



Fannie Mae National Housing Survey

Research Methodology

- From December 12, 2009 – January 12, 2010, Penn Schoen Berland, in partnership with Oliver Wyman, conducted 3,451 telephone interviews among the following audiences:

Sample 1 (General Population)	Sample Size	Margin of Error
General Population (GP), including:	3,051	±1.77%
Owner	887	±3.29%
<ul style="list-style-type: none"> Own home outright 		
Mortgage Borrowers	1,110	±2.94%
<ul style="list-style-type: none"> Have a home mortgage 		
Renter	908	±3.25%
<ul style="list-style-type: none"> Rent home 		
Underwater Borrowers	338	±5.33%
<ul style="list-style-type: none"> Report owing at least 5% more on their mortgage than their house is worth 		
Hispanic	530	±4.26%
African-American	367	±5.12%

Sample 2 (Delinquent List)	Sample Size	Margin of Error
Delinquent (Oversample)	400	±4.90%
<ul style="list-style-type: none"> Behind on mortgage payment by at least 60 days 		
Underwater Delinquents	186	±7.19%
<ul style="list-style-type: none"> Report owing at least 5% more on their mortgage than their house is worth and are behind on their mortgage payment by at least 60 days 		

A similar study was conducted in December 2003 and is used as a baseline periodically throughout this report

Note that on each question, respondents had the option to answer "don't know" (volunteered), which is why, in some cases, the total % may not equal 100

Objectives

Gauge current landscape of:

- Attitudes on the state of the country and the economy
- Understanding and attitudes on overall household finances
- Perspectives on homeownership as an investment and role in life
- Attitudes on financial and mortgage distress
- Views toward the housing finance system

Create benchmark to track:

- Views of homeownership and comparisons to other investments and renting
- Knowledge and confidence about the mortgage shopping process



KEY FINDINGS

Key findings

1

MOST AMERICANS ARE PESSIMISTIC ABOUT THE ECONOMY BUT OPTIMISTIC ABOUT THEIR PERSONAL FINANCES. FOR INDIVIDUALS, THE ROLE OF THE HOME IN THEIR PERSONAL FINANCES SIGNIFICANTLY IMPACTS THEIR OPINION: A majority (61%) believes the economy is on the wrong track, up significantly from 2003. Yet the vast majority expect their family's financial situation to remain the same (38%) or get better (44%). Renters, and homeowners who say housing prices will rise, are significantly more optimistic.

2

1 IN 3 AMERICANS ARE STRESSED ABOUT THEIR ABILITY TO PAY THEIR DEBT AND A MINORITY BELIEVE THEY HAVE SUFFICIENT SAVINGS: Delinquent borrowers report being particularly stressed (84%) as well as being devoid of sufficient savings (86%). A quarter of mortgage borrowers and 42% of delinquent borrowers give higher priority to bills other than their mortgage.

3

80% BELIEVE HOMEOWNERSHIP IS IMPORTANT TO THE ECONOMY, BUT MOST THINK IT HAS BECOME MORE DIFFICULT TO BUY A HOME: 2 in 3 Americans think it's a good time to buy a home (same as in 2003), but believe it is harder to finance a purchase than it was in their parents' generation. Over two thirds see homeownership being even more of a challenge for their children.

4

NEARLY TWO-THIRDS THINK OWNING IS PREFERABLE TO RENTING. SAFETY AND HAVING A POSITIVE ENVIRONMENT FOR CHILDREN ARE CITED AS TOP REASONS TO OWN: Most appear willing to make sacrifices to own, with over half saying they are doing so today. Fewer think real estate is a safe investment (70%) vs. 2003 (83%).

Key findings

5

6 IN 10 AMERICANS SAY IT WOULD BE DIFFICULT TO GET A MORTGAGE LOAN TODAY. CREDIT HISTORY CITED AS THE BIGGEST IMPEDIMENT: 9 in 10 delinquent borrowers say it would be difficult to get a new mortgage loan.

6

NEARLY 8 IN 10 AMERICANS ARE CONFIDENT THEY WOULD GET THE NECESSARY INFORMATION IF THEY WERE BUYING A HOME TODAY: However, confidence is especially low among Hispanics and renters. The generally high level of confidence survey respondents express is in contrast to research evidence which questions borrowers' level of understanding of the features of their mortgages.

7

A MAJORITY OF MORTGAGE BORROWERS ARE SATISFIED WITH THE FEATURES OF THEIR CURRENT MORTGAGE: Most have 30-year fixed-rate mortgages and more than 6 in 10 say they are very satisfied. Borrowers with 30-year fixed-rate mortgages are more satisfied than those with other types of mortgages. Delinquent borrowers are more likely to be in a non-30-year fixed-rate mortgage.

8

BEING UNDERWATER HAS A SIGNIFICANT IMPACT ON THE ATTITUDES AND BEHAVIORS OF MORTGAGE BORROWERS: 30% of mortgage borrowers see themselves as being currently underwater. Seriously underwater borrowers (where the mortgage balance exceeds the home value by over 20%) were more than twice as likely to be behind on their mortgage payments and were more than twice as likely to believe stopping payments was acceptable than borrowers who were not underwater.

Key findings

9

NEARLY 9 IN 10 AMERICANS, AND MORE THAN 7 IN 10 DELINQUENT BORROWERS, BELIEVE IT IS NOT ACCEPTABLE TO STOP MAKING MORTGAGE PAYMENTS: A majority blame households, not mortgage companies, for unaffordable home loans.

10

A CONTAGION EFFECT WITHIN COMMUNITIES IS LEADING MORE BORROWERS TO CONSIDER DEFAULT AS AN ACCEPTABLE OPTION: Delinquent borrowers who know someone who have defaulted are more than twice as likely to have seriously considered default.



PROFILES

Profile of Owner, Mortgage Borrowers and Renters

HEADLINE	KEY DIFFERENTIATORS
Mortgage Borrowers – Good Time To Buy A House	Mortgage borrowers particularly likely to think it's a good time to buy a house (71%) compared to Renters (58%) and GP (64%)
Population Segments Split On Difficulty Of Getting Loans	Owners are less likely to think it's a difficult time to get a loan (46%) while Mortgage borrowers are slightly more pessimistic (54%) and Renters much more so (78%); compared to 60% GP who think it's a difficult time to get a home loan
Renters – Credit History Obstacle To A Loan	Renters are more likely to cite their credit history as a big obstacle to getting a home loan (33%) than are Mortgage borrowers (16%) and GP (22%)
Renters – Less Likely To Say Owning Makes Most Sense	While most Renters say owning makes more sense than renting (75%), this is less decisive than the GP is on the point (85%)
Mortgage Borrowers– Highly Likely To Be Sacrificing To Own	Mortgage borrowers say they're sacrificing financially to own their house (65%)
Mortgage Borrowers More Satisfied With 30-Year Fixed-Rate Mortgages	Mortgages borrowers with 30-year fixed-rate mortgages are significantly more satisfied (93%) than those with other types of mortgages (76% for those with hybrid ARMs and 68% for those with ARMs)
Mortgage Borrowers and Renters Think It's Harder To Get A Loan Than In The Past	Mortgage borrowers (55%) and Renters (70%) think it's harder to get a loan today than in their parents' generation

Profile of Delinquents

HEADLINE	KEY DIFFERENTIATORS
Optimistic About The Future	More optimistic about their personal financial situation (63%) in the next year than GP (44%); yet much more likely to think it's a difficult time to get a home loan (90% Delinquents compared to 60% GP)
Credit History Is A Problem	More likely to cite their credit history (34%) as the biggest obstacle to getting a loan than GP (22%)
More Likely To Rent	Less likely to say they would buy a house (40%) if they moved than GP (56%)
Surprisingly Positive Home Owning Past	Compared to GP (96%), Delinquents are less likely to have had a positive homeownership experience but still very positive (82%)
Sacrificing A Great Deal	Much more likely to say they're sacrificing a <i>great deal</i> (68%) financially to own their home than GP (24%)
Homeownership Is Important	More likely to say homeownership is <i>very important</i> to the economy (63%) and to local communities (69%) than GP (51% and 56%, respectively)
Not Paying Mortgage Is <u>More</u> Acceptable	Much more likely to think it's ok for people who's house is now worth less than they owe (20%) or facing financial distress (39%) to stop paying their mortgages (compared to 8% and 15% GP respectively. Further, 39% have considered stopping or incompletely paying their mortgage compared to only 6% GP who have done so. Also, 64% think that banks should not foreclose on people who are unable to pay their mortgages compared to 43% GP
<u>Less</u> Satisfied With Current Loan	Much less satisfied with the features of their current loan (47% satisfied) than GP (89% satisfied); and also less confident they will get the information they need (61% confident) if buying or refinancing their house than GP (76% confident); Further, only slightly more than half (55%) feel they made a good decision in selecting their current mortgage compared to 89% of GP
Got Second Mortgage Or Home Equity Loan	1 in 4 Delinquents got a second mortgage or home equity loan at the time they got their home mortgage; the highest percentage of any population segment
Advised By Mortgage Lender	More likely to have been advised by mortgage lender (33%)
Likely To Be Underwater	Particularly likely to currently owe at least 20% more than their home is worth

Profile of Underwater Borrowers

HEADLINE	KEY DIFFERENTIATORS
Age	More likely to be between the ages of 30 and 65 (80%) than GP (63%)
Income	More likely to have an income between \$100,000-\$199,000 (18%) than GP (13%)
Debt Is An Issue	Twice as likely as GP to say their total debt is the biggest obstacle to buying a house (16% to 8%)
More Stressed About Debt	More likely to be stressed about their ability to make payments on their debts (48%) than GP (37%)
Still Buyers	More likely to buy a house (75%) if they were going to move than GP (65%)

Profile of Delinquent Oversample who are Underwater Borrowers

- The following analysis is based on the 186 underwater borrowers from the Delinquent oversample

HEADLINE	KEY DIFFERENTIATORS
Considered Stopping Mortgage Payments	Underwater Delinquents are more likely to have considered stopping mortgage payments (47%) than Delinquents not underwater (39%)
Ok To Stop Paying Mortgage If In Financial Distress	Underwater Delinquents are more likely to think it's ok for people to stop paying their mortgage if they're in financial distress (46%) than Delinquents not underwater (39%)
Country Is On The Wrong Track	Underwater Delinquents are slightly more likely to think the country is currently on the wrong track (51%) than Delinquents not underwater (45%)
Not First-Time Homeowners	Underwater Delinquents are more likely to have owned a house previously (57%) than Delinquents not underwater (51%)
Prefer Suburbia	Underwater Delinquents are more likely to want to move to a suburban area (44%) than Delinquents not underwater (39%)
Bad Decision On Mortgage Choice	Underwater Delinquents are less likely to think they made a good decision when selecting their mortgage (43%) than Delinquents not underwater (49%)

CURRENT ENVIRONMENT

1

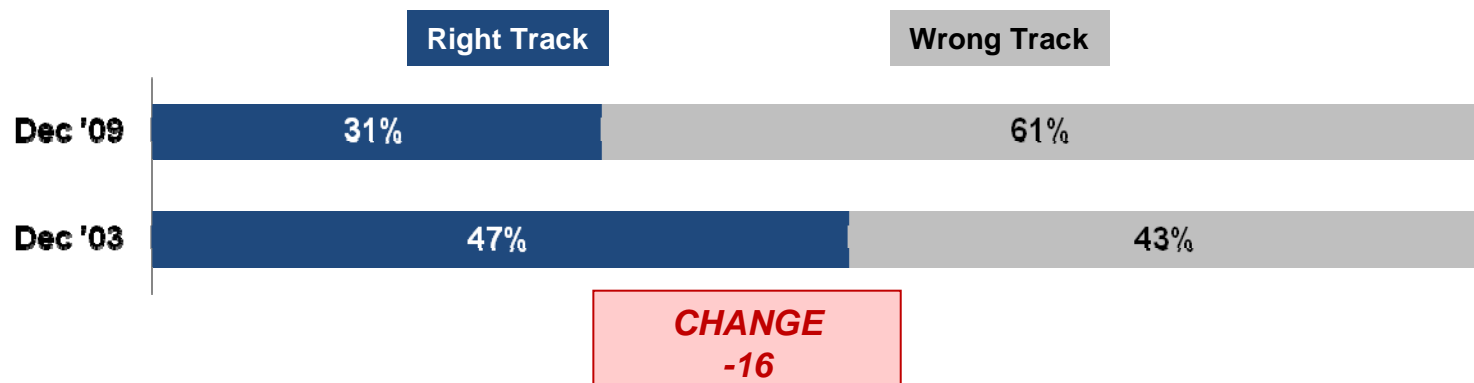
Most are pessimistic about the economy but optimistic about their personal finances. For individuals, the role of the home in their personal finances significantly impacts their opinion

Economy is on the wrong track

- Decline of 16 points in Right Track since December 2003.

In general, do you think our economy is on the right track or is off on the wrong track?

Showing %GP



In general do you think our economy is on the right track or is it off on the wrong track?	GP %		Delinquent %		Owner %		Mortgage %		Renter %		Underwater %		Hispanic %		African-American %	
	2009	2003	2009	2009	2003	2009	2003	2009	2003	2009	2009	2003	2009	2003	2009	2003
Right track	31	47	34	30	49	31	49	31	40	33	33	48	48	25		
Wrong track	61	43	56	63	41	61	42	60	46	59	57	44	43	63		
CHANGE	-16		NA	-19		-18		-9		NA	-15		+23			

Budding optimism about the year ahead

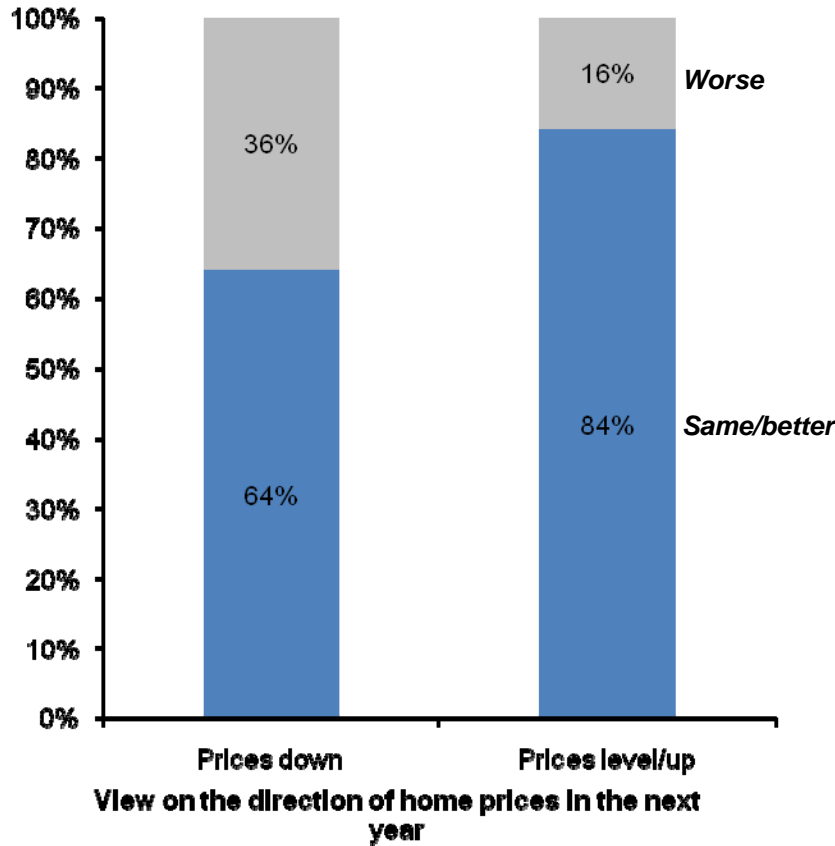
- People's view about their personal financial situation is much more optimistic than about the economy overall.
- Renters are far more optimistic about their personal finances than mortgage holders or owners.
 - As are African-Americans

Looking ahead one year, do you expect your family's financial situation to get much better, somewhat better, stay about the same, get somewhat worse, or get much worse?

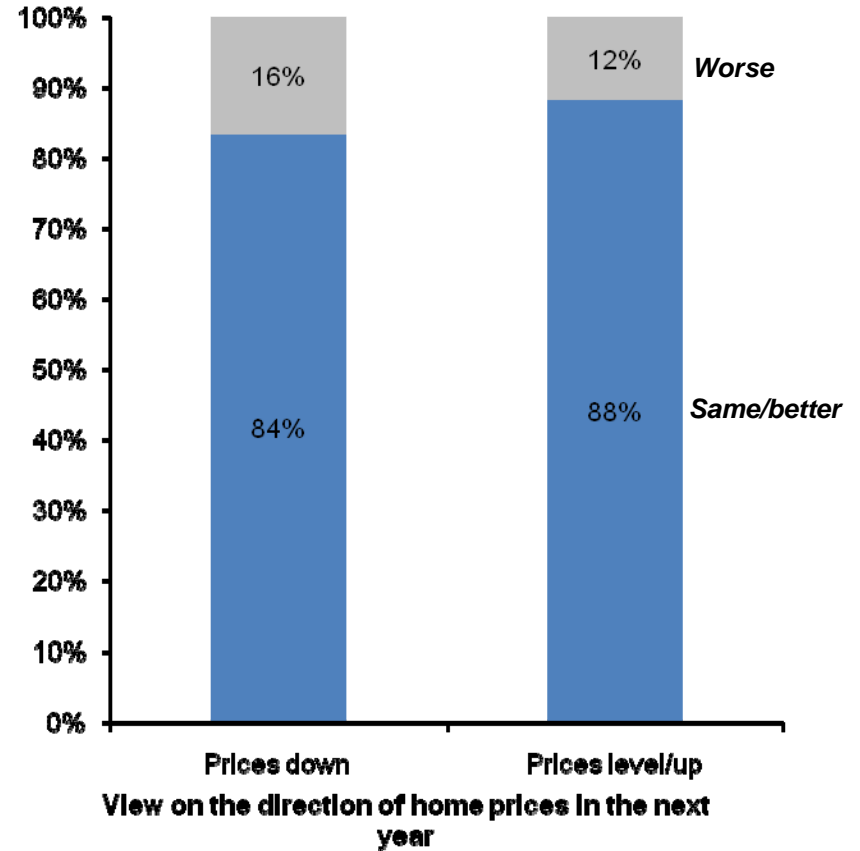
Looking ahead one year, do you expect your family's financial situation to get much better, somewhat better, stay about the same, get somewhat worse, or get much worse?	GP %		Delinquent %	Owner %		Mortgage %		Renter %		Underwater %	Hispanic %		African-American %	
	2009	2003	2009	2009	2003	2009	2003	2009	2003	2009	2009	2003	2009	2003
Better	44	46	63	30	33	41	47	56	56	42	63	70	73	59
Stay about the same	38	40	19	46	46	40	40	31	31	38	24	21	18	29
Worse	17	12	15	23	16	18	10	11	12	19	12	7	8	10

Homeowners who think home prices are going up are more optimistic about their overall personal financial situation

Percent of homeowners who believe their personal financial situation will improve or get worse



Percent of renters who believe their personal financial situation will improve or get worse



Source: PSB; Oliver Wyman analysis

Note: "Homeowner" includes both outright homeowners and mortgage borrowers

HOUSEHOLD FINANCIAL MANAGEMENT

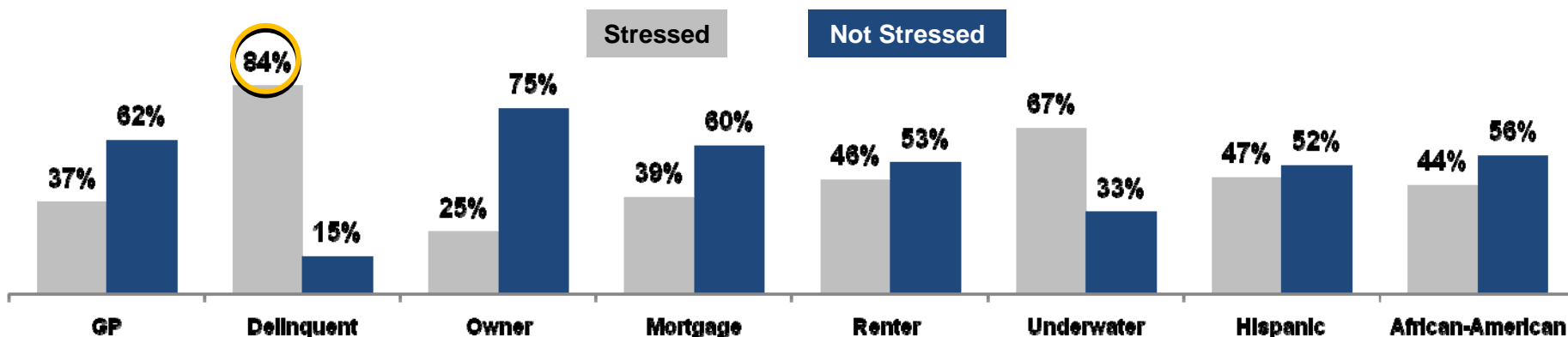
2

1 in 3 Americans are stressed about their ability to pay their debt and a minority believe they have sufficient savings

1 in 3 Americans stressed about ability to pay debts

- Despite optimism about their overall financial situation, Renters are more stressed about paying their debts.
 - And Delinquents and Underwater borrowers have high levels of being very stressed

Are you very stressed, somewhat stressed, not very stressed or not at all stressed about your ability to make payments on your debts?

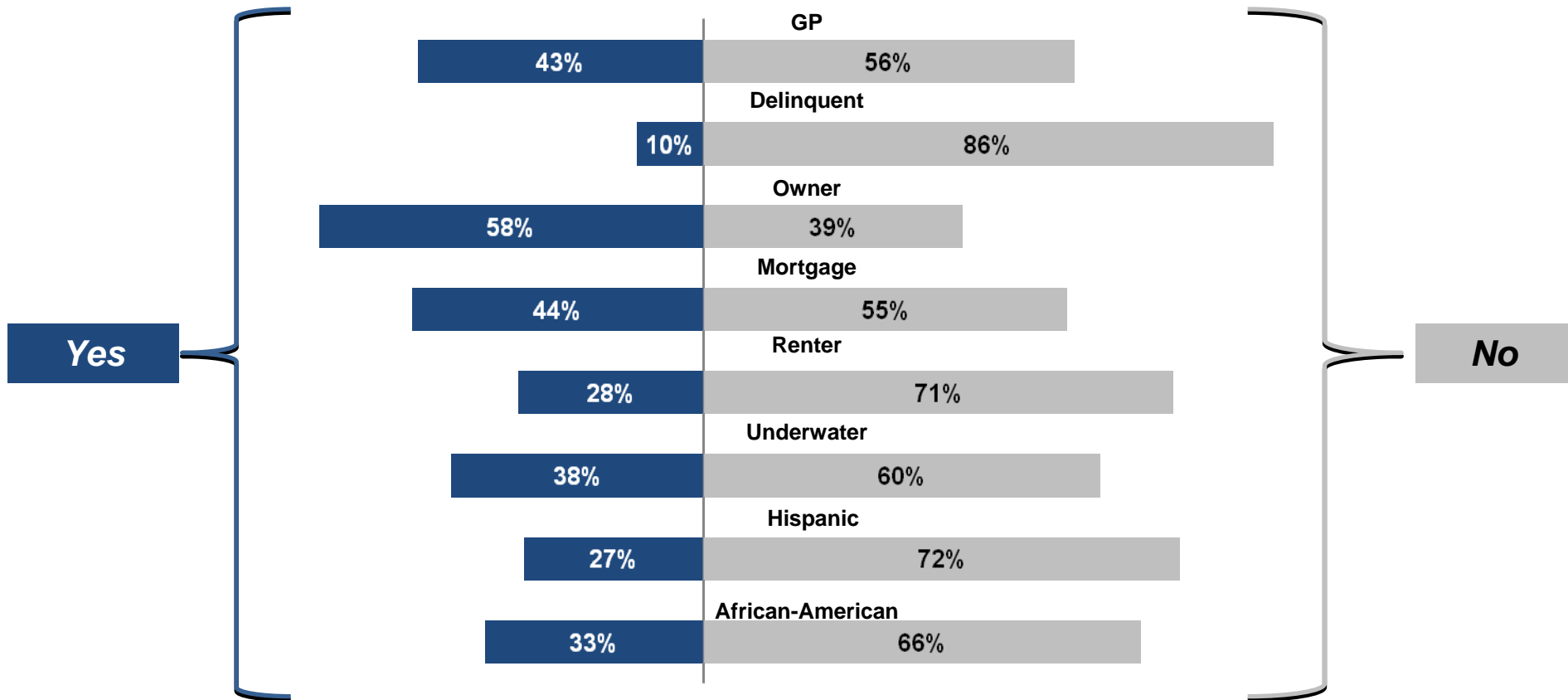


Are you very stressed, somewhat stressed, not very stressed or not at all stressed about your ability to make payments on your debts?	GP %	Delinquent %	Owner %	Mortgage %	Renter %	Underwater %	Hispanic %	African-American %
TOTAL STRESSED	37	84	25	39	46	67	47	44
Very stressed	13	56	10	12	16	39	24	15
Somewhat stressed	24	28	15	27	30	28	23	29
TOTAL NOT STRESSED	62	15	75	60	53	33	52	56
Not very stressed	17	6	12	20	16	20	14	18
Not at all stressed	45	9	63	40	37	13	38	38

Not enough savings

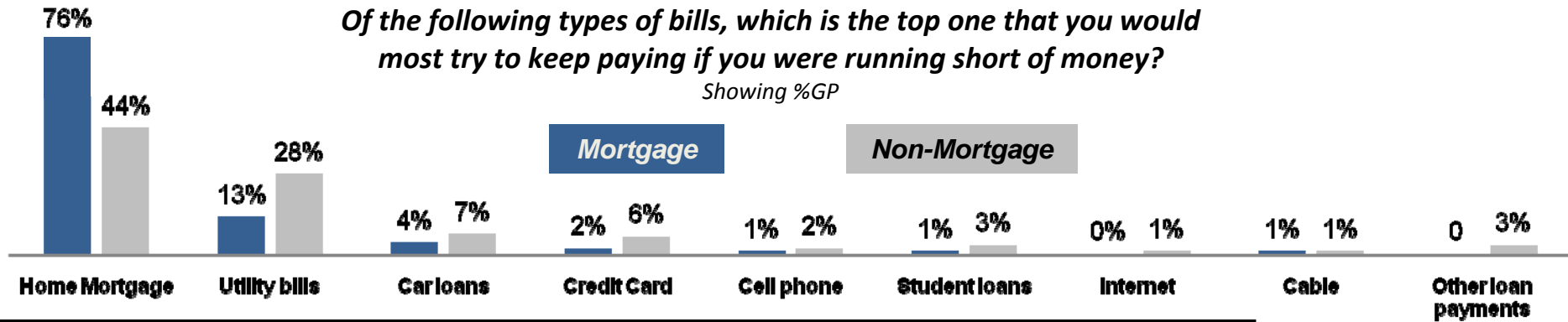
- More than half of respondents feel they do not have sufficient savings.
 - Respondents who are 18-24 years old are more likely to say they have sufficient savings (42%) than those between the ages of 25-54 (34%)

Do you feel you have sufficient savings?



Home mortgage important bill to pay, but many have other priorities

- A quarter of those with home mortgages put other bills higher in priority than their mortgages.
 - And 42% of Delinquents put higher priority on other bills than their home mortgage



Of the following types of bills, which is the top one that you would most try to keep paying if you were running short of money?	GP %	Delinquent %	Owner %	Mortgage %	Renter %	Underwater %	Hispanic %	African-American %
Home Mortgage	55	58	49	76	40	72	49	54
Utility bills	23	25	28	13	29	14	20	27
Car loans	6	7	4	4	8	6	9	5
Credit Card	5	2	6	2	6	2	5	3
Cell phone	2	1	2	1	2	0	3	1
Student loans	2	1	1	1	4	1	4	3
Internet	1	2	1	0	1	0	2	1
Cable	1	1	1	1	2	2	3	1
Other loan payments	2	2	2	0	5	2	2	3
Don't know	3	3	5	2	3	1	4	1

By Region

Northeast	West
Mortgage: 54% Other: 43%	Mortgage: 59% Other: 38%
Midwest	South
Mortgage: 54% Other: 42%	Mortgage: 54% Other: 43%

CLIMATE FOR HOMEOWNERSHIP

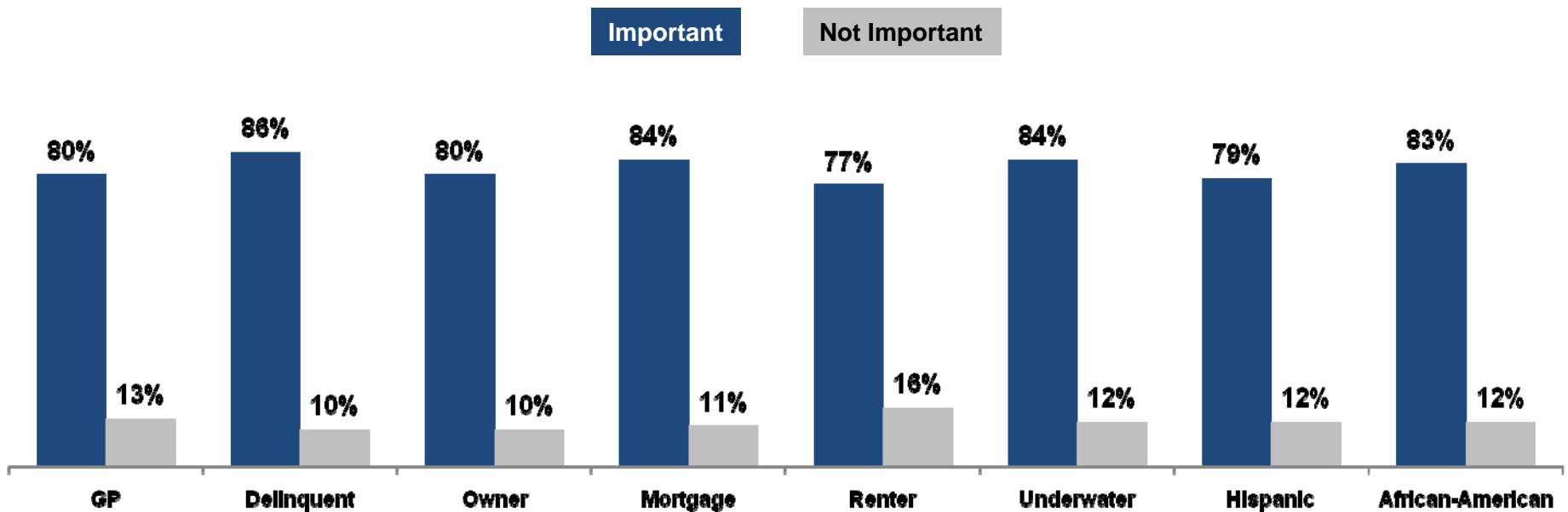
3

80% believe homeownership is important to the economy, but most think it has become more difficult to buy a home

Homeownership seen as important to the economy

- 8 in 10 overall consider homeownership important to the economy.
 - Slightly more than half consider it *very important*

Is it very important, somewhat important, not very important or not at all important to the overall economy that there is a high rate of homeownership?



Good time to buy a house

- 2 in 3 think it's a good time to buy a house and nearly 1 in 3 think now is a very good time to buy a house.
 - Mortgage borrowers are slightly down since 2003 on this, but Renters and Owners are the same

In general, do you think this is a very good time to buy a house, a somewhat good time, a somewhat bad time, or a very bad time to buy a house?

In general, do you think this is a very good time to buy a house, a somewhat good time, a somewhat bad time, or a very bad time to buy a house?	GP %		Delinquent %	Owner %		Mortgage %		Renter %		Underwater %	Hispanic %		African-American %	
	2009	2003	2009	2009	2003	2009	2003	2009	2003	2009	2009	2003	2009	2003
GOOD TIME	64	66	70	62	62	71	75	58	56	66	59	61	61	57
BAD TIME	31	26	26	31	25	25	21	36	35	29	36	32	37	33

Bad economy has not changed home purchasing plans

- More than 4 in 10 say their plans regarding purchasing a home have not changed in the last year.

Have your plans to purchase a home changed in the last year?	GP %	Delinquent %	Owner %	Mortgage %	Renter %	Underwater %	Hispanic %	African-American %
Yes - you will probably purchase a home later than you had once planned	13	22	6	8	23	10	19	19
Yes - you will probably purchase a home sooner than you had once - planned	8	6	5	7	13	6	9	15
No - nothing has changed your plans about when you will purchase	43	39	44	44	41	47	34	41
No - you never did and still don't plan to purchase a new home	34	31	43	39	21	36	35	24

Prices expected to stay the same or decrease over the next year

- This is in sharp contrast from 2003, when 64% of Americans believed housing prices would increase.
- But more continue to think prices will go up than down – with nearly three-quarters thinking prices will go up or stay the same.

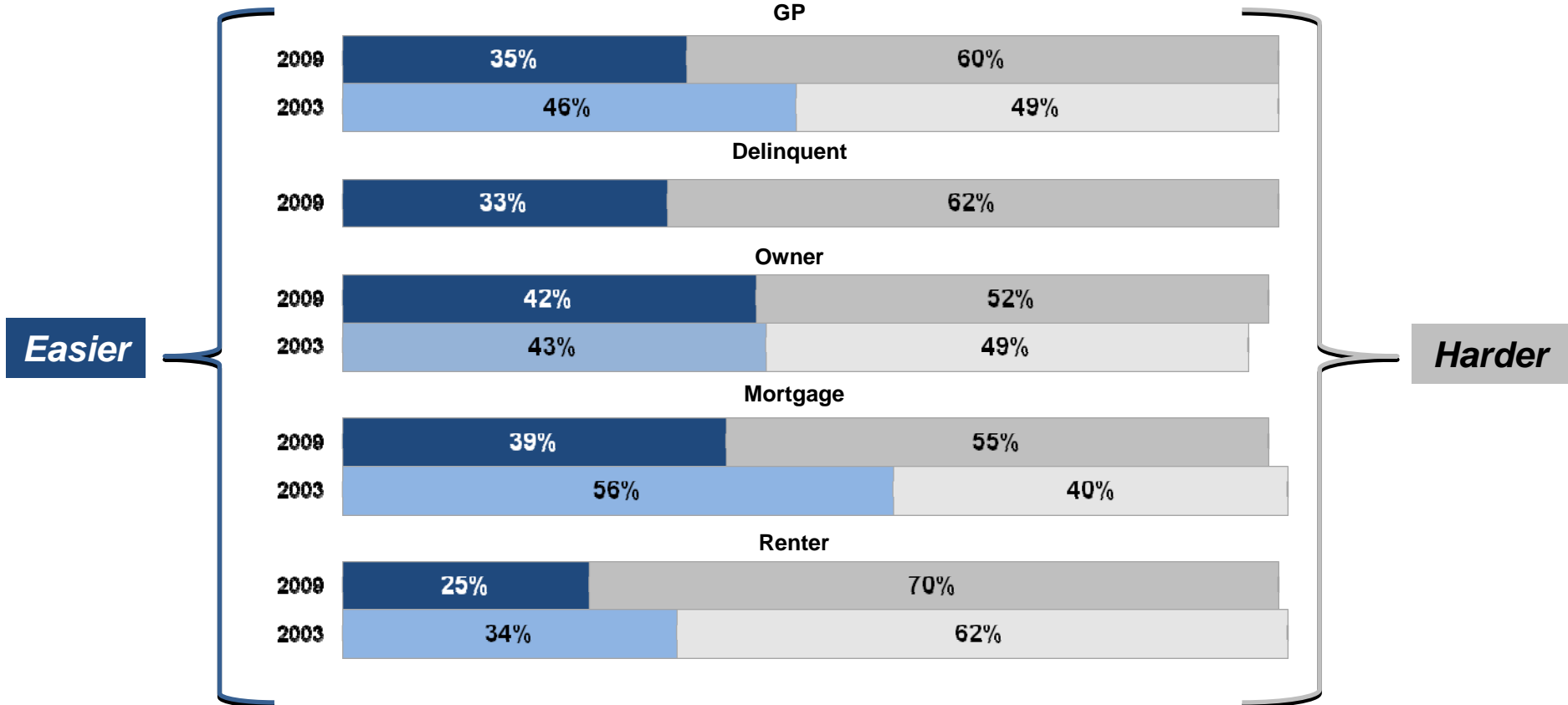
Over the next year, do you think that housing prices will go up a lot, will go up a little, will remain about the same, will go down a little, or will go down a lot?

Over the next year, do you think that housing prices will go up a lot, will go up a little, will remain about the same, will go down a little, or will go down a lot?	GP %		Delinquent %	Owner %		Mortgage %		Renter %		Underwater %	Hispanic %		African-American %	
	2009	2003	2009	2009	2003	2009	2003	2009	2003	2009	2009	2003	2009	2003
PRICES WILL GO UP	37	64	37	34	59	36	67	41	64	36	43	63	41	65
PRICES WILL REMAIN ABOUT THE SAME	36	24	36	39	23	40	22	30	28	41	33	18	28	20
PRICES WILL GO DOWN	23	9	24	23	11	22	8	25	7	20	21	12	28	12

Harder to buy a home today than in the past

- “Harder” is up 11 points overall since 2003.

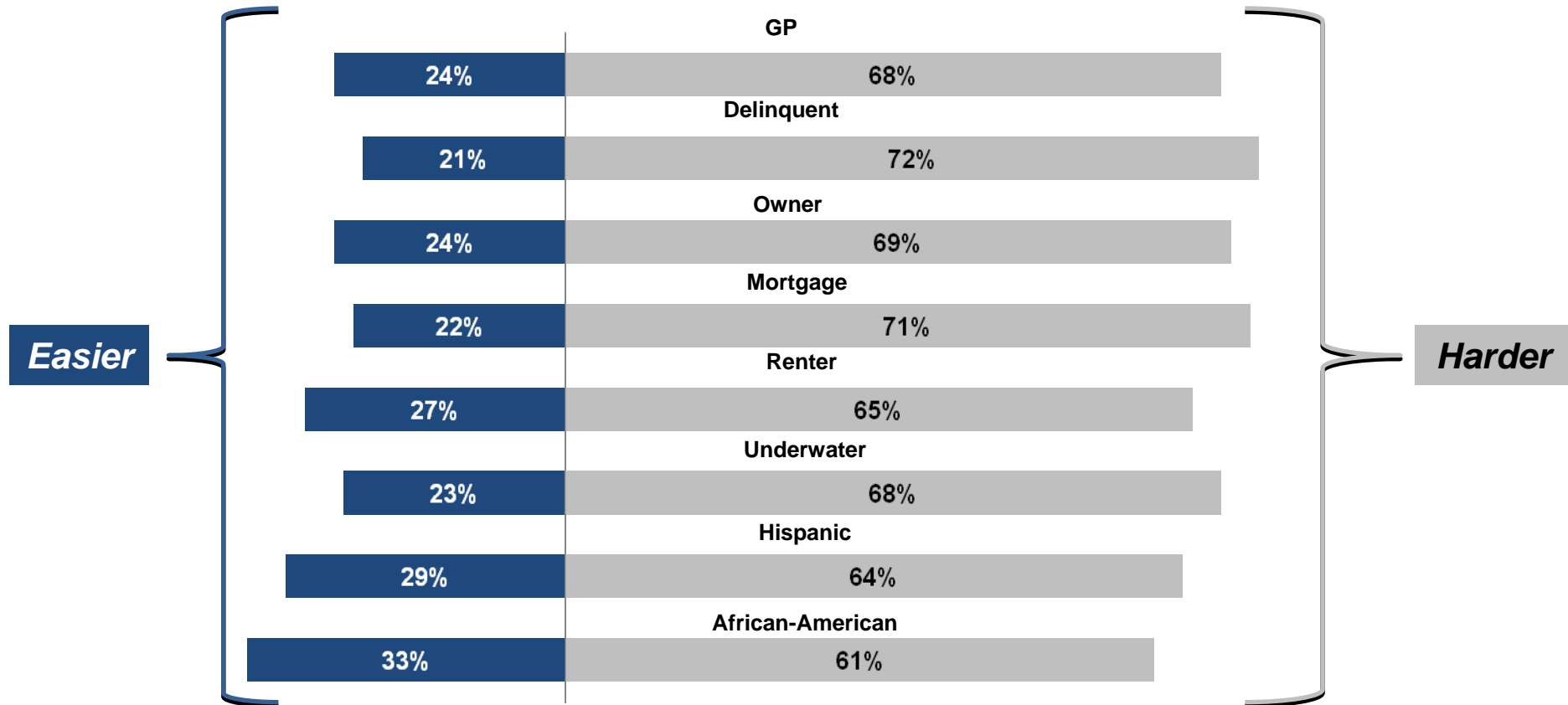
Do you think it is easier or harder to buy a home today than it was in your parents' generation?



Buying a home will be harder in the future

- Nearly 7 in 10 think buying a home will be harder for the next generation of Americans.
- Indicating (together with the prior slide) that people view us in the midst of a generational trend toward greater difficulty in buying homes.

Do you think it will be easier or harder for your children or the next generation in general to buy a home than it is today?



Barriers to buying a house

- Renters are being stopped from buying by poor credit and their ability to afford a home.
 - Fewer are refraining because of some economic calculation that this is not a good time to buy

IF RENTER OR BOARDER: Is this a major reason you have not bought a house, minor reason, or not a reason at all Showing <i>major reason</i>	Renter %		Hispanic %		African-American %	
	2009	2003	2009	2003	2009	2003
You don't have good enough credit for a mortgage	54	39	55	47	59	42
You don't think you can afford the purchase or upkeep of a home	47	41	43	38	42	39
You don't think it's a good time economically to buy a home	41	NA	52	NA	40	NA
You don't think you will be in a certain area for an extended period of time	34	37	33	21	23	22
It is cheaper per month to rent than to buy	30	NA	39	NA	25	NA
The process of buying a home seems too complicated	25	13	44	21	22	25
Purchasing a home makes you feel like you will have limited flexibility in your future choices. Is this a major reason you have not bought a house?	23	NA	28	NA	22	NA
You don't want to be concerned with doing the upkeep	21	NA	29	NA	16	NA
You'd rather use the money for other investments than a home	21	NA	23	NA	16	NA
You can live in a better neighborhood by renting	17	NA	29	NA	13	NA

OWNING AND RENTING

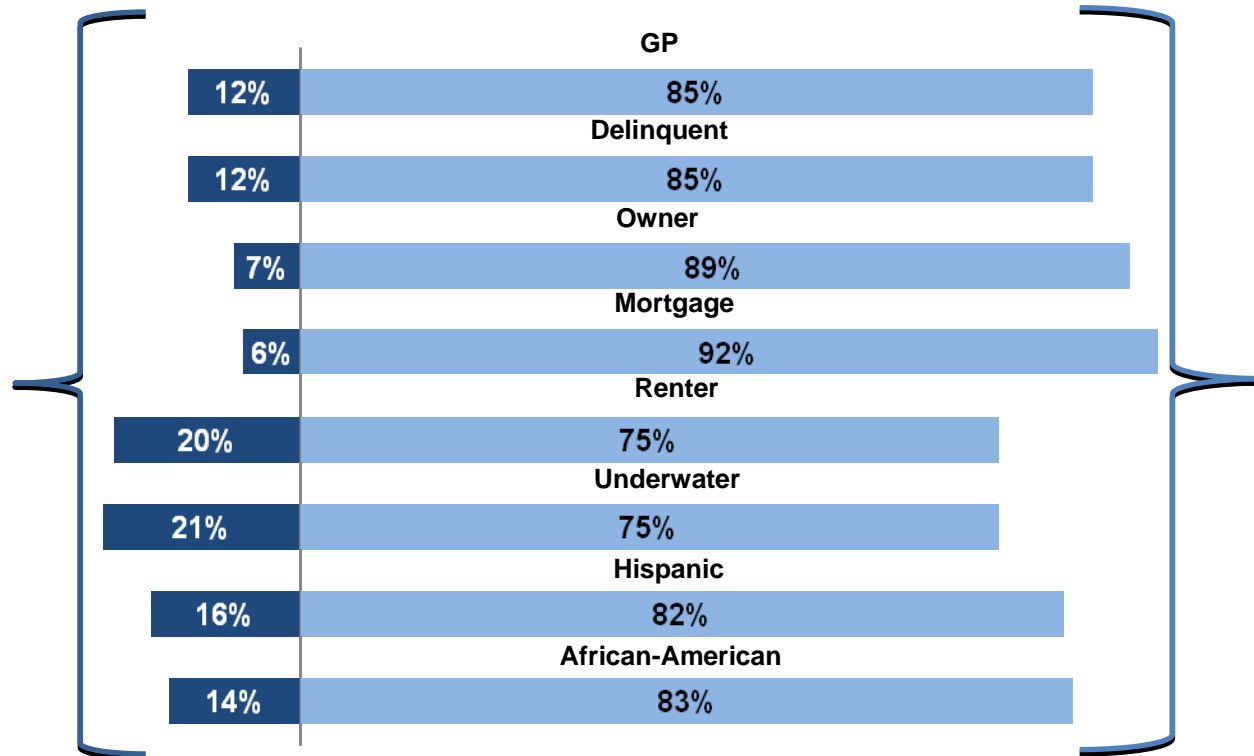
4

Nearly two thirds think owning is preferable to renting. Safety and having a positive environment for children are cited as top reasons to own

Owning makes more sense than renting

- Americans strongly agree that owning makes more sense than renting due to potential rent increases and value appreciation.
 - This is true of Delinquents as well

Which is closer to your view?



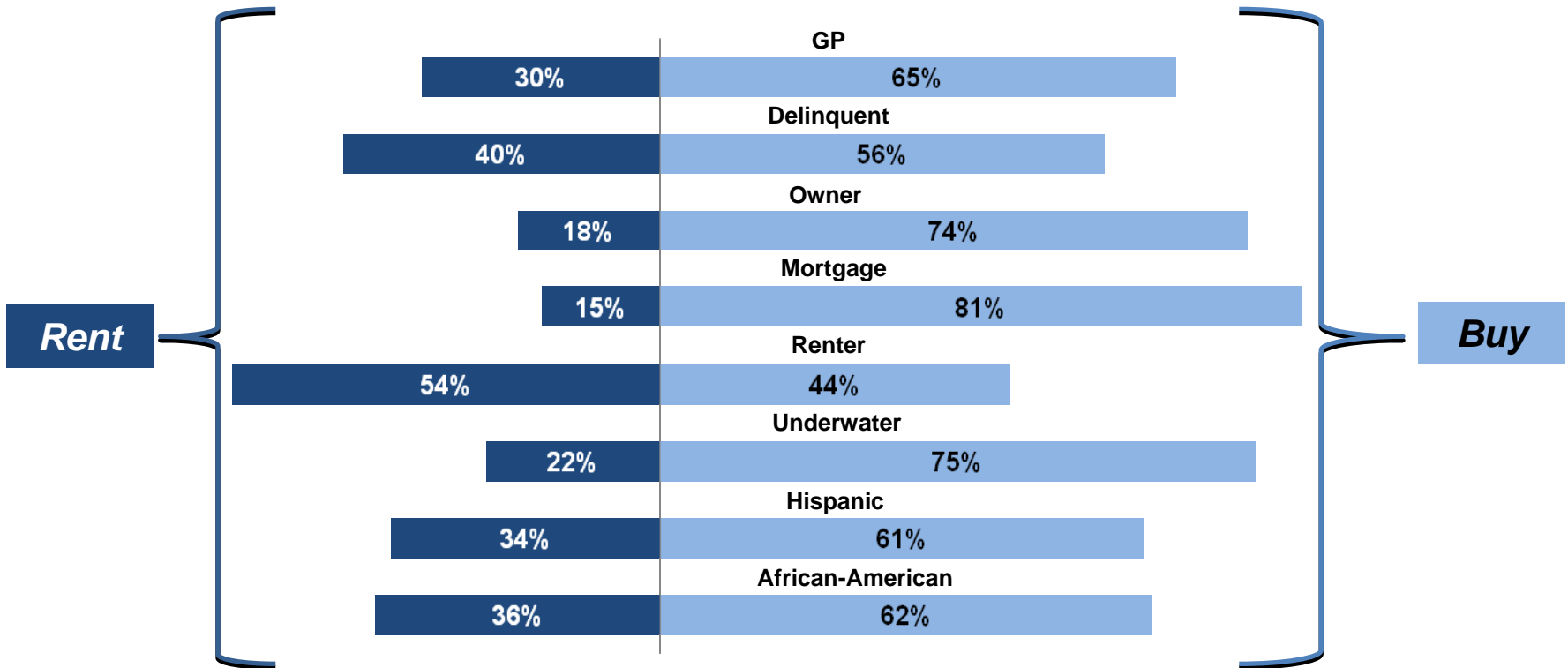
Renting makes more sense because it protects you against house price declines and is actually a better deal than owning.

Owning makes more sense because you're protected against rent increases and owning is a good investment over the long term.

Americans would buy over rent

- More than 6 in 10 say they would buy a house if they were going to move, opposed to just 3 in 10 who would rent one.

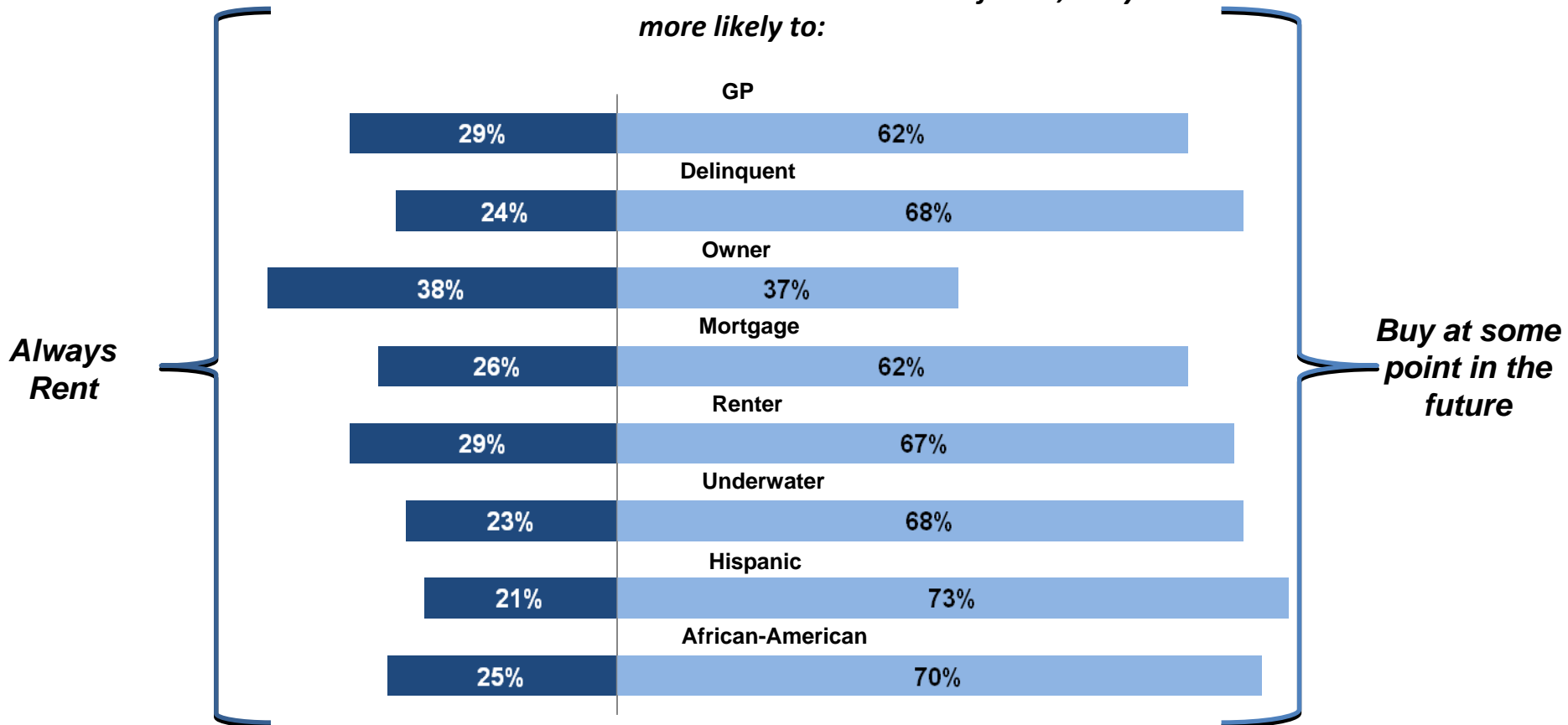
If you were going to move, would you be more likely to:



Short-term renters have long-term ownership aspirations

- Of those who would rent in the short-term, a majority still plan on buying a house at some point.

IF "RENT" ON WHETHER YOU'D RENT OR BUY: In the future, are you more likely to:



Buying in the future

- Renters are split as to whether they will buy a home in the next 3 years; down 5 points since 2003.
 - However, minorities are more likely to believe they will buy in that time

IF RENTER AND BOARDER: How likely is that you will buy a home in the next three years?

How likely is it that you will buy a home in the next three years?	Renter %		Hispanic %		African-American %	
	2009	2003	2009	2003	2009	2003
TOTAL LIKELY	52	57	55	60	67	63
Very likely	26	27	26	25	34	33
Somewhat likely	26	30	29	35	33	30
TOTAL NOT LIKELY	48	42	45	37	33	35
Somewhat unlikely	15	13	15	18	14	9
Very unlikely	33	29	30	19	19	26

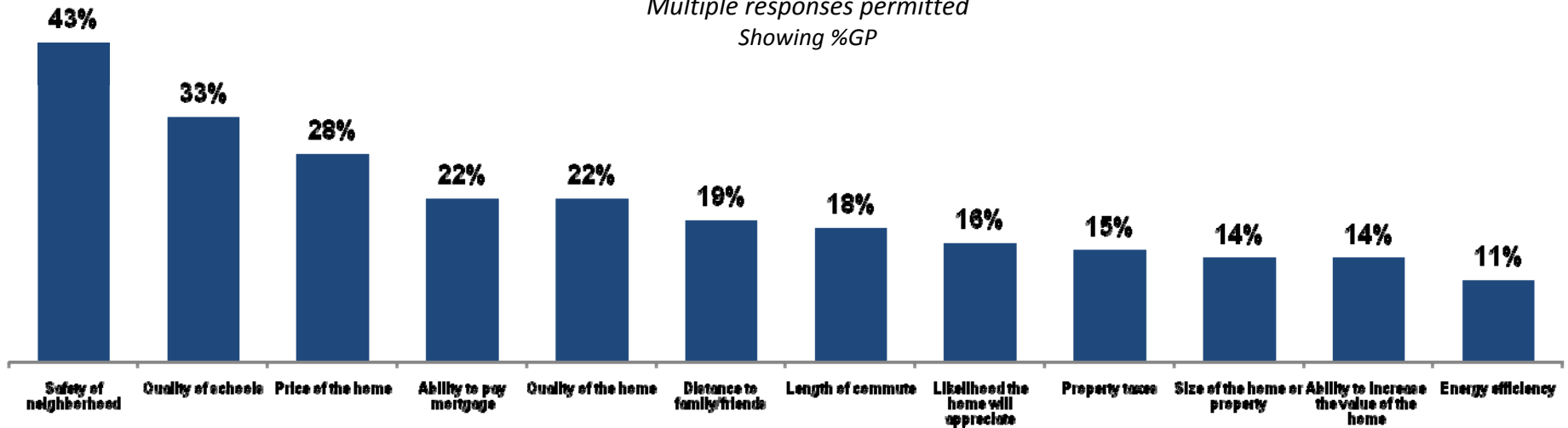
Safety, education most important considerations in home purchase

- Indicating there is a strong emotional component to owning, based on a sense of security for your family – significantly stronger than any of the more economic considerations.

Which of the following factors would be most important to you in deciding to buy a house?

Multiple responses permitted

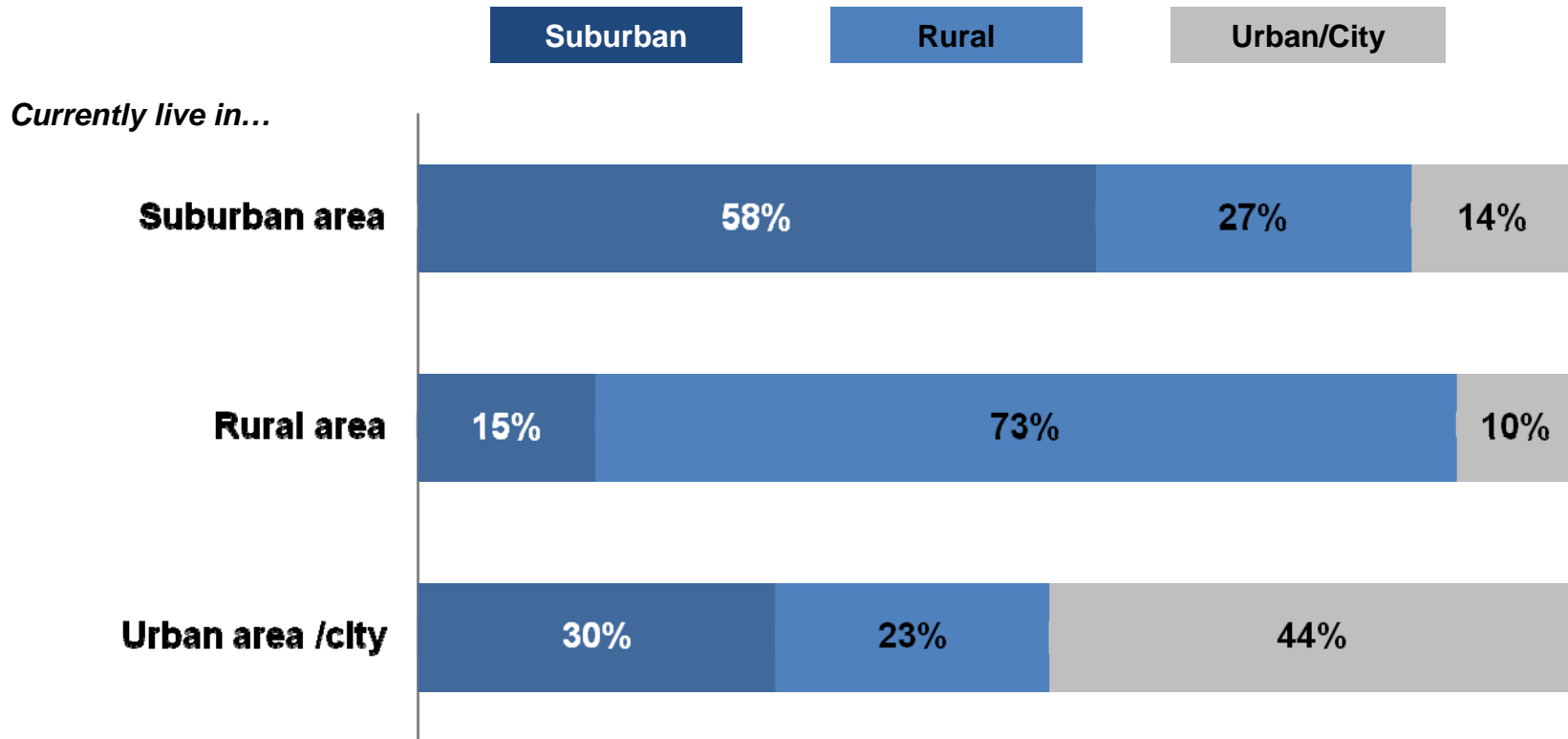
Showing %GP



Most Americans content where they live

- Americans prefer their current habitat to others although those who live in rural areas are most content.
- But the rural residents are most set on remaining in the same type area if they were to move today.

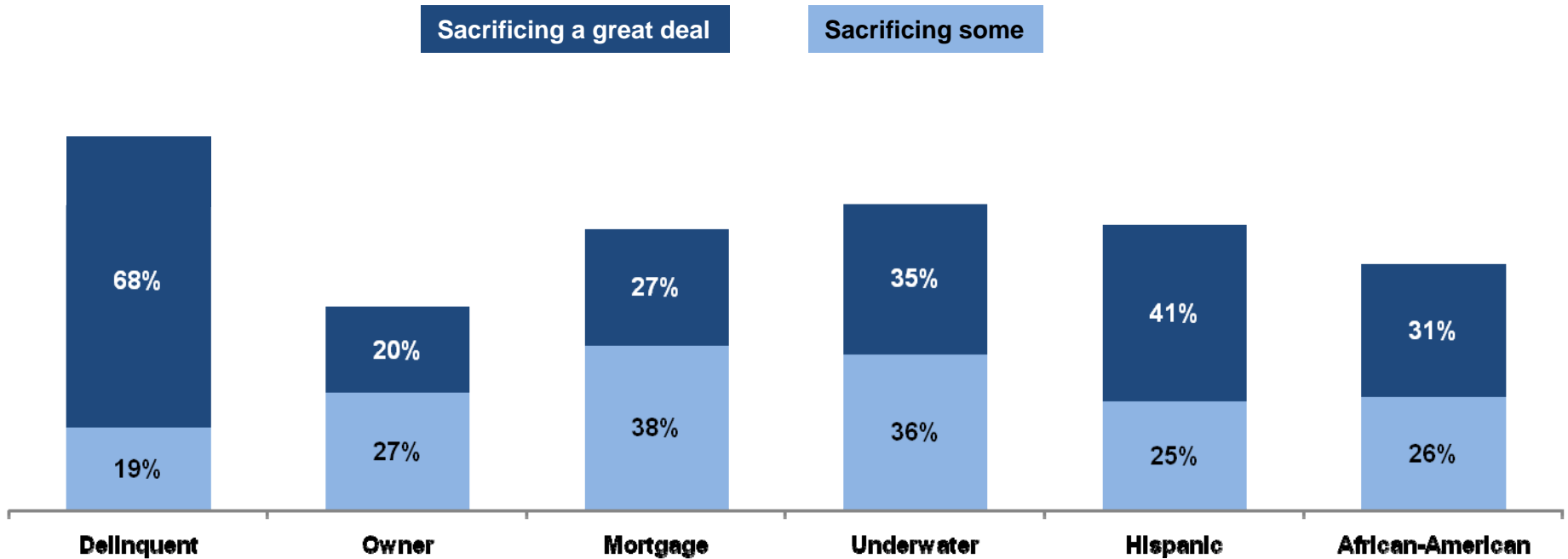
If you were buying a house today, would you be more likely to move to:



Sacrificing for ownership

- Over half say they are sacrificing financially in order to own their house
 - Delinquents are particularly likely to say so

How much financial sacrifice would you say you are making to own your home?



Buying a home is considered a safe investment

- Though 7 in 10 think buying a house is a safe investment, still one of the safest, this number is down 13 points from 2003.
- That number is just as high for Delinquents.

Do you think this investment is...	GP %		Delinquent %	Owner %		Mortgage %		Renter %		Boarder %	Hispanic %		African-American %	
	2009	2003	2009	2009	2003	2009	2003	2009	2003	2009	2009	2003	2009	2003
Showing <i>Safe/Risky</i>														
Putting money into a savings or money market account	74/20	79/16	73/24	73/22	74/19	79/16	82/15	71/23	78/15	76/20	69/25	75/19	68/30	69/27
Buying a home	70/27	83/15	65/32	73/21	78/19	76/21	88/11	61/37	79/17	75/23	64/33	81/15	63/34	72/24
Putting money into an IRA or 401(k) plan	63/30	69/22	57/37	61/29	63/26	67/31	72/21	63/31	70/19	69/30	59/34	65/22	64/33	61/29
Buying government or corporate bonds	50/39	NA	47/38	52/36	NA	56/35	NA	44/44	NA	54/38	46/41	NA	47/43	NA
Buying an insurance annuity	50/31	NA	48/32	48/33	NA	49/32	NA	50/28	NA	50/37	46/34	NA	53/34	NA
Investing in a mutual fund	46/41	53/33	45/41	44/42	47/34	48/41	56/35	44/41	55/27	48/33	37/47	46/36	50/41	46/37
Buying stocks	17/76	25/68	12/81	19/72	28/63	16/79	23/73	18/76	24/63	16/80	18/73	25/62	24/69	29/63

CLIMATE FOR BORROWING

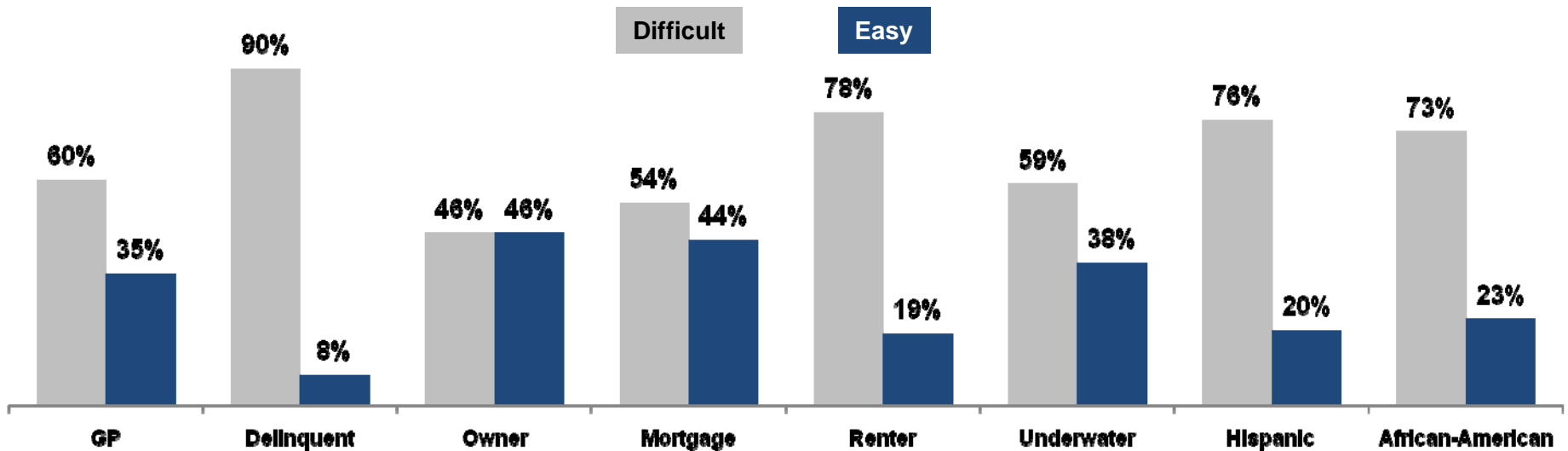
5

**6 in 10 Americans say it would be difficult to get a mortgage loan today.
Credit history cited as the biggest impediment**

Difficult time to get a mortgage loan

- Most say it would be difficult to get a home loan today.
 - Delinquents and minorities in particular

Do you think it would be very difficult, somewhat difficult, somewhat easy, or very easy for you to get a home loan today?

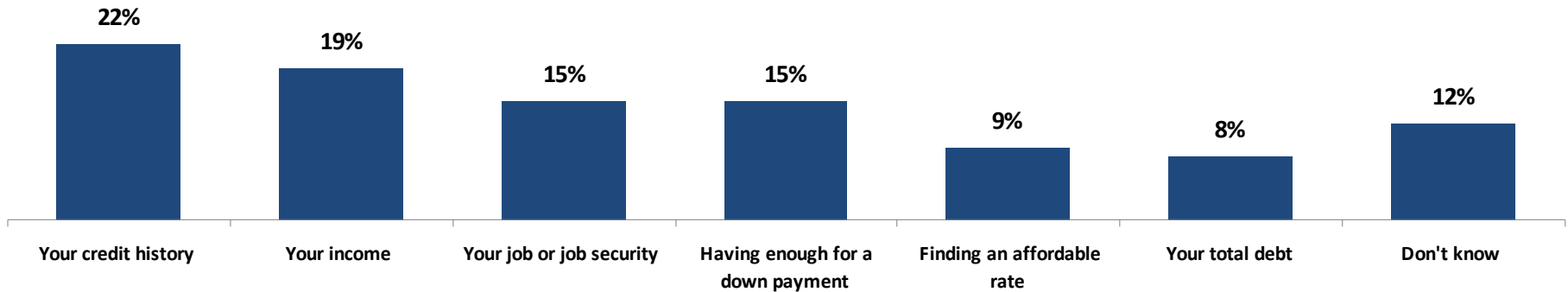


Barriers to getting a home loan

- Credit history, income are perceived to be the biggest barriers to getting a mortgage loan.

IF NOT VERY EASY: Which of the following is the biggest obstacle to your getting a home loan?

Showing %GP



Which of the following is the biggest obstacle to your getting a home loan?	GP %	Delinquent %	Owner %	Mortgage %	Renter %	Underwater %	Hispanic %	African-American %
Your credit history	22	34	12	16	33	21	26	35
Your income	19	19	22	13	23	13	20	19
Your job or job security	15	14	15	15	14	12	23	11
Having enough for a down payment	15	10	11	18	13	16	13	11
Finding an affordable rate	9	4	12	12	6	12	7	8
Your total debt	8	14	4	14	6	16	7	11
Don't know	12	4	23	12	5	9	5	5

CONFIDENCE IN INFORMATION

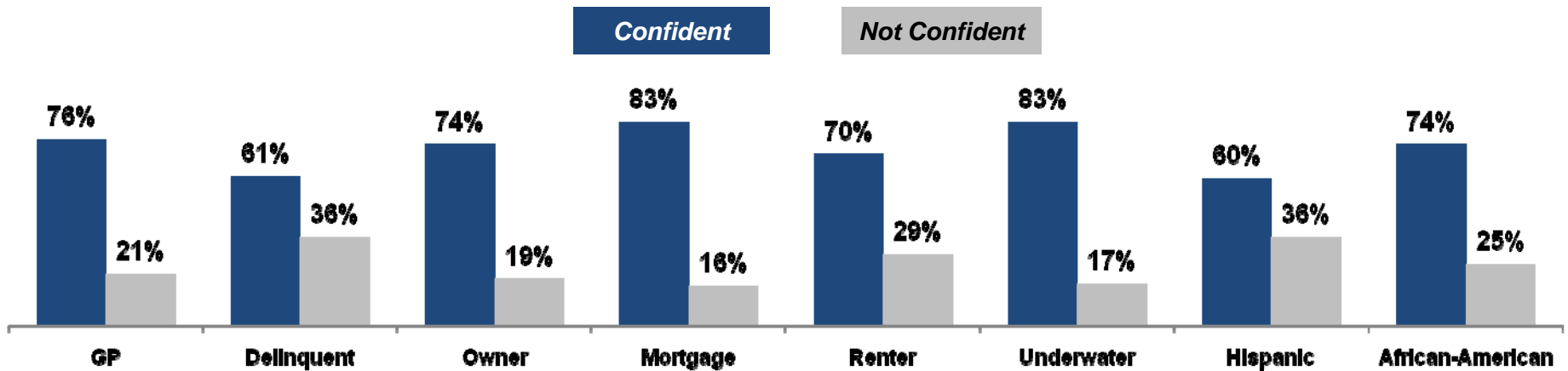
6

Nearly 8 in 10 Americans are confident they would get the necessary information if they were buying a home today

Less than half are very confident they'd get the information they need for a new loan today

- Just a third of Renters, Delinquents, and Hispanics are very confident.

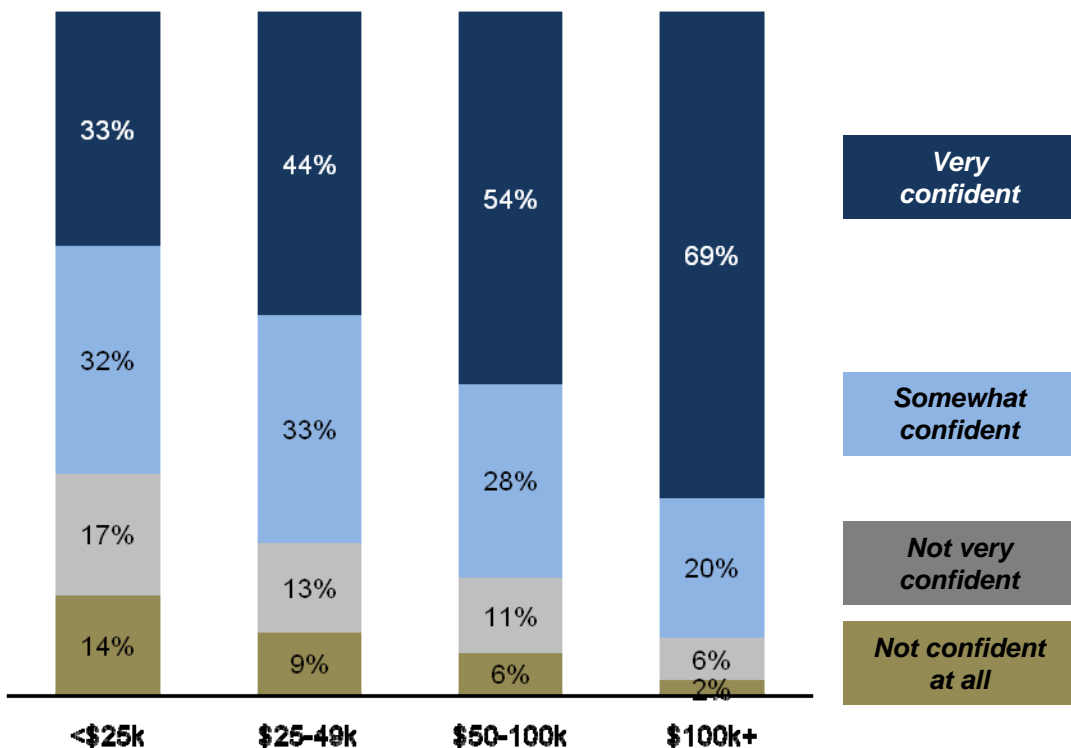
If you were buying or refinancing your house today, how confident are you that you would get the information you need to choose the loan that is right for you?



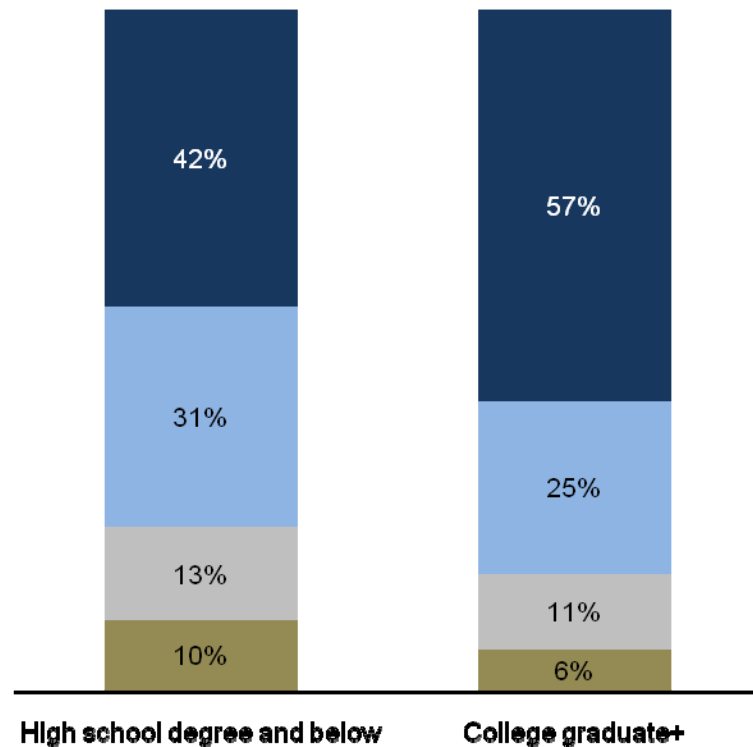
If you were buying or refinancing your house today, how confident are you that you would get the information you need to choose the loan that is right for you?	GP %	Delinquent %	Owner %	Mortgage %	Renter %	Underwater %	Hispanic %	African-American %
TOTAL CONFIDENT	76	61	74	83	70	83	60	74
Very confident	47	30	51	56	35	52	32	40
Somewhat confident	29	31	23	27	35	31	28	34
TOTAL NOT CONFIDENT	21	36	19	16	29	17	36	25
Not very confident	12	19	11	10	16	11	20	14
Not at all confident	9	17	8	6	13	6	16	11

Those with higher income and education are more confident they'd get needed information

Consumer confidence in current available loan information by income segment



Consumer confidence in current available loan information by education level



Source: PSB; Oliver Wyman analysis

CURRENT MORTGAGE SATISFACTION

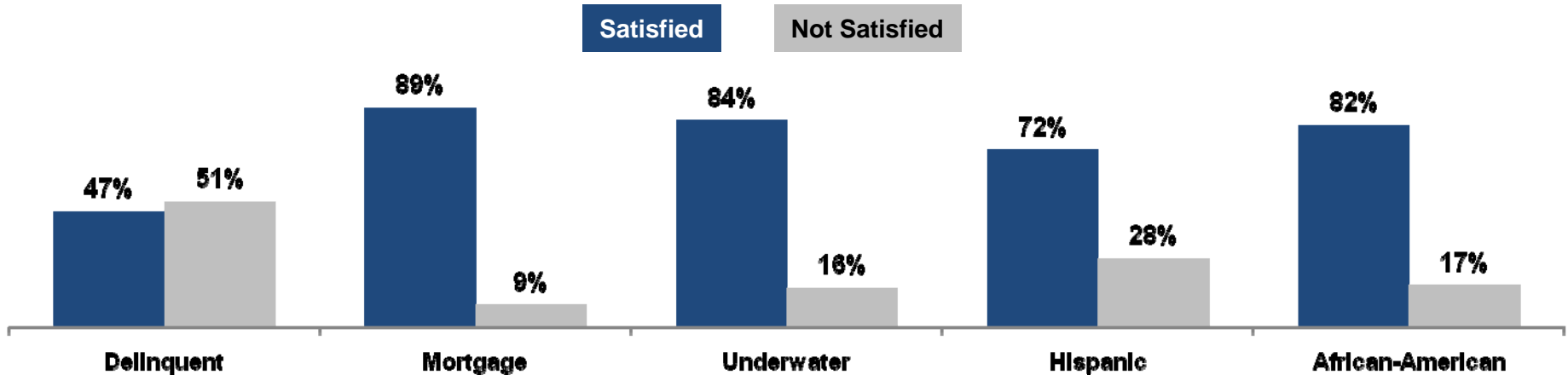
7

A majority of mortgage borrowers are satisfied with the features of their current mortgage

9 in 10 satisfied with features of current mortgage

- However, majority of Delinquents are not satisfied with the features of their current mortgage.

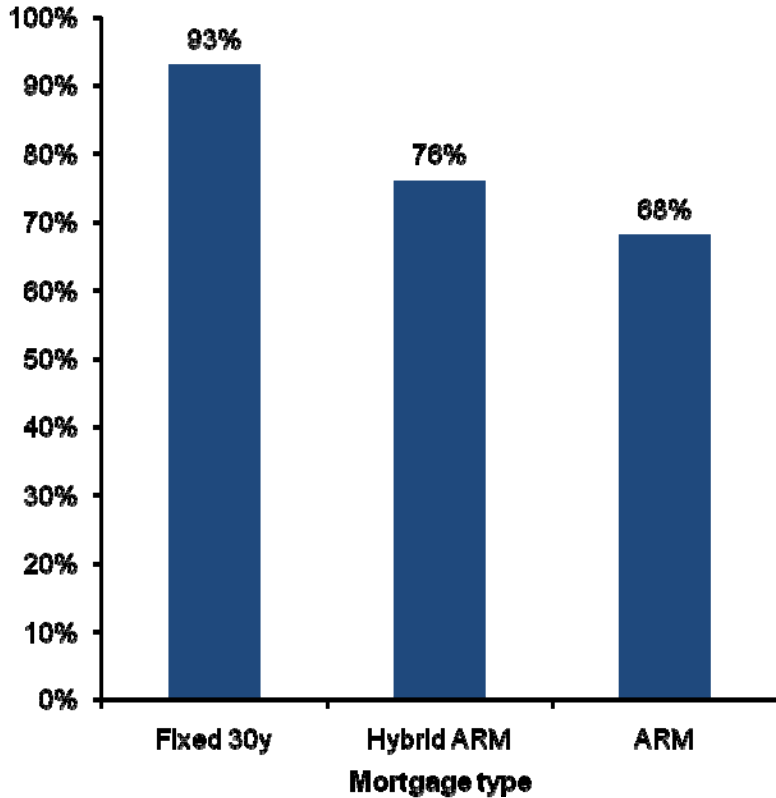
IF MORTGAGE: Are you very satisfied, somewhat satisfied, not very satisfied, or not at all satisfied with the features of your current mortgage?



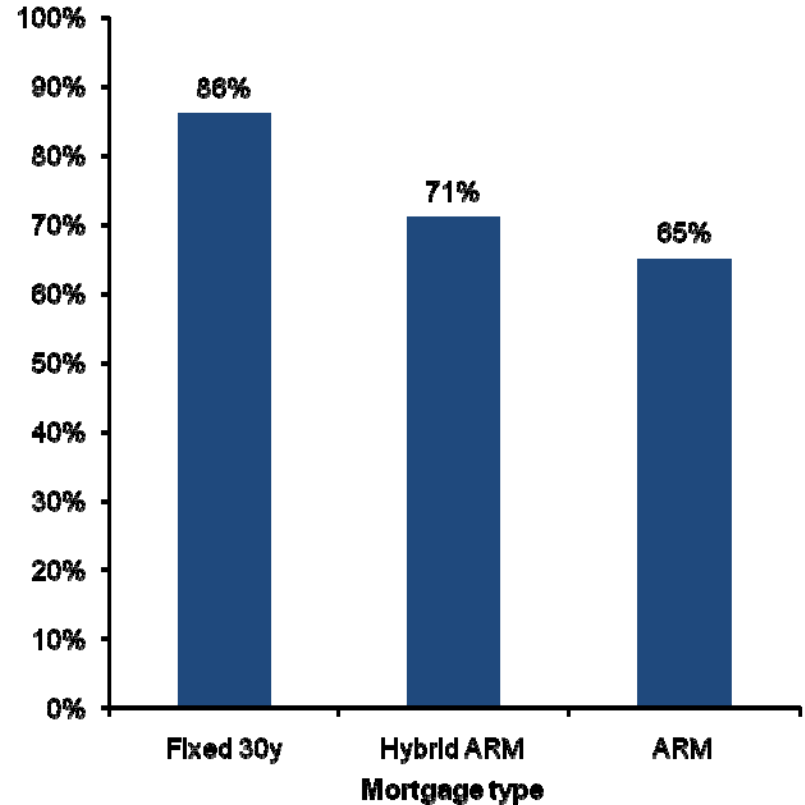
IF MORTGAGE: Are you very satisfied, somewhat satisfied, not very satisfied, or not at all satisfied with the features of your current mortgage?	Delinquent %	Mortgage %	Underwater %	Hispanic %	African-American %
TOTAL SATISFIED	47	89	84	72	82
Very satisfied	19	63	57	49	53
Somewhat satisfied	28	26	27	23	29
TOTAL NOT SATISFIED	51	9	16	28	17
Not very satisfied	18	4	10	14	5
Not at all satisfied	33	5	6	14	12

Hybrid and standard ARM borrowers less satisfied with their mortgages

Percent of mortgage borrowers satisfied with the features of their mortgages



Percent of mortgage borrowers who believe they made a good decision at the time of origination



Source: PSB; Oliver Wyman analysis

Hybrid ARM: A hybrid adjustable rate mortgage or ARM, with fixed payments for a certain period, usually 2-7 years, before adjusting

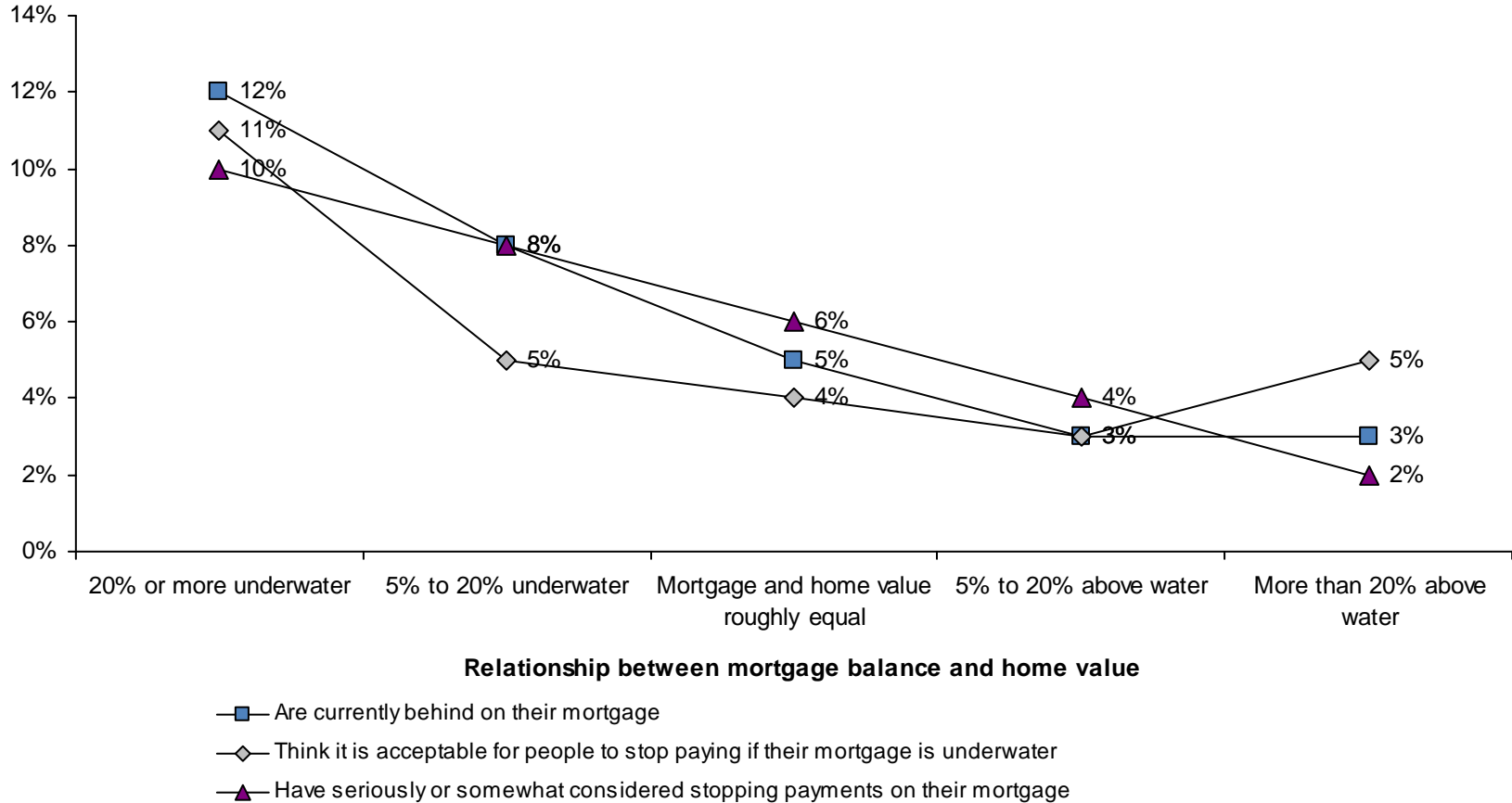
ATTITUDES OF UNDERWATER BORROWERS

8

Being underwater has a significant impact on the attitudes and behaviors of mortgage borrowers

Underwater borrowers are both more likely to be delinquent and to have considered default

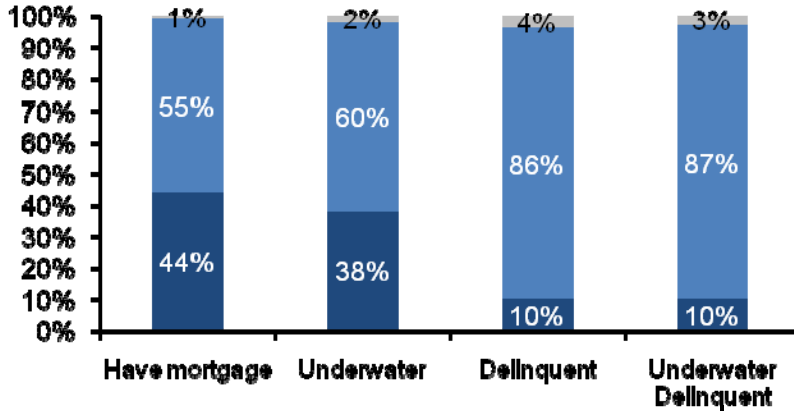
Percent of population responding 'yes' to delinquency behavior questions



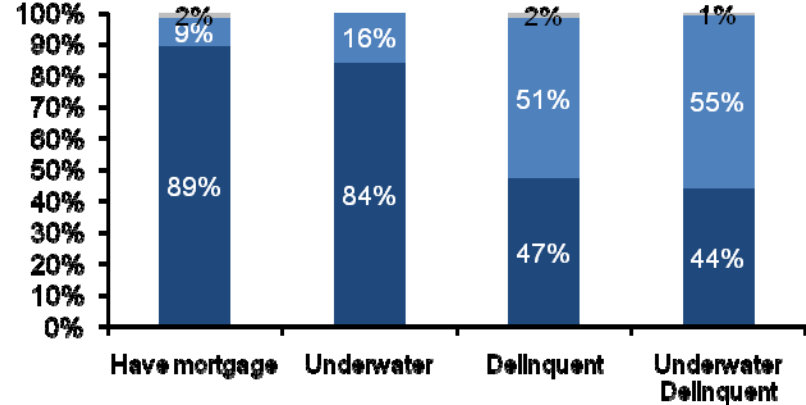
Source: PSB, Oliver Wyman analysis

However, as a population, underwater borrowers respond more like the general mortgage population than delinquent borrowers

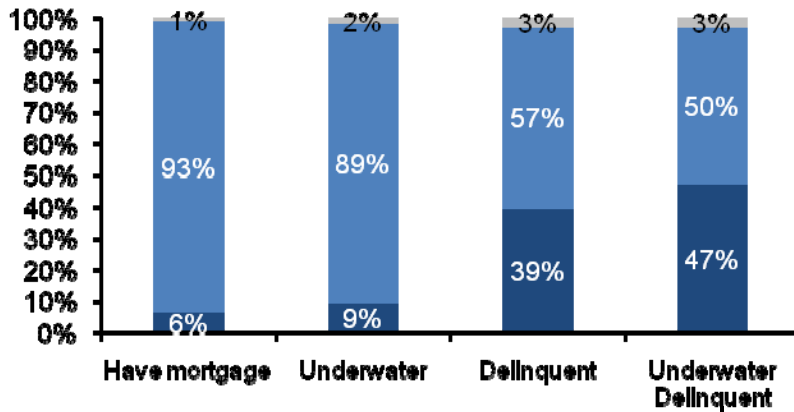
Do you feel you have sufficient savings?



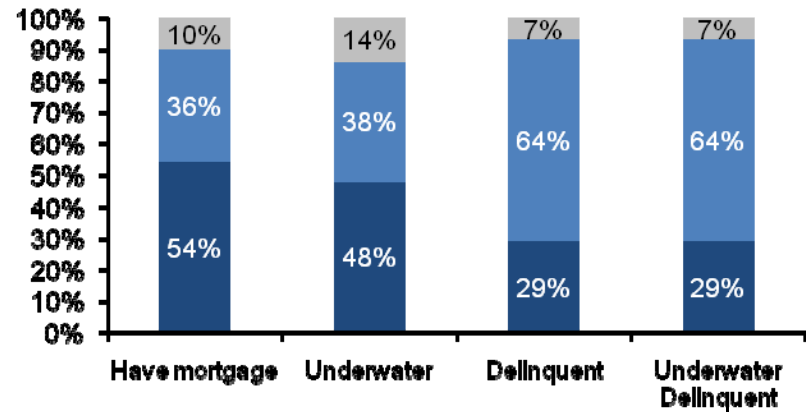
Are you satisfied with your current mortgage?



Have you considered stopping your mortgage payments?



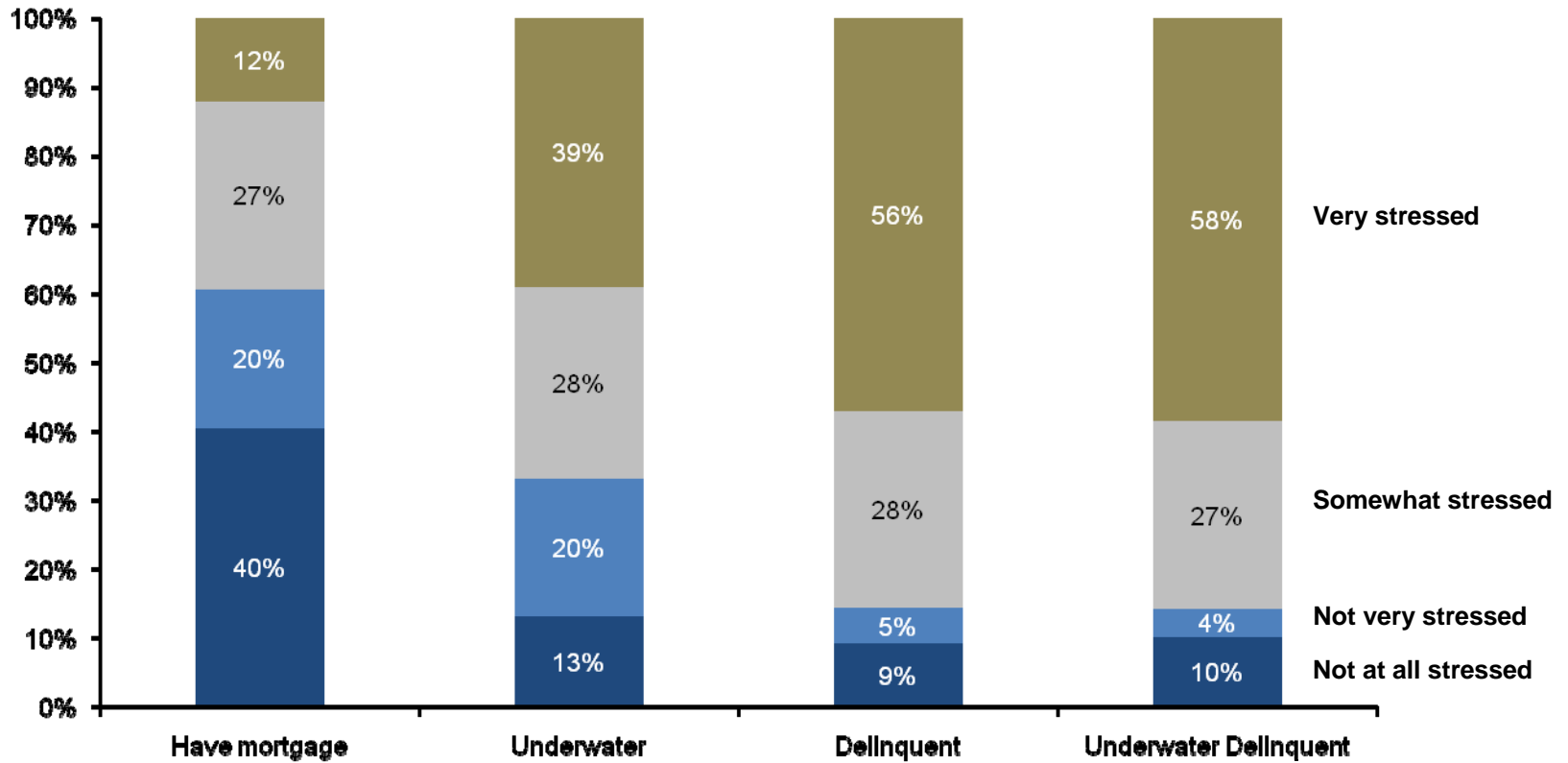
Should banks foreclose on people who are unable to pay their mortgages?



Yes
 No
 Don't know

Except, underwater borrowers are significantly more stressed than the general mortgage population

Respondent views on level of stress associated with ability to make debt payments



Source: PSB, Oliver Wyman analysis

HOMEOWNERSHIP DISTRESS

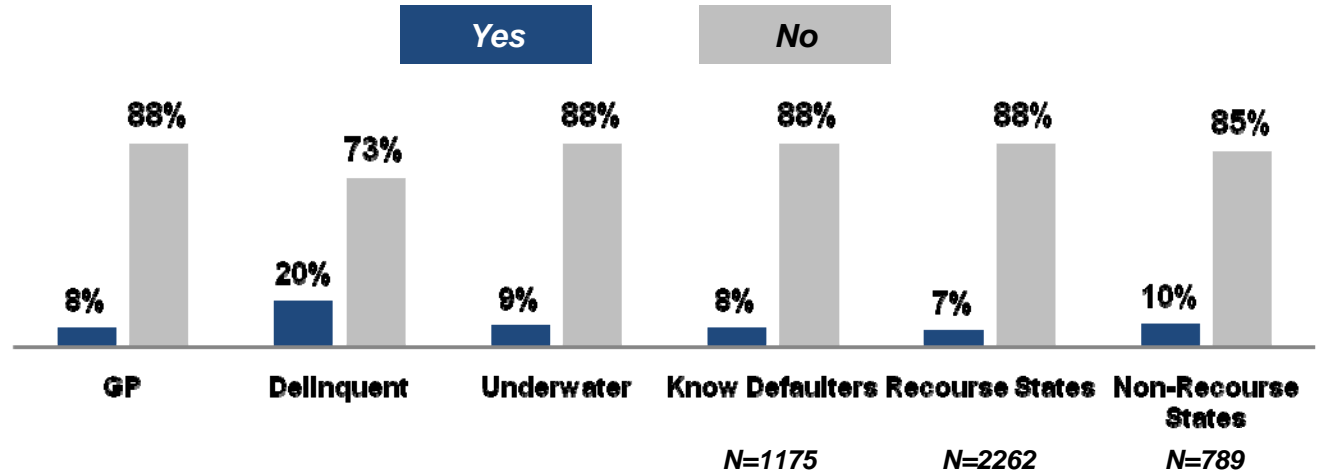
9

Nearly 9 in 10 Americans, and more than 7 in 10 delinquent borrowers, believe it is not acceptable to stop making mortgage payments

Majority disapprove of struggling Americans stopping payments

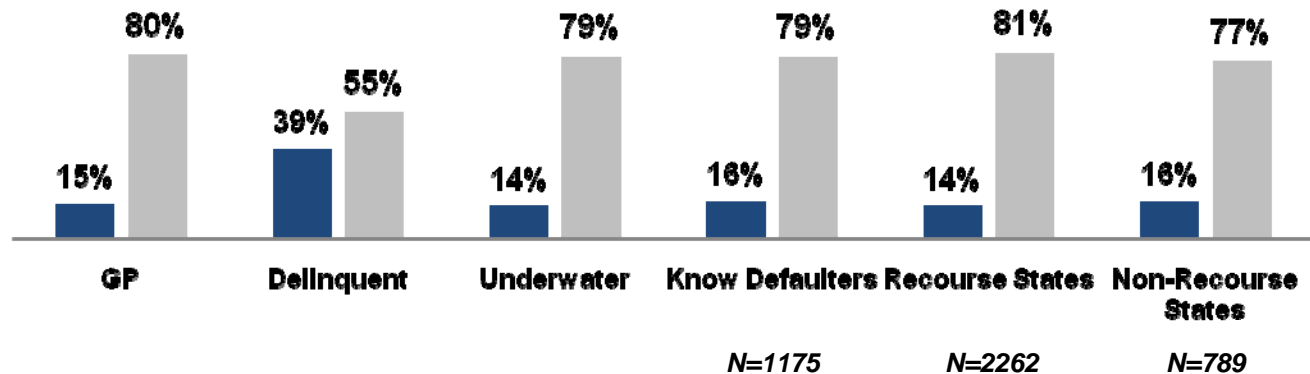
- Nearly 9 in 10 Americans, including 7 in 10 delinquents, do not believe it's OK for people to stop making payments if they're underwater on their mortgage

If a person's home is now worth less than what they owe on it, do you think it's okay for them to stop paying their mortgage?



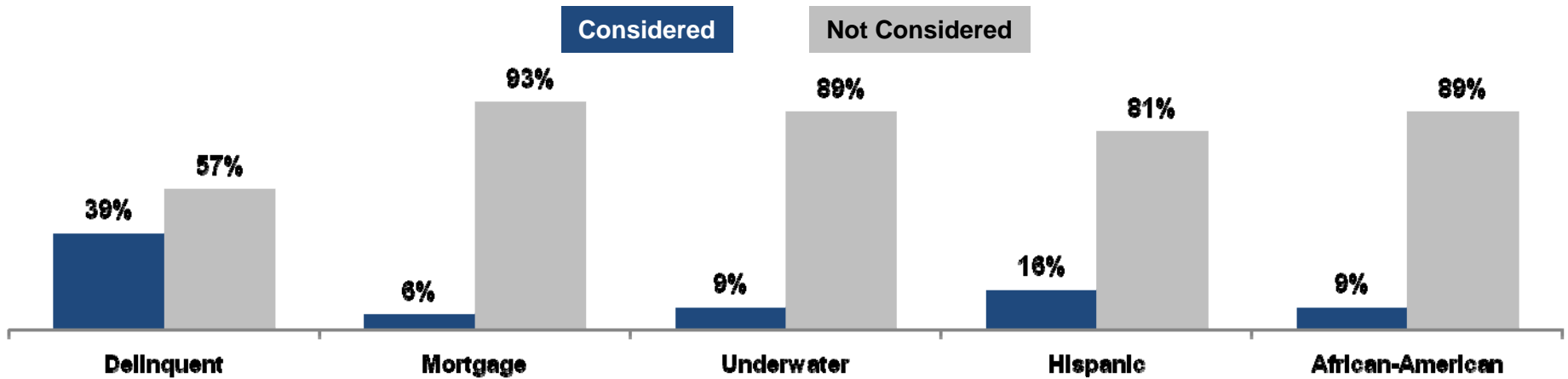
- But almost twice as many say financial distress makes it OK – including 39% of Delinquents

If a person is facing financial distress, do you think it's okay for them to stop paying their mortgage?



Little real consideration of stopping mortgage payments

IF MORTGAGE: Have you seriously considered, somewhat considered, not seriously considered, or not considered at all stopping or incompletely paying your mortgage?

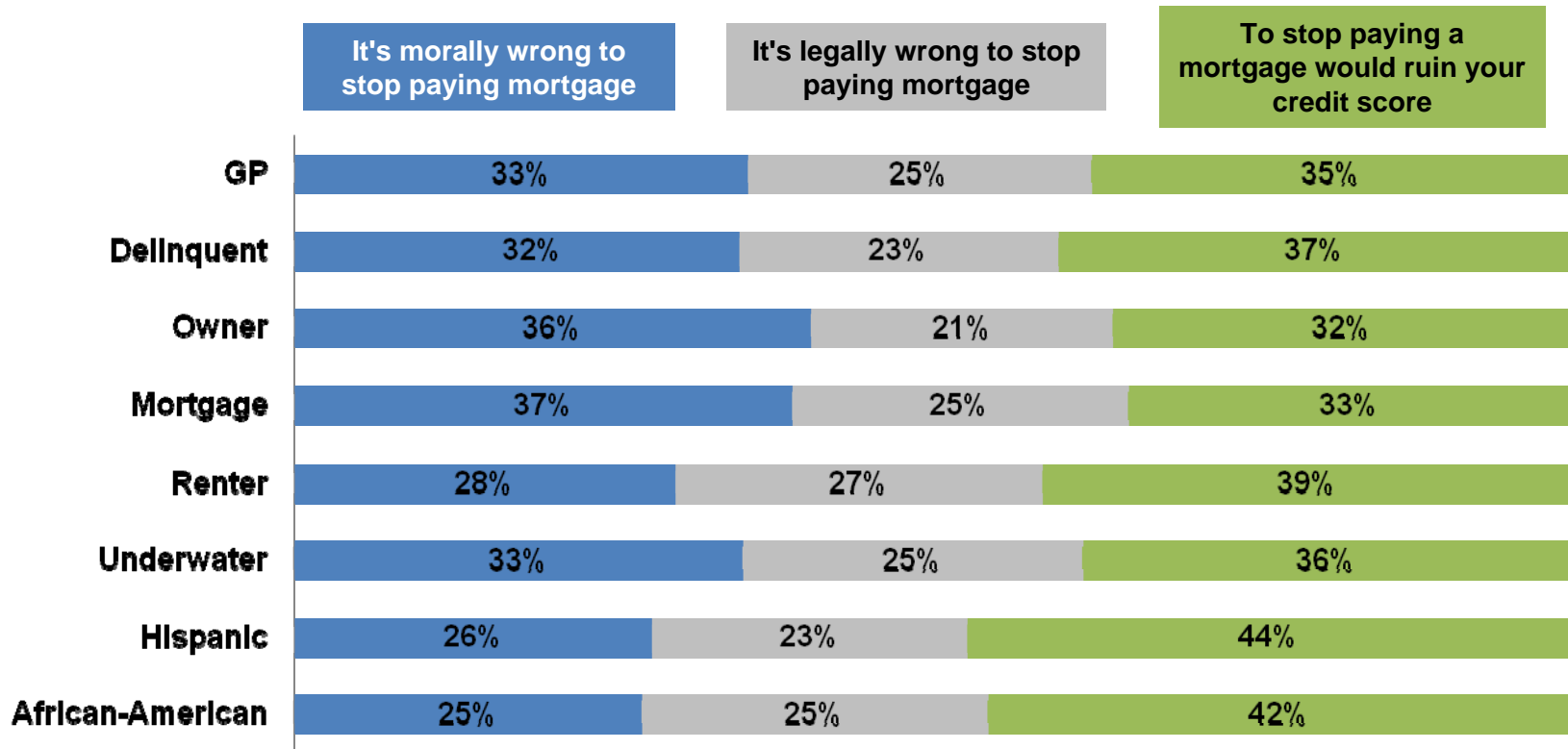


IF MORTGAGE: Have you seriously considered, somewhat considered, not seriously considered, or not considered at all stopping or incompletely paying your mortgage?	Delinquent %	Mortgage %	Underwater %	Hispanic %	African-American %
TOTAL CONSIDERED	39	6	9	16	9
TOTAL NOT CONSIDERED	57	93	89	81	89
Don't know	3	2	2	3	2

Credit score, morality top reasons to continue paying mortgage

- Moralists are more likely to be white, male, older (55+), and higher income.
- Legalists and Credit scorers are more likely to be female, Hispanic, younger, and have lower incomes than Moralists.

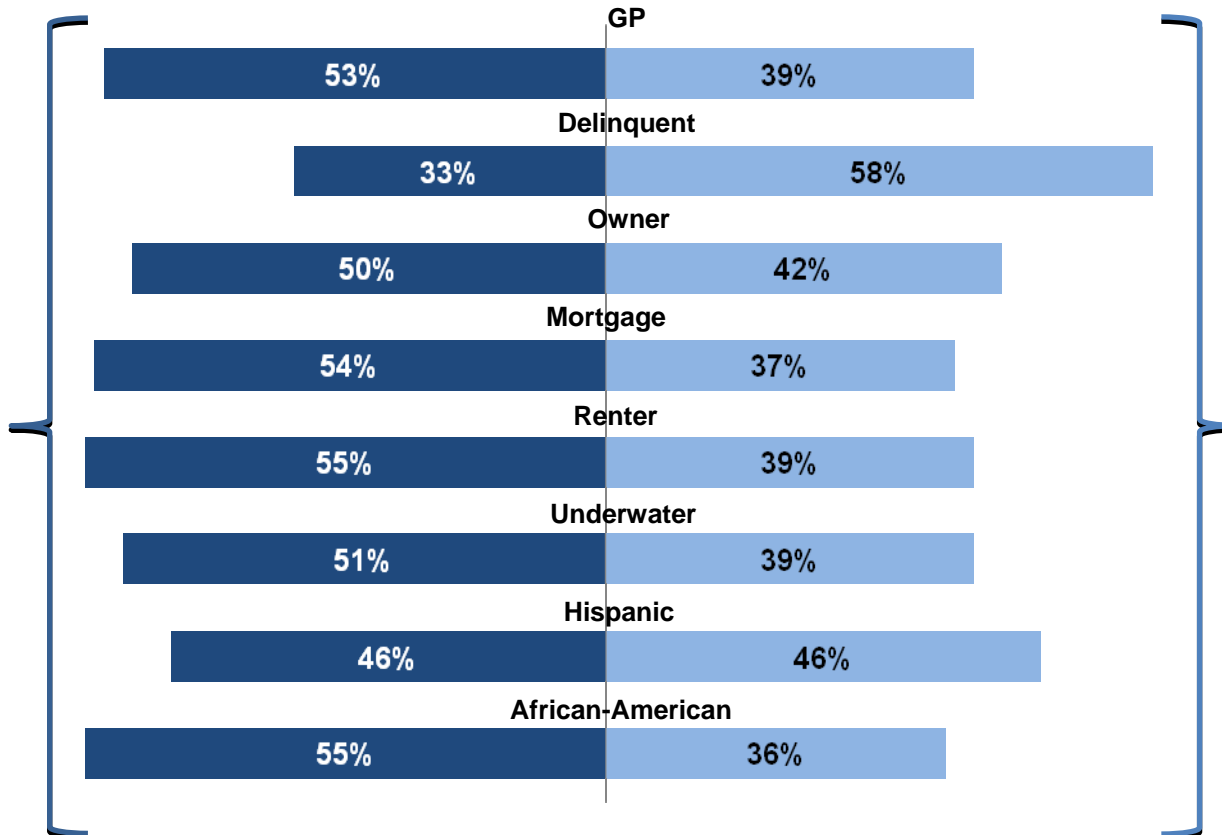
Which of the following reasons do you think best explains why you should continue paying a mortgage even in times of financial distress?



Homeowners, not the mortgage company, to blame for unaffordable home loans

- Slightly more than half believe homeowners bear the responsibility if they get a home loan they can't afford.
- But Delinquents blame the mortgage companies.

When people get home loans that are more than they can afford, whose fault do you think it is:



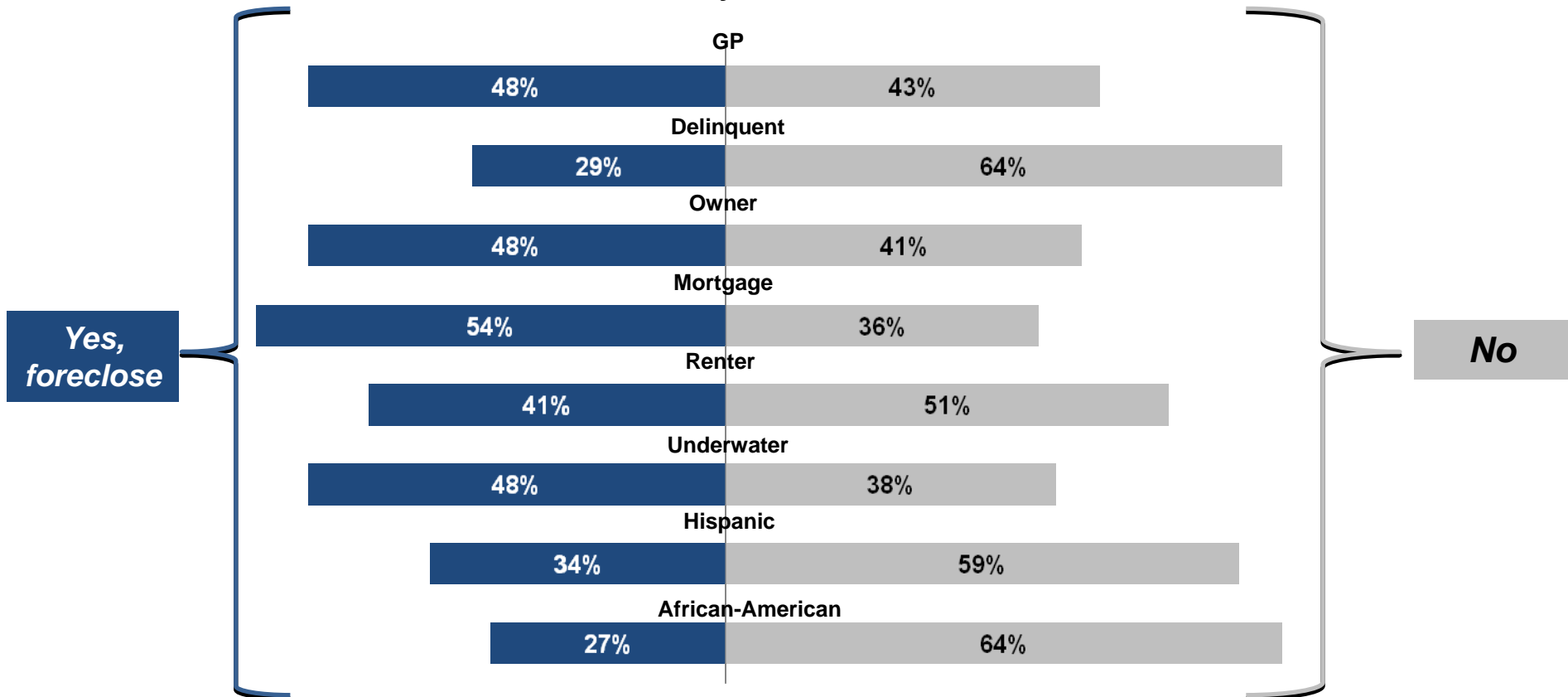
The person taking out the mortgage, because it's their own responsibility to know if they can pay their bills or not

The mortgage company, because they know better what people can afford and should help guide people

Americans split on whether or not banks should foreclose

- Delinquents, minorities are particularly against banks foreclosing.

Do you think that if people are unable to pay their mortgages the bank should foreclose or not?



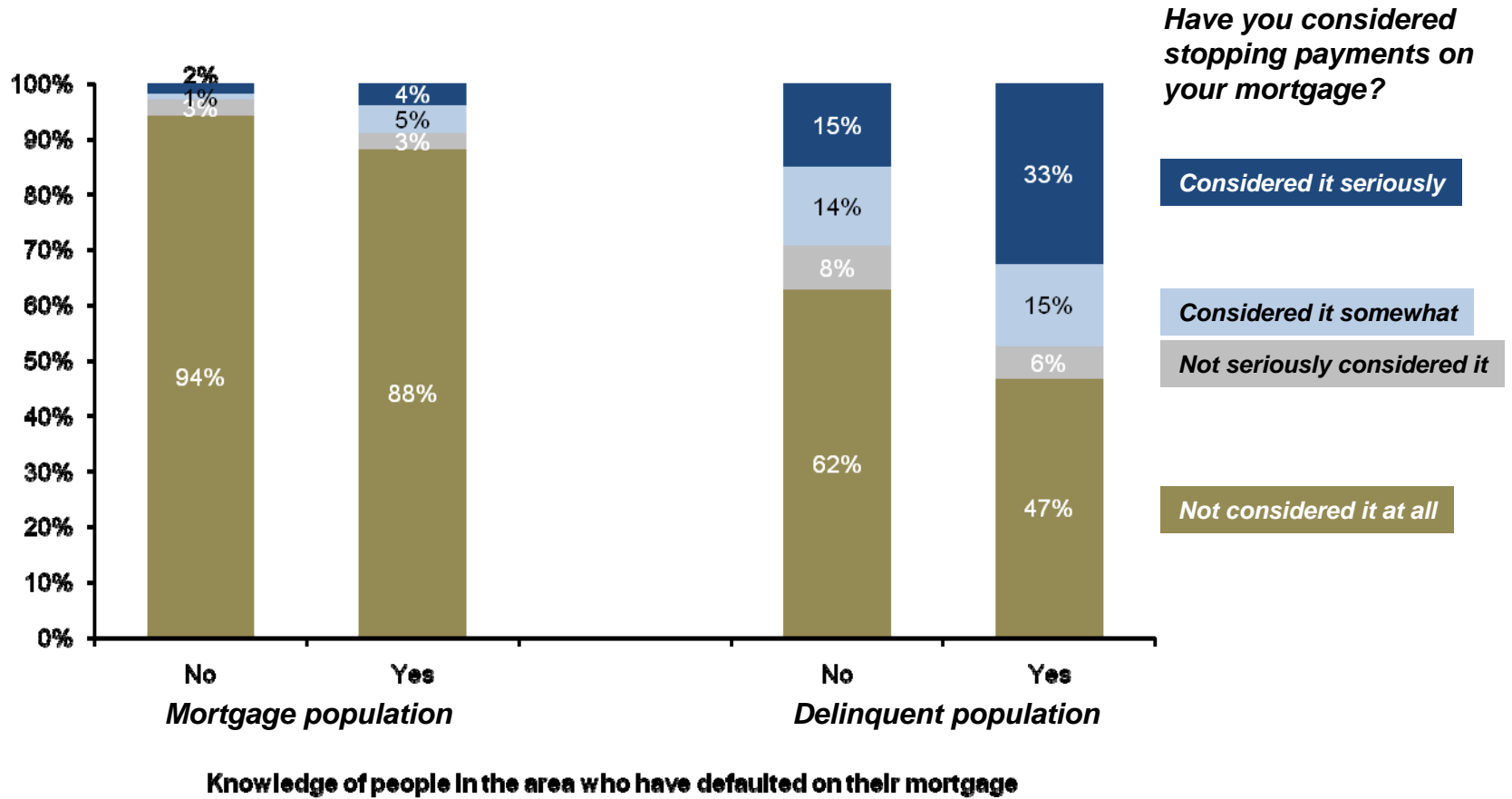
DEFAULT CONTAGION

10

A contagion effect within communities is leading more borrowers to consider default as an acceptable option

Those who know people that have defaulted are more likely to consider defaulting themselves

Views on consideration of stopping mortgage payments



Source: PSB; Oliver Wyman analysis



APPENDIX

Profile of African-Americans

HEADLINE	KEY DIFFERENTIATORS
More Optimistic About Current State Of Country, Economy, Year Ahead	63% think the country is headed in the right direction (compared to just 36% GP), 48% think the economy is on the right track (compared to just 31% GP), and 73% think their family's financial situation will get better in the next year (compared to just 44% of GP)
Difficult Time To Get A Loan	More likely to think now is a difficult time to get a loan (73%) than GP (60%) and 47% think home mortgage interest rates are headed higher in the short-term compared to 41% GP; However, also more likely to say that buying a home loan in the long-term future will be easier than it is today (33% compared to 24% GP)
Credit History A Problem	35% cite their credit history as the top barrier to getting a home loan (compared to 22% GP)
Looking To Buy But Weary Of Loans	African-American renters are more likely to buy a house in the next 3 years (67% compared to 51% GP), but also twice as likely to say they would not take out a mortgage loan when doing so (18% compared to 9% GP)
Have Long-term Fixed-Rate Mortgage But Not As Satisfied With It	Nearly 8 in 10 African-American mortgage borrowers have a 30-year fixed-rate mortgage (79%) compared to 72% GP; However, slightly less likely to be satisfied with features of current loan (82% satisfied, 53% very satisfied compared to 89% satisfied GP and 63% very satisfied).
Don't Foreclose	64% think that banks should not foreclose if people are unable to pay their mortgages compared to just 43% GP
Underwater Borrowers Didn't Have Enough Info On Loan	24% say they didn't not have enough information about their mortgage when they got it compared to just 10% GP
Less Likely To Have Sufficient Savings	African-Americans are less likely to say they have sufficient savings (33% compared to 43% GP)
Check Credit More; Refinance Less	More likely to check credit score at least once or twice per year (44% compared to 34% GP) and 2 in 3 African-Americans have never refinanced their home (66%) compared to 46% GP who have never done so

Profile of Hispanics

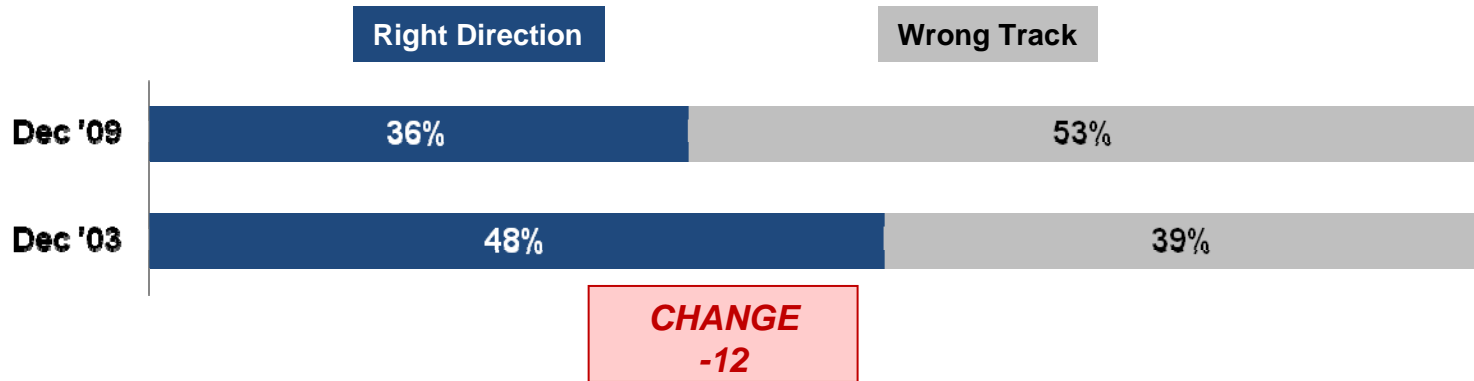
HEADLINE	KEY DIFFERENTIATORS
More Optimistic About Year Ahead	63% think their family's financial situation will get better in the next year (compared to just 44% of GP)
Difficult Time To Get A Loan	More likely to think now is a difficult time to get a loan (76%) than GP (60%)
Less Satisfied With Current Mortgage Loan	Hispanics are less likely to be satisfied with the features of their current loan (72%) compared to GP (89%)
Less Confident In Loan Info	Only 60% are confident they would get the information they needed to choose the right home loan compared to (76% confident GP) and those who do have a mortgage are less satisfied with the decision they made on choosing it (77%) compared to GP (89%)
Don't Foreclose	59% think that banks should not foreclose if people are unable to pay their mortgages compared to just 43% GP
More Stressed	Hispanics are particularly stressed about their ability to pay off their debts (47% stressed compared to 37% GP)
Less Likely To Have Sufficient Savings	Less likely to say they have sufficient savings (27% compared to 43% GP)
Refinance More	More likely to have refinanced their homes in the last 3 years (36%) than GP (23%)

Country is on the wrong track

- African-Americans remain optimistic about the direction of the country.

Do you think that things in the country are generally headed in the right direction or are they off on the wrong track?

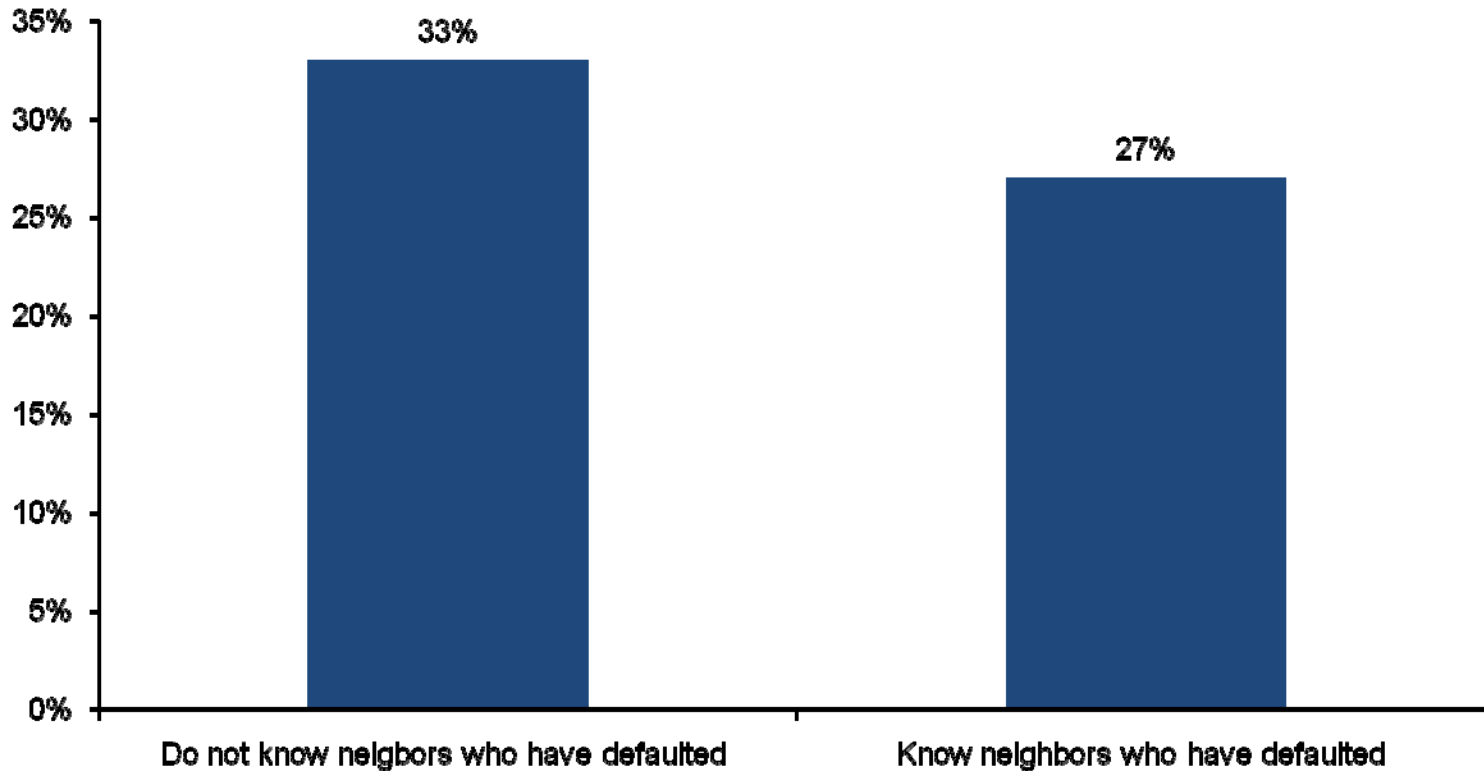
Showing % GP



Do you think that things in the country are generally headed in the right direction or are they off on the wrong track?	GP %		Delinquent %	Owner %		Mortgage %		Renter %		Underwater %	Hispanic %		African-American %	
	2009	2003	2009	2009	2003	2009	2003	2009	2003	2009	2009	2003	2009	2003
Right direction	36	48	39	30	42	35	51	41	49	36	39	53	63	26
Wrong track	53	39	45	60	41	55	38	45	36	54	46	29	28	56
CHANGE	-12		NA	-12		-16		-8		NA	-14		+37	

Views on the economy influenced by the struggles of neighbors

Percent of respondents who view the economy as being on the right track

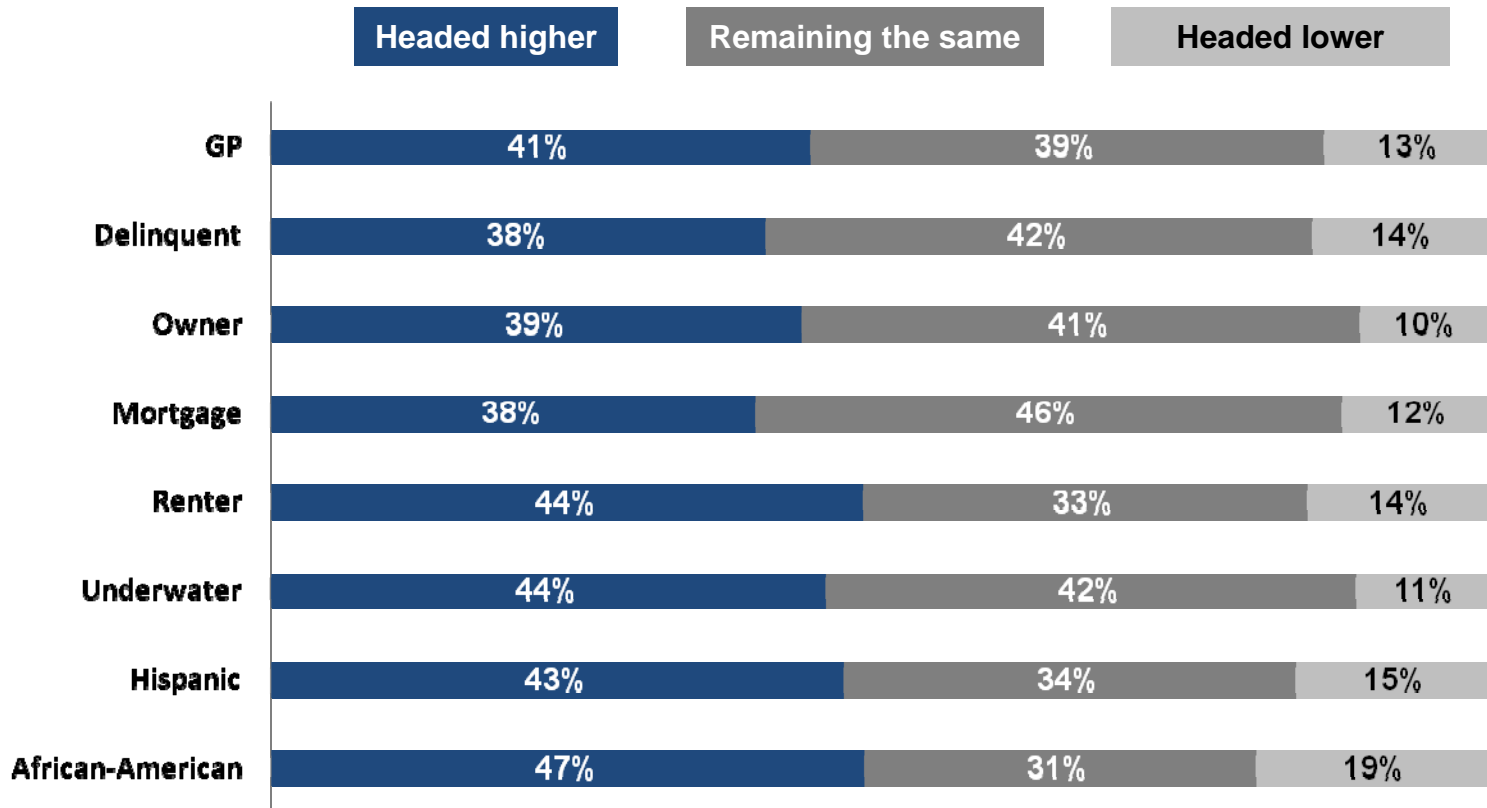


Source: PSB; Oliver Wyman analysis

Home mortgage interest rates

- A slight majority believes home mortgage interest rates will remain the same or decrease in the short term.

In the short term, do you think home mortgage interest rates are..





OWNING AND RENTING

Safety, education most important considerations in home purchase

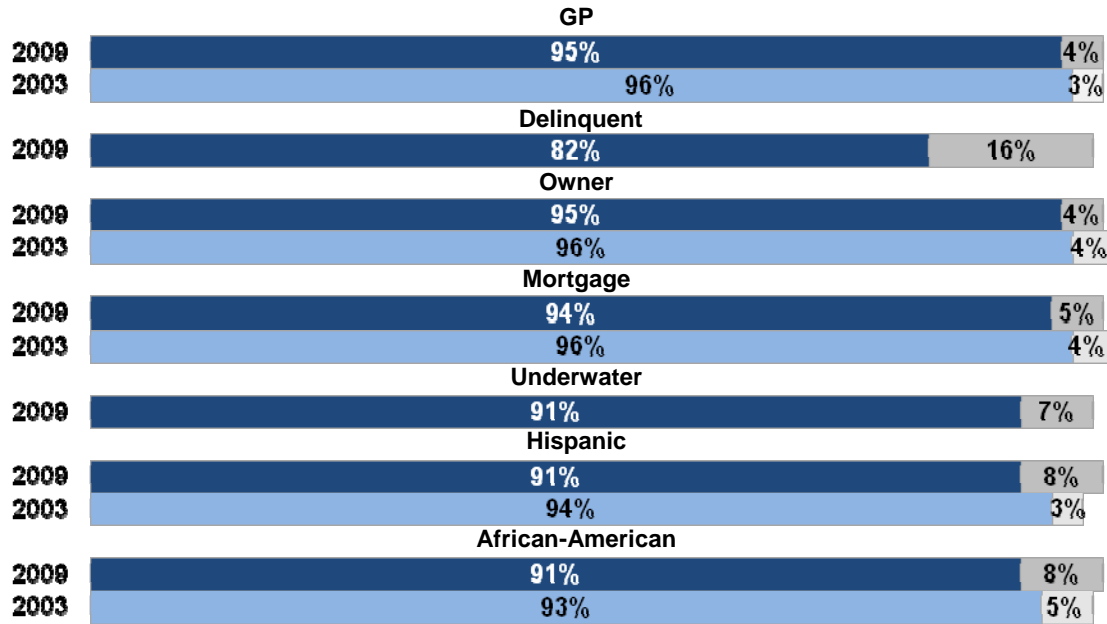
- Indicating there is a strong emotional component to owning, based on a sense of security for your family – significantly stronger than any of the more economic considerations.

Is this a major reason, minor reason or not a reason at all to buy a home <i>Showing Major reason</i>	GP %	Delinquent %	Owner %	Mortgage %	Renter %	Underwater %	Hispanic %	African-American %
It means having a good place to raise children and provide them with a good education	80	83	82	80	78	75	88	82
You have a physical structure where you and your family feel safe	79	79	82	81	75	81	83	80
It gives you control over what you do with your living space, like renovations and updates	71	67	73	72	70	71	70	70
Paying rent is not a good investment	63	66	63	72	54	69	61	58
Owning a home is a good way to build up wealth that can be passed along to my family	61	61	64	54	66	55	74	75
It is a good retirement investment	60	59	65	55	61	51	67	67
It allows you to select a community where people share your values	51	56	61	49	47	41	55	50
Owning a home provides tax benefits	47	58	45	51	45	50	51	50
Owning a home gives me something I can borrow against if I need it	35	41	39	30	37	30	47	44
It motivates you to become a better citizen and engage in important civic activities, such as voting, volunteering, and contributing to charities	30	36	39	25	28	26	45	37

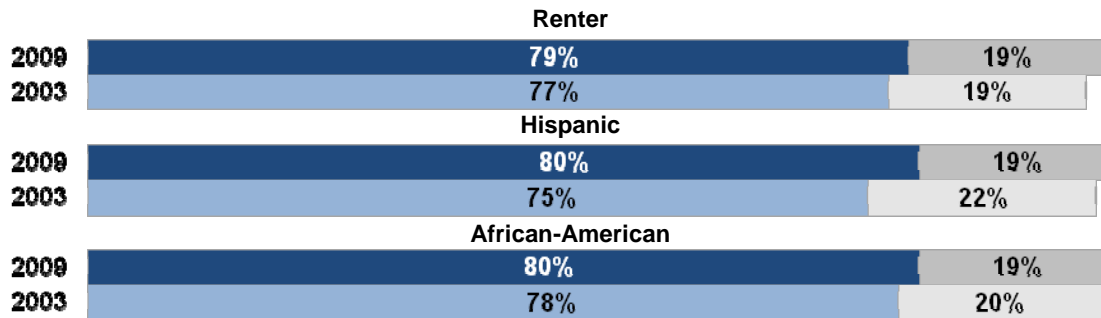
Positive experience with owning, renting

- Owners are slightly more positive than renters.

IF OWNER OR MORTGAGE: Has homeownership been positive for you and your family or negative?



IF RENTER: Has renting been positive for you and your family or negative?



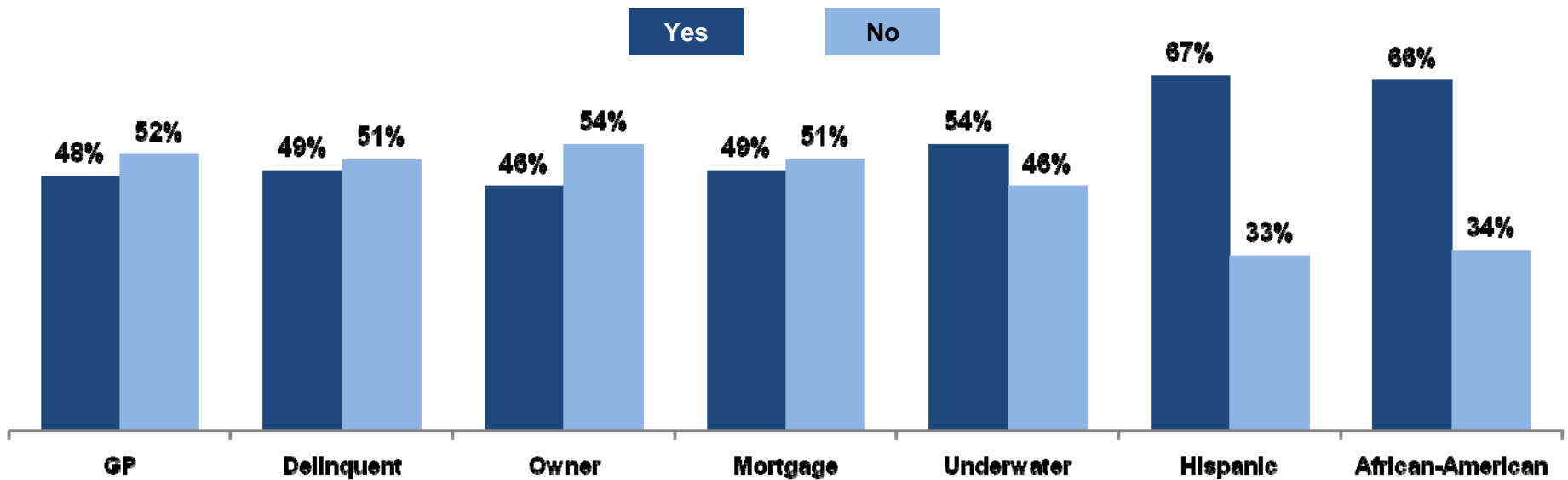
Positive

Negative

Half of homeowners are living in their first house

- Hispanics and African-Americans are significantly higher.

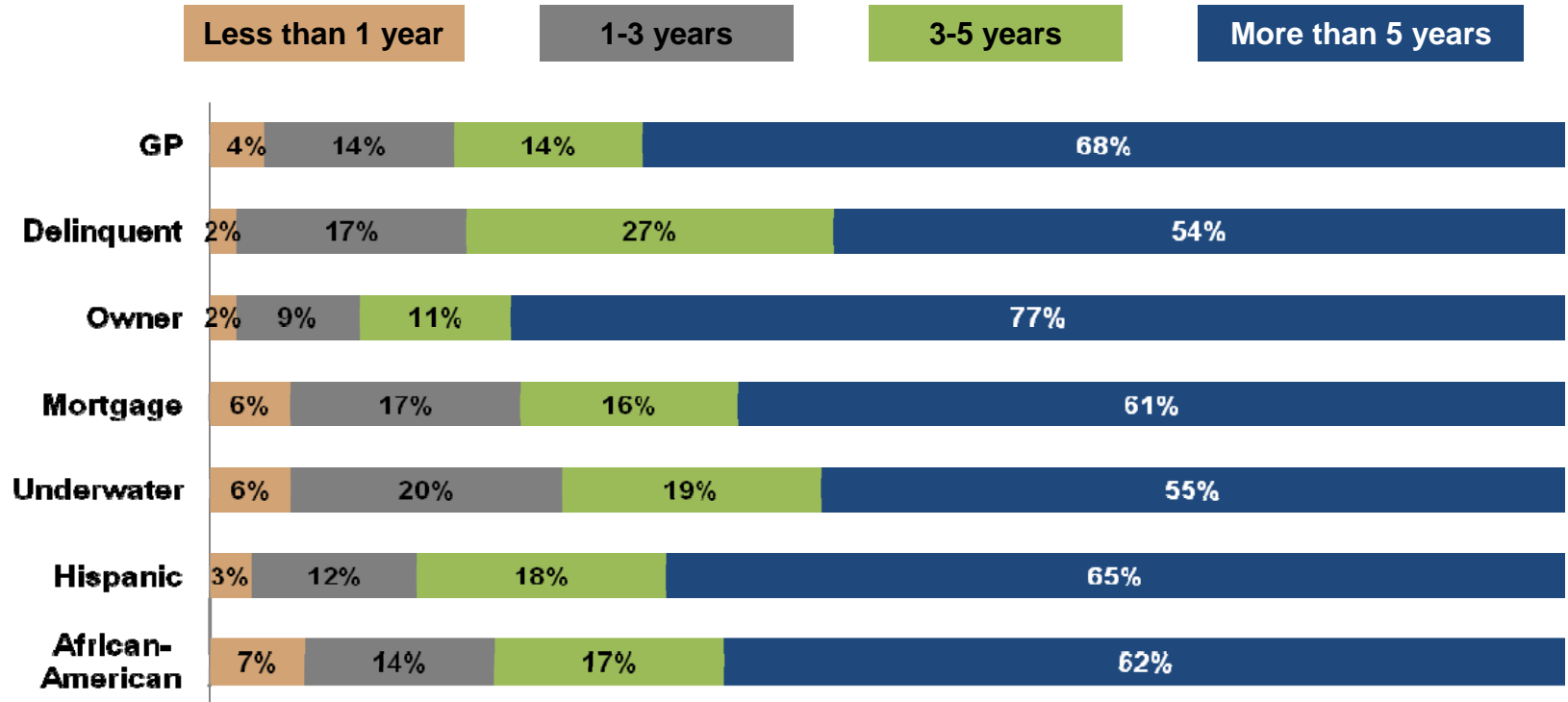
IF OWNER OR MORTGAGE: Is this the first home you've owned?



Most homeowners have owned house long-term

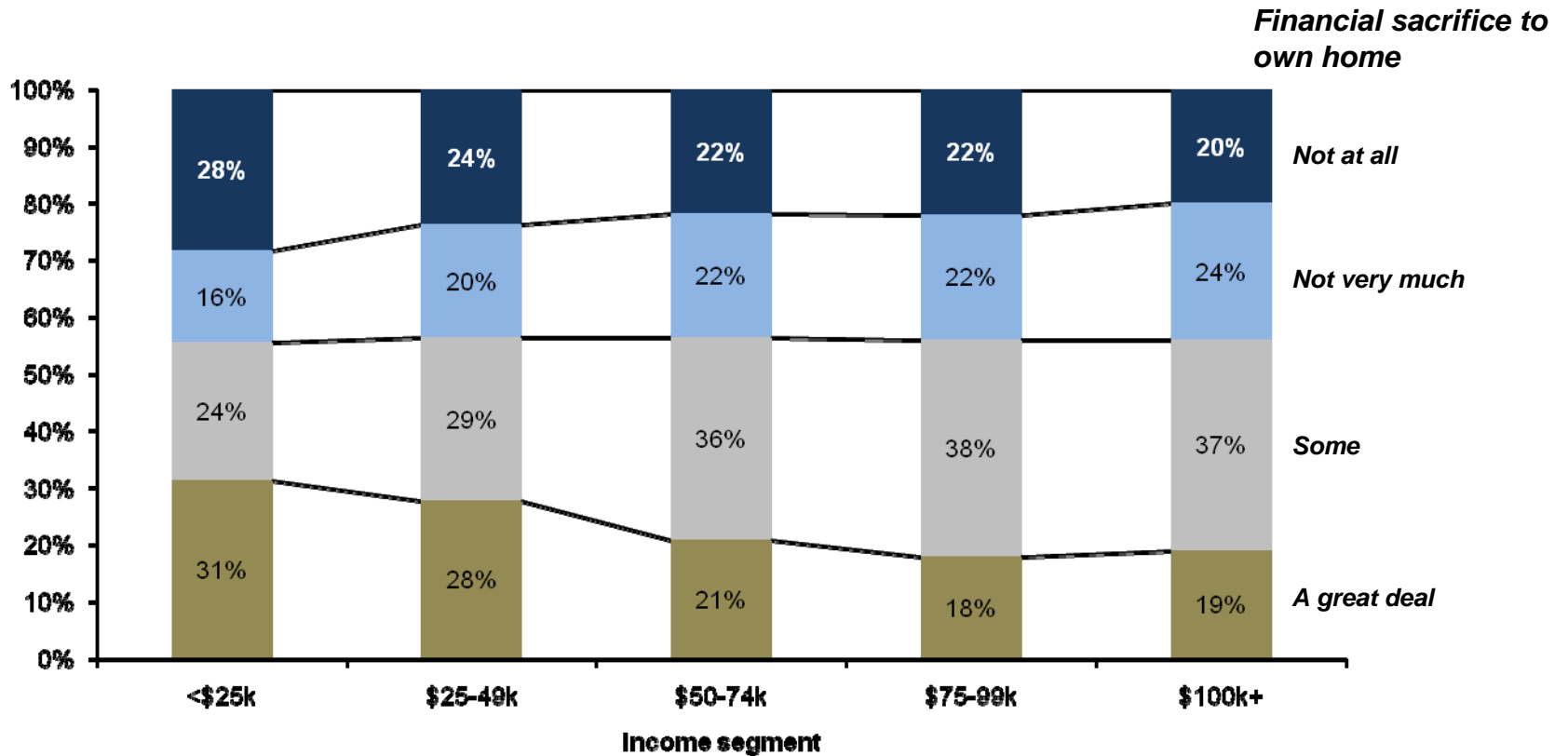
- Owners particularly likely to have owned house more than 5 years while Delinquents are most likely to have owned house 3-5 years.

IF OWNER OR MORTGAGE: How long have you owned your current home?



Over half at each income level say they are sacrificing

Views on financial sacrifice to own a home by income segment

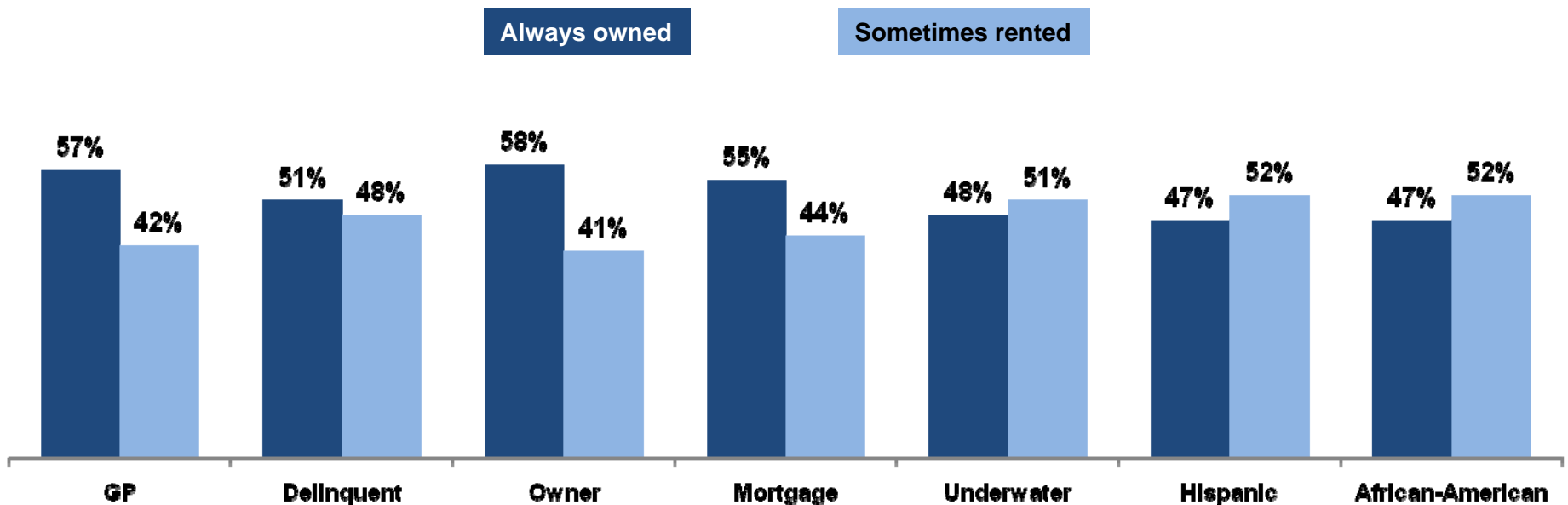


Source: PSB; Oliver Wyman analysis

4 in 10 owners have rented at one time

- Minorities are more likely to have rented at some point.

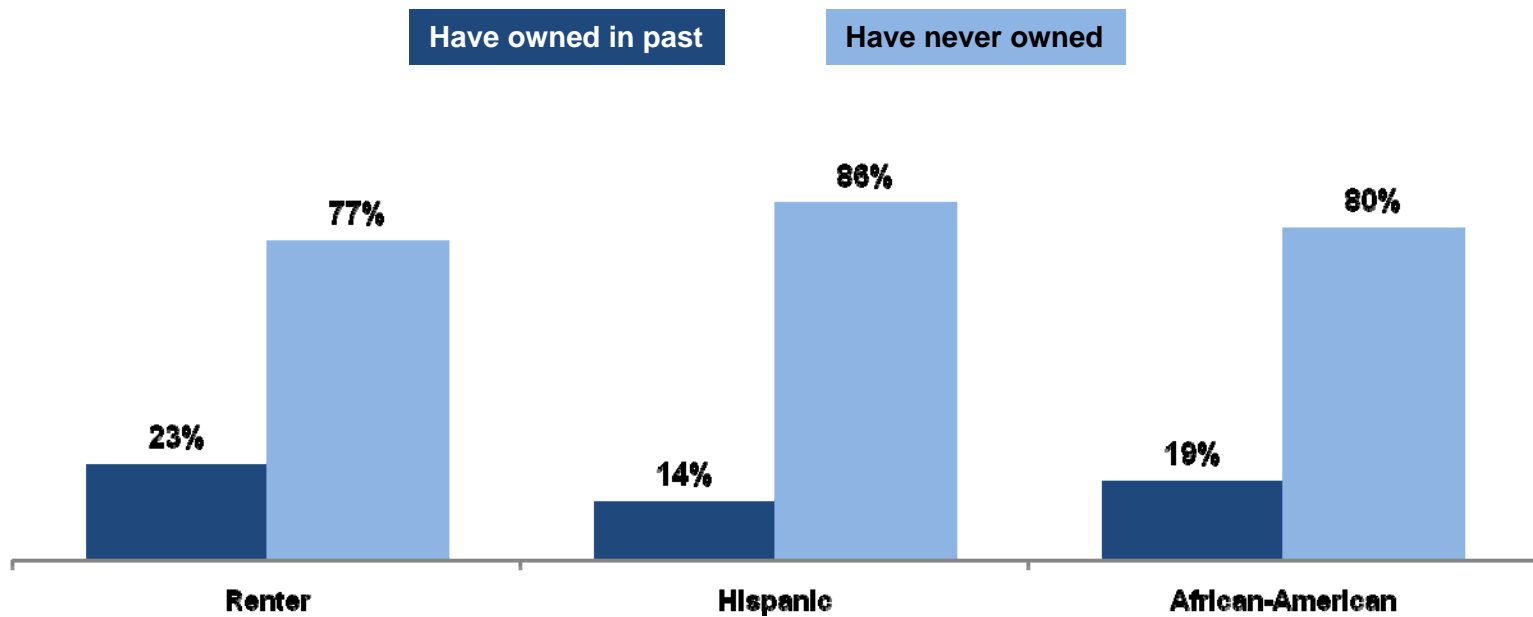
IF OWNER OR MORTGAGE: Thinking about your primary residence, once you first purchased a home, have you always owned, or have you sometimes rented?



Most renters have never owned

- Only 2 in 10 Renters have owned in the past.

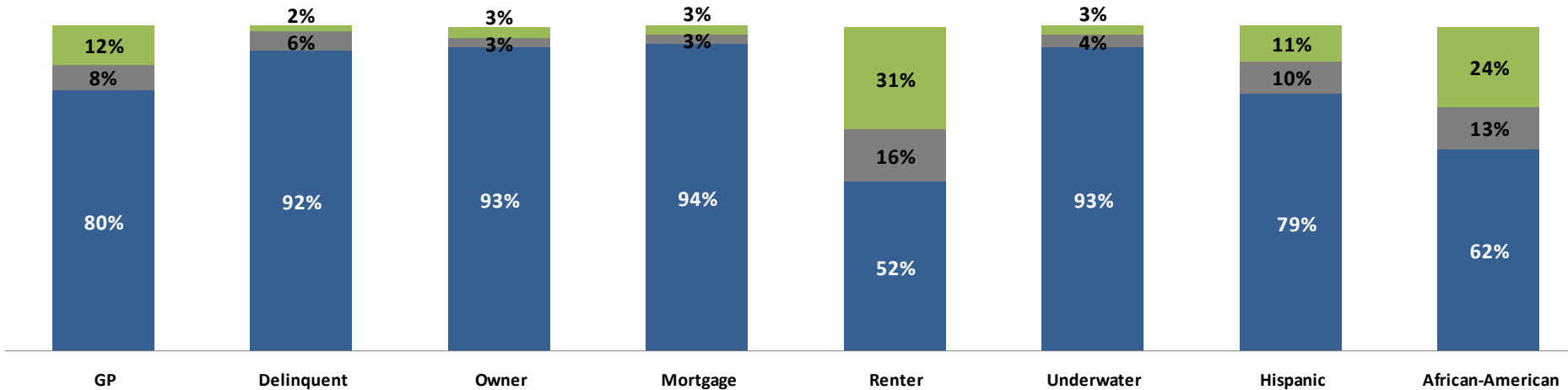
IF RENTER: Have you owned a home in the past, or have you never owned a home?



Most Americans live in a single-family home

- Renters, African-Americans slightly less likely to live in single-family home.
 - Delinquents are most likely to do so

Do you currently live in a...?



Multi-unit building with more than 4 units

Multi-unit building with 4 or fewer units

Single-family home or townhouse

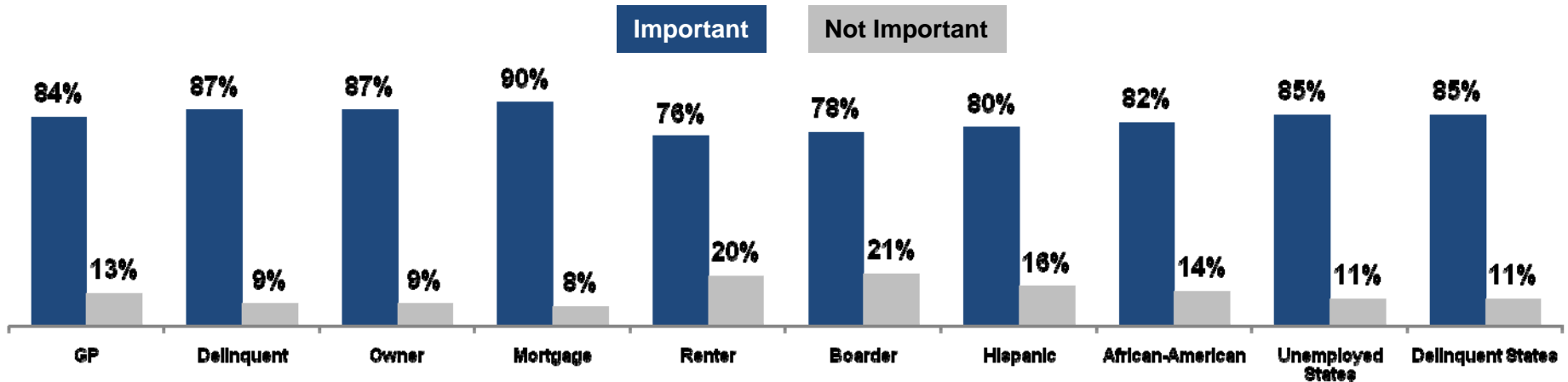


ROLE OF HOMEOWNERSHIP

Homeownership is important to local communities

- More than half consider it *very important*.

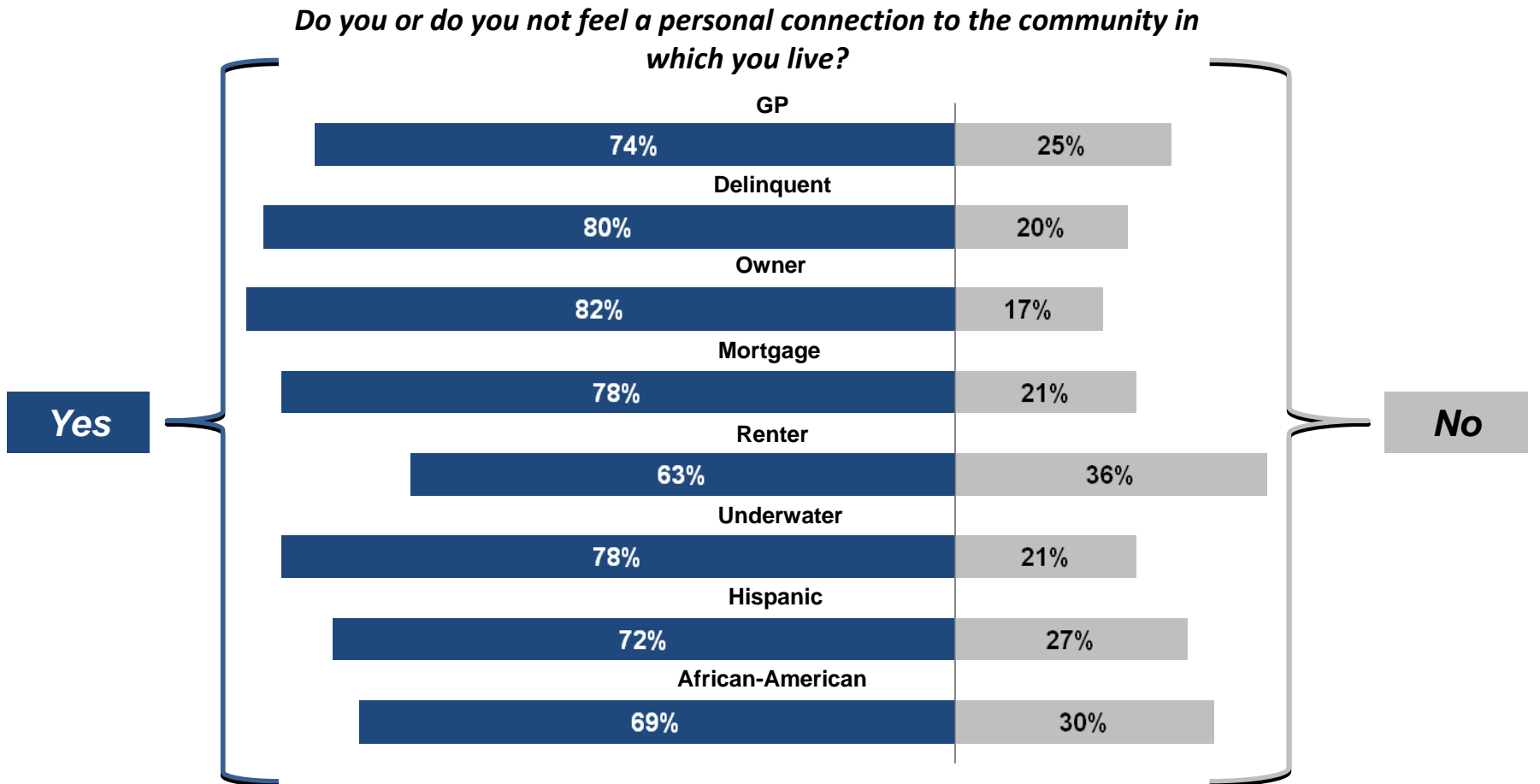
Is it very important, somewhat important, not very important or not at all important to the strength of your local community that there is a high rate of homeownership?



Is it very important, somewhat important, not very important or not at all important to the strength of your local community that there is a high rate of homeownership?	GP %	Delinquent %	Owner %	Mortgage %	Renter %	Underwater %	Hispanic %	African-American %
TOTAL IMPORTANT	84	87	87	90	76	90	80	82
Very important	56	68	64	61	45	62	57	53
Somewhat important	28	19	23	29	31	28	23	29
TOTAL NOT IMPORTANT	13	9	9	8	20	8	16	14
Not very important	8	5	5	5	12	5	11	7
Not at all important	5	4	4	3	8	3	5	7

3 in 4 feel a connection to the community in which they live

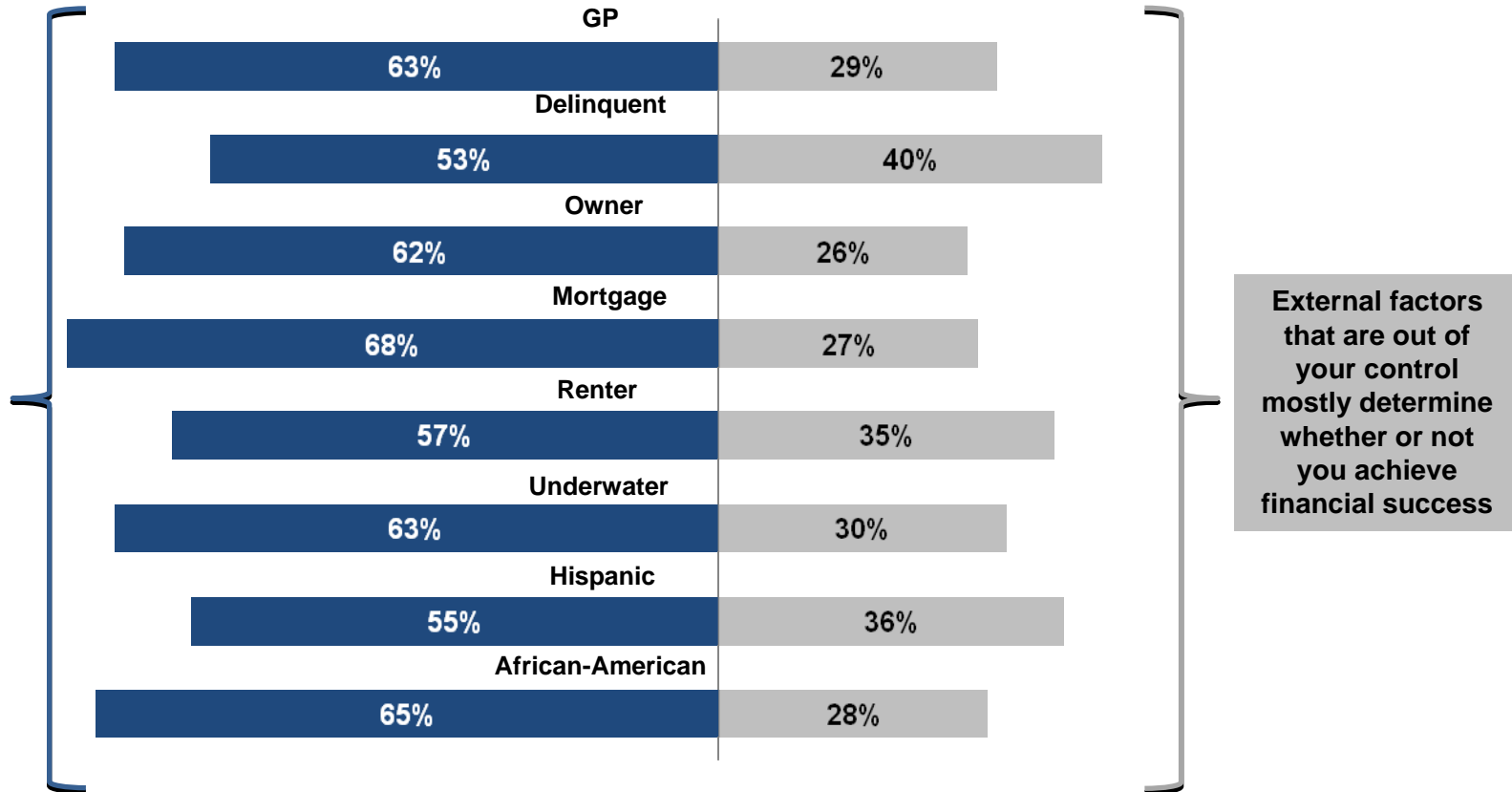
- This underscores the importance of the community when deciding to buy a house.
 - Renters are less likely to feel a connection



Most believe they can control their own personal success

- More than 6 in 10 think that success is more controlled by individuals and not external factors.

Which is closer to your view?

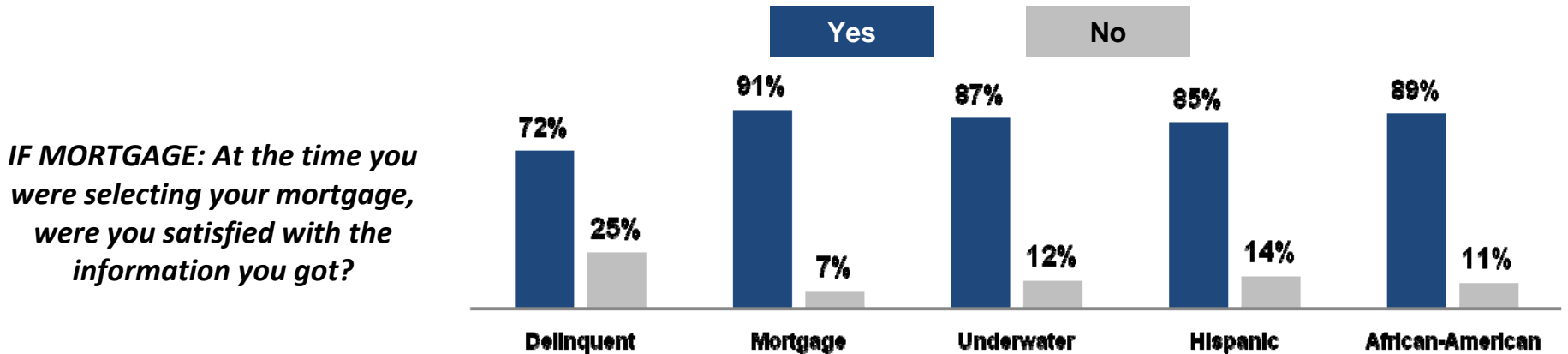




HOME FINANCES SITUATION

Nearly all satisfied with info for selecting mortgage, decision they made

- Delinquents, however, are less satisfied with the information they got.



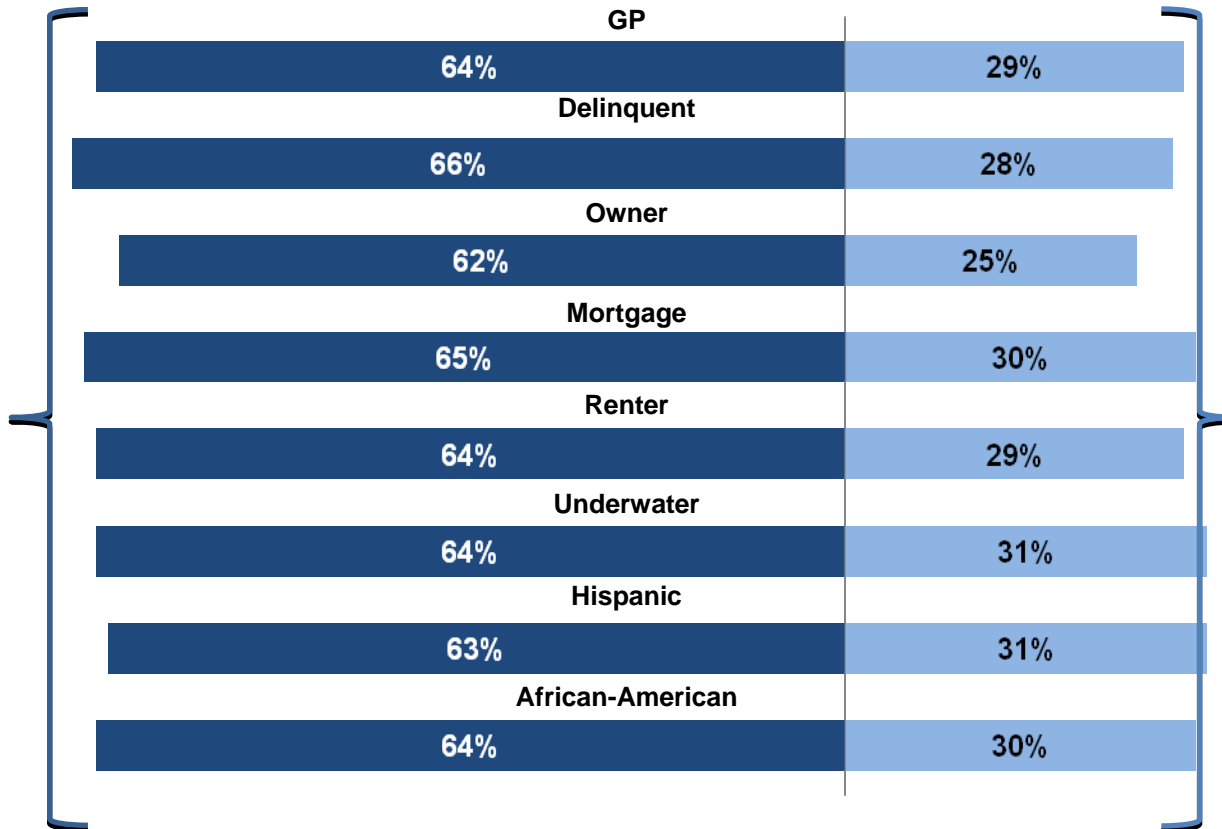
- But just two-thirds of Mortgage borrowers and 18% of Delinquents are very satisfied

IF MORTGAGE: Are you very satisfied, somewhat satisfied, not very satisfied, or not at all satisfied with the features of your current mortgage?	Delinquent %	Mortgage %	Underwater %	Hispanic %	African-American %
TOTAL SATISFIED	47	89	84	72	82
Very satisfied	19	63	57	49	53
Somewhat satisfied	28	26	27	23	29
TOTAL NOT SATISFIED	51	9	16	28	17
Not very satisfied	18	4	10	14	5
Not at all satisfied	33	5	6	14	12

Many different mortgage products is a good thing

- Most feel that having many different mortgage products is a good thing because it allows homeowners to find a mortgage that suits their needs.

Which is closer to your view regarding different types of home mortgage choices?



Having lots of choices means people can find just the one that suits their needs

More choices just raises the likelihood that people will be too overwhelmed to find a plan that meets their needs

Half say their home value has risen since they bought it

- 51% say their house is at least 20% more than what they paid for it.

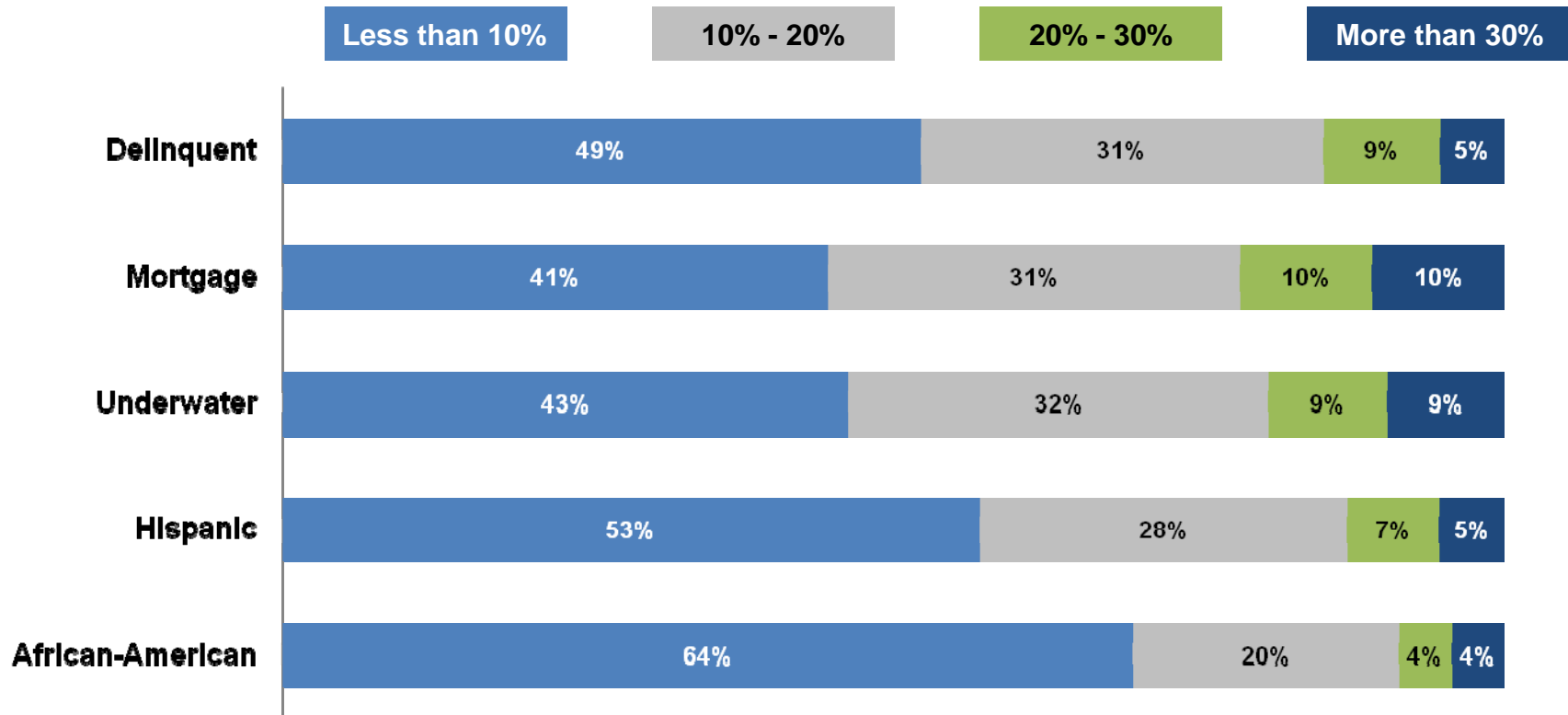
IF OWNERS AND MORTGAGE: Thinking about the value of your home today compared to what you paid for the home, would you say your home is worth:

IF OWNERS AND MORTGAGE: Thinking about the value of your home today compared to what you paid for the home, would you say your home is worth:	GP %	Delinquent %	Owner %	Mortgage %	Underwater %	Hispanic %	African-American %
At least 20% more than what you paid for it	51	30	58	46	42	48	38
About 5-20% more than what you paid for it	17	10	16	18	19	12	21
About the same as you paid for it	14	12	10	17	14	16	20
About 5-20% less than what you paid for it	8	15	6	9	12	6	11
At least 20% less than what you paid for it	7	30	5	8	11	16	8
Don't know	3	3	5	2	2	3	2

Most paid less than 10% down payment when purchasing home

- African-Americans and Hispanics put less down when purchased home.

IF HAVE A MORTGAGE: What percent of the home value did you pay as a down payment when you purchased your home?

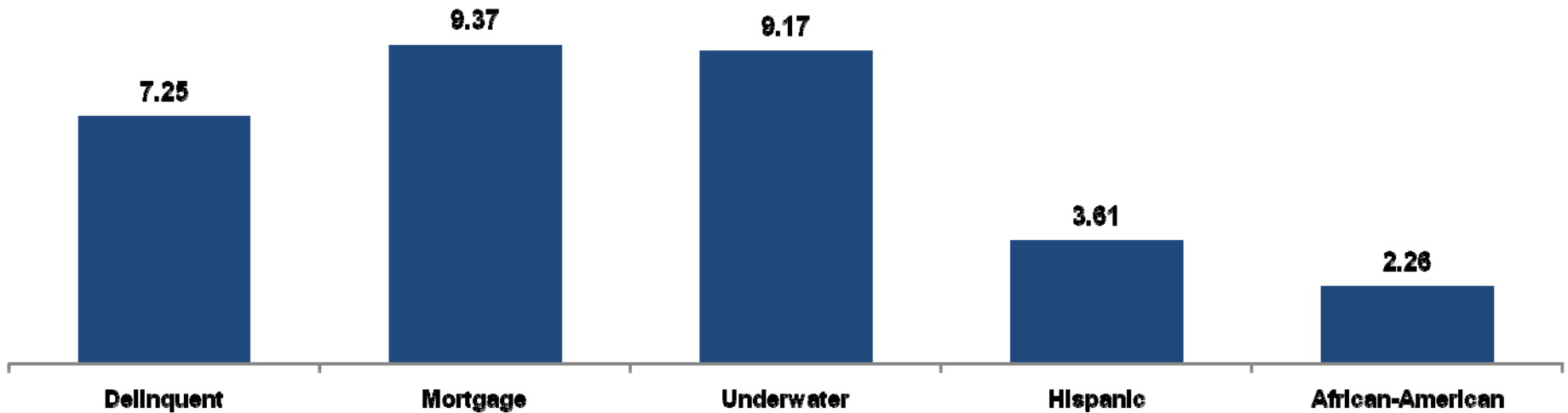


First mortgage ownership

- Respondents average 5 years for how long they've owned their current first mortgage.

IF HAVE A MORTGAGE: How many years ago did you get your current first mortgage on your home?

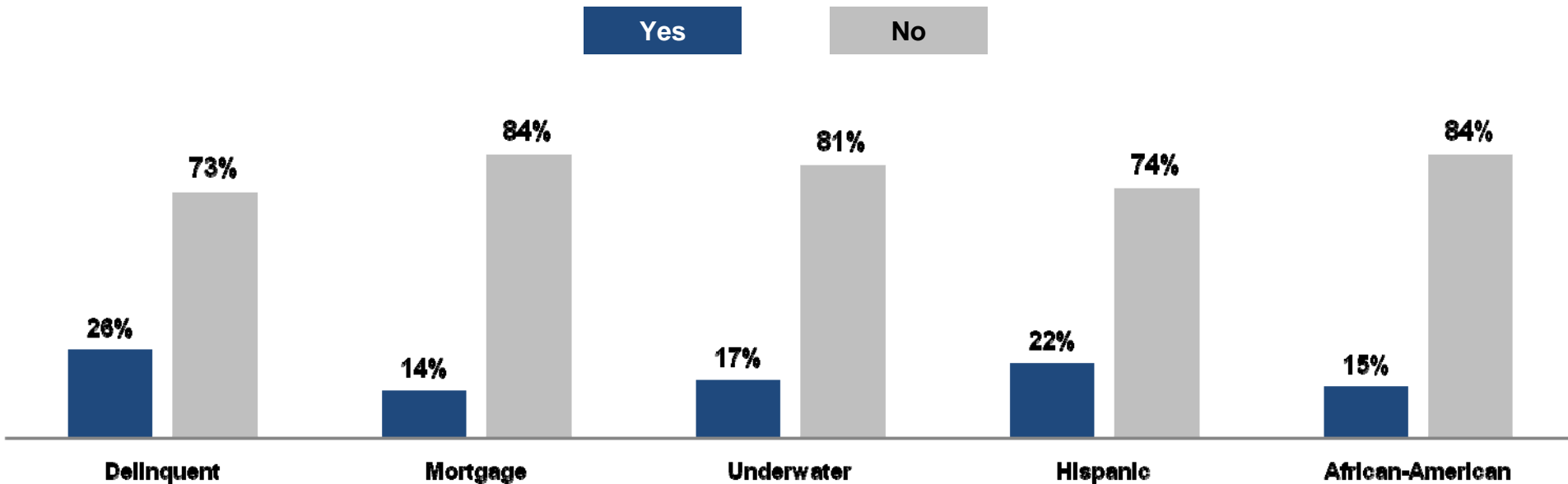
Showing Mean



Most did not get a second mortgage/home equity loan when purchasing home

- Delinquents more likely to have gotten a second mortgage or home equity loan.

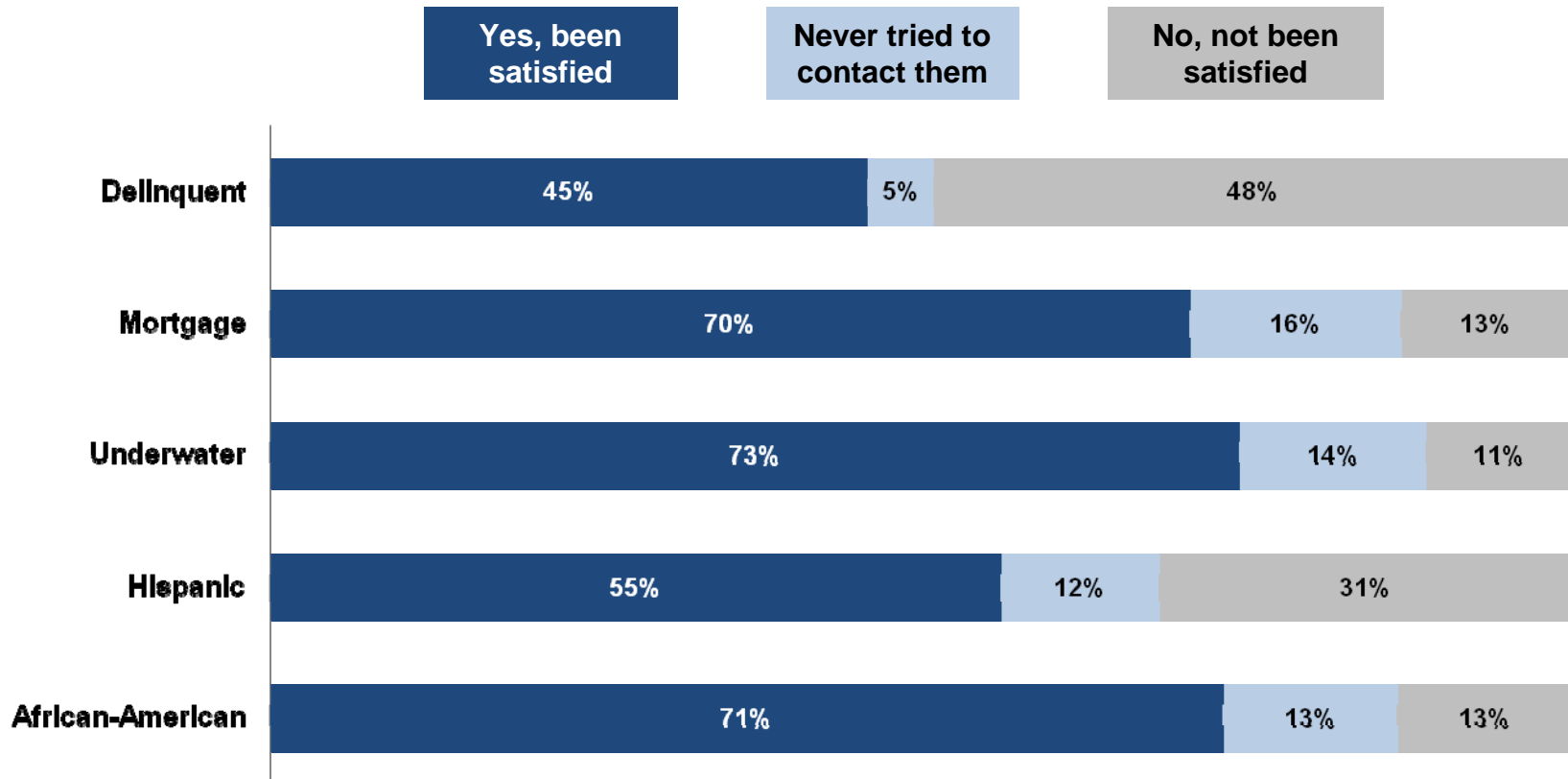
IF HAVE A MORTGAGE: When you got your home mortgage, did you also get a second mortgage or home equity loan at the same time?



Most satisfied with mortgage company interaction

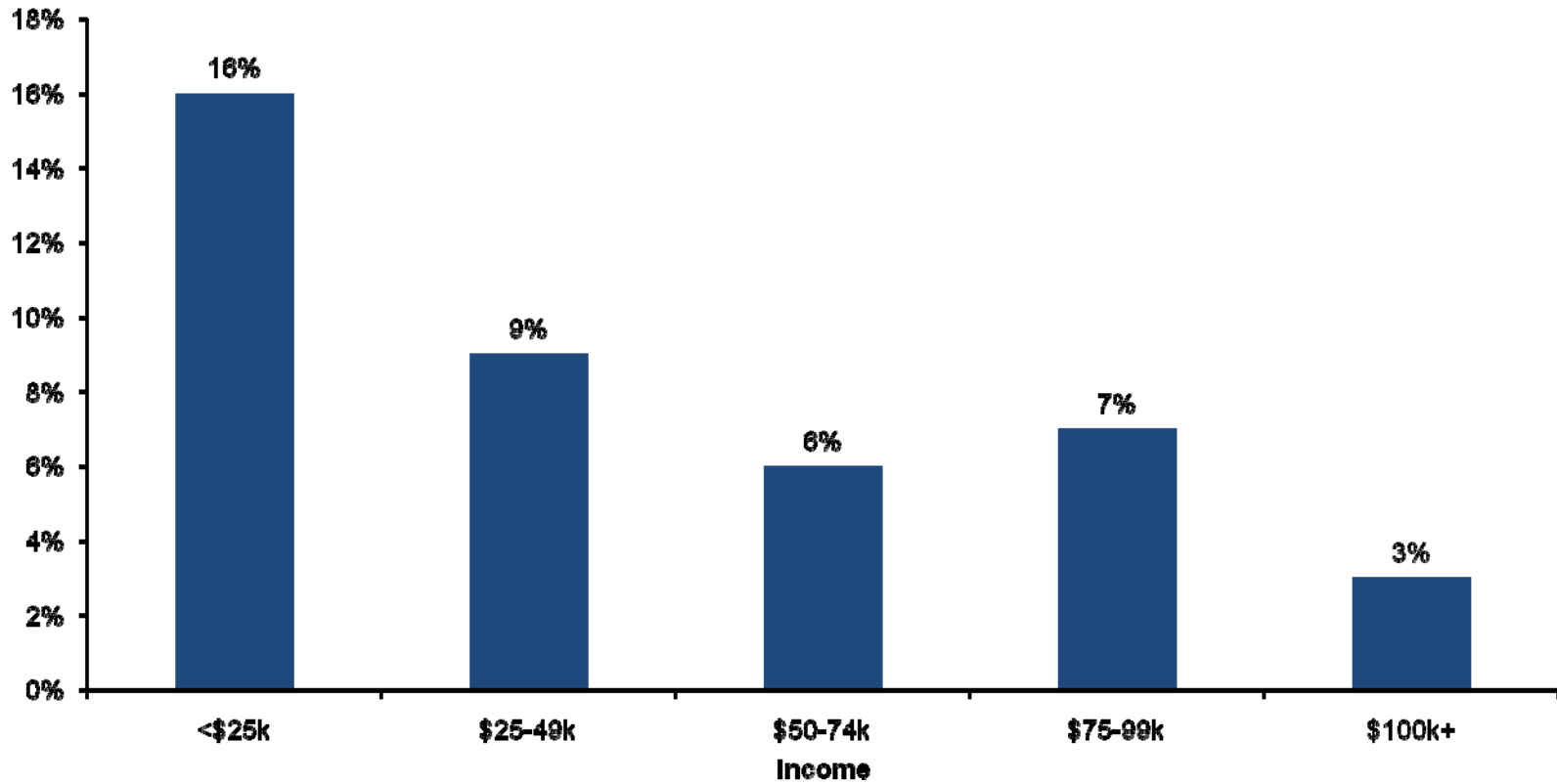
- Delinquents, Hispanics least satisfied by large margins.

IF HAVE A MORTGAGE: If you've ever tried to contact the company that receives your mortgage payment, have you been satisfied with your interaction with them?



Mortgage borrowers satisfied with loan information at the time of origination

Percent of mortgage borrowers who felt that the available loan information at the time of origination was insufficient



Source: PSB; Oliver Wyman analysis

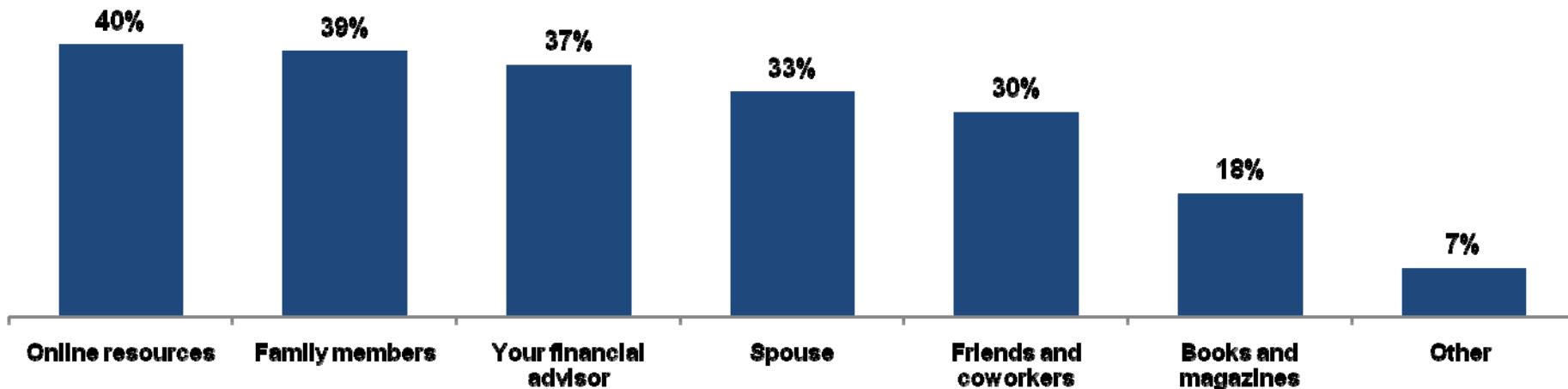
Web, family and financial advisors most sought out consultants on homeownership

- 4 in 10 consult online resources, family members or financial advisors for information on homeownership.

When you're looking for information on homeownership and financing, what resources do you consult?

Multiple responses permitted

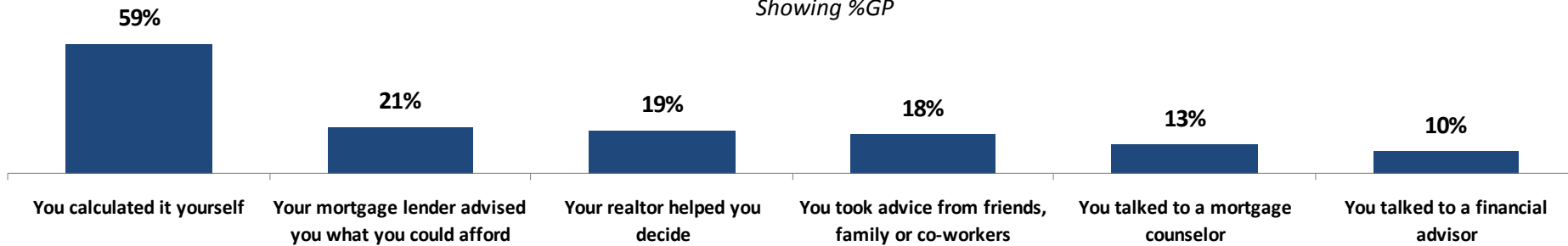
Showing %GP



Most calculated how much to spend on home themselves

- Delinquents, Hispanics most likely to have spoken to a mortgage lender.
 - Only 1 in 10 spoke to a financial advisor

IF HAVE MORTGAGE: How did you decide how much to spend on your home?
Showing %GP



IF HAVE A MORTGAGE: How did you decide how much to spend on your home?	Delinquent %	Mortgage %	Underwater %	Hispanic %	African-American %
You calculated it yourself	57	59	56	52	45
Your mortgage lender advised you what you could afford	33	21	22	33	22
Your realtor helped you decide	25	19	21	28	26
You took advice from friends, family or co-workers	18	18	20	22	24
You talked to a mortgage counselor	13	13	17	27	13
You talked to a financial advisor	10	10	11	19	15

Finances key inhibitor to purchasing a home

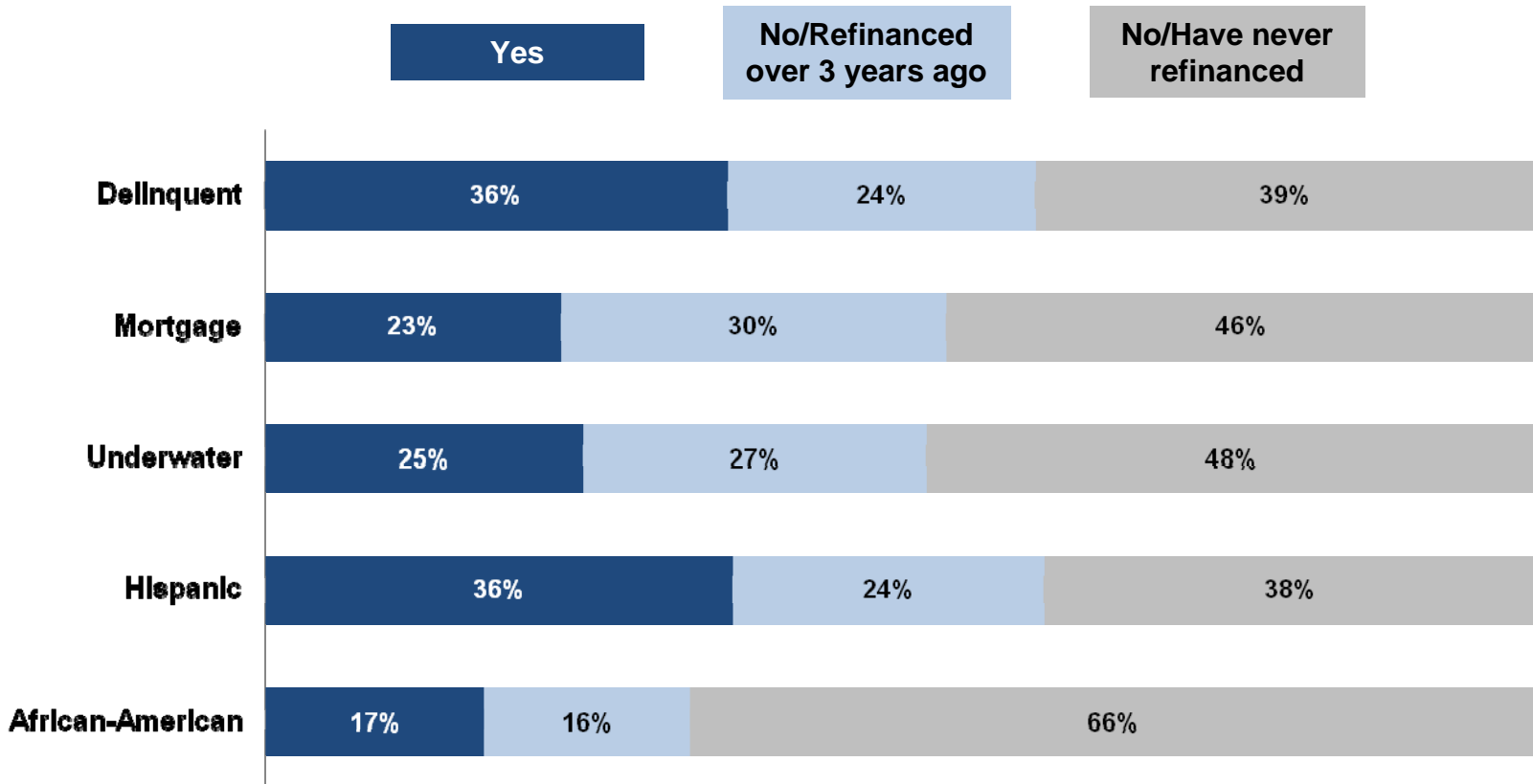
- Nearly half of respondents say an improved financial situation would play a major role in their decision to buy a home.

IF RENTER AND BOARDER: If you were going to purchase a home, which of the following would play a role in that decision?	Renter %	Underwater %	Hispanic %	African-American %
Improved financial situation	47	28	48	54
Getting a new job or promotion	35	15	38	32
Getting married	28	34	30	26
Expanding your family	27	27	31	16
Moving to a new city or location	26	22	23	23
For the investment opportunity	26	30	27	20
Completing a degree	20	5	20	18
To gain tax benefits	20	17	19	17
None of the above	12	10	8	8

Nearly half of respondents have never refinanced their home

- 1 in 4 have refinanced in the past 3 years and a similar number over 3 years ago.
 - 2 in 3 African-Americans have never refinanced their home

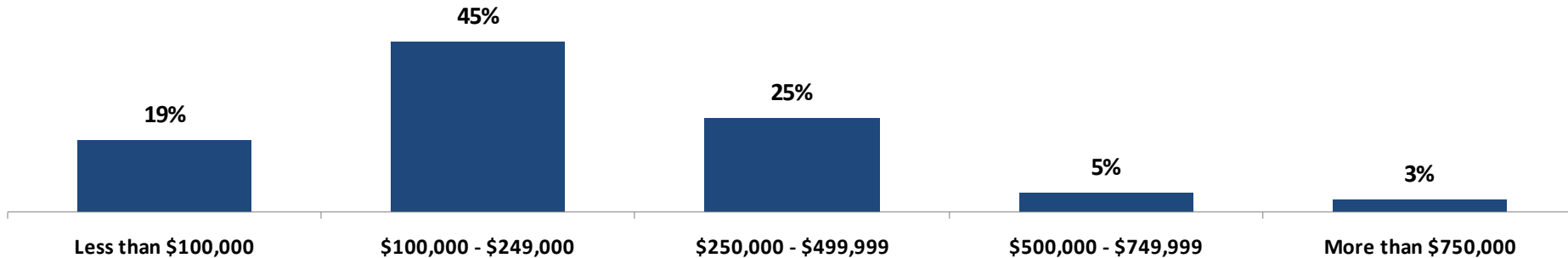
IF HAVE A MORTGAGE: Have you refinanced your mortgage in the past three years?



Most respondents own houses worth between \$100k and \$250k

- 1 in 10 Delinquent owners own houses worth between \$500k and \$750k.

OWNERS AND MORTGAGE: Which of the following best describes the value of your home?
Showing %GP

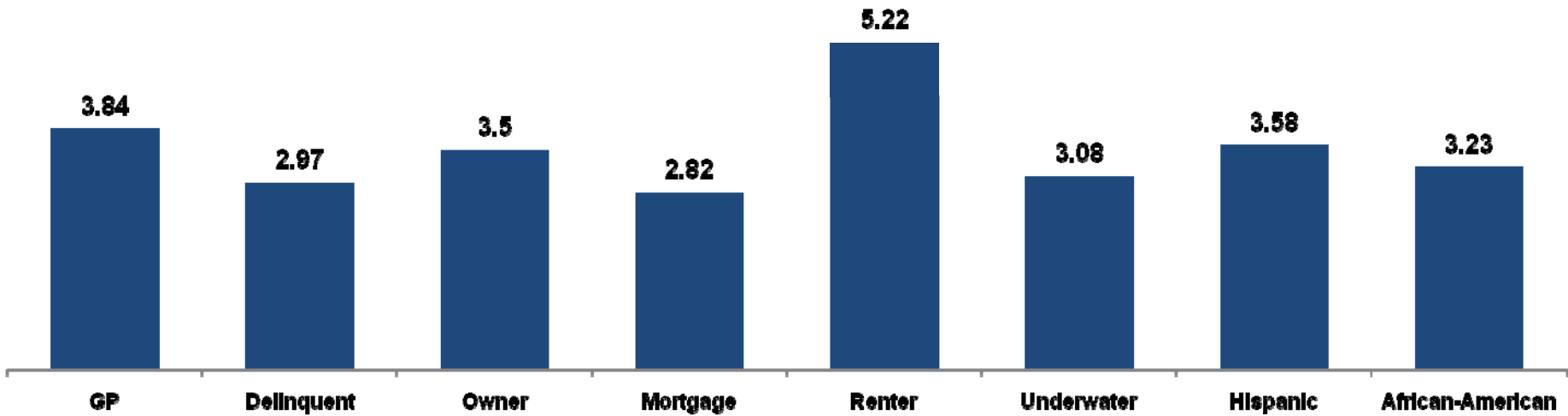


OWNERS AND MORTGAGE: Which of the following best describes the value of your home?	GP %	Delinquent %	Owner %	Mortgage %	Underwater %	Hispanic %	African-American %
Less than \$100, 000	19	7	23	16	18	23	27
\$100, 000-\$249, 000	45	41	42	47	48	41	45
\$250, 000-\$499, 999	25	36	22	27	28	28	19
\$500, 000-\$749, 999	5	11	4	6	3	4	6
More than \$750, 000	3	5	4	2	1	1	1

Americans have lived in an average of 4 homes since their first home

- Not surprisingly, renters are slightly higher while Mortgage are slightly lower.

How many homes have you lived in since your first home?
Showing Mean



Family situations lead to first home purchase

- Getting married, having kids are top reasons for purchasing first home.

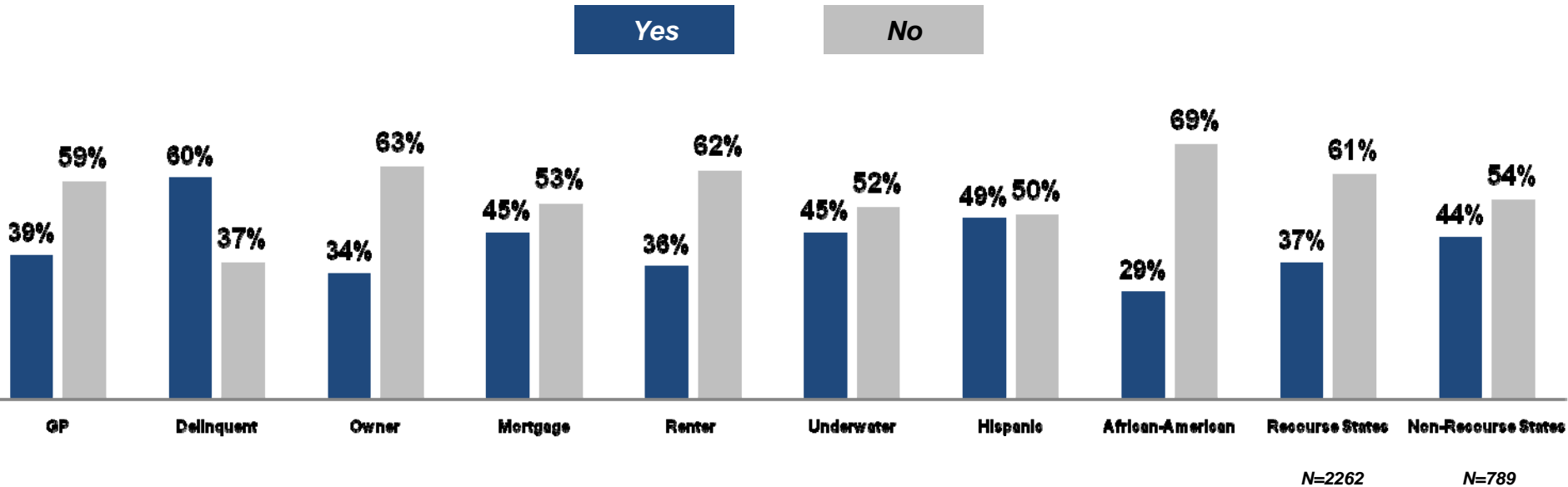
IF EVER OWNED: What led you to purchase your first home? <i>Multiple responses permitted</i>	GP %	Delinquent %	Owner %	Mortgage %	Renter %	Underwater %	Hispanic %	African-American %
Getting married	34	33	35	34	35	34	37	33
Expanding your family	30	38	32	29	30	27	42	28
Improved financial situation	26	34	23	28	24	28	33	25
For the investment opportunity	26	37	25	30	17	30	32	26
Moving to a new city or location	18	21	18	18	19	22	21	12
Getting a new job or promotion	14	16	14	15	12	15	20	11
To gain tax benefits	14	25	9	19	12	17	16	13
Completing a degree	6	8	6	6	3	5	10	6
None of the above	13	11	13	11	20	10	10	15



HOMEOWNERSHIP DISTRESS

4 in 10 know people who have defaulted on mortgage

Do you know of people in your area or neighborhood who have defaulted on their mortgage?



If become delinquent, foreclosed within a year

- Nearly 7 in 10 say it would be within a year that they were foreclosed on if they became a delinquent on their home payment.

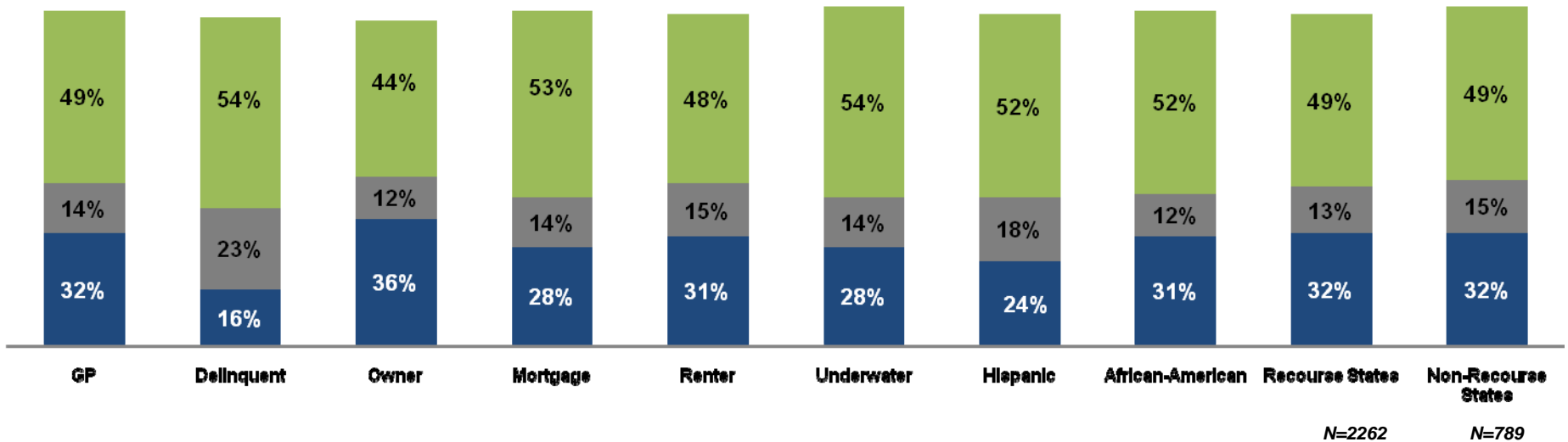
IF MORTGAGE: If you were delinquent on your home mortgage, how long do you think it would before you were foreclosed on?

IF MORTGAGE: If you were delinquent on your home mortgage, how long do you think it would before you were foreclosed on?	Delinquent %	Mortgage %	Underwater %	Hispanic %	African-American %
Less than a month	2	2	2	3	1
1-5 months	30	38	39	38	39
6-12 months	32	29	31	23	31
More than 12 months	8	6	7	5	2
Never	1	4	5	6	3
Don't know	26	20	17	25	23

Most are seeing people trying their hardest to avoid default

- Only 14% say they see people who are fairly willing to default.

Which is closer to what you are seeing in your area and among people you know?



People are doing whatever they can to avoid default

People are fairly willing to default based on economic calculations

Not seeing it in your area

Housing market change led to underwater mortgage borrowers

- Over half of those who owe more than their houses are worth say it was because the housing market changed in a way they couldn't have predicted.

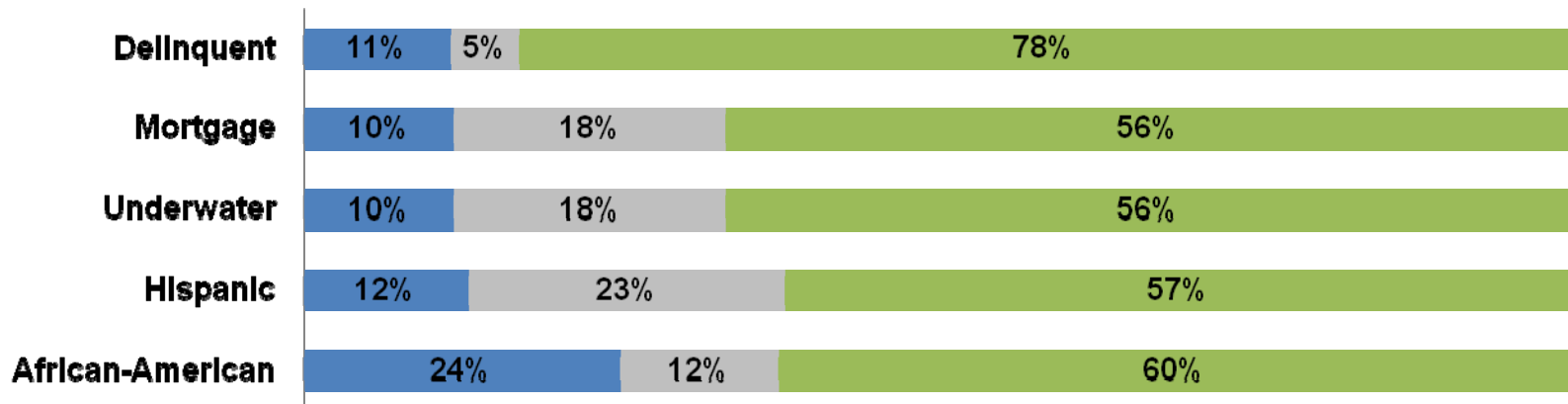
IF MORTGAGE: Thinking about the total amount you owe on your mortgage compared to the value of your home today, would you say the total amount you owe on your mortgage	Delinquent %	Mortgage %	Underwater %	Hispanic %	African-American %
At least 20% more than the value of your home	37	19	64	33	32
About 5-20% more than the value of your home	14	11	36	10	12
About the same as the value of your home	12	15	0	18	20
About 5-20% less than the value of your home	11	16	0	10	16
At least 20% less than the value of your home	19	32	0	20	15
Don't know	6	7	0	8	5

IF MORE THAN THE VALUE OF YOUR HOME: Is that because...

You did not have enough information about your mortgage when you got it

You had enough information but voluntarily took a risk

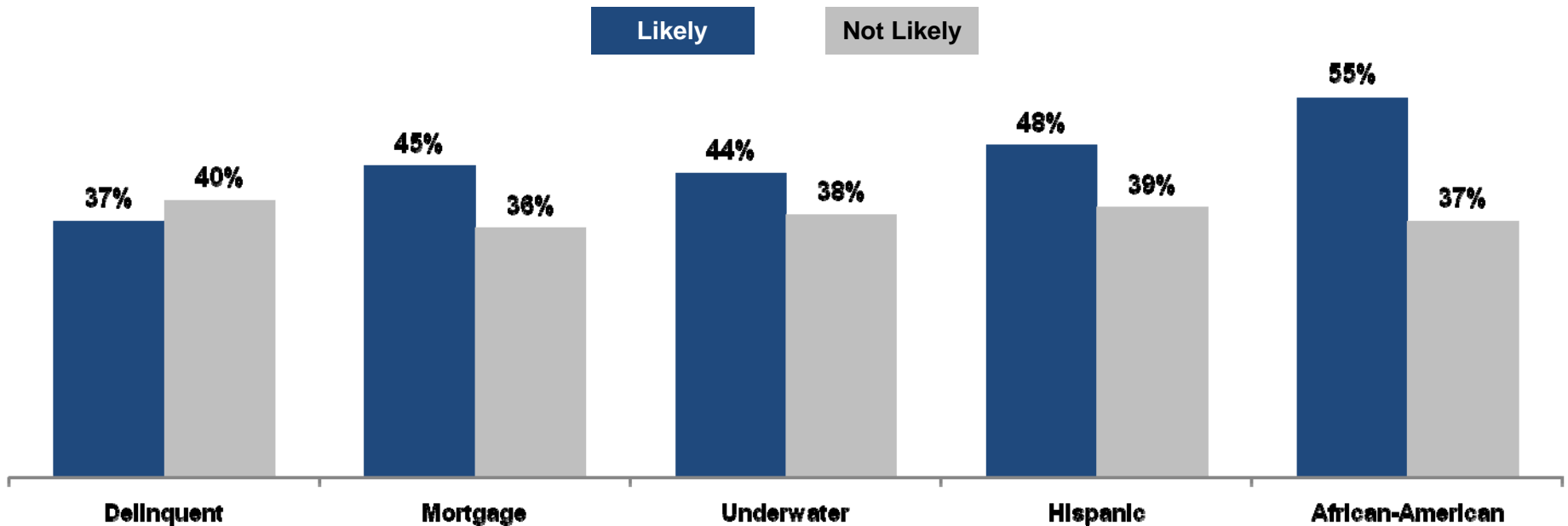
The housing market changed in a way you could not have predicted



Slight majority think it's likely their lender would pursue other assets if they stopped paying mortgage

- African-Americans are slightly more likely to think such.

IF MORTGAGE: If you were to stop paying your mortgage, how likely is it that your lender would pursue your other assets in addition to just your home?



3 in 10 Americans never check the value of their home

- About half say they check the value of their home ever few years

IF OWNERS AND MORTGAGE: About how often do you check the value of your home?

IF OWNERS AND MORTGAGE: About how often do you check the value of your home?	GP %	Delinquent %	Owner %	Mortgage %	Underwater %	Hispanic %	African-American %
Never or almost never	34	21	41	28	27	30	30
Once every few years	25	23	24	25	24	22	28
Once or twice a year	29	31	27	31	30	32	29
Every few months	6	13	3	8	11	9	8
Every month or more	4	10	2	5	6	6	4
Don't know	2	2	2	2	2	2	2

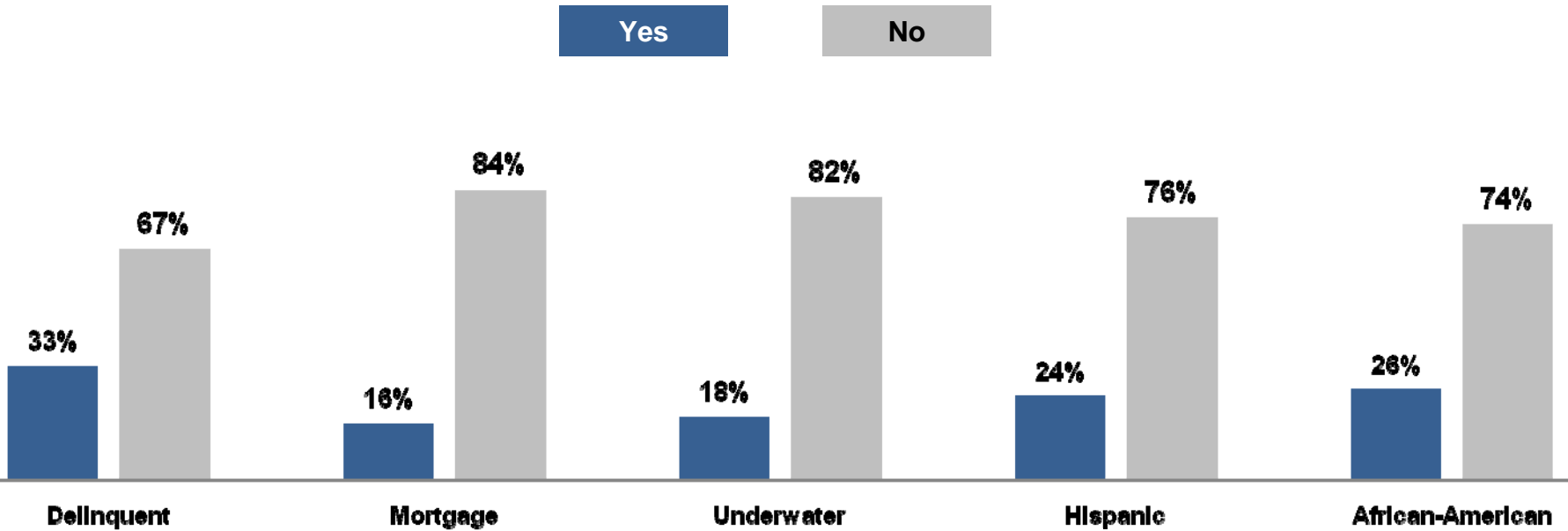
IF CHECK AT LEAST EVERY FEW YEARS: How do you check the value?

IF CHECK AT LEAST EVERY FEW YEARS: How do you check the value?	GP %	Delinquent %	Owner %	Mortgage %	Underwater %	Hispanic %	African-American %
Check what nearby houses are selling for	50	50	43	55	50	51	35
Ask a realtor	31	38	37	27	26	27	29
Look at online valuation sites, like Zillow	29	40	22	34	38	36	30
Other	18	14	21	16	14	16	25
Don't know	3	1	3	2	3	6	1

Few received counseling from someone other than their mortgage company

- Delinquents are more likely to have received further counseling.

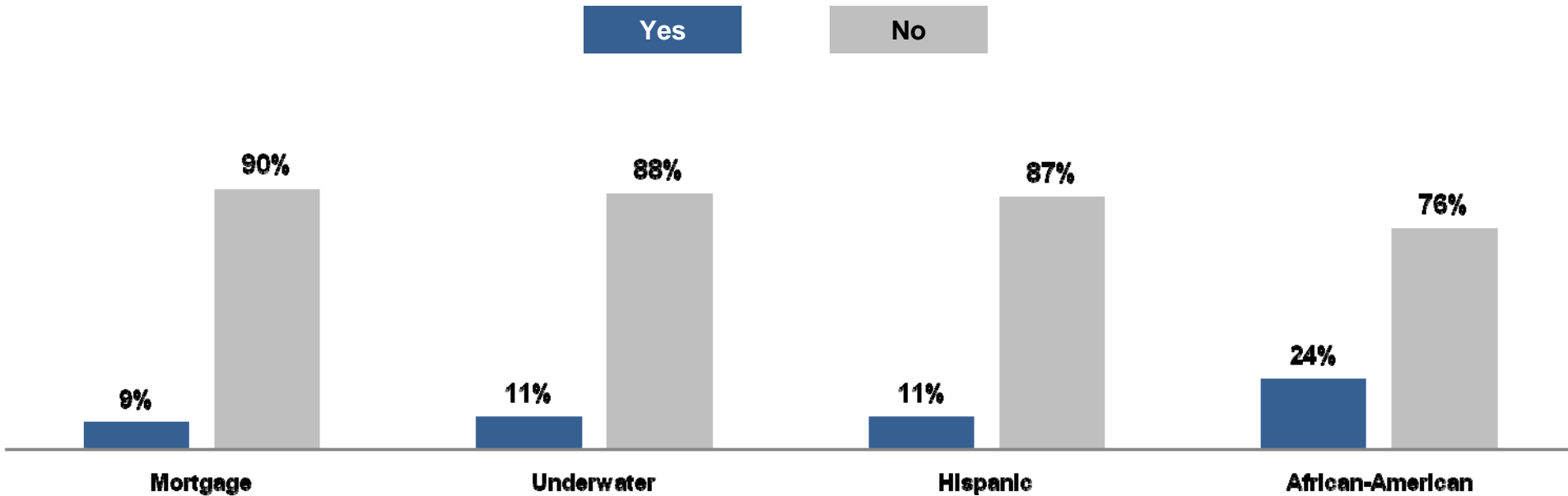
IF MORTGAGE: Have you ever received counseling from someone other than the company you got your mortgage from, to help you understand your mortgage and homeownership



9 in 10 mortgage owners have never been delinquent

- African-Americans are more likely to have been delinquent in the past.

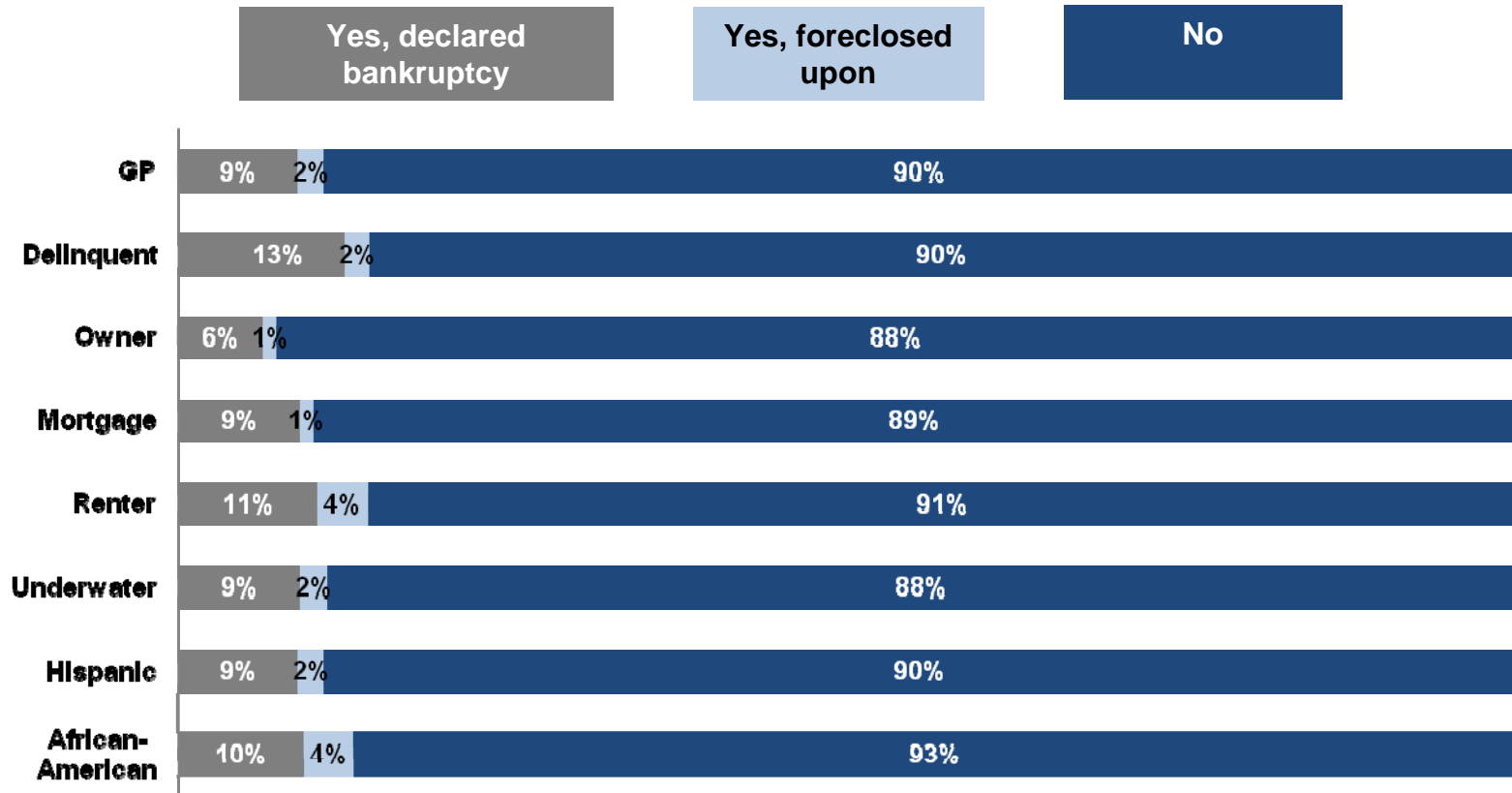
IF MORTGAGE AND NOT DELINQUENT: In the past three years, have you ever been delinquent on your mortgage?



Vast majority have never declared bankruptcy or been foreclosed on

- 1 in 10 have declared bankruptcy while less have been foreclosed upon.

Have you ever declared bankruptcy or been foreclosed upon?



Of those who have been foreclosed on, most were more than 7 years ago

- Only 1 in 10 have recently been foreclosed on.

IF FORECLOSED ON: How long ago were you foreclosed on?

IF FORECLOSED ON: How long ago were you foreclosed on?	GP %	Delinquent %	Owner %	Mortgage %	Renter %	Underwater %	Hispanic %	African-American %
Less than 1 year ago	11	43	0	10	11	23	30	8
1-2 years ago	16	14	31	9	17	20	29	6
3-4 years ago	20	0	0	6	24	0	26	27
5-7 years ago	12	0	17	10	12	23	15	0
More than 7 years ago	36	43	52	43	32	23	0	54
Don't know	6	0	0	22	3	12	0	5

Most think it would take at least 3 years for credit score to recover if they defaulted on mortgage

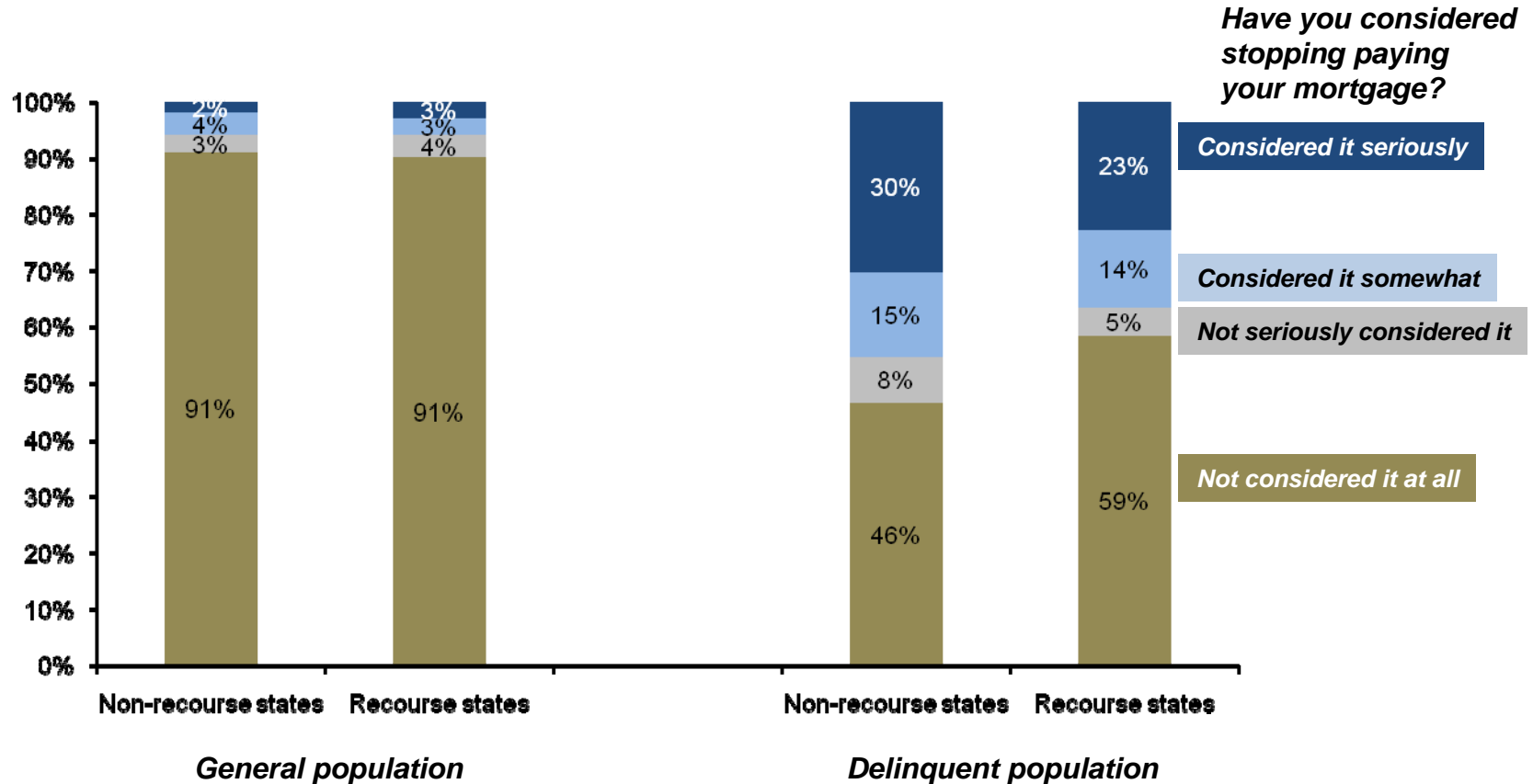
- Nearly 2 in 10 don't know.

If you default on a mortgage, how long do you think it would take before your credit score would recover to it's previous level?

If you default on a mortgage, how long do you think it would take before your credit score would recover to it's previous level?	GP %	Delinquent %	Owner %	Mortgage %	Renter %	Underwater %	Hispanic %	African-American %
Less than a year	4	5	4	4	4	6	7	8
1-3 years	12	24	9	14	13	16	15	18
3-5 years	17	18	13	18	19	15	17	18
5-10 years	35	25	34	39	33	41	32	32
10+ years	12	6	14	10	13	9	9	10
Wouldn't really hurt it	1	1	2	1	2	1	1	2
Don't know	18	22	26	14	16	13	17	12

Recourse state delinquent less likely to have considered default

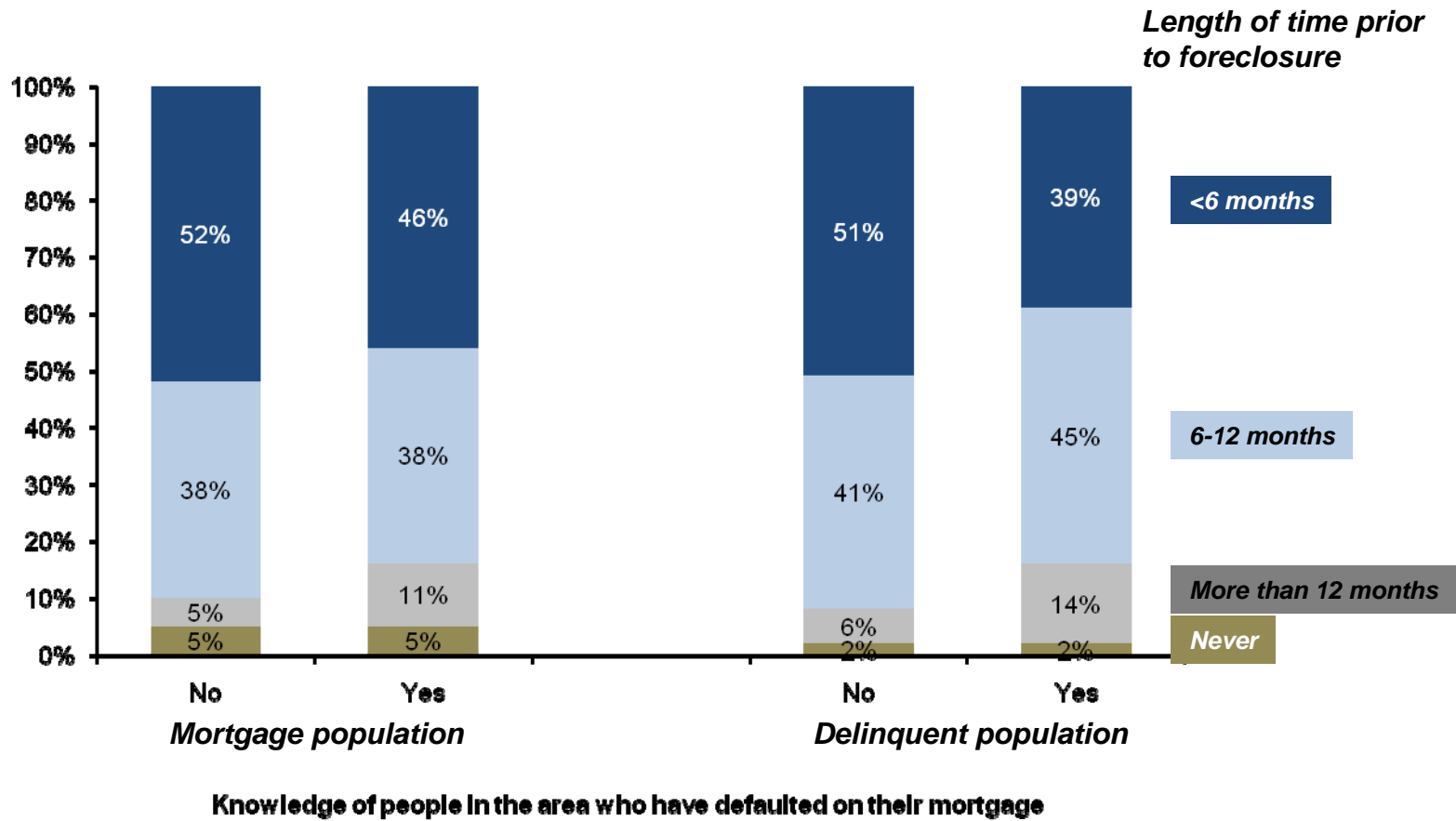
Consideration of mortgage default by state recourse laws



Source: PSB; Oliver Wyman analysis

Knowledge of people defaulting correlates to longer expected foreclosure processes

Views on length of time prior to foreclosure



Source: PSB; Oliver Wyman analysis

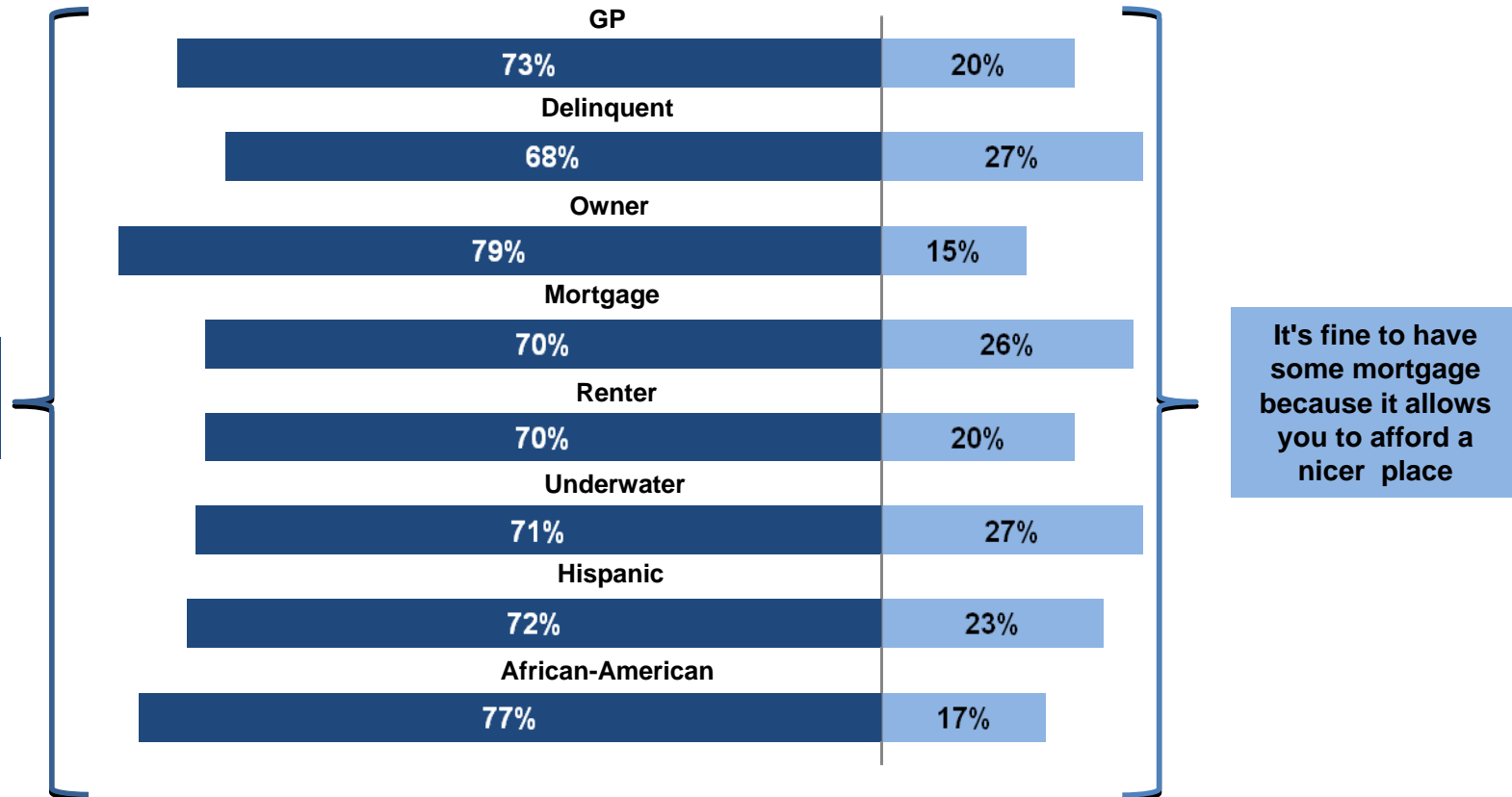


HOUSEHOLD FINANCIAL MANAGEMENT

Best to pay off mortgage as soon as possible

- 7 in 10 think it's better to pay off the primary home mortgage as soon as possible.

Which is closer to your view regarding your primary home mortgage?



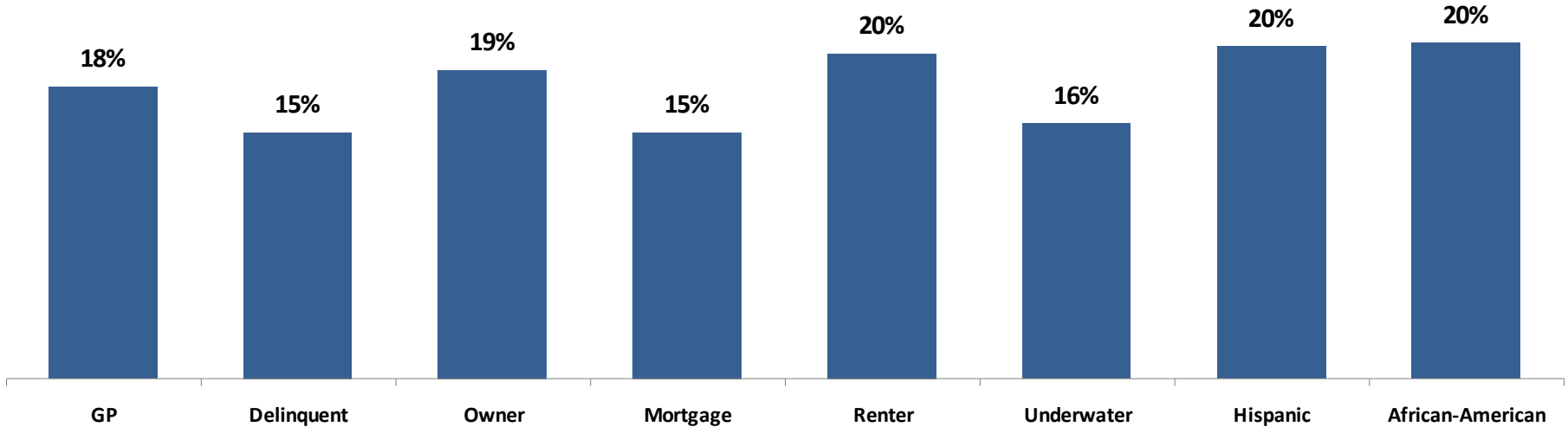
It's better to pay it off as soon as you can

It's fine to have some mortgage because it allows you to afford a nicer place

Americans think roughly 18% of income should go to savings

- Delinquents and Mortgage borrowers believe slightly less should go to savings.

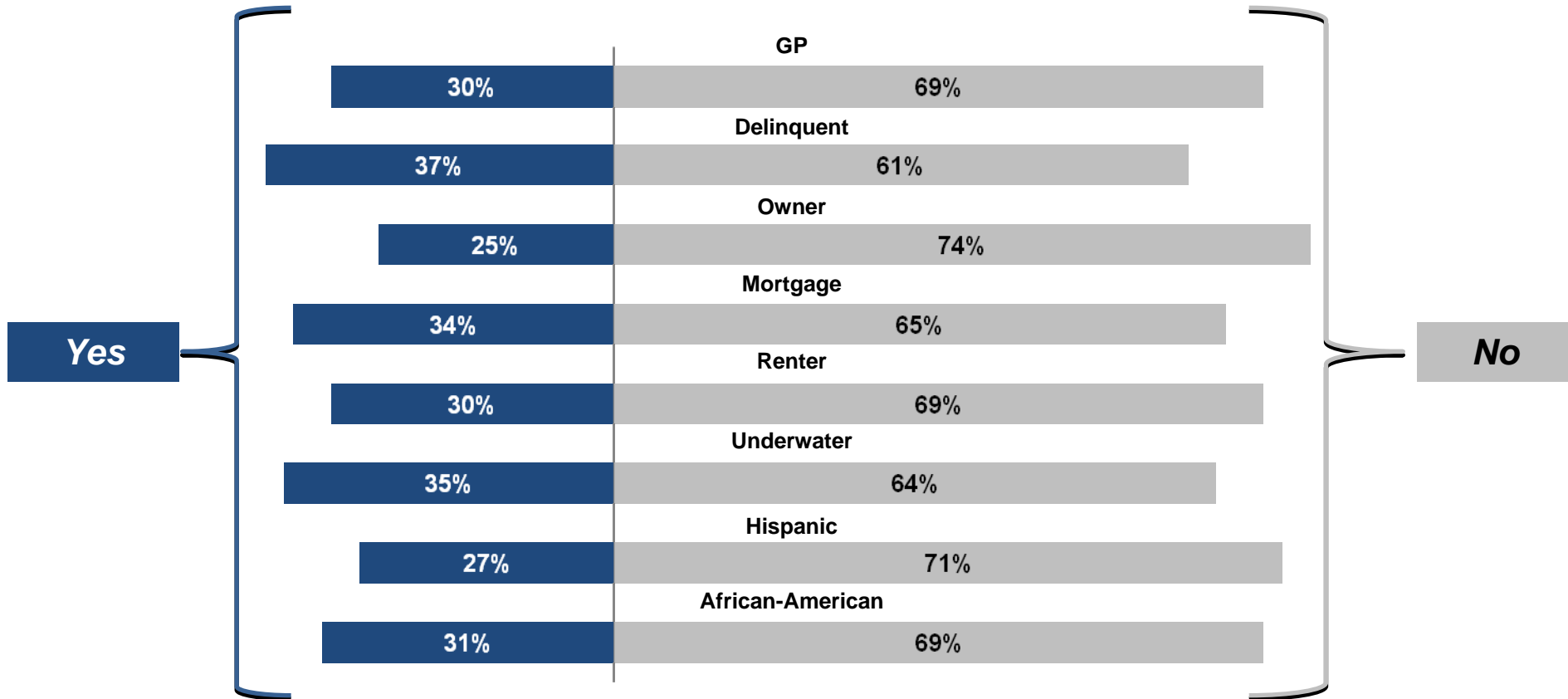
*What percent of your income do you think should go into savings?
Showing Mean*



Yet, 3 in 10 have used credit to buy something they couldn't afford

- In contrast to their beliefs, nearly 7 in 10 say they have used credit to buy things they weren't really sure they could afford.

Have you ever used credit to buy things you were not sure you could really afford?

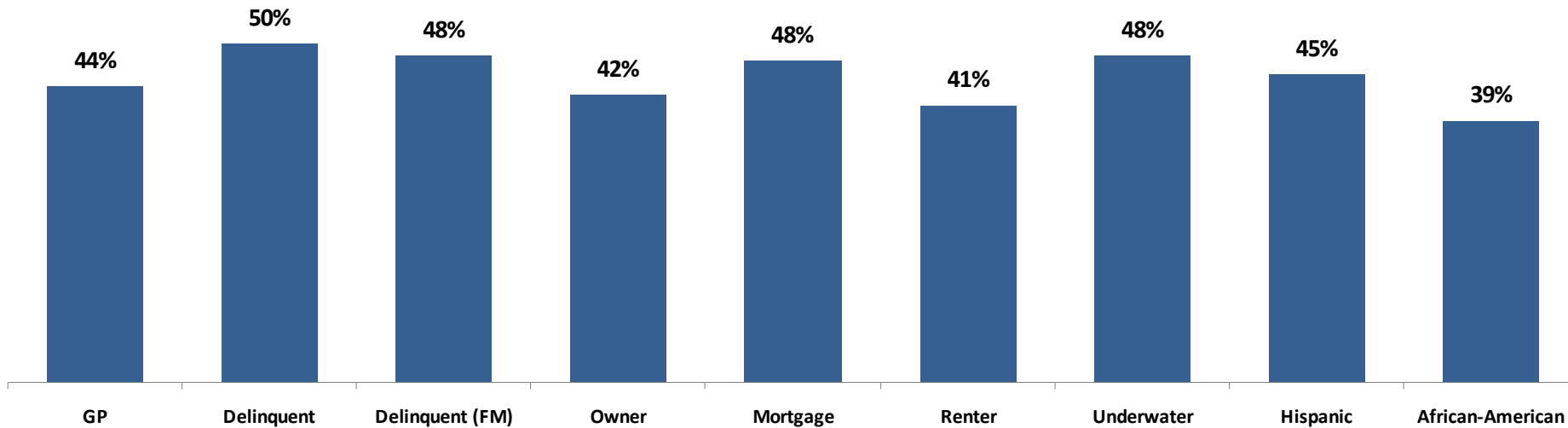


44% of income should go to debt

- Americans say 44% of total income is the maximum that should go into payments on debt each month.

What percent of your total income do you think is the maximum that should go into payments on your total debt each month, including all types of debt?

Showing Mean



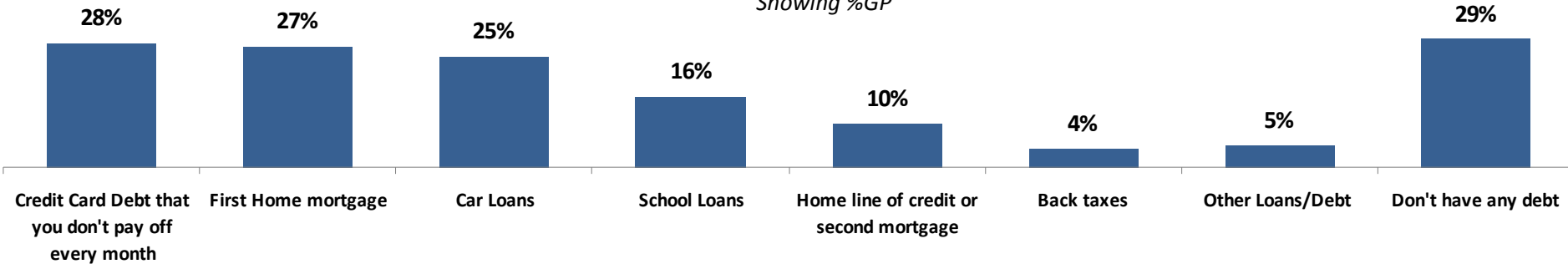
Credit card, home mortgage debt top types of current debt

- Delinquents particularly likely to have credit card or mortgage debt.

Which if any of the following types of debt do you currently have?

Multiple responses permitted

Showing %GP



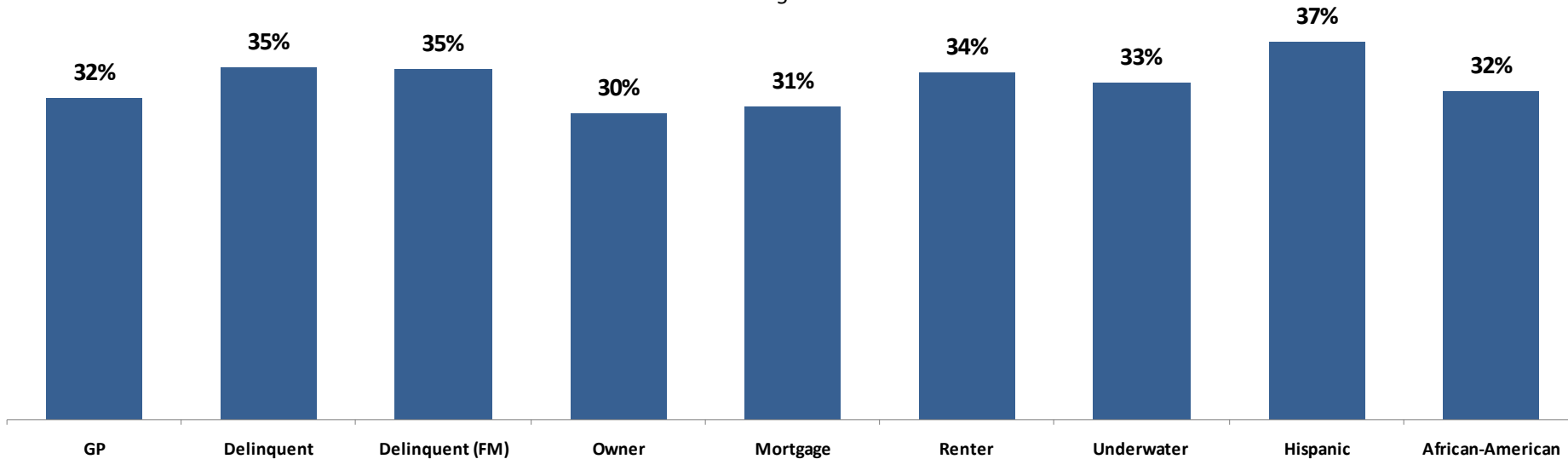
Which if any of the following types of debt do you currently have?	GP %	Delinquent %	Owner %	Mortgage %	Renter %	Underwater %	Hispanic %	African-American %
Credit Card Debt that you don't pay off every month	28	59	22	34	27	35	28	32
First Home mortgage	27	74	11	65	2	60	32	19
Car Loans	25	39	16	36	22	38	26	21
School Loans	16	16	6	16	21	18	15	21
Home line of credit or second mortgage	10	28	10	19	2	17	12	4
Back taxes	4	12	2	5	5	7	10	5
Other Loans/Debt	5	4	5	3	8	5	6	7
Don't have any debt	29	3	47	7	35	11	23	28
Don't know	3	1	4	2	3	1	3	3

32% should go to mortgage

- Americans think 32% of total income is the maximum that should go into home mortgage payments each month.

What percent of your total income do you think is the maximum that should go into your home mortgage payments each month?

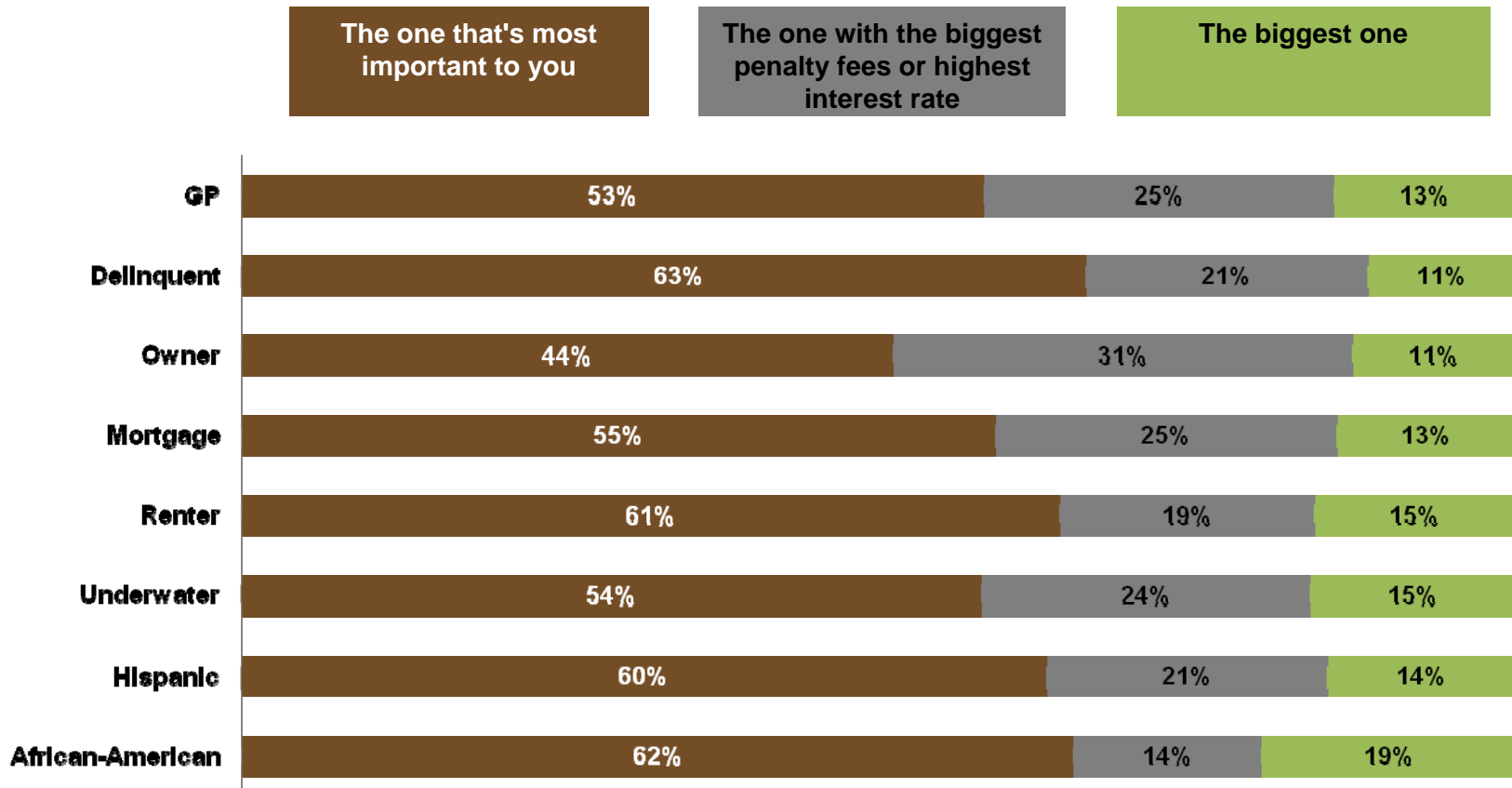
Showing Mean



Personal importance prioritizes bills

- Slight majority of Americans say they prioritize their bills based off importance to them.

When you have a number of bills to pay and you have to prioritize them, which one do you generally pay first?



Nearly half of Americans never check their credit score

- African-Americans most likely to check their credit score.

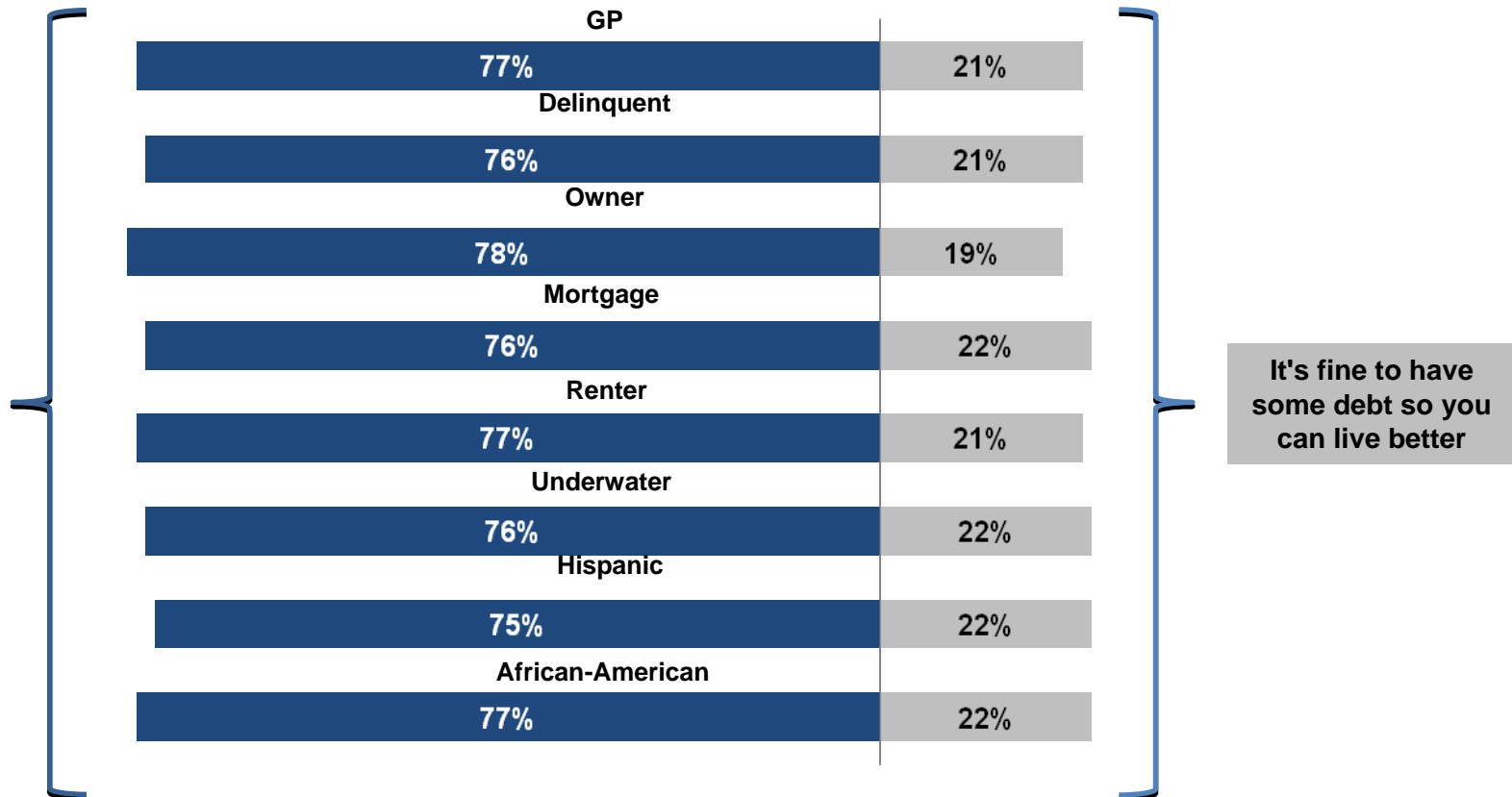
About how often do you check your credit score?

About how often do you check your credit score?	GP %	Delinquent %	Owner %	Mortgage %	Renter %	Underwater %	Hispanic %	African-American %
Never or almost never	46	38	56	36	49	35	43	37
Once every few years	19	14	16	22	18	32	17	17
Once or twice a year	24	29	18	31	22	20	24	29
Every few months	6	9	5	7	7	8	7	10
Every month or more	4	6	3	3	4	3	5	5
Don't know	2	3	2	1	1	1	4	1

Better to have no debt

- Similarly, nearly 8 in 10 say it's better to have no debt at all.

Which is closer to your view regarding your other debt?



It's better to have no debt because you're always up to date

It's fine to have some debt so you can live better