



Fannie Mae®

Mortgage Lender Sentiment Survey®

Providing Insights Into Current Lending Activities and Market Expectations

Q4 2018 Full Report – published December 12, 2018

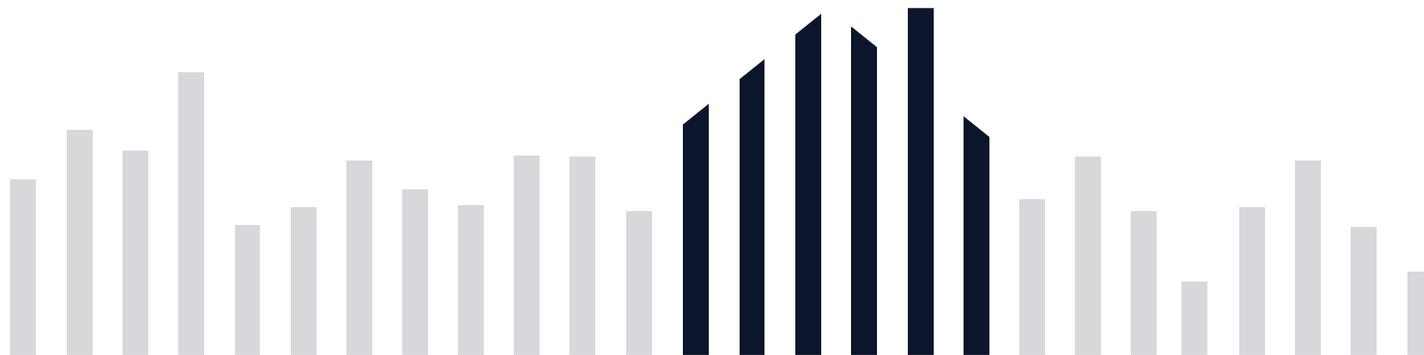




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Key Findings – Q4 2018:

Lenders continue seeing stress in the industry, with purchase mortgage demand and profit margin outlook reaching survey lows.

Profit Margin Outlook

- Lenders' net profit margin outlook has stayed negative for the ninth consecutive quarter, and has reached a new survey low (since 2014). Those expecting a lower profit margin outlook continued to point to “competition from other lenders” as the primary reason. “Consumer demand” also continued to be the second most important reason, reaching a survey high.

Purchase Mortgage Demand

- For purchase mortgages, the net share of lenders reporting demand growth over the prior three months reached the lowest reading for any fourth quarter in the survey's history (since 2014), and the net share reporting growth expectations for the next three months reached an all-time survey low across all loan types (GSE eligible, non-GSE eligible, and government).

Refinance Mortgage Demand

- For refinance mortgages, the net share of lenders reporting demand growth over the prior three months declined to the second lowest level in the survey history for GSE eligible and to the lowest level in the survey history for non-GSE eligible loans. The net shares reporting growth expectations for the next three months continued its decline, with the net share for GSE eligible loans reaching a new survey low.



Research Objectives

- The *Mortgage Lender Sentiment Survey*[®], which debuted in March 2014, is a quarterly online survey among senior executives in the mortgage industry.
- 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.

Tracks insights and provides benchmarks into current and future mortgage lending activities and practices.

Quarterly Regular Questions

- Consumer Mortgage Demand
- Credit Standards
- Profit Margin Outlook

Featured Specific Topic Analyses

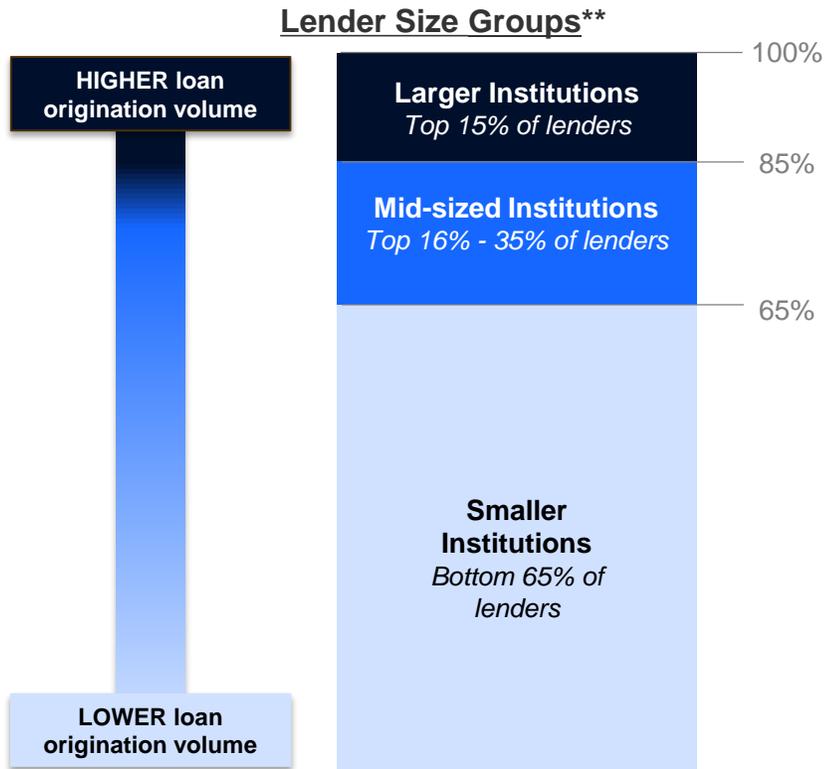
- Artificial Intelligence for Mortgage Lending
- Cost Cutting as a Top Business Priority
- Mortgage Data Initiatives
- Lenders' Customer Service Channel Strategies
- Lenders' Experiences with APIs and Chatbots
- Next-Gen Technology Service Providers (TSPs)

- It is 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.



Q4 2018 Respondent Sample and Groups

For Q4 2018, a total of 239 senior executives completed the survey during October 31 - November 12, representing 212 lending institutions.*



Sample Q4 2018		Sample Size
Total Lending Institutions The "Total" data throughout this report is an average of the means of the three lender-size groups listed below.		212
Lender Size Groups	Larger Institutions Lenders in the Fannie Mae database who were in the top 15% of lending institutions based on their total 2017 loan origination volume (above \$1.18 billion)	59
	Mid-sized Institutions Lenders in the Fannie Mae database who were in the next 20% (16%-35%) of lending institutions based on their total 2017 loan origination volume (between \$400 million and \$1.18 billion)	58
	Smaller Institutions Lenders in the Fannie Mae database who were in the bottom 65% of lending institutions based on their total 2017 loan origination volume (less than \$400 million)	95
Institution Type***	Mortgage Banks (non-depository)	76
	Depository Institutions	88
	Credit Unions	38

* 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 2017 total loan volume per lender used here includes the best available annual origination information from Fannie Mae, Freddie Mac, and Marketrac. Lenders in the Fannie Mae database are sorted by their firm's total 2017 loan origination volume and then assigned into the size groups, with the top 15% of lenders being the "larger" group, the next 20% of lenders being the "mid-sized" group and the rest being the "small" group.

*** 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
GSE Eligible Loans	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.
Non-GSE Eligible Loans	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 may carry higher interest rates than GSE loans. Government loans are excluded from this category.
Government Loans	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, across all loan types (GSE eligible, non-GSE eligible, and government), the net share of lenders reporting demand growth over the prior three months reached the lowest reading for any fourth quarter since the survey's inception in 2014. Additionally, the net share reporting demand growth expectations for the next three months reached a new survey low across all loan types.
- For refinance mortgages, the net share of lenders reporting demand growth over the prior three months declined to the second lowest level in the survey history for GSE eligible and to the lowest level in the survey history for non-GSE eligible loans. The net share reporting growth expectations for the next three months continued its decline, with the net share for GSE eligible loans reaching a new survey low.



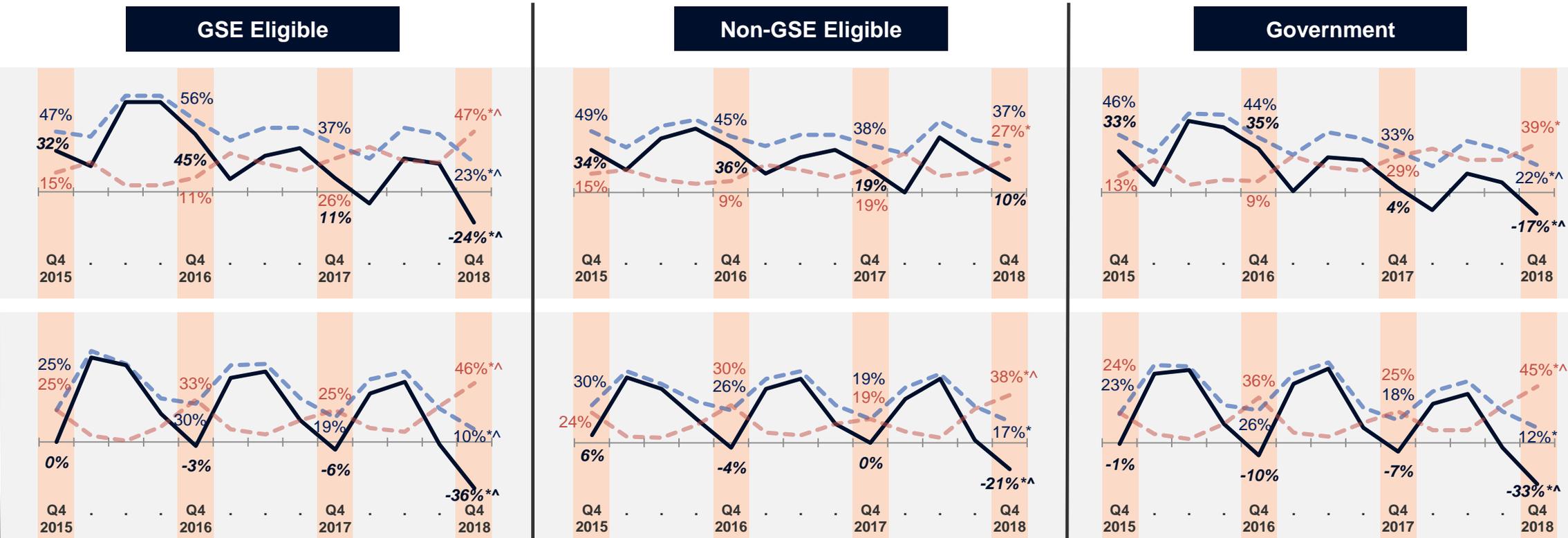
Purchase Mortgage Demand

Across all loan types (GSE eligible, Non-GSE eligible, and government), the net share of lenders reporting demand growth over the prior three months reached the lowest reading for any fourth quarter since the survey's inception in 2014. Additionally, the net share reporting demand growth expectations for the next three months reached a new survey low across all loan types.



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

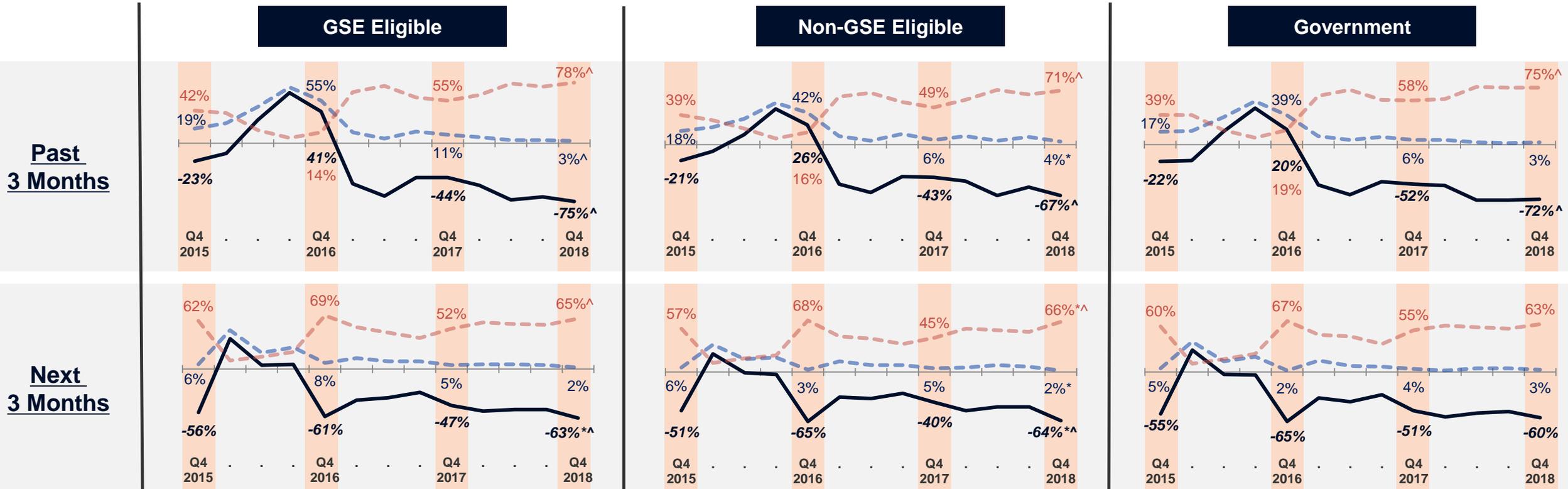
* Denotes a statistically significant change compared with Q3 2018 (previous quarter)
^ Denotes a statistically significant change compared with Q4 2017 (same quarter of last year)

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

The net share of lenders reporting demand growth over the prior three months declined to the second lowest level in the survey history for GSE eligible and to the lowest level in the survey history for non-GSE eligible loans. The net share reporting growth expectations for the next three months continued its decline, with the net share for GSE eligible loans reaching a new survey low.



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 Q3 2018 (previous quarter)
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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 on net continued easing lending standards at a modest pace since the start of the year. However, the pace was significantly lower than the pace seen a year ago (Q4 2017).
- The net easing expectations over the next three months for all three loan types remained relatively stable from last quarter and last year.



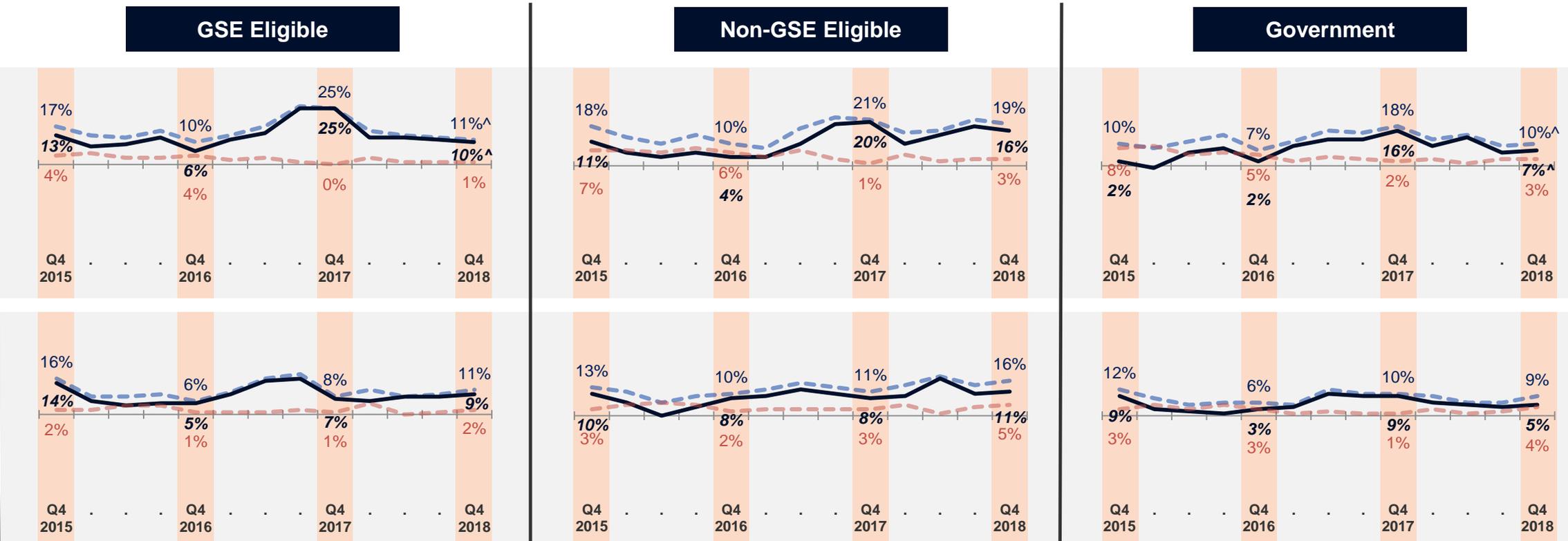
Credit Standards

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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 Q3 2018 (previous quarter)
 ^ Denotes a statistically significant change compared with Q4 2017 (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



Profit Margin Outlook

- Lenders' net profit margin outlook has stayed negative for the ninth consecutive quarter, and has reached a new survey low.
- For the eighth consecutive quarter, “competition from other lenders” has continued to be cited as the top reason for lenders' decreased profit margin outlook. This quarter, “consumer demand” also continues to be the second most important reason, reaching a survey high for the second consecutive quarter.

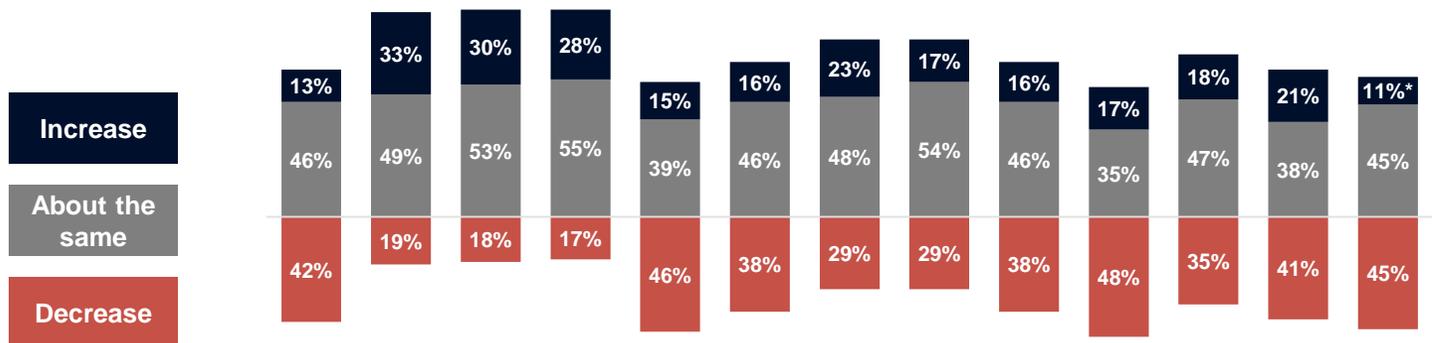


Lenders' Profit Margin Outlook – Next 3 Months

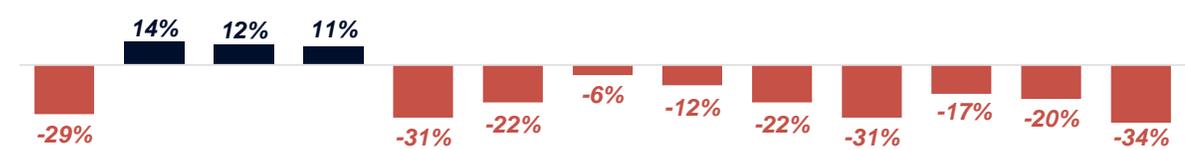
Lenders' net profit margin outlook has stayed negative for the ninth consecutive quarter, and has reached a new survey low. Those expecting a lower profit margin outlook continued to point to “competition from other lenders” as the primary reason.

Profit Margin Outlook

Q4 '15	Q1 '16	Q2 '16	Q3 '16	Q4 '16	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18	Q2 '18	Q3 '18	Q4 '18
n=186	n=194	n=164	n=190	n=134	n=166	n=176	n=174	n=190	n=184	n=159	n=178	n=202



Net increase %
(% of lenders saying increase minus % of lenders saying decrease)



Key Reasons for Expected Increase – Q4 2018

Operational efficiency (i.e. technology)	65%
Staffing (personnel costs) reduction	32%
Consumer demand	21%
Non-GSE (other investors) pricing and policies	21%
Less competition from other lenders	19%

Showing data for selected answer choices only. n=22

Key Reasons for Expected Decrease – Q4 2018

Competition from other lenders	74%
Consumer demand	38%
Staffing (personnel costs)	19%
Market trend changes (i.e. shift from refinance to purchase)	16%
GSE pricing and policies	12%

Showing data for selected answer choices only. n=87

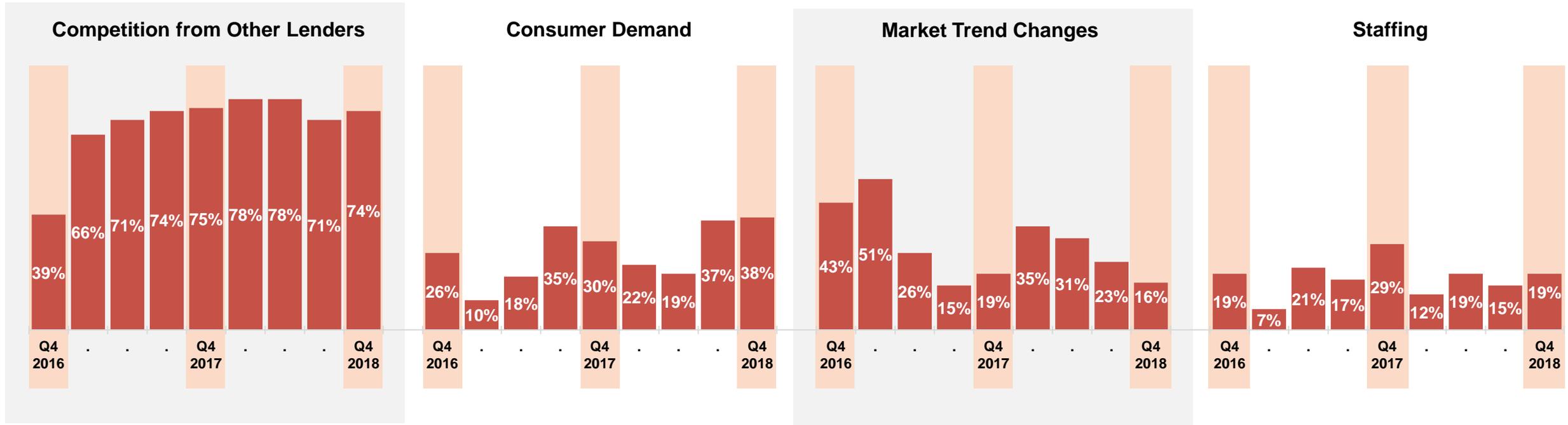
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Q: Over the next three months, how much do you expect your firm's profit margin to change for its single-family mortgage production? [Showing: (Substantially Increase (25+ basis points) + Moderately Increase (5 - 25 basis points)), About the same (0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



Decreased Profit Margin Outlook – Top Drivers

For the eighth consecutive quarter, “competition from other lenders” has continued to be cited as the top reason for lenders’ decreased profit margin outlook. This quarter, “consumer demand” also continues to be the second most important reason, reaching a survey high for the second consecutive quarter.



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: Q4 2016: N=64; Q1 2017: N=63; Q2 2017: N=49; Q3 2017: N=49; Q4 2017: N=75; Q1 2018: N=85; Q2 2018: N=52; Q3 2018: N=69; Q4 2018: N=87

* Denotes a statistically significant change compared with Q3 2018 (previous quarter)
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Appendix

Survey Methodology Details



Mortgage Lender Sentiment Survey®

Background

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

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.

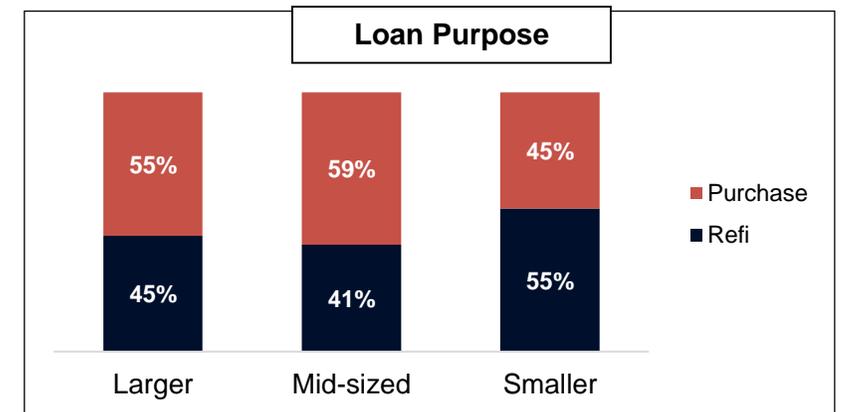
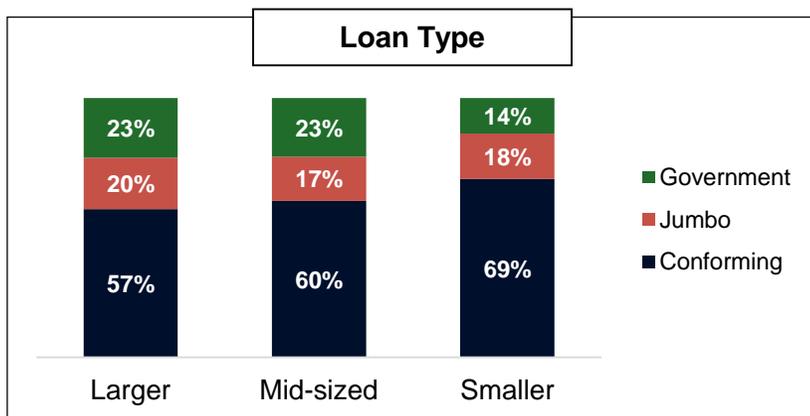
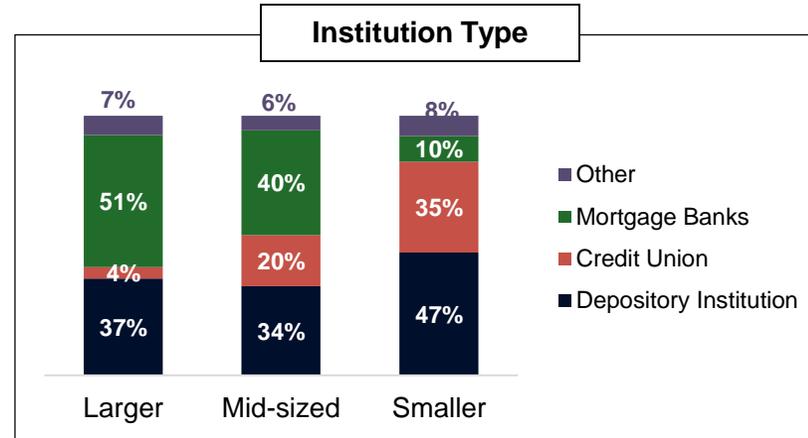
Data Weighting

- 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 2017. Institutions were divided into three groups based on their 2017 total industry loan volume – Larger (top 15%), Mid-sized (top 16%-35%), and Smaller (bottom 65%). The data below further describe the composition and loan characteristics of the three groups of institutions.



Note: Government loans include FHA loans, VA loans and other non-conventional loans from Marketrac.



Sample Sizes

		Q4 2016		Q1 2017		Q2 2017		Q3 2017		Q4 2017		Q1 2018		Q2 2018		Q3 2018		Q4 2018	
		Sample Size	Margin of Error																
Total Lending Institutions		139	±7.93%	177	±7.18%	184	±7.22%	190	±6.64%	196	±6.42%	196	±6.43%	170	±7.04%	184	±6.78%	212	±6.52%
Loan Origination Volume Groups	Larger Institutions	50	±12.30%	58	±12.76%	54	±13.34%	58	±11.16%	72	±9.47%	64	±10.32%	40	±13.79%	45	±12.83%	59	±12.36%
	Mid-sized Institutions	45	±13.53%	47	±14.20%	58	±12.87%	66	±10.69%	55	±11.78%	51	±12.36%	36	±15.07%	42	±13.73%	58	±12.47%
	Smaller Institutions	44	±14.46%	72	±11.43%	72	±11.55%	66	±11.65%	69	±11.25%	81	±10.30%	94	±9.60%	97	±9.51%	95	±9.74%
Institution Type	Mortgage Banks	52	±12.40%	53	±13.36%	58	±12.87%	73	±10.12%	74	±9.88%	69	±10.36%	56	±11.87%	66	±10.89%	76	±10.80%
	Depository Institutions	54	±12.87%	72	±11.43%	82	±10.82%	75	±10.71%	77	±10.37%	63	±11.63%	67	±11.29%	68	±11.31%	88	±10.15%
	Credit Unions	29	±17.60%	44	±14.68%	36	±16.33%	38	±15.18%	37	±15.27%	56	±12.04%	34	±16.05%	39	±14.96%	38	±15.48%

2016

Q1 was fielded between February 3, 2016 and February 16, 2016
 Q2 was fielded between May 4, 2016 and May 16, 2016
 Q3 was fielded between August 3, 2016 and August 15, 2016
 Q4 was fielded between November 10, 2016 and November 20, 2016

2017

Q1 was fielded between February 1, 2017 and February 13, 2017
 Q2 was fielded between May 3, 2017 and May 14, 2017
 Q3 was fielded between August 2, 2017 and August 13, 2017
 Q4 was fielded between November 1, 2017 and November 14, 2017

2018

Q1 was fielded between February 7, 2018 and February 19, 2018
 Q2 was fielded between May 2, 2018 and May 14, 2018
 Q3 was fielded between August 1, 2018 and August 13, 2018
 Q4 was fielded between October 31, 2018 and November 12, 2018



2018 Q4 Cross-Subgroup Sample Sizes

	Total	Larger Lenders	Mid-Sized Lenders	Smaller Lenders
Total	212	59	58	95
Mortgage Banks (non-depository)	76	31	35	10
Depository Institutions	88	17	14	57
Credit Unions	38	5	9	24



2018 Q4 Sample Sizes: Consumer Demand

Purchase Mortgages:

	Past 3 Months			Next 3 Months		
	GSE Eligible	Non-GSE Eligible	Government	GSE Eligible	Non-GSE Eligible	Government
Total Lending Institutions	208	192	181	207	191	181
Larger Institutions	59	56	56	58	55	56
Mid-sized Institutions	56	51	52	56	51	52
Smaller Institutions	93	84	73	93	84	73

Refinance Mortgages:

	Past 3 Months			Next 3 Months		
	GSE Eligible	Non-GSE Eligible	Government	GSE Eligible	Non-GSE Eligible	Government
Total Lending Institutions	203	180	170	203	181	173
Larger Institutions	57	52	55	57	52	55
Mid-sized Institutions	53	45	48	53	46	48
Smaller Institutions	93	82	67	93	82	70



2018 Q4 Sample Sizes: Credit Standards

	Past 3 Months			Next 3 Months		
	GSE Eligible	Non-GSE Eligible	Government	GSE Eligible	Non-GSE Eligible	Government
Total Lending Institutions	208	188	183	208	188	183
Larger Institutions	59	55	57	59	55	57
Mid-sized Institutions	56	48	52	56	48	52
Smaller Institutions	93	84	74	93	84	74

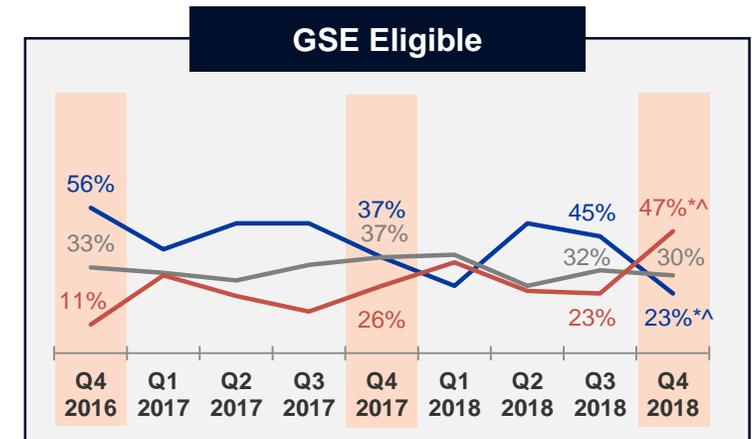


Calculation of the “Total”

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 (Q4 2018)	Larger Institutions	Mid-sized Institutions	Smaller Institutions	Q4 “Total”
Go up	21%	25%	24%	23% [(21% + 25% + 24%)/3]
Stayed the same	37%	24%	29%	30%
Go down	42%	51%	48%	47%





Appendix

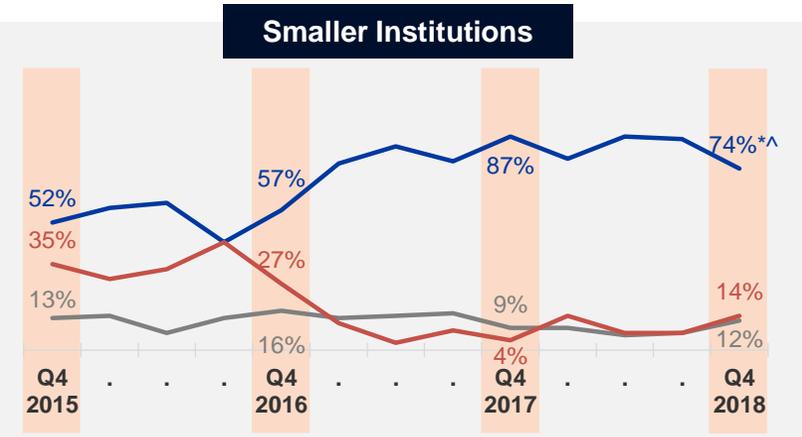
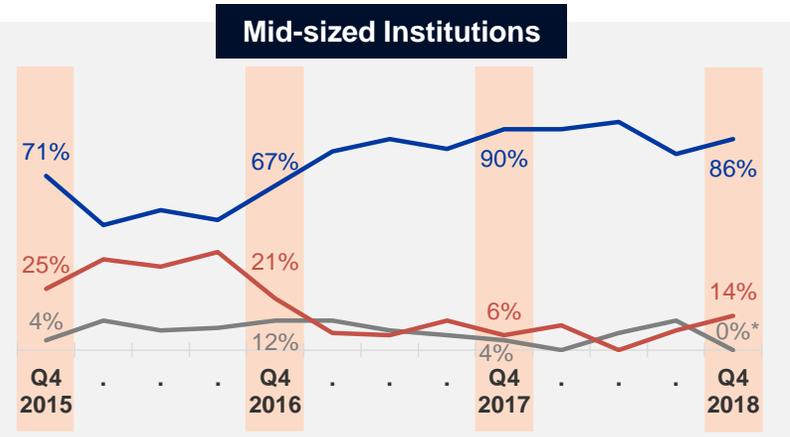
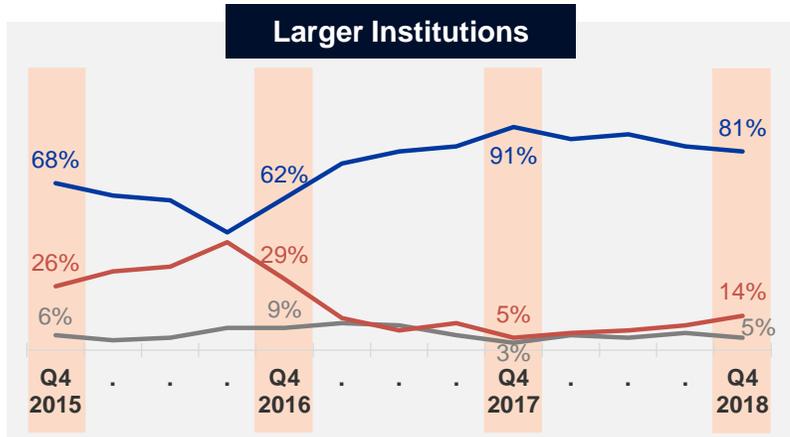
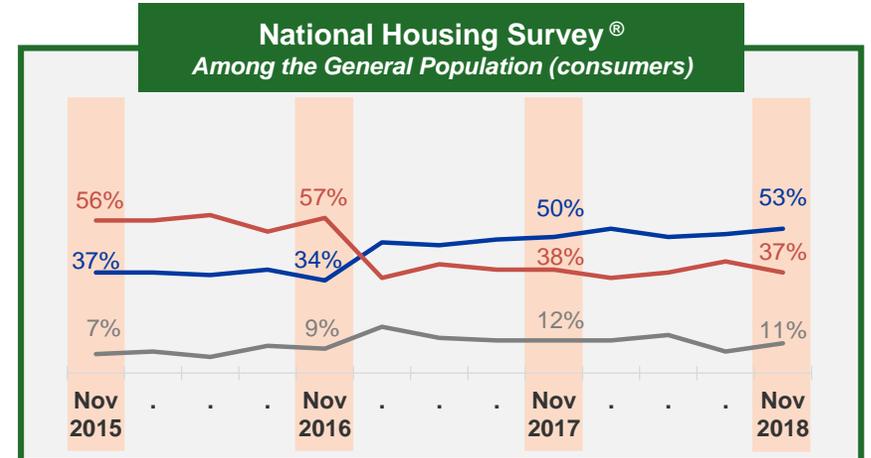
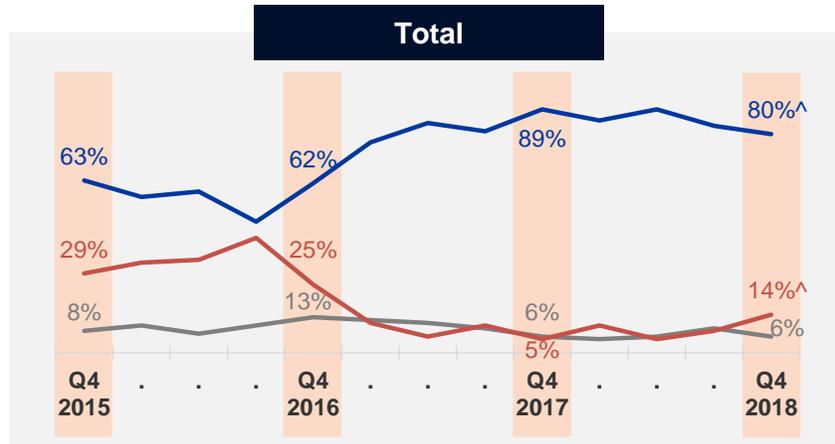
Economic and Housing Sentiment



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 Q3 2018 (previous quarter)
[^] Denotes a statistically significant change compared with Q4 2017 (same quarter of last year)

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

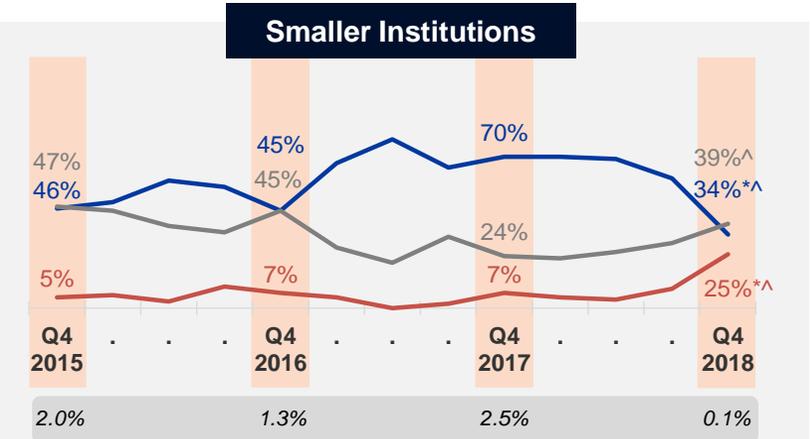
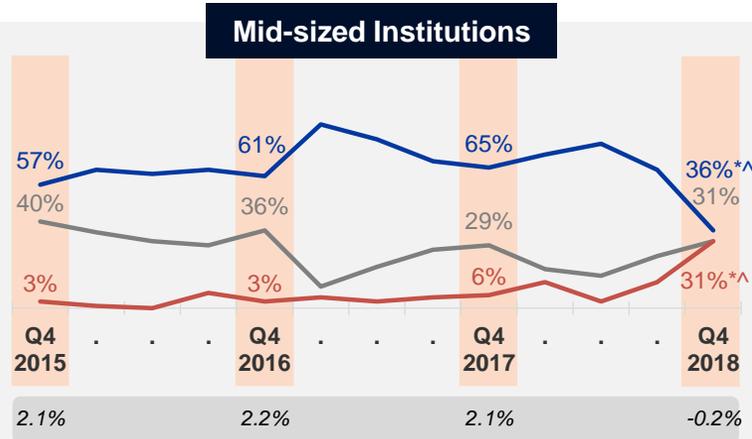
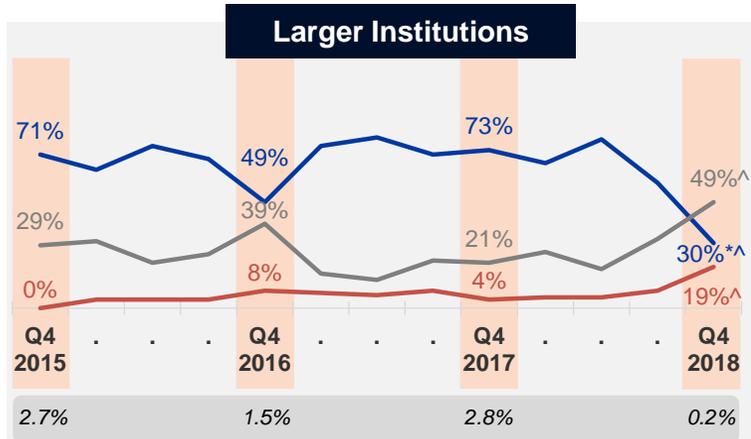
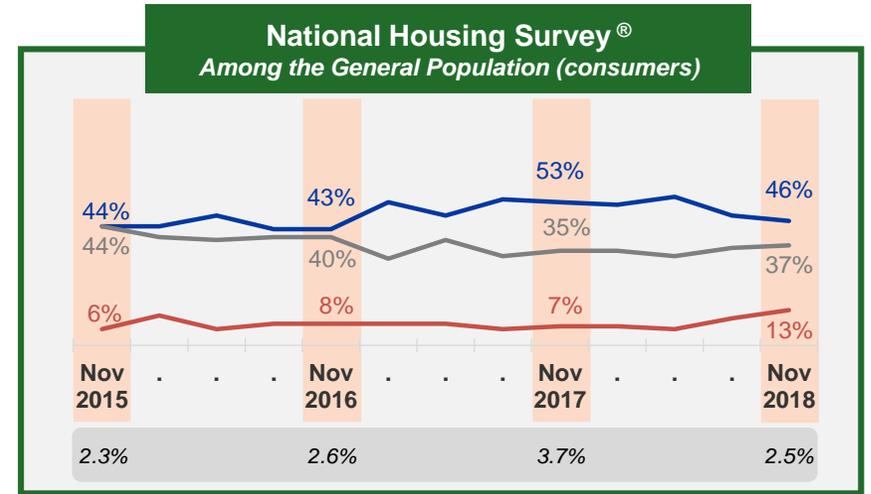
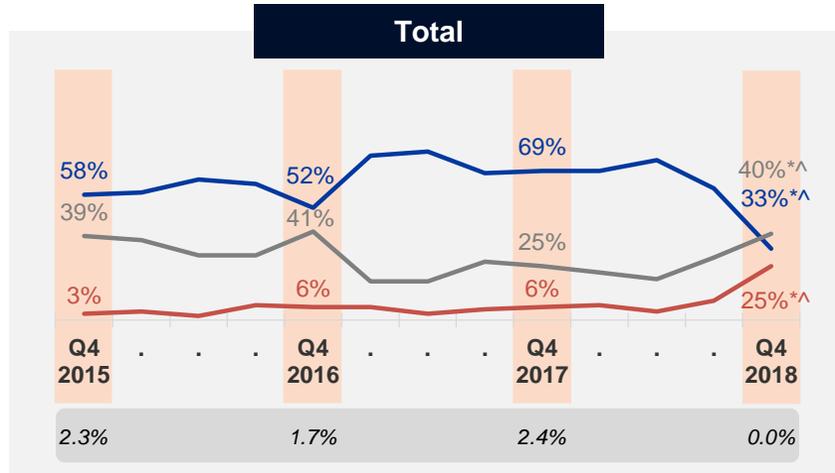


Home Prices – Next 12 Months

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?



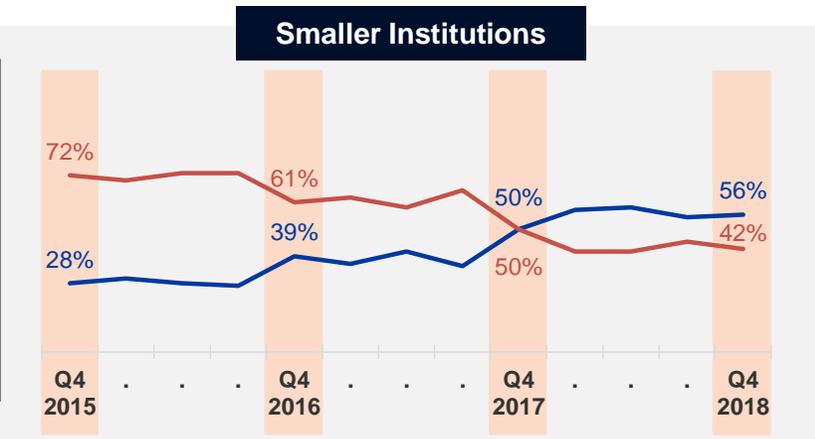
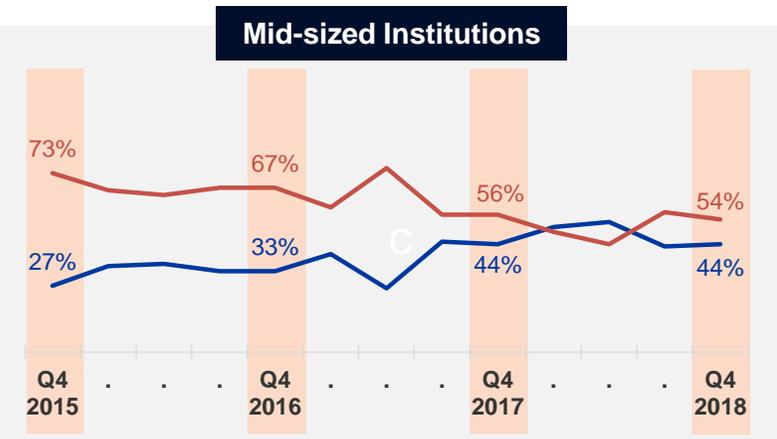
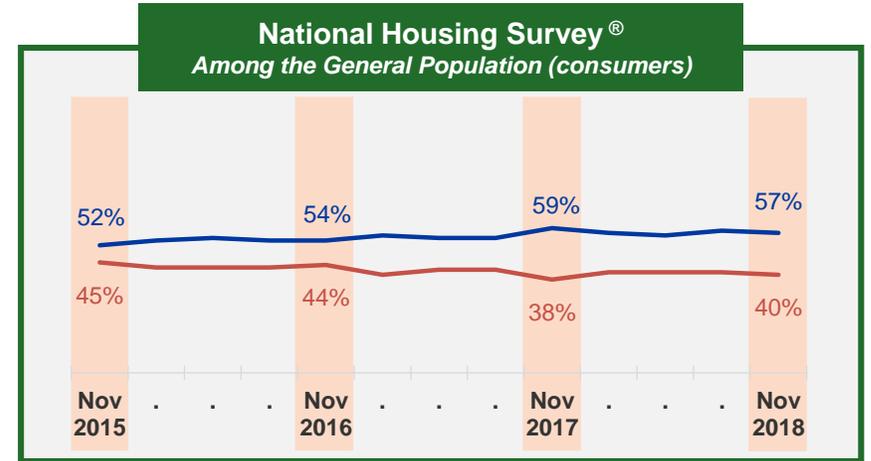
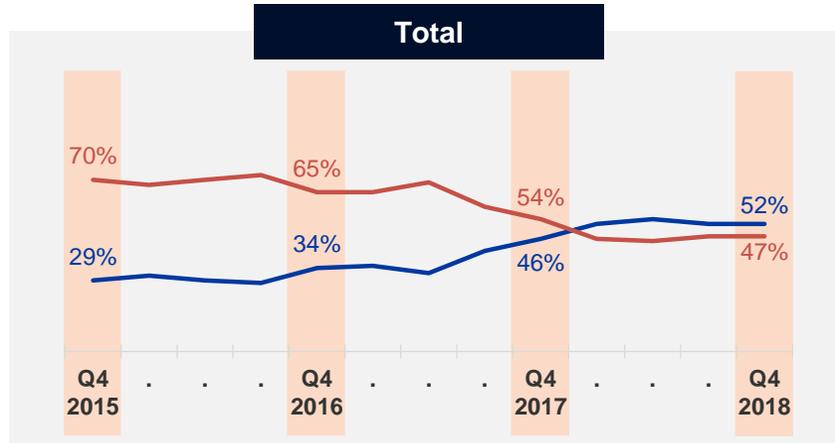
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Difficulty of Getting a Mortgage

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 difficult + Somewhat difficult)



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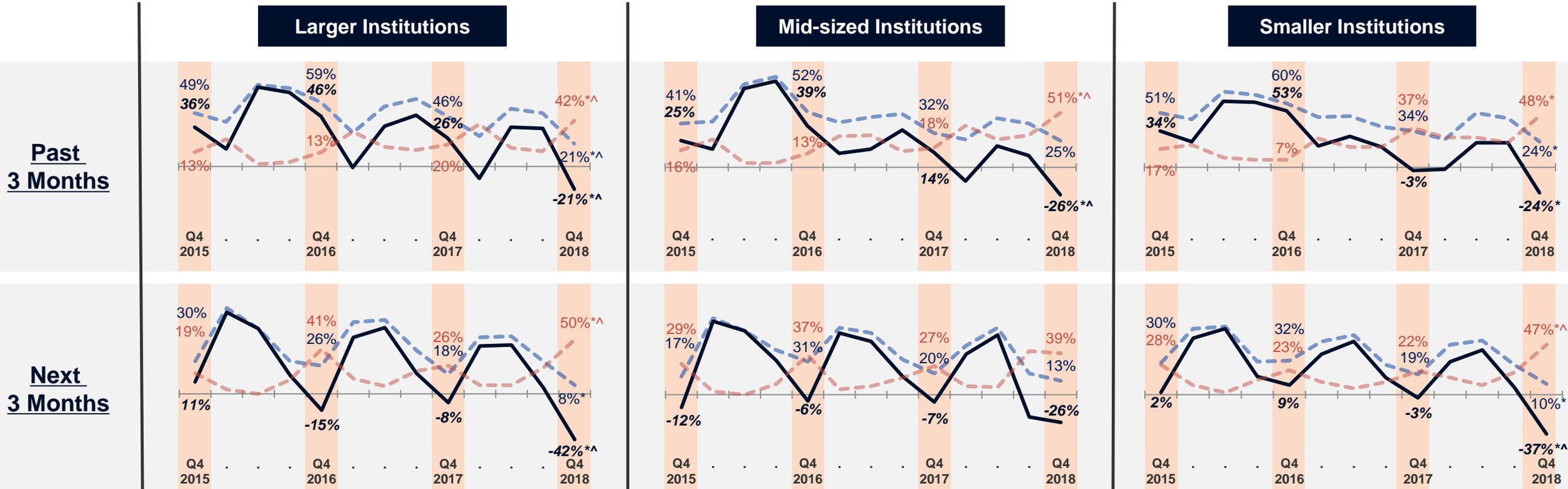


Appendix

Consumer Demand (Purchase Mortgages)



Purchase Mortgage Demand: GSE Eligible (by institution size)



--- Up
--- Down
— Net Up +

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

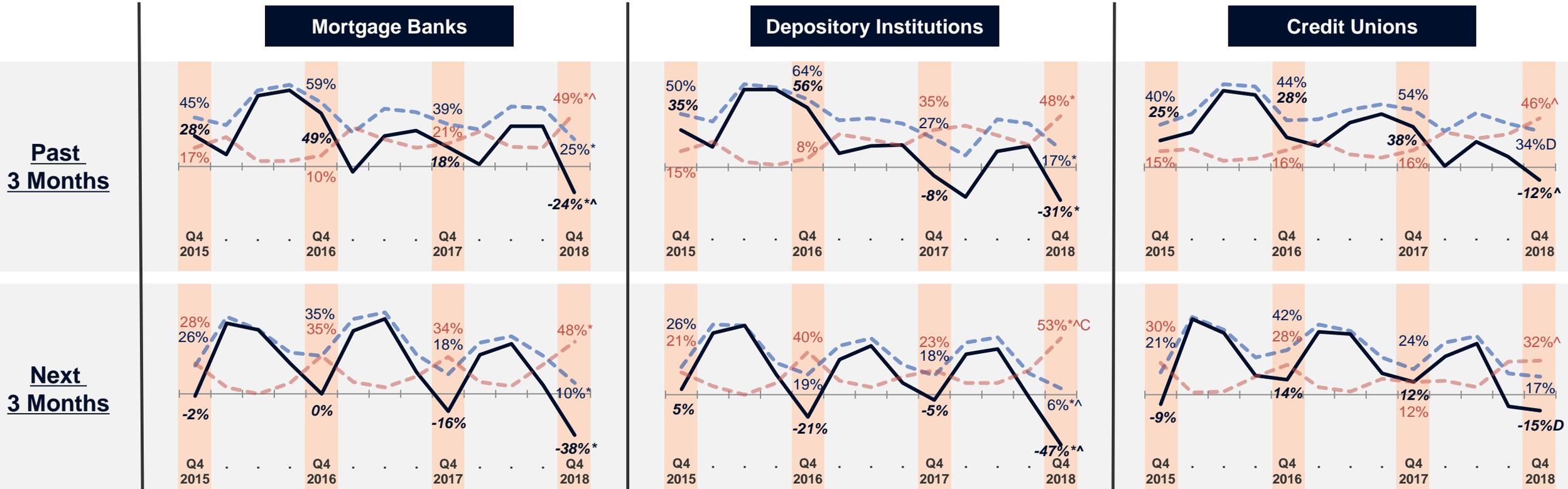
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L/M/S - Denote a % is significantly higher than the annual loan origination volume group that the letter represents at the 95% confidence level

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



Purchase Mortgage Demand: GSE Eligible (by institution type)



--- Up
--- Down
--- Net Up +

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

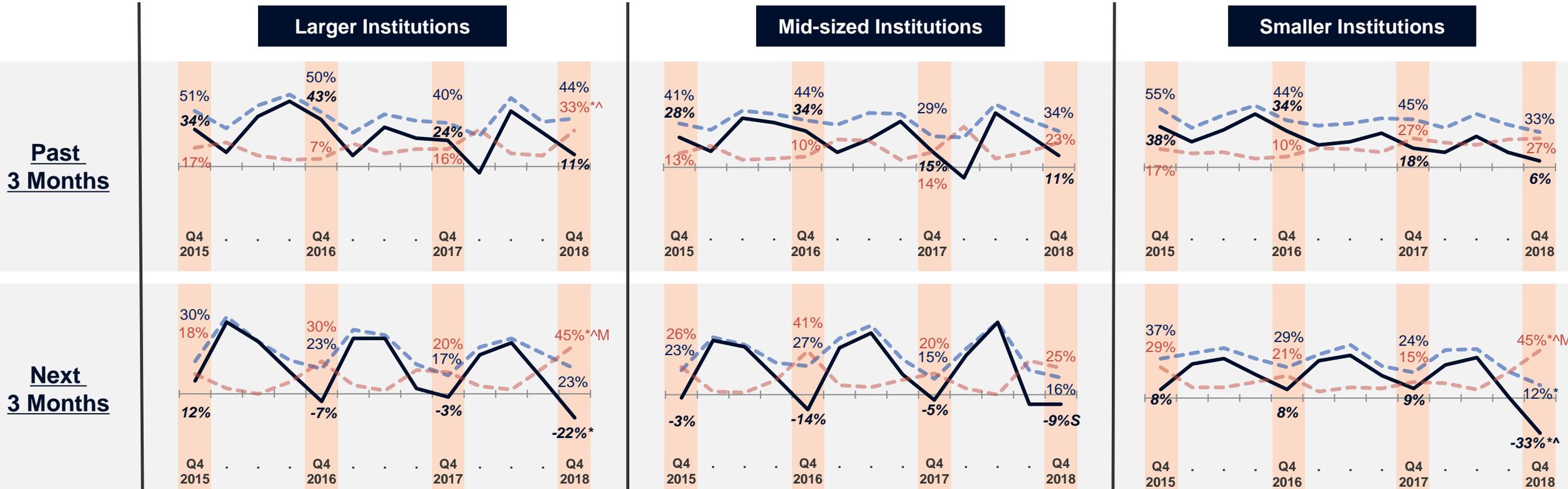
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M/D/C - Denote a % is significantly higher than the institution type group that the letter represents at the 95% confidence level

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



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



--- Up
--- Down
--- Net Up +

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

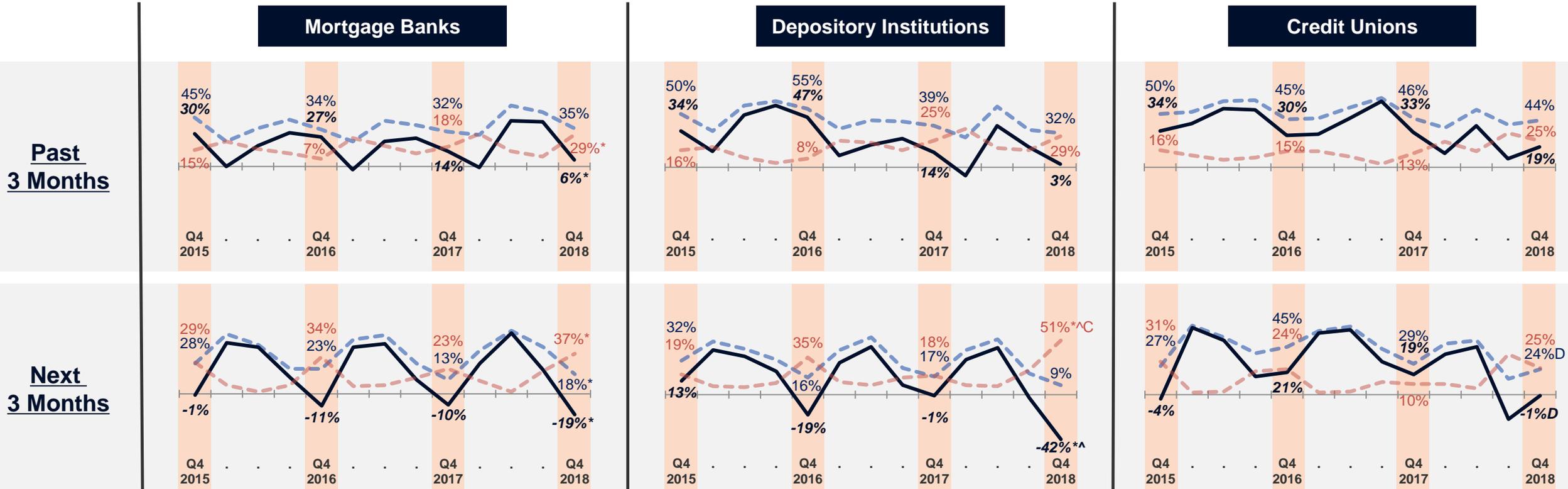
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Purchase Mortgage Demand: Non-GSE Eligible (by institution type)



--- Up
--- Down
--- Net Up +

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

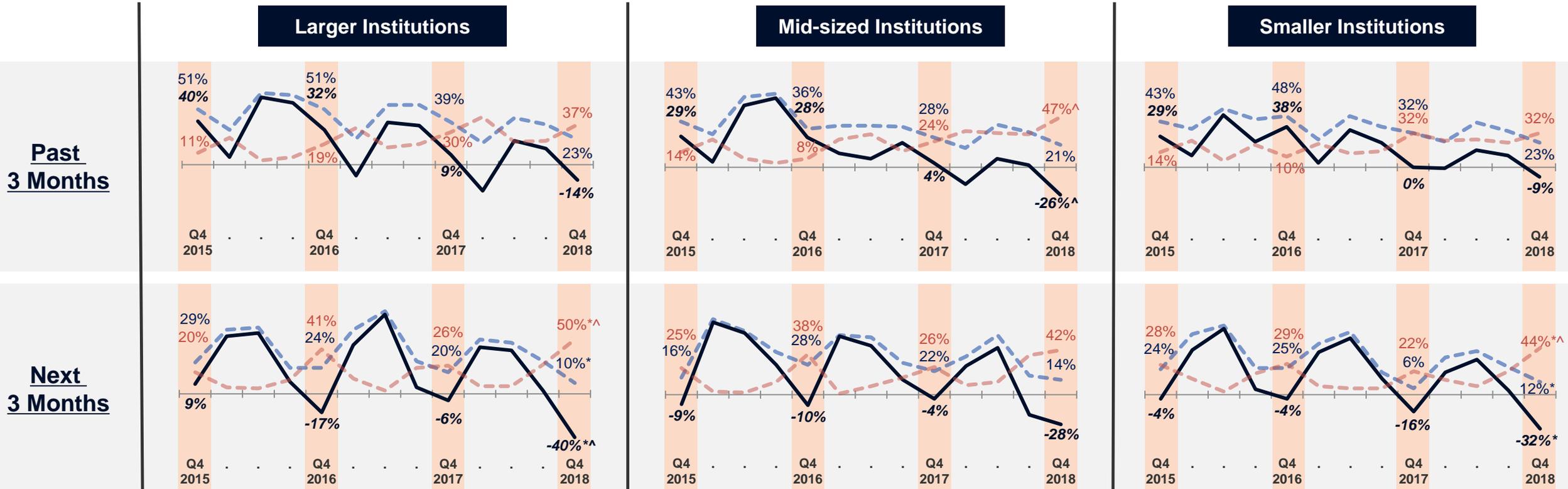
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Purchase Mortgage Demand: Government (by institution size)



--- Up
--- Down
--- Net Up +

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

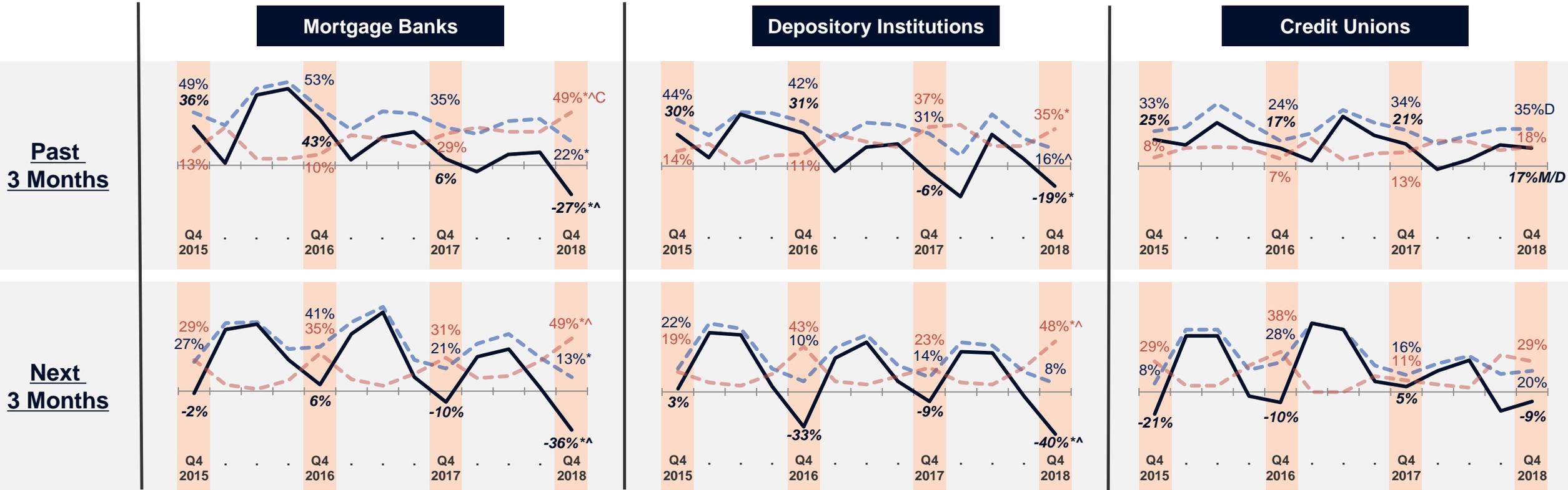
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Purchase Mortgage Demand: Government (by institution type)



--- Up
--- Down
--- Net Up +

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 Q3 2018 (previous quarter)
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M/D/C - Denote a % is significantly higher than the institution type group that the letter represents at the 95% confidence level

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Purchase Mortgage Demand: Drivers of Change (selected verbatim)

Past 3 Months

N=161

- Rising interest rates
- Lack of Inventory/Higher home prices
- Economic conditions/Strategic changes

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)

"Higher rates decreased affordability led to lower supply. Refinance wave of past years have taken many out of the market. Millennials are not backfilling new purchase." – *Larger Institution*

"Existing homeowners having QEII artificially lowered interest rate first mortgages don't want to move to another house; new purchasers can't qualify with excessive debt and raising interest rates." – *Mid-sized Institution*

"1. Supply of inventory is limited for a many reasons; 2. Home prices have gone up much more than wages in the past decade, causing more potential buyers out." – *Mid-sized Institution*

"State reflective industry for one, rising interest rates, lower appreciation in value compared to years gone by, political uncertainty." – *Smaller Institution*

"As less loans became eligible for refinance we started focusing on Purchase Money loans. Plus correspondent channel is dominating in this space." – *Larger Institution*

"More to do with a shift in our strategy and how we generate demand for purchase loans rather than an increase in demand for purchase." – *Mid-sized Institution*

"Rates rising reduced refinance, making purchases appear to increase + consumers making decisions to buy before rates go up further." – *Mid-sized Institution*

"Rising rates have pushed a lot of people to make the decision to move forward." – *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=	21	4	7	9	
Economic conditions (e.g., employment) overall are favorable	71%	67%	60%	89%	22%
Mortgage rates are favorable	6%	22%	0%	0%	27%
There are many homes available on the market	6%	0%	13%	0%	20%
Home prices are low	6%	0%	13%	0%	11%
It is easy to qualify for a mortgage	0%	0%	0%	0%	9%

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=	95	29	22	44	
Mortgage rates are not favorable	37%	50%	23%	34%	11%
There are not many homes available on the market	25%	17%	27%	32%	5%
Home prices are high	24%	21%	27%	26%	45%
Economic conditions (e.g., employment) overall are not favorable	3%	3%	5%	2%	19%
It is difficult to qualify for a mortgage	2%	1%	5%	1%	12%

*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=	31	13	8	10	
Economic conditions (e.g., employment) overall are favorable	35%	33%	31%	43%	22%
It is easy to qualify for a mortgage	14%	26%	0%	10%	9%
Mortgage rates are favorable	13%	23%	0%	10%	27%
There are many homes available on the market	4%	0%	12%	0%	20%
Home prices are low	4%	8%	0%	0%	11%

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=	76	25	12	38	
Mortgage rates are not favorable	42%	54%	32%	34%	11%
There are not many homes available on the market	27%	16%	36%	34%	5%
Home prices are high	19%	15%	16%	25%	45%
Economic conditions (e.g., employment) overall are not favorable	3%	0%	8%	3%	19%
It is difficult to qualify for a mortgage	1%	1%	0%	0%	12%

*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=	21	5	7	8	
Economic conditions (e.g., employment) overall are favorable	56%	55%	60%	53%	22%
Mortgage rates are favorable	14%	18%	13%	12%	27%
It is easy to qualify for a mortgage	12%	27%	0%	12%	9%
There are many homes available on the market	6%	0%	13%	0%	20%
Home prices are low	0%	0%	0%	0%	11%

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=	81	28	21	32	
Mortgage rates are not favorable	33%	50%	19%	27%	11%
There are not many homes available on the market	25%	19%	23%	34%	5%
Home prices are high	21%	20%	19%	25%	45%
Economic conditions (e.g., employment) overall are not favorable	7%	4%	9%	9%	19%
It is difficult to qualify for a mortgage	2%	0%	7%	0%	12%

*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.



Downward Purchase Demand Outlook Drivers

Lenders are citing unfavorable mortgage rates as the top reason driving down expected future demand among all loan types. High home prices and lack of homes on the market are also expected to drive down future demand.

GSE Eligible	N=	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
		48	19	12	31	48	22	13	47	95
Mortgage rates are not favorable		67%	74%	25%	20%	23%	67%	26%	44%	64% [^]
Home prices are high		33%	39%	48%	47%	41%	47%	74%	66%	62% [^]
There are not many homes available on the market		37%	34%	73%	82%	74%	64%	83%	69%	45% [^]
Economic conditions (e.g., employment) overall are not favorable		26%	12%	7%	12%	15%	13%	5%	8%	11%
It is difficult to qualify for a mortgage		19%	24%	30%	16%	12%	4%	0%	1%	3%

Non-GSE Eligible	N=	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
		38	13	11	25	32	17	7	44	76
Mortgage rates are not favorable		66%	77%	43%	19%	21%	64%	21%	47%	70% [^]
Home prices are high		35%	38%	44%	53%	37%	27%	54%	65%	60% [^]
There are not many homes available on the market		30%	18%	41%	84%	65%	61%	79%	61%	41% [^]
Economic conditions (e.g., employment) overall are not favorable		30%	10%	26%	15%	11%	18%	10%	9%	9%
It is difficult to qualify for a mortgage		17%	52%	28%	12%	23%	16%	25%	8%	6% [^]

Government	N=	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
		42	12	8	25	38	16	12	43	81
Mortgage rates are not favorable		56%	75%	22%	18%	22%	56%	31%	44%	64% [^]
Home prices are high		29%	24%	53%	47%	40%	36%	45%	65%	51%
There are not many homes available on the market		35%	37%	65%	81%	72%	66%	73%	54%	46% [^]
Economic conditions (e.g., employment) overall are not favorable		40%	22%	12%	27%	15%	19%	4%	9%	15%
It is difficult to qualify for a mortgage		20%	33%	37%	13%	8%	13%	0%	10%	8%

*Q: You mentioned that you expect your firm's consumer demand for GSE Eligible/Non-GSE Eligible/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 Total, % rank 1+2**)

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Appendix

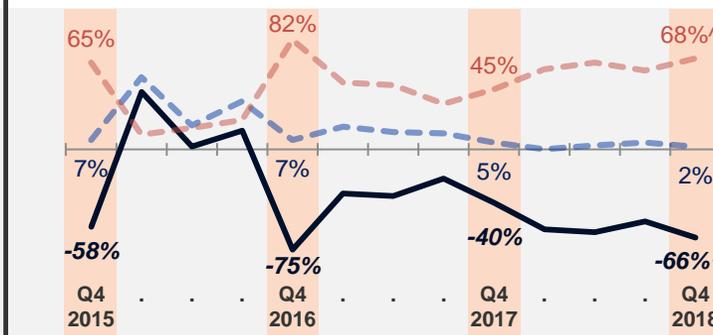
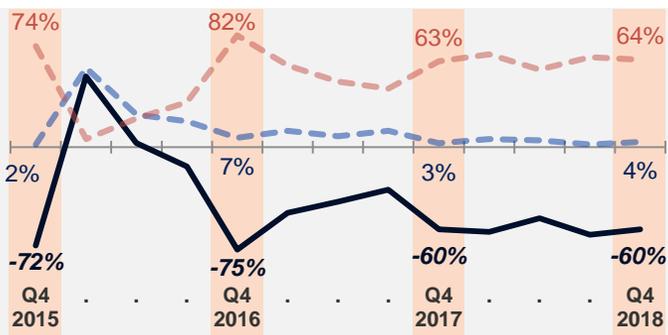
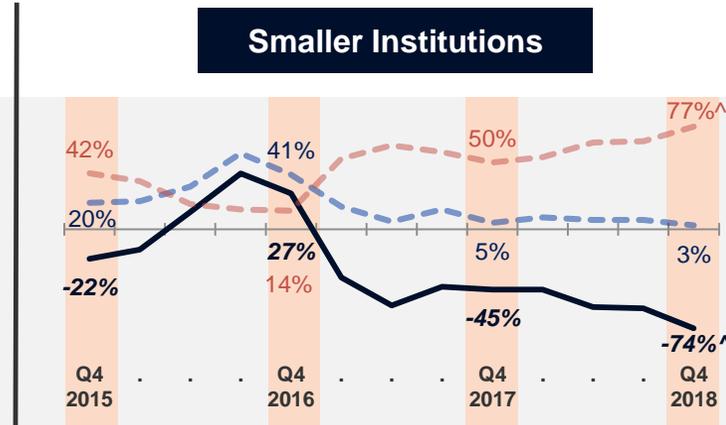
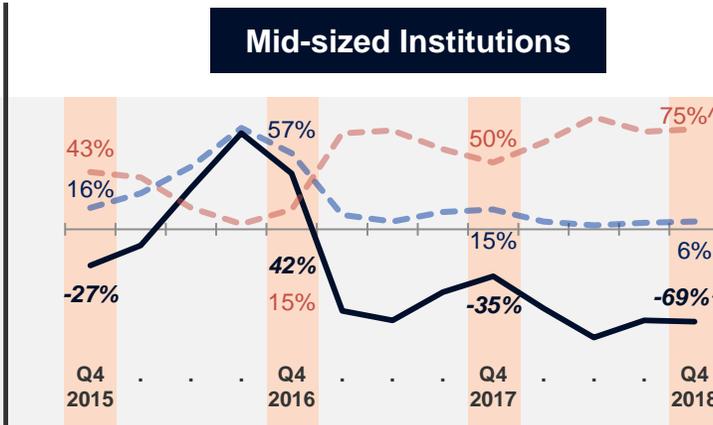
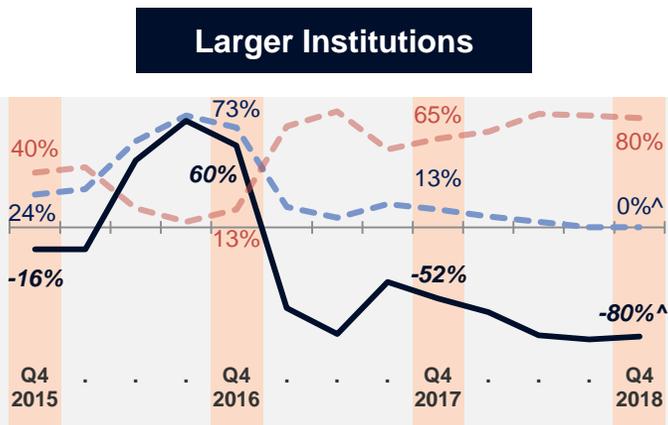
Consumer Demand (Refinance Mortgages)



Refinance Mortgage Demand: GSE Eligible (by institution size)

Past 3 Months

Next 3 Months



--- Up
--- Down
--- Net Up +

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

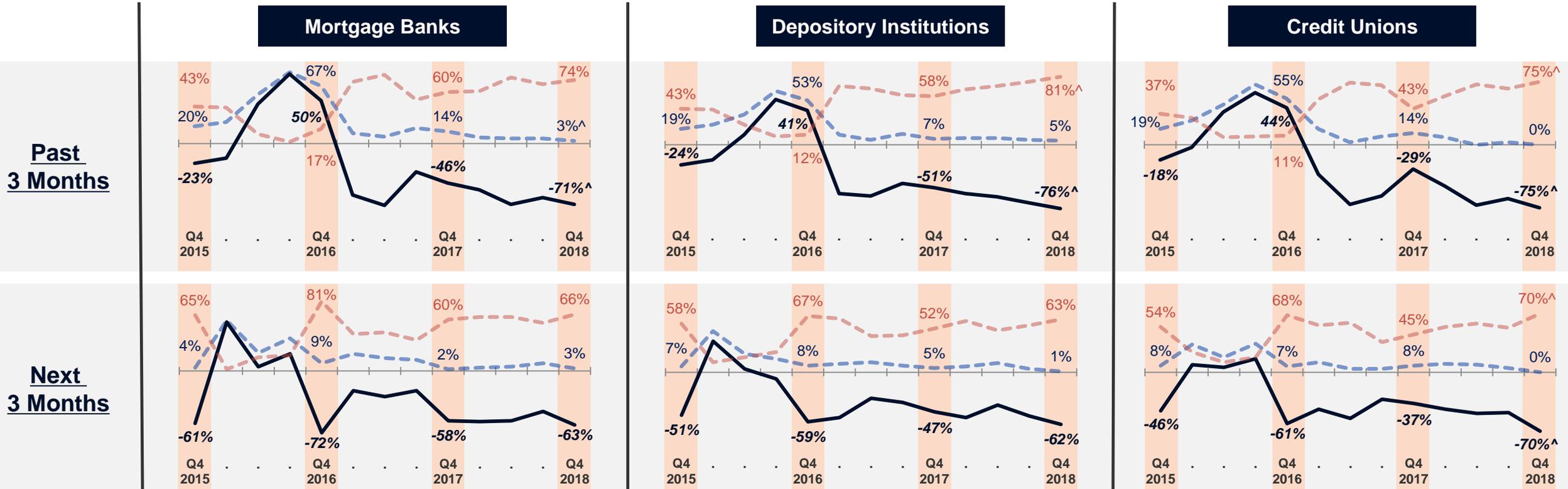
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L/M/S - Denote a % is significantly higher than the annual loan origination volume group that the letter represents at the 95% confidence level

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



Refinance Mortgage Demand: GSE Eligible (by institution type)



--- Up
--- Down
--- Net Up +

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

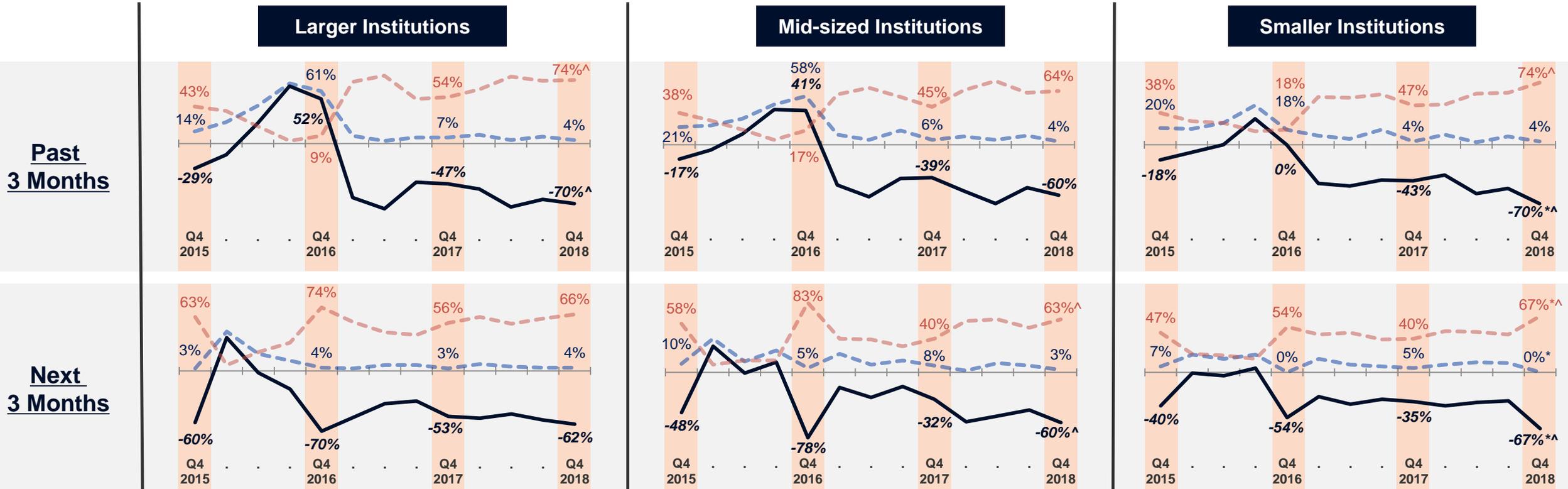
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Net Up + = % of lenders saying up minus % of lenders saying down
The % saying "stay the same" is not shown



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



--- Up
--- Down
--- Net Up +

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

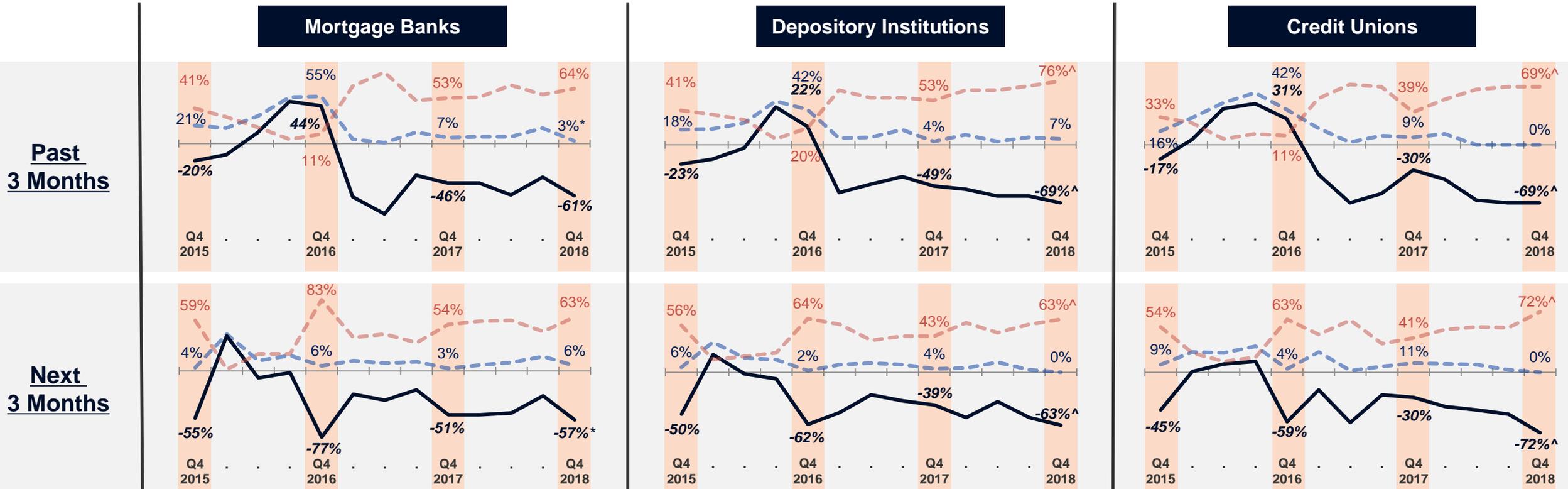
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 The % saying "stay the same" is not shown



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



--- Up
--- Down
--- Net Up +

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

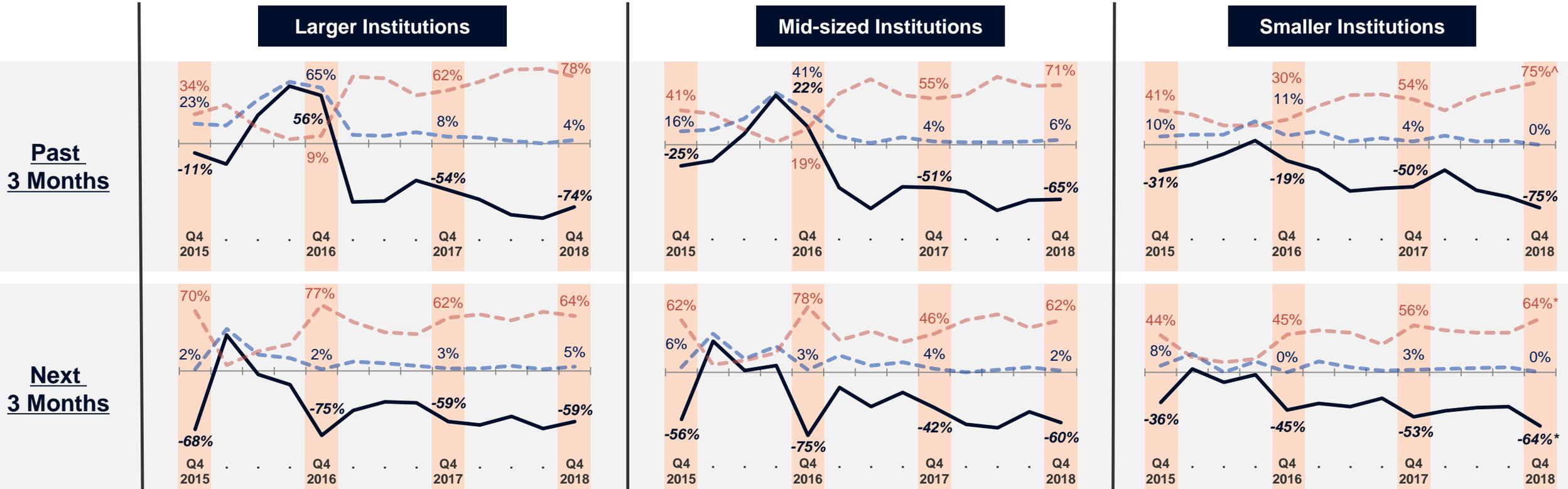
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Refinance Mortgage Demand: Government (by institution size)



--- Up
--- Down
--- Net Up +

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

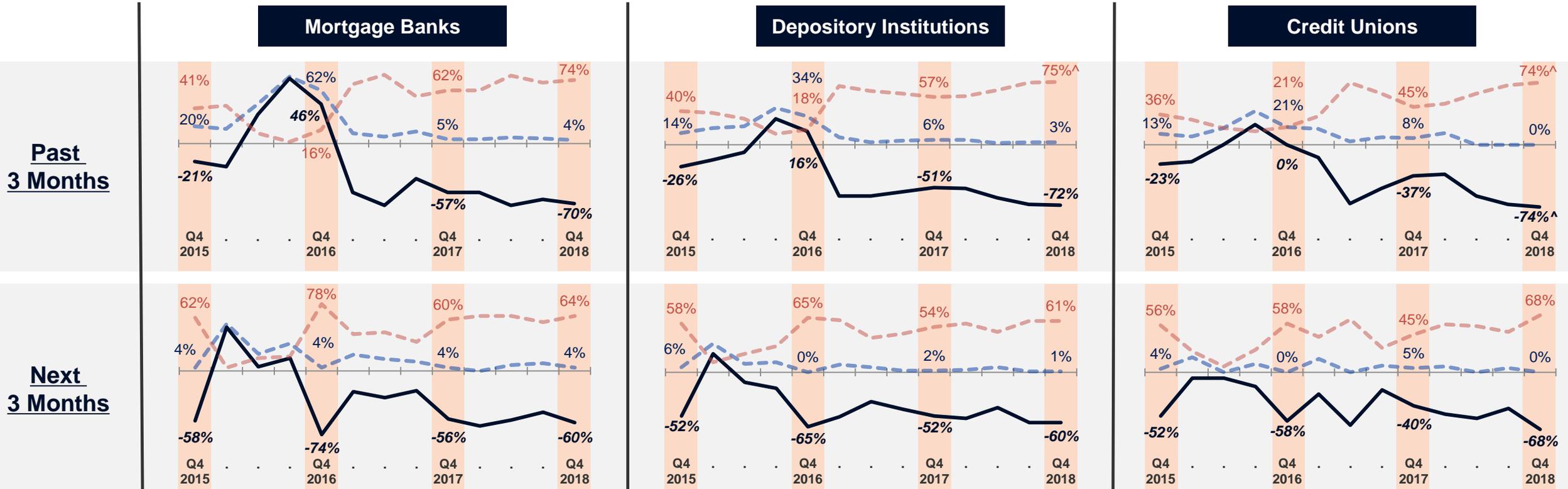
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Refinance Mortgage Demand: Government (by institution type)



--- Up
--- Down
--- Net Up +

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

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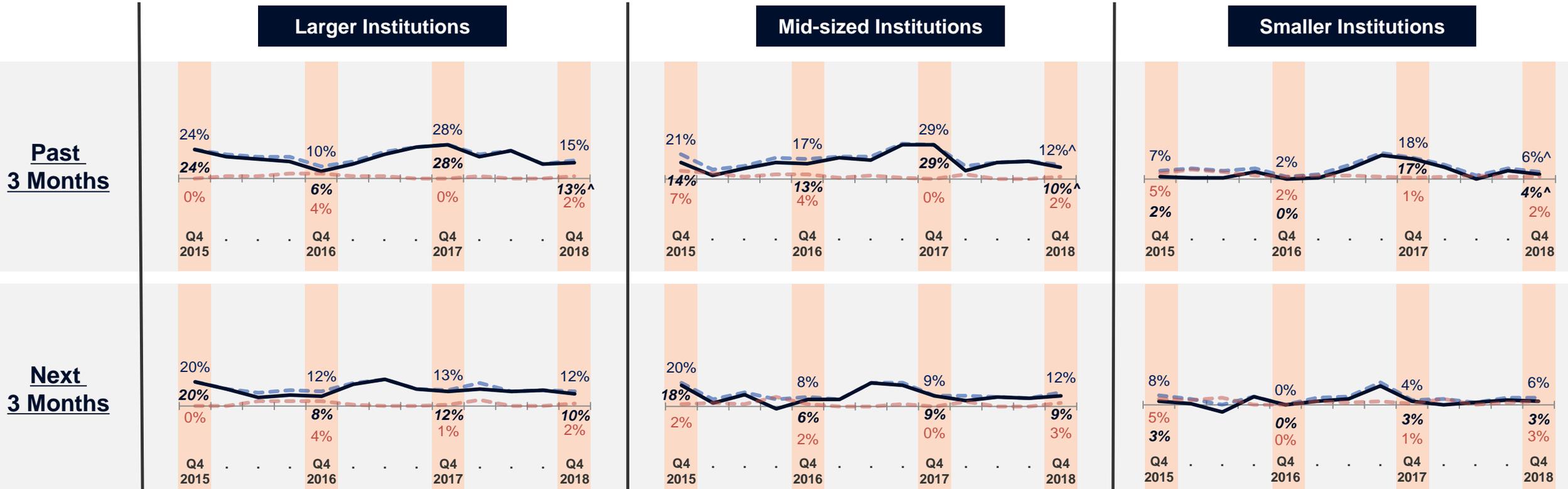


Appendix

Credit Standards



Credit Standards: GSE Eligible (by institution size)



--- Ease
--- Tighten
— Net Ease +

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

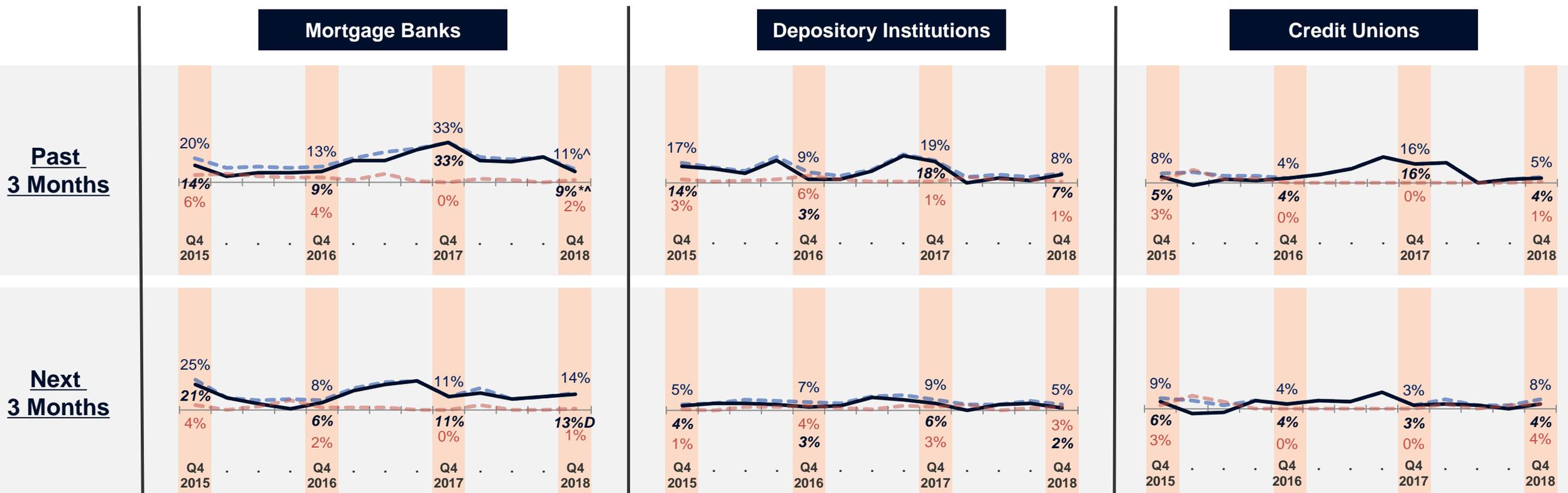
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L/M/S - Denote a % is significantly higher than the annual loan origination volume group that the letter represents at the 95% confidence level

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



Credit Standards: GSE Eligible (by institution type)



--- Ease
--- Tighten
--- Net Ease +

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

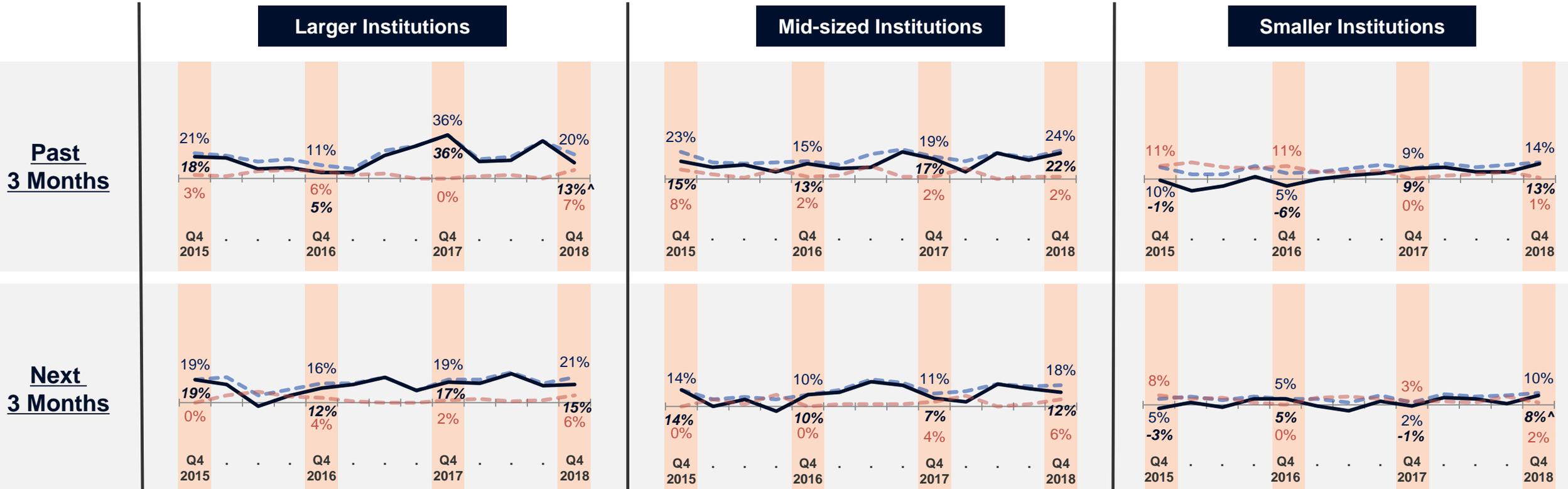
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M/D/C - Denote a % is significantly higher than the institution type group that the letter represents at the 95% confidence level

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



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



--- Ease
--- Tighten
--- Net Ease +

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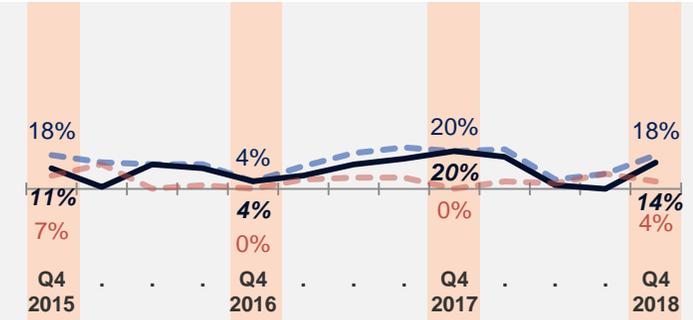
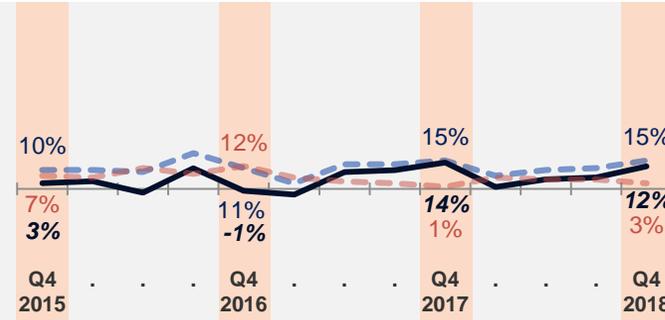
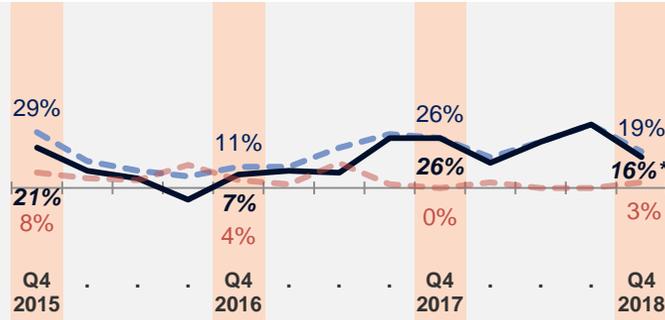
Credit Standards: Non-GSE Eligible (by institution type)

Mortgage Banks

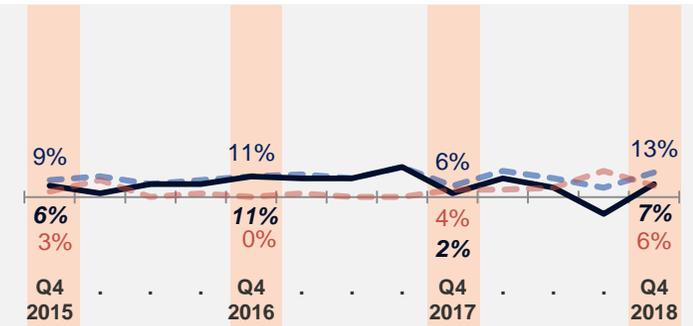
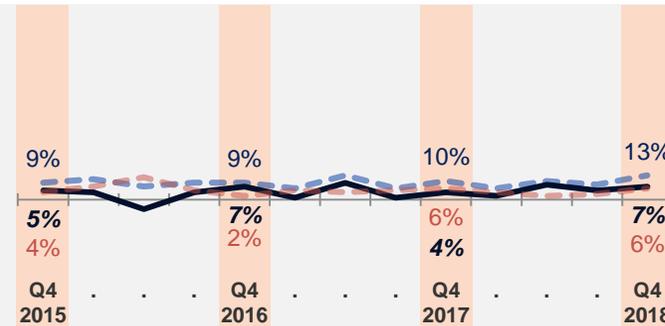
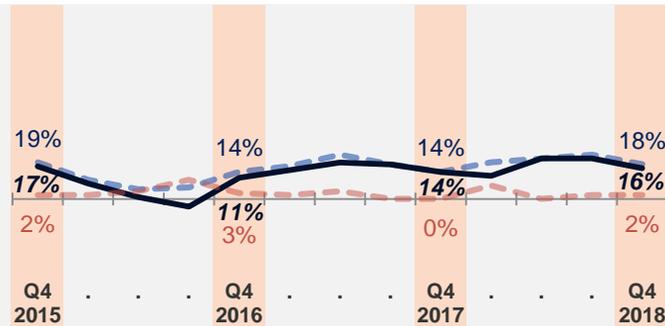
Depository Institutions

Credit Unions

Past 3 Months



Next 3 Months



--- Ease
 --- Tighten
 — Net Ease +

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
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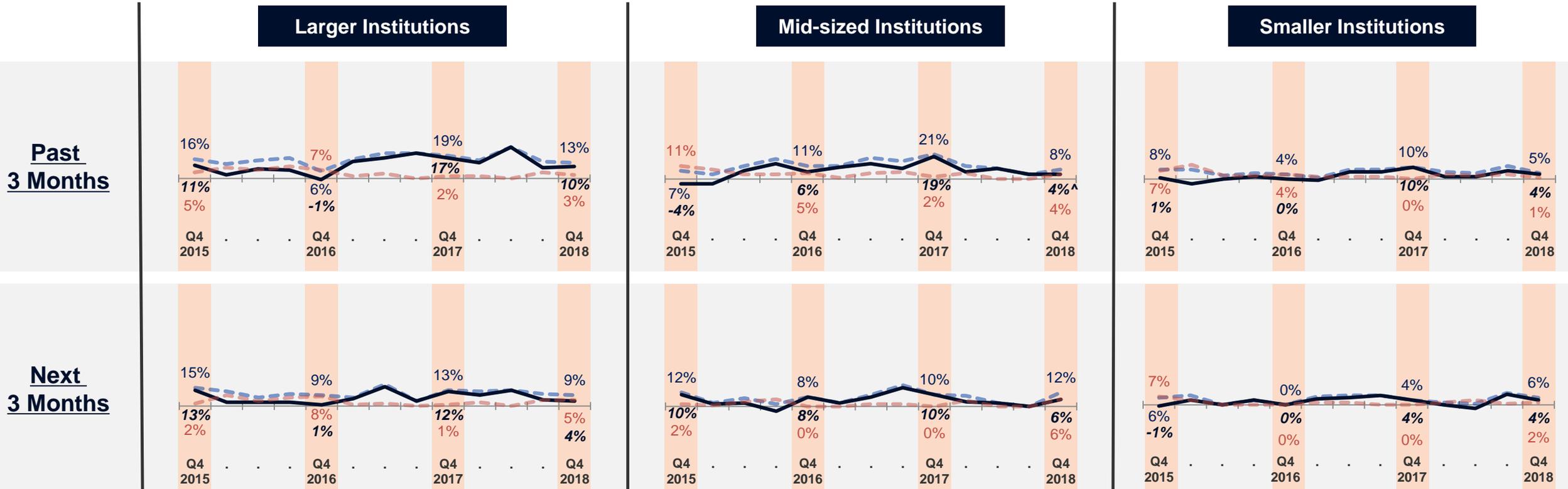
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Credit Standards: Government (by institution size)



--- Ease
--- Tighten
— Net Ease +

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
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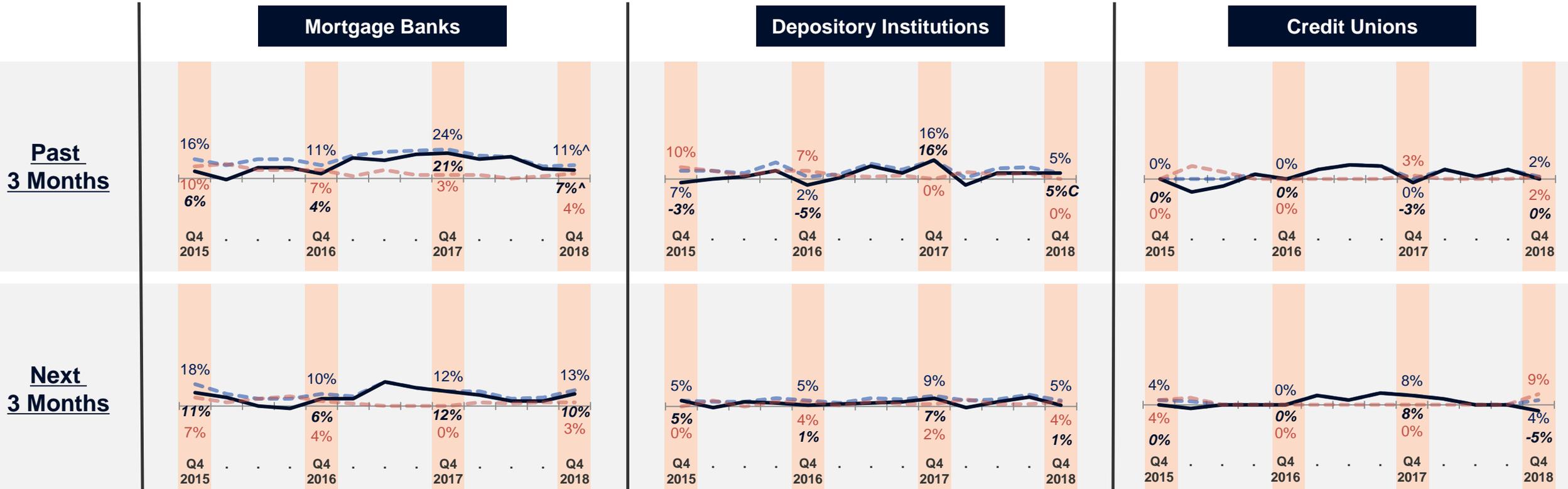
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Credit Standards: Government (by institution type)



--- Ease
--- Tighten
--- Net Ease +

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
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Credit Standards: Drivers of Change (selected verbatim)

Drivers of Loosening Change

Drivers of Tightening Change

Past 3 Months

N=47

- Reduction of overlays/Changes to guidelines
- Market conditions
- Economic conditions/Competition

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)

"Following agency guideline changes." – *Larger Institution*

"1. More GSE first time homebuyer programs avoiding LLPAs; 2. Day 1 Certainty from Fannie; 3. DU-LP easier to approve." – *Mid-sized Institution*

"The are more lenders doing non-QM in the last year." – *Smaller Institution*

"Concern over softening values in certain markets caused us to tighten credit standards." – *Larger Institution*

"Seeing fewer borrowers and the borrowers we are seeing, the complexity of their applications is far greater." – *Mid-sized Institution*

"Increased delinquencies and anticipation that the economy will begin to slow." – *Smaller Institution*

Next 3 Months

N=44

- Portfolio/Strategic changes
- Changes to guidelines
- Market conditions

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)

"I believe FNMA-Freddie-GNMA will try to lower credit standards to increase purchase of new homes." – *Larger Institution*

"Continued availability of non-agency products and expanded guidelines." – *Larger Institution*

"Day 1 Certainty and other borrower data availability." – *Mid-sized Institution*

"We have gotten relief from the ATR testing for HPML loans due to the expanded smaller creditor exemption." – *Smaller Institution*

"Limited portfolio capacity for construction lending and other specialty products. With lower capacity, we will try to select the highest quality mortgages." – *Larger Institution*

"Hard cutoff for FICO including new overlays on DU." – *Larger Institution*

"Recessionary headwinds, rising rates and affordability. Get ahead of the down cycle despite unemployment at it's lowest, at present. HPI concerns with rising rates, focus on LTV in certain markets." – *Mid-sized Institution*

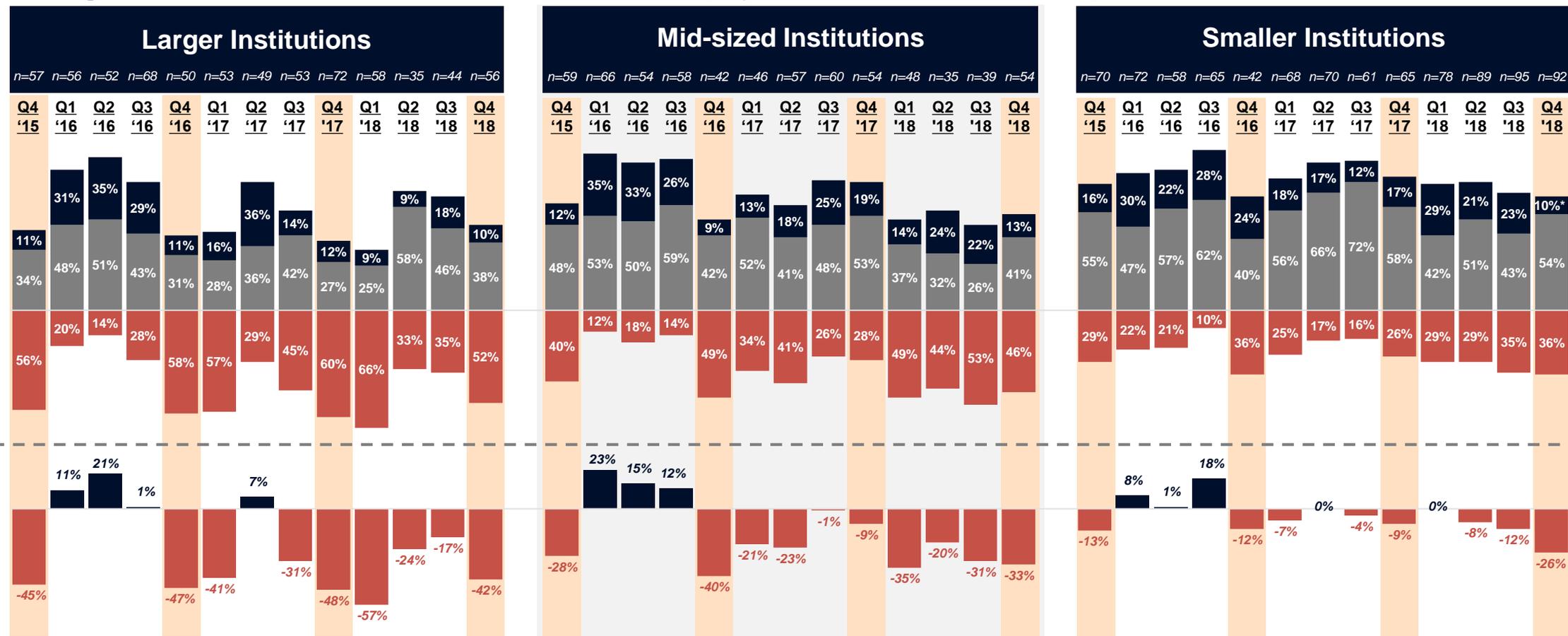


Appendix

Profit Margin Outlook



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



Net increase %
(% of lenders saying increase minus % of lenders saying decrease)

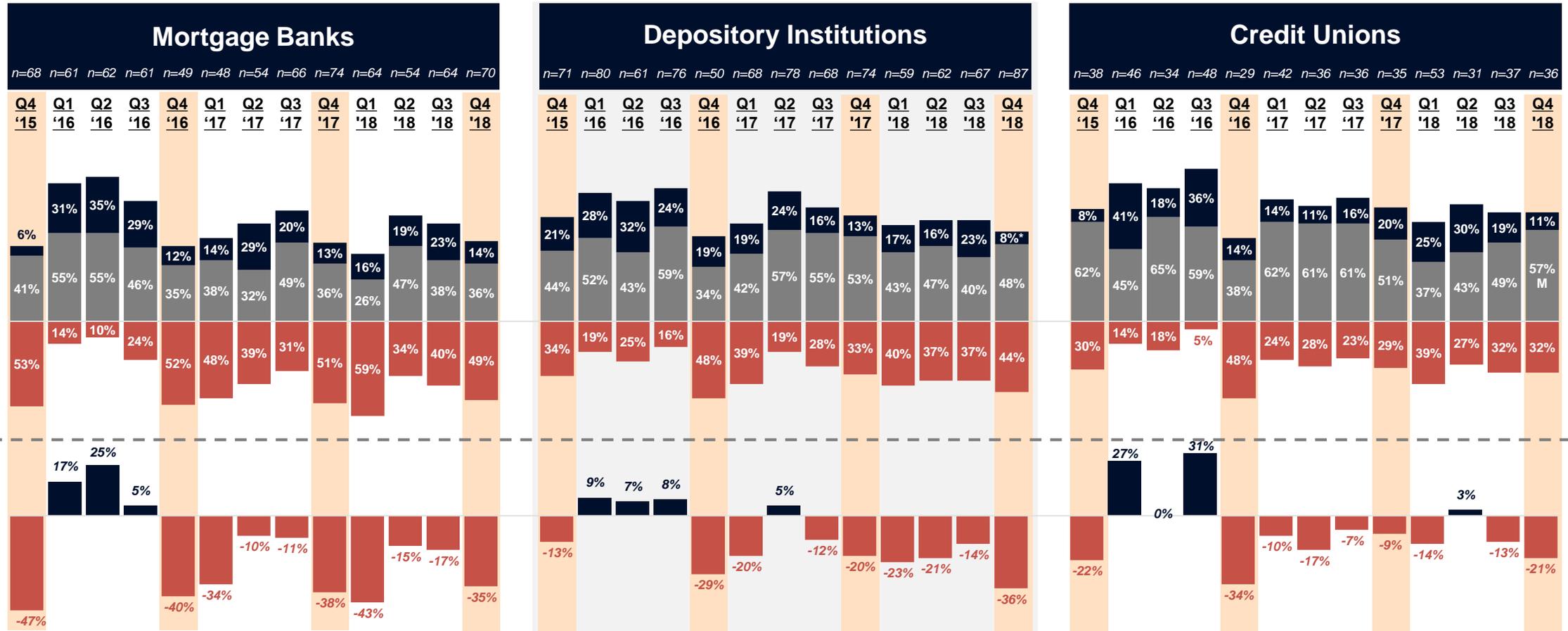
Q: Over the next three months, how much do you expect your firm's profit margin to change for its single-family mortgage production? [Showing: (Substantially Increase (25+ basis points) + Moderately Increase (5 - 25 basis points)), About the same (0 - 5 basis points), (Moderately Decrease (5 - 25 basis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

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



Net increase %
 (% of lenders saying increase minus % of lenders saying decrease)

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))]

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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								
	2016		2017			2018			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
N=	20	26	40	30	29	34	30	38	22
Operational efficiency (i.e., technology)	42%	55%	59%	51%	62%	43%	58%	64%	65%
Staffing (personnel costs) reduction	33%	9%	8%	17%	16%	15%	13%	44%	32%
Consumer demand	18%	44%	40%	42%	22%	34%	56%	22%	21%
Non-GSE (other investors) pricing and policies	11%	7%	3%	17%	13%	8%	15%	6%	21%
Less competition from other lenders	11%	9%	10%	6%	2%	2%	0%	7%	19%
Government monetary or fiscal policy	6%	7%	6%	9%	3%	6%	4%	6%	9%
GSE pricing and policies	20%	19%	13%	11%	36%	29%	11%	12%	3%^
Market trend changes (i.e. shift from refinance to purchase)	40%	33%	33%	28%	34%	41%	31%	9%	0%^
Government regulatory compliance	6%	0%	2%	7%	0%	6%	0%	7%	0%
Marketing expense reduction	11%	5%	3%	3%	2%	4%	0%	4%	0%
Servicing cost reduction	0%	0%	12%	4%	3%	4%	4%	2%	0%

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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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. (<i>Showing % rank 1 + 2</i>)	Total								
	2016		2017			2018			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
N=	64	63	49	49	75	85	52	69	87
Competition from other lenders	39%	66%	71%	74%	75%	78%	78%	71%	74%
Consumer demand	26%	10%	18%	35%	30%	22%	19%	37%	38%
Staffing (personnel costs)	19%	7%	21%	17%	29%	12%	19%	15%	19%
Market trend changes (i.e. shift from refinance to purchase)	43%	51%	26%	15%	19%	35%	31%	23%	16%
GSE pricing and policies	20%	13%	9%	7%	5%	10%	8%	9%	12%
Government monetary or fiscal policy	16%	10%	9%	7%	7%	12%	9%	8%	10%
Operational efficiency (i.e. technology)	6%	7%	10%	13%	8%	7%	12%	9%	7%
Non-GSE (other investors) pricing and policies	7%	8%	10%	0%	3%	8%	8%	10%	6%
Government regulatory compliance	18%	21%	20%	19%	13%	6%	9%	14%	5%
Marketing expenses	0%	4%	4%	4%	2%	4%	0%	1%	4%
Servicing costs	2%	2%	0%	2%	4%	3%	2%	2%	1%

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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)