



Fannie Mae™

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# Mortgage Lender Sentiment Survey®

**Providing Insights Into Current Lending Activities and Market Expectations**

*Q2 2016 Full Report*

*Published: June 14, 2016*





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## Key indicators suggest lenders remain cautiously positive.

### Consumer Demand (Purchase Mortgages)

- The share of lenders reporting net demand growth for purchase mortgages over the prior three months is close to this time last year (Q2 2015). Net demand growth expectations for the next three months also remain near levels seen a year ago.

### Consumer Demand (Refinance Mortgages)

- Lenders reported a significant increase from last quarter (Q1 2016) in net demand growth for refinance mortgages across all loan types over the prior three months. But, expectations for demand for the next three months decreased dramatically since last quarter (Q1 2016), likely reflecting the uncertainty of the Federal Reserve's rate decision.

### Credit Standards

- Lenders continue to report net easing of credit standards, albeit moderate, across all loan types over the prior three months. However, net easing expectations for the next three months have gradually ticked downward since Q4 2015 across all loan types, with about 90 percent of lenders reporting plans to keep their credit standards unchanged.



## Research Objectives

- The survey is unique because it is used not only to track lenders' current impressions of the mortgage industry, but also their insights into the future.
- The *Mortgage Lender Sentiment Survey*<sup>®</sup>, which debuted in March 2014, is a quarterly online survey among senior executives in the mortgage industry, designed to:

**Track insights and provide benchmarks into current and future mortgage lending activities and practices.**

### Quarterly Regular Questions

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

### Featured Specific-Topic Analyses

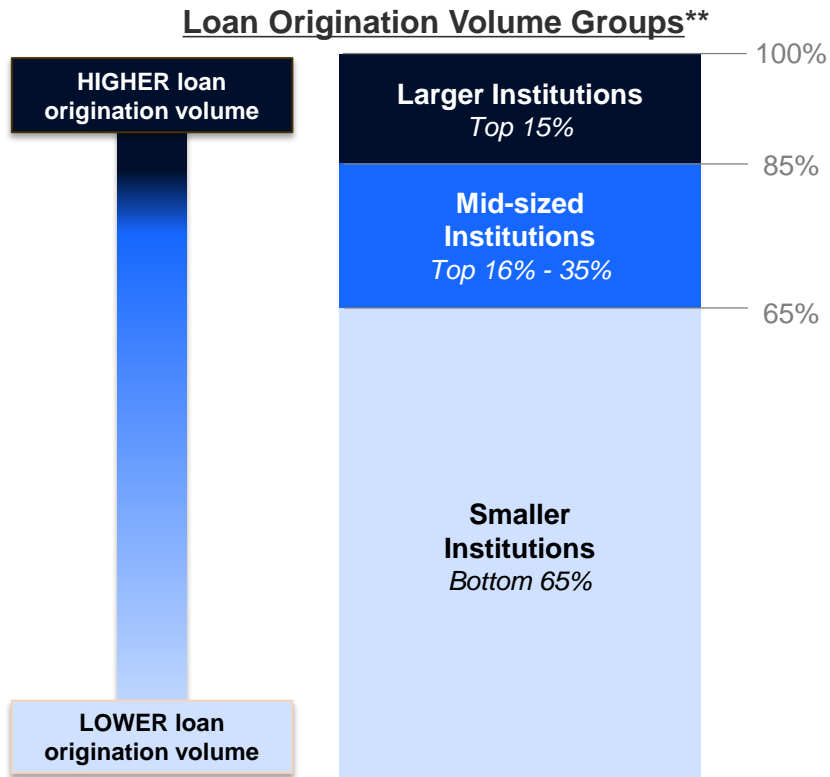
- Lenders' Experiences with TRID
- A Time-Series Look at the Factors Driving Lenders' Profit Margin Outlook
- Lenders' Mobile Strategies

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



# Q2 2016 Respondent Sample and Groups

For Q2 2016, a total of 191 senior executives completed the survey from May 4-16, representing 169 lending institutions.\*



Sample Q2 2016		Sample Size
<b>Total Lending Institutions</b> The "Total" data throughout this report is an average of the means of the three loan origination volume groups listed below.		169
<b>Loan Origination Volume Groups</b>	<b>Larger Institutions</b> Fannie Mae's customers whose 2015 total industry loan origination volume was in the top 15% (above \$631 million)	57
	<b>Mid-sized Institutions</b> Fannie Mae's customers whose 2015 total industry loan origination volume was in the next 20% (16%-35%) (between \$176 million to \$631 million)	54
	<b>Smaller Institutions</b> Fannie Mae's customers whose 2015 total industry loan origination volume was in the bottom 65% (less than \$176 million)	58
<b>Institution Type***</b>	<b>Mortgage Banks</b> (non-depository)	65
	<b>Depository Institutions</b>	63
	<b>Credit Unions</b>	34

\* 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 2015 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.



## Loan Type Definition

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

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



# Consumer Demand

## (Purchase and Refinance Mortgages)

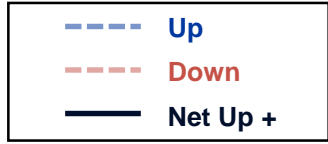
- For purchase mortgages, the share of lenders reporting net demand growth over the prior three months is close to this time last year (Q2 2015). Net demand growth expectations for the next three months also remain near levels seen a year ago, falling somewhat for non-GSE eligible mortgages but ticking upward for government loans.
  - Net demand growth for non-GSE eligible purchase mortgages over the prior three months is down moderately year-over-year, largely due to a significant decrease in growth among mid-sized institutions and mortgage banks since Q2 2015 (see Appendix for results by institution size and institution type).
- Lenders reported a significant increase from last quarter (Q1 2016) in net demand growth for refinance mortgages across all loan types over the prior three months. But, expectations for demand for the next three months decreased dramatically since last quarter (Q1 2016), likely reflecting the uncertainty of the Federal Reserve's rate decision.





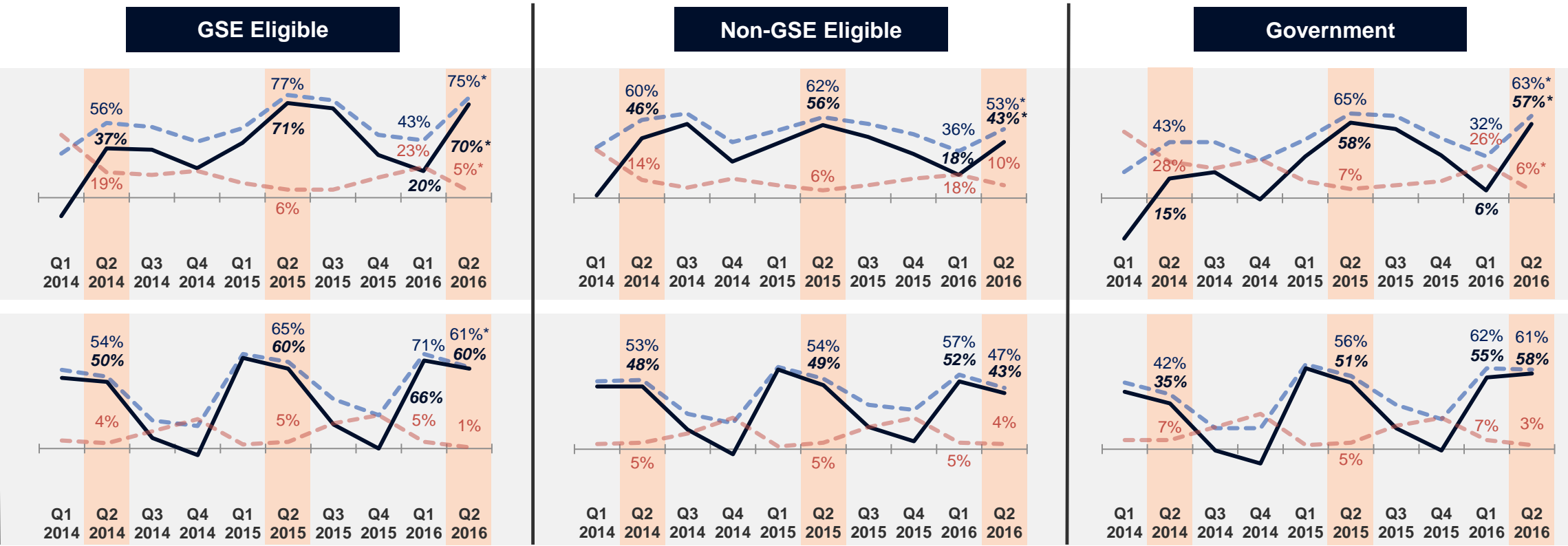
# Purchase Mortgage Demand

The share of lenders reporting net demand growth for purchase mortgages over the prior three months is close to this time last year (Q2 2015). Net demand growth expectations for the next three months also remain near levels seen a year ago, falling somewhat for non-GSE eligible mortgages but ticking upwards for government loans.



**Past 3 Months**

**Next 3 Months**



Net Up + = % of lenders saying up minus % of lenders saying down  
 The % saying "stay the same" is not shown  
 \* Denotes a statistically significant change compared with Q1 2016 (previous quarter)  
 ^ Denotes a statistically significant change compared with Q2 2015 (same quarter of last year)

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



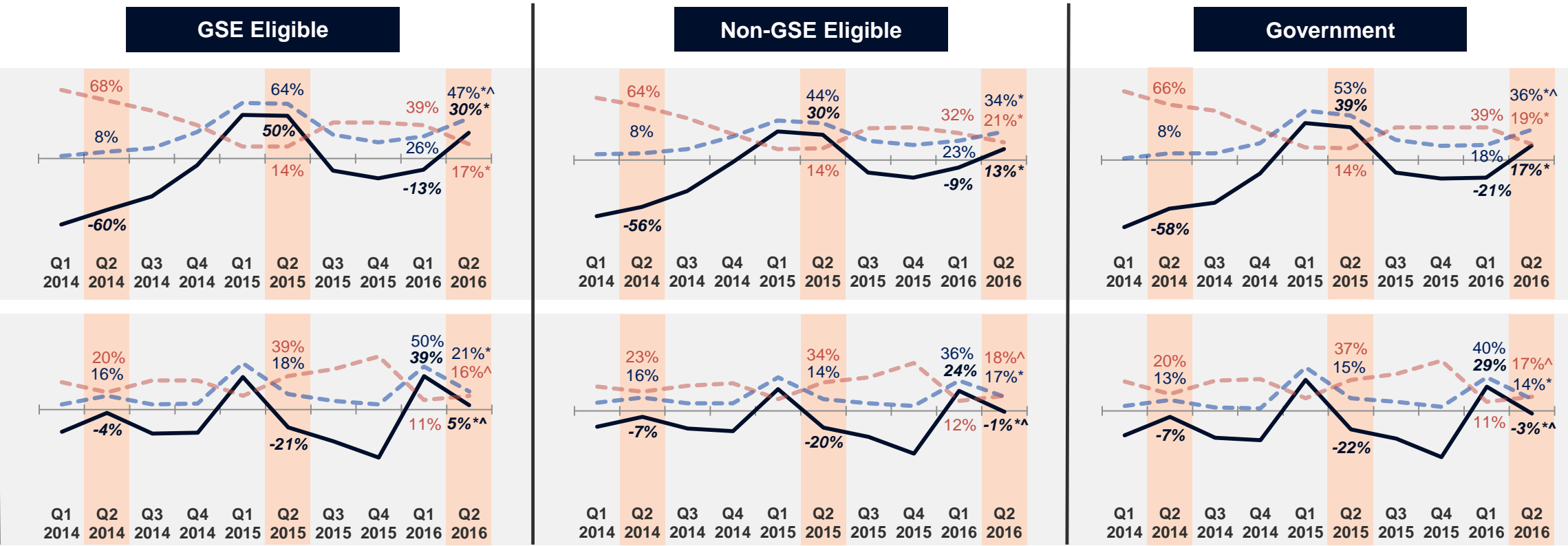
# Refinance Mortgage Demand

Lenders reported a significant increase in net demand growth for refinance mortgages across all loan types over the prior three months, from last quarter (Q1 2016). But, expectations for demand for the next three months decreased dramatically since last quarter (Q1 2016), likely reflecting the uncertainty of the Federal Reserve's rate decision.



**Past 3 Months**

**Next 3 Months**



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

\* Denotes a statistically significant change compared with Q1 2016 (previous quarter)  
^ Denotes a statistically significant change compared with Q2 2015 (same quarter of last year)

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



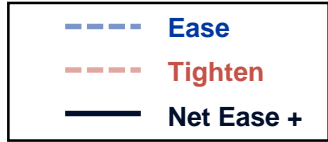
# Credit Standards

- Lenders continue to report net easing of credit standards, albeit moderate, across all loan types over the prior three months, with standards for government loans rebounding after a net tightening seen last quarter (Q1 2016).
- However, net easing expectations for the next three months have gradually ticked downward since Q4 2015 across all loan types, with about 90 percent of lenders reporting plans to keep their credit standards unchanged.
  - Larger institutions, in particular, projected significantly less credit easing over the next three months for non-GSE eligible loans than they expected last quarter (Q1 2016) (see Appendix for results by institution size and institution type).



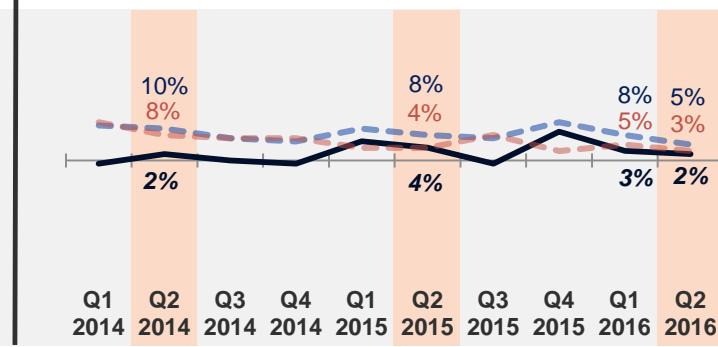
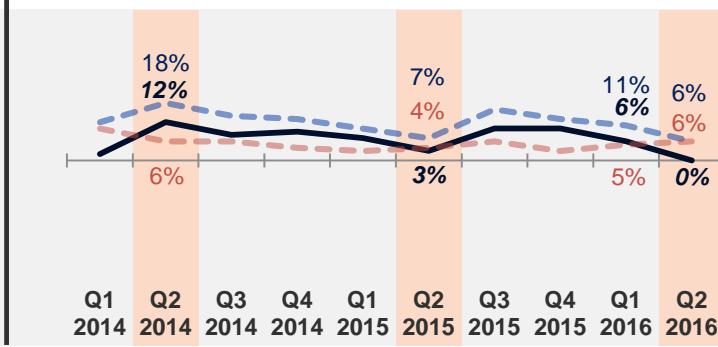
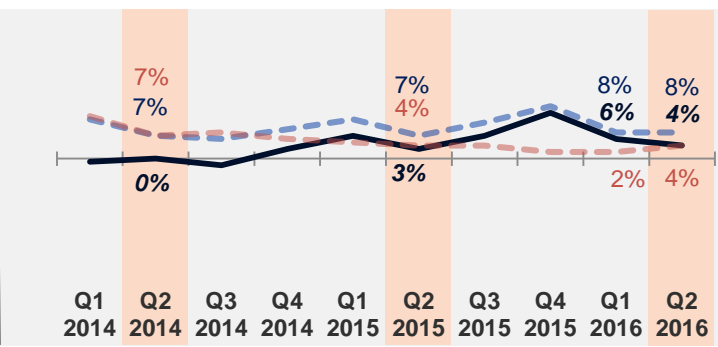
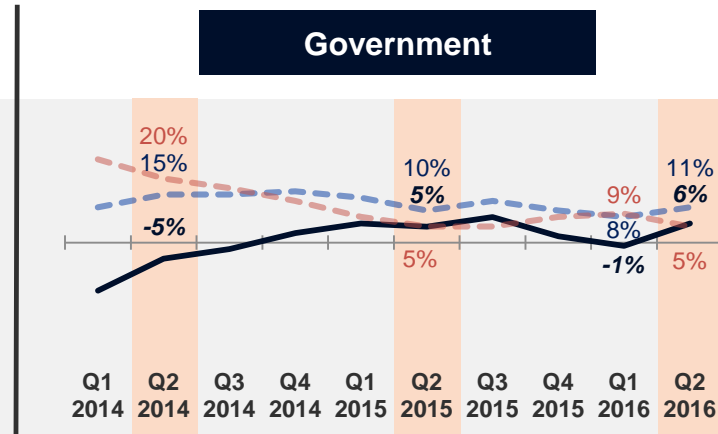
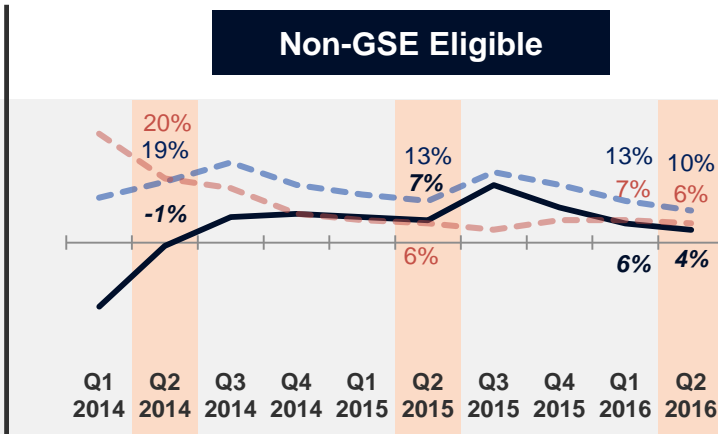
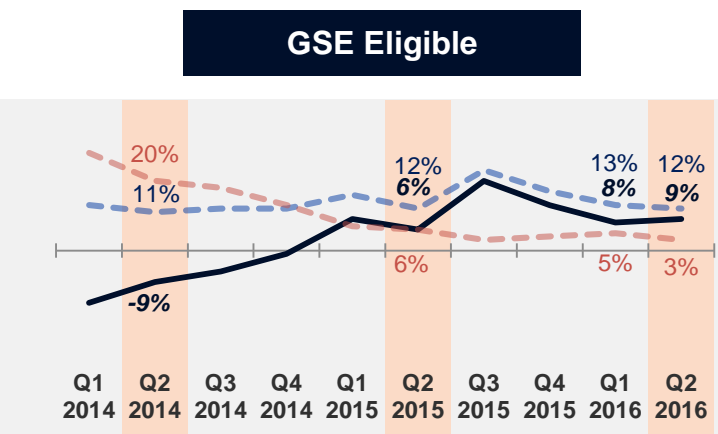
# Credit Standards

Lenders reported a moderate net easing of credit standards across all loan types over the prior three months. In contrast, net easing expectations for the next three months have gradually ticked downward since Q4 2015, across all loan types, with about 90 percent of lenders reporting plans to keep their credit standards unchanged.



**Past 3 Months**

**Next 3 Months**



Net Ease + = % of lenders saying ease minus % of lenders saying tighten  
 The % saying "remain unchanged" is not shown  
 \* Denotes a statistically significant change compared with Q1 2016 (previous quarter)  
 ^ Denotes a statistically significant change compared with Q2 2015 (same quarter of last year)

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



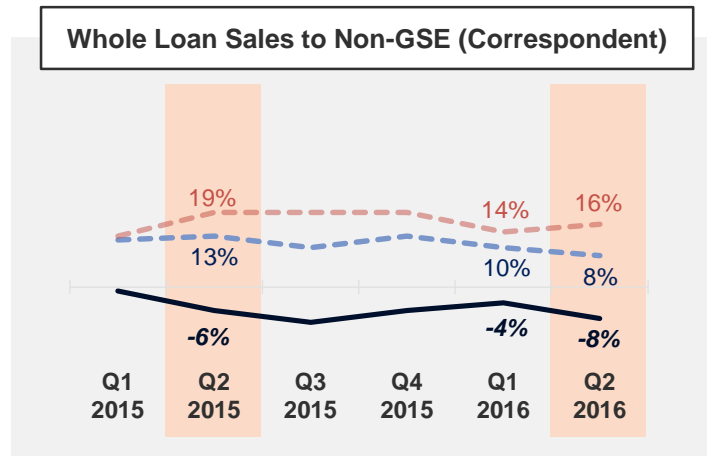
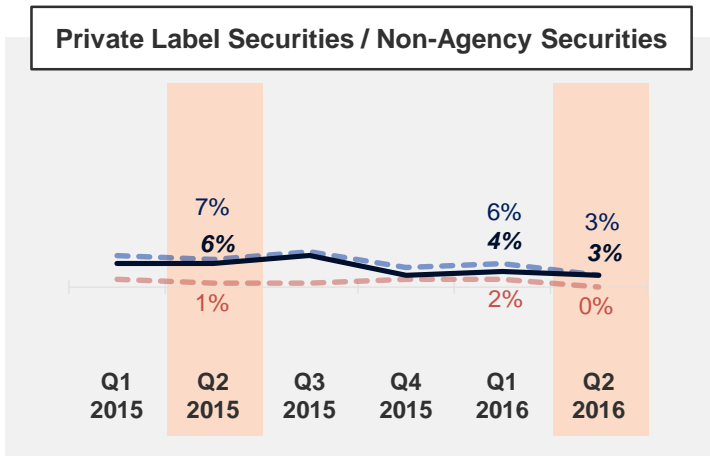
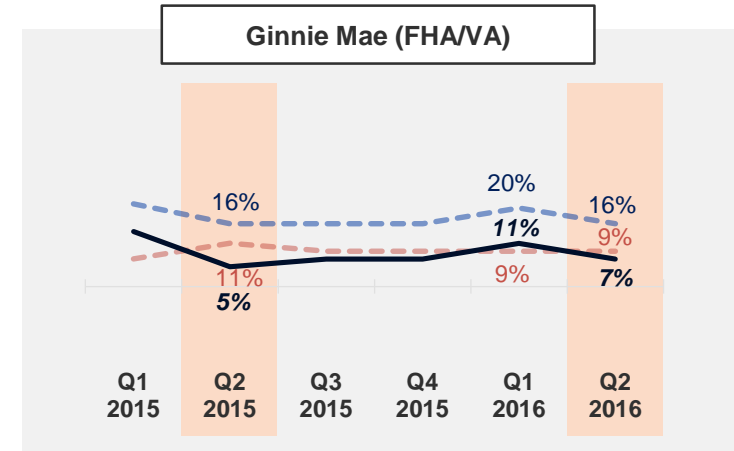
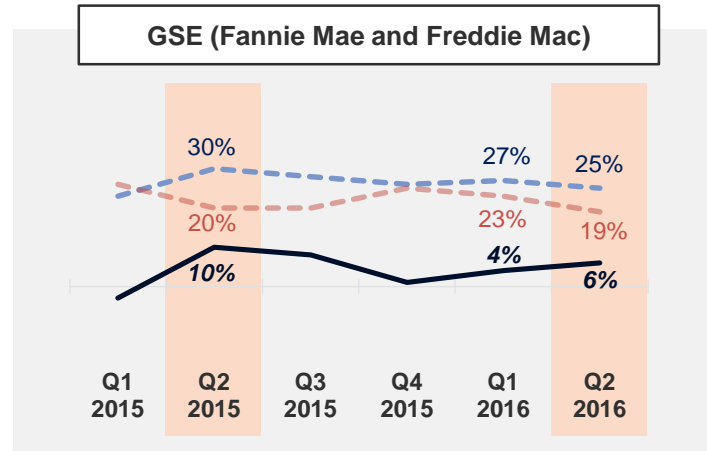
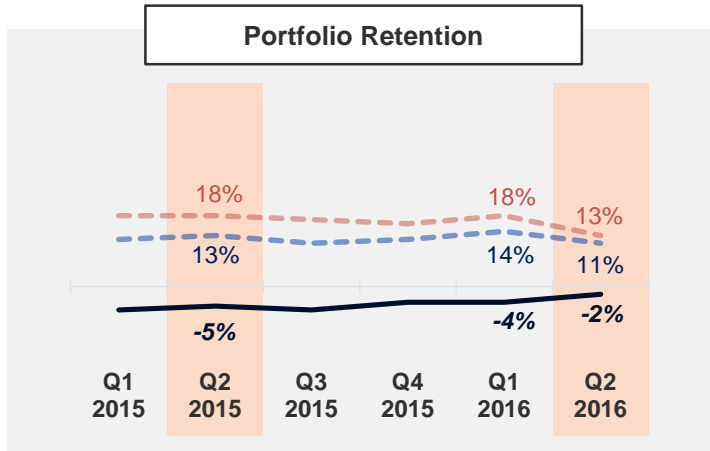
# Mortgage Execution Outlook

- Lenders are expecting more overall stability in their mortgage execution strategy: The proportion of lenders reporting expectations to keep the share of originations sold to each channel unchanged increased somewhat from last quarter for each channel, except for whole loan sales to non-GSE correspondents.



# Mortgage Execution Outlook – Over Next 12 Months

Lenders are expecting more overall stability in their mortgage execution strategy: The proportion of lenders reporting expectations to keep the share of originations sold to each channel unchanged increased somewhat from last quarter for each channel, except for whole loan sales to non-GSE correspondents (see Appendix).



- - - Increase    
 - - - Decrease    
 — Net Increase +

Net Increase + = % of lenders saying increase minus % of lenders saying decrease  
 The % saying "about the same" is not shown

Whether an institution reported increase/decrease/stay the same was based on the difference to their responses to the following 2 questions:  
 Q: Approximately, what percent of your firm's total mortgage originations goes to each of the following categories?  
 Q: Looking forward, what percent of your firm's total mortgage originations over the next year will go to each of the following categories?

\* Denotes a statistically significant change compared with Q1 2016 (previous quarter)  
 ^ Denotes a statistically significant change compared with Q2 2015 (same quarter of last year)



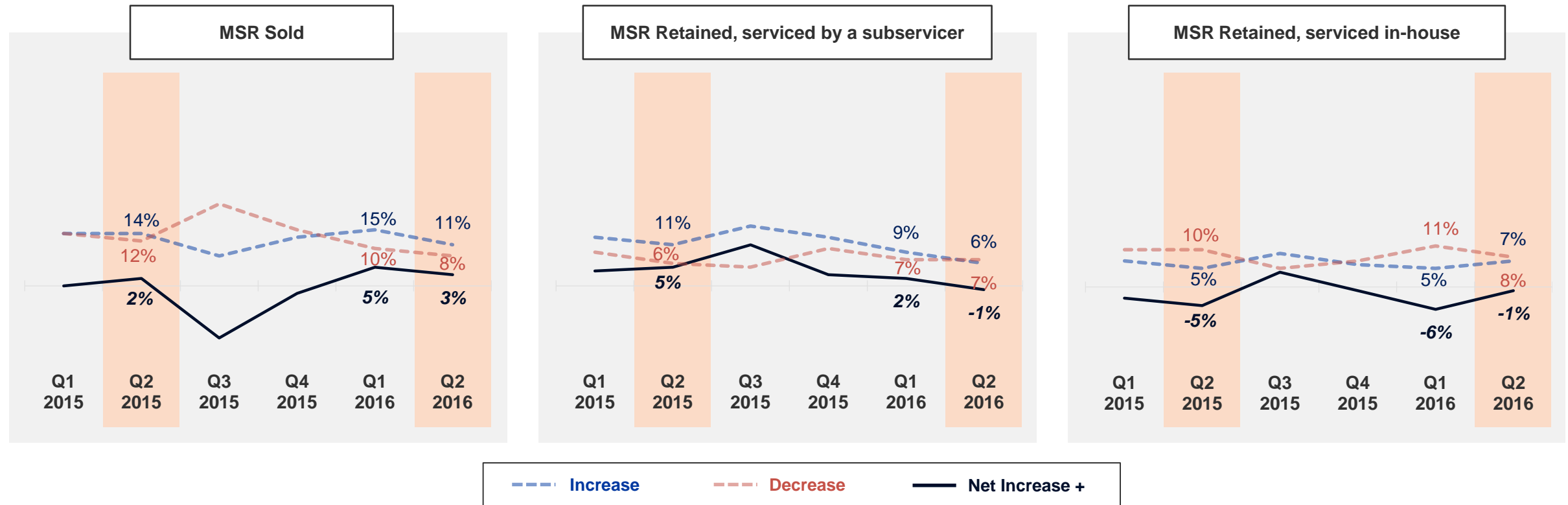
# Mortgage Servicing Rights (MSR) Execution Outlook

- Similarly, lenders are expecting more overall stability in their MSR execution strategy: The share of lenders reporting expectations to keep their MSR execution strategy unchanged over the next 12 months has gradually increased since Q4 2015, driven more by mid-sized institutions and mortgage banks (see Appendix for results by institution size and institution type).



# Mortgage Servicing Rights Execution Outlook

Lenders are expecting more overall stability in their MSR execution strategy: The share of lenders reporting expectations to keep their MSR execution strategy unchanged over the next 12 months has gradually increased since Q4 2015.



- - - Increase    
 - - - Decrease    
 — Net Increase +

Whether an institution reported increase/decrease/stay the same was based on the difference to their responses to the following 2 questions:  
 Q: Approximately, what percent of your mortgage servicing rights (MSR) goes to each of the following categories?  
 Q: Looking forward, what percent of your firm's mortgage servicing rights (MSR) over the next year will go to each of the following categories?

Net Increase + = % of lenders saying increase minus % of lenders saying decrease  
 The % saying "about the same" is not shown

\* Denotes a statistically significant change compared with Q1 2016 (previous quarter)  
 ^ Denotes a statistically significant change compared with Q2 2015 (same quarter of last year)





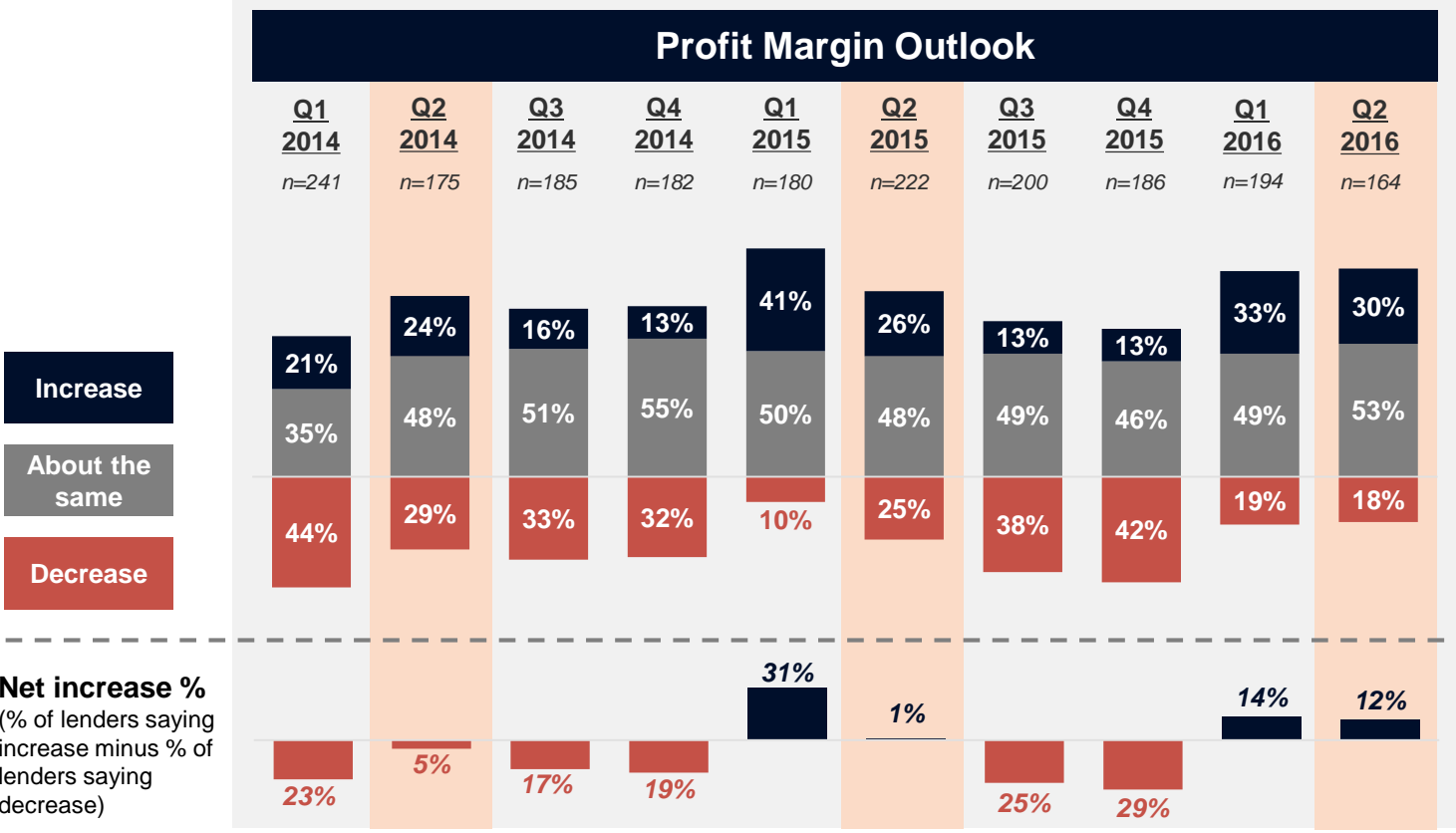
# Profit Margin Outlook

- Lenders reported a net positive profit margin outlook for a second-straight quarter, representing a moderate increase from this time last year (Q2 2015).
  - Larger institutions and mortgage banks both reported significantly higher profit margin expectations compared to this time last year (Q2 2015). In contrast, smaller institutions and credit unions reported moderate year-over-year decreases in net profit margin outlook (see Appendix for results by institution size and institution type).
- Lenders expecting increased profit margins cite rising consumer demand and higher operational efficiency as the key reasons, while those expecting lower profits point primarily to government regulatory compliance.



# Lenders' Profit Margin Outlook – Next 3 Months

Lenders reported a net positive profit margin outlook for a second-straight quarter, representing a moderate increase from this time last year (Q2 2015). Lenders expecting increased profit margins cite rising consumer demand and higher operational efficiency as the key reasons, while those expecting lower profits point primarily to government regulatory compliance.



### Key Reasons for Expected Increase – Q2 2016

Consumer demand	69%
Operational efficiency (i.e. technology)	42%
Market trend changes (i.e. shift from refinance to purchase)	33%
Staffing (personnel costs) reduction	12%
Less competition from other lenders	11%

Showing data for selected answer choices only. n=49

### Key Reasons for Expected Decrease – Q2 2016

Government regulatory compliance	67%
Competition from other lenders	44%
GSE pricing and policies	22%
Government monetary or fiscal policy	16%
Staffing (personnel costs)	12%

Showing data for selected answer choices only. n=29

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

\* Denotes a statistically significant change compared with Q1 2016 (previous quarter)  
 ^ Denotes a statistically significant change compared with Q2 2015 (same quarter of last year)



# Appendix

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Appendix

# Survey Methodology Details



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

## Background

- The Fannie Mae Mortgage Lender Sentiment Survey is a quarterly online survey of senior executives of Fannie Mae's lending institution partners to provides insights and benchmarks that help mortgage industry professionals understand industry and market trends and assess their own business practices.

## 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.

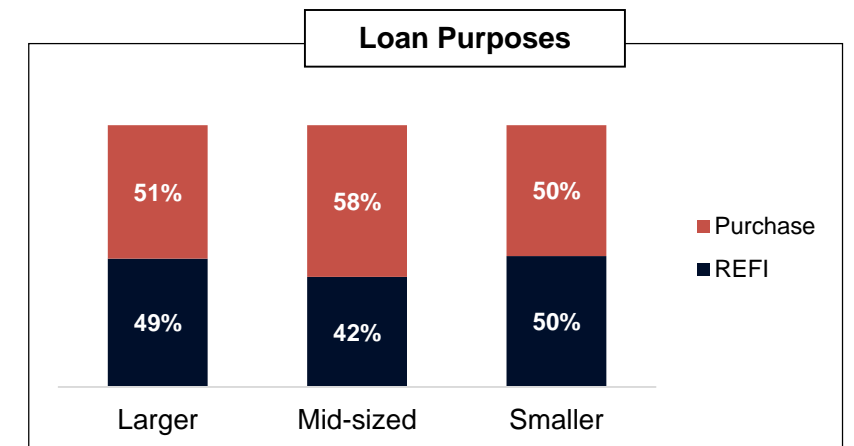
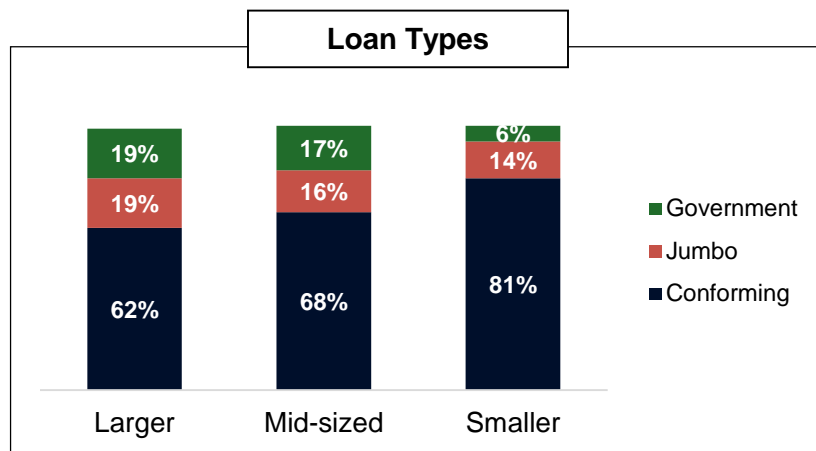
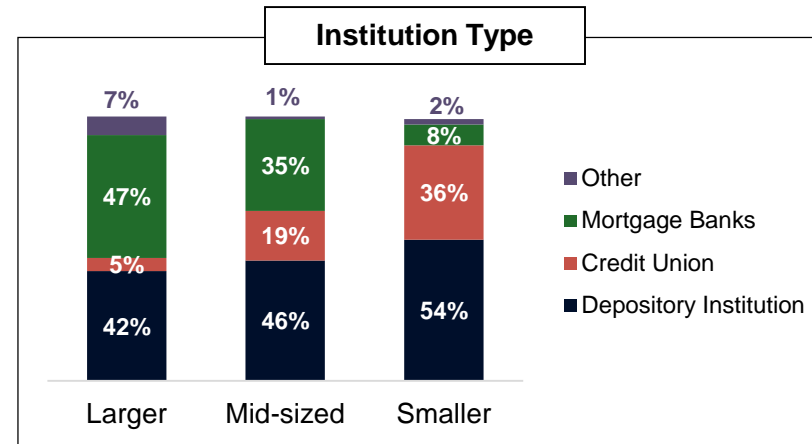
## Data Weighting

- 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.





# Sample Sizes

		Q1 2014		Q2 2014		Q3 2014		Q4 2014		Q1 2015		Q2 2015		Q3 2015		Q4 2015		Q1 2016		Q2 2016	
		Sample Size	Margin of Error	Sample Size	Margin of Error	Sample Size	Margin of Error	Sample Size	Margin of Error	Sample Size	Margin of Error	Sample Size	Margin of Error	Sample Size	Margin of Error	Sample Size	Margin of Error	Sample Size	Margin of Error	Sample Size	Margin of Error
<b>Total Lending Institutions</b>		247	±5.65%	186	±6.69%	196	±6.48%	192	±6.56%	197	±6.51%	238	±6.22%	209	±6.30%	194	±6.58%	205	±6.72%	169	± 7.12%
<b>Loan Origination Volume Groups</b>	Larger Institutions	46	±12.77%	47	±12.60%	50	±12.10%	49	±12.11%	58	±11.11%	55	±12.91%	55	±11.64%	59	±11.03%	57	±12.64%	57	±11.28%
	Mid-sized Institutions	51	±12.41%	50	±12.56%	55	±11.84%	56	±11.70%	50	±12.68%	68	±11.55%	83	±9.39%	59	±11.48%	68	±11.53%	54	±12.13%
	Smaller Institutions	150	±7.31%	89	±9.86%	91	±9.74%	87	±9.98%	89	±9.91%	115	±8.97%	71	±11.21%	76	±10.81%	80	±10.82%	58	±12.50%
<b>Institution Type</b>	Mortgage Banks	38	±14.61%	47	±12.84%	57	±11.34%	48	±12.66%	53	±12.07%	71	±11.22%	78	±9.53%	71	±10.15%	63	±11.96%	65	±10.78%
	Depository Institutions	121	±8.14%	84	±10.07%	75	±10.73%	83	±10.13%	95	±9.43%	105	±9.39%	81	±10.31%	75	±10.76%	88	±10.29%	63	±11.84%
	Credit Unions	72	±10.39%	50	±12.91%	52	±12.62%	49	±13.07%	40	±14.77%	52	±13.35%	43	±14.18%	39	±14.98%	47	±14.07%	34	±16.16%

## 2014

Q1 was fielded between March 4, 2014 and March 18, 2014  
 Q2 was fielded between May 28, 2014 and June 8, 2014  
 Q3 was fielded between August 6, 2014 and August 23, 2014  
 Q4 was fielded between November 5, 2014 and November 24, 2014

## 2015

Q1 was fielded between February 4, 2015 and February 16, 2015  
 Q2 was fielded between May 6, 2015 and May 17, 2015  
 Q3 was fielded between August 5, 2015 and August 17, 2015  
 Q4 was fielded between November 4, 2015 and November 16, 2015

## 2016

Q1 was fielded between February 3, 2016 and February 16, 2016  
 Q2 was fielded between May 4, 2016 and May 16, 2016



## 2016 Q2 Cross-Subgroup Sample Sizes

	Total	Larger Lenders	Mid-Sized Lenders	Smaller Lenders
<b>Total</b>	<b>169</b>	<b>57</b>	<b>54</b>	<b>58</b>
<b>Mortgage Banks (non-depository)</b>	65	31	28	6
<b>Depository Institutions</b>	63	21	17	25
<b>Credit Unions</b>	34	0	7	27





## 2016 Q2 Sample Sizes: Consumer Demand

### Purchase Mortgages:

	Past 3 Months			Next 3 Months		
	GSE Eligible	Non-GSE Eligible	Government	GSE Eligible	Non-GSE Eligible	Government
<b>Total Lending Institutions</b>	<b>166</b>	<b>148</b>	<b>132</b>	<b>166</b>	<b>150</b>	<b>132</b>
Larger Institutions	57	50	54	57	51	54
Mid-sized Institutions	52	47	46	52	48	46
Smaller Institutions	56	51	31	57	51	31

### Refinance Mortgages:

	Past 3 Months			Next 3 Months		
	GSE Eligible	Non-GSE Eligible	Government	GSE Eligible	Non-GSE Eligible	Government
<b>Total Lending Institutions</b>	<b>164</b>	<b>145</b>	<b>124</b>	<b>164</b>	<b>146</b>	<b>124</b>
Larger Institutions	56	50	53	56	50	53
Mid-sized Institutions	50	44	44	50	45	44
Smaller Institutions	57	51	26	57	51	26



## 2016 Q2 Sample Sizes: Credit Standards

	Past 3 Months			Next 3 Months		
	GSE Eligible	Non-GSE Eligible	Government	GSE Eligible	Non-GSE Eligible	Government
<b>Total Lending Institutions</b>	<b>166</b>	<b>149</b>	<b>131</b>	<b>166</b>	<b>149</b>	<b>131</b>
Larger Institutions	57	52	54	57	52	54
Mid-sized Institutions	52	46	46	52	46	46
Smaller Institutions	57	51	31	57	51	31

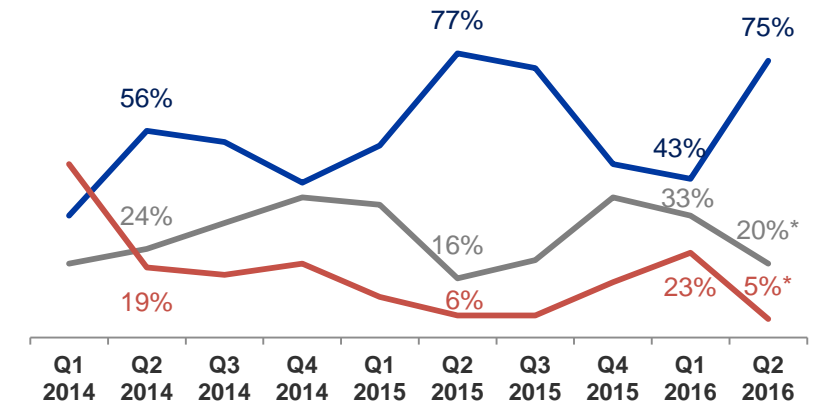


## Calculation of the “Total”

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

### Example:

Over the past three months, apart from normal seasonal variation, did your firm’s consumer demand for single-family <u>purchase</u> mortgages go up, go down, or stay the same? GSE Eligible (Q2 2016)	Larger Institutions	Mid-sized Institutions	Smaller Institutions	Q2 “Total”
Go up	75%	78%	71%	<b>75% [(75% + 78% + 71%)/3]</b>
Stayed the same	23%	18%	20%	<b>20%</b>
Go down	2%	4%	9%	<b>5%</b>





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Appendix

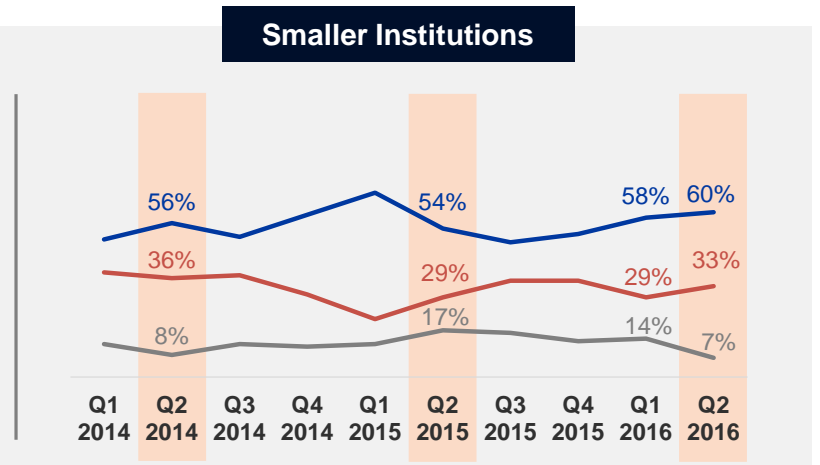
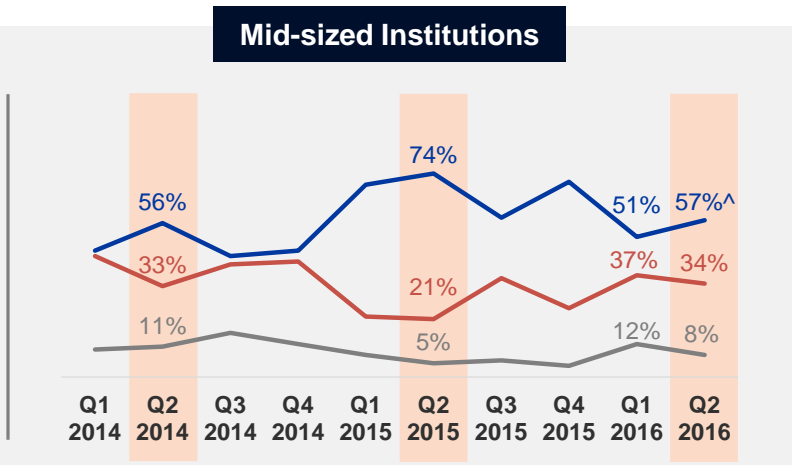
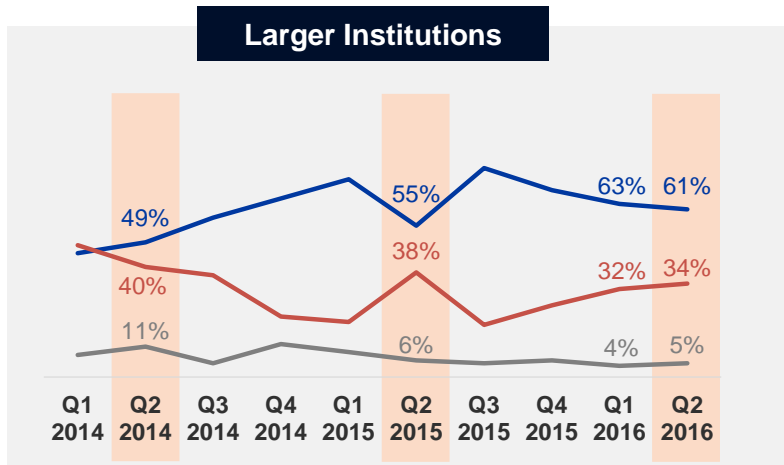
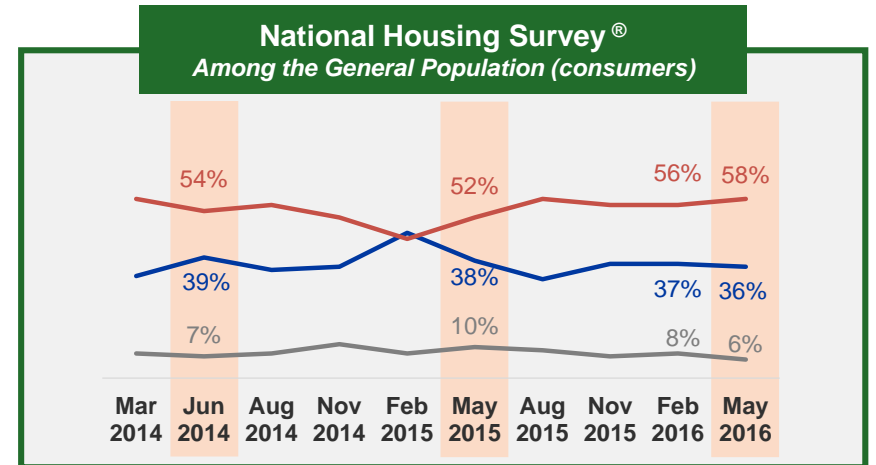
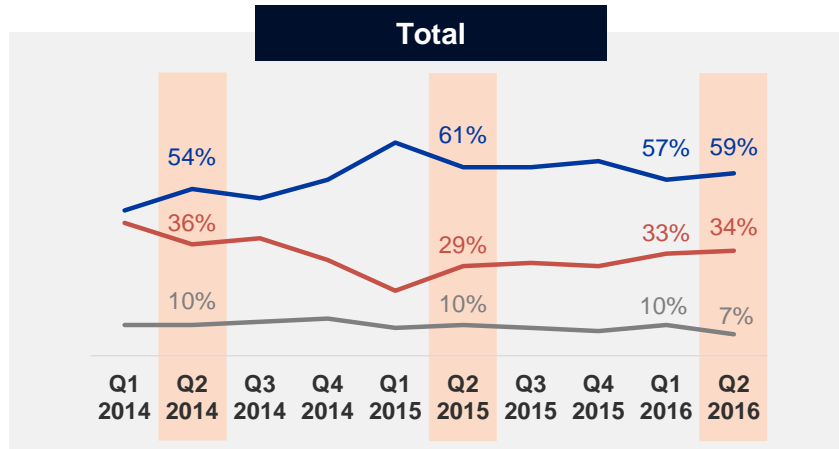
# Economic and Housing Sentiment



# U.S. Economy Overall

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

- Right Track
- Don't know
- Wrong Track



\* Denotes a statistically significant change compared with Q1 2016 (previous quarter)  
 ^ Denotes a statistically significant change compared with Q2 2015 (same quarter of last year)

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

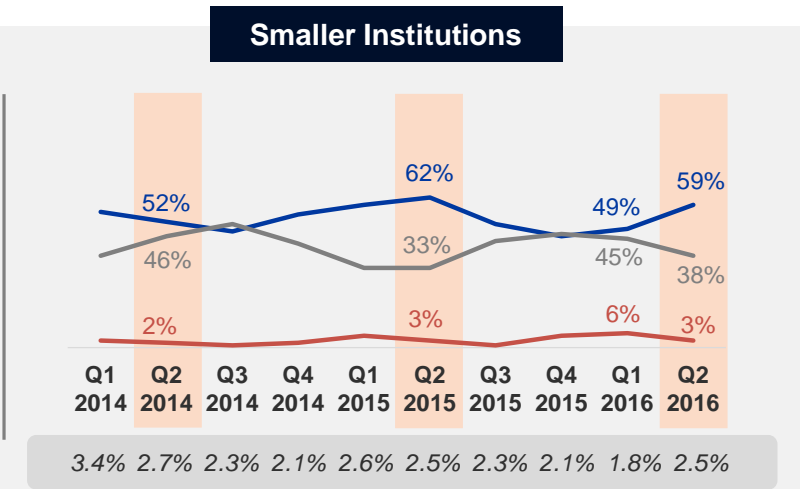
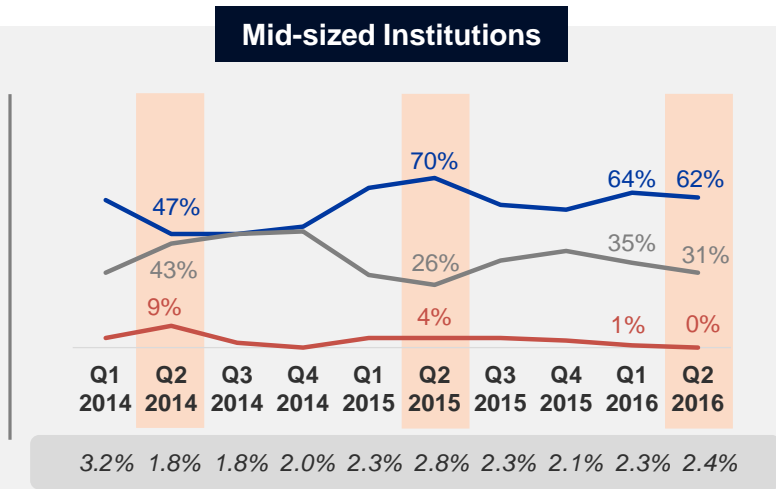
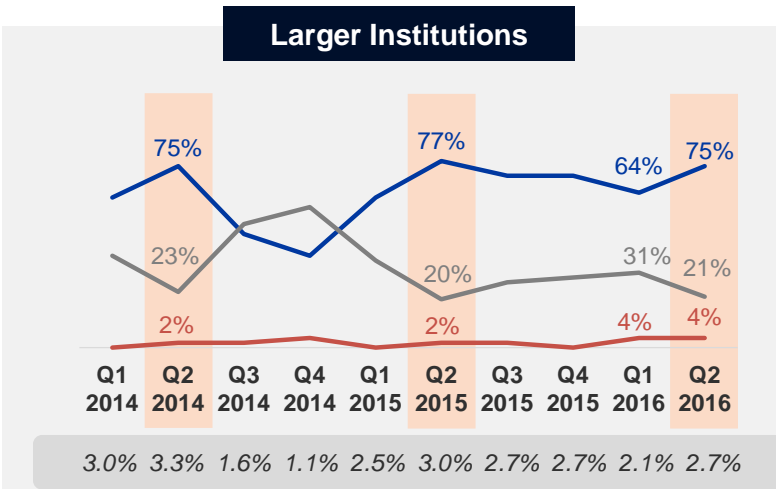
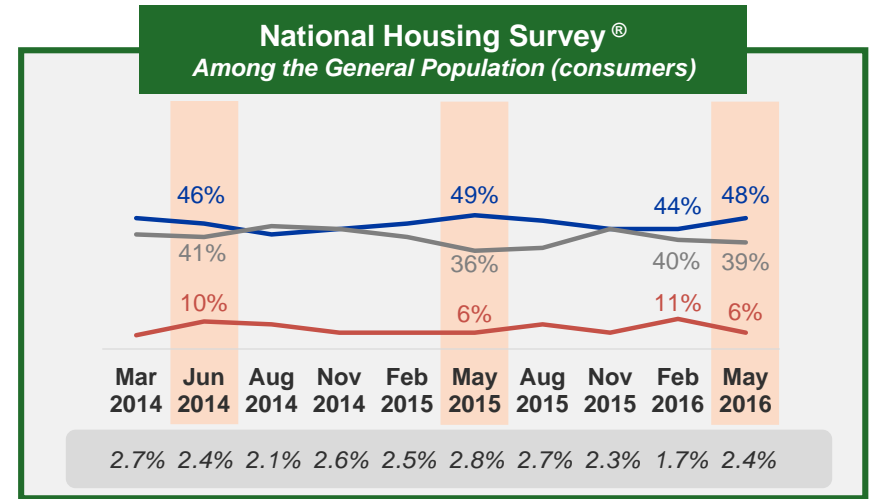
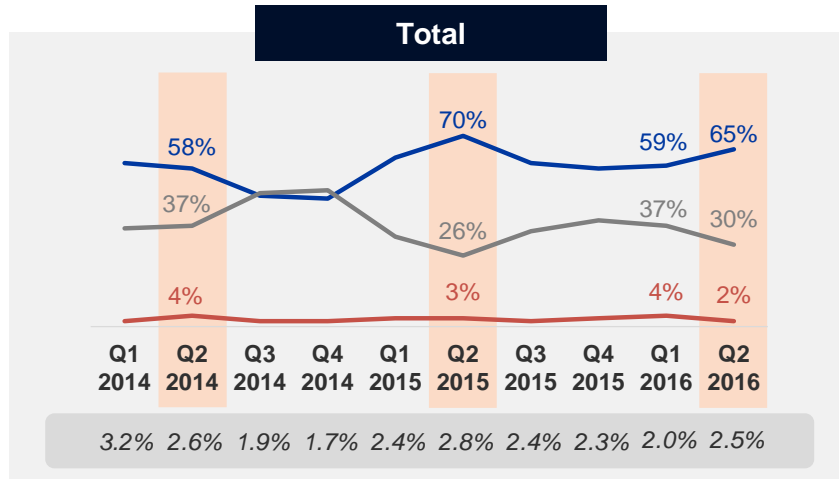


# Home Prices – Next 12 Months

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?

- Go Up
- Stay the Same
- Go Down

By about what percent do you, as a senior mortgage executive, think home prices nationally will go up/down on average over the next 12 months?



\* Denotes a statistically significant change compared with Q1 2016 (previous quarter)  
 ^ Denotes a statistically significant change compared with Q2 2015 (same quarter of last year)

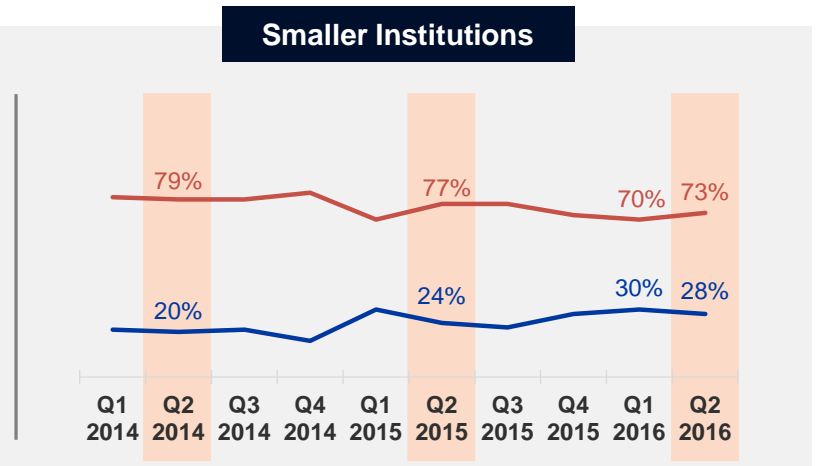
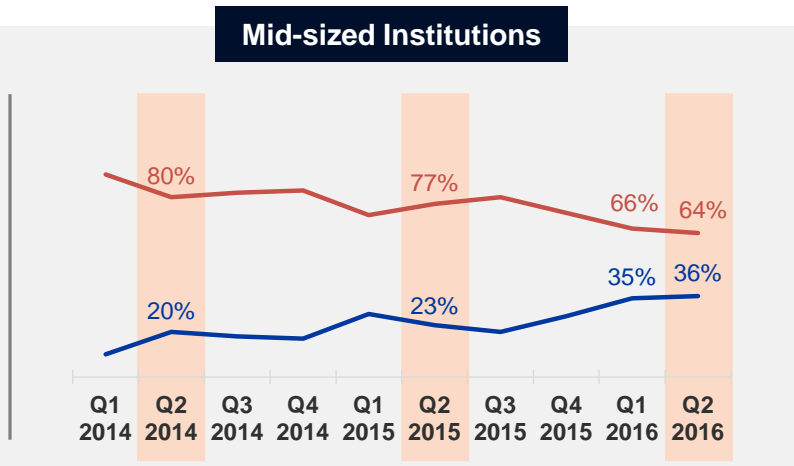
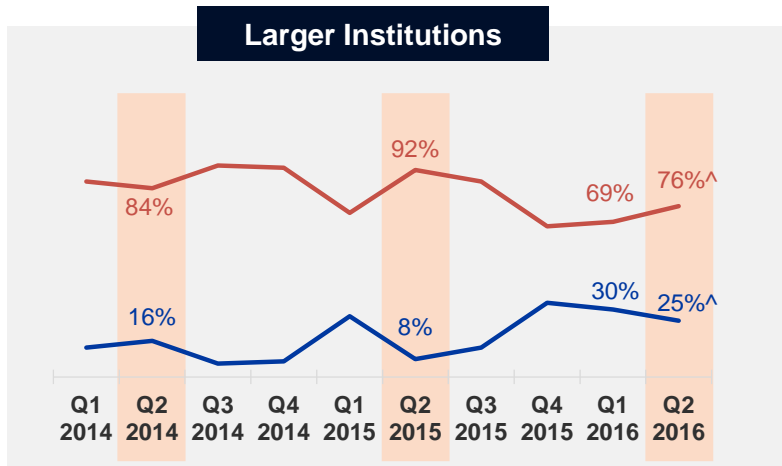
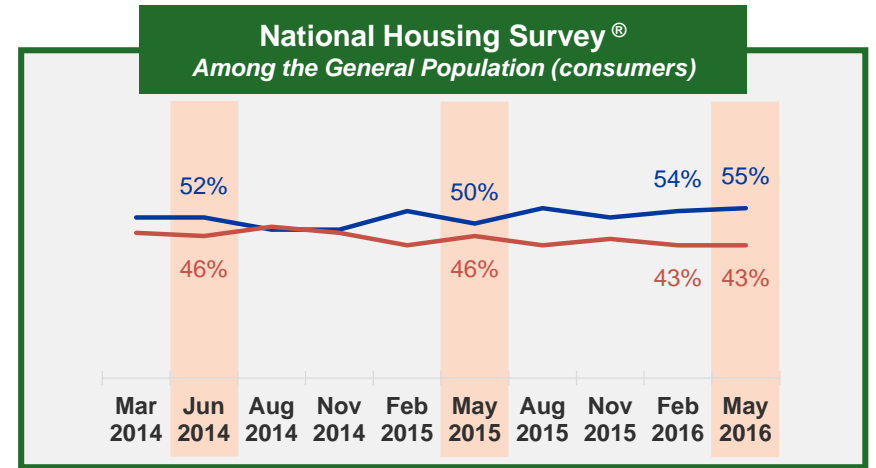
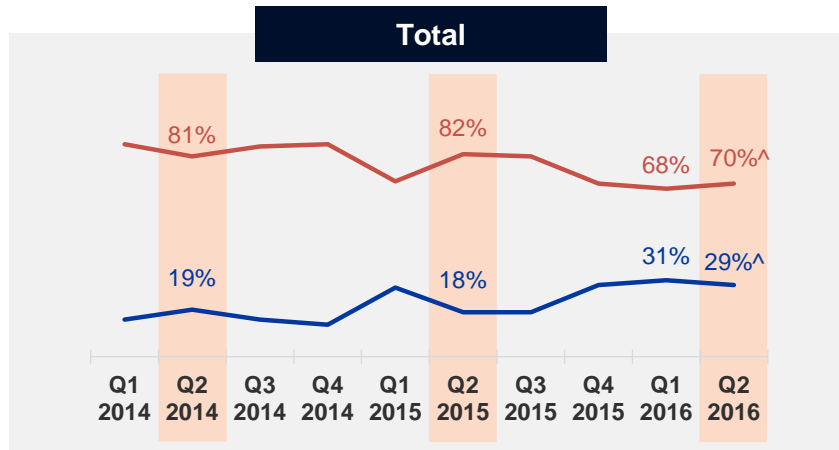


# Difficulty of Getting a Mortgage

Do you think it is very difficult, somewhat difficult, somewhat easy, or very easy for consumers to get a home mortgage today?

**Easy**  
(Very easy + Somewhat easy)

**Difficult**  
(Very easy + Somewhat easy)



\* Denotes a statistically significant change compared with Q1 2016 (previous quarter)  
<sup>^</sup> Denotes a statistically significant change compared with Q2 2015 (same quarter of last year)



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Appendix

# **Consumer Demand (Purchase Mortgages)**



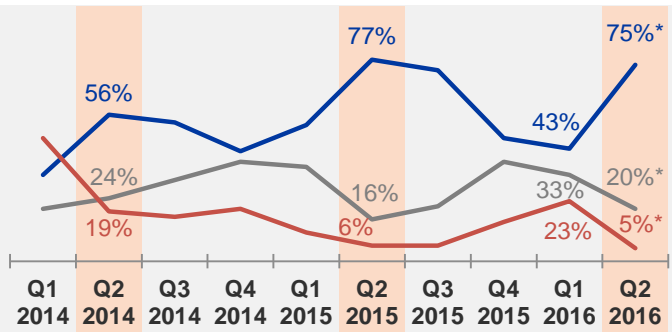


# Purchase Mortgage Demand

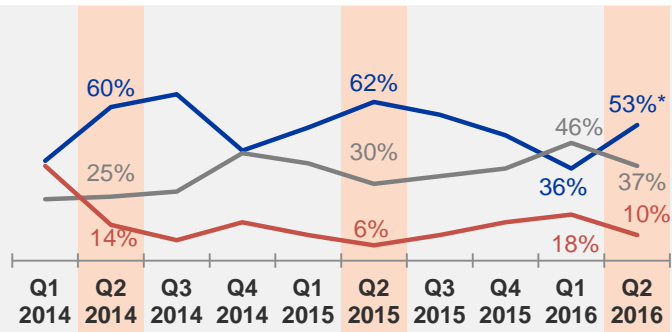
**Past 3 Months**

**Next 3 Months**

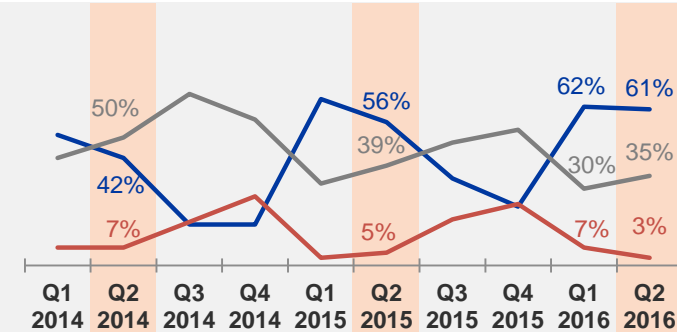
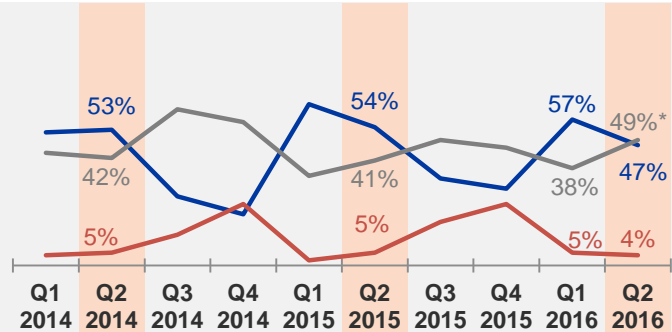
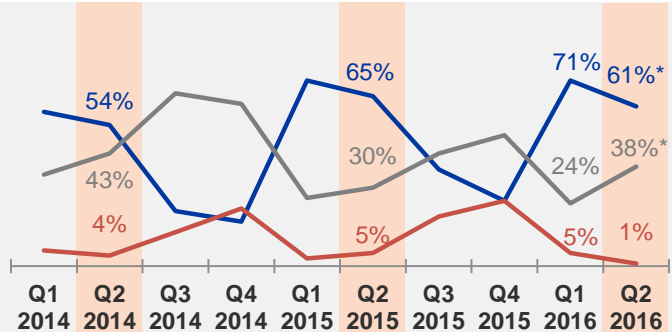
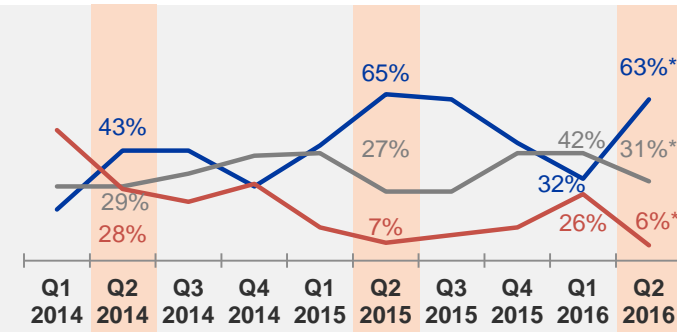
**GSE Eligible**



**Non-GSE Eligible**



**Government**



— Up  
— The same  
— Down

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

\* Denotes a statistically significant change compared with Q1 2016 (previous quarter)  
 ^ Denotes a statistically significant change compared with Q2 2015 (same quarter of last year)



# Purchase Mortgage Demand: GSE Eligible (by institution size)

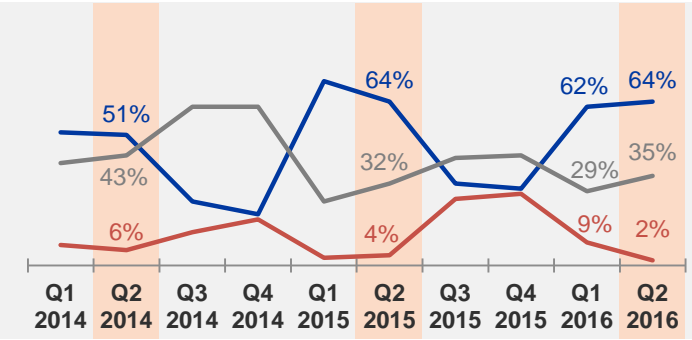
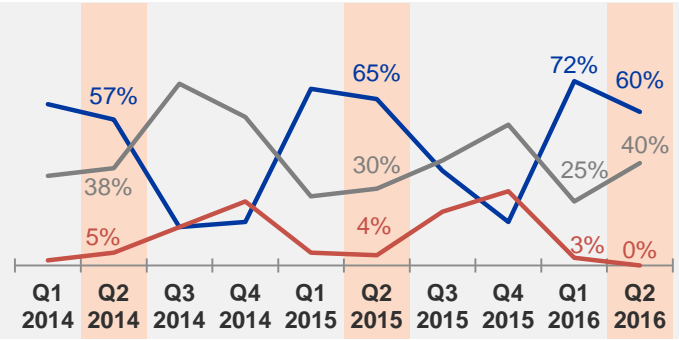
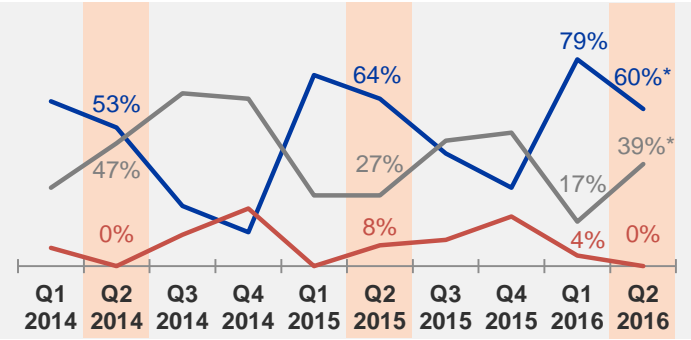
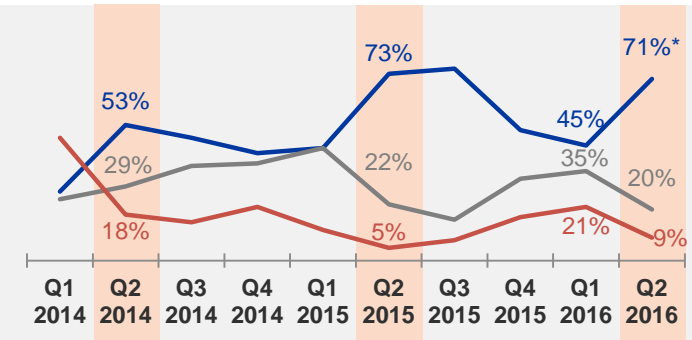
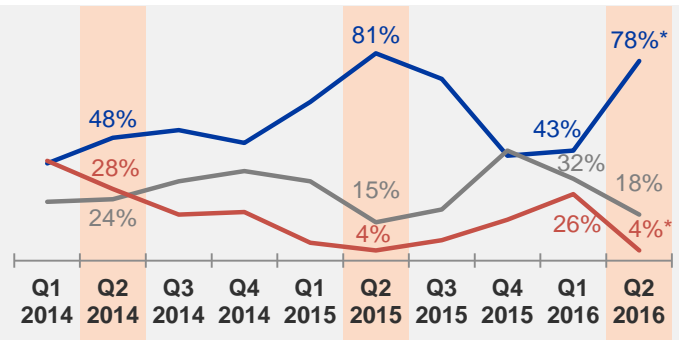
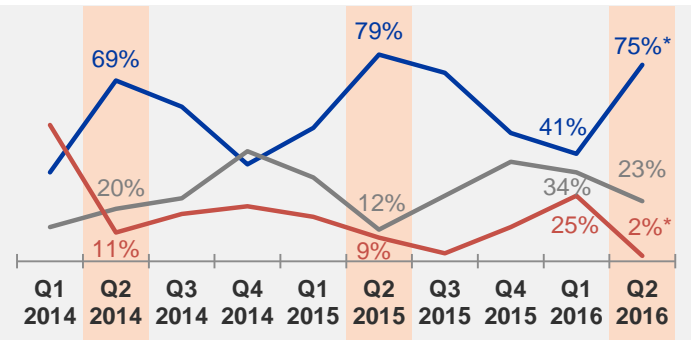
Past 3 Months

Next 3 Months

Larger Institutions

Mid-sized Institutions

Smaller Institutions



— Up  
— The same  
— Down

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

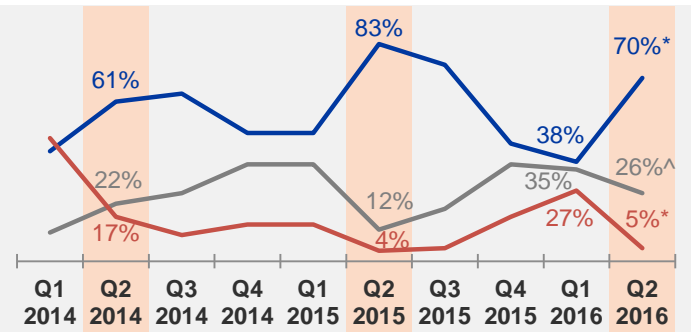
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 ^ Denotes a statistically significant change compared with Q2 2015 (same quarter of last year)



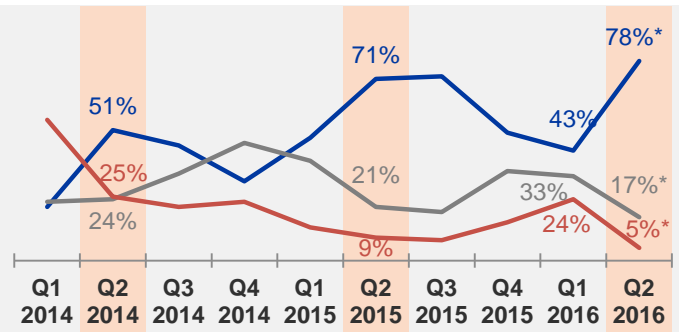
# Purchase Mortgage Demand: GSE Eligible (by institution type)

**Past 3 Months**

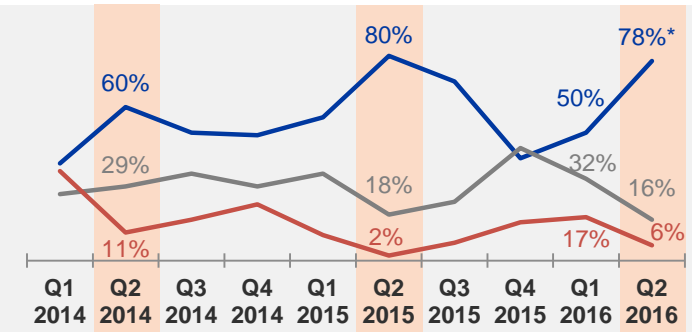
**Mortgage Banks**



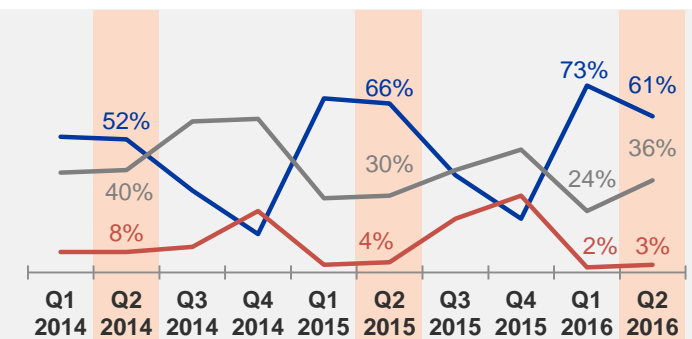
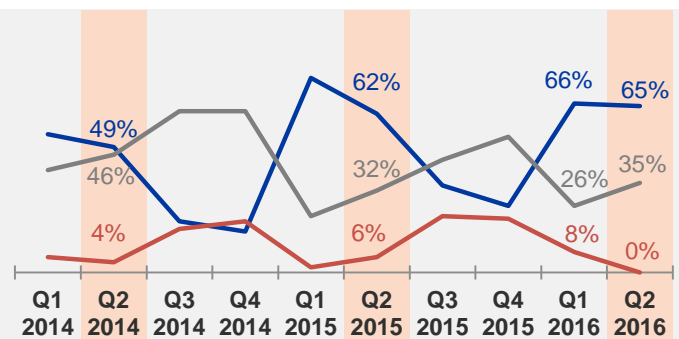
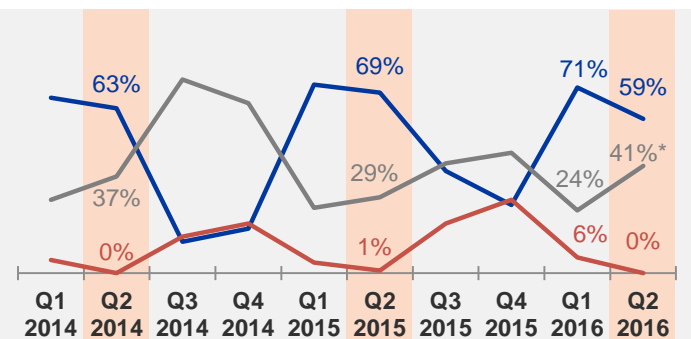
**Depository Institutions**



**Credit Unions**



**Next 3 Months**



— Up  
— The same  
— Down

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

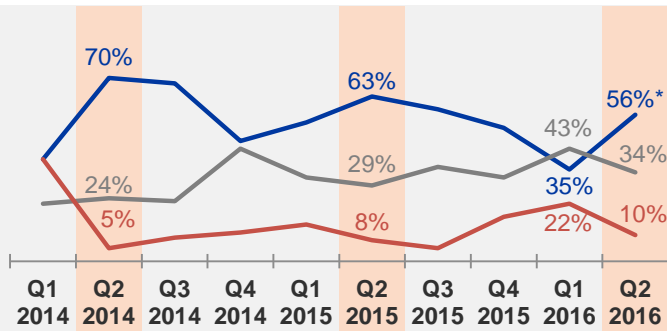
\* Denotes a statistically significant change compared with Q1 2016 (previous quarter)  
 ^ Denotes a statistically significant change compared with Q2 2015 (same quarter of last year)



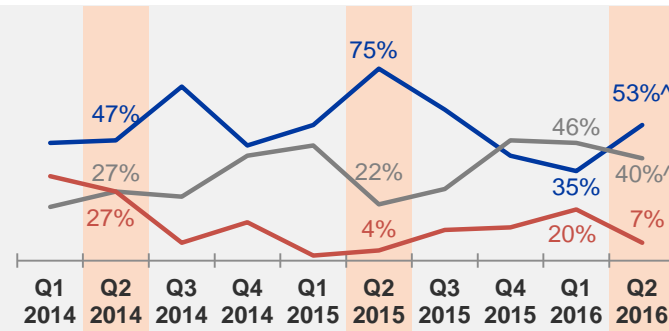
# Purchase Mortgage Demand: Non-GSE Eligible (by institution size)

**Past 3 Months**

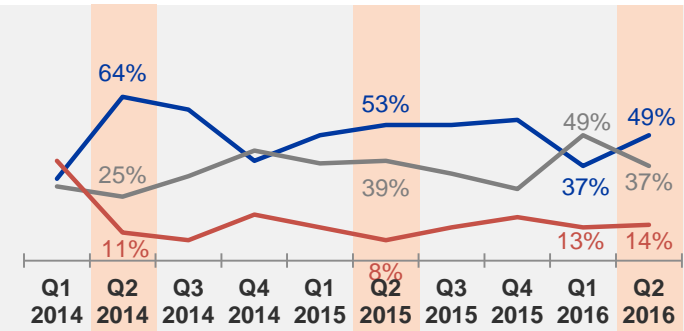
## Larger Institutions



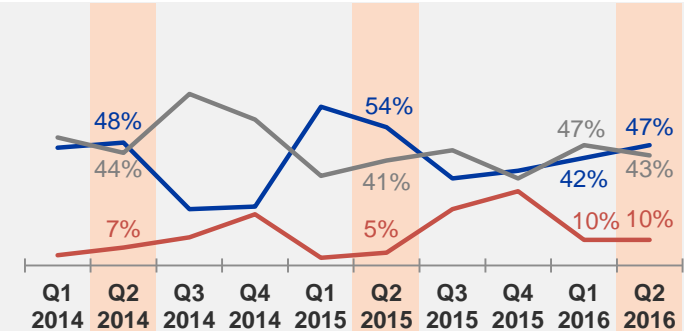
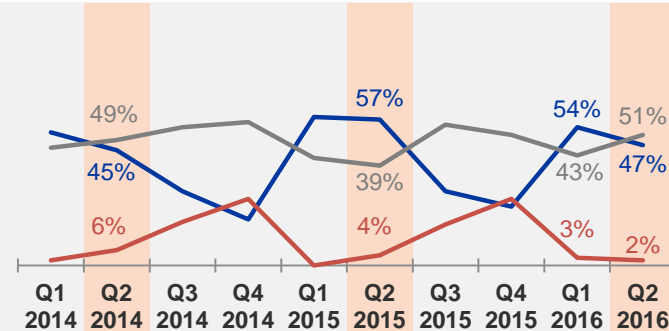
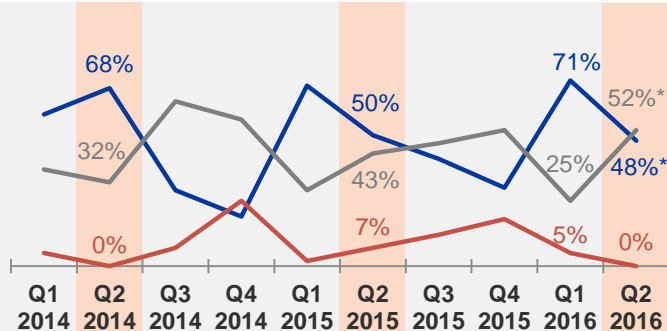
## Mid-sized Institutions



## Smaller Institutions



**Next 3 Months**



- Up
- The same
- Down

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

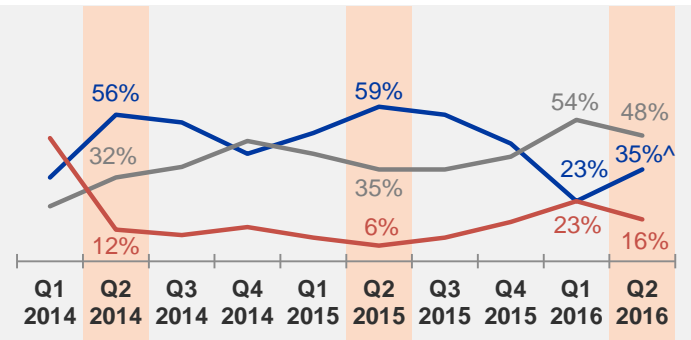
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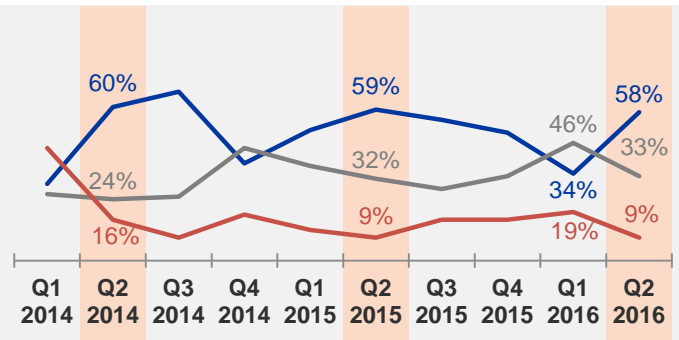
# Purchase Mortgage Demand: Non-GSE Eligible (by institution type)

**Past 3 Months**

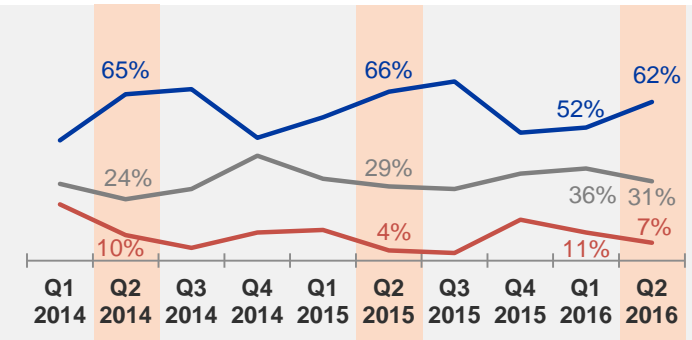
**Mortgage Banks**



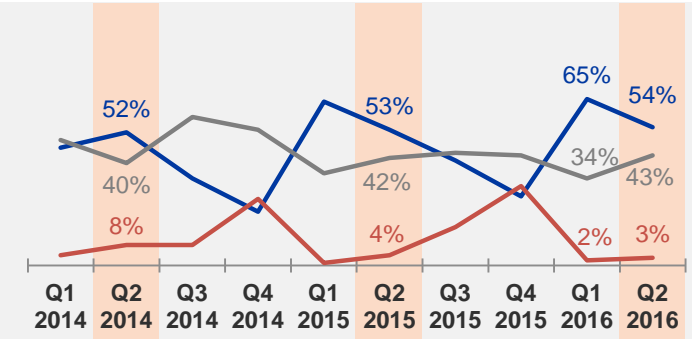
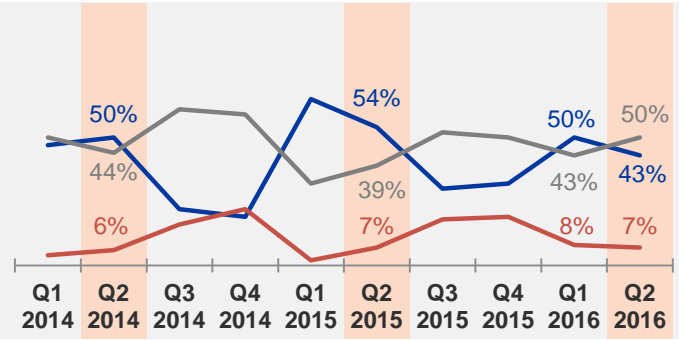
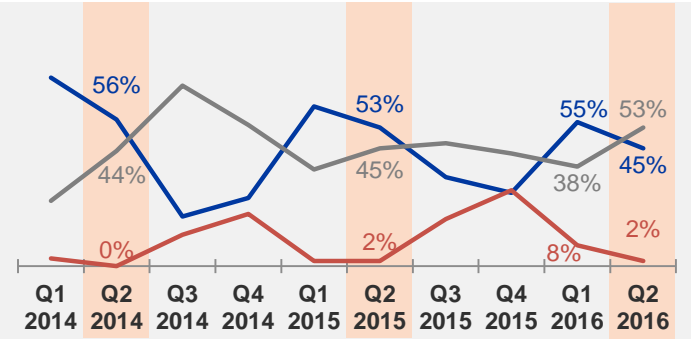
**Depository Institutions**



**Credit Unions**



**Next 3 Months**



— Up  
— The same  
— Down

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

\* Denotes a statistically significant change compared with Q1 2016 (previous quarter)  
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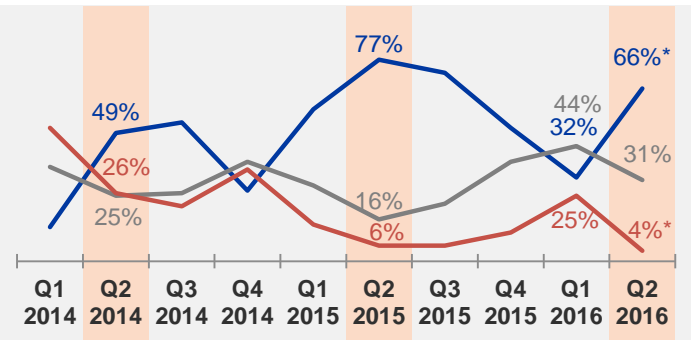


# Purchase Mortgage Demand: Government (by institution size)

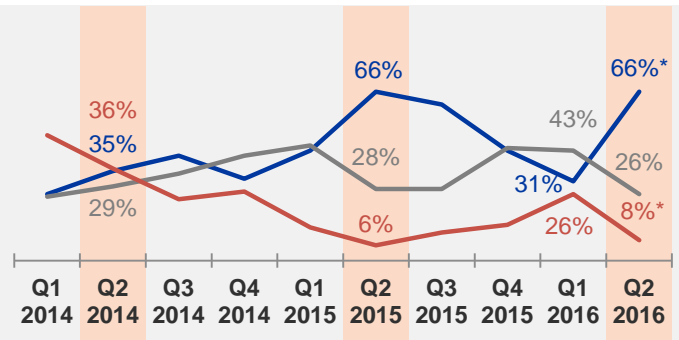
**Past 3 Months**

**Next 3 Months**

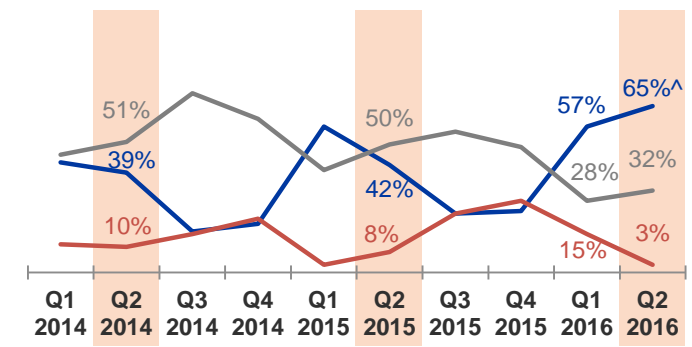
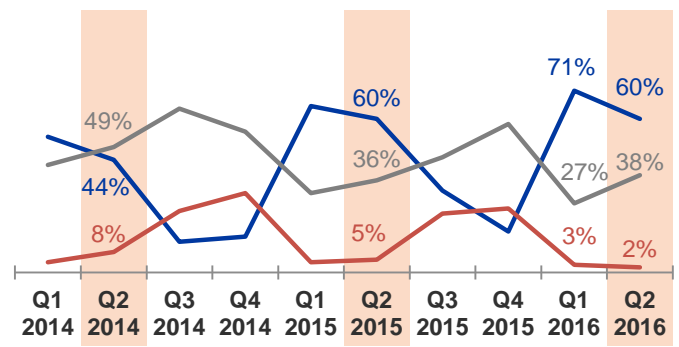
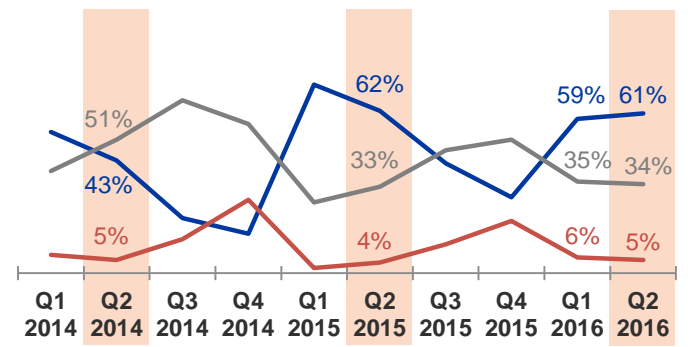
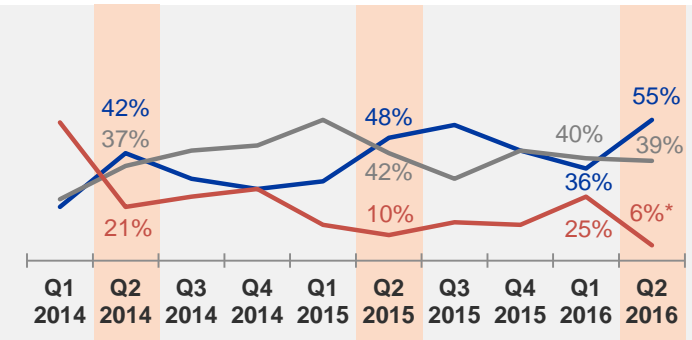
**Larger Institutions**



**Mid-sized Institutions**



**Smaller Institutions**



— Up  
— The same  
— Down

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

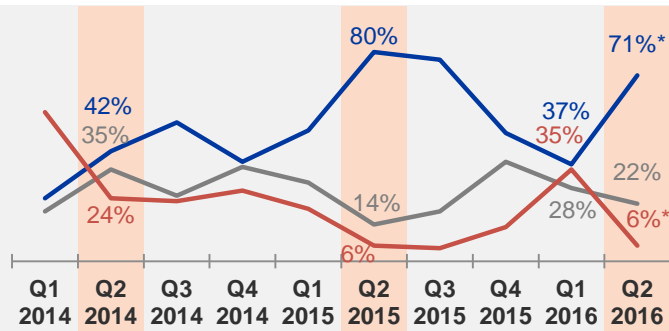
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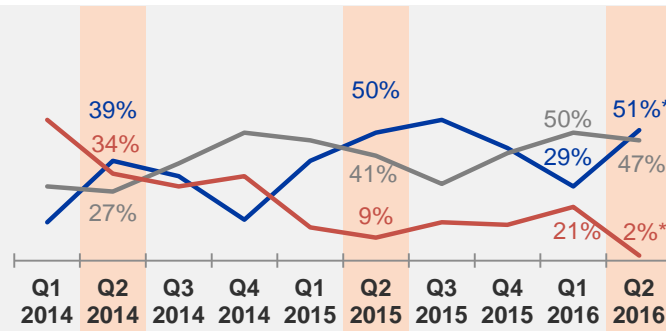
# Purchase Mortgage Demand: Government (by institution type)

Past 3 Months

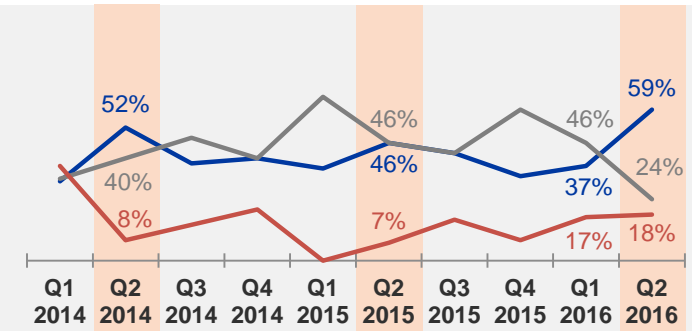
**Mortgage Banks**



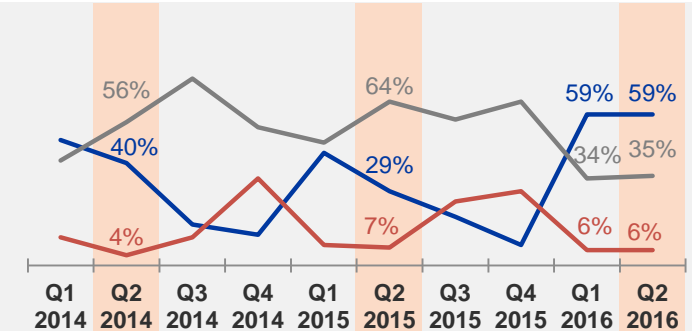
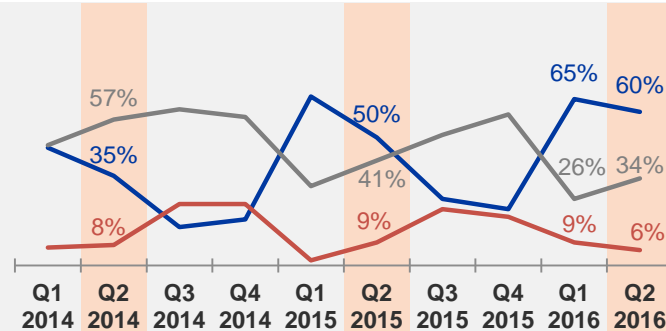
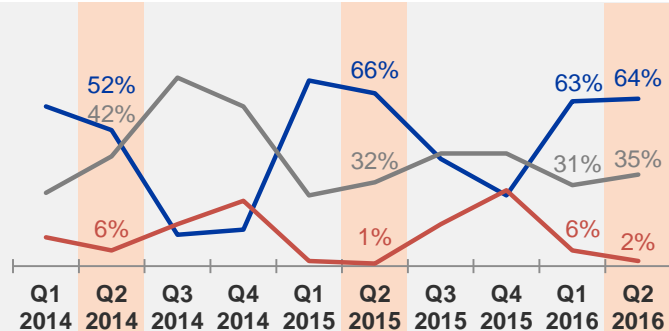
**Depository Institutions**



**Credit Unions**



Next 3 Months



— Up  
— The same  
— Down

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

\* Denotes a statistically significant change compared with Q1 2016 (previous quarter)  
 ^ Denotes a statistically significant change compared with Q2 2015 (same quarter of last year)



# Purchase Mortgage Demand: Drivers of Change (selected verbatim)

## Past 3 Months

N=131

- Falling Interest Rates
- Seasonal Market
- Implementation of TRID

Drivers of Demand Up

Drivers of Demand Down

Q: 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)

“Seasonal normal.” – *Larger Institution*

“We think the sales force and operations team were distracted by the implementation of TRID in Q4 2015.” – *Mid-sized Institution*

“Economy and CFPB Regulations making it more difficult.” – *Smaller Institution*

“Slightly improving local economy (jobs), post TRID, lower rates.” – *Larger Institution*

“Mortgage rates returning [to] the lowest levels in a year during late March and early April.” – *Mid-sized Institution*

“Pent up demand.” – *Smaller Institution*





## Purchase Mortgage Demand: Drivers of Change (GSE Eligible)

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. (Showing % rank 1)	Total	Larger Institutions (L)	Mid-sized Institutions (M)	Smaller Institutions (S)	National Housing Survey Among the General Population (consumers)*
N=	102	34	32	36	
Mortgage rates are favorable	62%	67%	58%	61%	36%
Economic conditions (e.g., employment) overall are favorable	26%	22%	29%	28%	13%
It is easy to qualify for a mortgage	3%	0%	10%	0%	2%
Home prices are low	2%	1%	0%	6%	21%
There are many homes available on the market	2%	4%	3%	0%	19%

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. (Showing % rank 1)	Total	Larger Institutions (L)	Mid-sized Institutions (M)	Smaller Institutions (S)	National Housing Survey Among the General Population (consumers)**
N=	1	0	0	1	
It is difficult to qualify for a mortgage	100%	0%	0%	100%	15%
Home prices are high	0%	0%	0%	0%	30%
Mortgage rates are not favorable	0%	0%	0%	0%	6%
There are not many homes available on the market	0%	0%	0%	0%	11%
Economic conditions (e.g., employment) overall are not favorable	0%	0%	0%	0%	30%

\*Q: Please tell me the primary reason why you think this is a good time to buy a house.

\*\*Q: Please tell me the primary reason why you think this is a bad time to buy a house.



## Purchase Mortgage Demand: Drivers of Change (Non-GSE Eligible)

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. (Showing % rank 1)	Total	Larger Institutions (L)	Mid-sized Institutions (M)	Smaller Institutions (S)	National Housing Survey Among the General Population (consumers)*
N=	73	26	23	25	
Mortgage rates are favorable	60%	66%	55%	60%	36%
Economic conditions (e.g., employment) overall are favorable	27%	18%	36%	28%	13%
It is easy to qualify for a mortgage	3%	0%	4%	4%	2%
Home prices are low	1%	0%	0%	4%	21%
There are many homes available on the market	1%	2%	0%	0%	19%

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. (Showing % rank 1)	Total	Larger Institutions (L)	Mid-sized Institutions (M)	Smaller Institutions (S)	National Housing Survey Among the General Population (consumers)**
N=	6	0	1	5	
It is difficult to qualify for a mortgage	67%	0%	100%	60%	15%
Mortgage rates are not favorable	16%	0%	0%	20%	6%
Economic conditions (e.g., employment) overall are not favorable	16%	0%	0%	20%	30%
Home prices are high	0%	0%	0%	0%	30%
There are not many homes available on the market	0%	0%	0%	0%	11%

\*Q: Please tell me the primary reason why you think this is a good time to buy a house.

\*\*Q: Please tell me the primary reason why you think this is a bad time to buy a house.



## Purchase Mortgage Demand: Drivers of Change (Government)

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. (Showing % rank 1)	Total	Larger Institutions (L)	Mid-sized Institutions (M)	Smaller Institutions (S)	National Housing Survey Among the General Population (consumers)*
N=	81	33	28	20	
Mortgage rates are favorable	61%	64%	58%	60%	36%
Economic conditions (e.g., employment) overall are favorable	23%	15%	35%	20%	13%
It is easy to qualify for a mortgage	5%	7%	4%	5%	2%
There are many homes available on the market	2%	5%	0%	0%	19%
Home prices are low	1%	0%	0%	5%	21%

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. (Showing % rank 1)	Total	Larger Institutions (L)	Mid-sized Institutions (M)	Smaller Institutions (S)	National Housing Survey Among the General Population (consumers)**
N=	4	2	1	1	
Mortgage rates are not favorable	22%	0%	0%	100%	6%
Home prices are high	0%	0%	0%	0%	30%
There are not many homes available on the market	0%	0%	0%	0%	11%
It is difficult to qualify for a mortgage	0%	0%	0%	0%	15%
Economic conditions (e.g., employment) overall are not favorable	0%	0%	0%	0%	30%

\*Q: Please tell me the primary reason why you think this is a good time to buy a house.

\*\*Q: Please tell me the primary reason why you think this is a bad time to buy a house.



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Appendix

# **Consumer Demand (Refinance Mortgages)**

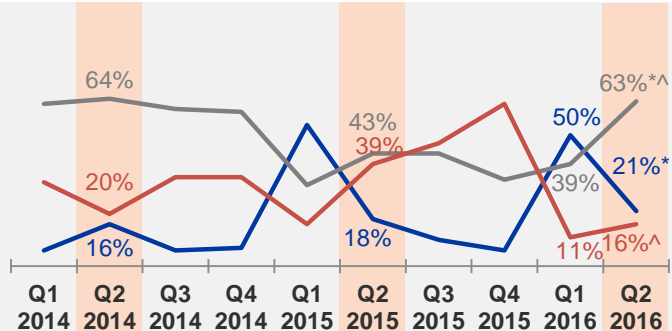
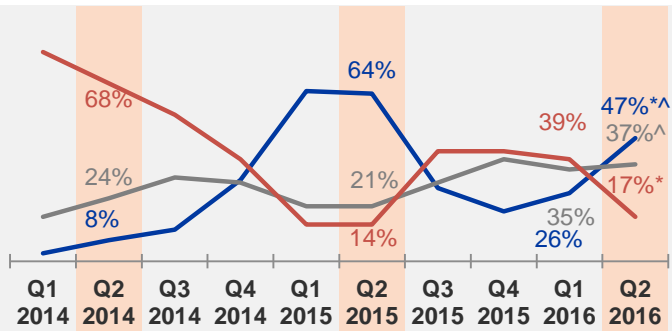


# Refinance Mortgage Demand

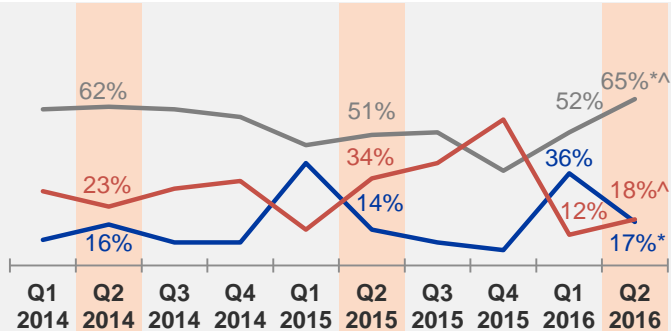
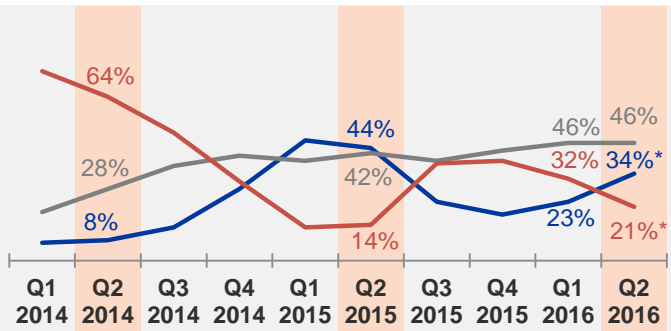
**Past 3 Months**

**Next 3 Months**

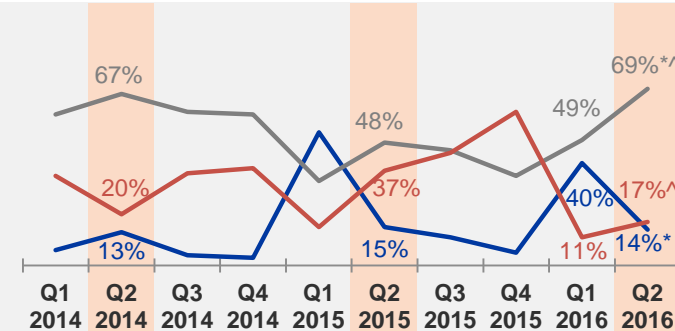
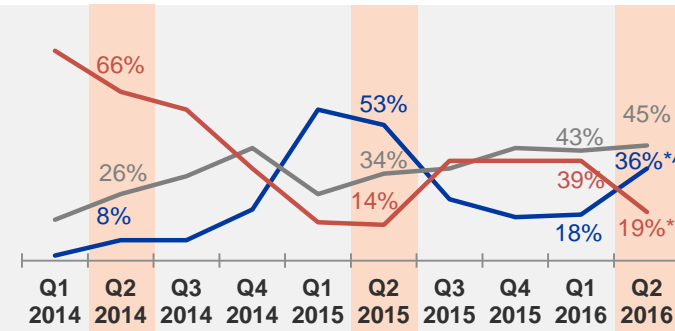
## GSE Eligible



## Non-GSE Eligible



## Government



— Up  
— The same  
— Down

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

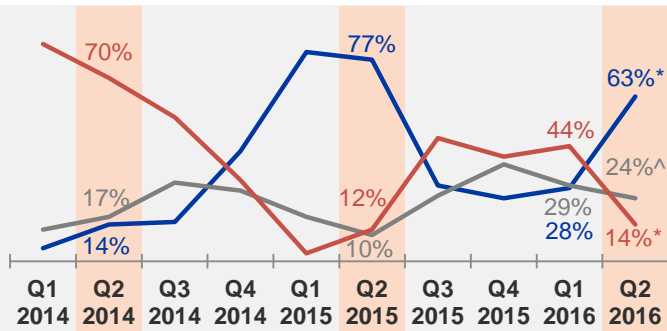
\* Denotes a statistically significant change compared with Q1 2016 (previous quarter)  
 ^ Denotes a statistically significant change compared with Q2 2015 (same quarter of last year)



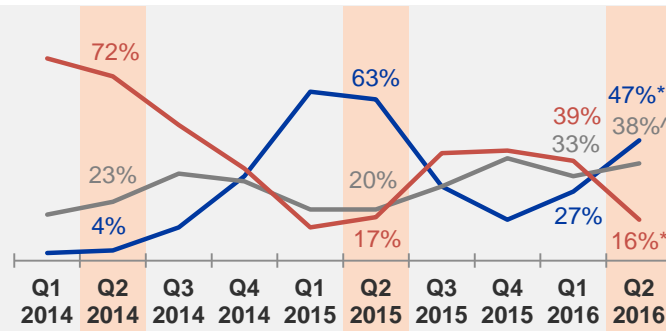
# Refinance Mortgage Demand: GSE Eligible (by institution size)

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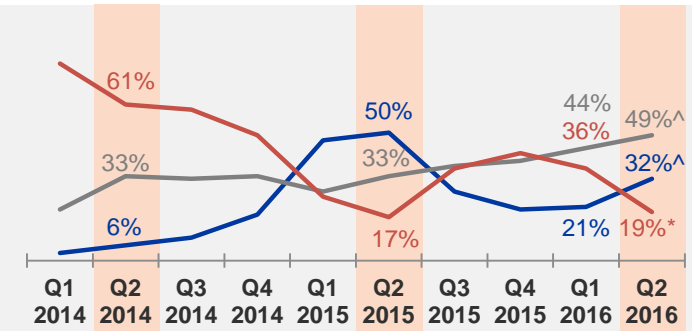
**Larger Institutions**



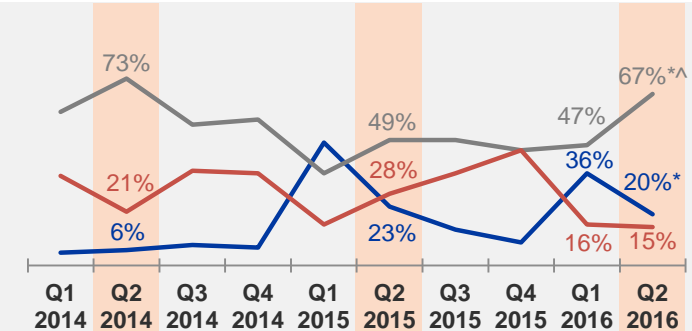
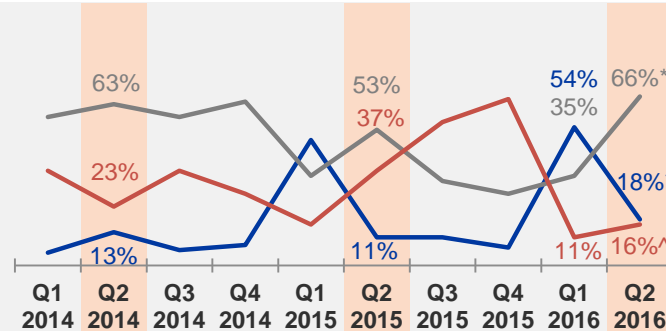
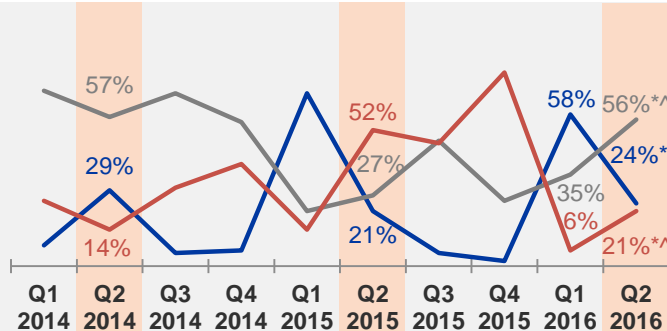
**Mid-sized Institutions**



**Smaller Institutions**



**Next 3 Months**



- Up
- The same
- Down

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

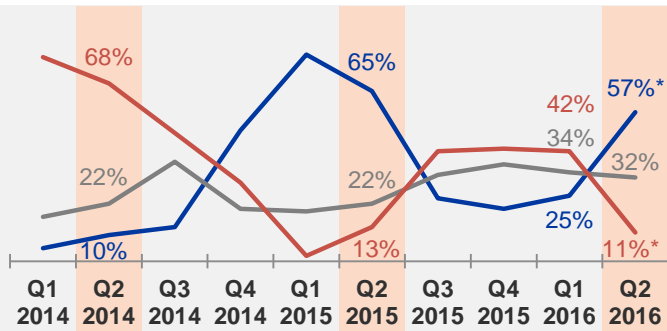
<sup>\*</sup> Denotes a statistically significant change compared with Q1 2016 (previous quarter)  
<sup>^</sup> Denotes a statistically significant change compared with Q2 2015 (same quarter of last year)



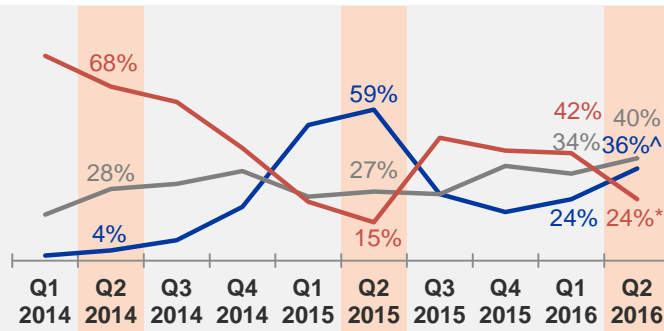
# Refinance Mortgage Demand: GSE Eligible (by institution type)

**Past 3 Months**

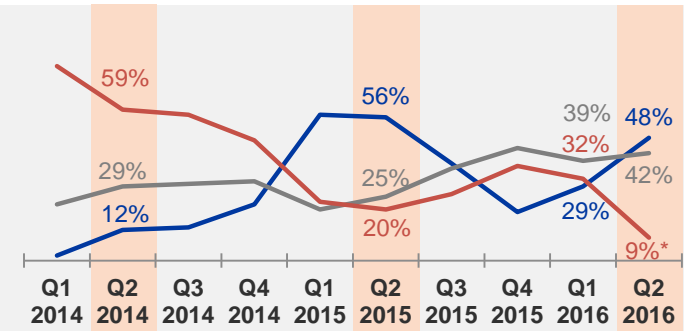
## Mortgage Banks



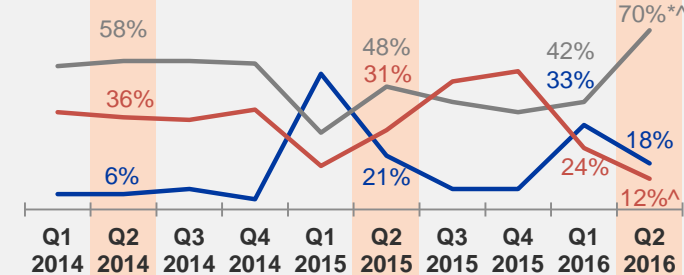
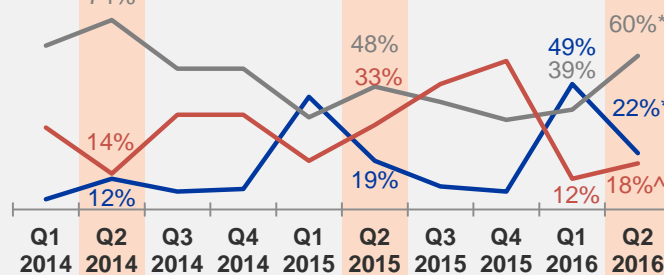
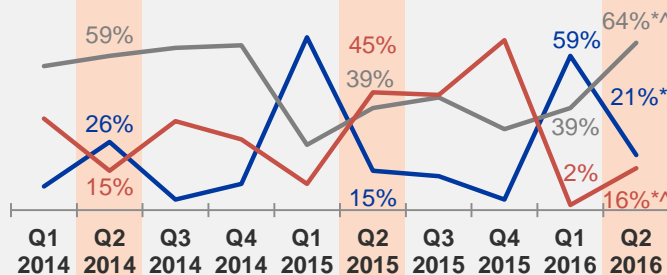
## Depository Institutions



## Credit Unions



**Next 3 Months**



- Up
- The same
- Down

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

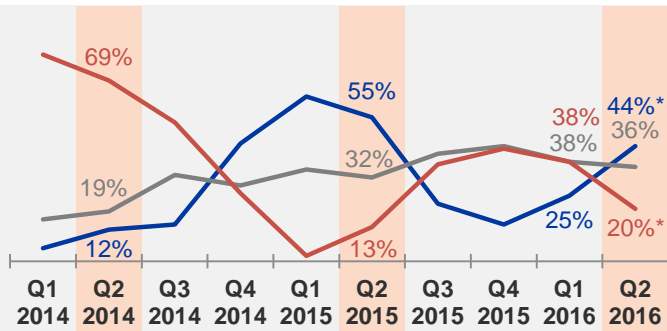
\* Denotes a statistically significant change compared with Q1 2016 (previous quarter)  
 ^ Denotes a statistically significant change compared with Q2 2015 (same quarter of last year)



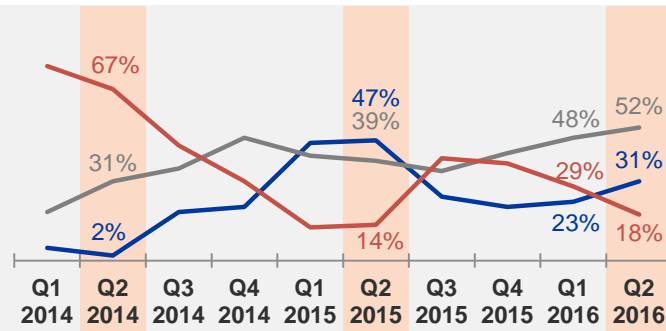
# Refinance Mortgage Demand: Non-GSE Eligible (by institution size)

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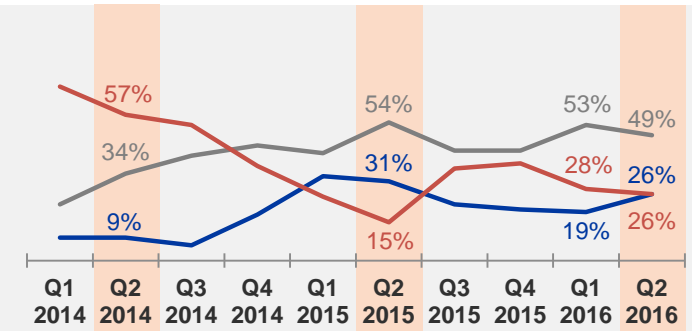
**Larger Institutions**



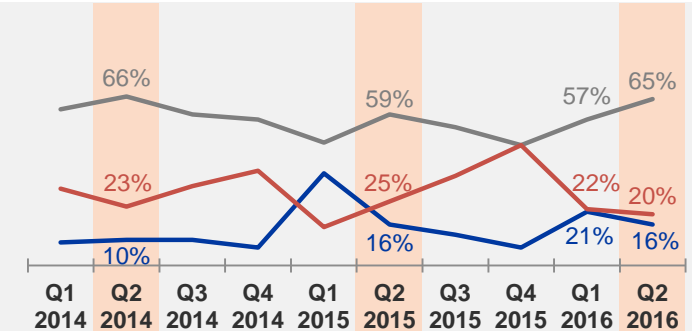
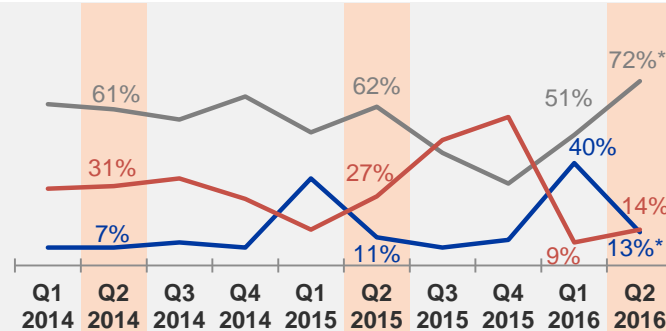
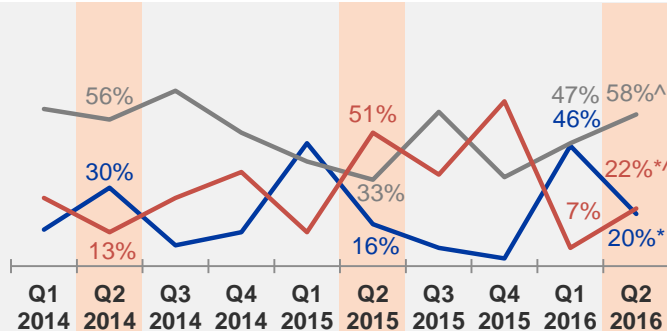
**Mid-sized Institutions**



**Smaller Institutions**



**Next 3 Months**



- Up
- The same
- Down

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

\* Denotes a statistically significant change compared with Q1 2016 (previous quarter)  
 ^ Denotes a statistically significant change compared with Q2 2015 (same quarter of last year)

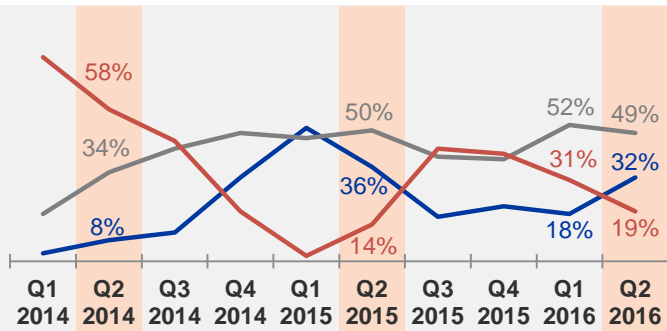




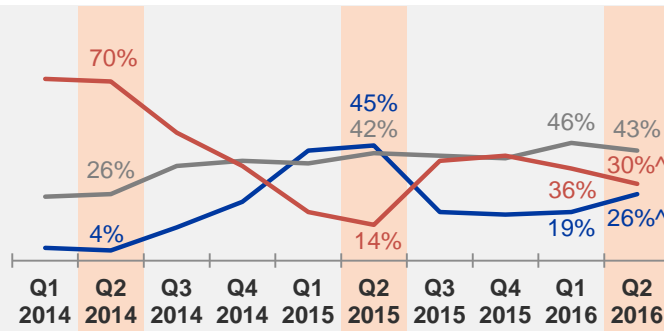
# Refinance Mortgage Demand: Non-GSE Eligible (by institution type)

**Past 3 Months**

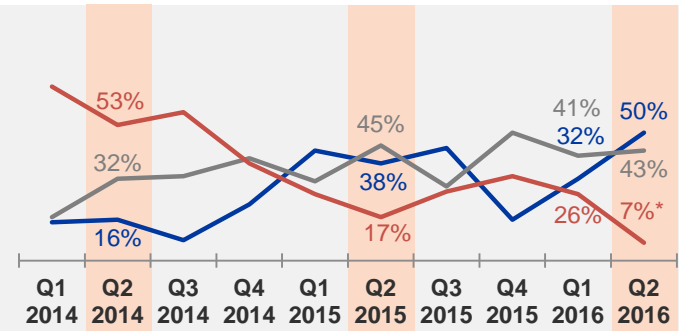
## Mortgage Banks



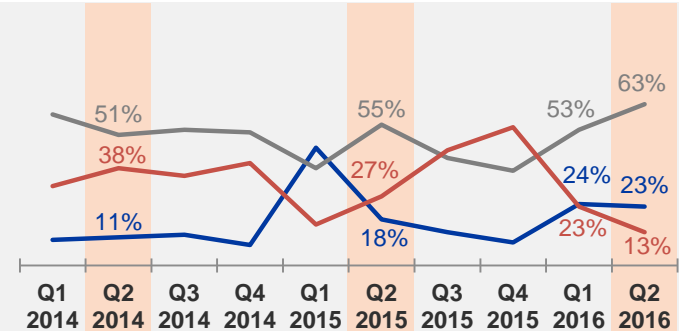
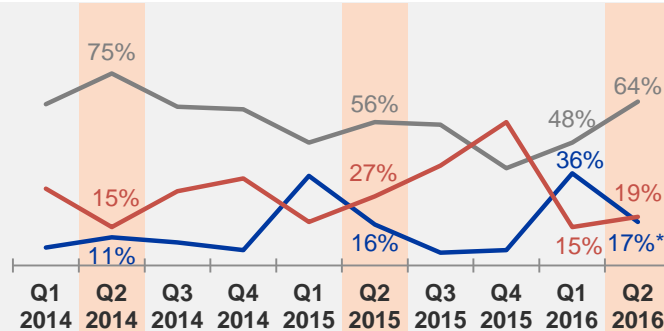
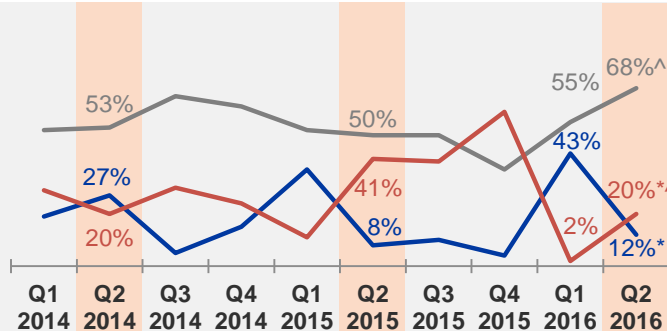
## Depository Institutions



## Credit Unions



**Next 3 Months**



- Up
- The same
- Down

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

\* Denotes a statistically significant change compared with Q1 2016 (previous quarter)  
 ^ Denotes a statistically significant change compared with Q2 2015 (same quarter of last year)



# Refinance Mortgage Demand: Government (by institution size)

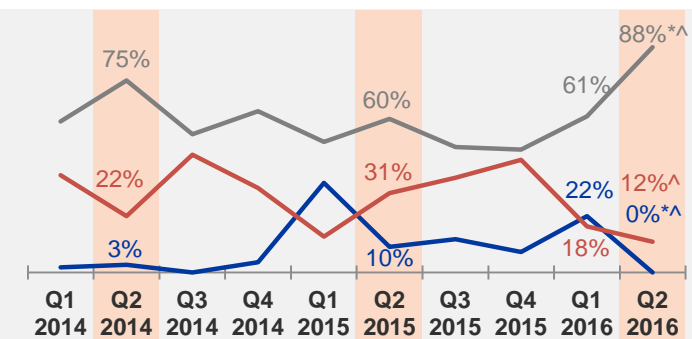
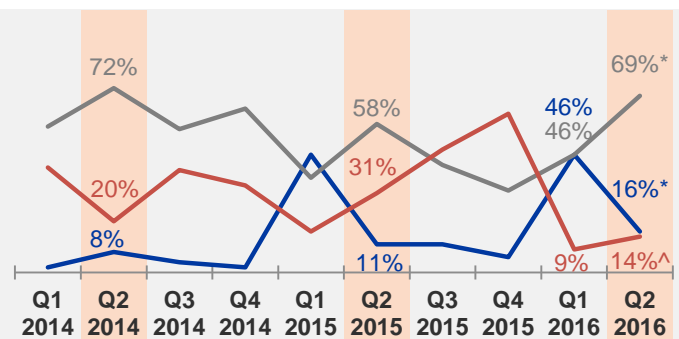
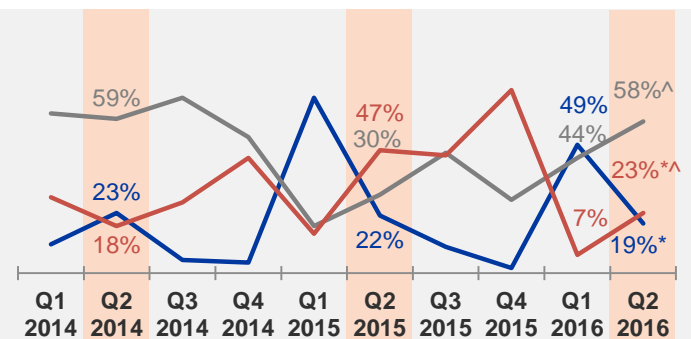
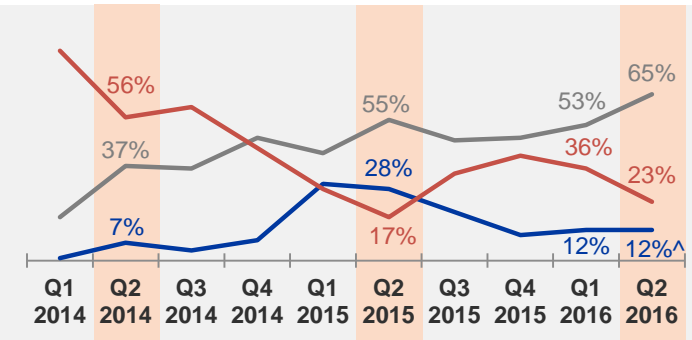
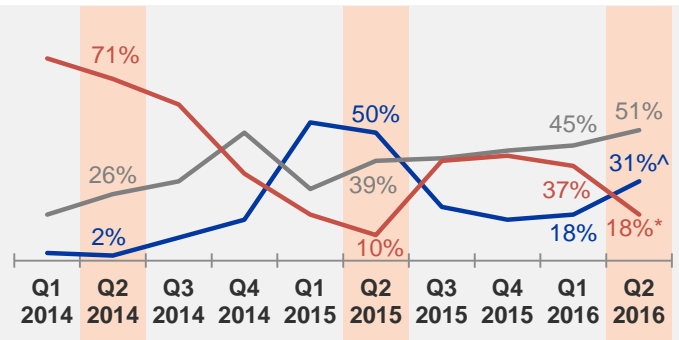
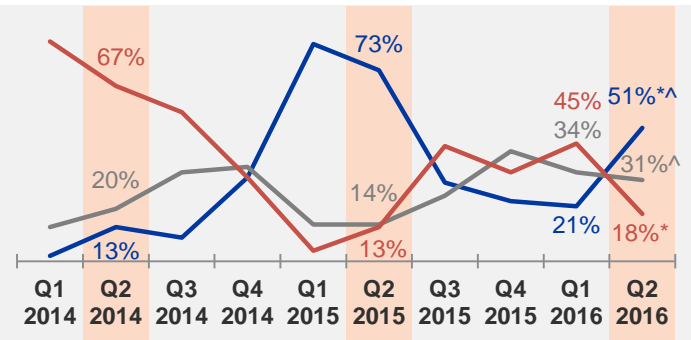
**Past 3 Months**

**Next 3 Months**

**Larger Institutions**

**Mid-sized Institutions**

**Smaller Institutions**



— Up  
— The same  
— Down

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

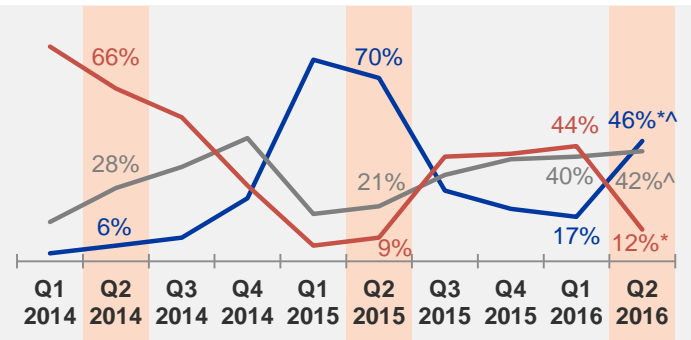
\* Denotes a statistically significant change compared with Q1 2016 (previous quarter)  
 ^ Denotes a statistically significant change compared with Q2 2015 (same quarter of last year)



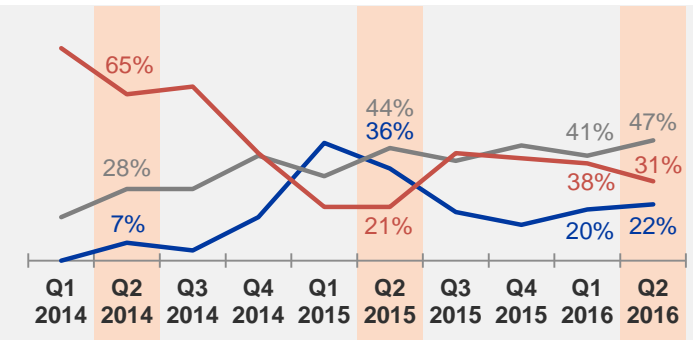
# Refinance Mortgage Demand: Government (by institution type)

**Past 3 Months**

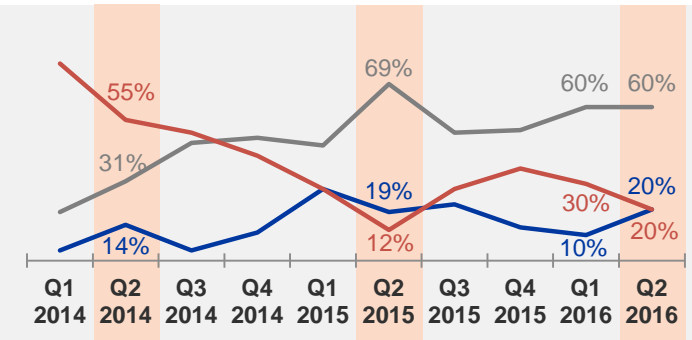
**Mortgage Banks**



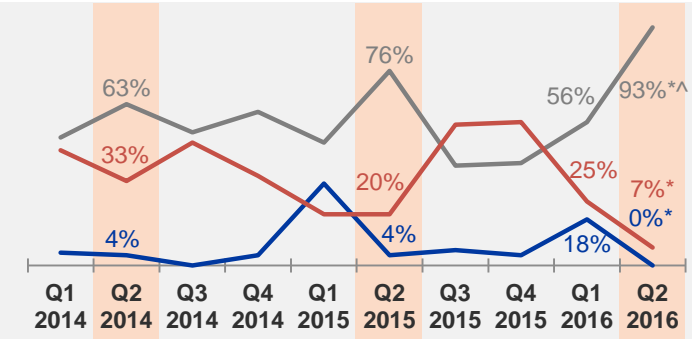
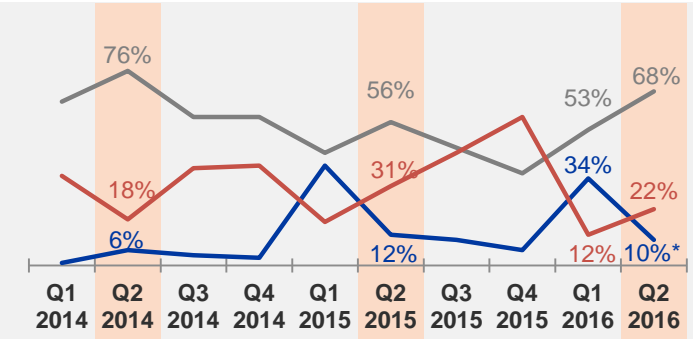
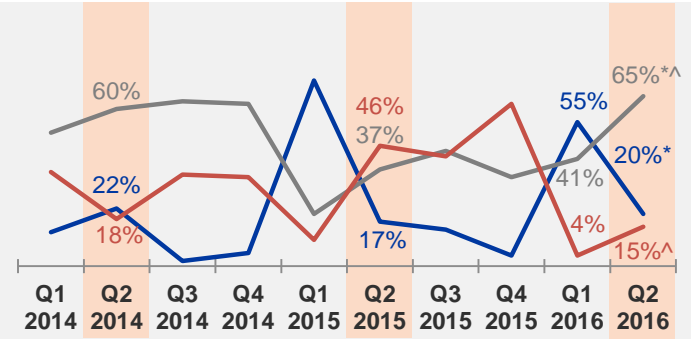
**Depository Institutions**



**Credit Unions**



**Next 3 Months**



— Up  
— The same  
— Down

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

<sup>\*</sup> Denotes a statistically significant change compared with Q1 2016 (previous quarter)  
<sup>^</sup> Denotes a statistically significant change compared with Q2 2015 (same quarter of last year)



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Appendix

# Credit Standards

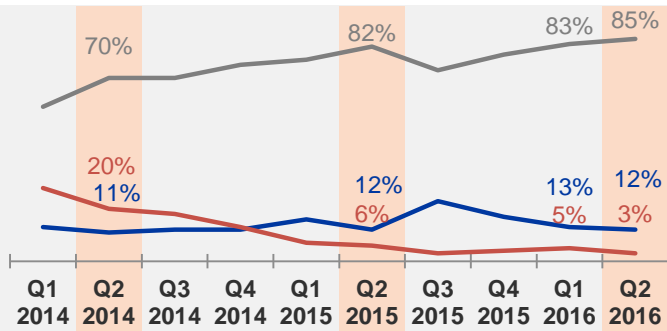


# Credit Standards

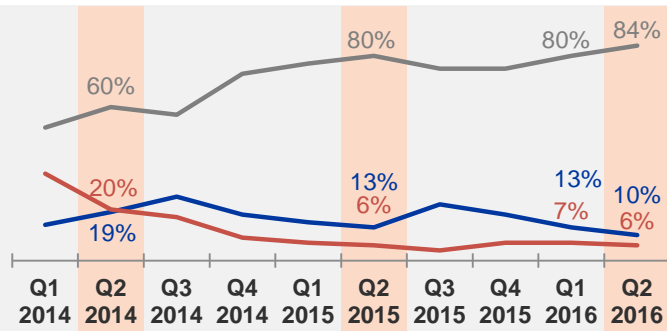
**Past 3 Months**

**Next 3 Months**

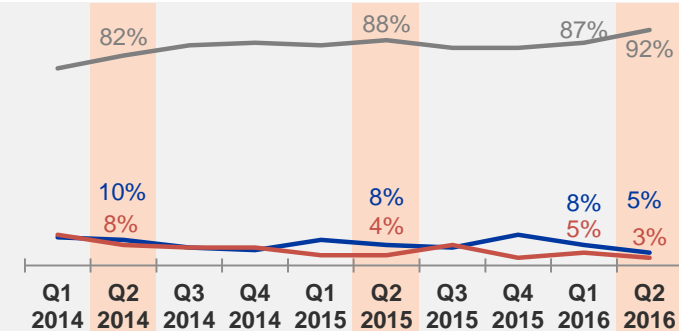
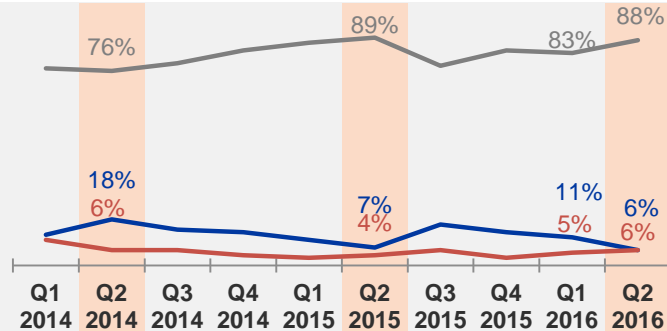
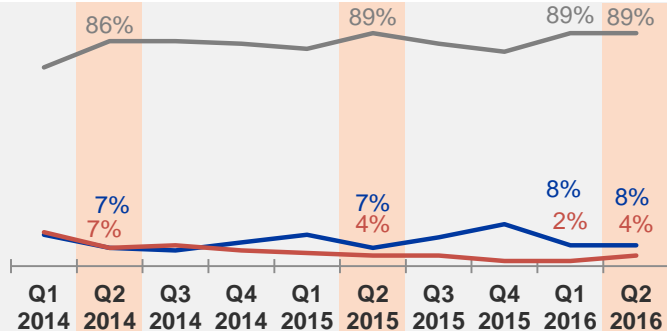
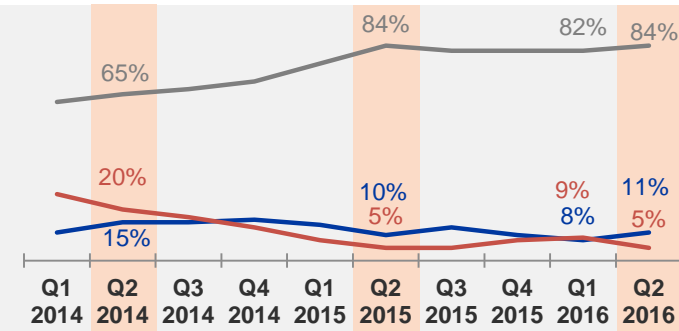
## GSE Eligible



## Non-GSE Eligible



## Government



— Ease  
— Remain Unchanged  
— Tighten

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

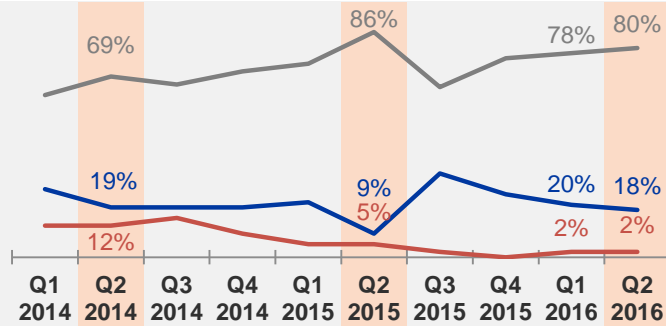
\* Denotes a statistically significant change compared with Q1 2016 (previous quarter)  
 ^ Denotes a statistically significant change compared with Q2 2015 (same quarter of last year)



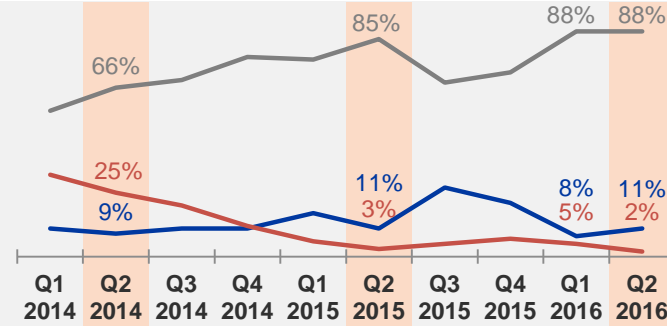
# Credit Standards: GSE Eligible (by institution size)

**Past 3 Months**

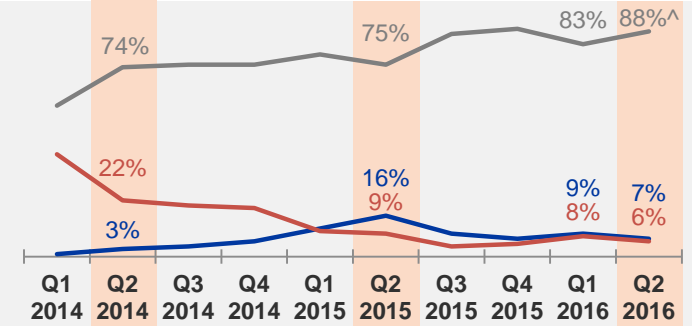
**Larger Institutions**



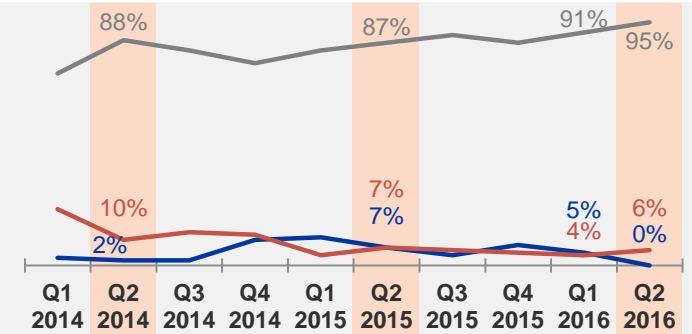
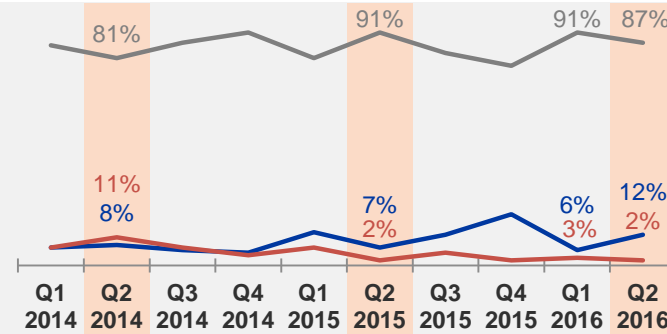
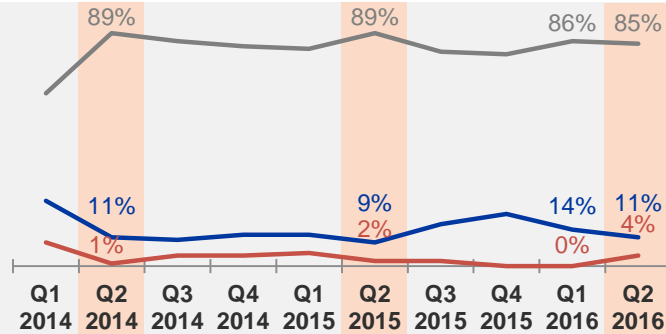
**Mid-sized Institutions**



**Smaller Institutions**



**Next 3 Months**



— Ease  
— Remain Unchanged  
— Tighten

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

\* Denotes a statistically significant change compared with Q1 2016 (previous quarter)  
 ^ Denotes a statistically significant change compared with Q2 2015 (same quarter of last year)



# Credit Standards: GSE Eligible (by institution type)

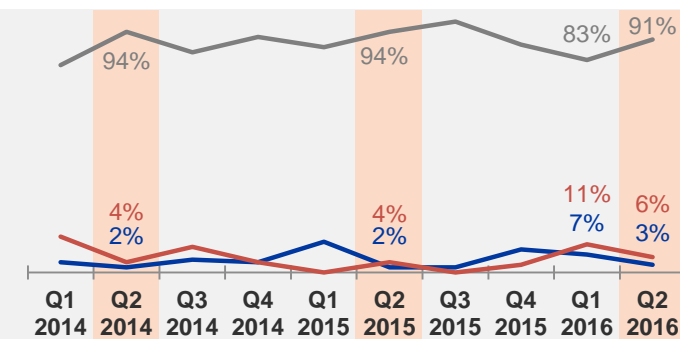
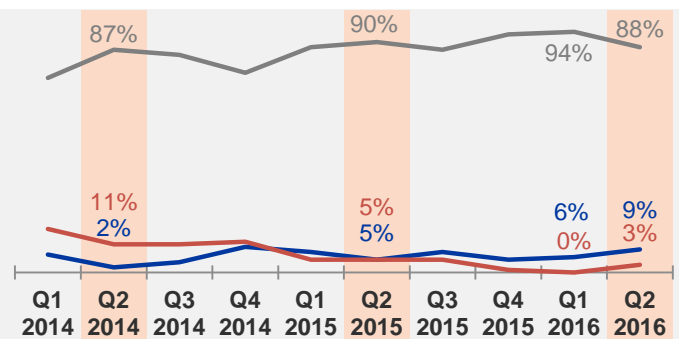
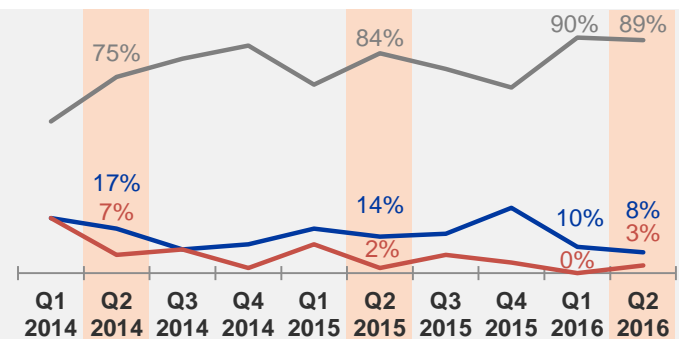
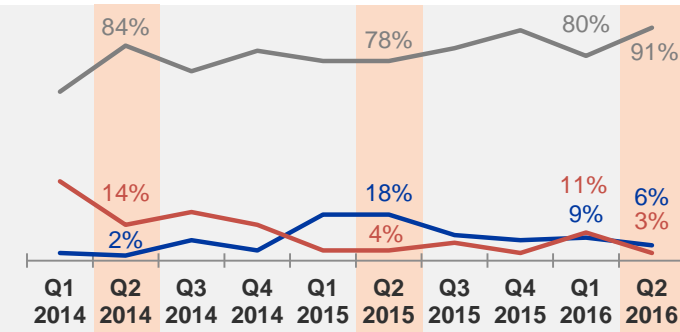
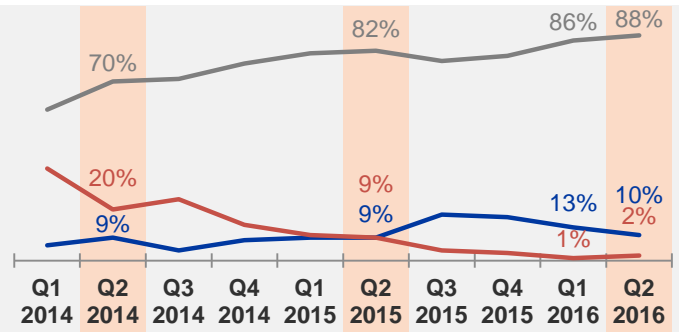
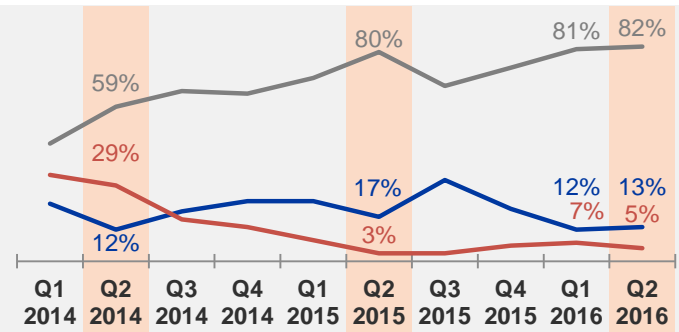
**Past 3 Months**

**Next 3 Months**

## Mortgage Banks

## Depository Institutions

## Credit Unions



— Ease  
— Remain Unchanged  
— Tighten

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

\* Denotes a statistically significant change compared with Q1 2016 (previous quarter)  
 ^ Denotes a statistically significant change compared with Q2 2015 (same quarter of last year)



# Credit Standards: Non-GSE Eligible (by institution size)

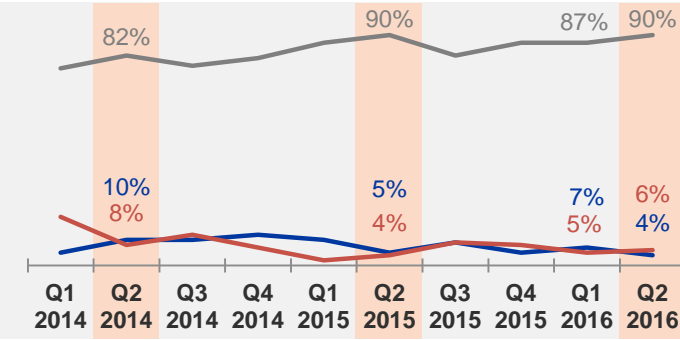
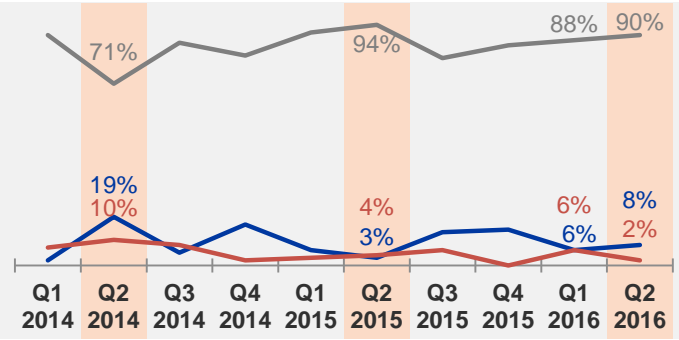
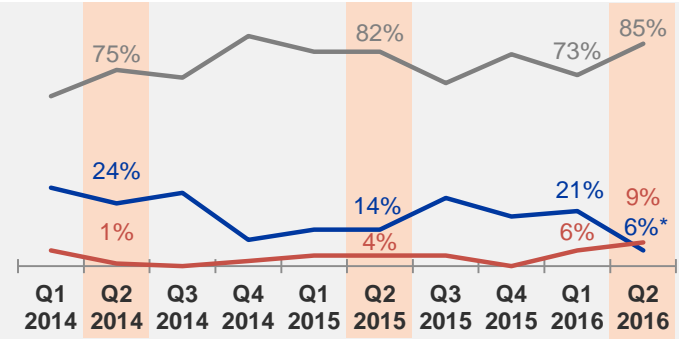
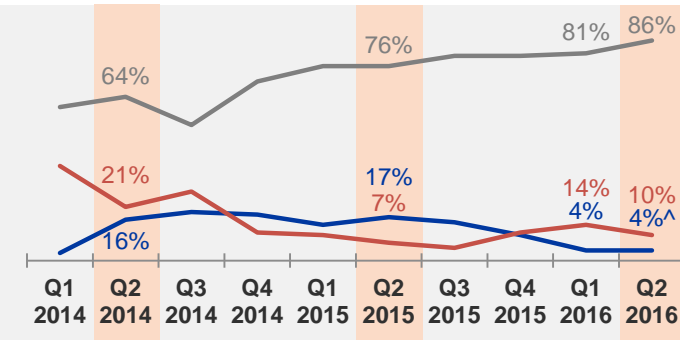
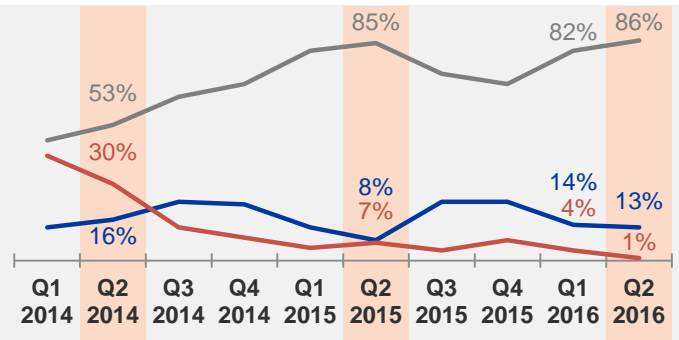
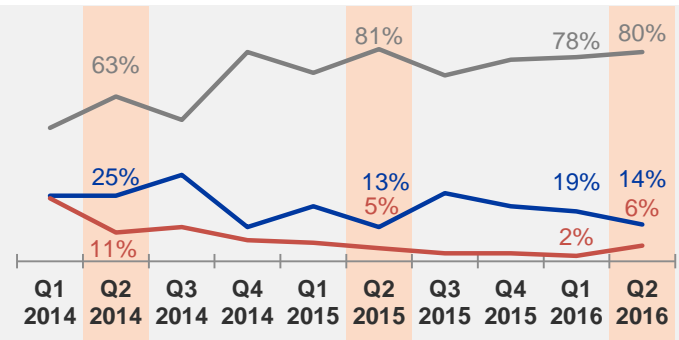
**Past 3 Months**

**Next 3 Months**

## Larger Institutions

## Mid-sized Institutions

## Smaller Institutions



— Ease  
— Remain Unchanged  
— Tighten

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

\* Denotes a statistically significant change compared with Q1 2016 (previous quarter)  
 ^ Denotes a statistically significant change compared with Q2 2015 (same quarter of last year)

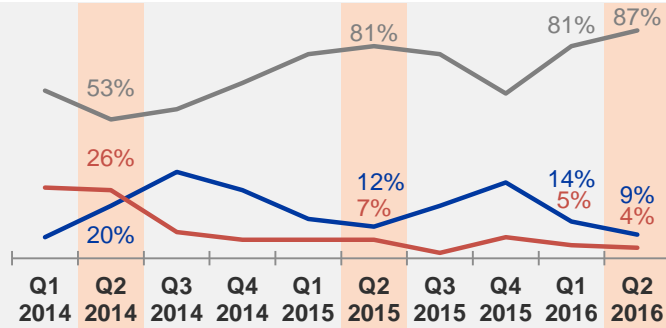




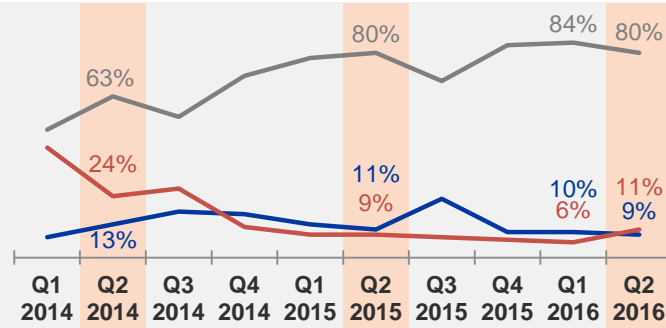
# Credit Standards: Non-GSE Eligible (by institution type)

**Past 3 Months**

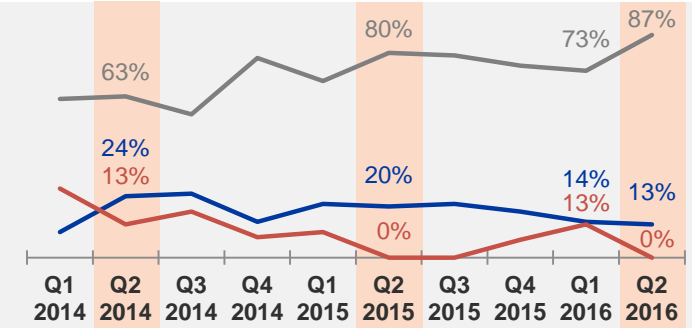
## Mortgage Banks



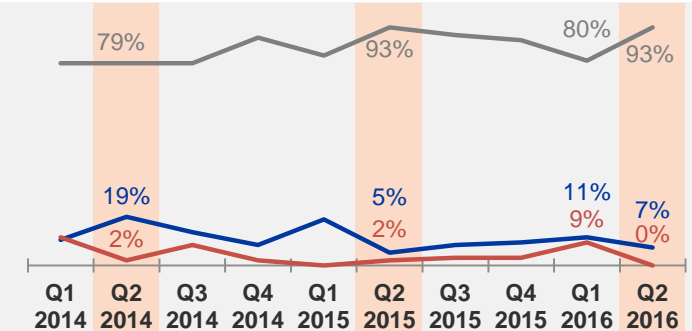
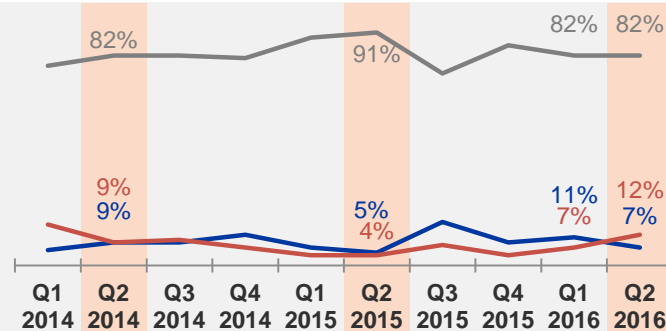
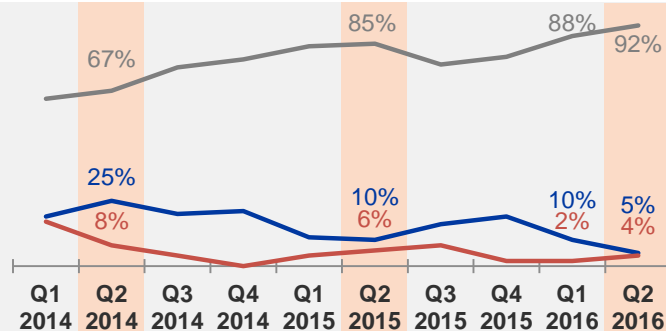
## Depository Institutions



## Credit Unions



**Next 3 Months**



— Ease  
— Remain Unchanged  
— Tighten

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

\* Denotes a statistically significant change compared with Q1 2016 (previous quarter)  
 ^ Denotes a statistically significant change compared with Q2 2015 (same quarter of last year)



# Credit Standards: Government (by institution size)

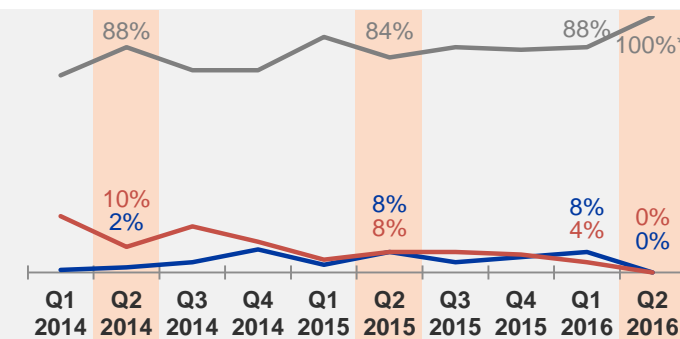
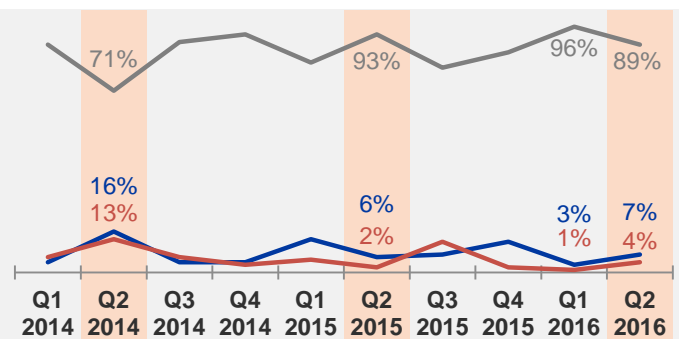
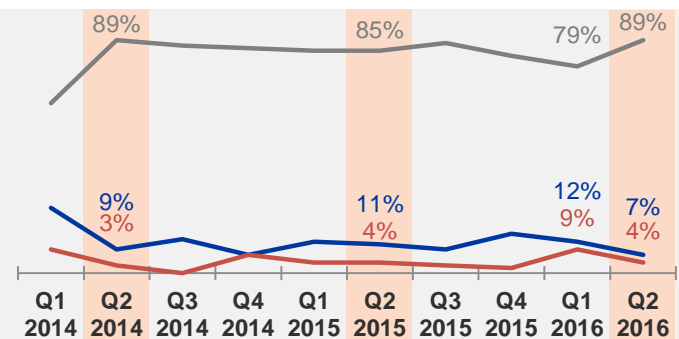
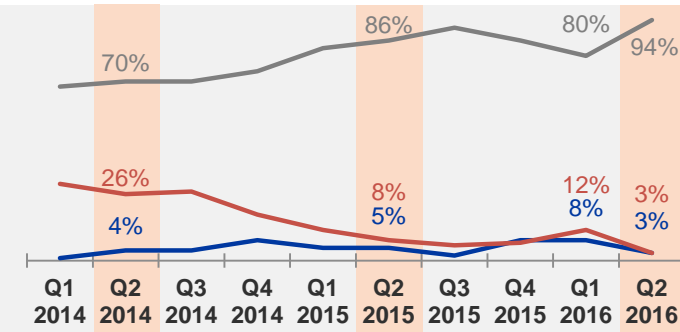
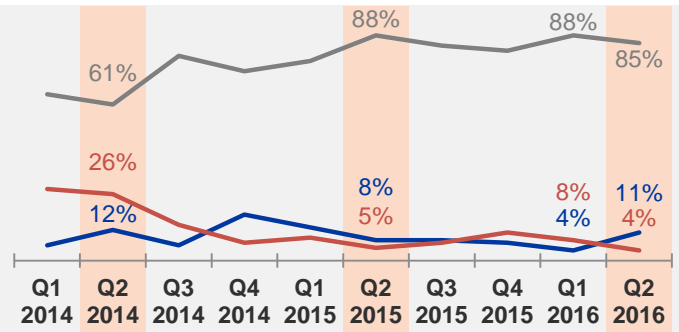
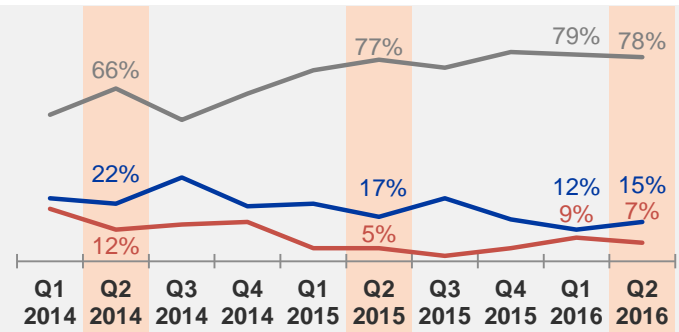
**Past 3 Months**

**Next 3 Months**

## Larger Institutions

## Mid-sized Institutions

## Smaller Institutions



— Ease  
— Remain Unchanged  
— Tighten

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

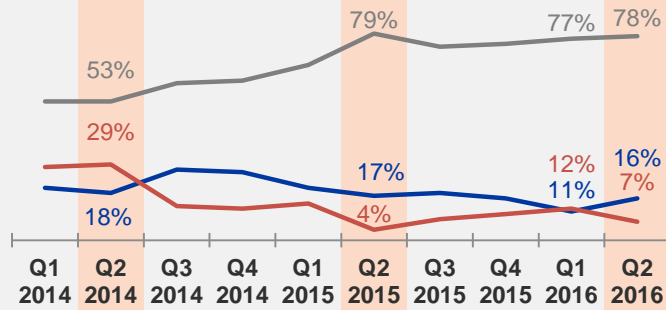
\* Denotes a statistically significant change compared with Q1 2016 (previous quarter)  
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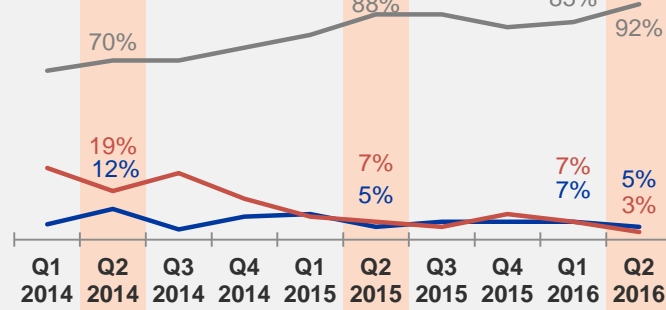
# Credit Standards: Government (by institution type)

**Past 3 Months**

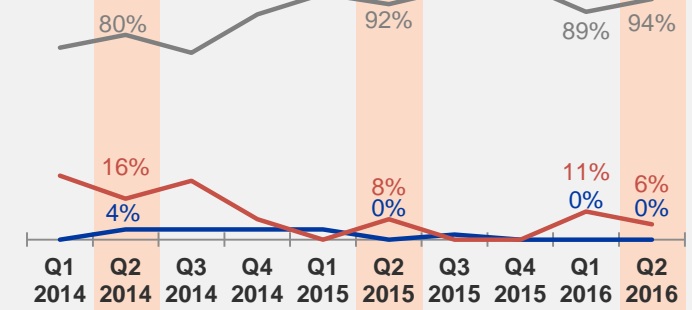
## Mortgage Banks



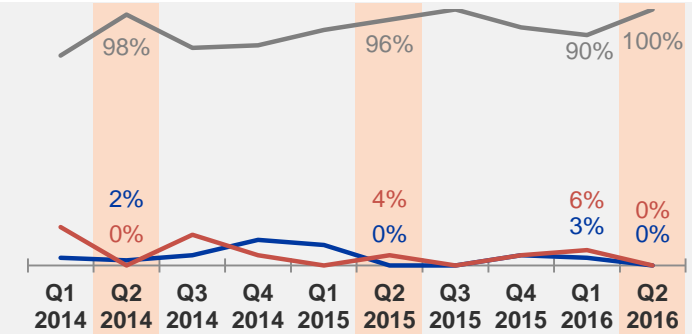
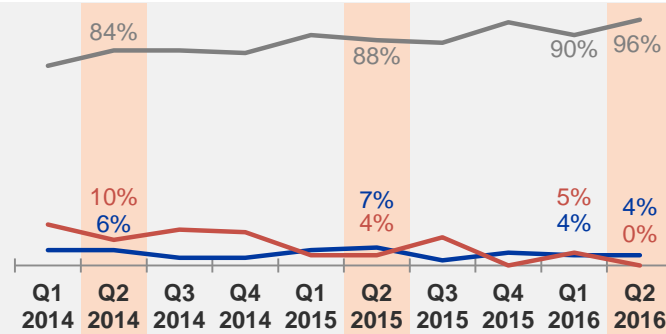
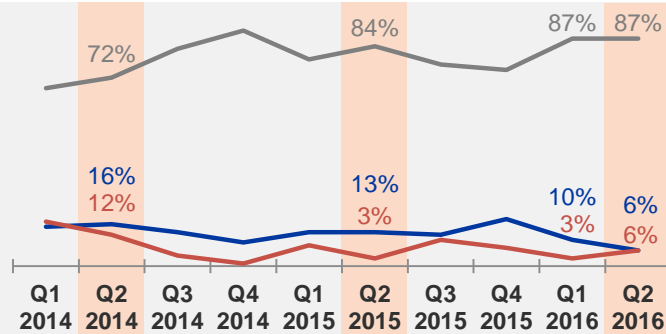
## Depository Institutions



## Credit Unions



**Next 3 Months**



— Ease  
— Remain Unchanged  
— Tighten

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

\* Denotes a statistically significant change compared with Q1 2016 (previous quarter)  
 ^ Denotes a statistically significant change compared with Q2 2015 (same quarter of last year)



# Credit Standards: Drivers of Change (selected verbatim)

Drivers of Loosening Change

Drivers of Tightening Change

## Past 3 Months

N=36

- Regulations - TRID
- Changing Guidelines

Q: What do you think drove the change in your firm's credit standards for approving consumer applications for purchase mortgage loans over the **last three months**? Please be as specific as possible. (Optional)

"The complexity and lack of consistency across investors on how to interpret and apply TRID and other compliance related regulations." – *Larger Institution*

"TRID compliance." – *Mid-sized Institution*

"We tightened our Portfolio credit standards to mirror GSE standards." – *Smaller Institution*

"Portfolio guidelines became slightly lenient when it came to short sales, foreign national, weak FICO's, etc." – *Larger Institution*

"Agency changes in guidelines. Aggregators easing back on credit guidelines as well." – *Mid-sized Institution*

"We are no longer applying our own historical conservative overlays to the underwriting process (e.g. requiring a pest inspection for every application) and are now underwriting loans to Fannie Mae guidelines." – *Smaller Institution*

## Next 3 Months

N=23

- Regulations
- Improving Economy

Q: What do you think will drive the change in your firm's credit standards for approving consumer applications for purchase mortgage loans over the **next three months**? Please be as specific as possible. (Optional)

"Increased regulatory oversight and the complexities related to TRID are forcing us to take a significantly tighter approach to the credit review process." – *Larger Institution*

"Retraction of common sense due to DOJ, FHA, CFPB litigation and fines results in retraction and approach of zero tolerance." – *Mid-sized Institution*

"All the new requirements and changes that keep being jammed down our throats. Changes that do not help the customer." – *Smaller Institution*

"Continued removal of overlays as we can get them implemented in the system." – *Larger Institution*

"Improving market conditions. Higher percentage of purchase vs refinance mortgages." – *Mid-sized Institution*

"Enhanced understanding and experience with HomeReady." – *Larger Institution*



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Appendix

# Mortgage Execution Outlook



# Mortgage Execution Outlook – Over Next 12 Months

## Portfolio Retention

— Increase — About the Same — Decrease



Whether an institution reported increase/decrease/stay the same was based on the difference to their responses to the following 2 questions:  
 Q: Approximately, what percent of your firm's total mortgage originations goes to each of the following categories?  
 Q: Looking forward, what percent of your firm's total mortgage originations over the next year will go to each of the following categories?

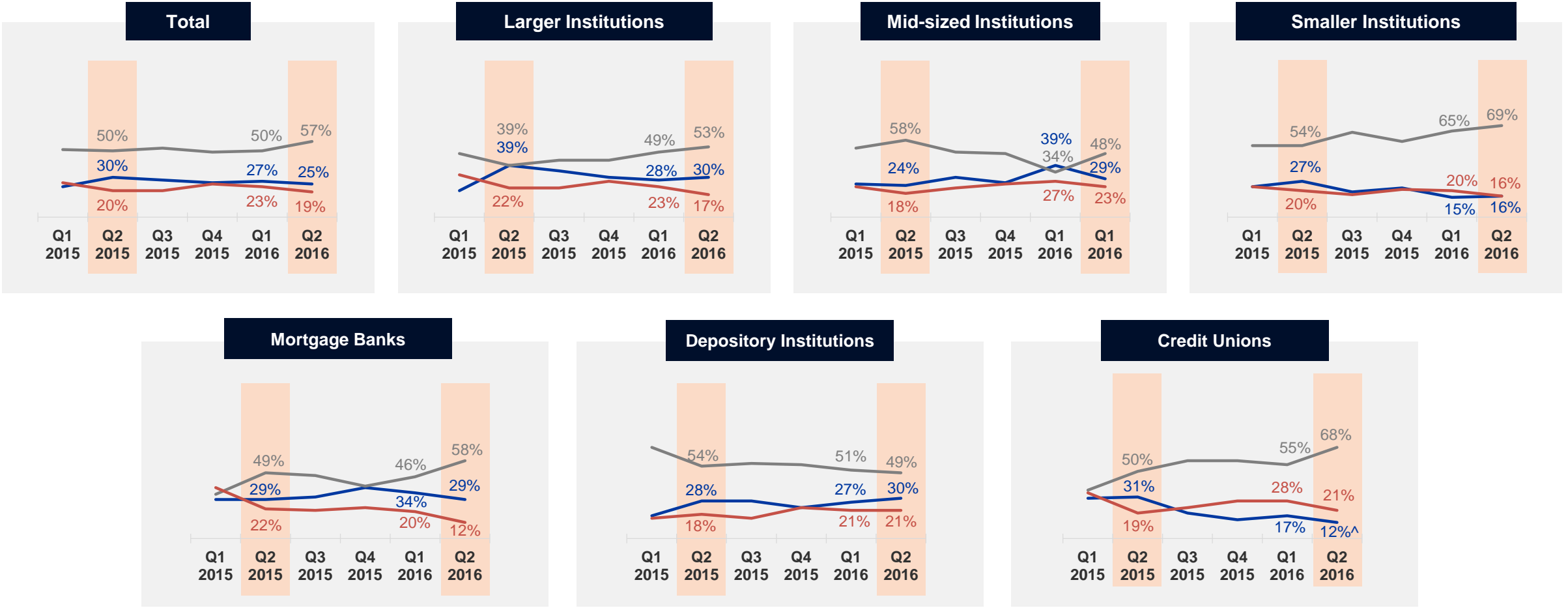
\* Denotes a statistically significant change compared with Q1 2016 (previous quarter)  
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# Mortgage Execution Outlook – Over Next 12 Months

## GSE (Fannie Mae and Freddie Mac)

— Increase    — About the Same    — Decrease



Whether an institution reported increase/decrease/stay the same was based on the difference to their responses to the following 2 questions:  
 Q: Approximately, what percent of your firm's total mortgage originations goes to each of the following categories?  
 Q: Looking forward, what percent of your firm's total mortgage originations over the next year will go to each of the following categories?

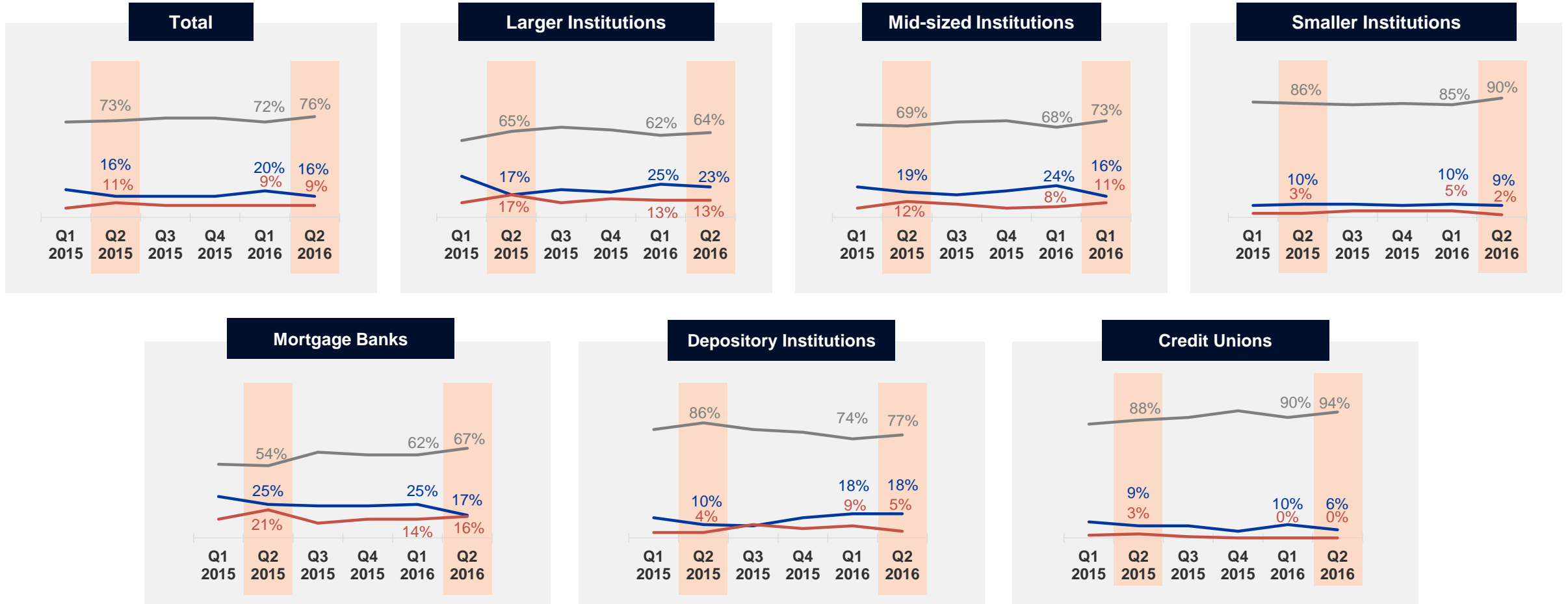
\* Denotes a statistically significant change compared with Q1 2016 (previous quarter)  
 ^ Denotes a statistically significant change compared with Q2 2015 (same quarter of last year)



# Mortgage Execution Outlook – Over Next 12 Months

**Ginnie Mae (FHAVA)**

— Increase    — About the Same    — Decrease



Whether an institution reported increase/decrease/stay the same was based on the difference to their responses to the following 2 questions:  
 Q: Approximately, what percent of your firm's total mortgage originations goes to each of the following categories?  
 Q: Looking forward, what percent of your firm's total mortgage originations over the next year will go to each of the following categories?

\* Denotes a statistically significant change compared with Q1 2016 (previous quarter)  
 ^ Denotes a statistically significant change compared with Q2 2015 (same quarter of last year)





# Mortgage Execution Outlook – Over Next 12 Months

## Private Label Securities/Non-Agency Securities

— Increase    — About the Same    — Decrease



Whether an institution reported increase/decrease/stay the same was based on the difference to their responses to the following 2 questions:  
 Q: Approximately, what percent of your firm's total mortgage originations goes to each of the following categories?  
 Q: Looking forward, what percent of your firm's total mortgage originations over the next year will go to each of the following categories?

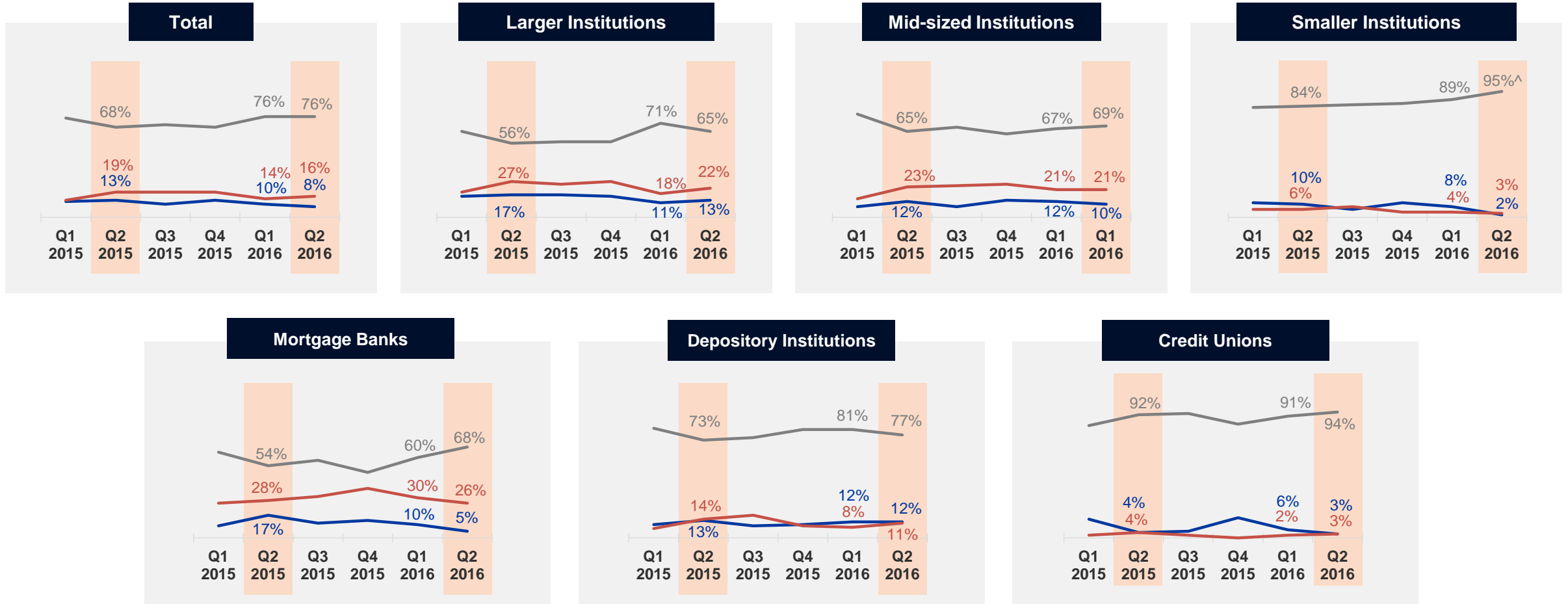
\* Denotes a statistically significant change compared with Q1 2016 (previous quarter)  
 ^ Denotes a statistically significant change compared with Q2 2015 (same quarter of last year)



# Mortgage Execution Outlook – Over Next 12 Months

## Whole Loan Sales to Non-GSE (Correspondent)

— Increase — About the Same — Decrease



Whether an institution reported increase/decrease/stay the same was based on the difference to their responses to the following 2 questions:  
 Q: Approximately, what percent of your firm's total mortgage originations goes to each of the following categories?  
 Q: Looking forward, what percent of your firm's total mortgage originations over the next year will go to each of the following categories?

\* Denotes a statistically significant change compared with Q1 2016 (previous quarter)  
 ^ Denotes a statistically significant change compared with Q2 2015 (same quarter of last year)



# Mortgage Execution Share – Current

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%. <b>Showing Mean %</b>	Total									
	2014				2015				2016	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
N=	247	186	196	192	197	238	209	194	205	169
GSE (Fannie Mae and Freddie Mac)	49%	49%	51%	49%	47%	46%	44%	44%	48%	46%
Portfolio Retention	24%	22%	20%	23%	21%	22%	19%	20%	20%	23%
Whole Loan Sales to Non-GSE (Correspondent)	13%	13%	12%	12%	17%	16%	19%	18%	15%	17%
Ginnie Mae (FHA/VA)	11%	14%	14%	13%	12%	13%	15%	16%	15%	13%
Private Label Securities / Non-Agency Securities	1%	1%	2%	1%	1%	1%	1%	1%	1%	1%
Other	1%	1%	1%	1%	2%	1%	1%	1%	1%	0%

\* Denotes a statistically significant change compared with Q1 2016 (previous quarter)  
 ^ Denotes a statistically significant change compared with Q2 2015 (same quarter of last year)



# Mortgage Execution Share – Over Next 12 Months

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%. <b>Showing Mean %</b>	Total					
	2015				2016	
	Q1	Q2	Q3	Q4	Q1	Q2
N=	197	238	209	194	205	169
GSE (Fannie Mae and Freddie Mac)	47%	47%	46%	44%	49%	46%
Portfolio Retention	21%	21%	18%	20%	19%	23%
Whole Loan Sales to Non-GSE (Correspondent)	16%	15%	17%	18%	14%	15%
Ginnie Mae (FHA/VA)	13%	14%	16%	16%	16%	14%
Private Label Securities / Non-Agency Securities	2%	1%	3%	1%	1%	2%
Other	1%	1%	1%	1%	1%	1%

\* Denotes a statistically significant change compared with Q1 2016 (previous quarter)  
 ^ Denotes a statistically significant change compared with Q2 2015 (same quarter of last year)



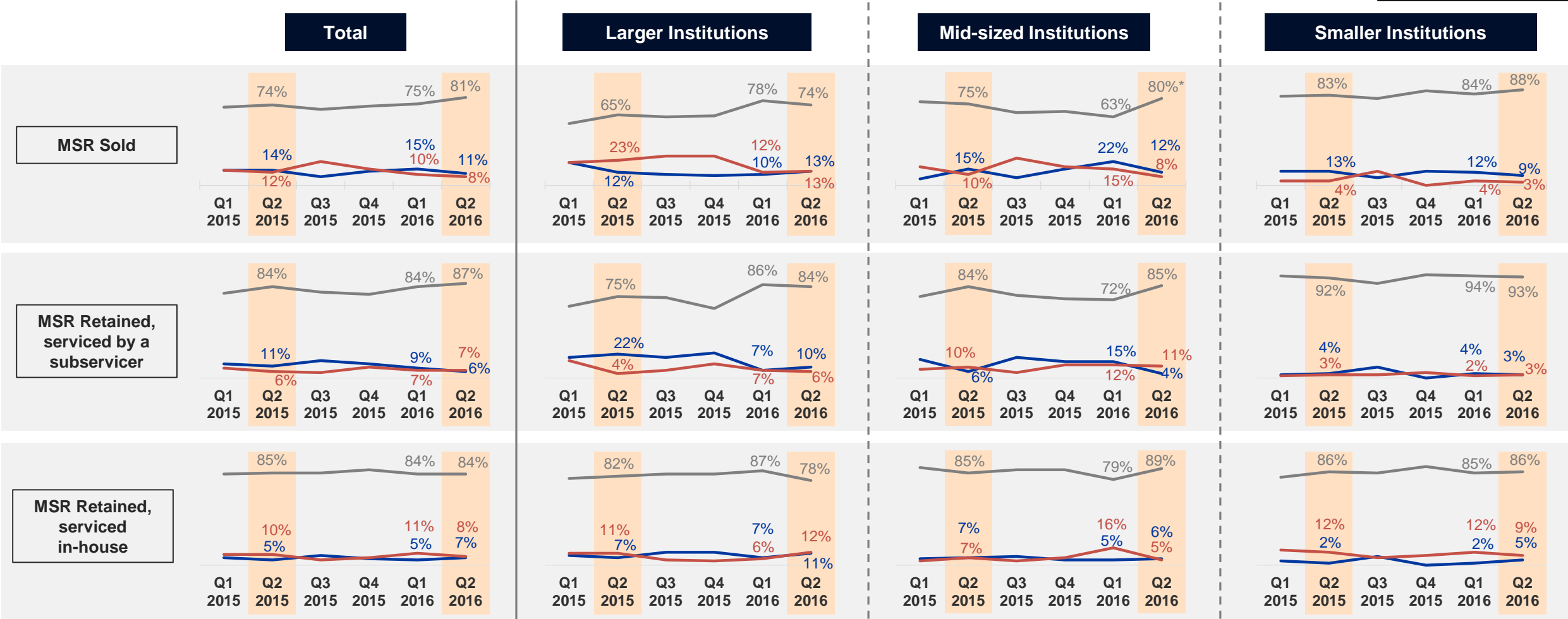
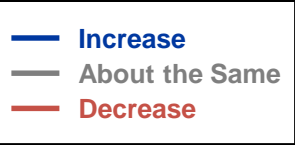
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Appendix

# Mortgage Servicing Rights (MSR) Execution



# Mortgage Servicing Rights Execution Outlook (by institution size)

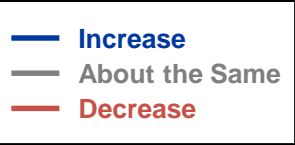


Whether an institution reported increase/decrease/stay the same was based on the difference to their responses to the following 2 questions:  
 Q: Approximately, what percent of your mortgage servicing rights (MSR) goes to each of the following categories?  
 Q: Looking forward, what percent of your firm's mortgage servicing rights (MSR) over the next year will go to each of the following categories?

\* Denotes a statistically significant change compared with Q1 2016 (previous quarter)  
 ^ Denotes a statistically significant change compared with Q2 2015 (same quarter of last year)



# Mortgage Servicing Rights Execution Outlook (by institution type)

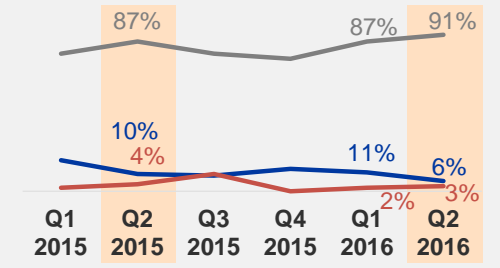
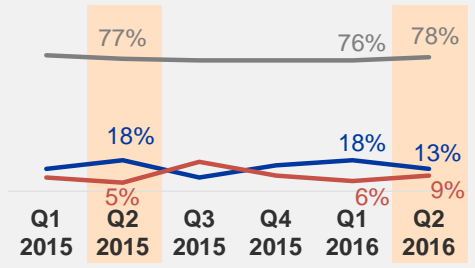
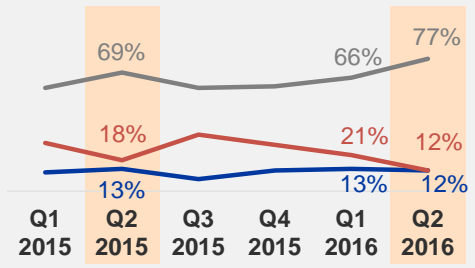


**Mortgage Banks**

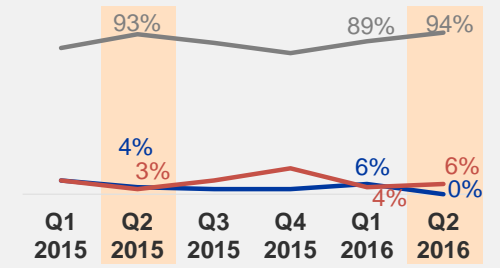
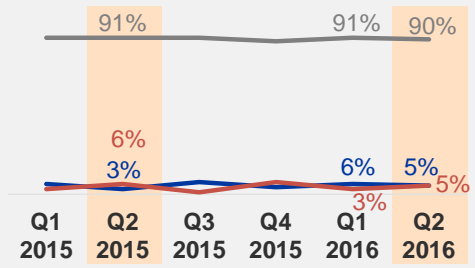
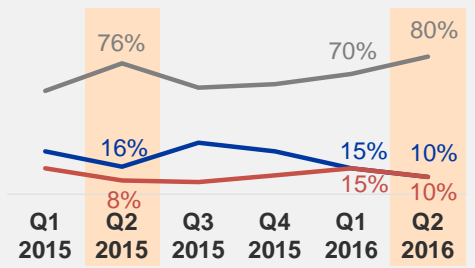
**Depository Institutions**

**Credit Unions**

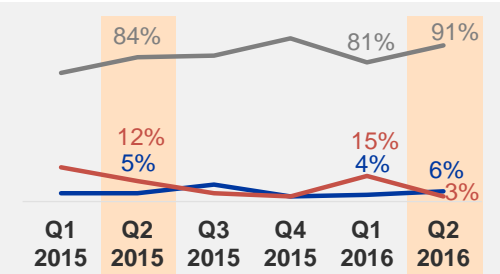
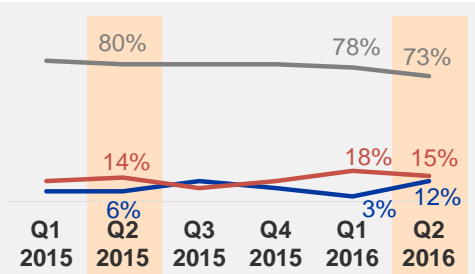
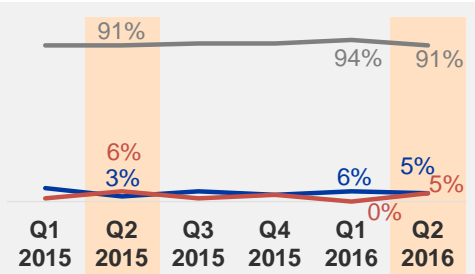
**MSR Sold**



**MSR Retained, serviced by a subservicer**



**MSR Retained, serviced in-house**



Whether an institution reported increase/decrease/stay the same was based on the difference to their responses to the following 2 questions:  
 Q: Approximately, what percent of your mortgage servicing rights (MSR) goes to each of the following categories?  
 Q: Looking forward, what percent of your firm's mortgage servicing rights (MSR) over the next year will go to each of the following categories?

\* Denotes a statistically significant change compared with Q1 2016 (previous quarter)  
 ^ Denotes a statistically significant change compared with Q2 2015 (same quarter of last year)



# Mortgage Servicing Rights (MSR) Execution Share – Current

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%. <b>Showing Mean %</b>	Total									
	2014				2015				2016	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
N=	247	186	196	192	197	238	209	194	205	169
MSR retained, serviced in-house	54%	51%	46%	54%	48%	45%	44%	46%	52%	47%
MSR retained, serviced by a servicer	23%	21%	22%	18%	17%	24%	18%	20%	18%	22%
MSR sold	23%	28%	32%	27%	34%	31%	37%	34%	30%	31%

\* Denotes a statistically significant change compared with Q1 2016 (previous quarter)  
 ^ Denotes a statistically significant change compared with Q2 2015 (same quarter of last year)





# Mortgage Servicing Rights (MSR) Execution Share – Over Next 12 Months

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%. <b>Showing Mean %</b>	Total					
	2015				2016	
	Q1	Q2	Q3	Q4	Q1	Q2
N=	197	238	209	194	205	169
MSR retained, serviced in-house	48%	44%	44%	46%	51%	48%
MSR retained, serviced by a servicer	17%	24%	20%	20%	17%	21%
MSR sold	35%	32%	36%	34%	32%	31%

\* Denotes a statistically significant change compared with Q1 2016 (previous quarter)  
 ^ Denotes a statistically significant change compared with Q2 2015 (same quarter of last year)



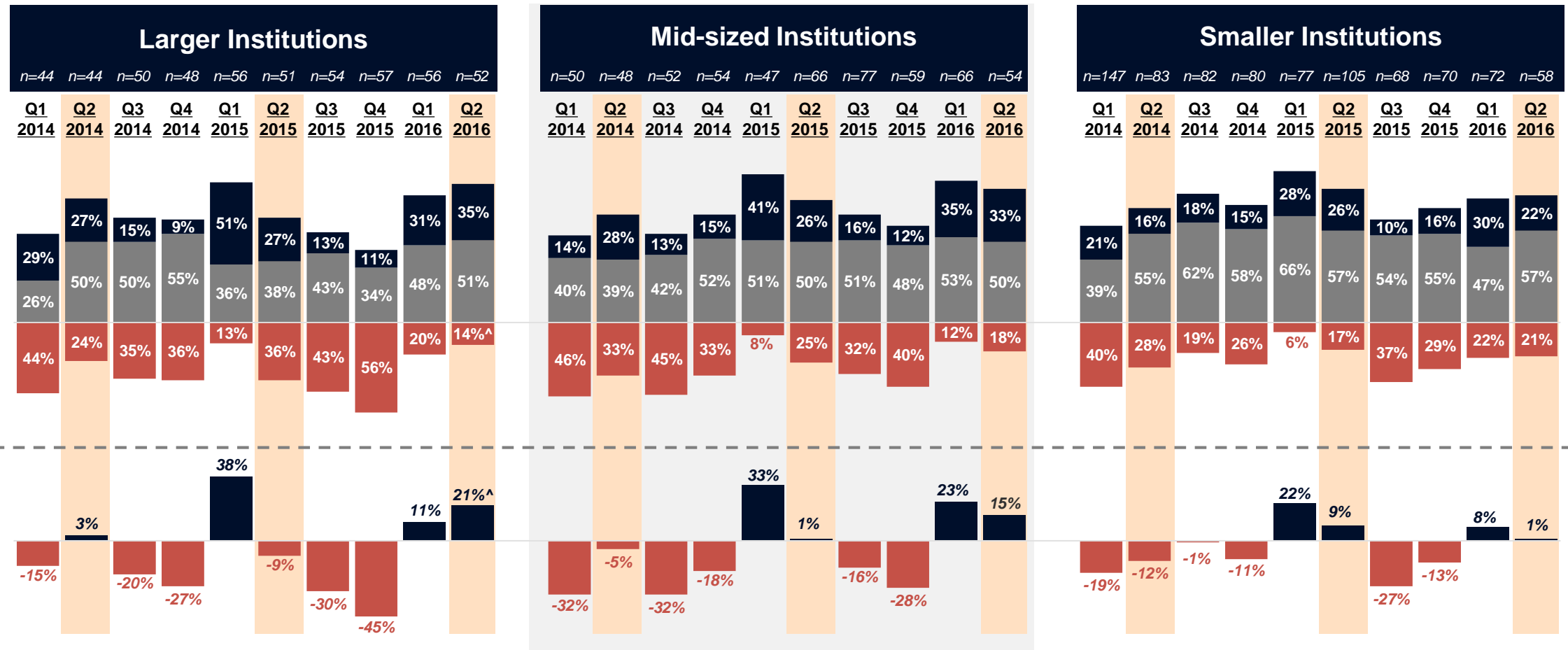
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Appendix

# Profit Margin Outlook



# Profit Margin Outlook – Next 3 Months (by institution size)

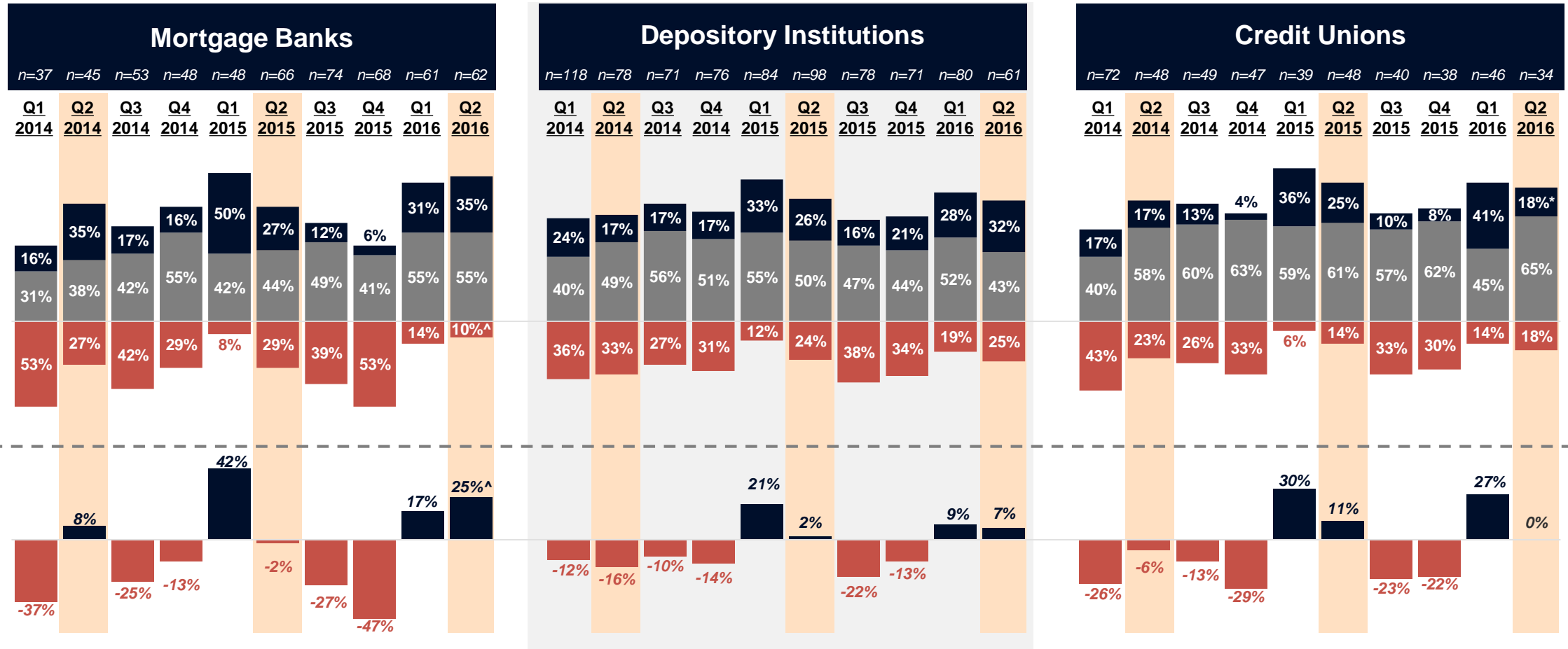


Q: Over the next three months, how much do you expect your firm's profit margin to change for its single-family mortgage production? [Showing: (Substantially Increase (25+ basis points) + Moderately Increase (5 - 25 basis points)), About the same (0 - 5 basis points), (Moderately Decrease (5 - 25 basis points) + Substantially Decrease (25+ basis points))]

\* Denotes a statistically significant change compared with Q1 2016 (previous quarter)  
 ^ Denotes a statistically significant change compared with Q2 2015 (same quarter of last year)



# Profit Margin Outlook – Next 3 Months (by institution type)



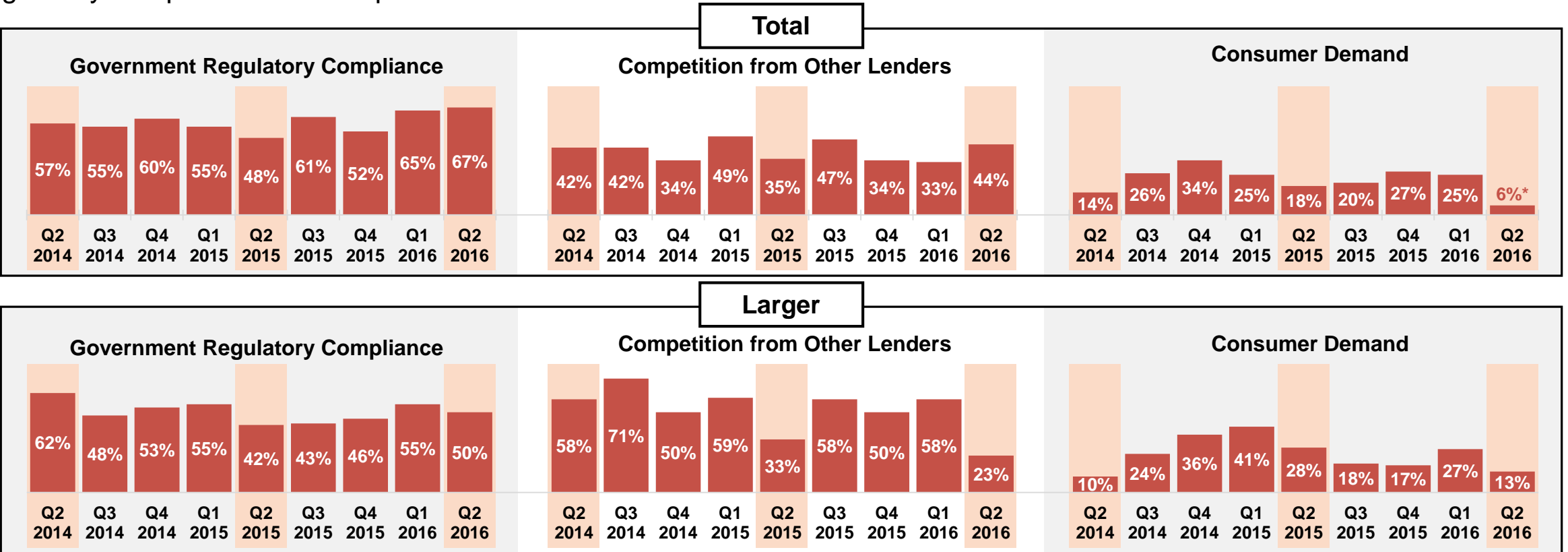
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# Decreased Profit Margin Outlook – Top Drivers

Only 6% of lenders expecting lower profits cite falling consumer demand as a key driver of their falling margins, representing an all-time survey low and a significant decrease from Q1 2016. In contrast, lenders continue to worry about government regulatory compliance and competition from other lenders.



Q: What do you think will drive the decrease in your firm's profit margin over the next three months? Please select the two most important reasons and rank them in order of importance. (Showing % rank 1 + 2)  
 Total: Q2 2014: N=50; Q3 2014: N=57; Q4 2014: N=56; Q1 2015: N=16; Q2 2015: N=52; Q3 2015: N=74; Q4 2015: N=76; Q1 2016: N=35; Q2 2016: N=29  
 Larger: Q2 2014: N=10; Q3 2014: N=17; Q4 2014: N=17; Q1 2015: N=7; Q2 2015: N=18; Q3 2015: N=24; Q4 2015: N=32; Q1 2016: N=11; Q2 2016: N=8

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# Increased Profit Margin – Drivers

What do you think will drive the increase in your firm's profit margin over the next three months? Please select the two most important reasons and rank them in order of importance. (Showing % rank 1 + 2)	Total								
	2014			2015				2016	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
N=	38	30	24	70	58	26	24	63	49
Consumer demand	56%	46%	54%	68%	70%	58%	26%	52%	69%
Operational efficiency (i.e., technology)	44%	34%	38%	41%	42%	56%	51%	52%	42%
Market trend changes (i.e. shift from refinance to purchase)	20%	29%	21%	20%	37%	21%	29%	30%	33%
Staffing (personnel costs) reduction	14%	14%	7%	10%	14%	4%	13%	9%	12%
Less competition from other lenders	14%	13%	18%	16%	5%	15%	20%	7%	11%
GSE pricing and policies	13%	9%	17%	15%	7%	28%	16%	17%	10%
Government monetary or fiscal policy	8%	2%	6%	9%	2%	5%	9%	5%	5%
Marketing expense reduction	5%	13%	9%	5%	4%	4%	5%	3%	4%
Servicing cost reduction	0%	2%	3%	3%	0%	5%	0%	1%	4%
Non-GSE (other investors) pricing and policies	14%	22%	17%	5%	12%	3%	12%	13%	2%
Government regulatory compliance	7%	4%	5%	2%	1%	0%	12%	3%	2%

For detailed data by lender size and lender type, please check out the excel file posted on the [Mortgage Lender Sentiment Survey](#) web page, together with the report.

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Question was changed to only allow up to two answer choices In Q1 2015.  
 2014 question text: What do you think will drive the increase in your firm's profit margin over the next three months? Please select up to three of the most important reasons and rank them in order of importance.



# Increased Profit Margin – Strategies

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. (Showing % rank 1 + 2)	Total								
	2014			2015				2016	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
N=	38	30	24	70	58	26	24	64	49
Operational efficiency (i.e. technology) investments	37%	34%	31%	49%	43%	49%	42%	39%	56%
Loan officer staffing adjustments	16%	15%	33%	16%	20%	19%	12%	25%	33%
Price adjustments	28%	30%	22%	40%	36%	28%	49%	37%	20%*
Marketing outreach expansion/contraction	16%	30%	19%	23%	31%	16%	14%	17%	19%
New or reallocation of origination channels (i.e. retail or online or third-party channels)	30%	27%	17%	18%	6%	5%	5%	18%	17%
New or reallocation of mortgage product offerings	14%	29%	28%	9%	17%	8%	12%	9%	14%
Back-office staffing adjustments	16%	2%	0%	4%	13%	15%	14%	20%	12%
New borrower segments	12%	8%	15%	7%	16%	13%	15%	9%	9%
Investor outlet expansion/contraction	16%	9%	18%	9%	7%	3%	5%	10%	8%
MSR (Mortgage Servicing Rights) sales	7%	9%	8%	6%	3%	8%	12%	2%	7%
Underwriting standard changes	5%	2%	0%	2%	3%	4%	0%	1%	2%
Business acquisition/merger/divestment	3%	4%	9%	11%	3%	27%	12%	8%	0%

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 2014 question text: What primary strategies, if any, is your firm planning to use to achieve your increased profit margin? Please select up to three of the most important strategies and rank them in order of importance.



## Decreased Profit Margin – Drivers

What do you think will drive the decrease in your firm's profit margin over the next three months? Please select the two most important reasons and rank them in order of importance. (Showing % rank 1 + 2)	Total								
	2014			2015				2016	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
N=	50	57	56	16	52	74	76	35	29
Government regulatory compliance	57%	55%	60%	55%	48%	61%	52%	65%	67%
Competition from other lenders	42%	42%	34%	49%	35%	47%	34%	33%	44%
GSE pricing and policies	29%	18%	13%	21%	16%	11%	11%	13%	22%
Government monetary or fiscal policy	15%	13%	7%	0%	19%	6%	10%	4%	16%
Staffing (personnel costs)	10%	19%	20%	14%	18%	19%	27%	26%	12%
Operational efficiency (i.e. technology)	3%	6%	8%	14%	11%	12%	8%	13%	10%
Non-GSE (other investors) pricing and policies	4%	2%	3%	12%	2%	2%	2%	2%	10%
Market trend changes (i.e. shift from refinance to purchase)	24%	6%	17%	4%	25%	14%	20%	11%	8%
Consumer demand	14%	26%	34%	25%	18%	20%	27%	25%	6%*
Marketing expenses	0%	6%	0%	0%	3%	2%	0%	2%	3%
Servicing costs	1%	3%	4%	7%	4%	4%	3%	2%	0%

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## Decreased Profit Margin – Strategies

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. (Showing % rank 1 + 2)	Total								
	2014			2015				2016	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
N=	50	57	56	16	52	74	76	35	29
Operational efficiency (i.e. technology) investments	38%	36%	40%	52%	51%	50%	51%	45%	56%
Price adjustments	21%	17%	19%	31%	25%	30%	28%	32%	40%
Marketing outreach expansion/contraction	27%	25%	39%	27%	29%	18%	23%	27%	33%
Loan officer staffing adjustments	21%	27%	22%	4%	9%	23%	19%	17%	16%
New or re-allocation of mortgage product offerings	14%	21%	12%	9%	13%	10%	11%	16%	15%
Back-office staffing adjustments	24%	21%	26%	14%	19%	20%	19%	22%	10%
Investor outlet expansion/contraction	12%	10%	9%	35%	9%	9%	6%	15%	10%
New borrower segments	10%	4%	10%	0%	6%	6%	8%	9%	7%
New or re-allocation of origination channels (i.e. retail, online, or third-party channels)	15%	8%	8%	0%	15%	11%	12%	9%	3%
Business acquisition/merger/divestment	4%	11%	11%	17%	6%	11%	11%	2%	3%
MSR (Mortgage Servicing Rights) sales	7%	8%	0%	7%	10%	3%	2%	2%	3%
Underwriting standard changes	6%	6%	2%	0%	3%	6%	2%	4%	0%

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 2014 question text: What primary strategies, if any, is your firm planning to use to address your decreased profit margin? Please select up to three of the most important strategies and rank them in order of importance.



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Appendix

# Survey Question Text



# Question Text

## Economic and Housing Sentiment

q1. In general, do you, as a senior mortgage executive, think the U.S. economy overall is on the right track or the wrong track?

q1a. Do you think it is very difficult, somewhat difficult, somewhat easy, or very easy for consumers to get a home mortgage today?

q2. Nationally, during the next 12 months, do you, as a senior mortgage executive, think home prices in general will go up, go down, or stay the same as where they are now?

q4a. By about what percent do you, as a senior mortgage executive, think home prices nationally will go up on average over the next 12 months?

q5a. By about what percent do you, as a senior mortgage executive, think home prices nationally will go down on average over the next 12 months?

## Consumer Demand

q6. Over the past three months, apart from normal seasonal variation, did your firm's consumer demand for single-family purchase mortgages go up, go down, or stay the same? Please answer for GSE eligible mortgages, non-GSE eligible mortgages, and Government mortgages.

q7. What do you think drove the change in your firm's consumer demand for single family purchase mortgages over the past three months? Please be as specific as possible. (Optional)

q14. Over the next three months, apart from normal seasonal variation, do you expect your firm's consumer demand for single-family purchase mortgages to go up, go down, or stay the same? Please answer for GSE eligible mortgages, non-GSE eligible mortgages, and Government mortgages.

q46. You mentioned that you expect your firm's consumer demand for GSE eligible loans will go up over the next three months. Which of the following housing marketplace factors do you think will drive the demand to go up? Please select **up to two** of the most important reasons and rank them in order of importance.

q47. You mentioned that you expect your firm's consumer demand for GSE eligible loans will go down over the next three months. Which of the following housing marketplace factors do you think will drive the demand down? Please select **up to two** of the most important reasons and rank them in order of importance.

q49. You mentioned that you expect your firm's consumer demand for Non-GSE eligible loans will go up over the next three months. Which of the following housing marketplace factors do you think will drive the demand to go up? Please select **up to two** of the most important reasons and rank them in order of importance.

q50. You mentioned that you expect your firm's consumer demand for Non-GSE eligible loans will go down over the next three months. Which of the following housing marketplace factors do you think will drive the demand down? Please select **up to two** of the most important reasons and rank them in order of importance.

q51. You mentioned that you expect your firm's consumer demand for government loans will go up over the next three months. Which of the following housing marketplace factors do you think will drive the demand to go up? Please select **up to two** of the most important reasons and rank them in order of importance.

q52. You mentioned that you expect your firm's consumer demand for government loans will go down over the next three months. Which of the following housing marketplace factors do you think will drive the demand down? Please select **up to two** of the most important reasons and rank them in order of importance.



## Question Text Continued

- q10. Over the past three months, apart from normal seasonal variation, did your firm's consumer demand for single-family refinance mortgages go up, go down, or stay the same? Please answer for GSE eligible mortgages, non-GSE eligible mortgages, and Government mortgages.
- q18. Over the next three months, apart from normal seasonal variation, do you expect your firm's consumer demand for single-family refinance mortgages to go up, go down, or stay the same? Please answer for GSE eligible mortgages, non-GSE eligible mortgages, and Government mortgages.
- q20. You indicated that you expect your firm's demand to **go down** for the following types of mortgages. By about what percent do you expect your firm's consumer demand for single-family refinance mortgages to go down over the next three months?
- q21. You said that you expect your firm's demand to **go up** for the following types of mortgages. By about what percent do you expect your firm's consumer demand for single-family refinance mortgages to go up over the next three months?

### Profit Margin Outlook

- q22. Over the next three months, how much do you expect your firm's profit margin to change for its single-family mortgage production?
- q23. 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.
- q24. What do you think will drive the decrease in your firm's profit margin over the next three months? Please select the two most important reasons and rank them in order of importance.
- q25. 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.
- q26. What do you think will drive the increase in your firm's profit margin over the next three months? Please select the two most important reasons and rank them in order of importance.

### Credit Standards

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



## Question Text Continued

### Mortgage Execution Share

- q35. 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%.
- q44. 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%.

### Mortgage Servicing Rights Execution Share

- q38. 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%.
- q45. 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%.