Welcome to the Mortgage Lender Sentiment Survey®, a quarterly survey conducted by Fannie Mae among senior mortgage executives like you. We need your help to gather your views and experience with the mortgage market. Your participation is critical to ensure that results portray a representative view of key mortgage industry indicators. We hope this research will provide intelligence to help you manage your business practices.

The information you provide in this survey will be kept confidential. All results will be reported in the aggregate, and responses will not be linked to any individual person or company.

Thank you for taking part in this survey, your participation is greatly appreciated.

NHS Questions

This first series of questions asks about the overall economy and mortgage lending industry, nationwide. We’re specifically interested in your opinion as a senior mortgage executive.

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?
   1) Right track
   2) Wrong track
   3) Don’t know

Q1A: Do you think it is very difficult, somewhat difficult, somewhat easy, or very easy for consumers to get a home mortgage today?
   1) Very difficult
   2) Somewhat difficult
   3) Somewhat easy
   4) Very easy
   5) Don’t know

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?
   1) Go up
   2) Go down
   3) Stay the same
   4) Don’t know

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? [OPEN END NUMERIC (0 TO 100)]
Consumer Demand

This section is about consumer demand for single-family mortgages. We will be asking you these questions across three market categories, GSE-Eligible, Non-GSE-Eligible, and Government. We will also be asking these questions separately by purchase market and refinance market.

Now, let’s focus on the consumer demand for single-family purchase mortgages your firm has experienced over the past three months.

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?

Hover over the terms “GSE Eligible,” “Non-GSE Eligible,” and “Government” in the table below to see the definitions.

Consumer Demand for Purchase Mortgages for the Past 3 Months

1) Went up significantly
2) Went up somewhat
3) Stayed the same
4) Went down somewhat
5) Went down significantly
6) Not applicable

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? OPEN END NUMERIC (0 TO 100)

Q6a
Purchase - [GSE Eligible] [-] 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). Exclude Government loans from this category. -

Q6b
Purchase - [Non-GSE Eligible] [-] 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 typically carry higher interest rates than GSE loans. Exclude Government loans from this category. -

Q6c
Purchase - [Government] [-] 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. -

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) OPEN END 1 BOXES 0 REQ
/* METRIC A */ Now, let’s focus on the purchase mortgages over the next three months.

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?

**Consumer Demand for Purchase Mortgages for the Next 3 Months**

1) Go up significantly
2) Go up somewhat
3) Stay the same
4) Go down somewhat
5) Go down significantly
6) Not applicable

/* REPEAT CODES */

/* Q14a */ Purchase - [* GSE Eligible *] [- 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). Exclude Government loans from this category. -]

/* Q14b */ Purchase - [* Non-GSE Eligible *] [- 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 typically carry higher interest rates than GSE loans. Exclude Government loans from this category. -]

/* Q14c */ Purchase - [* Government *] [- 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. -]

/* END SERIES */

/* METRIC A */ ## IF Q14a=C1, C2 ## 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. /* RANDOM ROTATE CHOICES */

1) Home prices are low
2) Mortgage rates are favorable
3) There are many homes available on the market
4) It is easy to qualify for a mortgage
5) Economic conditions (e.g., employment) overall are favorable
6) Other /* SPECIFY */ /* DO NOT ROTATE */

/* REPEAT CODES */

/* Q46a */ 1 - Most important
/* Q46b */ 2 - Second most important

/* END SERIES */
/* METRIC A */ ## IF Q14a=C4, C5 ## 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. /* RANDOM ROTATE CHOICES */

1) Home prices are high  
2) Mortgage rates are not favorable  
3) There are not many homes available on the market  
4) It is difficult to qualify for a mortgage  
5) Economic conditions (e.g., employment) overall are not favorable  
6) Other /* SPECIFY */ /* DO NOT ROTATE */

/* REPEAT CODES */

/* Q47a */ 1 - Most important  
/* Q47b */ 2 - Second most important

/* END SERIES */

/* METRIC A */ ## IF Q14b=C1, C2 ## 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. /* RANDOM ROTATE CHOICES */

1) Home prices are low  
2) Mortgage rates are favorable  
3) There are many homes available on the market  
4) It is easy to qualify for a mortgage  
5) Economic conditions (e.g., employment) overall are favorable  
6) Other /* SPECIFY */ /* DO NOT ROTATE */

/* REPEAT CODES */

/* Q49a */ 1 - Most important  
/* Q49b */ 2 - Second most important

/* END SERIES */
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.

1) Home prices are high
2) Mortgage rates are not favorable
3) There are not many homes available on the market
4) It is difficult to qualify for a mortgage
5) Economic conditions (e.g., employment) overall are not favorable
6) Other

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.

1) Home prices are low
2) Mortgage rates are favorable
3) There are many homes available on the market
4) It is easy to qualify for a mortgage
5) Economic conditions (e.g., employment) overall are favorable
6) Other

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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. * RANDOM ROTATE CHOICES *

1) Home prices are high
2) Mortgage rates are not favorable
3) There are not many homes available on the market
4) It is difficult to qualify for a mortgage
5) Economic conditions (e.g., employment) overall are not favorable
6) Other /* SPECIFY */ /* DO NOT ROTATE */

* REPEAT CODES */

* Q52a */ 1 - Most important
* Q52b */ 2 - Second most important

* END SERIES */

* DISPLAY */ The next section is about consumer demand for refinance mortgages. Similarly, we will be asking these questions across three market categories, GSE-Eligible, Non-GSE-Eligible, and Government.

* DISPLAY */ Now, let’s focus on the consumer demand for single-family refinance mortgages your firm has experienced over the past three months.

* METRIC A */ 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?

Consumer Demand for Refinance Mortgages for the Past 3 Months

1) Went up significantly
2) Went up somewhat
3) Stayed the same
4) Went down somewhat
5) Went down significantly
6) Not applicable

* REPEAT CODES */

* Q10a */ Refinance - [* GSE Eligible *] [- 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). Exclude Government loans from this category. -]

* Q10b */ Refinance - [* Non-GSE Eligible *] [- Non-GSE Eligible Mortgages are defined as mortgages that do not meet the GSE guidelines for purchase. These loans typically require larger down payments typically and carry higher interest rates than GSE loans. Exclude Government loans from this category. -]
Now, let’s focus on the refinance mortgages over the next three months.

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?

Consumer Demand for Refinance Mortgages for the Next 3 Months

1) Go up significantly
2) Go up somewhat
3) Stay the same
4) Go down somewhat
5) Go down significantly
6) Not applicable

Profit Margin

Over the next three months, how much do you expect your firm’s profit margin to change for its single-family mortgage production?

1) Increase significantly (25+ basis points)
2) Increase somewhat (5 - 25 basis points)
3) Remain about the same (0 - 5 basis points)
4) Decrease somewhat (5 - 25 basis points)
5) Decrease significantly (25+ basis points)
6) Not sure/Prefer not to answer/Not applicable
What primary strategies, if any, is your firm planning to use to address your decreased profit margin? Please select the two most important strategies and rank them in order of importance.

1) Loan officer staffing adjustments
2) Back-office staffing adjustments
3) Operational efficiency (i.e. technology) investments
4) New or re-allocation of origination channels (i.e. retail or online or third-party channels)
5) New or re-allocation of mortgage product offerings
6) Underwriting standard changes
7) New borrower segments
8) Business acquisition/merger/divestment
9) Marketing outreach expansion/contraction
10) Price adjustments
11) MSR (Mortgage Servicing Rights) sales
12) Investor outlet expansion/contraction
13) Other

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.

1) Consumer demand
2) Competition from other lenders
3) Government monetary or fiscal policy
4) Government regulatory compliance
5) GSE pricing and policies
6) Non-GSE (other investors) pricing and policies
7) Operational efficiency (i.e. technology)
8) Staffing (personnel costs)
9) Marketing expenses
10) Servicing costs
11) Market trend changes (i.e. shift from refinance to purchase)
12) Other
What primary strategies, if any, is your firm planning to use to achieve your increased profit margin? Please select the two most important strategies and rank them in order of importance.

1) Loan officer staffing adjustments
2) Back-office staffing adjustments
3) Operational efficiency (i.e. technology) investments
4) New or reallocation of origination channels (i.e. retail or online or third-party channels)
5) New or reallocation of mortgage product offerings
6) Underwriting standard changes
7) New borrower segments
8) Business acquisition/merger/divestment
9) Marketing outreach expansion/contraction
10) Price adjustments
11) MSR (Mortgage Servicing Rights) sales
12) Investor outlet expansion/contraction
13) Other

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.

1) Consumer demand
2) Less competition from other lenders
3) Government monetary or fiscal policy
4) Government regulatory compliance
5) GSE pricing and policies
6) Non-GSE (other investors) pricing and policies
7) Operational efficiency (i.e. technology)
8) Staffing (personnel costs) reduction
9) Marketing expense reduction
10) Servicing cost reduction
11) Market trend changes (i.e. shift from refinance to purchase)
12) Other
You previously mentioned that operational efficiencies will impact your firm’s strategies and profit margin. Could you share some details about your firm’s plans or challenges regarding operational efficiencies and its impact on profit margin? /* OPEN END 1 BOXES 1 REQ */

Credit Standards

/* DISPLAY */ This section is about your firm’s credit standards for approving applications from individuals for mortgage loans.

/* METRIC B */ Now, let’s focus on the past three months.

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.

Credit Standards over the Past 3 Months

1) Eased considerably
2) Eased somewhat
3) Remained basically unchanged
4) Tightened somewhat
5) Tightened considerably
6) Not applicable

/* REPEAT CODES */

/* Q26c */ ## IF Q23A = C3 OR Q23B=C3 OR Q24A = C7 OR Q24B = C7 OR Q25A = C3 OR Q25B=C3 OR Q26A = C7 OR Q26B = C7 ## You previously mentioned that operational efficiencies will impact your firm’s strategies and profit margin. Could you share some details about your firm’s plans or challenges regarding operational efficiencies and its impact on profit margin? /* OPEN END 1 BOXES 1 REQ */

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) /* OPEN END 1 BOXES 0 REQ */
Now let’s focus on the next three months.

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)?

Credit Standards over the Next 3 Months
1) Ease considerably
2) Ease somewhat
3) Remain basically unchanged
4) Tighten somewhat
5) Tighten considerably
6) Not applicable

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)
Mortgage Execution Share

/* DISPLAY */ The next series of questions is about your firm's mortgage-origination execution strategy.

/* METRIC A */ Approximately, what percent of your firm's total mortgage originations goes to each of the following categories? Please enter a percent in each box below. If a category is not applicable to your firm, please enter 0. The percentages below must add up to 100%. /* OPEN END NUMERIC (0 TO 100) */

/* REPEAT CODES */
/* Q35a */ Portfolio Retention
/* Q35b */ GSE (Fannie Mae and Freddie Mac)
/* Q35c */ Ginnie Mae (FHA/VA)
/* Q35d */ Private Label Securities / Non-Agency Securities
/* Q35e */ Whole Loan Sales to NON-GSE (Correspondent)
/* Q35f */ Other

/* END SERIES */

/* q35fother */ ## IF Q35f > 0 ## On the previous page you indicated "other." Please specify your firm's other post mortgage-origination execution category. /* OPEN END 1 BOXES 1 REQ */ ## QUESTION IS REQUIRED ##

/* METRIC A */ Looking forward, what percent of your firm's total mortgage originations over the next 12 months will go to each of the following categories? Please enter a percent for each category. If a category is not applicable to your firm, please enter 0. The percentages below must add up to 100%. /* OPEN END NUMERIC (0 TO 100) */

/* REPEAT CODES */
/* Q44a */ Portfolio Retention
/* Q44b */ GSE (Fannie Mae and Freddie Mac)
/* Q44c */ Ginnie Mae (FHA/VA)
/* Q44d */ Private Label Securities / Non-Agency Securities
/* Q44e */ Whole Loan Sales to NON-GSE (Correspondent)
/* Q44f */ ## INSERT RESPONSE FROM q35fother ##

/* END SERIES */
Mortgage Servicing Rights

/* DISPLAY */ Now, we will be asking you about your firm’s mortgage servicing rights (MSR) strategy.

/* METRIC A */ Approximately, what percent of your mortgage servicing rights (MSR) goes to each of the following categories? Please enter a percent in each box below. If a category is not applicable to your firm, please enter 0. The percentages below must add up to 100%. /* OPEN END NUMERIC (0 TO 100) */

/* REPEAT CODES */
/* Q38a */ MSR retained, serviced in-house
/* Q38b */ MSR retained, serviced by a subservicer
/* Q38c */ MSR sold

/* END SERIES */

/* METRIC A */ Looking forward, what percent of your firm’s mortgage servicing rights (MSR) over the next 12 months will go to each of the following categories? Please enter a percent for each category. If a category is not applicable to your firm, please enter 0. The percentages below must add up to 100%. /* OPEN END NUMERIC (0 TO 100) */

/* REPEAT CODES */
/* Q45a */ MSR retained, serviced in-house
/* Q45b */ MSR retained, serviced by a subservicer
/* Q45c */ MSR sold

/* END SERIES */

/* Q45d */ /* IF Q38C does not equal Q45C */ What do you think will drive the change in your firm's percentage of MSR sold over the next 12 months? Please be as specific as possible. (Optional) /* OPEN END 1 BOXES 0 REQ */
Rotating Questions – Next-Gen TSPs

/* DISPLAY */ For this next section, we would like to understand your firm’s needs and experiences with next-gen mortgage technology vendors, so-called “Technology Solution Providers (TSPs).”

/* DISPLAY */ Over the past few years, a new generation of companies have emerged to provide new technological solutions to help transform mortgage origination and servicing with the goal to digitalize transactions and remove manual steps to render the consumer and lender experience more similar to current online leaders such as Amazon and Uber. Solutions provided often focus on a specific aspect of the loan life cycle (from consumer application, to underwriting, to servicing). Examples include**:

- Roostify's Point of Sale (POS) platform, on web and mobile, facilitates communication between lenders and borrowers, enabling them to share and track information to speed up the whole process and enhance borrower experience.
- Motivity (acquired by Black Knight) provides real-time business intelligence analytics on operational performance.
- Blend Labs gathers and validates borrower data (e.g., digitized pay stubs, tax returns and bank statements) to streamline process.
- DataVerify provides a single-source platform for data verification, fraud prevention and compliance assistance.
- RexHub’s real estate appraisal platform (acquired by LoanLogics) tracks and captures the operational flow between Appraisal Management Companies (AMCs), lenders, and appraisers.

** Fannie Mae does not endorse companies listed here. The list provided here does not represent the whole sector of next-gen TSPs. These are provided as examples to help illustrate what we mean by “next-gen TSPs.”

/* QR162 */ Which of the following statements best describes your firm’s current status on next-gen TSPs for your mortgage business?

1) We have not looked into these TSPs yet.
2) We have started investigating but have not yet used any.
3) We have started working with some TSPs, but on a trial basis.
4) We have worked with TSPs and incorporated some of their tools into our current process.
We would like to know what functional areas your firm currently uses next-gen TSPs for, if any. Listed below are several key functional areas based on the mortgage lending cycle. What are the three most important functional areas where your firm uses next-gen TSPs to fulfill your needs?

Please select up to three business areas and rank them in order of importance.

[* Loan Production *] [- Origination or producing new loans that are consistent with the product design set by the investor -]
1) Origination: generating loan applications
2) Processing: verifying information and documents
3) Underwriting: analyzing whether the lending risk is acceptable
4) Closing: delivering the deed, signing the note, and disbursing the funds

[* Warehousing, Quality Control, and Shipping & Delivery *] [- Funding the loan before the mortgage is sold to a permanent investor, performing quality control checks, and then shipping and delivering the loan to the investor -]
5) Funding the loan
6) Managing the warehouse line
7) Performing quality control checks
8) Shipping and delivering the loans to an investor

[* Secondary Marketing *] [- Selling mortgage loans and mortgage-backed securities to investors -]
9) Managing the loans in process but not created (“pipeline”)
10) Negotiating investor commitments
11) Setting prices for loans
12) Managing market risks

[* Loan Administration *] [- Servicing the loan after the sale -]
13) Receiving payments from borrowers
14) Remitting funds for principal and interest (less a “servicing fee” for the lender)
15) Paying taxes and insurance from escrow accounts
16) Handling loan payoffs, assumptions, loss mitigation, and foreclosures
17) Responding to customer inquiries

18) General Regulatory Compliance
19) Analytics/Business Intelligence
20) Other (please specify) /* SPECIFY */
We would like to know in which functional areas your firm would be interested in using next-gen mortgage TSPs, if any. Listed below are several key functional areas based on the mortgage lending cycle. What are the three most important functional areas where you would be interested in using next-gen TSPs to fulfill your needs?

Please select up to three business areas and rank them in order of importance.

[* Loan Production *] [- Origination or producing new loans that are consistent with the product design set by the investor -]
1) Origination: generating loan applications
2) Processing: verifying information and documents
3) Underwriting: analyzing whether the lending risk is acceptable
4) Closing: delivering the deed, signing the note, and disbursing the funds

[* Warehousing, Quality Control, and Shipping & Delivery *] [- Funding the loan before the mortgage is sold to a permanent investor, performing quality control checks, and then shipping and delivering the loan to the investor -]
5) Funding the loan
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[* Secondary Marketing *] [- Selling mortgage loans and mortgage-backed securities to investors -]
9) Managing the loans in process but not created ("pipeline")
10) Negotiating investor commitments
11) Setting prices for loans
12) Managing market risks

[* Loan Administration *] [- Servicing the loan after the sale -]
13) Receiving payments from borrowers
14) Remitting funds for principal and interest (less a “servicing fee” for the lender)
15) Paying taxes and insurance from escrow accounts
16) Handling loan payoffs, assumptions, loss mitigation, and foreclosures
17) Responding to customer inquiries

18) General Regulatory Compliance
19) Analytics/Business Intelligence
20) Other (please specify) /* SPECIFY */
In the space provided below, can you share with us some company names as examples that are providing great tools or services that you would recommend? /* OPEN END 1 BOXES 0 REQ */

Now, think about your firm’s needs over the next two years. What would be the three most important functional areas where you envision your firm would use next-gen TSPs to fulfill your needs in two years?

Please select up to three business areas and rank them in order of importance.

[* Loan Production *] [- Origination or producing new loans that are consistent with the product design set by the investor -]
   1) Origination: generating loan applications
   2) Processing: verifying information and documents
   3) Underwriting: analyzing whether the lending risk is acceptable
   4) Closing: delivering the deed, signing the note, and disbursing the funds

[* Warehousing, Quality Control, and Shipping & Delivery *] [- Funding the loan before the mortgage is sold to a permanent investor, performing quality control checks, and then shipping and delivering the loan to the investor -]
   5) Funding the loan
   6) Managing the warehouse line
   7) Performing quality control checks
   8) Shipping and delivering the loans to an investor

[* Secondary Marketing *] [- Selling mortgage loans and mortgage-backed securities to investors -]
   9) Managing the loans in process but not created (“pipeline”)
   10) Negotiating investor commitments
   11) Setting prices for loans
   12) Managing market risks

[* Loan Administration *] [- Servicing the loan after the sale -]
   13) Receiving payments from borrowers
   14) Remitting funds for principal and interest (less a “servicing fee” for the lender)
   15) Paying taxes and insurance from escrow accounts
   16) Handling loan payoffs, assumptions, loss mitigation, and foreclosures
   17) Responding to customer inquiries

18) General Regulatory Compliance
19) Analytics/Business Intelligence
20) Other (please specify) /* SPECIFY */

/* REPEAT CODES */
/* QR165a */ 1 - Most important
/* QR165b */ 2 - 2nd most important
/* QR165c */ 3 - 3rd most important
/* END SERIES */
/* METRIC A */ In which functional areas do you think solutions currently offered by next-gen TSPs do not fully meet your needs or could be further improved?

Please select up to three areas in need of further innovation and rank them in order of importance.

[* Loan Production *] [- Origination or producing new loans that are consistent with the product design set by the investor -]
   1) Origination: generating loan applications
   2) Processing: verifying information and documents
   3) Underwriting: analyzing whether the lending risk is acceptable
   4) Closing: delivering the deed, signing the note, and disbursing the funds

[* Warehousing, Quality Control, and Shipping & Delivery *] [- Funding the loan before the mortgage is sold to a permanent investor, performing quality control checks, and then shipping and delivering the loan to the investor -]
   5) Funding the loan
   6) Managing the warehouse line
   7) Performing quality control checks
   8) Shipping and delivering the loans to an investor

[* Secondary Marketing *] [- Selling mortgage loans and mortgage-backed securities to investors -]
   9) Managing the loans in process but not created (“pipeline”)
   10) Negotiating investor commitments
   11) Setting prices for loans
   12) Managing market risks

[* Loan Administration *] [- Servicing the loan after the sale -]
   13) Receiving payments from borrowers
   14) Remitting funds for principal and interest (less a “servicing fee” for the lender)
   15) Paying taxes and insurance from escrow accounts
   16) Handling loan payoffs, assumptions, loss mitigation, and foreclosures
   17) Responding to customer inquiries

18) General Regulatory Compliance
19) Analytics/Business Intelligence
20) Other (please specify) /* SPECIFY */

/* REPEAT CODES */
/* QR166a */ 1 - Most important
/* QR166b */ 2 - 2nd most important
/* QR166c */ 3 - 3rd most important
/* END SERIES */

/* QR167 */ For the areas that you just identified that are in need of further innovation, could you explain how these areas could be improved through technological innovation? /* OPEN END 1 BOXES 0 REQ */
/* METRIC A */ ## IF AT LEAST LOOKING INTO TSPS: QR162 = C2,C3,C4 ## When selecting a next-gen TSP to fillfull your firm’s needs, what are your major criteria?

Please select up to two of the most important criteria and rank them in order of importance.

/* RANDOM ROTATE CHOICES */

1) Costs
2) Market influence/share
3) Features or functionalities
4) Implementation
5) Integration
6) Proven record of success
7) Reliability
8) Scalability
9) System speed
10) Financial stability (how long will they be in the business)
11) Data privacy/security
12) Business intelligence analytics and reporting
13) Customer service and support
14) Customer/borrower demand
15) Legal/compliance requirements
16) Investor requirements
17) Other /* SPECIFY */ /* DO NOT ROTATE */

/* REPEAT CODES */
/* QR168a */ 1 - Most important
/* QR168b */ 2 - 2nd most important
/* END SERIES */
Earlier you mentioned that your firm has not looked into next-gen TSPs. Listed below are some possible reasons.

Please select up to two of the most important reasons and rank them in order of importance.

1) Costs too high
2) Market influence/share too small
3) Features or functionalities not meeting my needs
4) Implementation difficulty
5) Integration difficulty
6) Lack of proven record of success
7) Poor reliability
8) Lack of scalability
9) Insufficient system speed
10) Uncertain financial stability (how long will they be in the business)
11) Concerns with data privacy/security
12) Business intelligence analytics and reporting not sophisticated
13) Quality of customer service and support
14) Lack of customer/borrower demand
15) Concerns with legal/compliance requirements
16) Concerns with Investor requirements
17) Other

Overall, how satisfied are you with the next-gen TSPs your firm currently uses?

1) Very satisfied
2) Somewhat satisfied
3) Somewhat dissatisfied
4) Very dissatisfied

Why are you not satisfied? Please share your thoughts.

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/* QR172 */ The current marketplace of next-gen TSPs appears to be fragmented with some only offering a technical solution that focuses on a specific aspect of mortgage lending. If a company could integrate these different solutions and offer an end-to-end system, how valuable will it be to your business?

1) Extremely valuable
2) Somewhat valuable
3) Not very valuable
4) Not at all valuable

/* QR173 */ Listed below are some key players in the technology or financial services industry. Who do you think has the greatest potential to offer an end-to-end technological solution to help transform mortgage origination and servicing transactions for borrowers and lenders to create a digital experience more like current online leaders such as Amazon and Uber? /* RANDOM ROTATE CHOICES */

1) Technology companies such as Apple, Google, and Microsoft
2) Current LOS (loan origination system) providers such as Ellie Mae, Fiserv, and Black Knight
3) GSEs (Fannie Mae or Freddie Mae)
4) Online Business-to-Consumers (B2C) lenders such as Quicken Loans, loanDepot, and Ditech
5) Traditional financial services companies such as banks
6) Online real estate services such as Zillow and Realtor.com
7) Online lending aggregators, such as LendingTree.com and Bankrate.com
8) Current next-gen mortgage technology companies
9) Peer-to-Peer (P2P) online lenders such as SoFi, Lending Club, and Prosper
10) Other /* SPECIFY */ /* DO NOT ROTATE */

/* QR174 */ Why do you think that /* [INSERT QR173] */ have the greatest potential? Please share your thoughts. /* OPEN END 1 BOXES 0 REQ */
/* DISPLAY */ This now completes the survey. We really appreciate you taking the time to contribute to this important industry research.

You can find the previous quarters’ results as well as special topic analyses on the Mortgage Lender Sentiment Survey® page on FannieMae.com.

Please note that responses to the survey questions will be aggregated and analyzed solely to identify important topics, trends, and issues surrounding the mortgage industry. Fannie Mae will not publish respondent names or affiliated institutions.

At this point, you may close your browser window or click below to enter your email address if you would like to receive a copy of the Q4 2016 Mortgage Lender Sentiment Survey® report when it’s released. To ensure that your survey responses remain anonymous, after clicking on the link you will be directed to a separate website to enter your email address.