Up" = Go up significantly + Go up somewhat, "Down" = Go down significantly + Go down somewhat



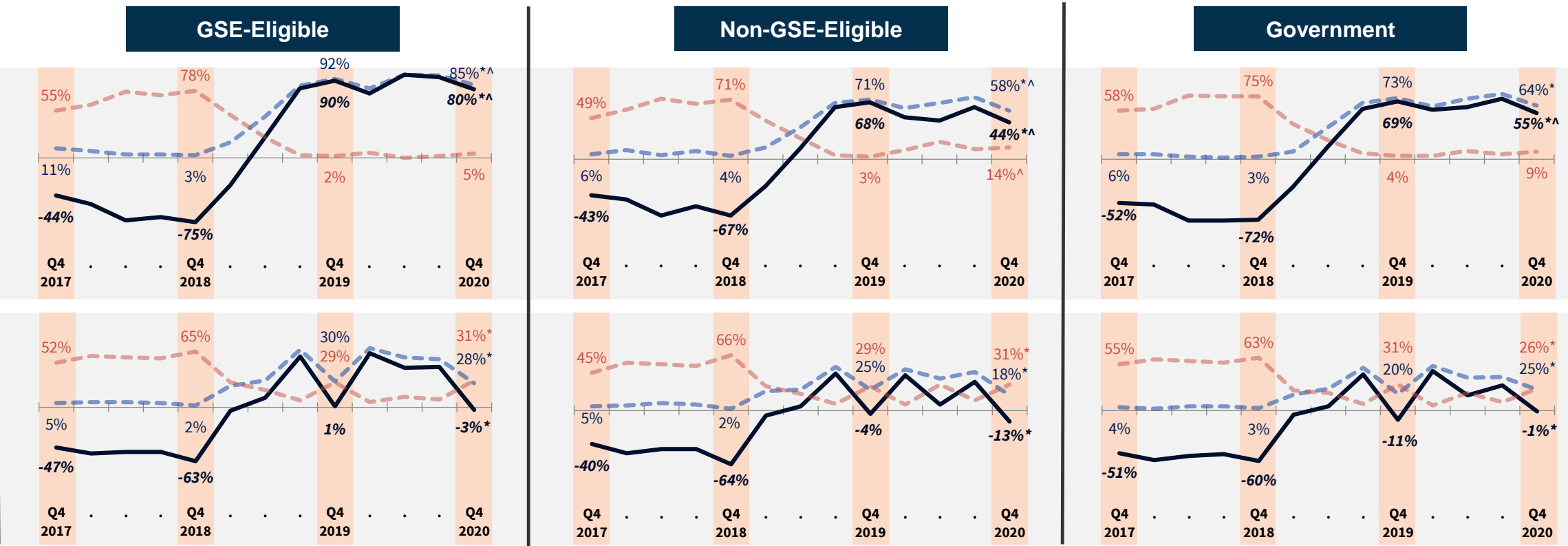
# Refinance Mortgage Demand



The net share of lenders reporting refinance demand growth over the prior three months dipped slightly across all loan types from last quarter. Refinance demand growth expectations on net for the next three months fell significantly from last quarter across all loan types but remain similar to the levels seen in Q4 2019.

Past 3 Months

Next 3 Months



Net Up + = % of lenders saying up minus % of lenders saying down  
The % saying "stay the same" is not shown

\* Denotes a statistically significant change compared with Q3 2020 (previous quarter)  
^ Denotes a statistically significant change compared with Q4 2019 (same quarter of last year)

Q: Over the past three months, apart from normal seasonal variation, did your firm's consumer demand for single-family refinance mortgages go up, go down, or stay the same? "Up" = Went up significantly + Went up somewhat, "Down" = Went down significantly + Went down somewhat  
Q: Over the next three months, apart from normal seasonal variation, do you expect your firm's consumer demand for single-family refinance mortgages to go up, go down, or stay the same? "Up" = Go up significantly + Go up somewhat, "Down" = Go down significantly + Go down somewhat



# Credit Standards

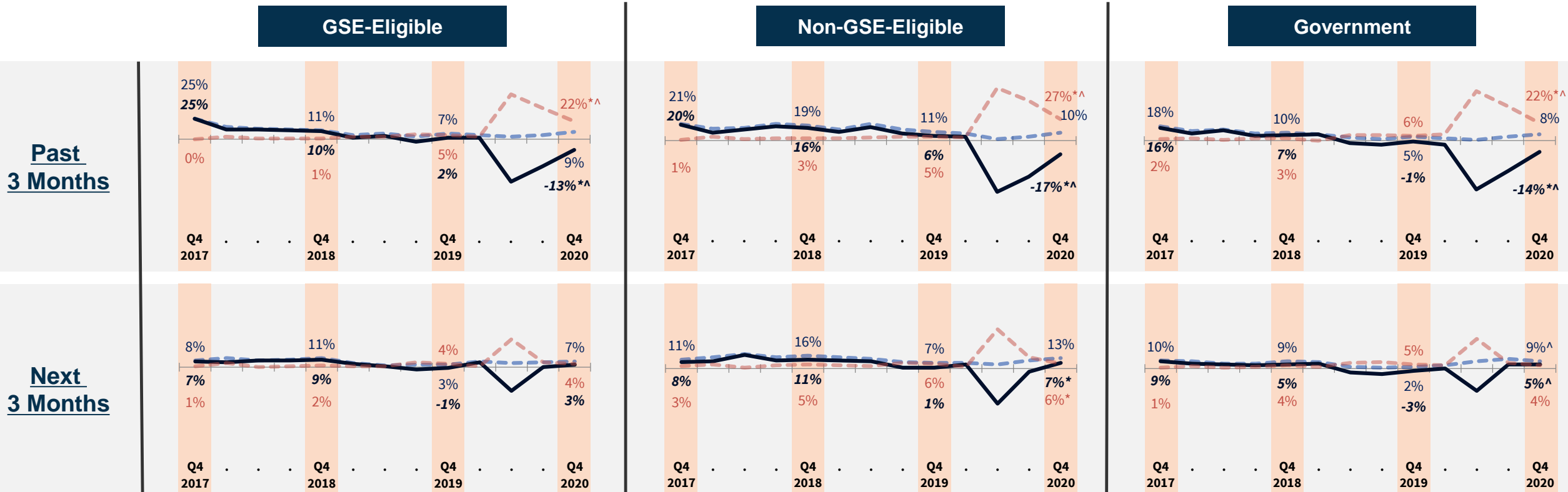
- On net, lenders continued to report that credit standards tightened for the prior three months, though significantly less so compared to last quarter. Most lenders expect credit standards to stay about the same for the next three months.



# Credit Standards



On net, lenders continued to report that credit standards tightened for the prior three months, though significantly less so compared to last quarter. Most lenders expect credit standards to stay about the same for the next three months.



Net Ease + = % of lenders saying ease minus % of lenders saying tighten  
The % saying "remain unchanged" is not shown

\* Denotes a statistically significant change compared with Q3 2020 (previous quarter)  
^ Denotes a statistically significant change compared with Q4 2019 (same quarter of last year)

Q: Over the past three months, how did your firm's credit standards for approving consumer applications for mortgage loans change (across both purchase mortgages and refinance mortgages)? "Ease" = Eased considerably + Eased somewhat, "Tighten" = Tightened somewhat + Tightened considerably  
Q: Over the next three months, how do you expect your firm's credit standards for approving applications from individuals for mortgage loans to change (across purchase mortgages and refinance mortgages)? "Ease" = Ease considerably + Ease somewhat, "Tighten" = Tighten somewhat + Tighten considerably



# Profit Margin Outlook

- Lenders' net profit margin outlook declined significantly this quarter, with a higher share of lenders expecting profit margins to decrease.
- For seven consecutive quarters, “consumer demand” was cited as the top reason by lenders who expressed a more optimistic profitability outlook. “Operational efficiency” was the second most important reason cited.
- For the twelfth consecutive quarter, “competition from other lenders” was cited as the primary reason by lenders who expect a lower profit margin outlook. “GSE pricing and policies” jumped to the second most important reason, reaching a new survey high.

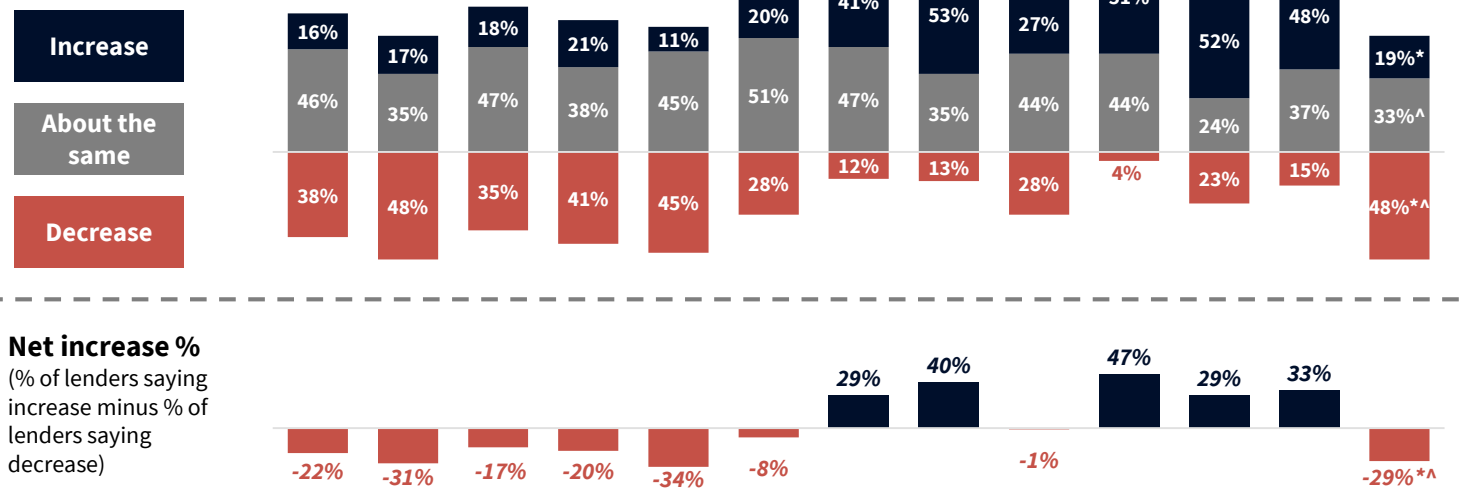


# Lenders' Profit Margin Outlook – Next 3 Months

Lenders' net profit margin outlook decreased significantly this quarter, with a higher share of lenders expecting their profit margin to decrease. "Competition from other lenders" remained the top reason cited among those with a decreased profit margin outlook, while "consumer demand" remained the top reason cited by lenders who expect increased profit margins.

## Profit Margin Outlook

Q4 '17	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19	Q4 '19	Q1 '20	Q2 '20	Q3 '20	Q4 '20
n=190	n=184	n=159	n=178	n=202	n=176	n=200	n=168	n=160	n=175	n=216	n=172	n=195



## Key Reasons for Expected Increase – Q4 2020

Consumer demand	69%
Operational efficiency (i.e. technology)	38%
GSE pricing and policies	26%
Market trend changes (i.e. shift from refinance to purchase)	25%
Government monetary or fiscal policy	10%

Showing data for selected answer choices only. n=38

## Key Reasons for Expected Decrease – Q4 2020

Competition from other lenders	72%
GSE pricing and policies	41%
Market trend changes (i.e. shift from refinance to purchase)	24%
Consumer demand	23%
Staffing (personnel costs)	20%

Showing data for selected answer choices only. n=92

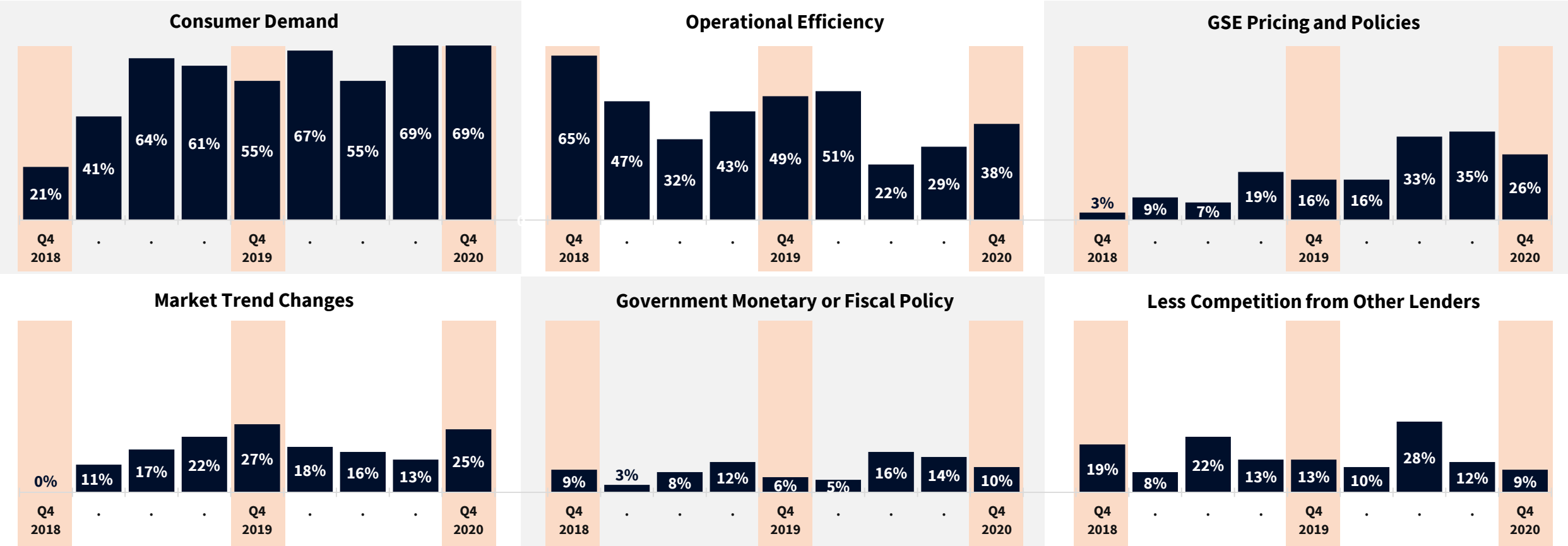
Q: Over the next three months, how much do you expect your firm's profit margin to change for its single-family mortgage production? [Showing: (Substantially Increase (25+ basis points) + Moderately Increase (5 - 25 basis points)), About the same (0 - 5 basis points), (Moderately Decrease (5 - 25 basis points) + Substantially Decrease (25+ basis points))]  
 Q: What do you think will drive the increase (decrease) in your firm's profit margin over the next three months? Please select up to two of the most important reasons.

\* Denotes a statistically significant change compared with Q3 2020 (previous quarter)  
 ^ Denotes a statistically significant change compared with Q4 2019 (same quarter of last year)



# Increased Profit Margin Outlook – Top Drivers

For seven consecutive quarters, “consumer demand” has been cited as the top reason by lenders who expressed an increased profitability outlook. “Operational efficiency” is now the second most important reason cited.



Q: What do you think will drive the increase in your firm’s profit margin over the next three months? Please select the two most important reasons and rank them in order of importance. (Showing % rank 1 + 2)

Total: Q4 2018: N=22 ; Q1 2019: N=36; Q2 2019: N=81; Q3 2019: N=86; Q4 2019: N=42; Q1 2020: N=86; Q2 2020: N=112; Q3 2020: N=82; Q4 2020: N=38

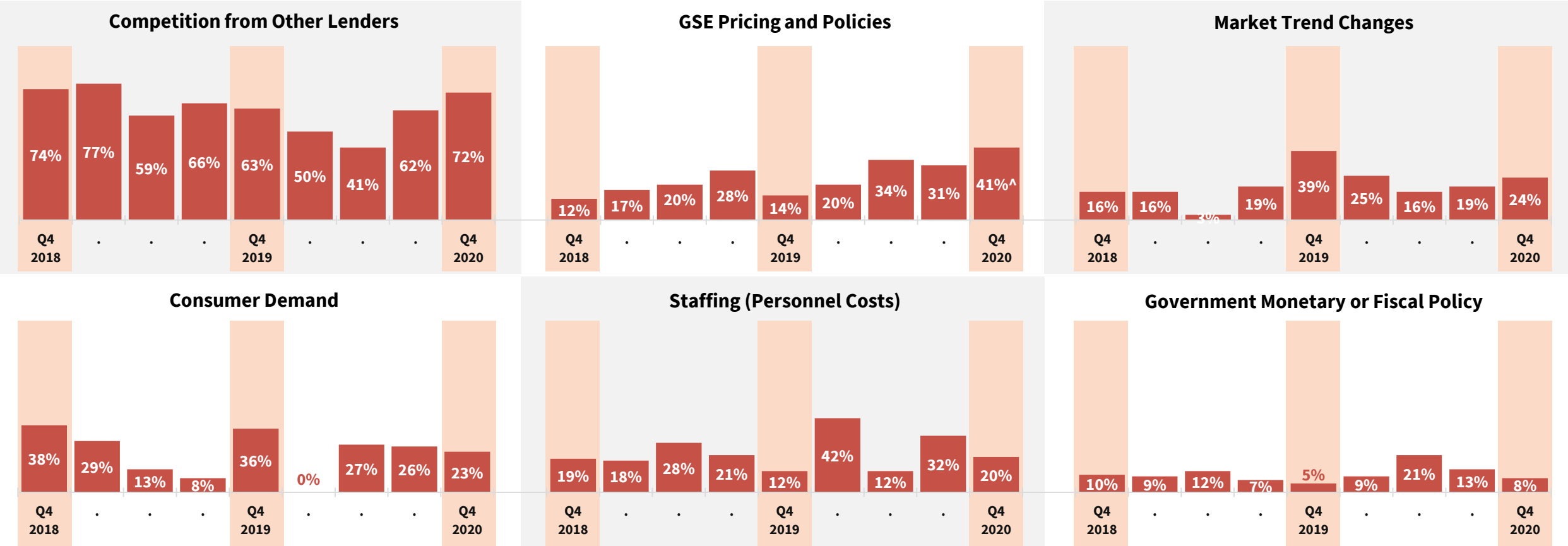
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# Decreased Profit Margin Outlook – Top Drivers

“Competition from other lenders” continued to be cited as the top reason by lenders who expect lower profit margins. The share of lenders citing “GSE pricing and policies” reached a survey new high and is now the second most important reason.



Q: What do you think will drive the decrease in your firm’s profit margin over the next three months? Please select the two most important reasons and rank them in order of importance. (Showing % rank 1 + 2)

Total: Q4 2018: N=87; Q1 2019: N=52; Q2 2019: N=24; Q3 2019=23; Q4 2019: N=47; Q1 2020: N=8; Q2 2020: N=51; Q3 2020: N=26; Q4 2020: N=92

\* Denotes a statistically significant change compared with Q3 2020 (previous quarter)

<sup>^</sup> Denotes a statistically significant change compared with Q4 2019 (same quarter of last year)





# Appendix





# Appendix

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# Mortgage Lender Sentiment Survey<sup>®</sup>

## Survey Methodology

- A quarterly, 10- to 15-minute online survey among senior executives, such as CEOs and CFOs, of Fannie Mae's lending institution partners.
- To ensure that the survey results represent the behavior and output of organizations rather than individuals, the Fannie Mae Mortgage Lender Sentiment Survey is structured and conducted as an establishment survey.
- Each respondent is asked 40-75 questions.

## Sample Design

- Each quarter, a random selection of approximately 3,000 senior executives among Fannie Mae's approved lenders are invited to participate in the study.

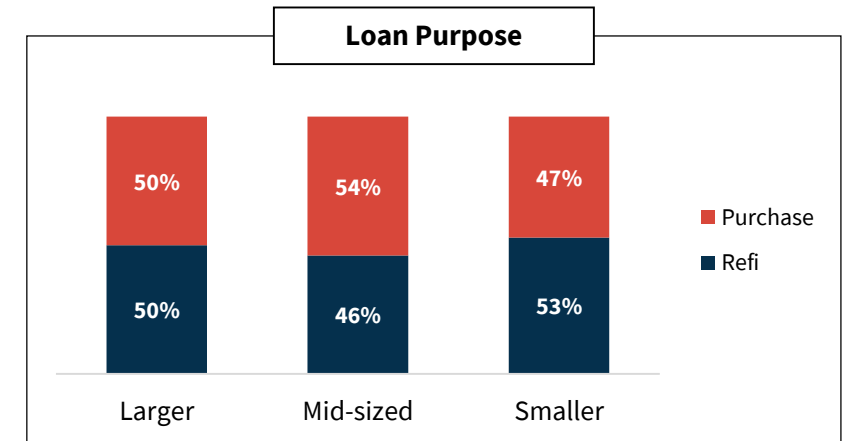
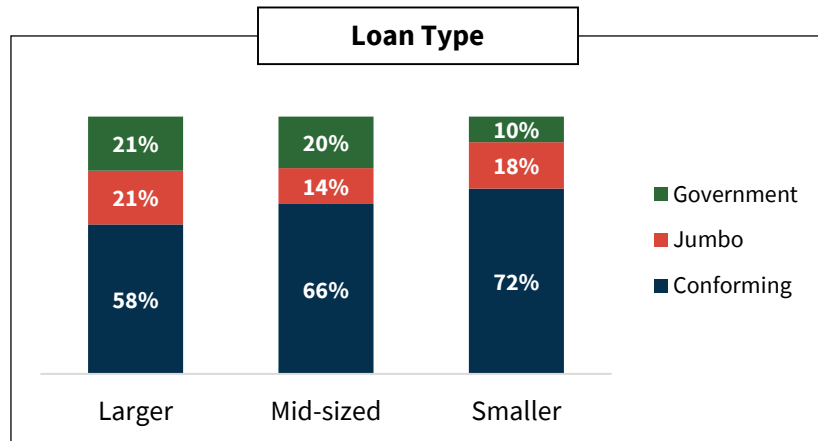
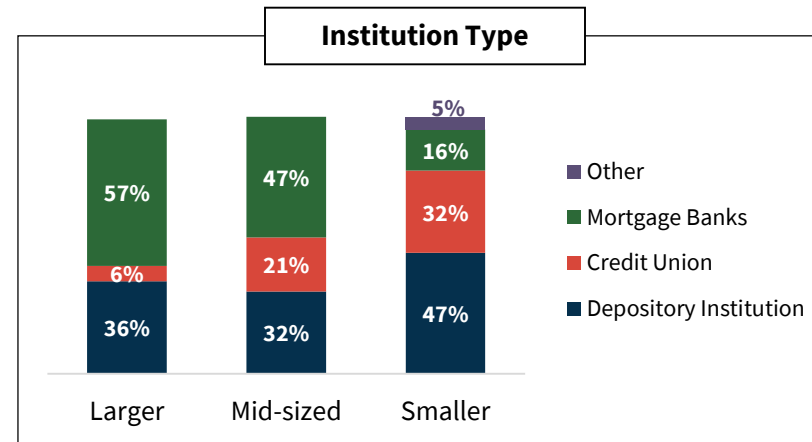
## Data Weighting

- The results of the Mortgage Lender Sentiment Survey are reported at the institutional parent-company level. If more than one individual from the same parent institution completes the survey, their responses are averaged to represent their parent institution.



# Lending Institution Characteristics

Fannie Mae’s customers invited to participate in the Mortgage Lender Sentiment Survey represent a broad base of different lending institutions that conducted business with Fannie Mae in 2019. Institutions were divided into three groups based on their 2019 total industry loan volume – Larger (top 15%), Mid-sized (top 16%-35%), and Smaller (bottom 65%). The data below further describe the composition and loan characteristics of the three groups of institutions.



Note: Government loans include FHA loans, VA loans and other non-conventional loans from Marketrac.



# Sample Sizes

		Q4 2018		Q1 2019		Q2 2019		Q3 2019		Q4 2019		Q1 2020		Q2 2020		Q3 2020		Q4 2020	
		Sample Size	Margin of Error	Sample Size	Margin of Error	Sample Size	Margin of Error	Sample Size	Margin of Error	Sample Size	Margin of Error	Sample Size	Margin of Error	Sample Size	Margin of Error	Sample Size	Margin of Error	Sample Size	Margin of Error
<b>Total Lending Institutions</b>		<b>212</b>	<b>±6.52%</b>	<b>184</b>	<b>±7.03%</b>	<b>211</b>	<b>±6.19%</b>	<b>179</b>	<b>±6.82%</b>	<b>168</b>	<b>±7.08%</b>	<b>183</b>	<b>±6.70%</b>	<b>229</b>	<b>±5.87%</b>	<b>186</b>	<b>±6.64%</b>	<b>202</b>	<b>±6.63%</b>
<b>Loan Origination Volume Groups</b>	Larger Institutions	59	±12.36%	49	±13.62%	61	±10.50%	60	±10.64%	60	±10.63%	52	±11.65%	71	±9.26%	51	±11.80%	52	±11.62%
	Mid-sized Institutions	58	±12.47%	43	±14.59%	57	±11.43%	45	±13.25%	38	±14.67%	40	±14.19%	62	±10.76%	51	±12.25%	55	±11.66%
	Smaller Institutions	95	±9.74%	92	±9.92%	93	±9.62%	74	±10.92%	70	±11.26%	91	±9.70%	96	±9.42%	84	±10.15%	95	±9.48%
<b>Institution Type</b>	Mortgage Banks	76	±10.80%	53	±13.05%	91	±8.92%	72	±10.37%	76	±10.05%	71	±10.47%	89	±9.07%	66	±10.96%	84	±9.46%
	Depository Institutions	88	±10.15%	79	±10.72%	85	±9.80%	70	±10.98%	60	±11.98%	73	±10.65%	89	±9.46%	73	±10.65%	67	±11.18%
	Credit Unions	38	±15.48%	33	±16.69%	34	±16.05%	33	±16.32%	30	±17.19%	38	±15.03%	46	±13.49%	41	±14.40%	45	±13.65%

## 2018

Q1 was fielded between February 7, 2018 and February 19, 2018  
 Q2 was fielded between May 2, 2018 and May 14, 2018  
 Q3 was fielded between August 1, 2018 and August 13, 2018  
 Q4 was fielded between October 31, 2018 and November 12, 2018

## 2019

Q1 was fielded between February 6, 2019 and February 17, 2019  
 Q2 was fielded between May 1, 2019 and May 12, 2019  
 Q3 was fielded between July 31, 2019 and August 11, 2019  
 Q4 was fielded between October 30, 2019 and November 10, 2019

## 2020

Q1 was fielded between February 5, 2020 and February 17, 2020  
 Q2 was fielded between May 5, 2020 and May 18, 2020  
 Q3 was fielded between August 4, 2020 and August 16, 2020  
 Q4 was fielded between October 27, 2020 and November 8, 2020



# 2020 Q4 Cross-Subgroup Sample Sizes

	Total	Larger Lenders	Mid-Sized Lenders	Smaller Lenders
<b>Total</b>	<b>202</b>	<b>52</b>	<b>55</b>	<b>95</b>
<b>Mortgage Banks (non-depository)</b>	84	37	26	21
<b>Depository Institutions</b>	67	13	11	43
<b>Credit Unions</b>	45	2	18	25



# 2020 Q4 Sample Sizes: Consumer Demand

## Purchase Mortgages:

	Past 3 Months			Next 3 Months		
	GSE-Eligible	Non-GSE-Eligible	Government	GSE-Eligible	Non-GSE-Eligible	Government
<b>Total Lending Institutions</b>	<b>200</b>	<b>172</b>	<b>166</b>	<b>201</b>	<b>172</b>	<b>166</b>
Larger Institutions	52	44	50	52	45	50
Mid-sized Institutions	55	46	48	55	46	46
Smaller Institutions	93	81	68	94	82	69

## Refinance Mortgages:

	Past 3 Months			Next 3 Months		
	GSE-Eligible	Non-GSE-Eligible	Government	GSE-Eligible	Non-GSE-Eligible	Government
<b>Total Lending Institutions</b>	<b>194</b>	<b>166</b>	<b>152</b>	<b>195</b>	<b>166</b>	<b>154</b>
Larger Institutions	49	42	47	49	42	47
Mid-sized Institutions	53	44	44	53	44	44
Smaller Institutions	92	80	61	93	80	62





# 2020 Q4 Sample Sizes: Credit Standards

	Past 3 Months			Next 3 Months		
	GSE-Eligible	Non-GSE-Eligible	Government	GSE-Eligible	Non-GSE-Eligible	Government
<b>Total Lending Institutions</b>	<b>200</b>	<b>168</b>	<b>162</b>	<b>200</b>	<b>168</b>	<b>164</b>
Larger Institutions	52	43	49	52	44	50
Mid-sized Institutions	55	46	48	55	46	48
Smaller Institutions	93	79	66	93	79	66

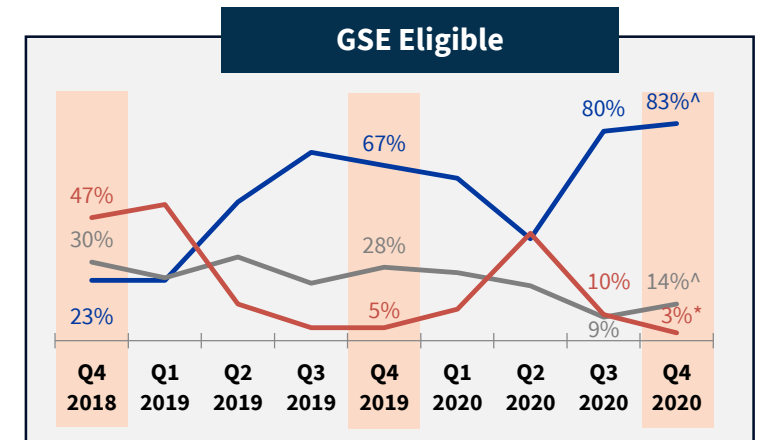


# Calculation of the “Total”

The “Total” data presented in this report is an average of the means of the three loan origination volume groups (see an illustrated example below). Please note that percentages are based on the number of financial institutions that gave responses other than “Not Applicable.” Percentages may add to under or over 100% due to rounding.

## Example:

Over the <u>past three months</u> , apart from normal seasonal variation, did your firm’s consumer demand for single-family <u>purchase</u> mortgages go up, go down, or stay the same? GSE Eligible (Q4 2020)	Larger Institutions	Mid-sized Institutions	Smaller Institutions	Q4 “Total”
Go up	87%	85%	78%	<b>83% [(87% + 85% + 78%)/3]</b>
Stayed the same	11%	15%	17%	<b>14%</b>
Go down	3%	0%	6%	<b>3%</b>





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# Question Text

## Economic and Housing Sentiment

- q1. In general, do you, as a senior mortgage executive, think the U.S. economy overall is on the right track or the wrong track?
- q1a. Do you think it is very difficult, somewhat difficult, somewhat easy, or very easy for consumers to get a home mortgage today?
- q2. Nationally, during the next 12 months, do you, as a senior mortgage executive, think home prices in general will go up, go down, or stay the same as where they are now?
- q4a. By about what percent do you, as a senior mortgage executive, think home prices nationally will go up on average over the next 12 months?
- q5a. By about what percent do you, as a senior mortgage executive, think home prices nationally will go down on average over the next 12 months?

## Consumer Demand

- q6. Over the past three months, apart from normal seasonal variation, did your firm's consumer demand for single-family purchase mortgages go up, go down, or stay the same? Please answer for GSE eligible mortgages, non-GSE eligible mortgages, and Government mortgages.
- q7. What do you think drove the change in your firm's consumer demand for single family purchase mortgages over the past three months? Please be as specific as possible. (Optional)
- q14. Over the next three months, apart from normal seasonal variation, do you expect your firm's consumer demand for single-family purchase mortgages to go up, go down, or stay the same? Please answer for GSE eligible mortgages, non-GSE eligible mortgages, and Government mortgages.
- q46. You mentioned that you expect your firm's consumer demand for GSE eligible loans will go up over the next three months. Which of the following housing marketplace factors do you think will drive the demand to go up? Please select **up to two** of the most important reasons and rank them in order of importance.
- q47. You mentioned that you expect your firm's consumer demand for GSE eligible loans will go down over the next three months. Which of the following housing marketplace factors do you think will drive the demand down? Please select **up to two** of the most important reasons and rank them in order of importance.
- q49. You mentioned that you expect your firm's consumer demand for Non-GSE eligible loans will go up over the next three months. Which of the following housing marketplace factors do you think will drive the demand to go up? Please select **up to two** of the most important reasons and rank them in order of importance.
- q50. You mentioned that you expect your firm's consumer demand for Non-GSE eligible loans will go down over the next three months. Which of the following housing marketplace factors do you think will drive the demand down? Please select **up to two** of the most important reasons and rank them in order of importance.
- q51. You mentioned that you expect your firm's consumer demand for government loans will go up over the next three months. Which of the following housing marketplace factors do you think will drive the demand to go up? Please select **up to two** of the most important reasons and rank them in order of importance.
- q52. You mentioned that you expect your firm's consumer demand for government loans will go down over the next three months. Which of the following housing marketplace factors do you think will drive the demand down? Please select **up to two** of the most important reasons and rank them in order of importance.



# Question Text Continued

- q10. Over the past three months, apart from normal seasonal variation, did your firm's consumer demand for single-family refinance mortgages go up, go down, or stay the same? Please answer for GSE eligible mortgages, non-GSE eligible mortgages, and Government mortgages.
- q18. Over the next three months, apart from normal seasonal variation, do you expect your firm's consumer demand for single-family refinance mortgages to go up, go down, or stay the same? Please answer for GSE eligible mortgages, non-GSE eligible mortgages, and Government mortgages.

## Profit Margin Outlook

- q22. Over the next three months, how much do you expect your firm's profit margin to change for its single-family mortgage production?
- q24. What do you think will drive the decrease in your firm's profit margin over the next three months? Please select the two most important reasons and rank them in order of importance.
- q26. What do you think will drive the increase in your firm's profit margin over the next three months? Please select the two most important reasons and rank them in order of importance.
- Q53a. You mentioned earlier that "market trend changes" is an important factor for your firm's profit margin to decrease. What market trend changes are you seeing? Please share details with us. (Optional)
- Q53b. You mentioned earlier that "market trend changes" is an important factor for your firm's profit margin to increase. What market trend changes are you seeing? Please share details with us. (Optional)
- Q53c. You mentioned earlier that "GSE pricing and policies" is an important factor for your firm's profit margin to decrease. How are you seeing it affect profit margin? Please share details with us. (Optional)
- Q53d. You mentioned earlier that "GSE pricing and policies" is an important factor for your firm's profit margin to increase. How are you seeing it affect profit margin? Please share details with us. (Optional)

## Credit Standards

- q27. Over the past three months, how did your firm's credit standards for approving consumer applications for mortgage loans change (across both purchase mortgages and refinance mortgages)? Please answer for GSE eligible mortgages, non-GSE eligible mortgages, and Government mortgages.
- q28. What do you think drove the change in your firm's credit standards for approving consumer applications for purchase and refinance mortgage loans over the last three months? Please be as specific as possible. (Optional)
- q31. Over the next three months, how do you expect your firm's credit standards for approving applications from individuals for mortgage loans to change (across purchase mortgages and refinance mortgages)? Please answer for GSE eligible mortgages, non-GSE eligible mortgages, and government mortgages.
- q32. What do you think will drive the change in your firm's credit standards for approving consumer applications for purchase and refinance mortgage loans over the next three months? Please be as specific as possible. (Optional)

