

How Do Consumers Choose a Mortgage Lender?

- lower income respondents
- higher income respondents

Lower income consumers are more likely to be influenced by others when choosing a lender.

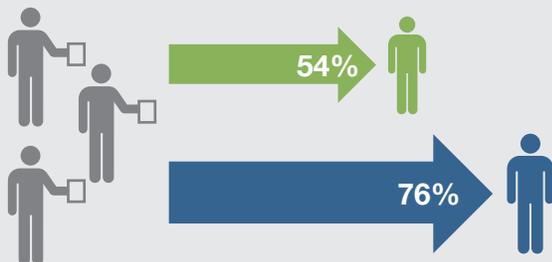
Real estate agent referral



Mortgage broker's recommendation



Higher income consumers are more likely to say competitive offers would have a major influence on their lender choice.



More than two-thirds of all respondents said reputation is a major factor in their lender choice.

How Do Consumers Shop for a Mortgage?

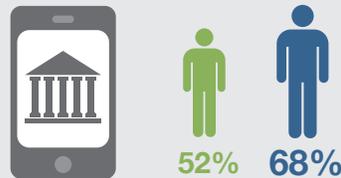
■ lower income respondents
■ higher income respondents

Higher income respondents are more comfortable using online search and mobile devices to research lenders, homes for sale, and mortgage rates.

Researching homes



Researching lenders



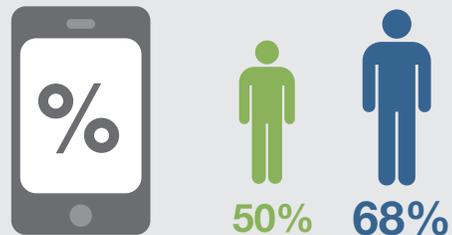
Comparing rates



Lower income consumers are less likely to get offers from more than one financial institution when searching for a mortgage.



Higher income consumers are more comfortable using a mobile device to compare mortgage interest rates.



Higher income consumers are more likely to use bank websites to obtain mortgage offers.

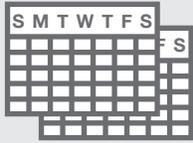


How Do Consumers Shop for a Mortgage?

- lower income respondents
- higher income respondents

When choosing a mortgage type, higher income consumers are more likely to opt for:

Month-to-month stability



23%



32%

Safety and security



7%

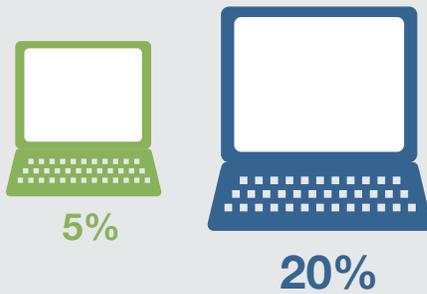


19%

How Do Consumers Decide How Much to Spend on a Mortgage?

■ lower income respondents
■ higher income respondents

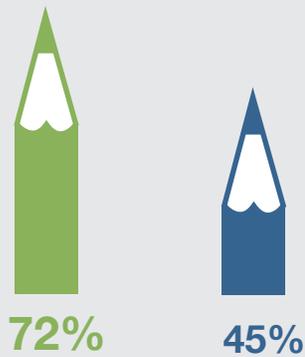
Higher income consumers are more likely to use a program or online tool to calculate how much to spend on their home.



Lower income consumers are more likely to follow advice from family, friends, and co-workers when deciding how much to spend on a mortgage.



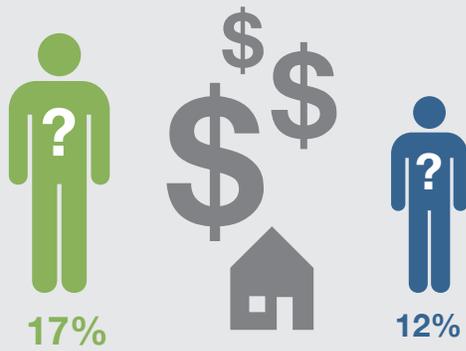
Lower income consumers are more likely to calculate in their head or on paper how much to spend on a home.



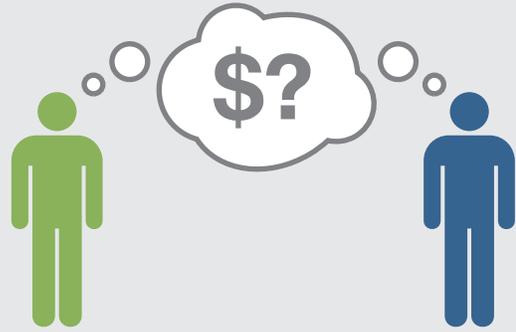
Do Consumers Understand Mortgage Costs?

- lower income respondents
- higher income respondents

More lower income borrowers said their closing costs were higher than expected.



Across all income groups, 41% of consumers weren't able to guess the maximum payment increase on an adjustable-rate mortgage (ARM).



68% of higher income consumers paid what they expected at their mortgage closing, more than 10 percentage points higher than lower income respondents.

