



Fannie Mae®

Mortgage Lender Sentiment Survey®

Providing Insights Into Current Lending Activities and Market Expectations

Q2 2018 Full Report – published June 12, 2018

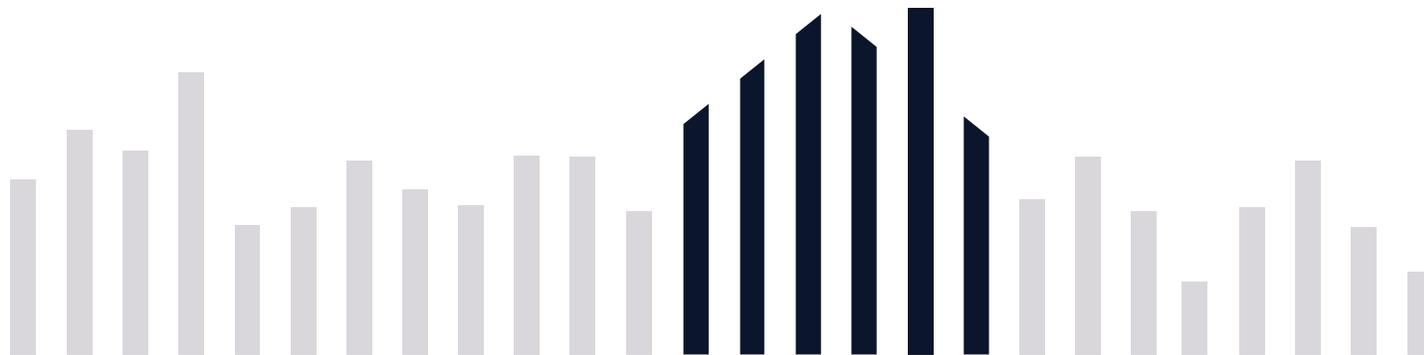




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Key Findings – Q2 2018:

Mortgage demand sentiment reached a three-year low, with profit margin outlook remaining negative.

Profit Margin Outlook

- Lenders' net profit margin outlook has stayed negative for seven consecutive quarters. Though it is less negative than the outlook seen last quarter (Q1 2018), it is worse than the one seen one year ago (Q2 2017). "Competition from other lenders" remains the top driver that lenders point to for their lower profit margin outlook, tying last quarter's survey high.

Purchase Mortgage Demand

- For purchase mortgages, for GSE eligible and government loans, the net share of lenders reporting demand growth over the prior three months as well the net share reporting growth expectations over the next three months reached the lowest reading for any second quarter over the past three years.
- For non-GSE eligible loans, the net share of lenders reporting demand growth over the prior three months hit a two-year high for the same quarter (Q2).

Refinance Mortgage Demand

- For refinance mortgages, on net, more lenders continued reporting declining demand over the prior three months, reaching the lowest level since Q2 2014.



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

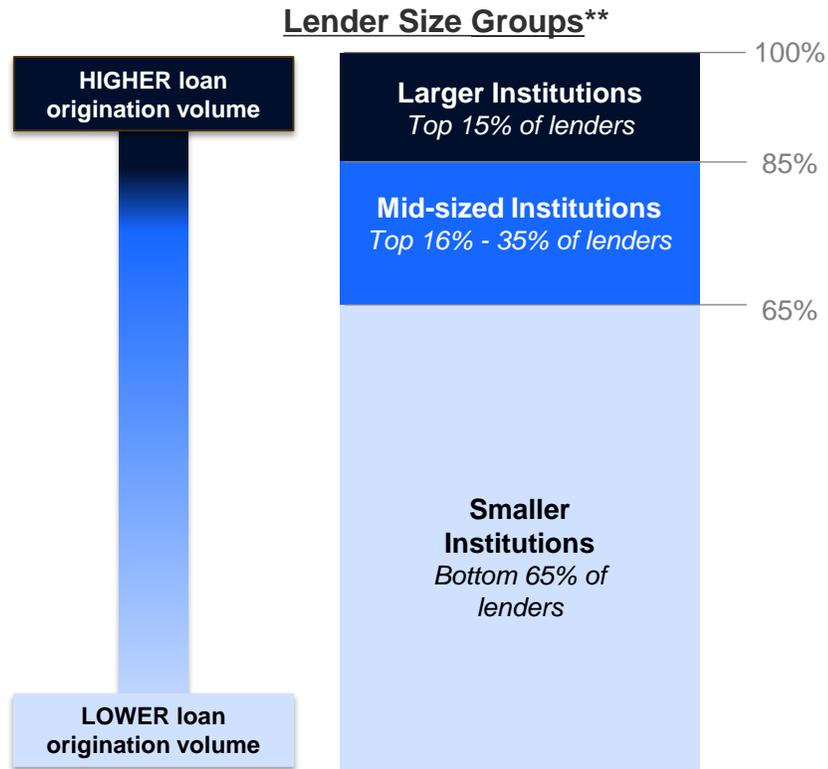
- Mortgage Data Initiatives
- Lenders' Customer Service Channel Strategies
- Lenders' Experiences with APIs and Chatbots
- Next-Gen Technology Service Providers (TSPs)
- Mortgage Technology Innovation
- Lenders' Experiences with TRID

- 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.



Q2 2018 Respondent Sample and Groups

For Q2 2018, a total of 187 senior executives completed the survey during May 2-14, representing 170 lending institutions.*



Sample Q2 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.		170
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)	40
	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)	36
	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)	94
Institution Type***	Mortgage Banks (non-depository)	56
	Depository Institutions	67
	Credit Unions	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 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, for GSE eligible and government loans, the net share of lenders reporting demand growth over the prior three months as well the net share reporting growth expectations over the next three months reached the lowest reading for any second quarter over the past three years.
 - For non-GSE eligible loans, the net share of lenders reporting demand growth over the prior three months hit a two-year high for the same quarter (Q2).
- For refinance mortgages, on net, more lenders continued reporting declining demand over the prior three months, reaching the lowest level since Q2 2014. The net share of lenders reporting demand growth expectations for the next three months continued to be negative, but remained relatively stable from last quarter (Q1 2018).



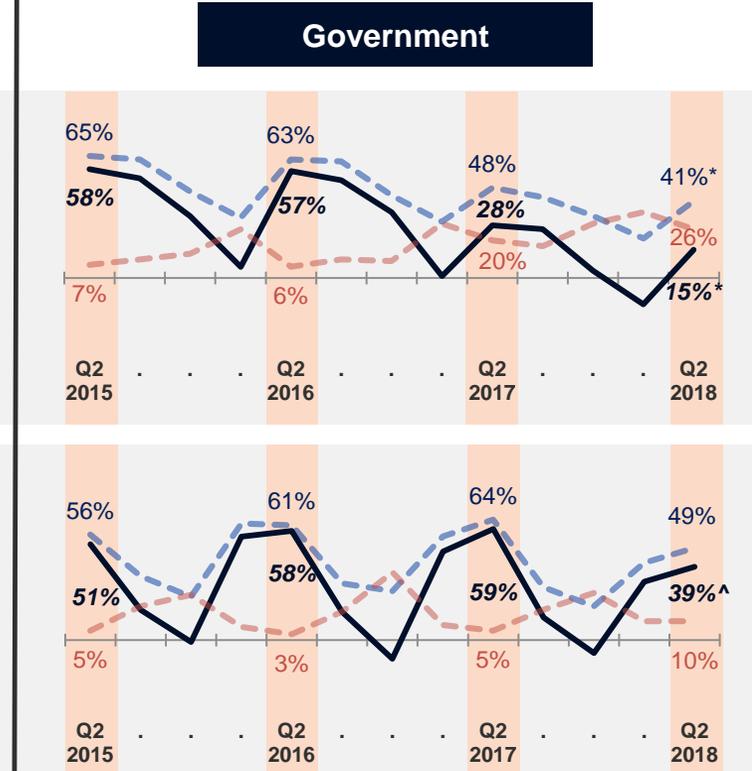
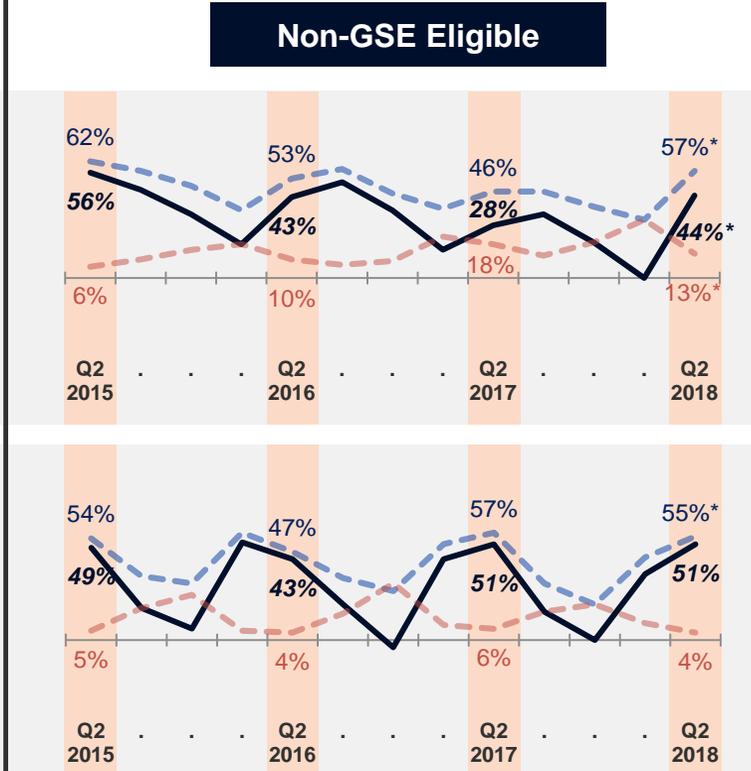
Purchase Mortgage Demand

For GSE eligible and government loans, the net share of lenders reporting demand growth over the prior three months as well as the net share reporting growth expectations over the next three months reached the lowest reading for any second quarter over the past three years. For non-GSE eligible loans, the net share of lenders reporting demand growth over the prior three months hit a two-year high for the same quarter (Q2).



Past 3 Months

Next 3 Months



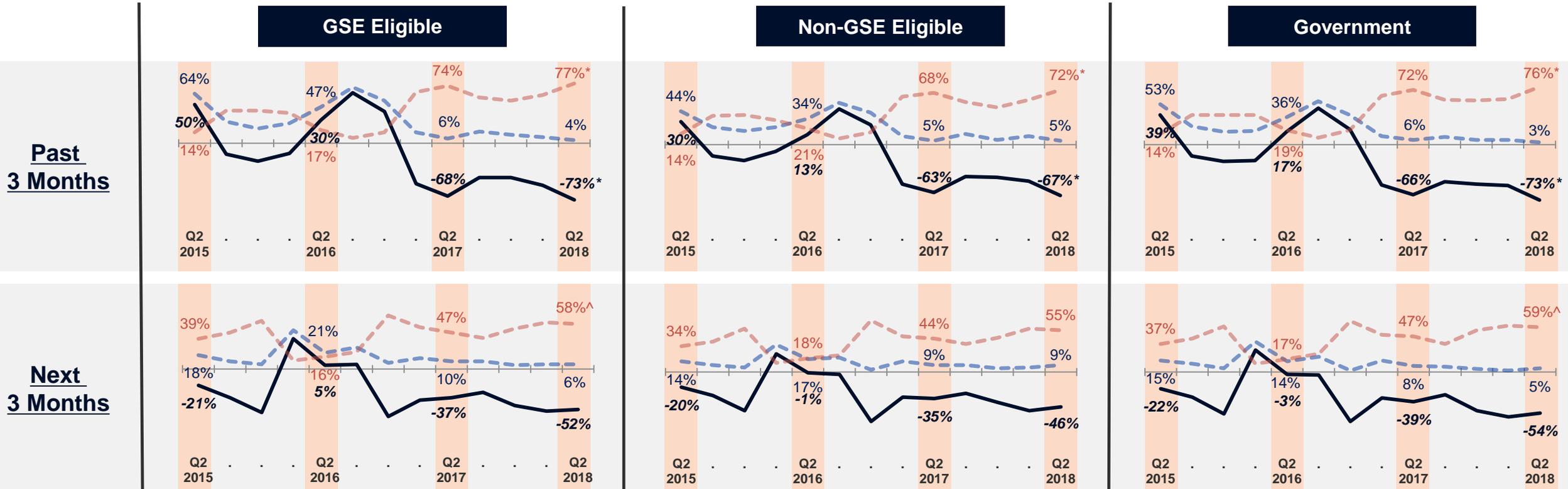
Net Up + = % of lenders saying up minus % of lenders saying down
 The % saying "stay the same" is not shown
 * Denotes a statistically significant change compared with Q1 2018 (previous quarter)
 ^ Denotes a statistically significant change compared with Q2 2017 (same quarter of last year)

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

On net, more lenders continued reporting declining demand over the prior three months, reaching the lowest level since Q2 2014. The net share of lenders reporting expectations for demand growth over the next three months continued to be negative, but remained relatively stable from last quarter (Q1 2018).



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 2018 (previous quarter)
 ^ Denotes a statistically significant change compared with Q2 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 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



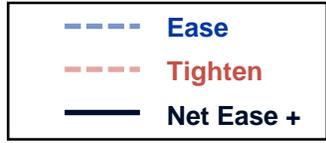
Credit Standards

- The net share of lenders reporting easing of credit standards over the prior three months as well as the net share of lenders reporting easing for the next three months remained stable overall.
- However, the net share reporting easing of credit standards for non-GSE eligible loans appeared to tick up from last quarter. In particular, the net easing share for non-GSE eligible loans for the next three months reached a survey high.



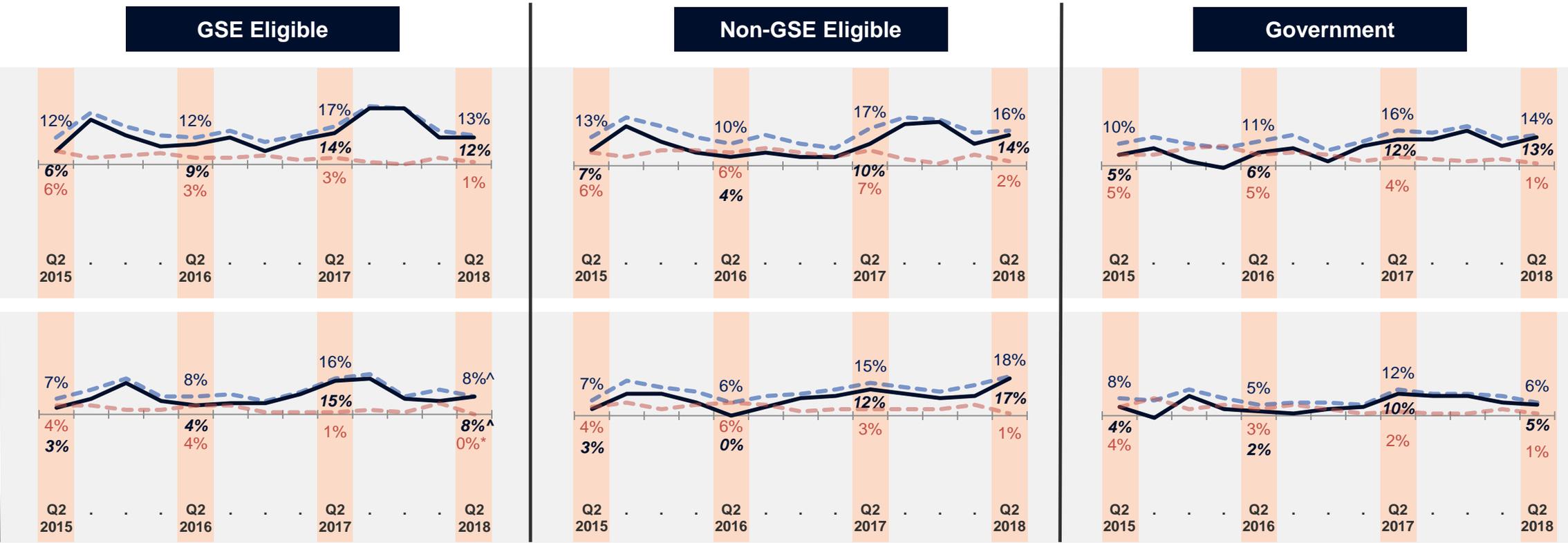
Credit Standards

The net share of lenders reporting easing of credit standards over the prior three months as well as the net share reporting easing for the next three months overall remained stable. However, the net easing share for non-GSE eligible loans appeared to tick up from last quarter. In particular, the net easing share for non-GSE eligible loans for the next three months reached a survey high.



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 2018 (previous quarter)
 ^ Denotes a statistically significant change compared with Q2 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



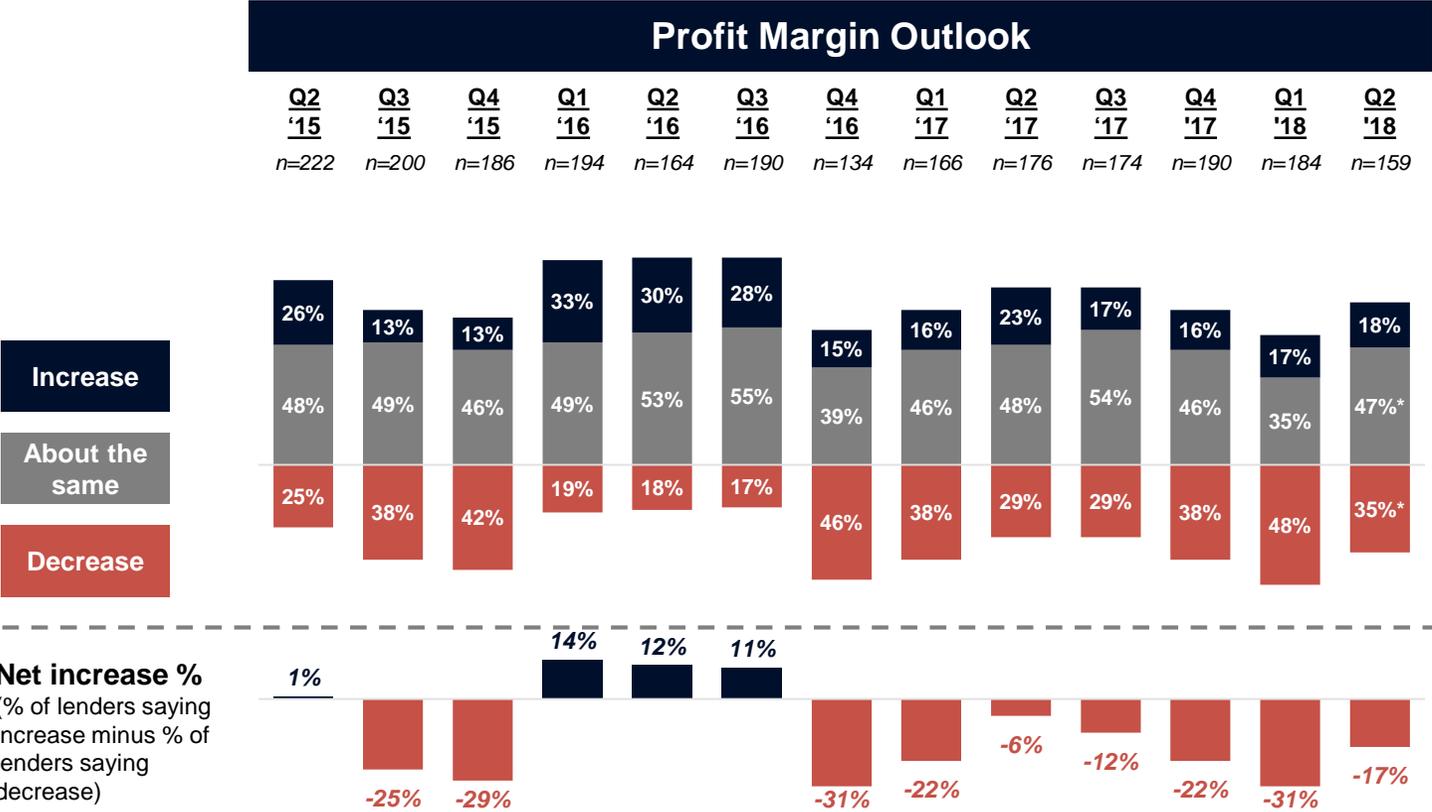
Profit Margin Outlook

- Lenders' net profit margin outlook has stayed negative for seven consecutive quarters. Though it is less negative than the outlook seen last quarter (Q1 2018), it is worse than the one seen one year ago (Q2 2017).
- Since Q1 2017 (for six consecutive quarters), “competition from other lenders” has remained the top reason that lenders cited for their lower profit margin outlook, tying last quarter’s survey high. “Market trend changes” continues to be the next key reason lenders cited for their lower profit margin outlook.



Lenders' Profit Margin Outlook – Next 3 Months

Lenders' net profit margin outlook has stayed negative for seven consecutive quarters. Though it is less negative than the outlook seen last quarter (Q1 2018), it is worse than the one seen one year ago (Q2 2017). Those expecting a lower profit margin outlook continued to point to “competition from other lenders” as the primary reason.



Key Reasons for Expected Increase – Q2 2018

Operational efficiency (i.e., technology)	58%
Consumer demand	56%
Market trend changes (i.e., shift from refinance to purchase)	31%
Non-GSE (other investor) pricing and policies	15%
Staffing (personnel costs) reduction	13%

Showing data for selected answer choices only. n=30

Key Reasons for Expected Decrease – Q2 2018

Competition from other lenders	78%
Market trend changes (i.e., shift from refinance to purchase)	31%
Staffing (personnel costs)	19%
Consumer demand	19%
Operational efficiency (i.e., technology)	12%

Showing data for selected answer choices only. n=52

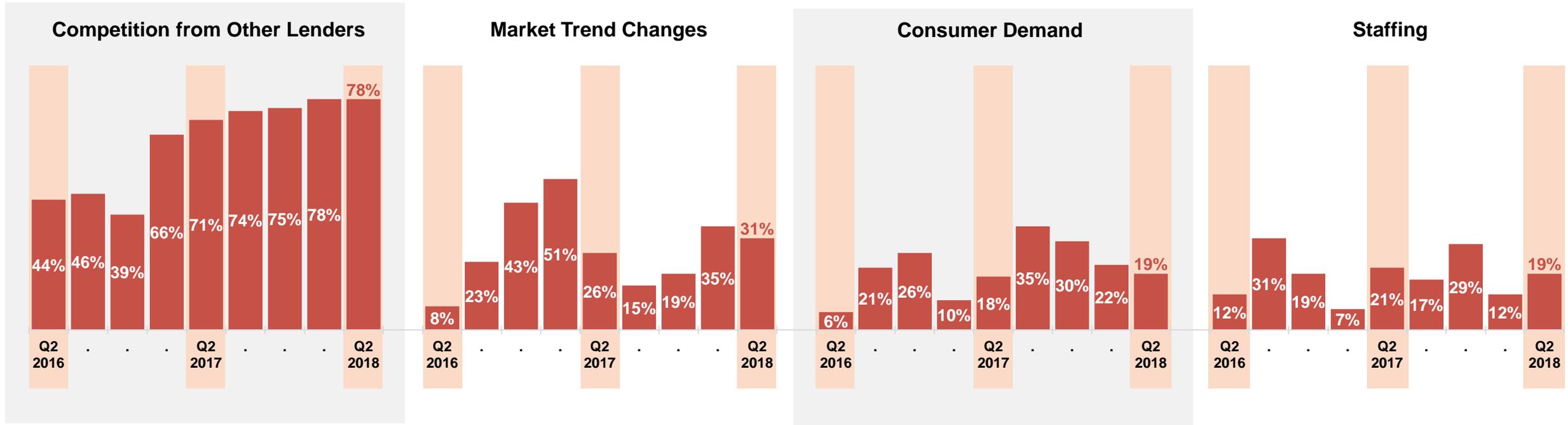
* Denotes a statistically significant change compared with Q1 2018 (previous quarter)
 ^ Denotes a statistically significant change compared with Q2 2017 (same quarter of last year)

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

“Competition from other lenders” has continued to be cited as the top reason for lenders’ decreased profit margin outlook since Q1 2017 (for six consecutive quarters), tied to last quarter’s survey high. “Market trend changes” continues to be the next key reason lenders cited for lower profit margin outlook.



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 2016: N=29; Q3 2016: N=33; 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

* Denotes a statistically significant change compared with Q1 2018 (previous quarter)
 ^ Denotes a statistically significant change compared with Q2 2017 (same quarter of last year)



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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.

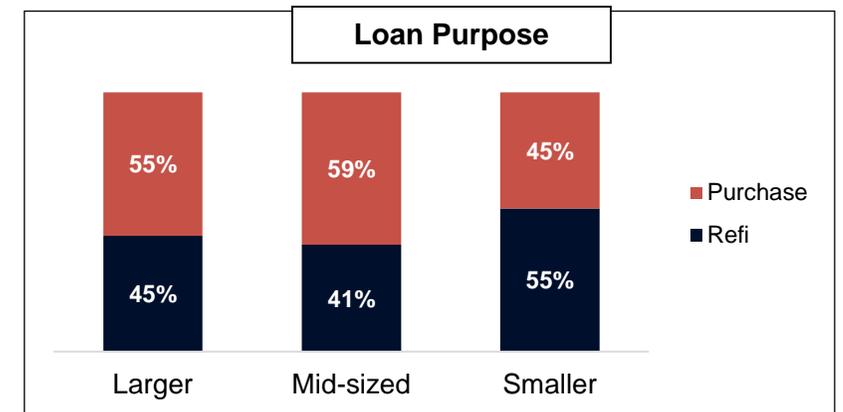
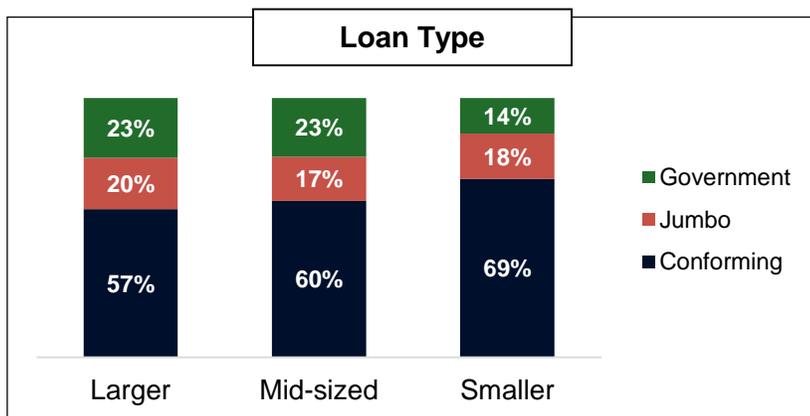
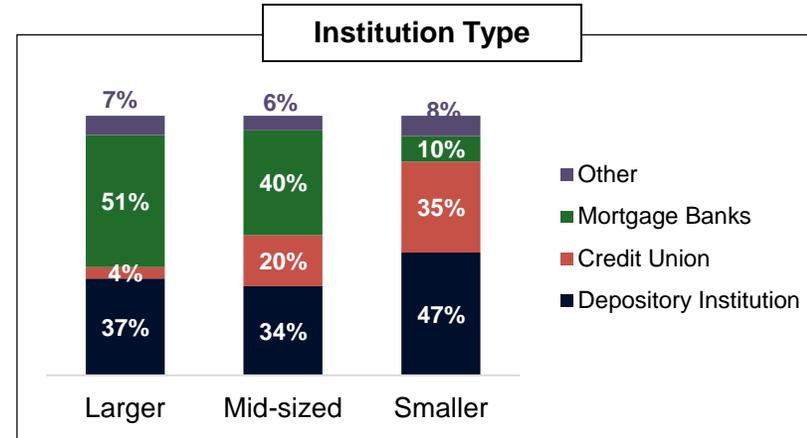
Data Weighting

- 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

		Q2 2016		Q3 2016		Q4 2016		Q1 2017		Q2 2017		Q3 2017		Q4 2017		Q1 2018		Q2 2018	
		Sample Size	Margin of Error																
Total Lending Institutions		169	± 7.12%	200	± 6.47%	139	±7.93%	177	±7.18%	184	±7.22%	190	±6.64%	196	±6.42%	196	±6.43%	170	±7.04%
Loan Origination Volume Groups	Larger Institutions	57	±11.28%	70	±9.82%	50	±12.30%	58	±12.76%	54	±13.34%	58	±11.16%	72	±9.47%	64	±10.32%	40	±13.79%
	Mid-sized Institutions	54	±12.13%	59	±11.50%	45	±13.53%	47	±14.20%	58	±12.87%	66	±10.69%	55	±11.78%	51	±12.36%	36	±15.07%
	Smaller Institutions	58	±12.50%	71	±11.22%	44	±14.46%	72	±11.43%	72	±11.55%	66	±11.65%	69	±11.25%	81	±10.30%	94	±9.60%
Institution Type	Mortgage Banks	65	±10.78%	65	±10.79%	52	±12.40%	53	±13.36%	58	±12.87%	73	±10.12%	74	±9.88%	69	±10.36%	56	±11.87%
	Depository Institutions	63	±11.84%	79	±10.46%	54	±12.87%	72	±11.43%	82	±10.82%	75	±10.71%	77	±10.37%	63	±11.63%	67	±11.29%
	Credit Unions	34	±16.16%	49	±13.21%	29	±17.60%	44	±14.68%	36	±16.33%	38	±15.18%	37	±15.27%	56	±12.04%	34	±16.05%

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



2018 Q2 Cross-Subgroup Sample Sizes

	Total	Larger Lenders	Mid-Sized Lenders	Smaller Lenders
Total	170	40	36	94
Mortgage Banks (non-depository)	56	19	23	14
Depository Institutions	67	15	8	44
Credit Unions	34	2	4	28



2018 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
Total Lending Institutions	169	149	139	169	148	141
Larger Institutions	39	39	36	39	38	36
Mid-sized Institutions	36	30	34	36	30	35
Smaller Institutions	94	80	69	94	80	70

Refinance Mortgages:

	Past 3 Months			Next 3 Months		
	GSE Eligible	Non-GSE Eligible	Government	GSE Eligible	Non-GSE Eligible	Government
Total Lending Institutions	162	143	130	162	143	132
Larger Institutions	37	37	34	37	37	34
Mid-sized Institutions	35	29	32	35	28	33
Smaller Institutions	90	77	63	90	78	65



2018 Q2 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	168	151	140	169	152	142
Larger Institutions	39	39	36	39	39	36
Mid-sized Institutions	36	30	34	36	30	35
Smaller Institutions	93	82	69	94	83	70



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 2018)	Larger Institutions	Mid-sized Institutions	Smaller Institutions	Q2 “Total”
Go up	53%	46%	51%	50% [(53% + 46% + 51%)/3]
Stayed the same	31%	27%	21%	26%
Go down	17%	26%	28%	24%





Appendix

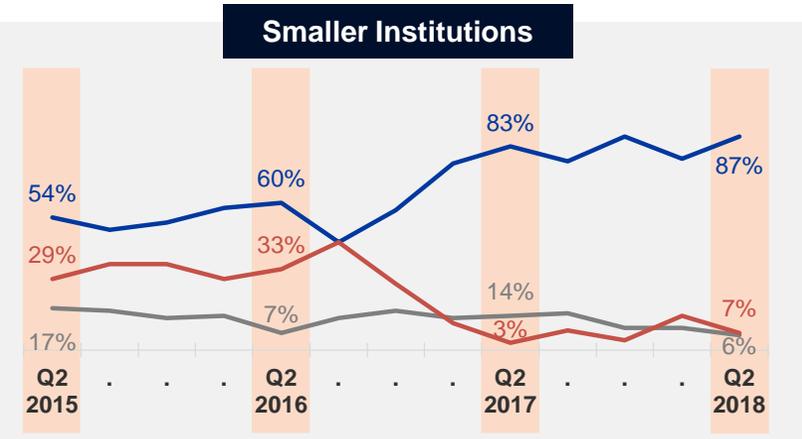
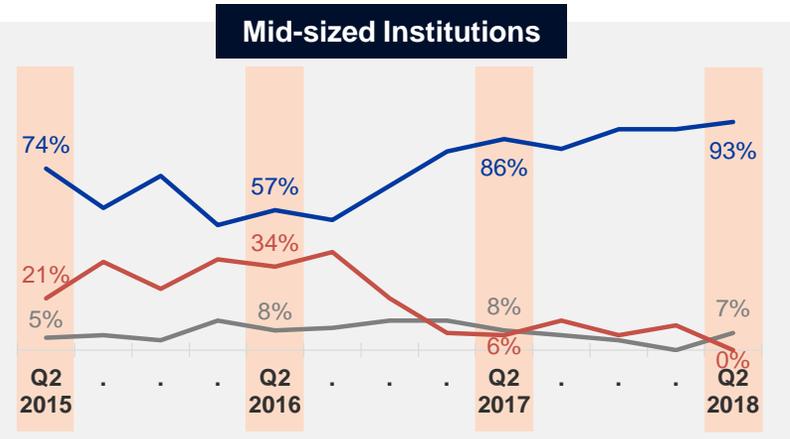
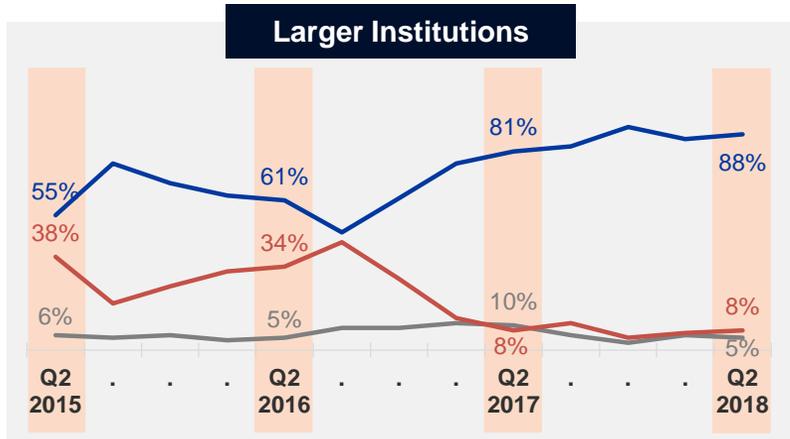
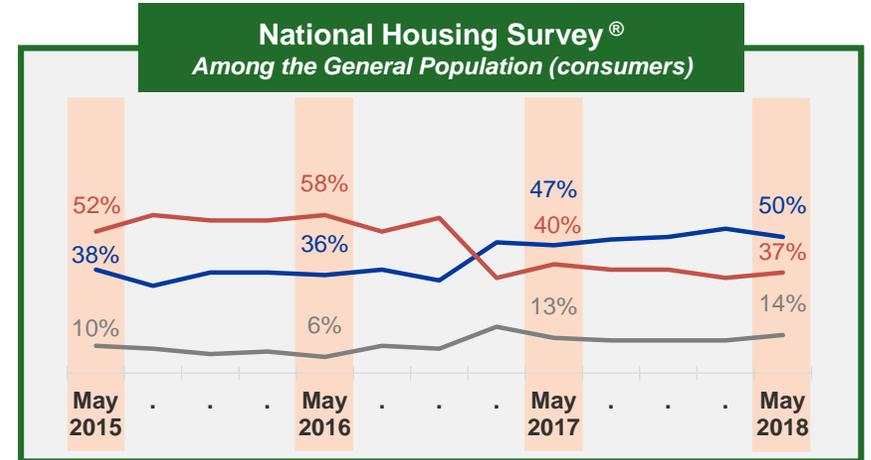
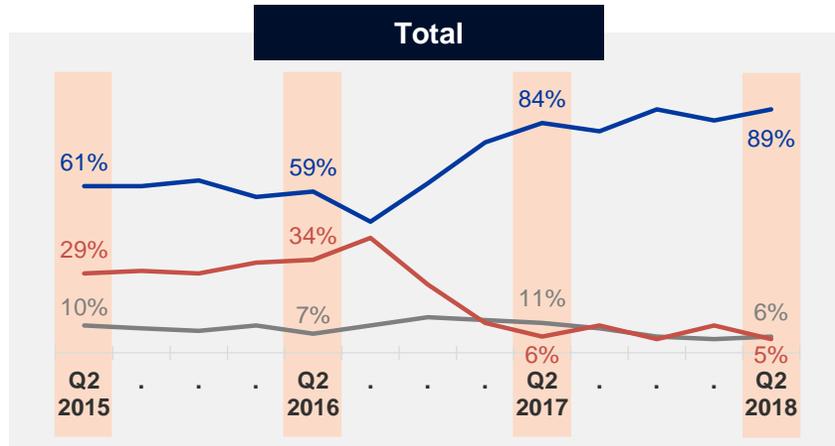
Economic and Housing Sentiment



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 2018 (previous quarter)
 ^ Denotes a statistically significant change compared with Q2 2017 (same quarter of last year)

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

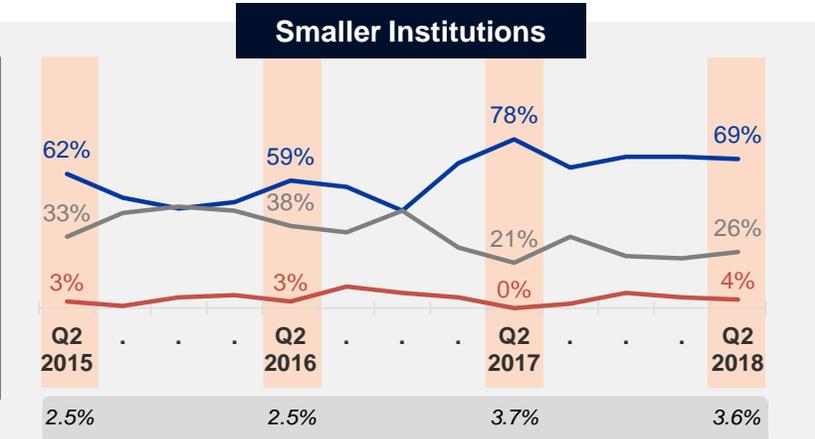
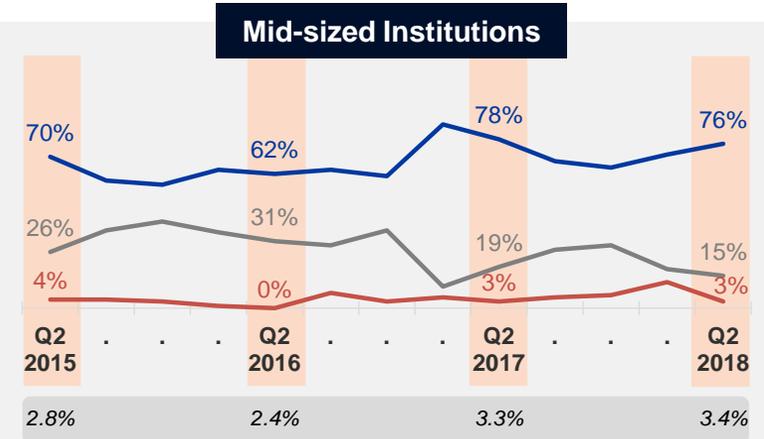
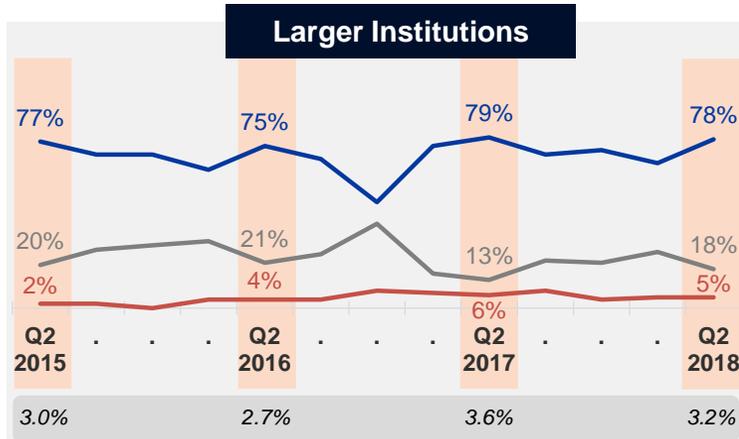
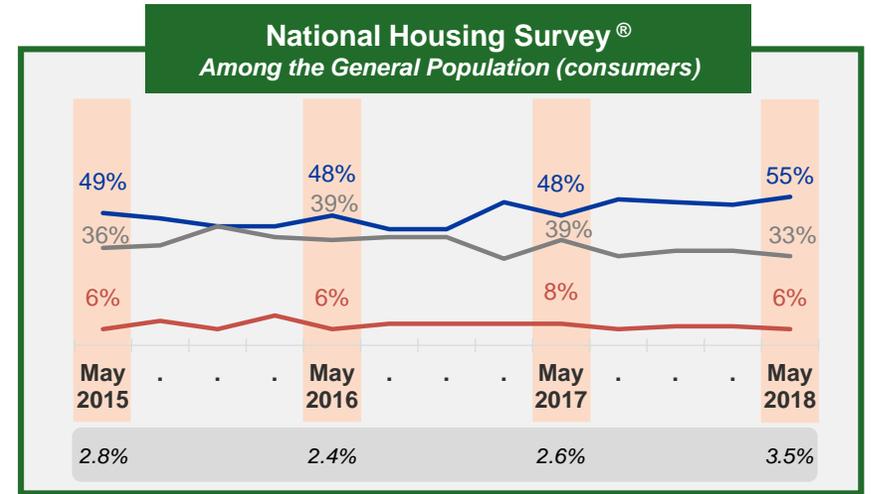
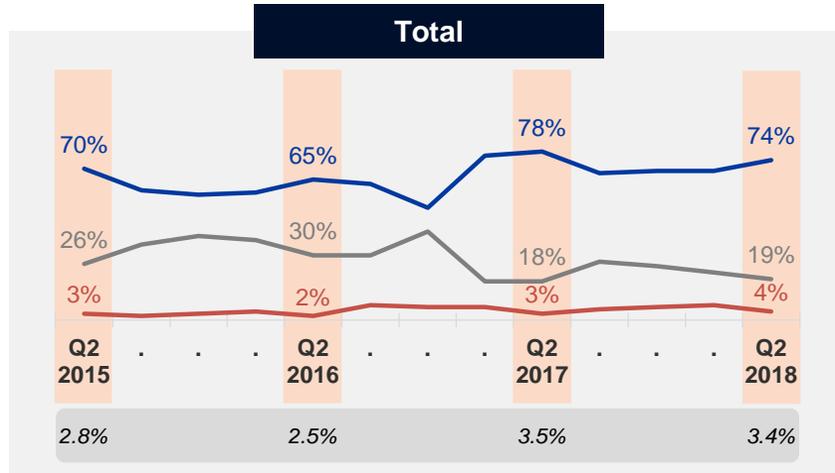


Home Prices – Next 12 Months

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?



* Denotes a statistically significant change compared with Q1 2018 (previous quarter)
 ^ Denotes a statistically significant change compared with Q2 2017 (same quarter of last year)

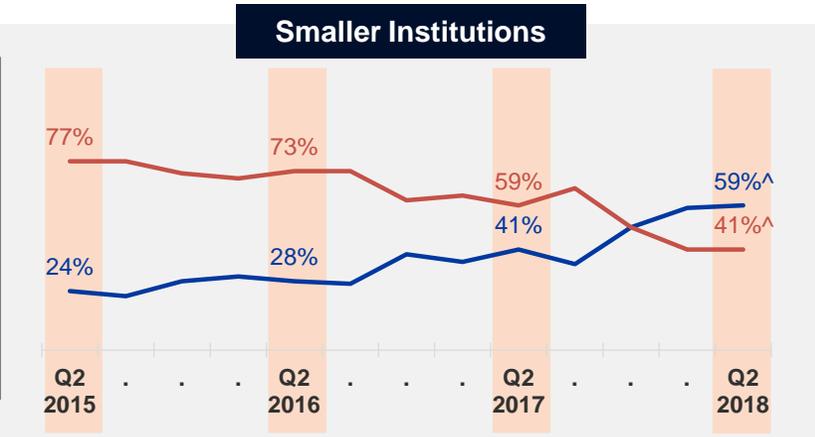
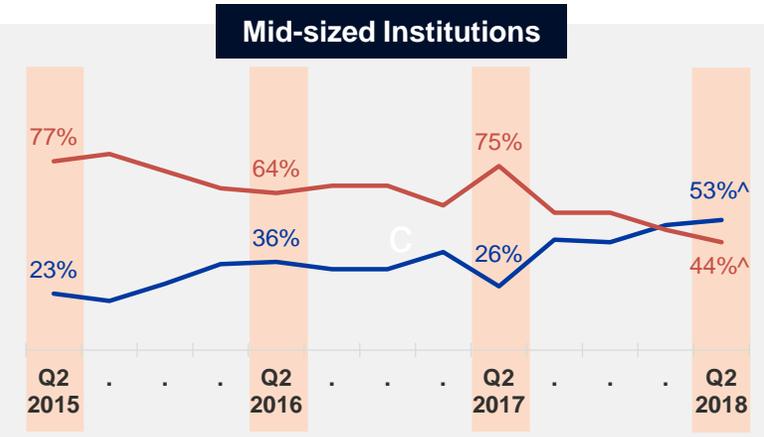
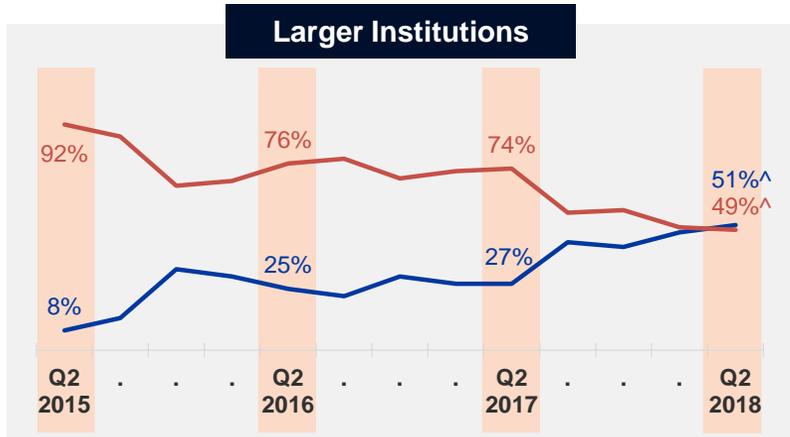
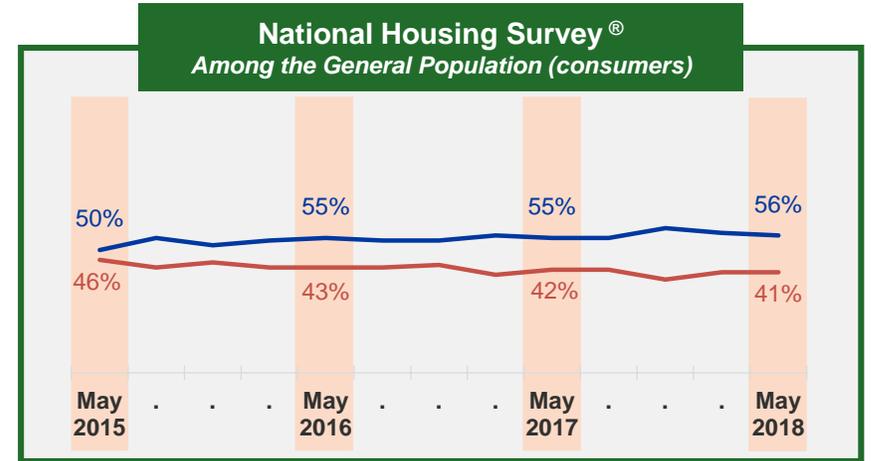
National Housing Survey: <http://www.fanniemae.com/portal/research-and-analysis/housing-survey.html>



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)



* Denotes a statistically significant change compared with Q1 2018 (previous quarter)
[^] Denotes a statistically significant change compared with Q2 2017 (same quarter of last year)



Appendix

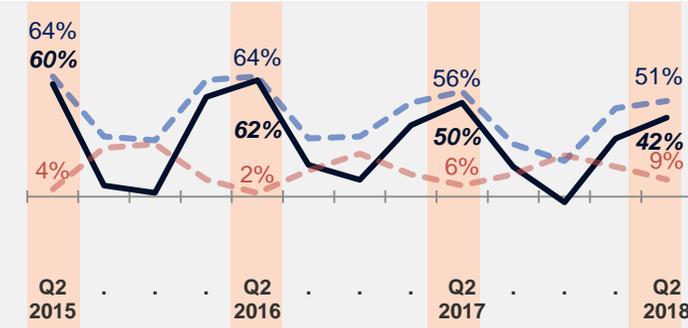
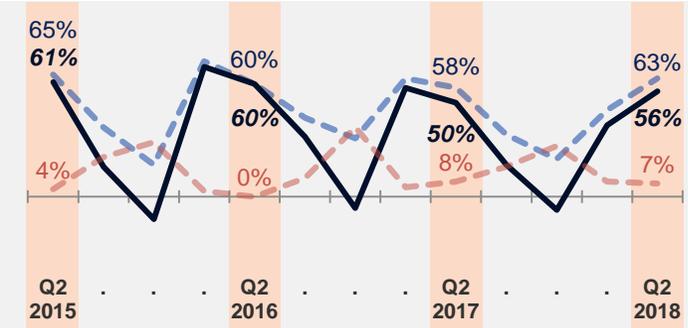
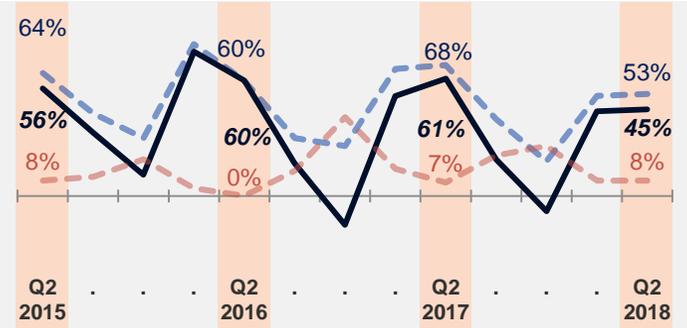
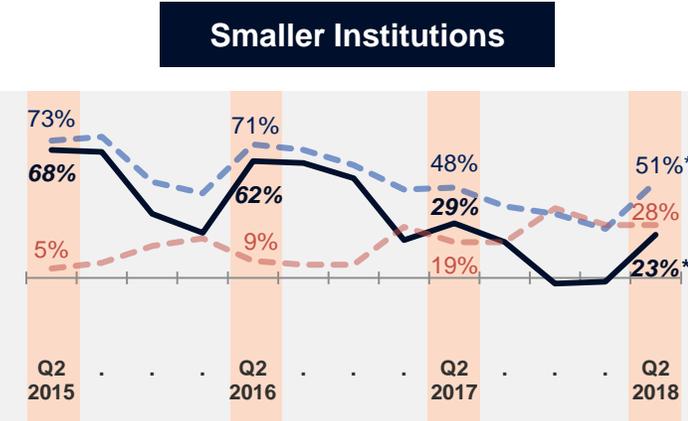
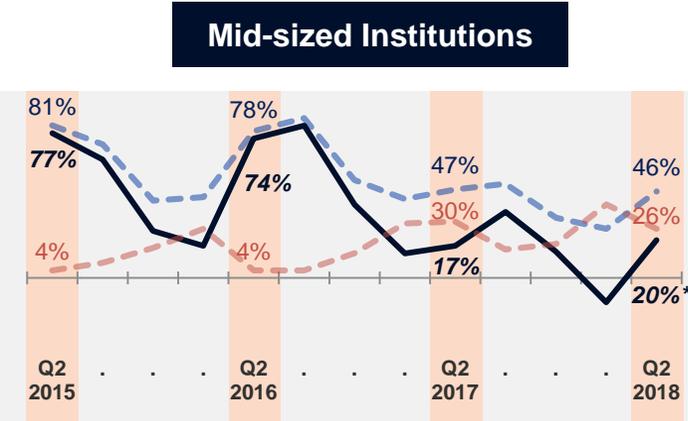
Consumer Demand (Purchase Mortgages)



Purchase 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 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

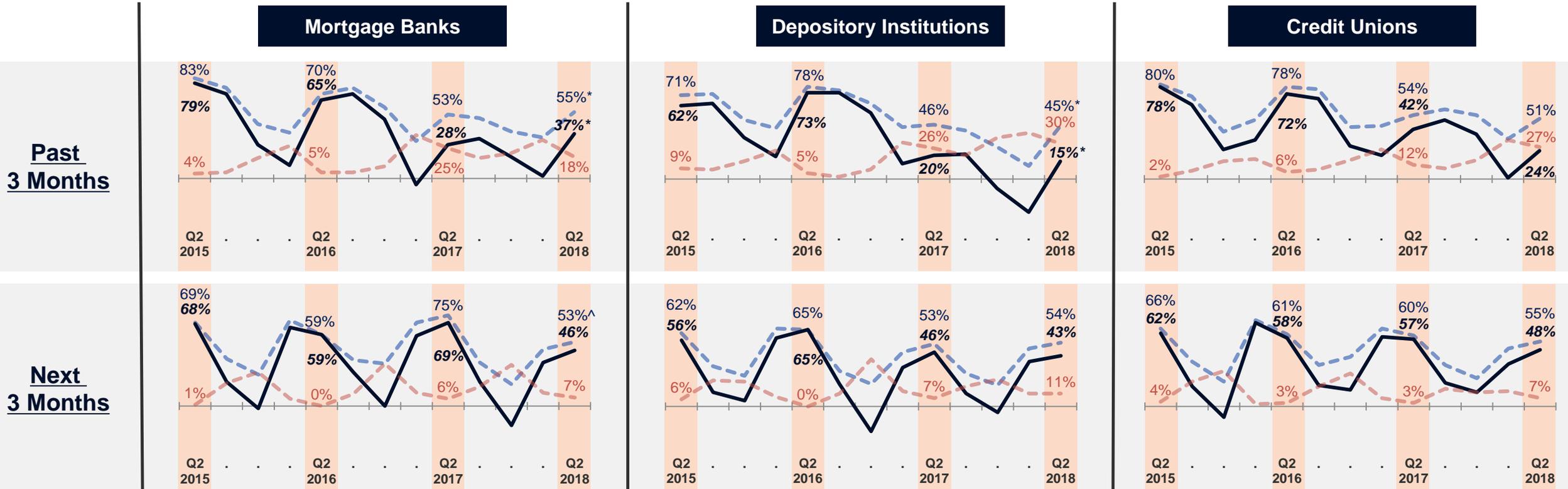
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L/M/S - Denote a % is significantly higher than the annual loan origination volume group that the letter represents at the 95% confidence level

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

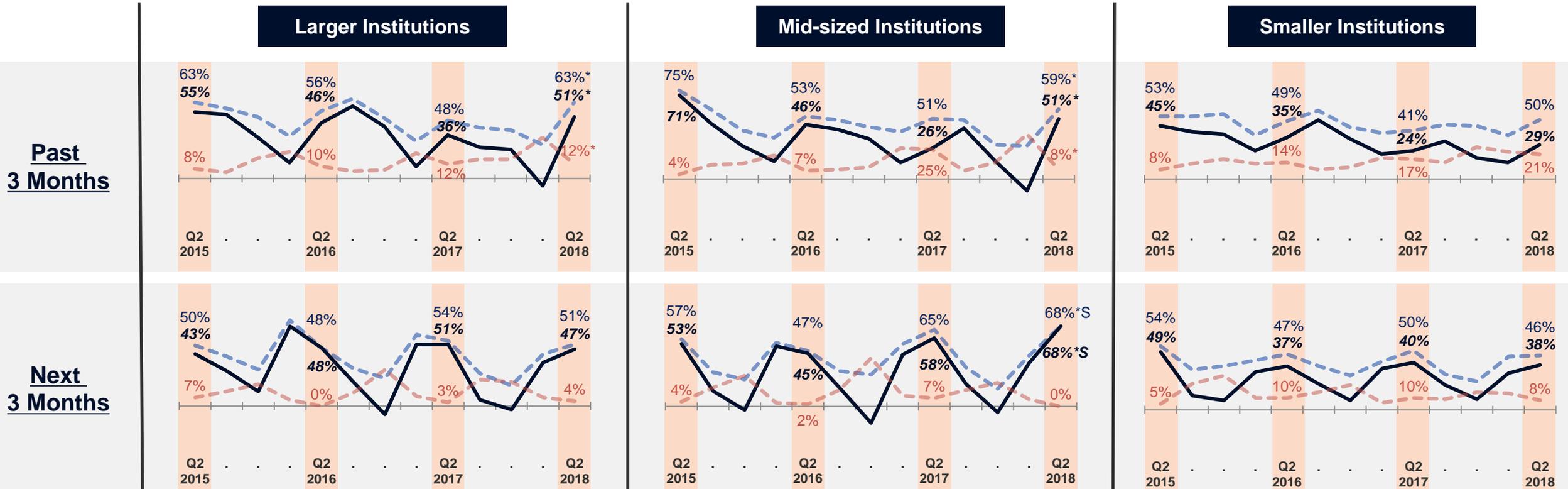
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M/D/C - Denote a % is significantly higher than the institution type group that the letter represents at the 95% confidence level

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 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

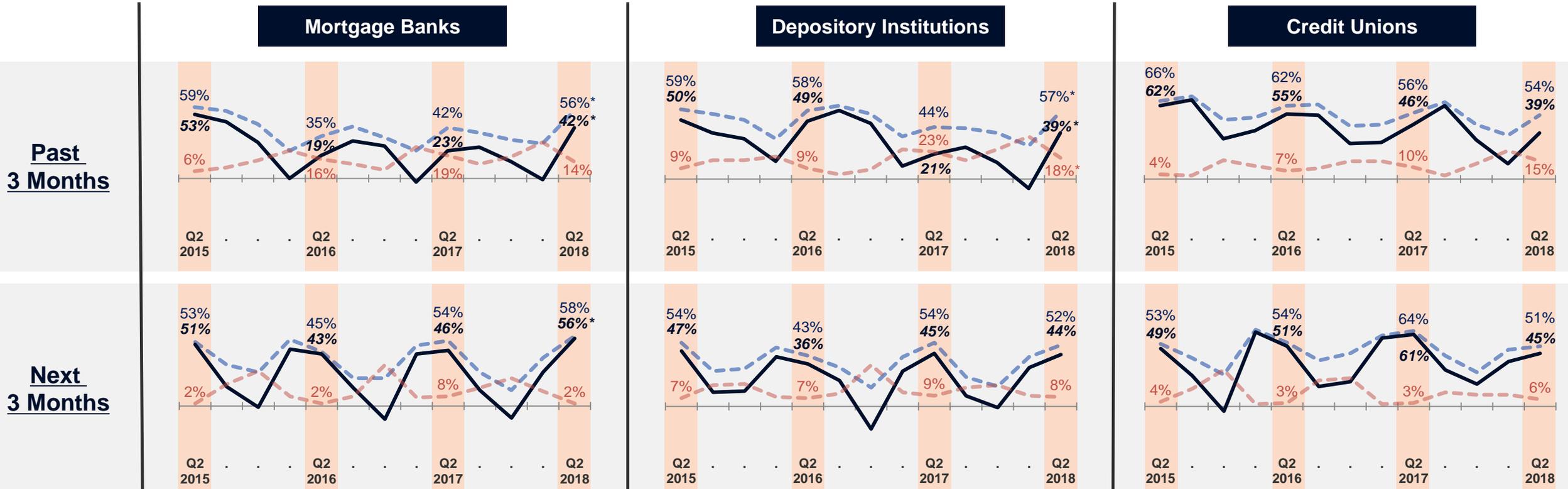
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The % saying "stay the same" is not shown



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

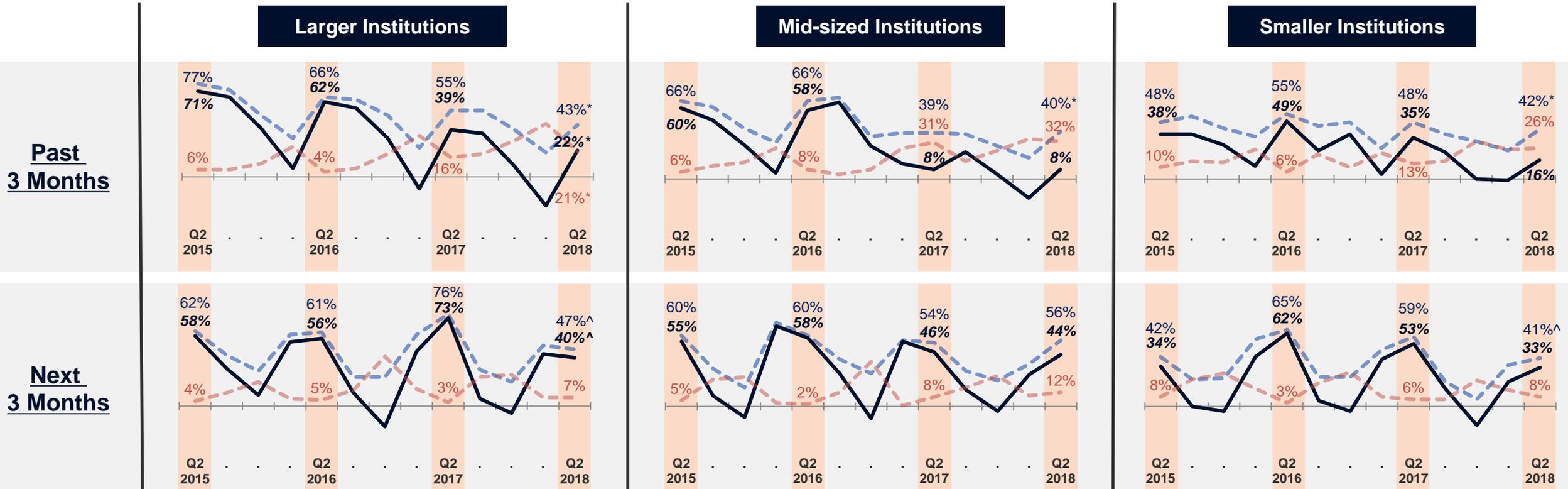
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Purchase Mortgage Demand: Government (by institution size)



--- 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

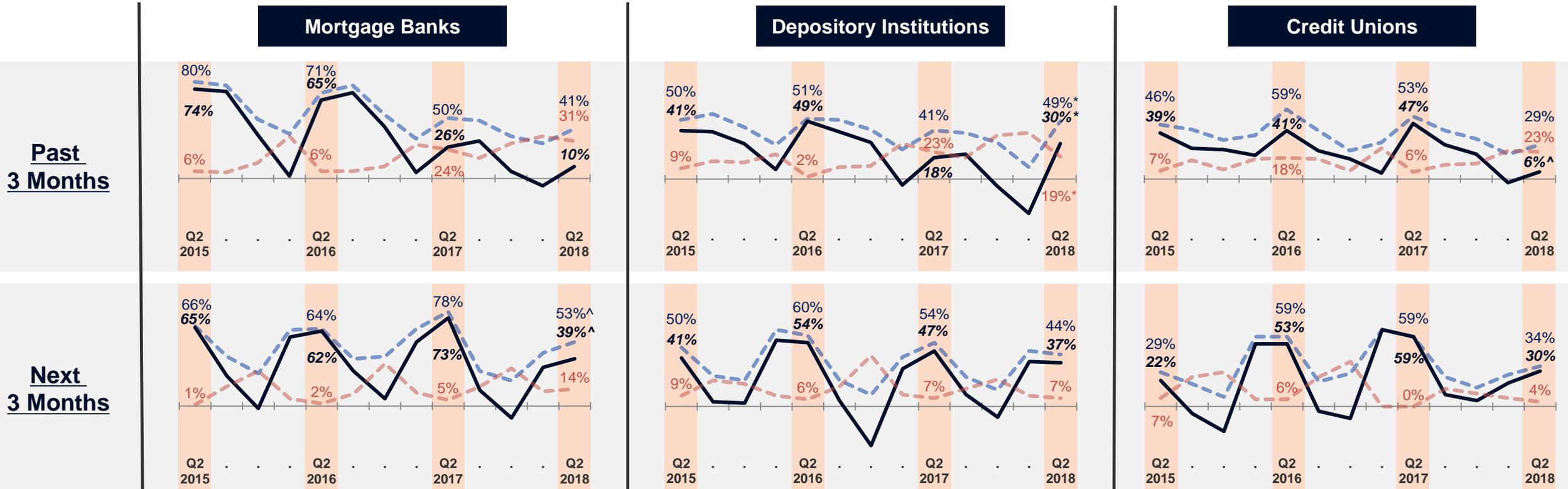
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Purchase Mortgage Demand: Government (by institution type)



--- 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

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Purchase Mortgage Demand: Drivers of Change (selected verbatim)

Past 3 Months

N=125

- Rising interest rates
- Lack of Inventory
- Economic conditions/consumer confidence
- Seasonality

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)

"Interest rates and difficulty locating a home to purchase due to low inventory." – *Larger Institution*

"Rising rates, limited inventory." – *Mid-sized Institution*

"Comparing 1st Qtr 2017 to 2018, we are down in production by 1.17%. I think uncertainty about what the rates were going to at the first of the year contributed to lower volume. I believe uncertainty about government direction was also a factor." – *Smaller Institution*

"Consumer confidence and relatively low borrowing rates." – *Larger Institution*

"Spring buying season; fear of rising rates." – *Mid-sized Institution*

"Higher rates have reduced refi incentive. Stronger economy, more jobs etc. causing people to buy homes. Home prices up due to limited stock of existing housing." – *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=	91	21	22	47	
Economic conditions (e.g., employment) overall are favorable	70%	82%	67%	62%	25%
Mortgage rates are favorable	11%	0%	20%	11%	30%
There are many homes available on the market	5%	6%	0%	8%	18%
Home prices are low	2%	0%	0%	6%	10%
It is easy to qualify for a mortgage	1%	0%	0%	4%	5%

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=	13	3	2	8	
There are not many homes available on the market	61%	100%	14%	62%	9%
Mortgage rates are not favorable	17%	0%	43%	12%	6%
Home prices are high	5%	0%	0%	12%	51%
Economic conditions (e.g., employment) overall are not favorable	5%	0%	0%	12%	18%
It is difficult to qualify for a mortgage	0%	0%	0%	0%	7%

*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=	76	19	20	36	
Economic conditions (e.g., employment) overall are favorable	65%	68%	61%	67%	25%
Mortgage rates are favorable	14%	5%	22%	14%	30%
It is easy to qualify for a mortgage	5%	0%	10%	3%	5%
There are many homes available on the market	4%	7%	0%	5%	18%
Home prices are low	2%	3%	0%	5%	10%

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=	7	1	0	6	
There are not many homes available on the market	33%	33%	0%	33%	9%
It is difficult to qualify for a mortgage	25%	67%	0%	0%	7%
Home prices are high	21%	0%	0%	33%	51%
Economic conditions (e.g., employment) overall are not favorable	10%	0%	0%	17%	18%
Mortgage rates are not favorable	0%	0%	0%	0%	6%

*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=	65	17	20	28	
Economic conditions (e.g., employment) overall are favorable	63%	58%	77%	46%	25%
Mortgage rates are favorable	13%	6%	15%	21%	30%
It is easy to qualify for a mortgage	9%	15%	0%	19%	5%
There are many homes available on the market	5%	14%	0%	4%	18%
Home prices are low	0%	0%	0%	0%	10%

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=	12	2	4	6	
There are not many homes available on the market	45%	60%	25%	67%	9%
Mortgage rates are not favorable	22%	40%	25%	0%	6%
Home prices are high	4%	0%	0%	17%	51%
Economic conditions (e.g., employment) overall are not favorable	4%	0%	0%	17%	18%
It is difficult to qualify for a mortgage	0%	0%	0%	0%	7%

*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

The share of lenders citing a shortage of homes on the market as the top reason in driving down expected future demand has reached a survey high among GSE Eligible loans, and is close to the survey high among Non-GSE Eligible and Government loans.

GSE Eligible	N=	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018
		1	26	48	19	12	31	48	22	13
There are not many homes available on the market		0%	55%	37%	34%	73%	82%	74%	64%	83%
Home prices are high		0%	33%	33%	39%	48%	47%	41%	47%	74%
Mortgage rates are not favorable		0%	19%	67%	74%	25%	20%	23%	67%	26%*
Economic conditions (e.g., employment) overall are not favorable		100%	41%	26%	12%	7%	12%	15%	13%	5%
It is difficult to qualify for a mortgage		100%	28%	19%	24%	30%	16%	12%	4%	0%

Non-GSE Eligible	N=	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018
		6	24	38	13	11	25	32	17	7
There are not many homes available on the market		0%	37%	30%	18%	41%	84%	65%	61%	79%
Home prices are high		0%	19%	35%	38%	44%	53%	37%	27%	54%
It is difficult to qualify for a mortgage		100%	39%	17%	52%	28%	12%	23%	16%	25%
Mortgage rates are not favorable		32%	21%	66%	77%	43%	19%	21%	64%	21%
Economic conditions (e.g., employment) overall are not favorable		49%	59%	30%	10%	26%	15%	11%	18%	10%

Government	N=	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018
		4	23	42	12	8	25	38	16	12
There are not many homes available on the market		0%	37%	35%	37%	65%	81%	72%	66%	73%
Home prices are high		0%	33%	29%	24%	53%	47%	40%	36%	45%
Mortgage rates are not favorable		22%	16%	56%	75%	22%	18%	22%	56%	31%
Economic conditions (e.g., employment) overall are not favorable		0%	54%	40%	22%	12%	27%	15%	19%	4%
It is difficult to qualify for a mortgage		67%	25%	20%	33%	37%	13%	8%	13%	0%^

*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

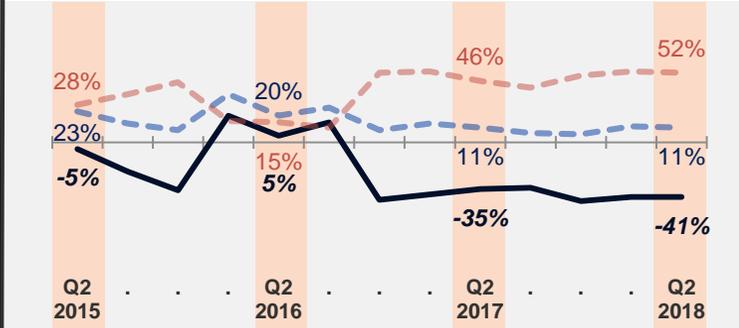
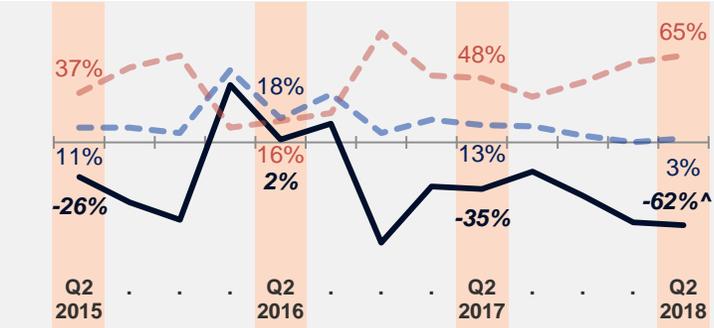
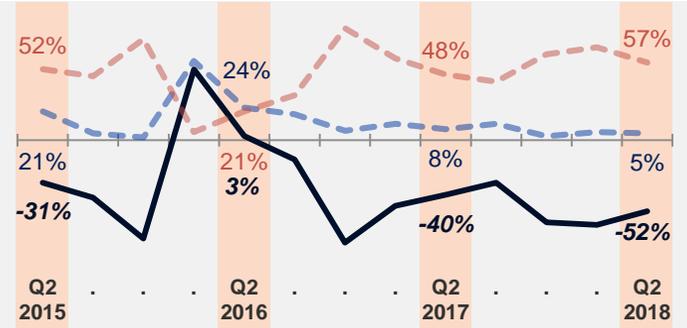
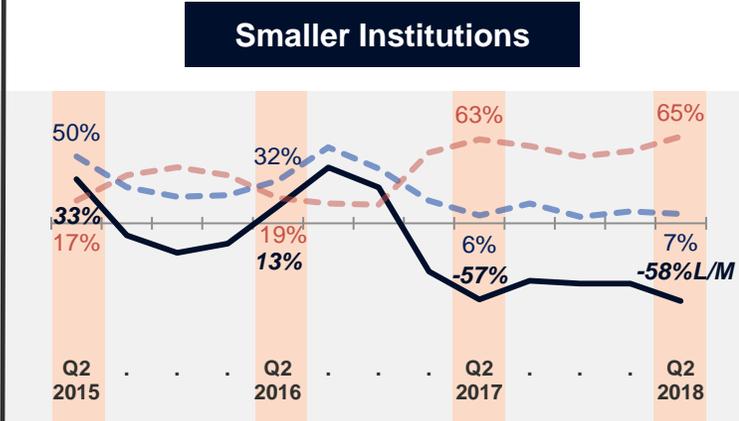
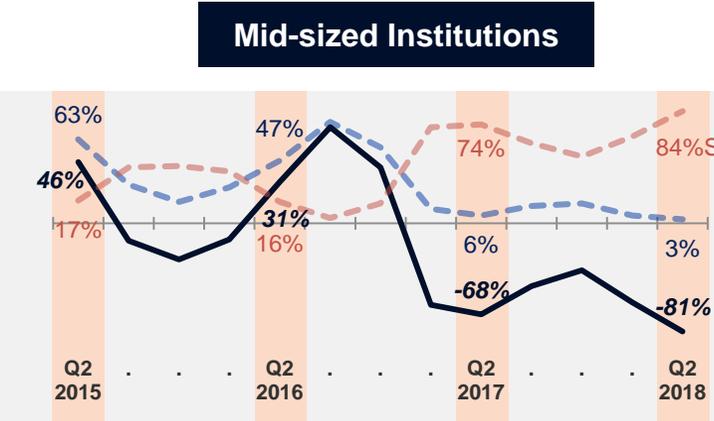
Consumer Demand (Refinance Mortgages)



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

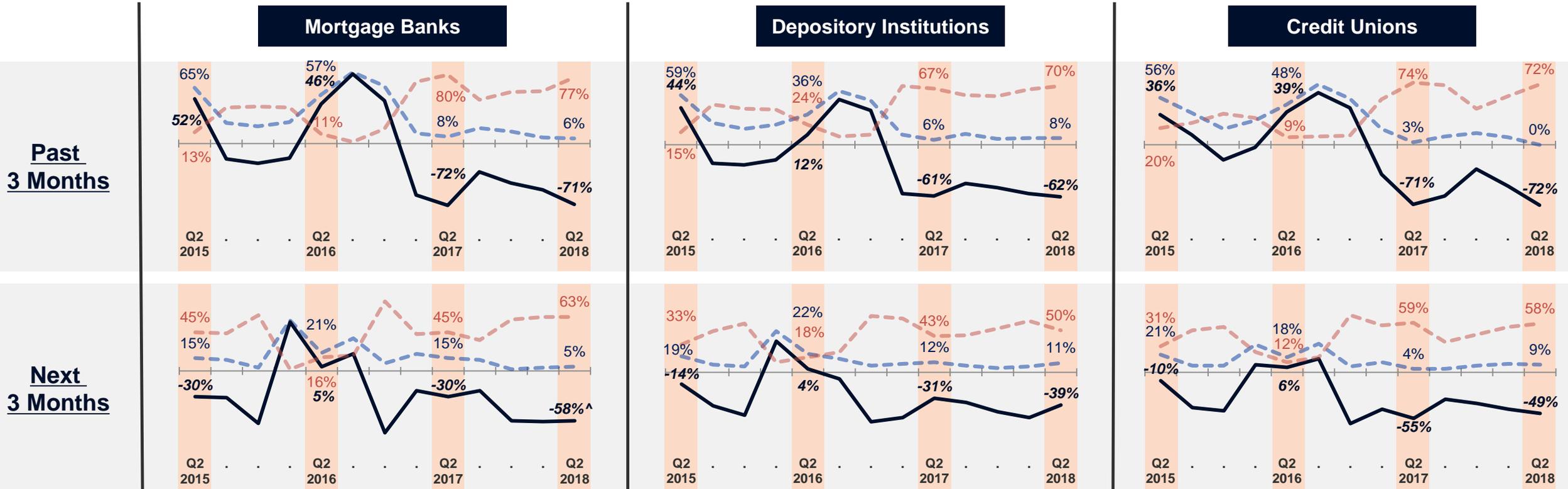
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Net Up + = % of lenders saying up minus % of lenders saying down
The % saying "stay the same" is not shown



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

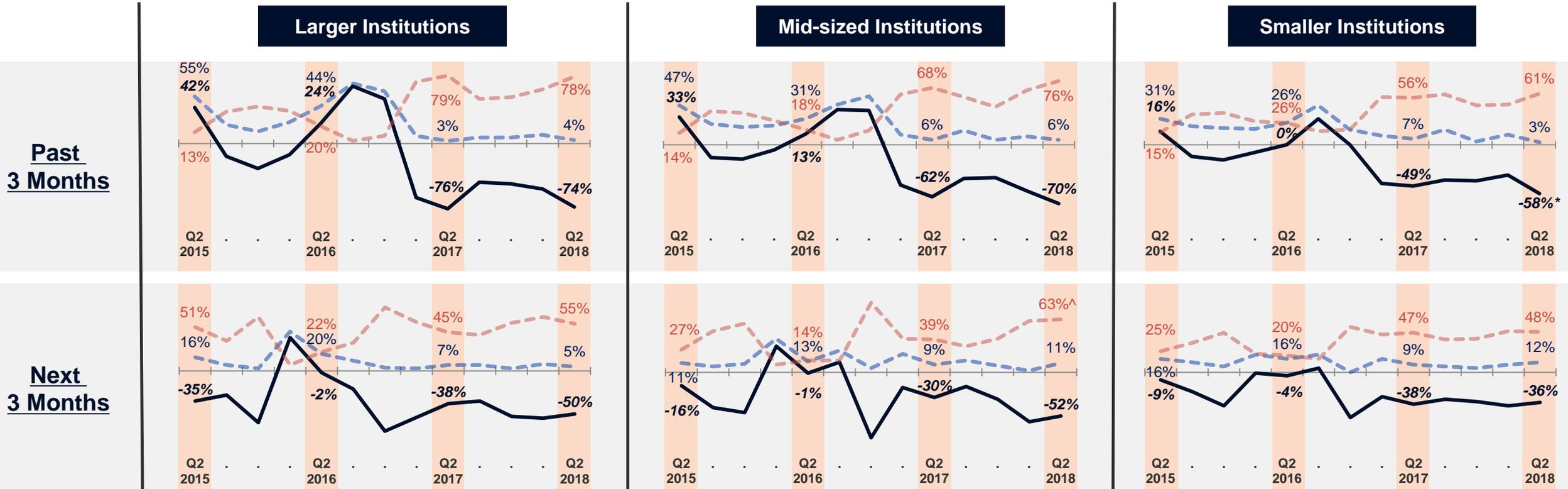
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Net Up + = % of lenders saying up minus % of lenders saying down
The % saying "stay the same" is not shown



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

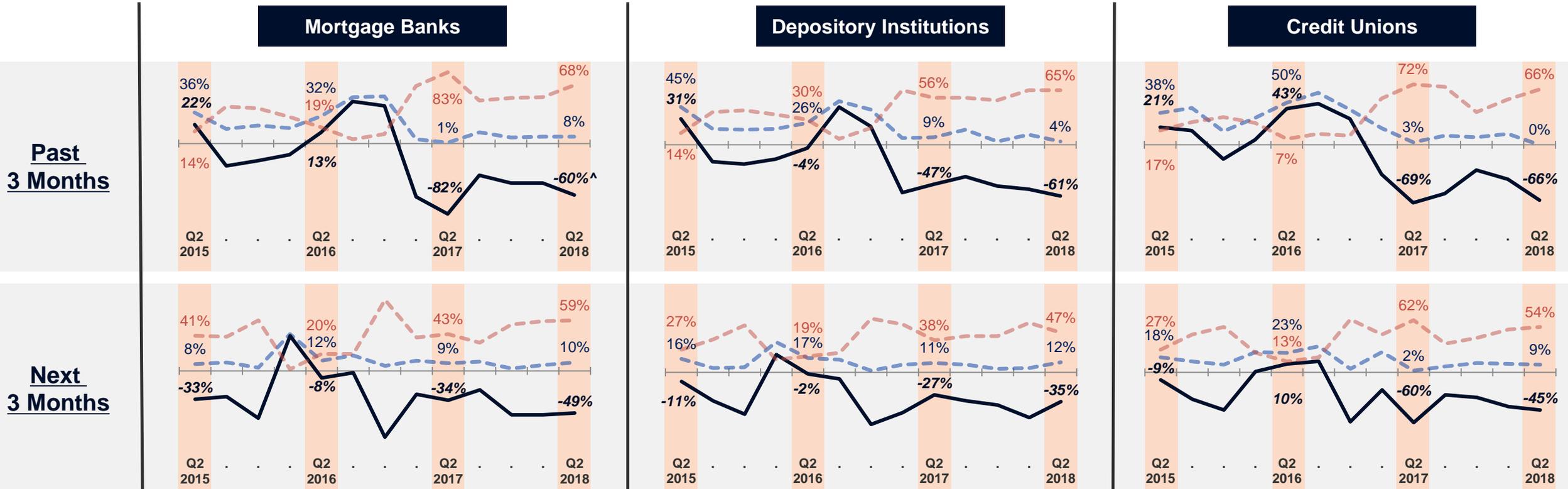
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Net Up + = % of lenders saying up minus % of lenders saying down
The % saying "stay the same" is not shown



Refinance Mortgage Demand: Non-GSE Eligible (by institution 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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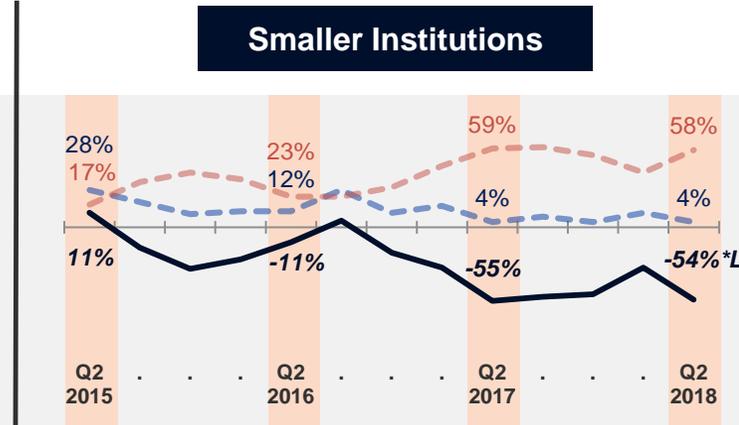
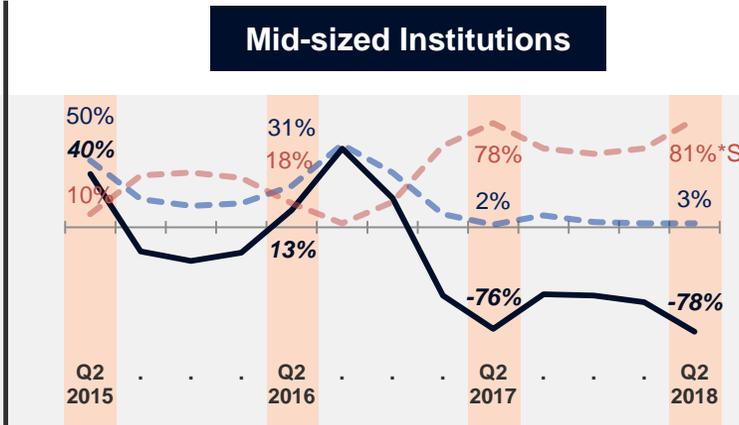
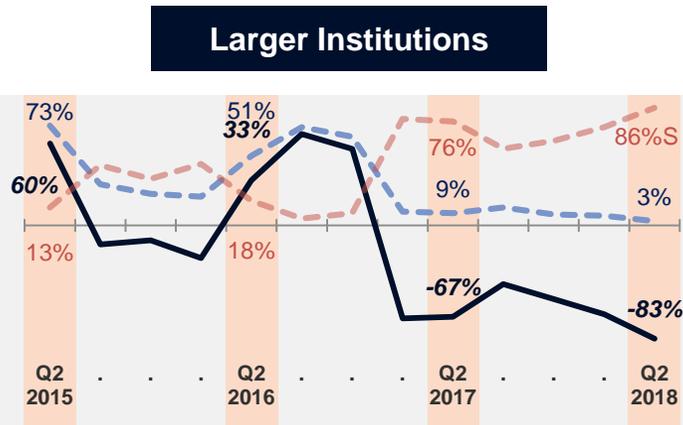
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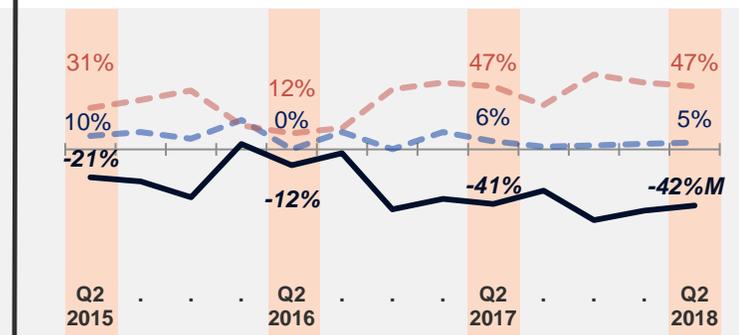
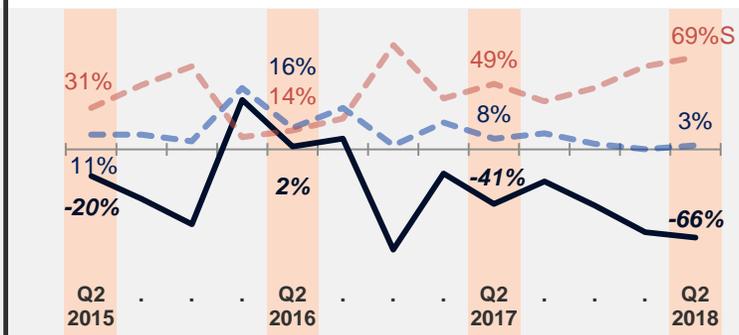


Refinance Mortgage Demand: Government (by institution size)

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

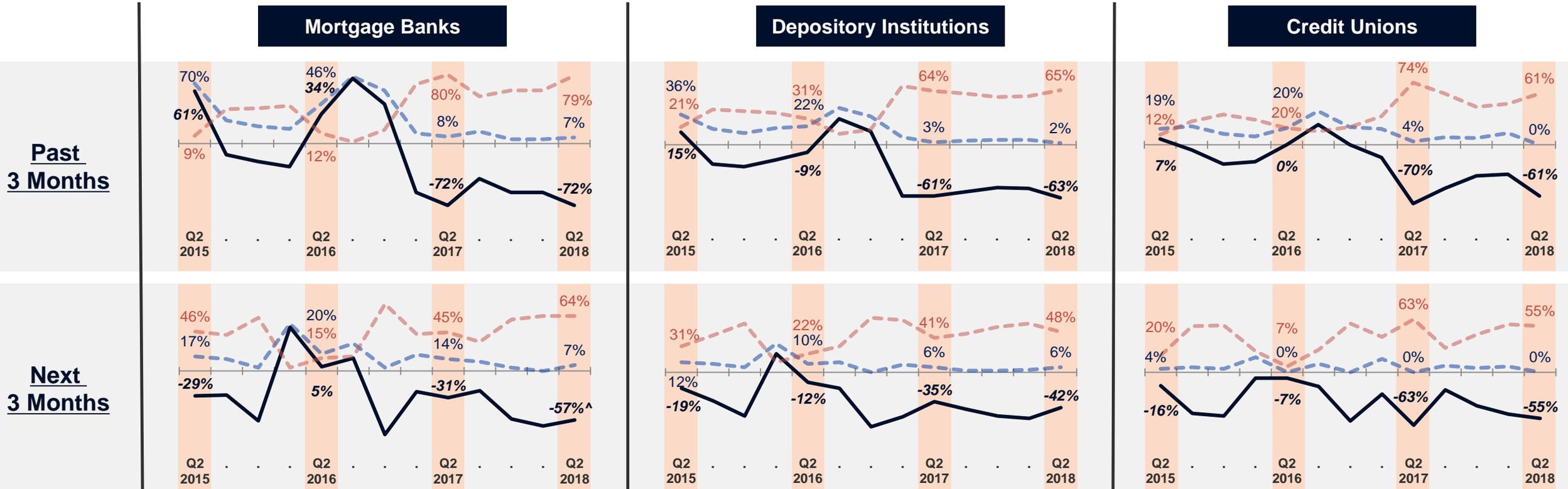
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Refinance Mortgage Demand: Government (by institution type)



--- 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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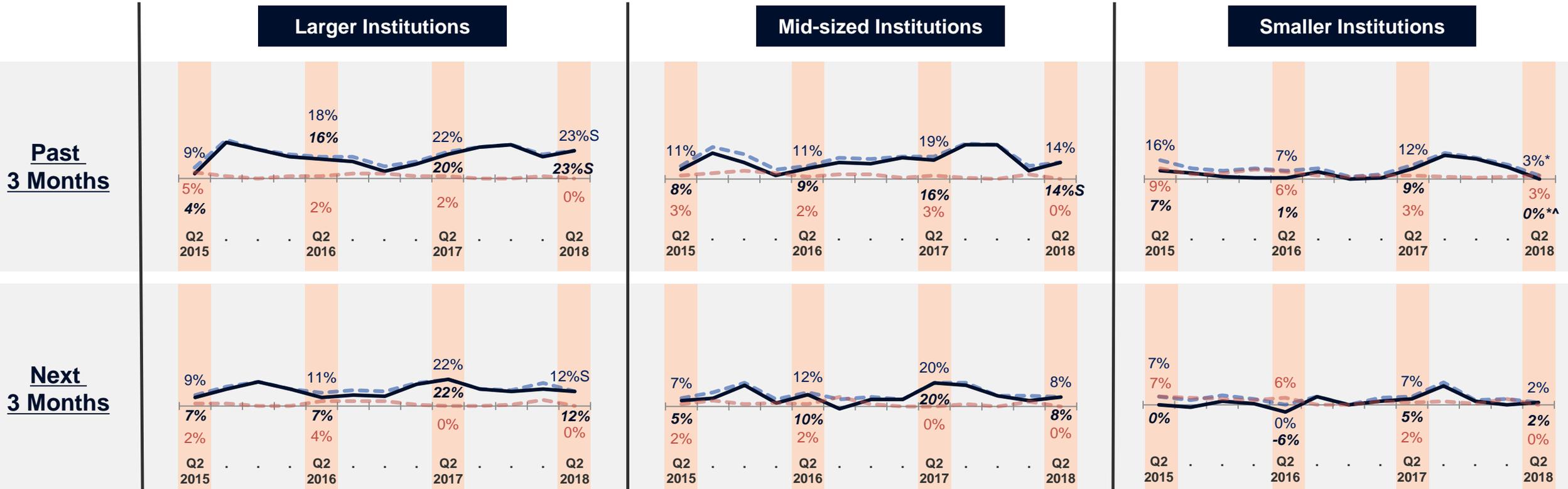


Appendix

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

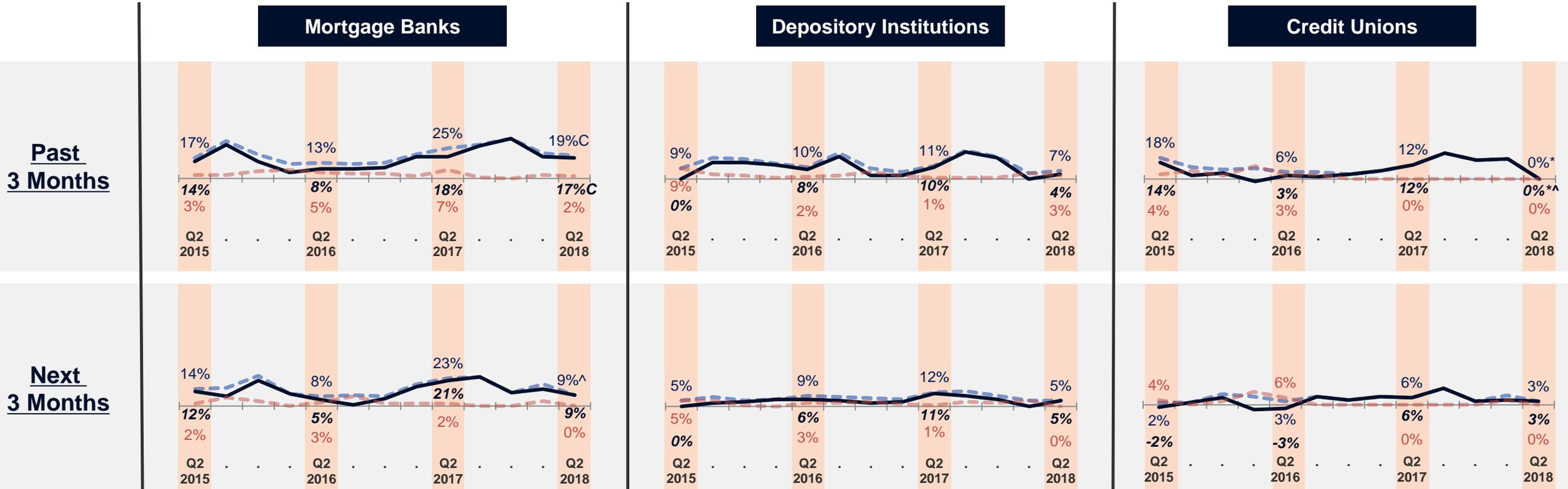
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L/M/S - Denote a % is significantly higher than the annual loan origination volume group that the letter represents at the 95% confidence level

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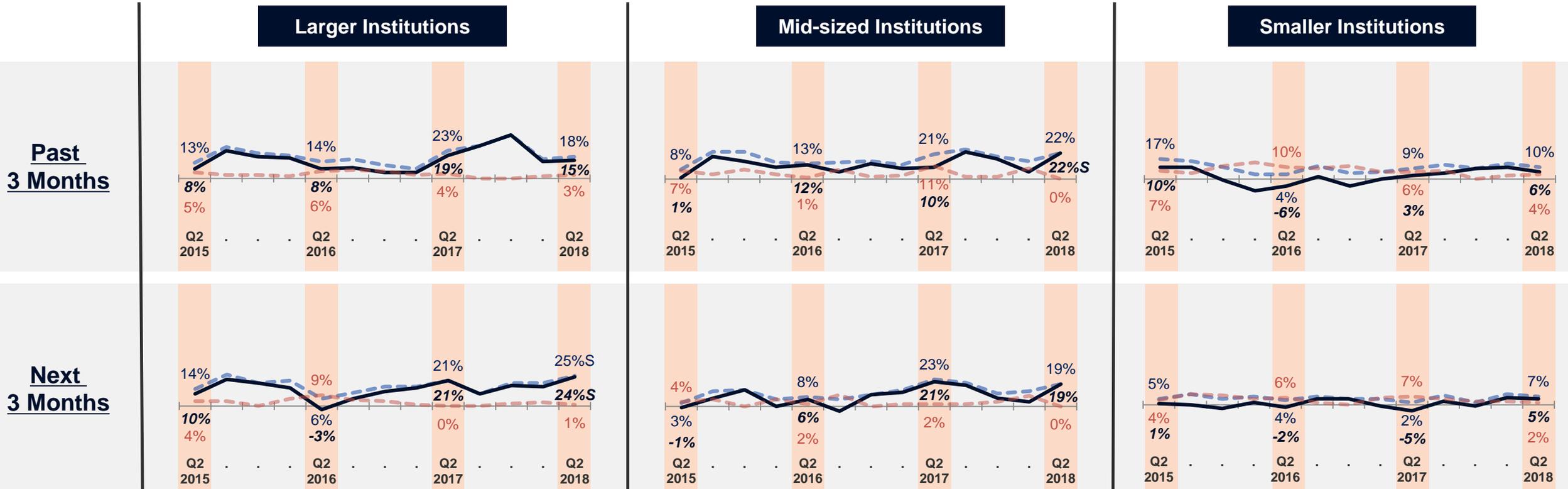
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M/D/C - Denote a % is significantly higher than the institution type group that the letter represents at the 95% confidence level

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
 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

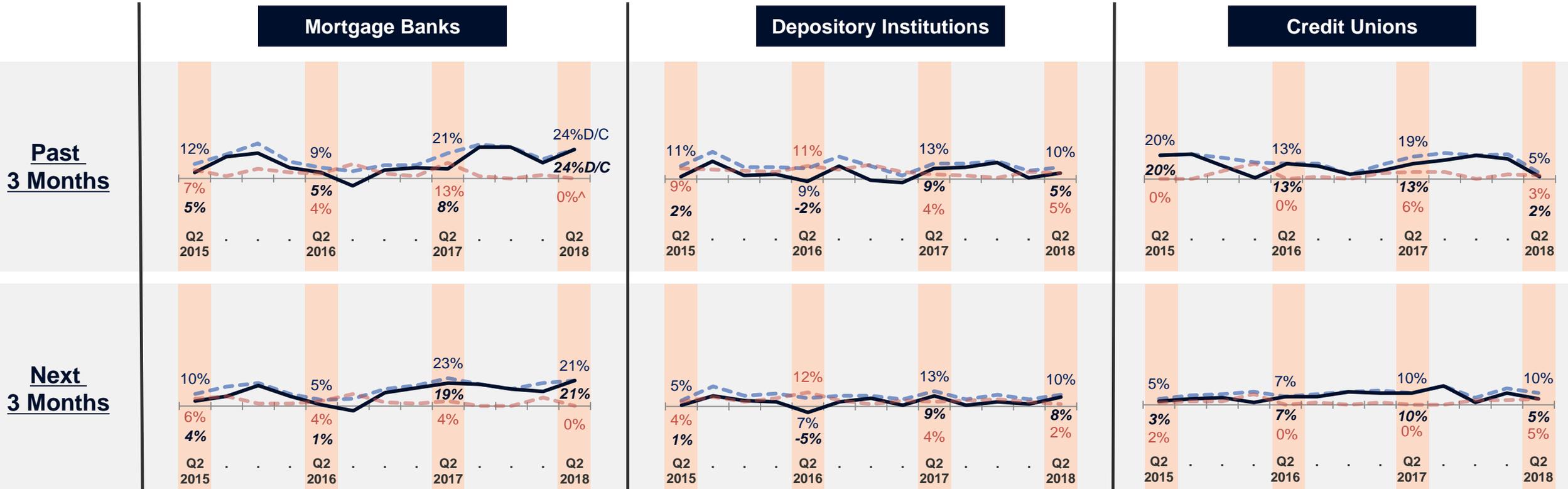
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Net Ease + = % of lenders saying up minus % of lenders saying down
The % saying "stay the same" is not shown



Credit Standards: Non-GSE Eligible (by institution 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

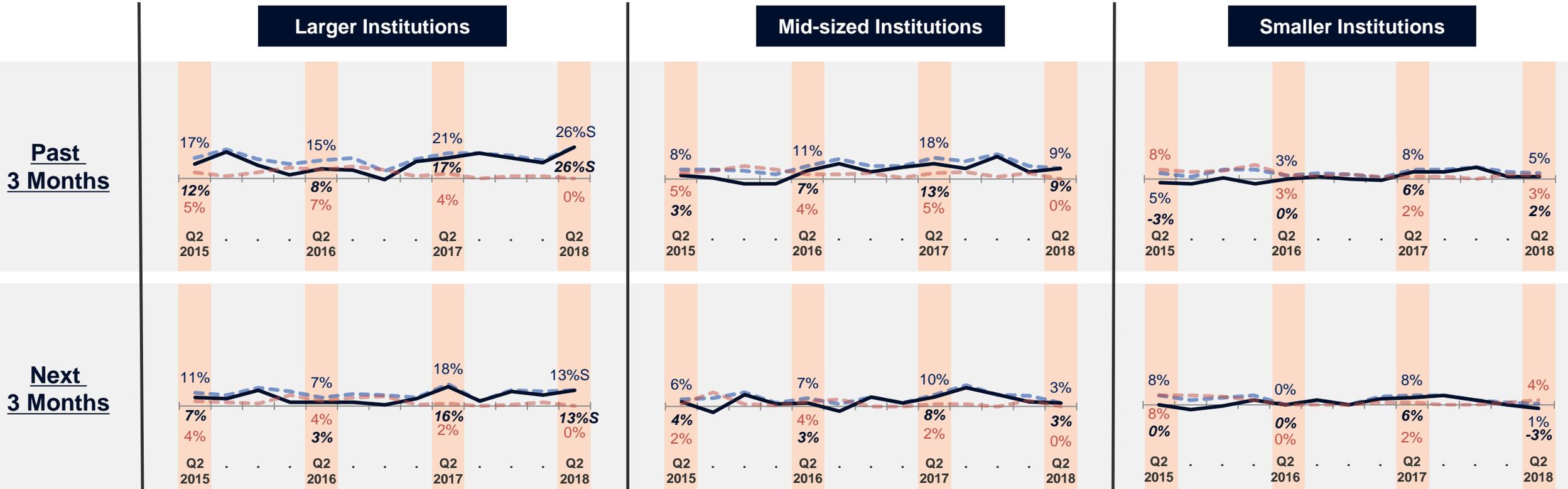
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 The % saying "stay the same" is not shown



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
 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

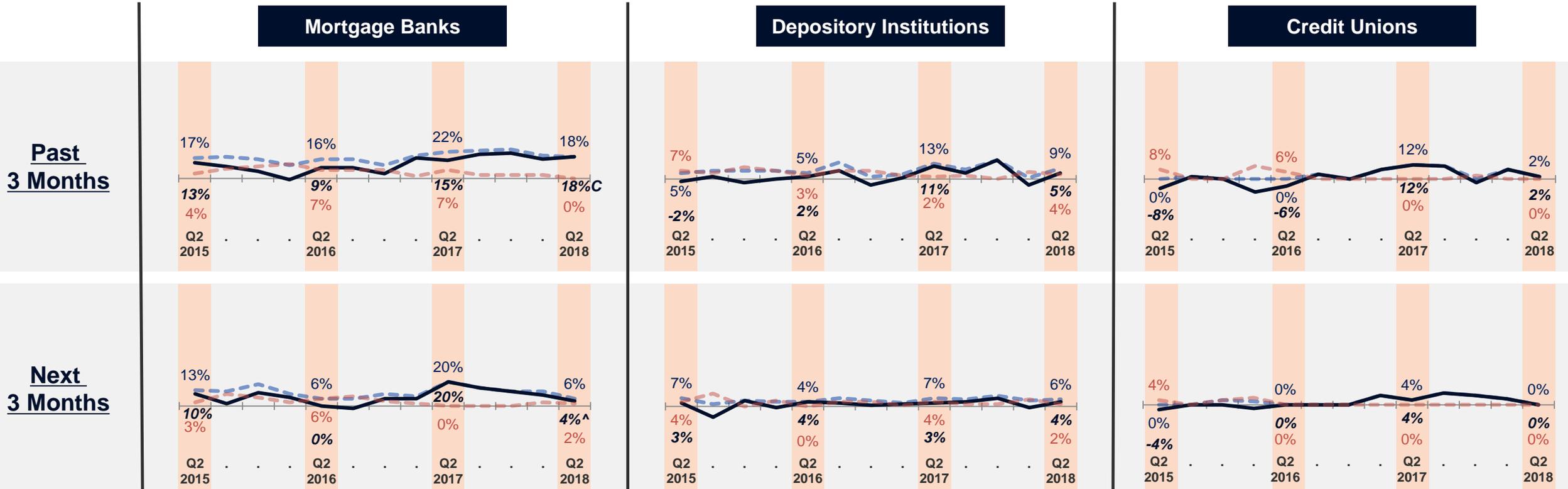
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Credit Standards: Government (by institution type)



--- 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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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
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Credit Standards: Drivers of Change (selected verbatim)

Drivers of Loosening Change

Drivers of Tightening Change

Past 3 Months

N=25

- Reduction of overlays/Changes to guidelines
- Portfolio/Strategic changes
- 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)

"No significant changes to policy, except some relaxing of historic overlays on FHA." – *Larger Institution*

"Decreased volume and competitive pressure." – *Mid-sized Institution*

"Extremely low delinquencies in our portfolio, positive economic activities and the tax cut is not contemplated in current underwriting." – *Smaller Institution*

"Standards for protecting from potential loss and REO." – *Smaller Institution*

"All the moratorium offered by lenders and uncertainty within the government as well as people moving to the states." – *Smaller Institution*

"Most recent DU update." – *Smaller Institution*

Next 3 Months

N=17

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

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)

"Continued expansion by non QM investors." – *Larger Institution*

"Competitive market conditions for Jumbo." – *Larger Institution*

"GSE changes to programs. Increase in use of Day 1 Certainty." – *Mid-sized Institution*

"Starting to see excessive competition in the market on credit. We will likely tighten credit slowly because of the irrational competitors." – *Larger Institution*

"Review of and response to recent delinquency trends." – *Smaller Institution*

"Higher rates make it even more challenging to approve lower credit score customers." – *Smaller Institution*

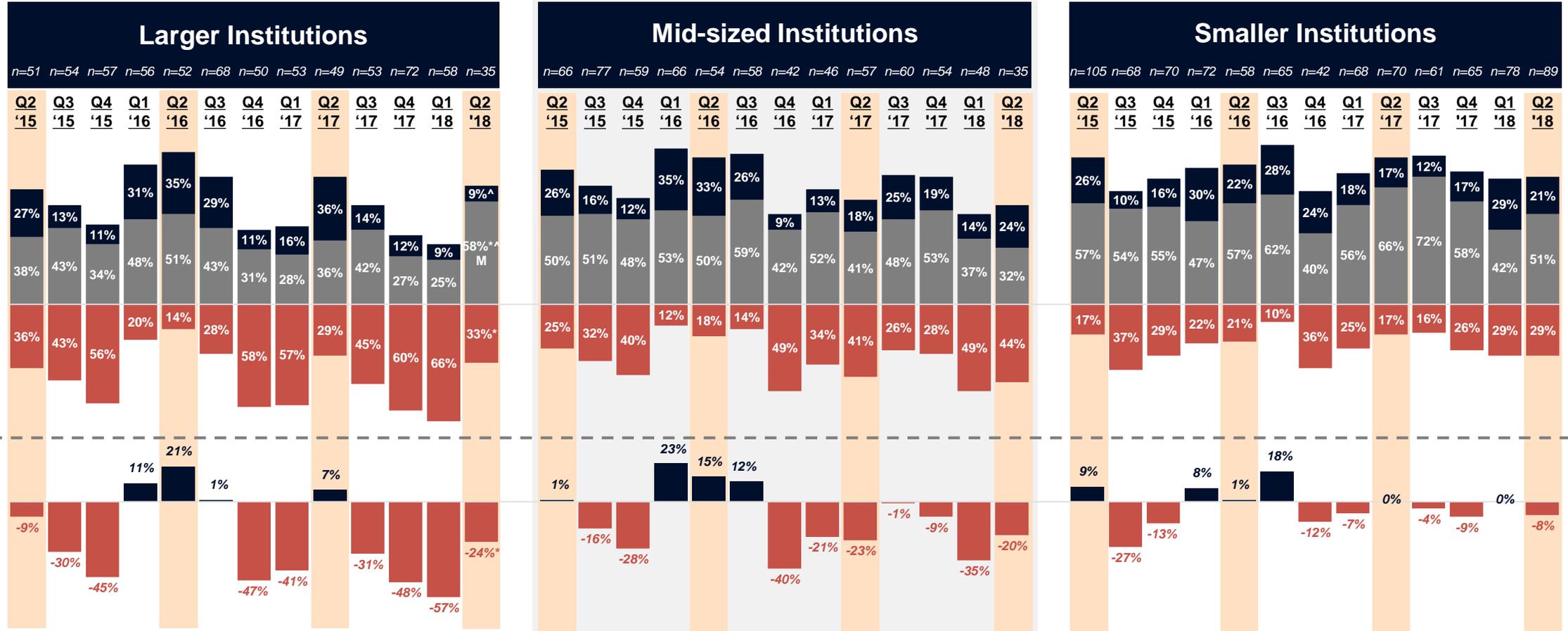


Appendix

Profit Margin Outlook



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



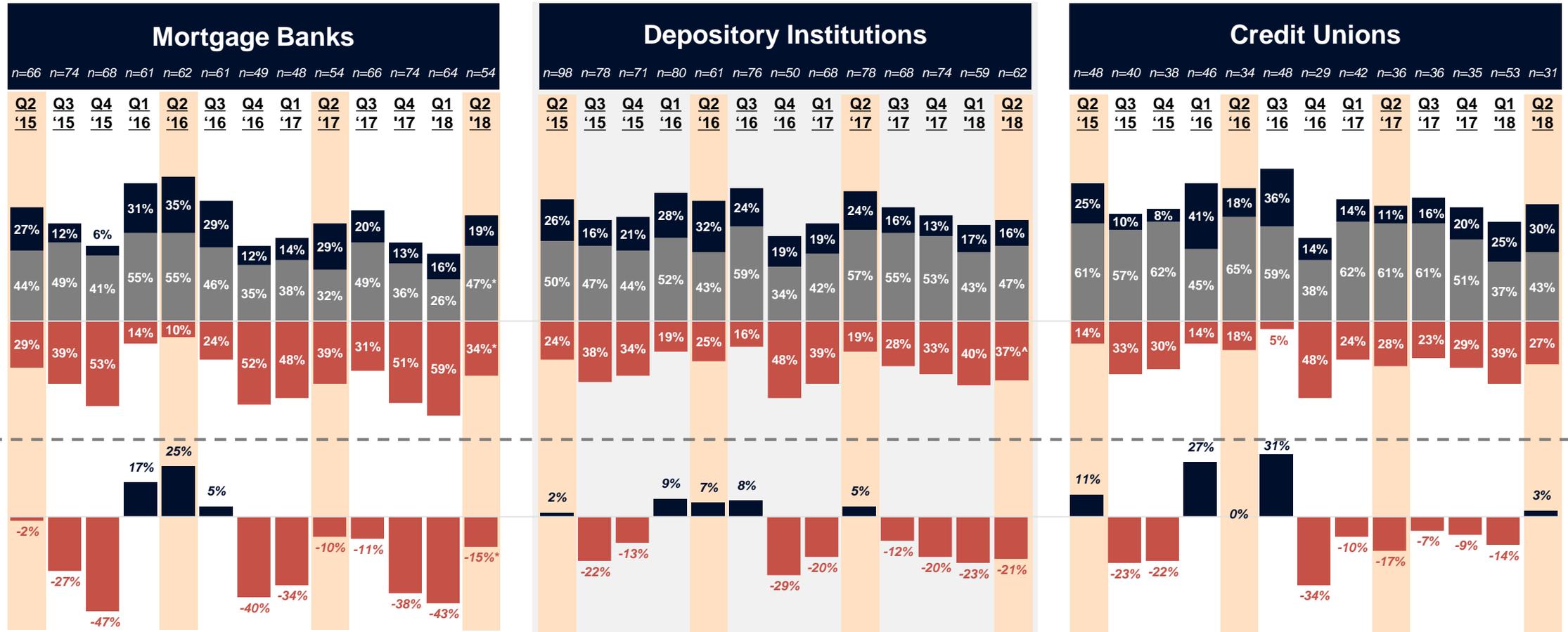
Q: Over the next three months, how much do you expect your firm's profit margin to change for its single-family mortgage production? [Showing: (Substantially Increase (25+ basis points) + Moderately Increase (5 - 25 basis points)), About the same (0 - 5 basis points), (Moderately Decrease (5 - 25 basis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

* Denotes a statistically significant change compared with Q1 2018 (previous quarter)
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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



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



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	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
N=	49	54	20	26	40	30	29	34	30
Operational efficiency (i.e., technology)	42%	54%	42%	55%	59%	51%	62%	43%	58%
Consumer demand	69%	49%	18%	44%	40%	42%	22%	34%	56%
Market trend changes (i.e. shift from refinance to purchase)	33%	27%	40%	33%	33%	28%	34%	41%	31%
Non-GSE (other investors) pricing and policies	2%	4%	11%	7%	3%	17%	13%	8%	15%
Staffing (personnel costs) reduction	12%	14%	33%	9%	8%	17%	16%	15%	13%
GSE pricing and policies	10%	17%	20%	19%	13%	11%	36%	29%	11%
Government monetary or fiscal policy	5%	5%	6%	7%	6%	9%	3%	6%	4%
Servicing cost reduction	4%	4%	0%	0%	12%	4%	3%	4%	4%
Government regulatory compliance	2%	2%	6%	0%	2%	7%	0%	6%	0%
Marketing expense reduction	4%	11%	11%	5%	3%	3%	2%	4%	0%
Less competition from other lenders	11%	10%	11%	9%	10%	6%	2%	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.

* Denotes a statistically significant change compared with Q1 2018 (previous quarter)
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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	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
N=	29	33	64	63	49	49	75	85	52
Competition from other lenders	44%	46%	39%	66%	71%	74%	75%	78%	78%
Market trend changes (i.e. shift from refinance to purchase)	8%	23%	43%	51%	26%	15%	19%	35%	31%
Consumer demand	6%	21%	26%	10%	18%	35%	30%	22%	19%
Staffing (personnel costs)	12%	31%	19%	7%	21%	17%	29%	12%	19%
Operational efficiency (i.e. technology)	10%	9%	6%	7%	10%	13%	8%	7%	12%
Government monetary or fiscal policy	16%	5%	16%	10%	9%	7%	7%	12%	9%
Government regulatory compliance	67%	39%	18%	21%	20%	19%	13%	6%	9%
GSE pricing and policies	22%	6%	20%	13%	9%	7%	5%	10%	8%
Non-GSE (other investors) pricing and policies	10%	4%	7%	8%	10%	0%	3%	8%	8%
Servicing costs	0%	9%	2%	2%	0%	2%	4%	3%	2%
Marketing expenses	3%	6%	0%	4%	4%	4%	2%	4%	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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^ Denotes a statistically significant change compared with Q2 2017 (same quarter of last year)



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)