



Fannie Mae™

Lenders' Experiences with TRID

Mortgage Lender Sentiment Survey®

Topic Analysis
Q1 2016

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TRID has created some challenges, but lenders are working to resolve them. Some lenders say TRID has made their firm more competitive in the marketplace.

Challenges with TRID Implementation

- The two biggest challenges lenders reported when implementing TRID were “managing/coordinating with third-party technology vendors” and “communication with key origination and closing players (e.g., buyer, seller and loan officer).”
- About 8 in 10 of those who cited coordinating with third-party technology vendors as a challenge during TRID implementation still consider it an issue today, and are split on how to resolve this moving forward.

TRID’s Impact on Competitiveness

- In most lenders’ opinion, TRID has not substantially changed the competitiveness of the mortgage market.
- However, 33% of lenders say TRID has allowed their firm to have more competitive advantages, whereas 12% say fewer competitive advantages.

TRID’s Operational Impact

- Time to Close: Most lenders agree that TRID has extended the time it takes for a loan to close, with an average of seven additional days. However, most expect the time to shorten as they gain more experience.
- Loan Fees: about 44% of lenders say they raised loan fees.
- Strategy for Delivering the Closing Disclosure: The majority of lenders say their own firm, rather than the closing agent, plays a major role in generating and delivering the Closing Disclosure.

TRID and Consumer Behaviors

- Lenders most commonly educate consumers about TRID by directing them to the CFPB’s materials on TRID (48%), and/or creating their own marketing/education materials (41%).
- Few lenders say TRID has improved consumers’ understanding regarding the mortgage transaction cost and the mortgage loan. Very few lenders say TRID has improved consumers’ mortgage shopping behaviors.



Business Context and Research Questions

Business Context

The Truth in Lending Act/Real Estate Settlement Procedures Act Integrated Disclosure (TRID) rule took effect on October 3, 2015. This new rule, as part of the Consumer Financial Protection Bureau’s “Know Before You Owe” initiative, requires lenders to provide two loan documents with specific timing requirements: the Loan Estimate with details of the loan (e.g., interest rate, property taxes, insurance, etc.) and the Closing Disclosure with itemized costs and fees that consumers will need to pay at closing.¹ Lenders face financial penalties if the details are not accurate. This new rule holds lenders accountable and liable for timing, accuracy, and completeness of disclosures, and therefore has prompted lenders to upgrade their origination systems, streamline workflow, synchronize processes, and train all parties involved (e.g., consumers, closing agents, and loan officers).

Fannie Mae’s Economic & Strategic Research Group (ESR) surveyed senior mortgage executives in February, a few months after TRID enforcement, through its quarterly Mortgage Lender Sentiment Survey[®] to examine lenders’ experiences with implementing TRID requirements and their views about the impact of TRID on their operation, the competitiveness of the mortgage industry, and consumer behaviors.

Research Questions

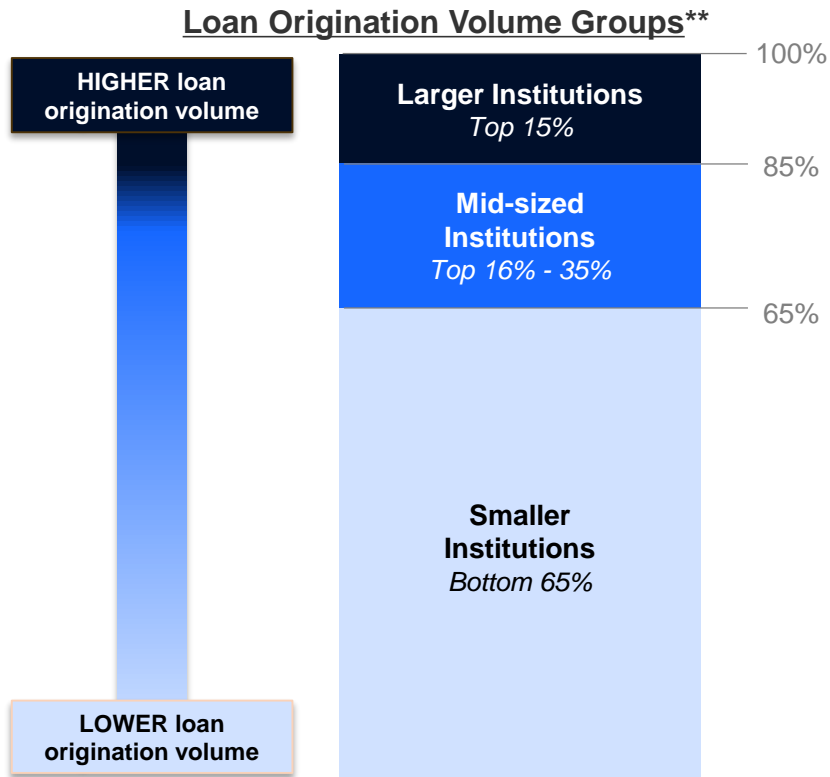
1. What were lenders’ biggest challenges when implementing TRID requirements back then? Do they still face these challenges today?
2. To what extent has TRID impacted the following operations?
 - Time to close
 - Loan fees
 - Method of generating and delivering the Closing Disclosure
3. To what degree has TRID changed the competitiveness of the mortgage market? And, to what degree has TRID changed lenders’ own competitive position?
4. To what extent has TRID changed consumers’ mortgage understanding and shopping behaviors?

1. For details about TRID, please check the CFPB’s website at http://files.consumerfinance.gov/f/201508_cfpb_tila-respa-integrated-disclosure-rule.pdf



Q1 2016 Respondent Sample and Groups

This analysis is based on the first quarter of 2016 data collection. A total of 229 senior executives completed the survey from February 3 - 16, representing 205 lending institutions.*



Sample Q1 2016		Sample Size
Total Lending Institutions The "Total" data throughout this report is an average of the means of the three loan origination volume groups listed below.		205
Loan Origination Volume Groups	Larger Institutions Fannie Mae's customers whose 2014 total industry loan origination volume was in the top 15% (above \$631 million)	57
	Mid-sized Institutions Fannie Mae's customers whose 2014 total industry loan origination volume was in the next 20% (16%-35%) (between \$176 million to \$631 million)	68
	Smaller Institutions Fannie Mae's customers whose 2014 total industry loan origination volume was in the bottom 65% (less than \$176 million)	80
Institution Type***	Mortgage Banks (non-depository)	63
	Depository Institutions	88
	Credit Unions	47

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

** The 2014 total loan volume per lender used here includes the best available annual origination information from Fannie Mae, Freddie Mac, and Marketrac.

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



Challenges with TRID Implementation

- Lenders consider “managing/coordinating with third-party technology vendors” and “communication with key origination and closing players (e.g., buyer, seller and loan officer)” the two biggest challenges during TRID implementation.
 - About 8 in 10 of those who cited coordinating with third-party technology vendors as a challenge during TRID implementation still consider it an issue today.
 - Above all, lenders are split on how to resolve this issue. Similar shares of lenders say they plan to switch vendors, continue working with their current vendors, or are still unsure.
- Moving forward, few lenders have a set strategy regarding outsourcing the operational process for loan origination and closing. Many do not have a clear path forward, as two in five lenders said “Not sure/Don’t know.”



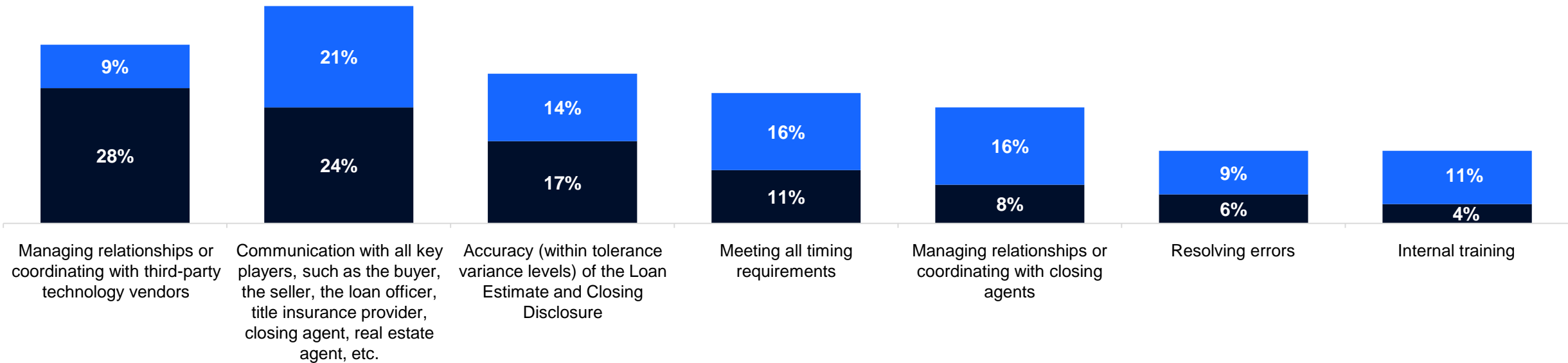
Biggest Challenges during TRID Implementation

Lenders say “managing/coordinating with third-party technology vendors” and “communication with key players (e.g., buyer, seller and loan officer)” were the two biggest challenges during TRID implementation.

Listed below are some challenges lending institutions may have faced when implementing TRID requirements. Please select **up to two** of the biggest challenges that your firm faced during implementation and rank them in order of significance. *Showing Total (N=205)*

Results across subgroups can be found on pp. 30

2nd Biggest Challenge
Top Challenge



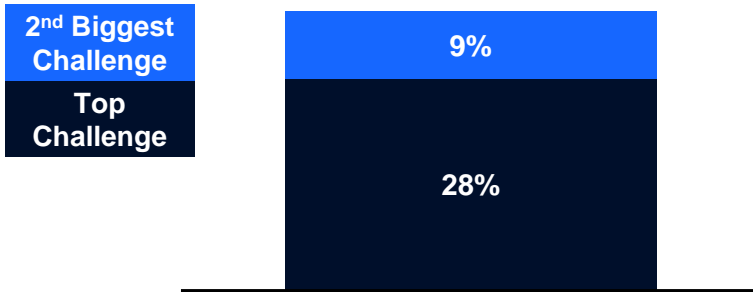


Coordinating with Third-Party Technology Vendors is Still a Challenge Today

Of lenders who found coordinating with third-party technology vendors one of the biggest challenges during TRID implementation, 78% still consider this an issue today. Above all, lenders are split on how to resolve this issue. Similar shares of lenders say they plan to switch vendors, continue working with their current vendors, or are still unsure.

Firms that consider managing relationships or coordinating with third-party technology vendors a challenge during TRID implementation

Results across subgroups can be found on pp. 30



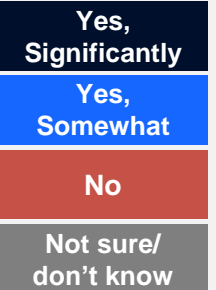
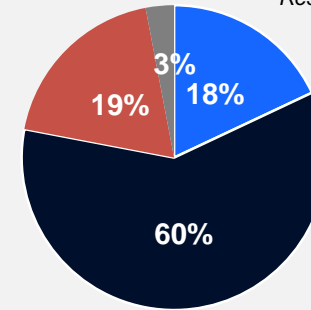
N=74

[If managing relationships or coordinating with third-party technology vendors is a challenge]

Does your firm still have challenges with your third-party technology vendors today? N=74

Results across subgroups can be found on pp. 31

78%
still have challenges with their third-party technology vendors

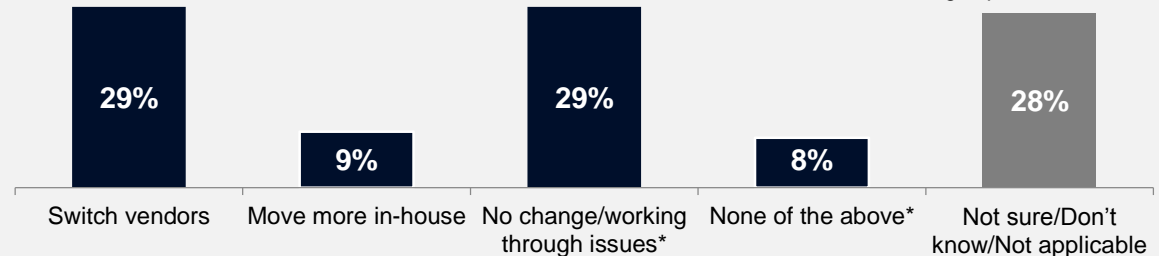


Due to small sample sizes, results should be interpreted with caution

[If managing relationships or coordinating with third-party technology vendors is a challenge]

Does your firm plan to switch third-party technology vendors or move more in-house? Please select all that apply. N=74

Results across subgroups can be found on pp. 31



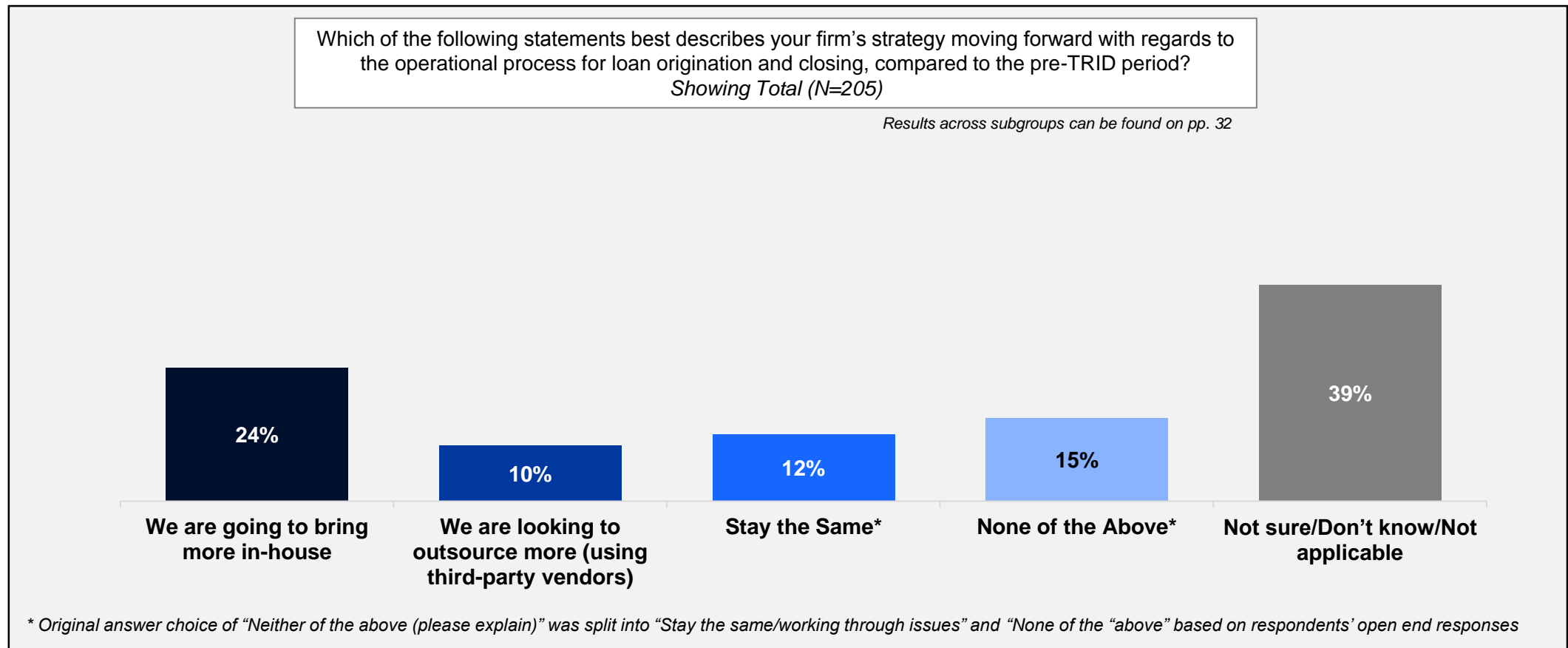
* Original answer choice of "Neither of the above (please explain)" split into "Stay the same/working through issues" and "None of the above" based on respondents' open end responses

Q: Listed below are some challenges lending institutions may have faced when implementing TRID requirements. Please select **up to two** of the biggest challenges that your firm faced during implementation and rank them in order of significance. *Showing Total (N=205)*



Lenders' Operational Process Strategy for Loan Origination and Closing

Moving forward, few lenders have a set strategy regarding outsourcing the operational process for loan origination and closing. Many do not have a clear path forward, as two in five said they are unsure of their strategy, and another 15% say “none of the above”.





TRID's Impact on Competitiveness

- Most lenders say TRID has not changed the competitiveness of the mortgage market.
- However, when thinking about their firm, 33% of lenders say that TRID has created more competitive advantages for their firm, whereas 12% say fewer competitive advantages.
 - Larger institutions and mortgage banks are more likely to say TRID has created competitive advantages for their firm. In contrast, almost one in four credit unions say TRID has hurt their competitive position.

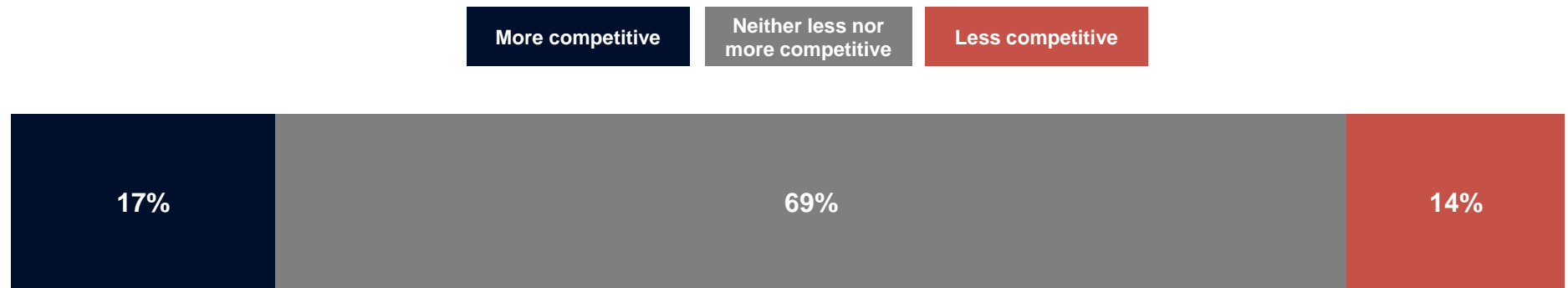


TRID's Impact on Competitiveness

Although most lenders say TRID has not changed the competitiveness of the mortgage market, when thinking about their firm, 33% of lenders say that TRID has created more competitive advantages for their firm, whereas 12% say it has created fewer competitive advantages.

In your view, how has TRID changed the **competitiveness of the mortgage market**? TRID has made the mortgage market...

Showing Total with "Don't know" responses not included (N=183)



How has TRID changed **your firm's competitive position**? TRID has caused my firm to have...

Showing Total with "Don't know" responses not included (N=193)



More detailed results can be found on pp. 41-42



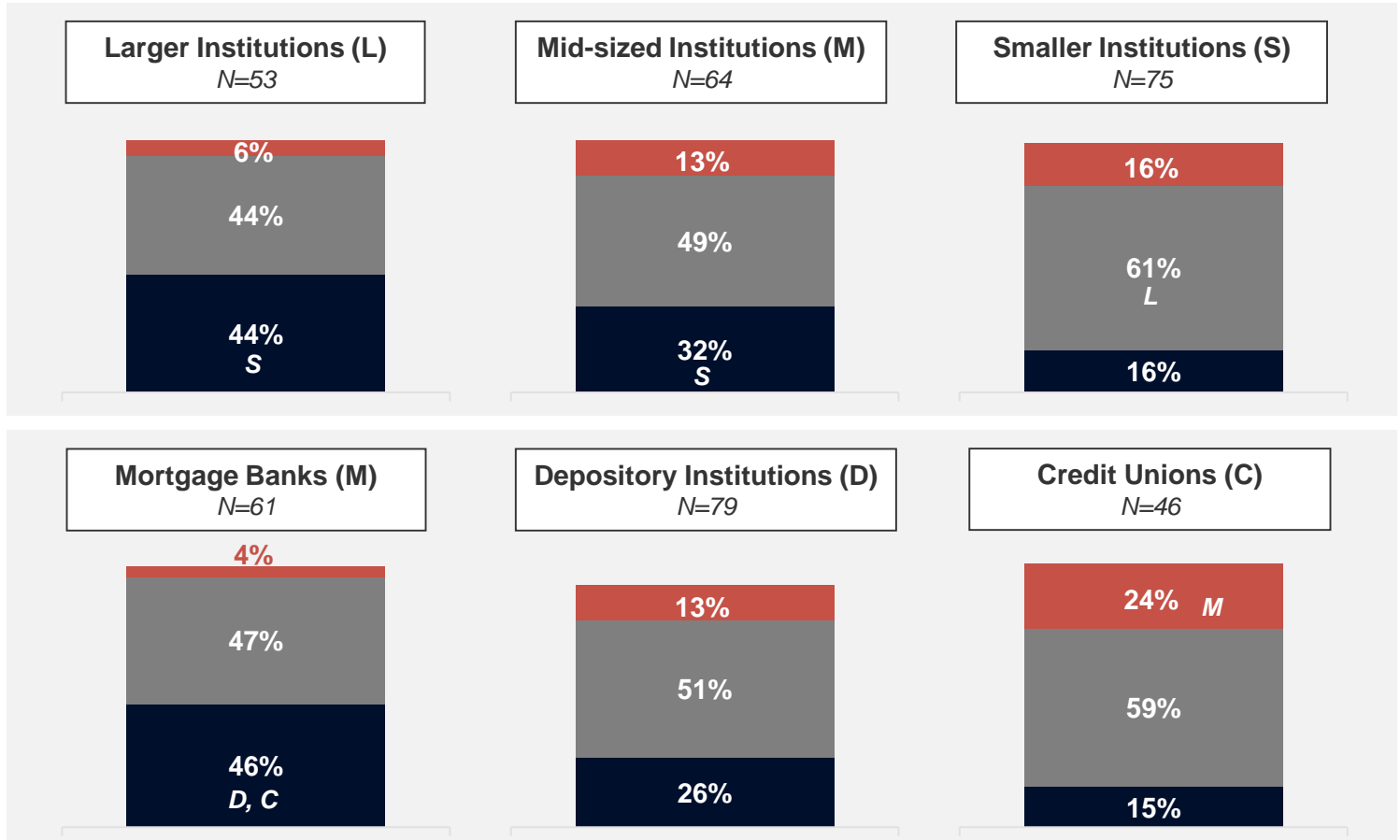
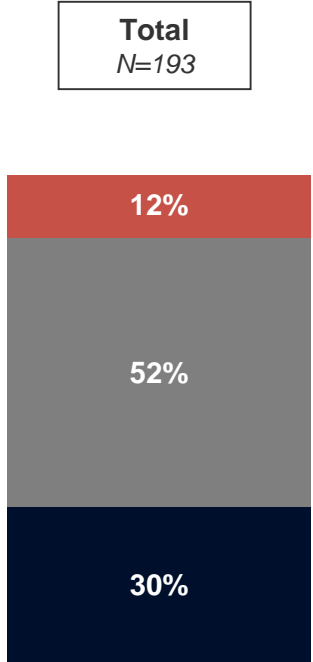
TRID's Effect on Firms' Competitive Position by Lender Size and Type

Larger institutions and mortgage banks are more likely to say TRID has created competitive advantages for their firm. In contrast, almost one in four credit unions say TRID has hurt their competitive position.

How has TRID changed **your firm's competitive position**? TRID has caused my firm to have...
 Showing Total with "Don't know" responses not included

More detailed results can be found on pp. 41-42

- Fewer competitive advantages
- No change in competitive advantages
- More competitive advantages



L/M/S - Denote a % is significantly higher than the annual loan origination volume group that the letter represents at the 95% confidence level
 M/D/C - Denote a % is significantly higher than the institution type group that the letter represents at the 95% confidence level



TRID and Competitiveness of the Mortgage Market

More Competitive

Less Competitive

TRID Impact On Competitiveness of Mortgage Market

N=49

- Closing Speed
- IT Burden
- Repurchase Risk

Q: Why do you think TRID has made the mortgage market less/more competitive? Please share your thoughts.

“It introduced a requirement to change processes and systems by every originator in the industry at the exact same time. Some dealt with it effectively, but others didn't, reducing their ability to compete near-term.” – *Larger Institution*

“It will consolidate the industry to those that can meet/handle the repurchase risk and increased regulatory demand.” – *Mid-sized Institution*

“The abundance of regulation is making it more expensive to originate a loan. The cost is passed onto the consumer.” – *Smaller Institution*

“More competitive in terms of service offering (ability to close by contract date), not necessarily more competitive in terms of pricing.” – *Larger Institution*

“In a purchase market, closing on time and faster allows consumers to be in better position with their offer. This puts pressure on lenders who may not be able to close a loan in 30 days due to TRID and volume. The lenders who can offer faster turn time to consumers will likely win business.” – *Mid-sized Institution*

“More difficult for Clients to [do] an apples-to-apples comparison. Different firms approach the process differently allowing competitors to "position" themselves as "better" than others when it comes to TRID.” – *Mid-sized Institution*

TRID Impact on Firm's Competitive Position

N=80

- Closing Speed
- IT Burden
- Regulatory Scrutiny

Q: Why do you think TRID has caused your firm to have fewer/more competitive advantages? Please share your thoughts.

“We cannot close loans as fast as we could before TRID.” – *Larger Institution*

“The protracted closing schedule helps in NO way to educate consumers. Obtaining mortgage loans is still a time-sensitive process – adding processes and forms only frustrates consumers.” – *Mid-sized Institution*

“We are required to comply with TRID, and are examined to verify compliance. It is my assumption that other entities in the mortgage industry that are not as scrutinized are not following the new rules which puts us at a competitive disadvantage.” – *Smaller Institution*

“We are fully compliant, built the technology ourselves, have inside counsel and know new construction well. We also have an affiliated title company so the closing is far more seamless to the consumer.” – *Larger Institution*

“Our ability to manage the process efficiently and the borrowers expectation gives us an advantage over the large regional banks and less sophisticated small lenders.” – *Mid-sized Institution*

“We are very efficient at closing purchase transactions on time giving us a competitive edge. We have refined our process to move transactions through the system faster in the beginning to compensate for the additional days needed at closing.” – *Smaller Institution*



TRID's Operational Impact

- **Time to Close:** Most lenders surveyed agree that TRID has affected the time it takes for a loan to close, with an average of seven additional days. However, of those who say TRID has affected loan closing time, most expect the time to shorten as they gain more experience.
- **Loan Fees:** Half of lenders surveyed say there were no changes in loan fees due to TRID, but 44% say they raised loan fees.
- **Strategy for Delivering the Closing Disclosure:** The majority of lenders say their own firm, rather than the closing agent, plays a major role in generating and delivering the Closing Disclosure.
 - **Loan Documentation Delivery:** Asking borrowers to go to a secured site to retrieve documents and delivering documents by email are the two most common methods lenders use.

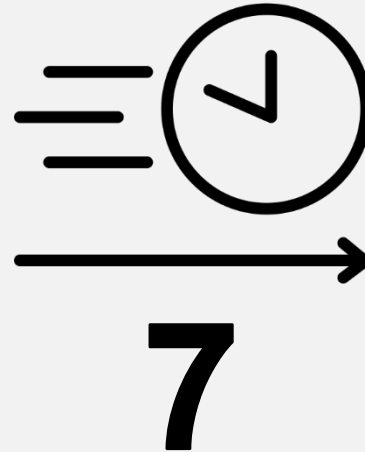
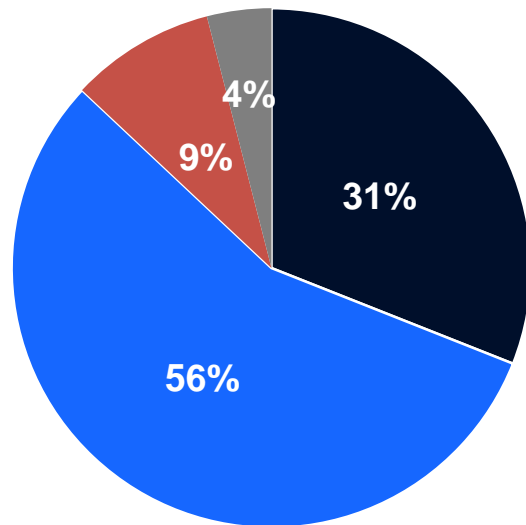


TRID's Impact on Time for Loan to Close

Almost 9 in 10 of lenders surveyed agree that TRID has affected the time it takes for a loan to close, on average adding seven days to the loan closing time. However, of those who say TRID has affected loan closing time, 7 in 10 expect the time to shorten as they gain more experience.

Has TRID implementation affected the time it takes for a loan to close?

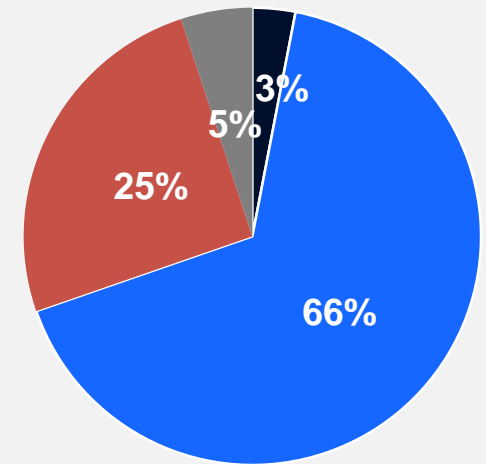
Yes, Significantly	No
Yes, Somewhat	Not sure/ don't know



Number of **additional** days, on average, it takes a loan to close compared with the pre-TRID period

Q: [IF TRID implementation has affected the time it takes for a loan to close] Approximately how many more days, on average, does it take a loan to close, compared with the pre-TRID period? Showing Total (N=172)

69% expect the time to shorten with more experience



Yes, Significantly	Yes, Somewhat	No	Not sure/ don't know
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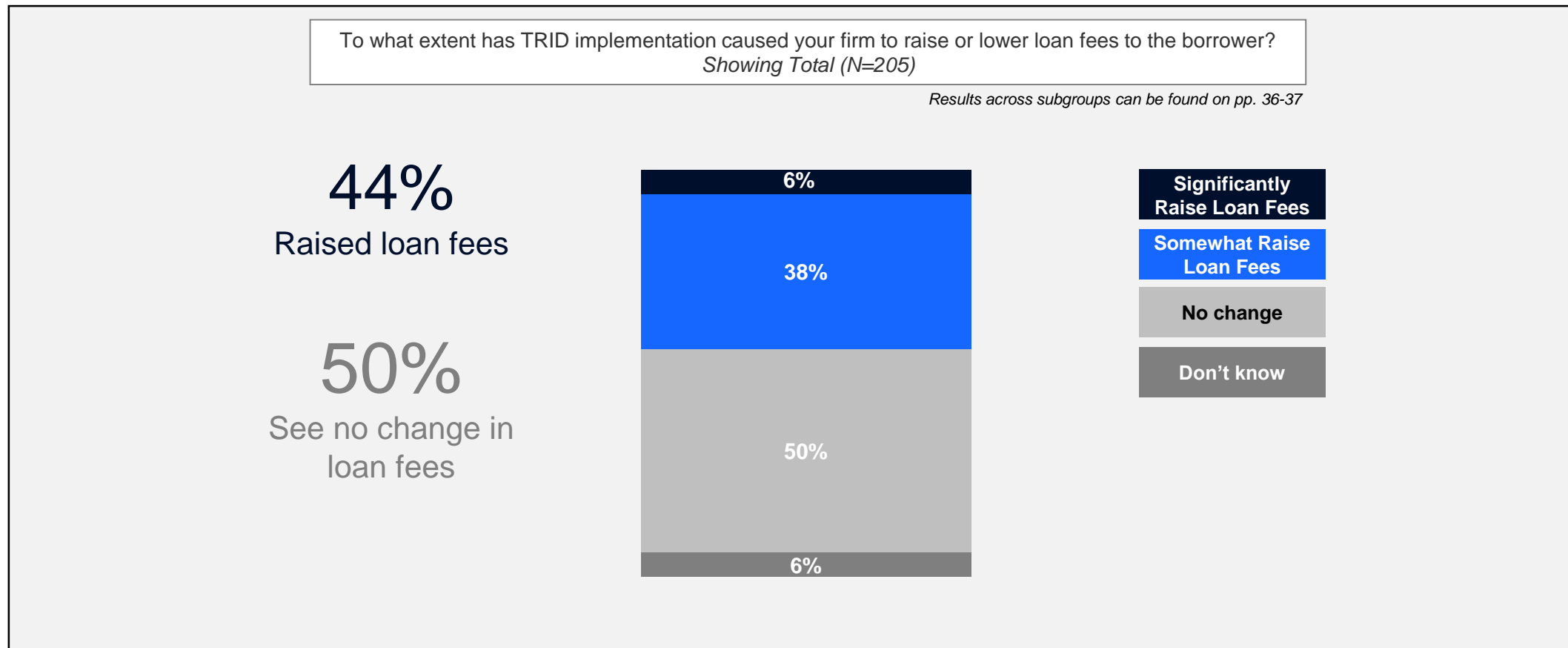
Q: [IF TRID implementation has affected the time it takes for a loan to close] Do you expect the time it takes to close a loan to shorten as your firm has more experience with TRID? Showing Total (N=180)

Results across subgroups can be found on pp. 34-35



Changes in Loan Fees due to TRID

Half of lenders surveyed say there were no changes in loan fees due to TRID, but 44% say they raised loan fees. No lenders say TRID has caused them to lower loan fees.



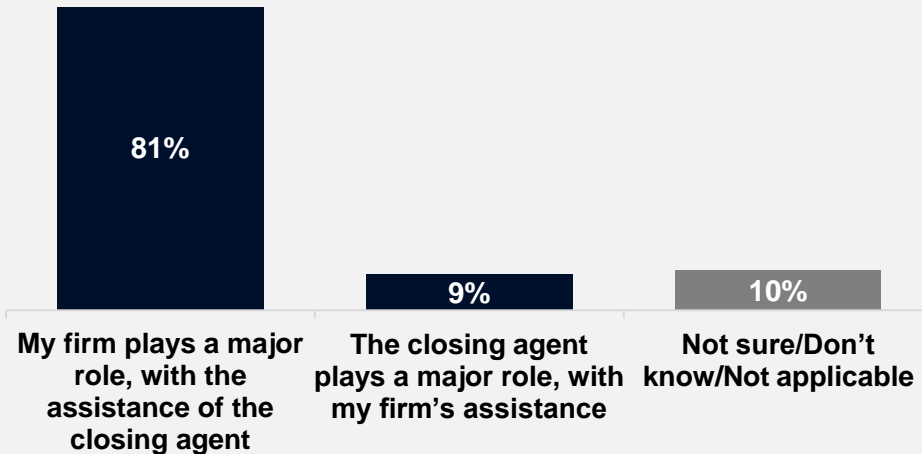


Loan Documentation

The majority of lenders say their own firm plays a major role in generating and delivering the Closing Disclosure and very few rely on the closing agent. About two thirds of lenders say they either ask borrowers to go to a secured site to get documents or they deliver documents by email.

Strategy to Generate and Deliver the Closing Disclosure

Results across subgroups can be found on pp. 38



Q: With regards to the cooperation between your firm and the closing agent, which of the following statements better describes your firm's strategy to generate and deliver the Closing Disclosure, with TRID? Showing Total (N=205)

Most Common Methods of Loan Documentation Delivery

Results across subgroups can be found on pp. 39



5% of lenders chose other, 10% chose not sure/not applicable/don't know

Q: With TRID, what is your firm's most common method of loan documentation delivery? Showing Total (N=205)



TRID and Consumer Behaviors

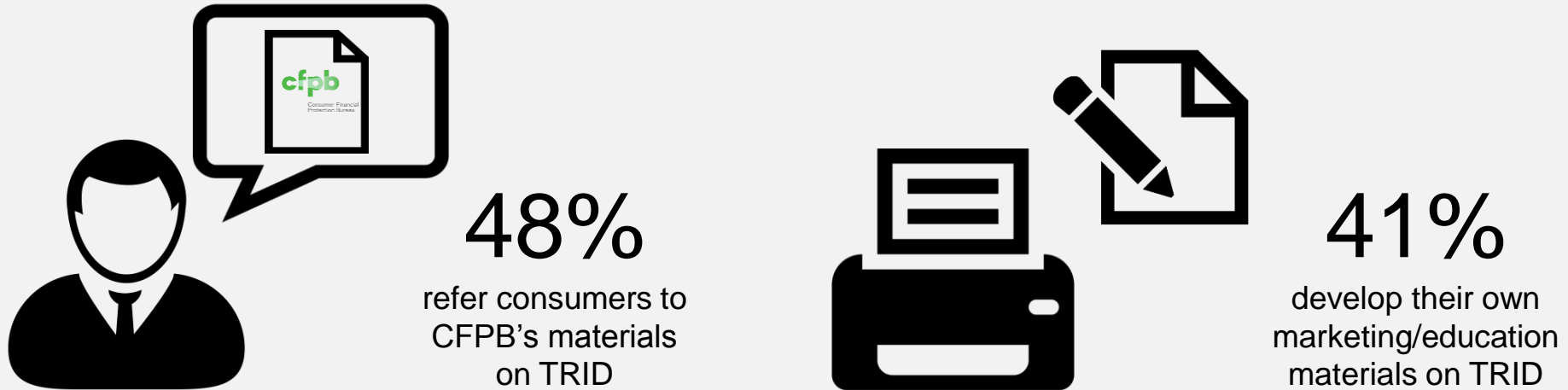
- In educating consumers about TRID, about half of lenders directed consumers to the CFPB's materials on TRID, while 4 in 10 say they developed their own marketing/education materials.
- Few lenders say TRID has improved consumers' understanding regarding the mortgage transaction cost and the mortgage loan. Very few lenders say TRID has improved consumers' mortgage shopping behaviors.



Educating Consumers about TRID

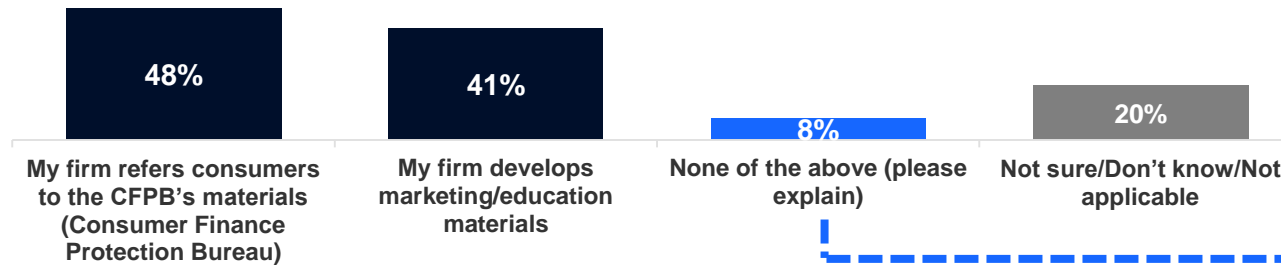
About half of lenders say they refer consumers to CFPB’s materials on TRID to educate consumers, while 4 in 10 say they developed their own marketing/education materials.

Strategies firms use to market or educate consumers about TRID
(Check all that apply)



Which of the following strategies does your firm currently use to market or educate consumers about TRID? Please select all that apply. Showing Total (N=205)

Results across subgroups can be found on next slide



Those who say “none of the above” most commonly say they plan to have loan officers/staff educate consumers about TRID

“Verbal Explanation”

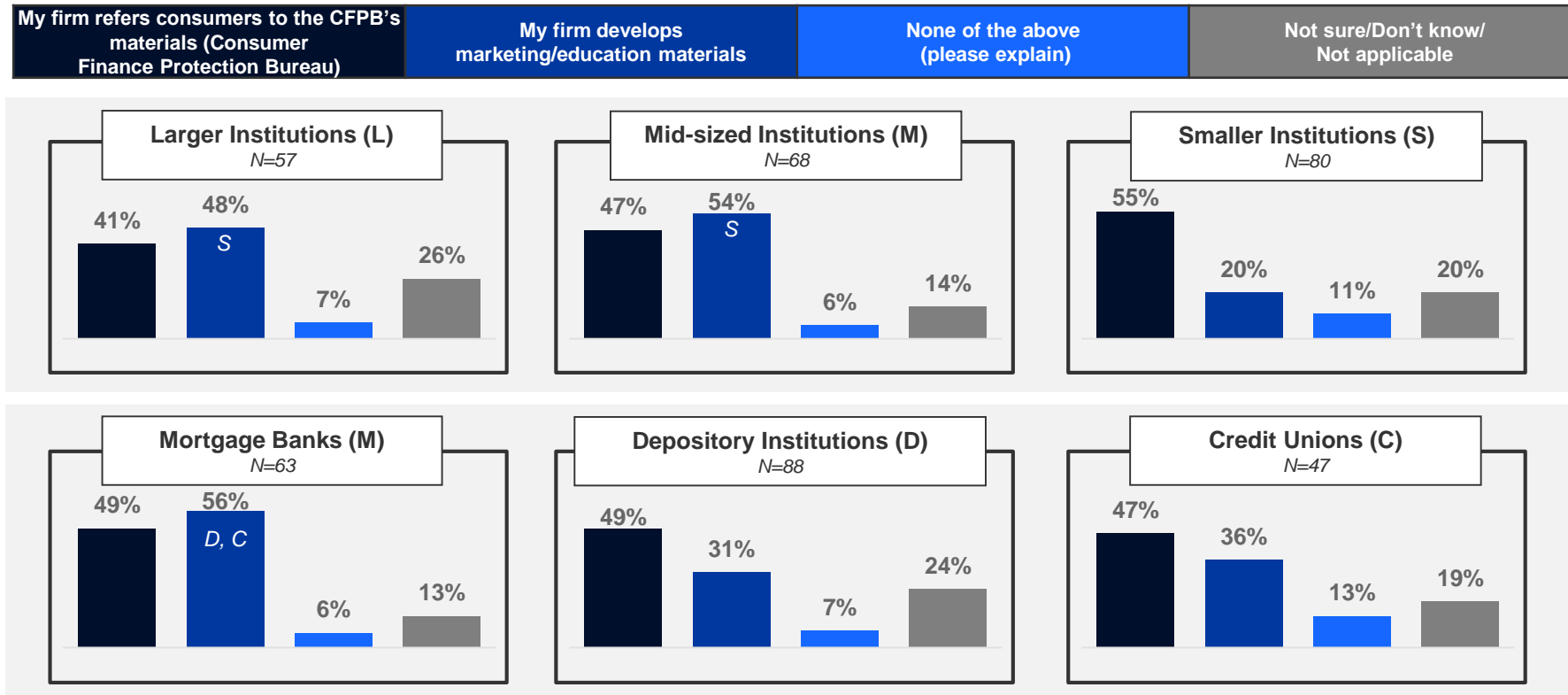
“We communicate information upfront when application is submitted”



Educating Consumers about TRID (by Lender Size and Type)

Mortgage banks were significantly more likely to develop their own TRID education materials than other lender types. In contrast, smaller institutions were significantly less likely to develop their own materials than larger and mid-sized institutions.

Which of the following strategies does your firm currently use to market or educate consumers about TRID? Please select all that apply.
Showing Total (N=205)

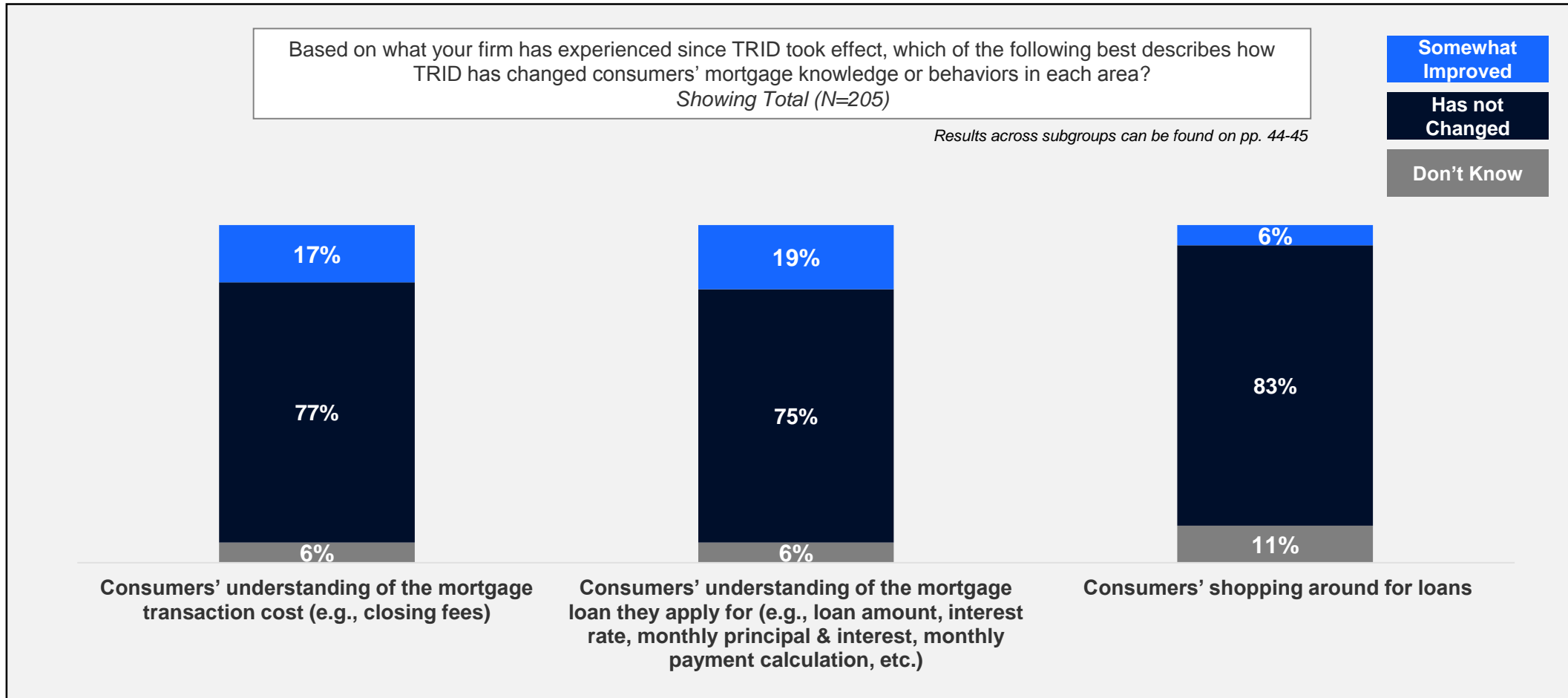


L/M/S - Denote a % is significantly higher than the annual loan origination volume group that the letter represents at the 95% confidence level
M/D/C - Denote a % is significantly higher than the institution type group that the letter represents at the 95% confidence level



TRID and Consumer Understanding/Behaviors

Few lenders say TRID has improved consumers' understanding regarding the mortgage transaction cost and the mortgage loan. Very few lenders say TRID has improved consumers' mortgage shopping behaviors.





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Survey Background

- Fannie Mae's Mortgage Lender Sentiment Survey® is a quarterly online survey among senior executives of Fannie Mae's lending institution partners to provide insights and benchmarks that help mortgage industry professionals understand industry and market trends and assess their own business practices.
- Each quarter, the survey covers both regular tracking questions and specific industry topic questions:

Quarterly Regular Questions

- **Consumer Mortgage Demand**
- **Credit Standards**
- **Mortgage Execution**
- **Mortgage Servicing Rights (MSR) Execution**
- **Profit Margin Outlook**

Featured Specific-Topic Questions

- **Lenders' 2016 Outlook and Growth Concerns**
- **Profit-Margin Drivers and Strategies**
- **Mobile Technologies**

Quarterly Reporting and Quarterly Special Topic Analyses

- Quarterly reports provide a timely view of trends on the topics listed above, such as consumer mortgage demand, lenders' credit standards, and profit margin outlook.
- Quarterly Special Topic Analyses provide insights into important industry topics.

Reports can be found on the Mortgage Lender Sentiment Survey page on [fanniemae.com](http://www.fanniemae.com):

<http://www.fanniemae.com/portal/research-and-analysis/mortgage-lender-survey.html>



Mortgage Lender Sentiment Survey[®]

Survey Methodology

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

Sample Design

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

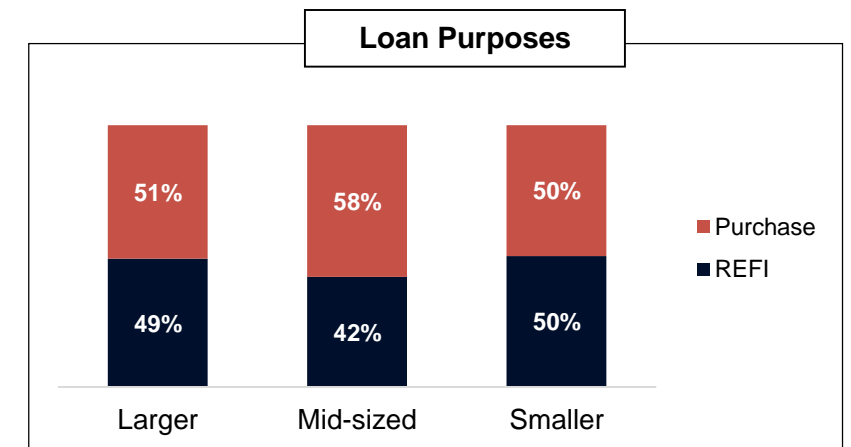
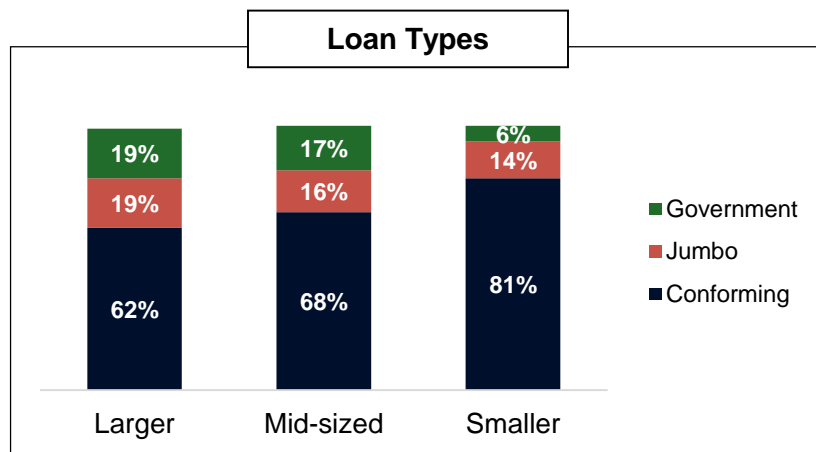
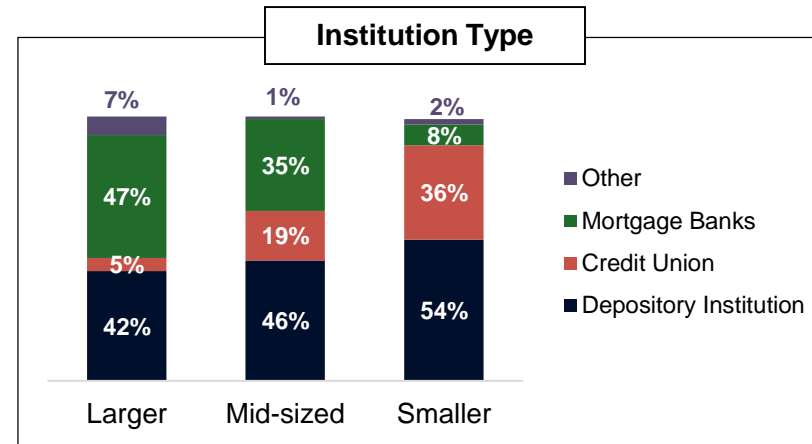
Data Weighting

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



Lending Institution Characteristics

Fannie Mae's customers invited to participate in the Mortgage Lender Sentiment Survey represent a broad base of different lending institutions that conducted business with Fannie Mae in 2015. Institutions were divided into three groups based on their 2015 total industry loan volume – Larger (top 15%), Mid-sized (top 16%-35%), and Smaller (bottom 65%). The data below further describe the compositions and loan characteristics of the three groups of institutions.





2016 Q1 Cross-Subgroup Sample Sizes

	Total	Larger Lenders	Mid-Sized Lenders	Smaller Lenders
Total	205	57	68	80
Mortgage Banks (non-depository)	63	25	29	9
Depository Institutions	88	26	25	37
Credit Unions	47	2	14	31



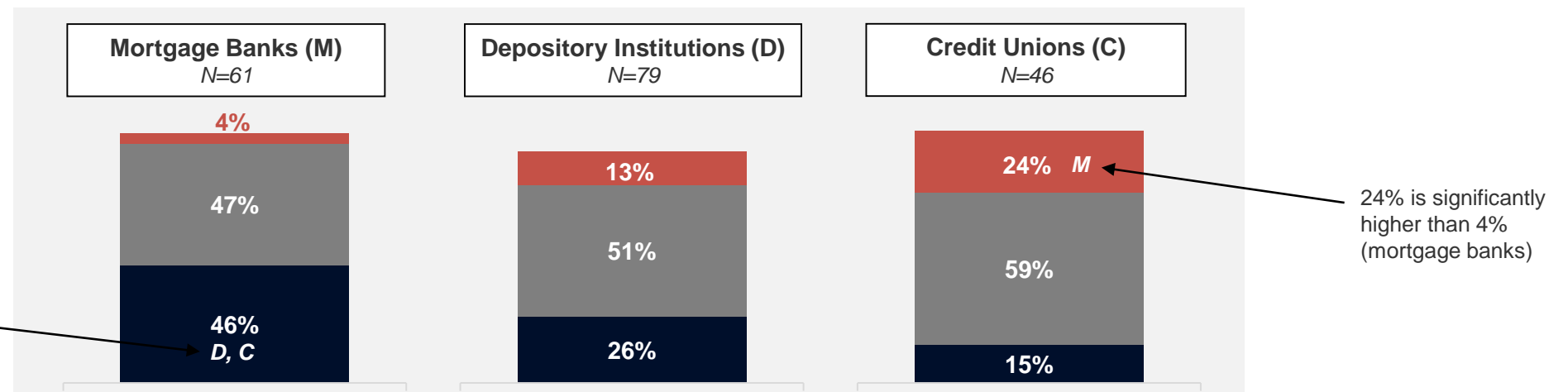
How to Read Significance Testing

On slides where significant differences between three groups are shown:

- Each group is assigned a letter (L/M/S, M/D/C)
- If a group has a significantly higher % than another group at the 95% confidence level, a letter will be shown next to the % for that metric. The letter denotes which group the % is significantly higher than.

Example:

How has TRID changed **your firm's competitive position**? TRID has caused my firm to have...
"Don't know" responses not included





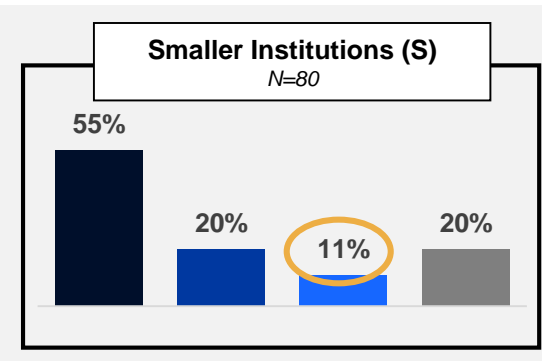
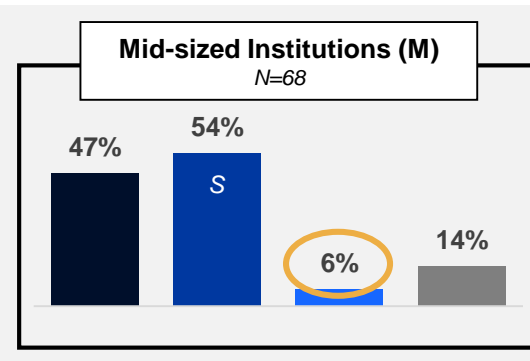
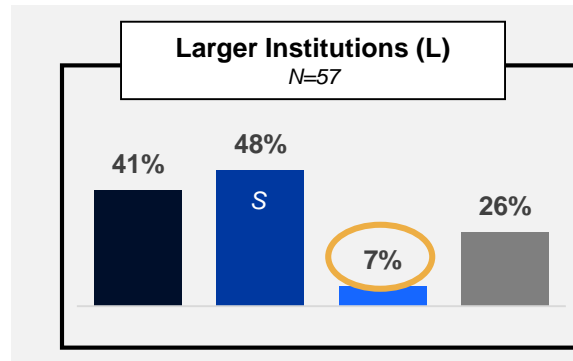
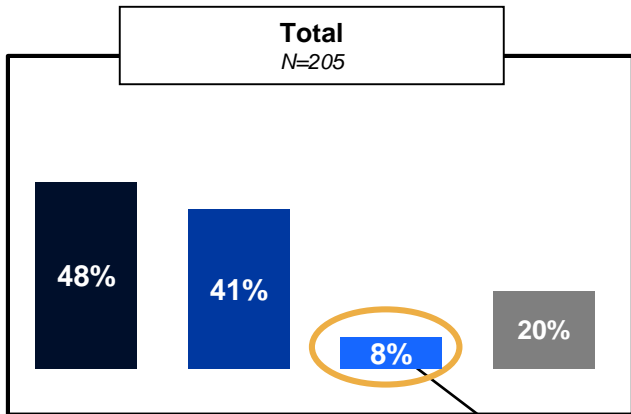
Calculation of the “Total”

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

Example:

Which of the following strategies does your firm currently use to market or educate consumers about TRID? Please select all that apply.

- My firm refers consumers to the CFPB’s materials (Consumer Finance Protection Bureau)
- My firm develops marketing/education materials
- None of the above (please explain)
- Not sure/Don’t know/Not applicable



“Total” of 8% is
 $(7\% + 6\% + 11\%) / 3$



Appendix

Challenges with TRID Implementation



Biggest Challenges with TRID Implementation by Lender Size and Lender Type

Listed below are some challenges lending institutions may have faced when implementing TRID requirements. Please select **up to two** of the biggest challenges that your firm faced during implementation and rank them in order of significance.

	Total	Larger Institutions (L)	Mid-sized Institutions (M)	Smaller Institutions (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
N=	205	57	68	80	63	88	47
Communication with all key players, such as the buyer, the seller, the loan officer, title insurance provider, closing agent, real estate agent, etc.	45%	44%	42%	49%	40%	52%	41%
Managing relationships or coordinating with third-party technology vendors	37%	35%	48% ^S	28%	41%	29%	43%
Accuracy (within tolerance variance levels) of the Loan Estimate and Closing Disclosure	31%	20%	33%	37% ^L	23%	37%	31%
Meeting all timing requirements	27%	23%	19%	39% ^{L, M}	17%	32% ^M	36% ^M
Managing relationships or coordinating with closing agents	24%	23%	33% ^S	14%	29%	20%	22%
Internal training	15%	23% ^M	9%	13%	18%	13%	11%
Resolving errors	15%	16%	15%	15%	20%	14%	11%
Other	5%	10%	1%	3%	8%	1%	6%

L/M/S - Denote a % is significantly higher than the annual loan origination volume group that the letter represents at the 95% confidence level
M/D/C - Denote a % is significantly higher than the institution type group that the letter represents at the 95% confidence level



Coordinating with Third-Party Technology Vendors as a Challenge

Does your firm still have challenges with your third-party technology vendors?

	Total	Larger Institutions (L)	Mid-sized Institutions (M)	Smaller Institutions (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
N=	74	20	32	22	26	26	20
Yes, significantly	18%	20%	19%	14%	14%	14%	25%
Yes, somewhat	60%	65%	60%	55%	59%	68%	54%
No	19%	15%	19%	23%	27%	13%	20%
Not sure/Don't know/Not applicable	3%	0%	3%	9%	0%	6%	2%

Does your firm plan to switch third-party technology vendors or move more in-house?

	Total	Larger Institutions (L)	Mid-sized Institutions (M)	Smaller Institutions (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
N=	74	20	32	22	26	26	20
Switch vendors	29%	35%	30%	18%	24%	30%	35%
Move more in-house	9%	12%	6%	9%	16%	0%	10%
No change/working through issues	29%	22%	32%	32%	35%	23%	26%
None of the above	8%	15%	3%	9%	12%	4%	5%
Not sure/Don't know/Not applicable	28%	20%	29%	36%	18%	43%	29% ^M

L/M/S - Denote a % is significantly higher than the annual loan origination volume group that the letter represents at the 95% confidence level
M/D/C - Denote a % is significantly higher than the institution type group that the letter represents at the 95% confidence level



Lenders' Operational Process Strategy for Loan Origination and Closing

Which of the following statements best describes your firm's strategy moving forward with regards to the operational process for loan origination and closing, compared to the pre-TRID period?

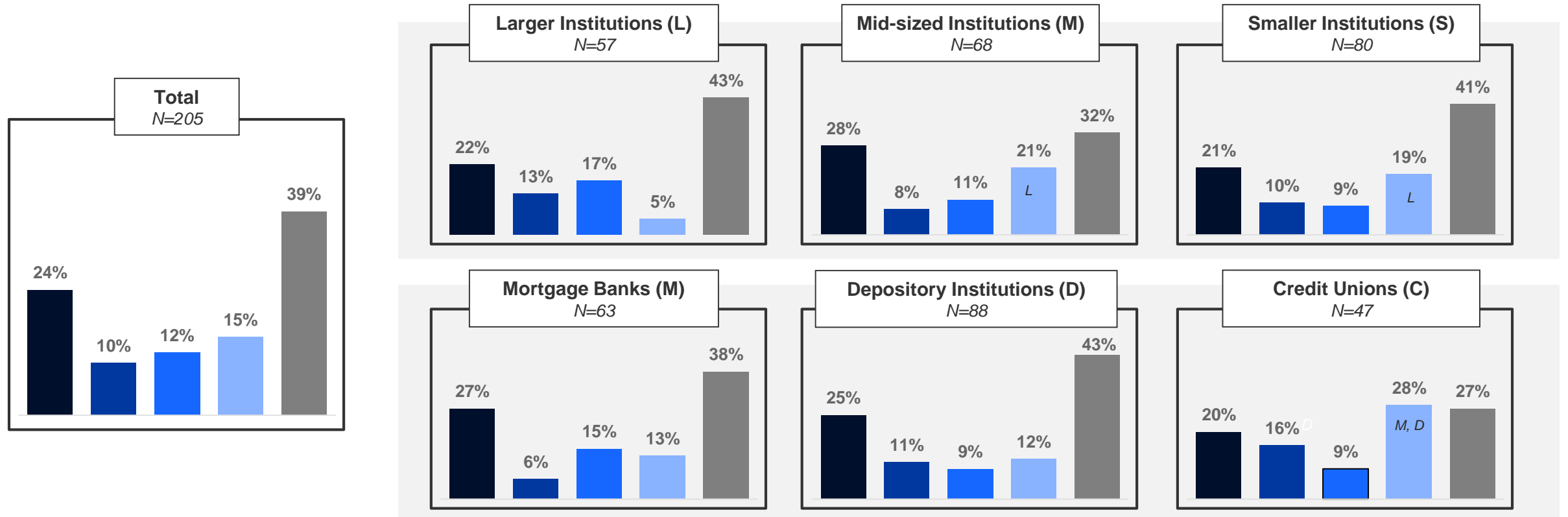
We are going to bring more in-house

We are looking to outsource more (using third-party vendors)

Stay the same

None of the above

Not sure/Don't know/Not applicable



L/M/S - Denote a % is significantly higher than the annual loan origination volume group that the letter represents at the 95% confidence level
M/D/C - Denote a % is significantly higher than the institution type group that the letter represents at the 95% confidence level



Appendix

TRID's Impact on Competitiveness



TRID and Competitiveness of the Mortgage Market by Lender Size and Type

In your view, how has TRID changed the competitiveness of the mortgage market? *Multiple responses permitted*
“Don’t know” responses are not included

	Total	Larger Institutions (L)	Mid-sized Institutions (M)	Smaller Institutions (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
N=	183	49	62	72	60	77	41
Significantly less competitive	5%	5%	2%	7%	6%	3%	7%
Somewhat less competitive	12%	17%	9%	11%	13%	11%	12%
Neither less nor more competitive	69%	67%	69%	71%	69%	70%	66%
Somewhat more competitive	13%	8%	20%	11%	12%	15%	15%
Significantly more competitive	1%	2%	1%	0%	0%	2%	0%

L/M/S - Denote a % is significantly higher than the annual loan origination volume group that the letter represents at the 95% confidence level
M/D/C - Denote a % is significantly higher than the institution type group that the letter represents at the 95% confidence level



Methods of Loan Documentation Delivery by Lender Size and Lender Type

How has TRID changed your firm's competitive position? *TRID has caused my firm to have...*
"Don't know" responses are not included

	Total	Larger Institutions (L)	Mid-sized Institutions (M)	Smaller Institutions (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
N=	193	53	64	75	61	79	46
Significantly fewer competitive advantages	2%	0%	2%	5%	0%	4%	4%
Somewhat fewer competitive advantages	10%	6%	12%	12%	4%	11%	20% ^M
No change in competitive advantages	55%	47%	52%	65% ^L	49%	56%	60%
Somewhat more competitive advantages	28%	37% ^S	31% ^S	16%	39% ^C	26%	15%
Significantly more competitive advantages	5%	9%	3%	1%	8%	3%	0%

L/M/S - Denote a % is significantly higher than the annual loan origination volume group that the letter represents at the 95% confidence level
M/D/C - Denote a % is significantly higher than the institution type group that the letter represents at the 95% confidence level



Appendix

TRID's Operational Impact



TRID's Impact on Time for Loan to Close by Lender Size and Lender Type

Has TRID implementation affected the time it takes for a loan to close?

	Total	Larger Institutions (L)	Mid-sized Institutions (M)	Smaller Institutions (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
N=	205	57	68	80	63	88	47
Yes, significantly	31%	31%	27%	35%	28%	29%	40%
Yes, somewhat	56%	52%	62%	55%	59%	61%	49%
No	9%	14%	6%	6%	10%	5%	9%
Not sure/Don't know/Not Applicable	4%	3%	5%	4%	2%	5%	2%

Approximately how many more days, on average, does it take a loan to close, compared with the pre-TRID period?

	Total	Larger Institutions (L)	Mid-sized Institutions (M)	Smaller Institutions (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
N=	172	45	59	67	52	77	39
Min	1	1	1	2	1	2	2
Max	15	15	15	15	15	15	15
Mean	6.61	5.89	6.20	7.72	5.52	7.28	7.32
Median	5	5	5	7	5	6	7

L/M/S - Denote a % is significantly higher than the annual loan origination volume group that the letter represents at the 95% confidence level
M/D/C - Denote a % is significantly higher than the institution type group that the letter represents at the 95% confidence level



TRID's Impact on Time for Loan to Close

Do you expect the time it takes to close a loan to shorten as your firm has more experience with TRID?

	Total	Larger Institutions (L)	Mid-sized Institutions (M)	Smaller Institutions (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
N=	180	47	60	72	55	79	42
Yes, significantly	3%	2%	7%	1%	9%	1%	0%
Yes, somewhat	66%	81% ^S	68% ^S	50%	63%	68%	58%
No	25%	10%	23%	42% ^{L, M}	26%	25%	32%
Not sure/Don't know/Not Applicable	5%	6%	2%	7%	2%	6%	10%

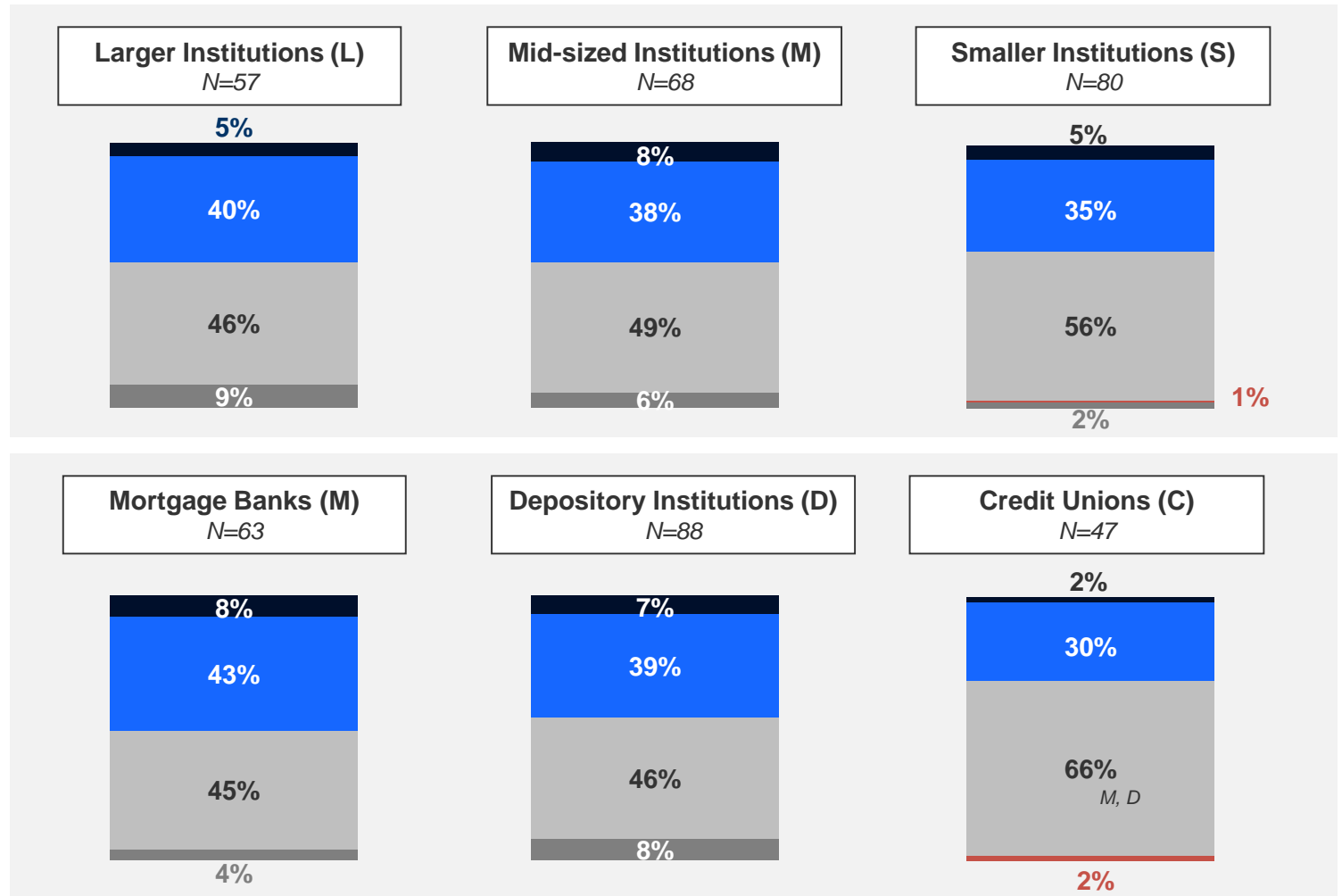
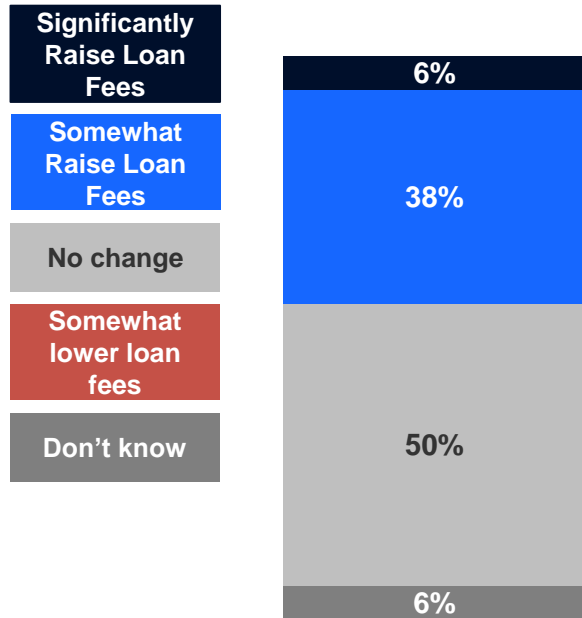
*L/M/S - Denote a % is significantly higher than the annual loan origination volume group that the letter represents at the 95% confidence level
M/D/C - Denote a % is significantly higher than the institution type group that the letter represents at the 95% confidence level*



Changes in Loan Fees due to TRID by Lender Size and Lender Type

To what extent has TRID implementation caused your firm to raise or lower loan fees to the borrower?

Results across subgroups can be found on pp. 48-54



L/M/S - Denote a % is significantly higher than the annual loan origination volume group that the letter represents at the 95% confidence level
M/D/C - Denote a % is significantly higher than the institution type group that the letter represents at the 95% confidence level



Changes in Loan Fees due to TRID by Lender Size and Lender Type

To what extent has TRID implementation caused your firm to raise or lower loan fees to the borrower?

	Total	Larger Institutions (L)	Mid-sized Institutions (M)	Smaller Institutions (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
N=	205	57	68	80	63	88	47
Significantly raise loan fees	6%	5%	8%	5%	8%	7%	2%
Somewhat raise loan fees	38%	40%	38%	35%	43%	39%	30%
No changes on loan fees	50%	46%	49%	56%	45%	46%	66% ^{M, D}
Somewhat lower loan fees	0%	0%	0%	1%	0%	0%	2%
Significantly lower loan fees	0%	0%	0%	0%	0%	0%	0%
Not sure/Don't know/Not Applicable	6%	9%	6%	2%	4%	8%	0%

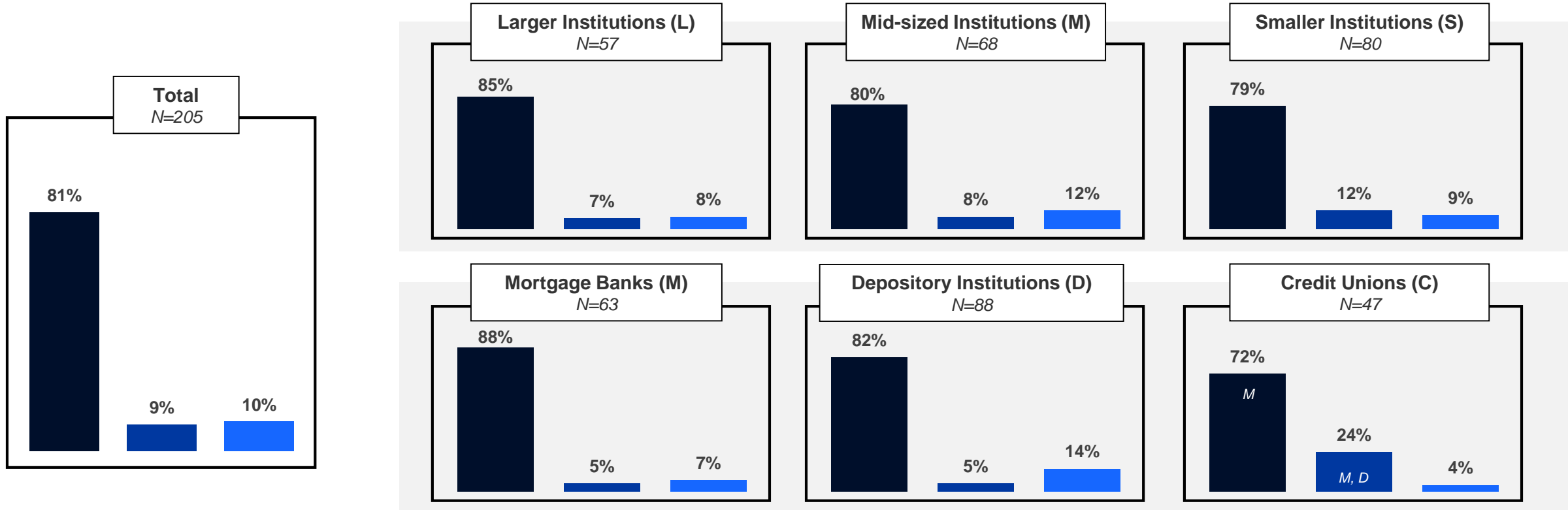
L/M/S - Denote a % is significantly higher than the annual loan origination volume group that the letter represents at the 95% confidence level
M/D/C - Denote a % is significantly higher than the institution type group that the letter represents at the 95% confidence level



Lenders' Strategy to Generate/Deliver the Closing Disclosure

With regards to the cooperation between your firm and the closing agent, which of the following statements better describes your firm's strategy to generate and deliver the Closing Disclosure, with TRID?

My firm plays a major role, with the assistance of the closing agent
The closing agent plays a major role, with my firm's assistance
Not Sure/Don't Know/Not applicable



L/M/S - Denote a % is significantly higher than the annual loan origination volume group that the letter represents at the 95% confidence level
M/D/C - Denote a % is significantly higher than the institution type group that the letter represents at the 95% confidence level



Methods of Loan Documentation Delivery by Lender Size and Lender Type

With TRID, what is your firm's most common method of loan documentation delivery?

	Total	Larger Institutions (L)	Mid-sized Institutions (M)	Smaller Institutions (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
N=	205	57	68	80	63	88	47
Ask borrower to go to a secured site to retrieve documents	35%	42% ^S	43% ^S	19%	44% ^D	24%	35%
Email	32%	29%	30%	39%	32%	28%	44%
Postal mail	15%	10%	11%	24% ^{L, M}	6%	26% ^{M, C}	10%
Expedited mail (overnight, 2nd day, etc.)	3%	2%	3%	4%	0%	4%	4%
Other	5%	4%	6%	6%	8%	5%	2%
Not sure/Don't know/Not applicable	10%	14%	8%	9%	9%	13%	4%

L/M/S - Denote a % is significantly higher than the annual loan origination volume group that the letter represents at the 95% confidence level
M/D/C - Denote a % is significantly higher than the institution type group that the letter represents at the 95% confidence level



Appendix

TRID and Consumer Behaviors



Lenders' Perception of TRID's Influence on Consumer Understanding/Behaviors

Based on what your firm has experienced since TRID took effect, which of the following best describes how TRID has changed consumers' mortgage knowledge or behaviors in each area? **Consumers' understanding of the mortgage transaction cost (e.g., closing fees)**

	Total	Larger Institutions (L)	Mid-sized Institutions (M)	Smaller Institutions (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
N=	205	57	68	80	63	88	47
Significantly improved	.%	0%	0%	1%	0%	0%	2%
Somewhat improved	17%	22%	13%	16%	17%	16%	16%
Has not changed	77%	72%	82%	76%	77%	78%	80%
Don't know	6%	6%	4%	6%	5%	7%	2%

Based on what your firm has experienced since TRID took effect, which of the following best describes how TRID has changed consumers' mortgage knowledge or behaviors in each area? **Consumers' understanding of the mortgage loan they apply for (e.g., loan amount, interest rate, monthly principal & interest, monthly payment calculation, etc.)**

	Total	Larger Institutions (L)	Mid-sized Institutions (M)	Smaller Institutions (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
N=	205	57	68	80	63	88	47
Significantly improved	0%	0%	0%	0%	0%	0%	0%
Somewhat improved	19%	22%	16%	20%	13%	23%	19%
Has not changed	75%	72%	79%	74%	82%	70%	78%
Don't know	6%	6%	5%	6%	5%	7%	3%

L/M/S - Denote a % is significantly higher than the annual loan origination volume group that the letter represents at the 95% confidence level
M/D/C - Denote a % is significantly higher than the institution type group that the letter represents at the 95% confidence level



Lenders' Perception of TRID's Influence on Consumer Understanding/Behaviors

Based on what your firm has experienced since TRID took effect, which of the following best describes how TRID has changed consumers' mortgage knowledge or behaviors in each area? Showing Total (N=205)

Consumers' shopping around for loans

	Total	Larger Institutions (L)	Mid-sized Institutions (M)	Smaller Institutions (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
N=	205	57	68	80	63	88	47
Significantly improved	.%	0%	0%	1%	0%	1%	0%
Somewhat improved	6%	7%	7%	4%	6%	7%	5%
Has not changed	83%	83%	81%	85%	82%	83%	84%
Don't know	11%	10%	12%	10%	12%	9%	11%

L/M/S - Denote a % is significantly higher than the annual loan origination volume group that the letter represents at the 95% confidence level
M/D/C - Denote a % is significantly higher than the institution type group that the letter represents at the 95% confidence level



Question Text

qR116/qR117. Listed below are some challenges lending institutions may have faced when implementing TRID requirements. Please select up to two of the biggest challenges that your firm faced during implementation and rank them in order of significance.

- Internal training
- Communication with all key players, such as the buyer, the seller, the loan officer, title insurance provider, closing agent, real estate agent, etc.
- Accuracy (within tolerance variance levels) of the Loan Estimate and Closing Disclosure
- Meeting all timing requirements
- Managing relationships or coordinating with third-party technology vendors
- Managing relationships or coordinating with closing agents
- Resolving errors
- Other

qR118. Why have these been challenges for your firm and how have they been challenges?

qR119. You mentioned that managing or coordinating with third-party technology vendors was one of the top two challenges that your firm faced during TRID implementation. Does your firm still have challenges with your third-party technology vendors today?

qR119b. Does your firm plan to switch third-party technology vendors or move more in-house? Please select all that apply.

qR120. Which of the following statements best describes your firm's strategy moving forward with regards to the operational process for loan origination and closing, compared to the pre-TRID period?

- We are going to bring more in-house
- We are looking to outsource more (using third-party vendors)
- Neither of the above (please explain)
- Not sure/Don't know/Not applicable

qR121. With regards to the cooperation between your firm and the closing agent, which of the following statements better describes your firm's strategy to generate and deliver the Closing Disclosure, with TRID?

- My firm plays a major role, with the assistance of the closing agent
- The closing agent plays a major role, with my firm's assistance
- Not sure/Don't know/Not applicable

qR122. With TRID, what is your firm's most common method of loan documentation delivery?

- Postal mail
- Expedited mail (overnight, 2nd day, etc.)
- Email
- Ask borrower to go to a secured site to retrieve documents
- Other
- Not sure/Don't know/Not applicable

qR123. To what extent has TRID implementation caused your firm to raise or lower loan fees to the borrower?

qR124. Has TRID implementation affected the time it takes for a loan to close?



Question Text

qR125. Approximately how many more days, on average, does it take a loan to close, compared with the pre-TRID period?

qR126. Do you expect the time it takes to close a loan to shorten as your firm has more experience with TRID?

qR127. Which of the following strategies does your firm currently use to market or educate consumers about TRID? Please select all that apply.

- My firm develops marketing/education materials
- My firm refers consumers to the CFPB's materials (Consumer Finance Protection Bureau)
- None of the above (please explain)
- Not sure/Don't know/Not applicable

qR128. In your view, how has TRID changed the competitiveness of the mortgage market?

qR129. Why do you think TRID has made the mortgage market **less** competitive? Please share your thoughts.

qR130. Why do you think TRID has made the mortgage market **more** competitive? Please share your thoughts.

qR131. How has TRID changed your firm's competitive position?

qR132. Why do you think TRID has caused your firm to have **fewer** competitive advantages? Please share your thoughts.

qR133. Why do you think TRID has caused your firm to have **more** competitive advantages? Please share your thoughts.

qR134a. Based on what your firm has experienced since TRID took effect, which of the following best describes how TRID has changed consumers' mortgage knowledge or behaviors in each area?

Consumers' understanding of the mortgage transaction cost (e.g., closing fees)

- Significantly improved
- Somewhat improved
- Has not changed
- Don't know

qR134b. Based on what your firm has experienced since TRID took effect, which of the following best describes how TRID has changed consumers' mortgage knowledge or behaviors in each area?

Consumers' understanding of the mortgage loan they apply for (e.g., loan amount, interest rate, monthly principal & Interest, monthly payment calculation, etc.)

- Significantly improved
- Somewhat improved
- Has not changed
- Don't know

qR134c. Based on what your firm has experienced since TRID took effect, which of the following best describes how TRID has changed consumers' mortgage knowledge or behaviors in each area?

Consumers' shopping around for loans

- Significantly improved
- Somewhat improved
- Has not changed
- Don't know



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