



## Mortgage Lender Sentiment Survey Questionnaire Quarterly Tracking Study – Q2 2020

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

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

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

### **NHS Questions**

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

***/\* Q1 \*/*** In general, do you, as a senior mortgage executive, think the U.S. economy overall is on the right track or the wrong track?

- 1) Right track
- 2) Wrong track
- 3) Don't know

***/\* Q1A \*/*** Do you think it is very difficult, somewhat difficult, somewhat easy, or very easy for consumers to get a home mortgage today?

- 1) Very difficult
- 2) Somewhat difficult
- 3) Somewhat easy
- 4) Very easy
- 5) Don't know

***/\* Q2 \*/*** Nationally, during the next 12 months, do you, as a senior mortgage executive, think home prices in general will go up, go down, or stay the same as where they are now?

- 1) Go up
- 2) Go down
- 3) Stay the same
- 4) Don't know

***/\* Q4a \*/ ## IF Q2=C1 ##*** By about what percent do you, as a senior mortgage executive, think home prices nationally will go up on average over the next 12 months? ***/\* OPEN END NUMERIC (0 TO 100) \*/***

***/\* Q5a \*/ ## IF Q2=C2 ##*** By about what percent do you, as a senior mortgage executive, think home prices nationally will go down on average over the next 12 months? ***/\* OPEN END NUMERIC (0 TO 100) \*/***



## Consumer Demand

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

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

**/\* METRIC A \*/** Over the past three months, apart from normal seasonal variation, did your firm's consumer demand for single-family purchase mortgages go up, go down, or stay the same?

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

### **Consumer Demand for Purchase Mortgages for the Past 3 Months**

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

### **/\* REPEAT CODES \*/**

**/\* Q6a \*/** Purchase - [**/\* GSE Eligible \*/**] [- GSE Eligible Mortgages are defined as mortgages meeting the underwriting guidelines, including loan limit amounts, of the Government-Sponsored Enterprises (GSEs) (Fannie Mae and Freddie Mac). Exclude Government loans from this category. -]

**/\* Q6b \*/** Purchase - [**/\* Non-GSE Eligible \*/**] [- Non-GSE Eligible Mortgages are defined as mortgages that do not meet the GSE guidelines for purchase. These loans typically require larger down payments and may carry higher interest rates than GSE loans. Exclude Government loans from this category. -]

**/\* Q6c \*/** Purchase - [**/\* Government \*/**] [- Government Mortgages primarily include Federal Housing Administration (FHA) and the Department of Veterans Affairs (VA) insured loans but also includes other programs such as Rural Housing Guaranteed and Direct loans. -]

### **/\* END SERIES \*/**

**/\* Q7 \*/** ## IF (Q6a=c1, c2, c4, c5) OR (Q6b= c1, c2, c4, c5) OR (Q6c= c1, c2, c4, c5) ## What do you think drove the change in your firm's consumer demand for single family purchase mortgages over the past three months? Please be as specific as possible. (Optional) **/\* OPEN END 1 BOXES 0 REQ \*/**



**/\* METRIC A \*/ Now, let's focus on the purchase mortgages over the next three months.**

Over the next three months, apart from normal seasonal variation, do you expect your firm's consumer demand for single-family purchase mortgages to go up, go down, or stay the same?

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

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

**/\* REPEAT CODES \*/**

**/\* Q14a \*/ Purchase - [/\* GSE Eligible \*/] [- GSE Eligible Mortgages are defined as mortgages meeting the underwriting guidelines, including loan limit amounts, of the Government-Sponsored Enterprises (GSEs) (Fannie Mae and Freddie Mac). Exclude Government loans from this category. -]**

**/\* Q14b \*/ Purchase - [/\* Non-GSE Eligible \*/] [- Non-GSE Eligible Mortgages are defined as mortgages that do not meet the GSE guidelines for purchase. These loans typically require larger down payments and may carry higher interest rates than GSE loans. Exclude Government loans from this category. -]**

**/\* Q14c \*/ Purchase - [/\* Government \*/] [- Government Mortgages primarily include Federal Housing Administration (FHA) and the Department of Veterans Affairs (VA) insured loans but also includes other programs such as Rural Housing Guaranteed and Direct loans. -]**

**/\* END SERIES \*/**

**/\* METRIC A \*/ ## IF Q14a=C1, C2 ## You mentioned that you expect your firm's consumer demand for GSE eligible loans will go up over the next three months. Which of the following housing marketplace factors do you think will drive the demand to go up? Please select up to two of the most important reasons and rank them in order of importance. **/\* RANDOM ROTATE CHOICES \*/****

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

**/\* REPEAT CODES \*/**

**/\* Q46a \*/ 1 - Most important**

**/\* Q46b \*/ 2 - Second most important**

**/\* END SERIES \*/**



***/\* METRIC A \*/ ## IF Q14a=C4, C5 ##*** You mentioned that you expect your firm's consumer demand for **GSE** eligible loans will go down over the next three months. Which of the following housing marketplace factors do you think will drive the demand down? Please select up to two of the most important reasons and rank them in order of importance. ***/\* RANDOM ROTATE CHOICES \*/***

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

***/\* REPEAT CODES \*/***

***/\* Q47a \*/*** 1 - Most important

***/\* Q47b \*/*** 2 - Second most important

***/\* END SERIES \*/***

***/\* METRIC A \*/ ## IF Q14b=C1, C2 ##*** You mentioned that you expect your firm's consumer demand for **Non-GSE** eligible loans will go up over the next three months. Which of the following housing marketplace factors do you think will drive the demand to go up? Please select up to two of the most important reasons and rank them in order of importance. ***/\* RANDOM ROTATE CHOICES \*/***

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

***/\* REPEAT CODES \*/***

***/\* Q49a \*/*** 1 - Most important

***/\* Q49b \*/*** 2 - Second most important

***/\* END SERIES \*/***



**/\* METRIC A \*/ ## IF Q14b=C4, C5 ##** 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. **/\* RANDOM ROTATE CHOICES \*/**

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

**/\* REPEAT CODES \*/**

**/\* Q50a \*/** 1 - Most important

**/\* Q50b \*/** 2 - Second most important

**/\* END SERIES \*/**

**/\* METRIC A \*/ ## IF Q14c=C1, C2 ##** 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. **/\* RANDOM ROTATE CHOICES \*/**

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

**/\* REPEAT CODES \*/**

**/\* Q51a \*/** 1 - Most important

**/\* Q51b \*/** 2 - Second most important

**/\* END SERIES \*/**



**/\* METRIC A \*/ ## IF Q14c=C4, C5 ##** You mentioned that you expect your firm's consumer demand for **government** loans will go down over the next three months. Which of the following housing marketplace factors do you think will drive the demand down? Please select up to two of the most important reasons and rank them in order of importance. **/\* RANDOM ROTATE CHOICES \*/**

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

**/\* REPEAT CODES \*/**

**/\* Q52a \*/** 1 - Most important

**/\* Q52b \*/** 2 - Second most important

**/\* END SERIES \*/**

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

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

**/\* METRIC A \*/** Over the past three months, apart from normal seasonal variation, did your firm's consumer demand for single-family refinance mortgages go up, go down, or stay the same?

#### **Consumer Demand for Refinance Mortgages for the Past 3 Months**

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

**/\* REPEAT CODES \*/**

**/\* Q10a \*/** Refinance - **/\* GSE Eligible \*/** [- GSE Eligible Mortgages are defined as mortgages meeting the underwriting guidelines, including loan limit amounts, of the Government-Sponsored Enterprises (GSEs) (Fannie Mae and Freddie Mac). Exclude Government loans from this category. -]

**/\* Q10b \*/** Refinance - **/\* Non-GSE Eligible \*/** [- Non-GSE Eligible Mortgages are defined as mortgages that do not meet the GSE guidelines for purchase. These loans typically require larger down payments and may carry higher interest rates than GSE loans. Exclude Government loans from this category. -]



**/\* Q10c \*/ Refinance - [ \* Government \* ] [- Government Mortgages primarily include Federal Housing Administration (FHA) and the Department of Veterans Affairs (VA) insured loans but also includes other programs such as Rural Housing Guaranteed and Direct loans. -]**

**/\* END SERIES \*/**

**/\* DISPLAY \*/ Now, let's focus on the refinance mortgages over the next three months.**

**/\* METRIC A \*/ Over the next three months, apart from normal seasonal variation, do you expect your firm's consumer demand for single-family refinance mortgages to go up, go down, or stay the same?**

### **Consumer Demand for Refinance Mortgages for the Next 3 Months**

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

**/\* REPEAT CODES \*/**

**/\* Q18a \*/ Refinance - [ \* GSE Eligible \* ] [- GSE Eligible Mortgages are defined as mortgages meeting the underwriting guidelines, including loan limit amounts, of the Government-Sponsored Enterprises (GSEs) (Fannie Mae and Freddie Mac). Exclude Government loans from this category. -]**

**/\* Q18b \*/ Refinance - [ \* Non-GSE Eligible \* ] [- Non-GSE Eligible Mortgages are defined as mortgages that do not meet the GSE guidelines for purchase. These loans typically require larger down payments and may carry higher interest rates than GSE loans. Exclude Government loans from this category. -]**

**/\* Q18c \*/ Refinance - [ \* Government \* ] [- Government Mortgages primarily include Federal Housing Administration (FHA) and the Department of Veterans Affairs (VA) insured loans but also includes other programs such as Rural Housing Guaranteed and Direct loans. -]**

**/\* END SERIES \*/**

### **Profit Margin**

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**/\* DISPLAY \*/ Now you will see some questions regarding your firm's 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?**

- 1) Increase significantly (25+ basis points)
- 2) Increase somewhat (5 - 25 basis points)
- 3) Remain about the same (0 - 5 basis points)
- 4) Decrease somewhat (5 - 25 basis points)
- 5) Decrease significantly (25+ basis points)
- 6) Not sure/Prefer not to answer/Not applicable



**/\* METRIC A \*/ ## IF Q22=4,5 ##** 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. **/\* RANDOM ROTATE CHOICES \*/**

- 1) Consumer demand
- 2) Competition from other lenders
- 3) Government monetary or fiscal policy
- 4) Government regulatory compliance
- 5) GSE pricing and policies
- 6) Non-GSE (other investors) pricing and policies
- 7) Operational efficiency (i.e. technology)
- 8) Staffing (personnel costs)
- 9) Marketing expenses
- 10) Servicing costs
- 11) Market trend changes (i.e. shift from refinance to purchase)
- 12) Other **/\* SPECIFY \*/ /\* DO NOT ROTATE \*/**

**/\* REPEAT CODES \*/**

**/\* Q24a \*/** 1 - Most important

**/\* Q24b \*/** 2 - Second most important

**/\* END SERIES \*/**

**/\* METRIC A \*/ ## IF Q22=1,2 ##** 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. **/\* RANDOM ROTATE CHOICES \*/**

- 1) Consumer demand
- 2) Less competition from other lenders
- 3) Government monetary or fiscal policy
- 4) Government regulatory compliance
- 5) GSE pricing and policies
- 6) Non-GSE (other investors) pricing and policies
- 7) Operational efficiency (i.e. technology)
- 8) Staffing (personnel costs) reduction
- 9) Marketing expense reduction
- 10) Servicing cost reduction
- 11) Market trend changes (i.e. shift from refinance to purchase)
- 12) Other **/\* SPECIFY \*/ /\* DO NOT ROTATE \*/**

**/\* REPEAT CODES \*/**

**/\* Q26a \*/** 1 - Most important

**/\* Q26b \*/** 2 - Second most important

**/\* END SERIES \*/**

**/\* Q53a \*/ ## IF Q24a=c11 OR Q24b=c11 ##** You mentioned earlier that "market trend changes" is an important factor for your firm's profit margin to decrease. What market trend changes are you seeing? Please share details with us. (Optional) **/\* OPEN END 1 BOXES 0 REQ \*/**





**/\* Q53b \*/ ## Q26a=c11 OR Q26b=c11 ##** You mentioned earlier that “market trend changes” is an important factor for your firm’s profit margin to increase. What market trend changes are you seeing? Please share details with us. (Optional) **/\* OPEN END 1 BOXES 0 REQ \*/**

## **Credit Standards**

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

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

Over the past three months, how did your firm’s credit standards for approving consumer applications for mortgage loans change (across both purchase mortgages and refinance mortgages)? Please answer for GSE Eligible mortgages, Non-GSE Eligible mortgages, and Government mortgages.

### **Credit Standards over the Past 3 Months**

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

**/\* REPEAT CODES \*/**

**/\* Q27a \*/ [ \* GSE Eligible \* ]** [- GSE Eligible Mortgages are defined as mortgages meeting the underwriting guidelines, including loan limit amounts, of the Government-Sponsored Enterprises (GSEs) (Fannie Mae and Freddie Mac). Exclude Government loans from this category. -]

**/\* Q27b \*/ [ \* Non-GSE Eligible \* ]** [- Non-GSE Eligible Mortgages are defined as mortgages that do not meet the GSE guidelines for purchase. These loans typically require larger down payments and may carry higher interest rates than GSE loans. Exclude Government loans from this category. -]

**/\* Q27c \*/ [ \* Government \* ]** [- Government Mortgages primarily include Federal Housing Administration (FHA) and the Department of Veterans Affairs (VA) insured loans but also includes other programs such as Rural Housing Guaranteed and Direct loans. -]

**/\* END SERIES \*/**

**/\* Q28 \*/ ## IF ANY (Q27a, Q27b, Q27c) = c1,c2,c4,c5 ##** What do you think drove the change in your firm’s credit standards for approving consumer applications for purchase and refinance mortgage loans over the last three months? Please be as specific as possible. (Optional) **/\* OPEN END 1 BOXES 0 REQ \*/**



**/\* DISPLAY \*/ Now let's focus on the next three months.**

**/\* METRIC A \*/** Over the next three months, how do you expect your firm's credit standards for approving applications from individuals for mortgage loans to change (across purchase mortgages and refinance mortgages)?

**Credit Standards over the Next 3 Months**

- 1) Ease considerably
- 2) Ease somewhat
- 3) Remain basically unchanged
- 4) Tighten somewhat
- 5) Tighten considerably
- 6) Not applicable

**/\* REPEAT CODES \*/**

**/\* Q31a \*/** **/\* GSE Eligible \*/** [- GSE Eligible Mortgages are defined as mortgages meeting the underwriting guidelines, including loan limit amounts, of the Government-Sponsored Enterprises (GSEs) (Fannie Mae and Freddie Mac). Exclude Government loans from this category. -]

**/\* Q31b \*/** **/\* Non-GSE Eligible \*/** [- Non-GSE Eligible Mortgages are defined as mortgages that do not meet the GSE guidelines for purchase. These loans typically require larger down payments and may carry higher interest rates than GSE loans. Exclude Government loans from this category. -]

**/\* Q31c \*/** **/\* Government \*/** [- Government Mortgages primarily include Federal Housing Administration (FHA) and the Department of Veterans Affairs (VA) insured loans but also includes other programs such as Rural Housing Guaranteed and Direct loans. -]

**/\* END SERIES \*/**

**/\* Q32 \*/** **## IF ANY (Q31a, Q31b, Q31c) = c1,c2,c4,c5 ##** 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) **/\* OPEN END 1 BOXES 0 REQ \*/**



## Rotating Questions – Business Priorities and Strategies

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**/\* DISPLAY \*/** In this section, we would like to gather your views about your firm's business priorities for 2020 and challenges faced in response to COVID-19.

**/\* METRIC A \*/** To maintain or improve your competitiveness in the marketplace, what are your firm's two most important business priorities for 2020? Please select up to two most important priorities and rank them in order of importance.

**/\* RANDOM ROTATE CHOICES \*/**

1. Consumer-facing technology
2. Back-end process technology
3. Marketing
4. Talent management and leadership
5. New products or services
6. Data analytics and business intelligence
7. Regulation and compliance
8. Business process streamlining
9. Cost cutting
10. Other **/\* SPECIFY \*/ /\* DO NOT ROTATE \*/**

**/\* GRID \*/**

**/\* QR391a \*/** Most important priority

**/\* QR391b \*/** Second most important priority

**/\* END GRID \*/**

**/\* START PAGE \*/**

**/\* QR392a \*/ ## IF QR391a=1 or QR392b=1 ##** You mentioned that **consumer-facing technology** is a top priority for your firm. What technologies are you planning to invest in? What do you want to achieve? Has COVID-19 had an impact on making this a priority? (Optional) **/\* OPEN END 1 BOXES 0 REQ \*/**

**/\* QR392b \*/ ## IF QR391a=2 or QR391b=2 ##** You mentioned **back-end process technology** is a top priority for your firm. What technologies are you planning to invest in? What do you want to achieve? Has COVID-19 had an impact on making this a priority? (Optional) **/\* OPEN END 1 BOXES 0 REQ \*/**

**/\* QR392c \*/ ## IF QR391a=3 or QR391b=3 ##** You mentioned **marketing** is a top priority for your firm. Could you please share some details about why it is a top priority? What do you want to achieve? Has COVID-19 had an impact on making this a priority? (Optional) **/\* OPEN END 1 BOXES 0 REQ \*/**

**/\* QR392d \*/ ## IF QR391a=4 or QR391b=4 ##** You mentioned **talent management & leadership** is a top priority for your firm. Could you please share some details about why it is a top priority? What do you want to achieve? Has COVID-19 had an impact on making this a priority? (Optional) **/\* OPEN END 1 BOXES 0 REQ \*/**

**/\* QR392e \*/ ## IF QR391a=5 or QR391b=5 ##** You mentioned **new products or services** is a top priority for your firm. Could you please share some details about why it is a top priority? What do you want to achieve? Has COVID-19 had an impact on making this a priority? (Optional) **/\* OPEN END 1 BOXES 0 REQ \*/**



**/\* QR392f \*/ ## IF QR391a=6 or QR391b=6 ##** You mentioned **data analytics and business intelligence** is a top priority for your firm. Could you please share some details about why it is a top priority? What do you want to achieve? Has COVID-19 had an impact on making this a priority? (Optional) **/\* OPEN END 1 BOXES 0 REQ \*/**

**/\* QR392g \*/ ## IF QR391a=7 or QR391b=7 ##** You mentioned **regulation and compliance** is a top priority for your firm. Could you please share some details about why it is a top priority? What do you want to achieve? Has COVID-19 had an impact on making this a priority? (Optional) **/\* OPEN END 1 BOXES 0 REQ \*/**

**/\* QR392h \*/ ## IF QR391a=8 or QR391b=8 ##** You mentioned **business process streamlining** is a top priority for your firm. Please share some details. What mortgage processes are you trying to streamline? What do you want to achieve? Has COVID-19 had an impact on making this a priority? (Optional) **/\* OPEN END 1 BOXES 0 REQ \*/**

**/\* QR392i \*/ ## IF QR391a=10 or QR391b=10 ##** You mentioned **/\* [INSERT QR296a=10] \*/** is a top priority for your firm. Could you please share some details about why it is a top priority? What do you want to achieve? Has COVID-19 had an impact on making this a priority? (Optional) **/\* OPEN END 1 BOXES 0 REQ \*/**

**/\* END PAGE \*/**

**/\* METRIC A \*/ ## IF QR391a=9 or QR391b=9 ##** You mentioned that **cost cutting** would be a top priority for your organization to maintain or improve competitiveness. In which areas do you expect to cut costs? Please select up to two areas.

**/\* RANDOM ROTATE CHOICES \*/**

1. Corporate IT
2. Consumer-facing technology
3. Back-end processing technology
4. Loan officers
5. Back-office staff
6. Marketing outreach
7. Talent development/training
8. Compliance/legal
9. Data analytics and business intelligence
10. General and administrative (G&A) expenses such as facilities and equipment
11. Other **/\* SPECIFY \*/ /\* DO NOT ROTATE \*/**

**/\* GRID \*/**

**/\* QR393a \*/ Top Area to Cut Cost**

**/\* QR393b \*/ Second Area to Cut Cost**

**/\* END GRID \*/**

**/\* METRIC A \*/** Listed below are some digital applications for loan origination. For each, please indicate the degree to which your firm has seen consumers' usage increase or decrease in response to the COVID-19 outbreak.

- 1) Has increased significantly
- 2) Has increased somewhat



- 3) No impact
- 4) Has decreased somewhat
- 5) Has decreased significantly

**/\* GRID \*/ /\* RANDOM ROTATE SERIES \*/**

**/\* QR394 \*/ Video Meetings:** Borrowers communicate via webcam with personnel at your firm

**/\* QR395 \*/ Online Chat:** Borrowers communicate via chat apps or live chat on website with personnel at your firm

**/\* QR396 \*/ Online Application:** Borrowers enter information and upload financial documents online

**/\* QR397 \*/ Third-Party Data Aggregation Service:** Borrowers authorize financial data aggregation service providers (e.g., Finicity, Plaid, & Yodlee) to provide their financial data to lenders

**/\* QR398 \*/ Electronic Verification:** Borrowers authorize lenders to electronically verify income, employment, and assets

**/\* QR399 \*/ Remote Online Notary (RON) Closing:** Borrowers review and sign closing documents electronically while their identity is verified by a notary via webcam

**/\* END GRID \*/**

**/\* METRIC A \*/** Listed below are some challenges presented by COVID-19. What are the biggest challenges your loan origination business has faced? Please select up to three biggest challenges and rank them in order of importance.

**/\* RANDOM ROTATE CHOICES \*/**

1. Health and safety of staff
2. Maintaining productivity (e.g., remote working constraints or staggering work schedules and people placement to achieve social distancing)
3. Increased strain on technology infrastructure
4. Gaining clarifications from secondary-market investors on loan eligibility guidelines
5. Supply-chain disruption on loan origination such as employment verification, appraisals, and titles
6. Information security
7. Liquidity issues in managing pipelines
8. Transitioning traditionally in-person processes to digital (e.g., financial data collection and verification, and closing)
9. Internal and/or external crisis management communication
10. Adequate capacity to handle inquiries and update borrowers on their loan origination status
11. Other **/\* SPECIFY \*/ /\* DO NOT ROTATE \*/**

**/\* GRID \*/**

**/\* QR400a \*/ Biggest challenge**

**/\* QR400b \*/ Second biggest challenge**

**/\* QR400c \*/ Third biggest challenge**

**/\* END GRID \*/**

**/\* QR401 \*/** You mentioned that **/\* [INSERT FROM QR400A] \*/** is the biggest challenge for your firm. Could you please share some details about why? (Optional) **/\* OPEN END 1 BOXES 0 REQ \*/**

**/\* QR402 \*/** Does your firm retain MSRs (Mortgage Servicing Rights), servicing loans either in-house or via a sub-servicer?



- 1) Yes
- 2) No

**/\* METRIC A \*/ ## IF QR402=1 ##** Listed below are some challenges presented by COVID-19 for mortgage servicing. What are the two biggest challenges your servicing business has faced? Please select up to two biggest challenges and rank them in order of importance.

**/\* RANDOM ROTATE CHOICES \*/**

1. Gaining clarifications on forbearance programs
2. Those taking advantage of the situation
3. Adequate capacity to handle questions and relief requests from distressed borrowers
4. Liquidity issues resulting from payments advanced during forbearance
5. Financial/capital strain due to declining value of MSR's (Mortgage Servicing Rights)
6. Understanding and meeting evolving compliance requirements regarding mortgage customer relief
7. Understanding and navigating post-forbearance options for distressed borrowers
8. Building capacity to handle potential increases in collection and default servicing costs
9. Other **/\* SPECIFY \*/ /\* DO NOT ROTATE \*/**

**/\* GRID \*/**

**/\* QR403a \*/ Biggest challenge**

**/\* QR403b \*/ Second biggest challenge**

**/\* END GRID \*/**

**/\* QR404 \*/** You mentioned that **/\* [INSERT FROM QR403A] \*/** is the biggest challenge for your firm. Could you please share some details about why? (Optional) **/\* OPEN END 1 BOXES 0 REQ \*/**

**/\* QR405 \*/ ## IF QR402=1 ##** Which of the following best describes your firm's status in developing a digital portal allowing borrowers to request or activate simple relief options themselves on a self-service basis (including a declaration of their hardship)?

- 1) We currently offer a digital portal
- 2) We are in the process of developing a digital portal
- 3) We plan to develop a digital portal
- 4) We do not offer nor plan to develop a digital portal

**/\* Q43 \*/** This is the last question. Are there other topics that you think would be interesting or useful to be included in the future quarterly survey among senior mortgage executives like yourself? (Optional) **/\* OPEN END 1 BOXES 0 REQ \*/**

**/\* DISPLAY \*/** This now completes the survey. We really appreciate you taking the time to contribute to this important industry research.

You can find the previous quarters' results as well as special topic analyses on the [Mortgage Lender Sentiment Survey®](#) page on FannieMae.com.

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



At this point, you may close your browser window or **click below** to enter your email address if you would like to receive a copy of the Q2 2020 Mortgage Lender Sentiment Survey<sup>®</sup> report when it's released. To ensure that your survey responses remain anonymous, after clicking on the link you will be directed to a separate website to enter your email address.