Mortgage Lender Sentiment Survey®

Providing Insights Into Current Lending Activities and Market Expectations

Q4 2020 Full Report – published December 9, 2020

Fannie Mae®

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Key Findings – Q4 2020

The latest survey showed signs of continued optimism for the mortgage industry with strong mortgage demand reported, but lenders now expect less profitability and further tightening of credit standards moving into 2021.

Mortgage Demand

- For purchase mortgages, the net share of lenders reporting demand growth over the past three months rose across GSE-eligible and government loans, reaching a new survey high for GSE-eligible loans and the highest fourth quarter reading for government loans. Looking ahead to the next three months, demand expectations fell from last quarter, but GSE-eligible and government loan expectations reached the highest readings for any fourth quarter in the survey's history (since 2014).

- For refinance mortgages, the net share of lenders reporting refinance demand growth over the prior three months dipped slightly across all loan types from last quarter. Refinance demand growth expectations on net for the next three months fell significantly from last quarter across all loan types but remain similar to the levels seen in Q4 2019.

Profit Margin Outlook

- Lenders' net profit margin outlook declined significantly this quarter, with a higher share of lenders expecting profit margins to decrease. "Competition from other lenders" and "GSE pricing and policies" were cited as the top reasons by those lenders expecting lower profit margins.

Credit Standards

- On net, lenders continued to report that credit standards tightened for the prior three months, though significantly less so compared to last quarter. Most lenders expect credit standards to stay about the same for the next three months.

Objectives of Mortgage Lender Sentiment Survey®

The Mortgage Lender Sentiment Survey® (MLSS), 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

- CONDO Mortgage Lending Opportunities
- COVID-19 Challenges and Lender Business Priorities
- Impact of Technology on Lender Workforce Management
- Business Priorities and Industry Competition
- APIs and Mortgage Lending
- Artificial Intelligence for Mortgage Lending

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

Q4 2020 Respondent Sample and Groups

The current analysis is based on fourth quarter 2020 data collection. For Q4 2020, a total of 222 senior executives completed the survey between October 27-November 8, representing 202 lending institutions.*

Lender Size Groups**

HIGHER loan origination volume

Larger Institutions
Top 15% of lenders

100%

85%

Mid-sized Institutions
Top 16 - 35% of lenders

65%

Smaller Institutions
Bottom 65% of lenders

LOWER loan origination volume
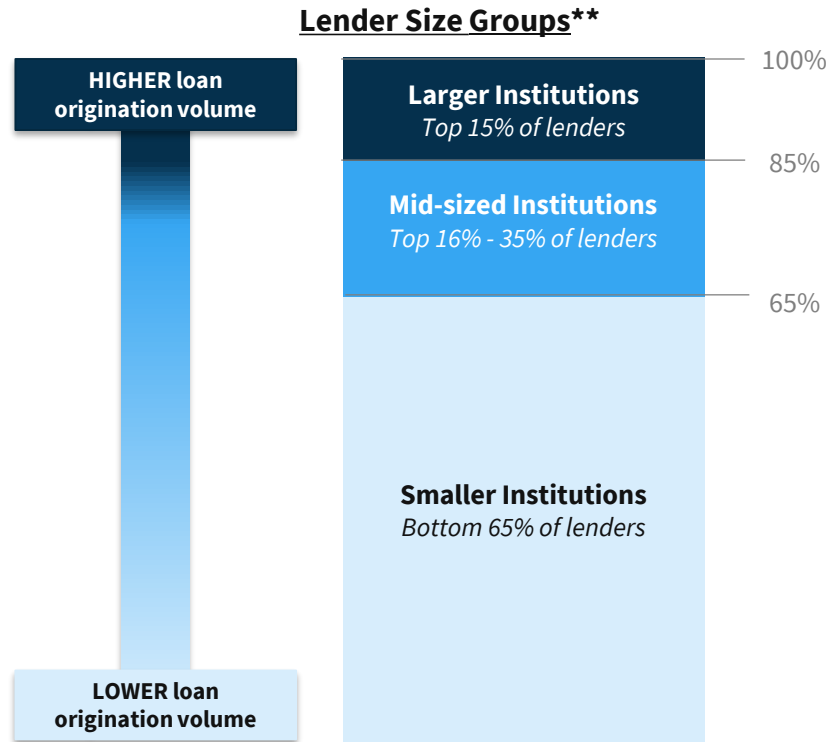
Sample Q4 2020			Sample Size
Total Lending Institutions The "Total" data throughout this report is an average of the means of the three lender-size groups listed below.			202
Lender Size Groups	**Larger Institutions** Lenders in the Fannie Mae database who were in the top 15% of lending institutions based on their total 2019 loan origination volume (above $1.25 billion)		52
	Mid-sized Institutions Lenders in the Fannie Mae database who were in the next 20% (16%-35%) of lending institutions based on their total 2019 loan origination volume (between $379 million and $1.25 billion)		55
	Smaller Institutions Lenders in the Fannie Mae database who were in the bottom 65% of lending institutions based on their total 2019 loan origination volume (less than $379 million)		95
Institution Type*	**Mortgage Banks** (non-depository)		84
	Depository Institutions		67
	Credit Unions		45

* 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 weighted to represent their parent institution.
** The 2019 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 2019 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 or investment banks.

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.

U.S. Economy and Consumer Demand

- Lenders became more optimistic in Q4 2020, with an increasing number believing that the U.S. economy is on the right track, continuing the trajectory from Q3.

- For purchase mortgages, the net share of lenders reporting demand growth over the past three months rose across GSE-eligible and government loans, reaching a new survey high for GSE-eligible loans and the highest fourth quarter reading for government loans. Looking ahead to the next three months, demand expectations fell from last quarter, but GSE-eligible and government loan expectations reached the highest readings for any fourth quarter in the survey's history (since 2014).

- For refinance mortgages, the net share of lenders reporting refinance demand growth over the prior three months slightly declined across all loan types from last quarter. Refinance demand growth expectations on net for the next three months fell significantly from last quarter across all loan types but remain similar to the levels seen in Q4 2019.

U.S. Economy Overall

Lenders became more optimistic in Q4 2020, with an increasing number believing that the U.S. economy is on the right track, continuing the trajectory from Q3.

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

Total

89%   80%   76%   58%*^

14%   17%   30%*^
6%   7%   12%
5%

Q4 2017 . . . Q4 2018 . . . Q4 2019 . . . Q4 2020

National Housing Survey®
Among the General Population (consumers)

50%   51%   50%   60%   48%*^
41%   31%   42%*^
38%   41%
12%   8%   9%   9%   10%

Nov 2017 . . . Nov 2018 . . . Nov 2019 . . . Nov 2020

Larger Institutions

91%   81%   84%   60%*^
33%^
14%   10%
5%   5%   7%   6%
3%

Q4 2017 . . . Q4 2018 . . . Q4 2019 . . . Q4 2020

Mid-sized Institutions

90%   86%   71%   58%
26%   29%
14%   13%
6%   0%   3%
4%

Q4 2017 . . . Q4 2018 . . . Q4 2019 . . . Q4 2020

Smaller Institutions

87%   74%   73%   55%^
19%   28%
14%   16%
9%   12%   9%
4%

Q4 2017 . . . Q4 2018 . . . Q4 2019 . . . Q4 2020

* Denotes a statistically significant change compared with Q3 2020 (previous quarter)
^ Denotes a statistically significant change compared with Q4 2019 (same quarter of last year)

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

Purchase Mortgage Demand

The net share of lenders reporting demand growth over the past three months rose across GSE-eligible and government loans, reaching a new survey high for GSE-eligible loans and the highest fourth quarter reading for government loans. Looking ahead to the next three months, demand expectations fell from last quarter, but GSE-eligible and government loan expectations reached the highest readings for any fourth quarter in the survey's history (since 2014).

Legend: - - - Up (blue dashed) · - - - Down (red dashed) · —— Net Up +

Charts: GSE-Eligible, Non-GSE-Eligible, Government — Past 3 Months and Next 3 Months

GSE-Eligible — Past 3 Months: 37%, 26%, 11%, 47%, 23%, -24%, 67%, 62%, 5%, 83%^, 80%^, 3%* across Q4 2017–Q4 2020

Non-GSE-Eligible — Past 3 Months: 38%, 19%, 19%, 10%, 37%, 27%, 58%, 55%, 3%, 51%, 33%^, 18%^ across Q4 2017–Q4 2020

Government — Past 3 Months: 33%, 29%, 4%, 22%, -17%, 52%, 44%, 8%, 60%, 49%, 11% across Q4 2017–Q4 2020

GSE-Eligible — Next 3 Months: 25%, 19%, -6%, 46%, 10%, -36%, 33%, 16%, 17%, 43%*^, 29%*, 14% across Q4 2017–Q4 2020

Non-GSE-Eligible — Next 3 Months: 19%, 19%, 0%, 38%, 17%, -21%, 28%, 11%, 17%, 29%*, 19%, 10%* across Q4 2017–Q4 2020

Government — Next 3 Months: 25%, 18%, -7%, 45%, 12%, -33%, 24%, 11%, 13%, 39%^, 24%, 15% across Q4 2017–Q4 2020

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

* *Denotes a statistically significant change compared with Q3 2020 (previous quarter)*
^ *Denotes a statistically significant change compared with Q4 2019 (same quarter of last year)*

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

Refinance Mortgage Demand
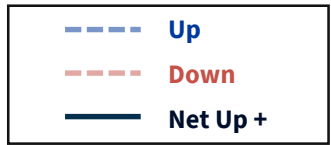
The net share of lenders reporting refinance demand growth over the prior three months dipped slightly across all loan types from last quarter. Refinance demand growth expectations on net for the next three months fell significantly from last quarter across all loan types but remain similar to the levels seen in Q4 2019.
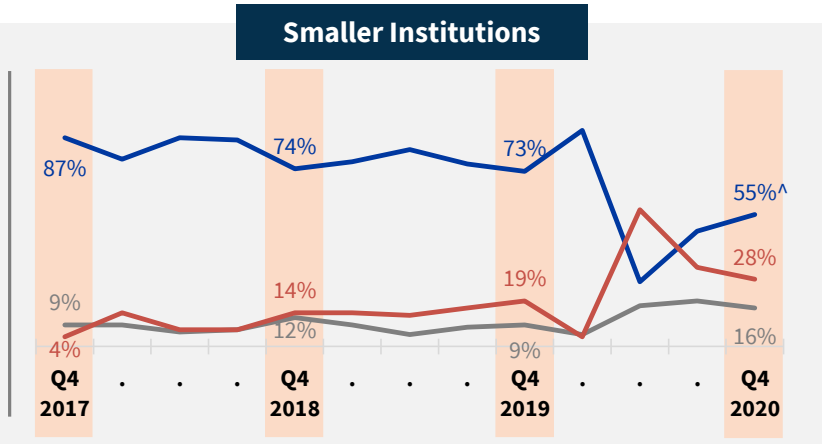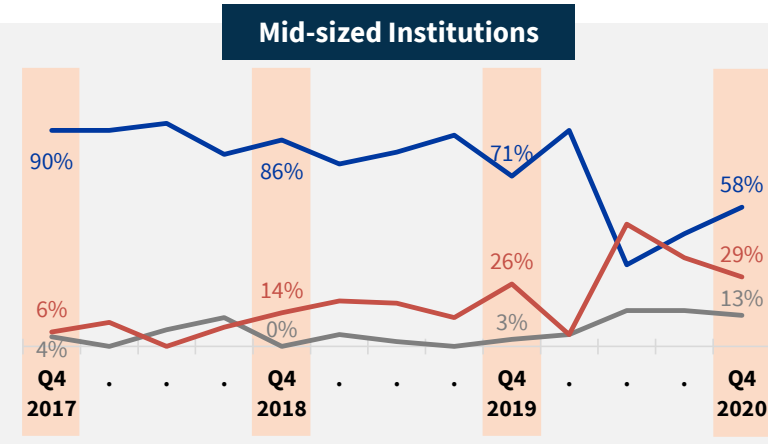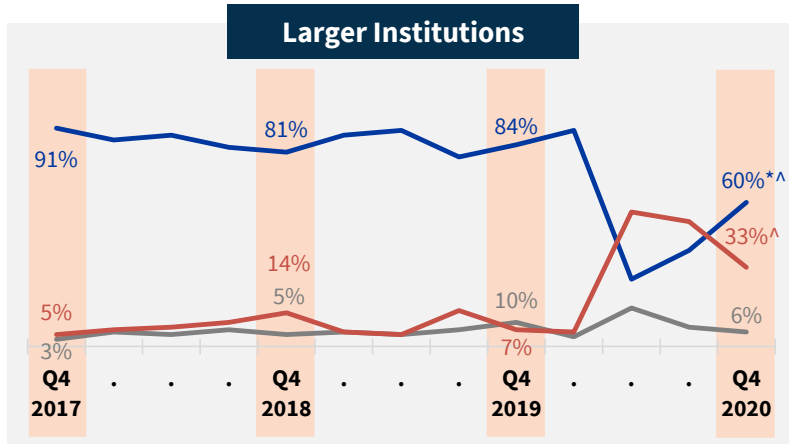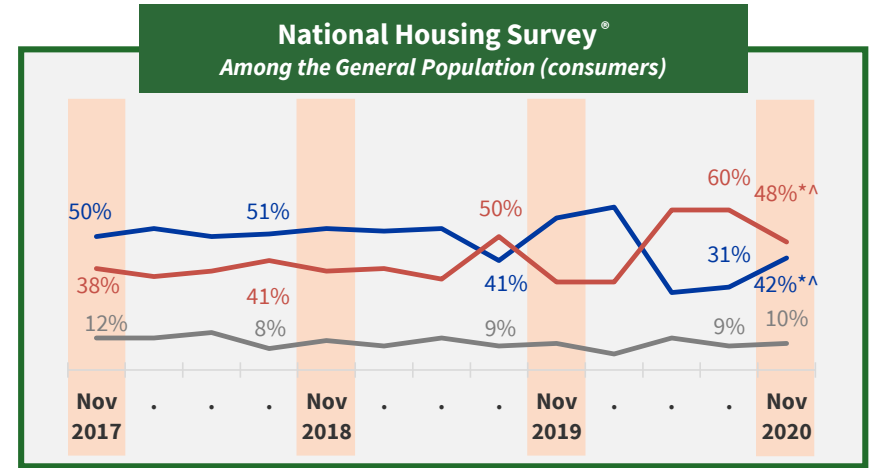

Past 3 Months

GSE-Eligible: 55%, 78%, 92%, 85%*^, 90%, 80%*^, 11%, 3%, 2%, 5%, -44%, -75%
Non-GSE-Eligible: 49%, 71%, 71%, 58%*^, 68%, 44%*^, 6%, 4%, 3%, 14%^, -43%, -67%
Government: 58%, 75%, 73%, 64%*, 69%, 55%*^, 6%, 3%, 4%, 9%, -52%, -72%

Next 3 Months

GSE-Eligible: 52%, 65%, 30%, 31%*, 29%, 28%*, 5%, 2%, 1%, -3%*, -47%, -63%
Non-GSE-Eligible: 45%, 66%, 29%, 31%*, 25%, 18%*, 5%, 2%, -4%, -13%*, -40%, -64%
Government: 55%, 63%, 31%, 26%*, 20%, 25%*, 4%, 3%, -11%, -1%*, -51%, -60%

Q4 2017 · · · Q4 2018 · · · Q4 2019 · · · Q4 2020

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

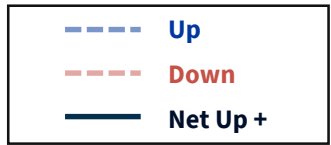* Denotes a statistically significant change compared with Q3 2020 (previous quarter)
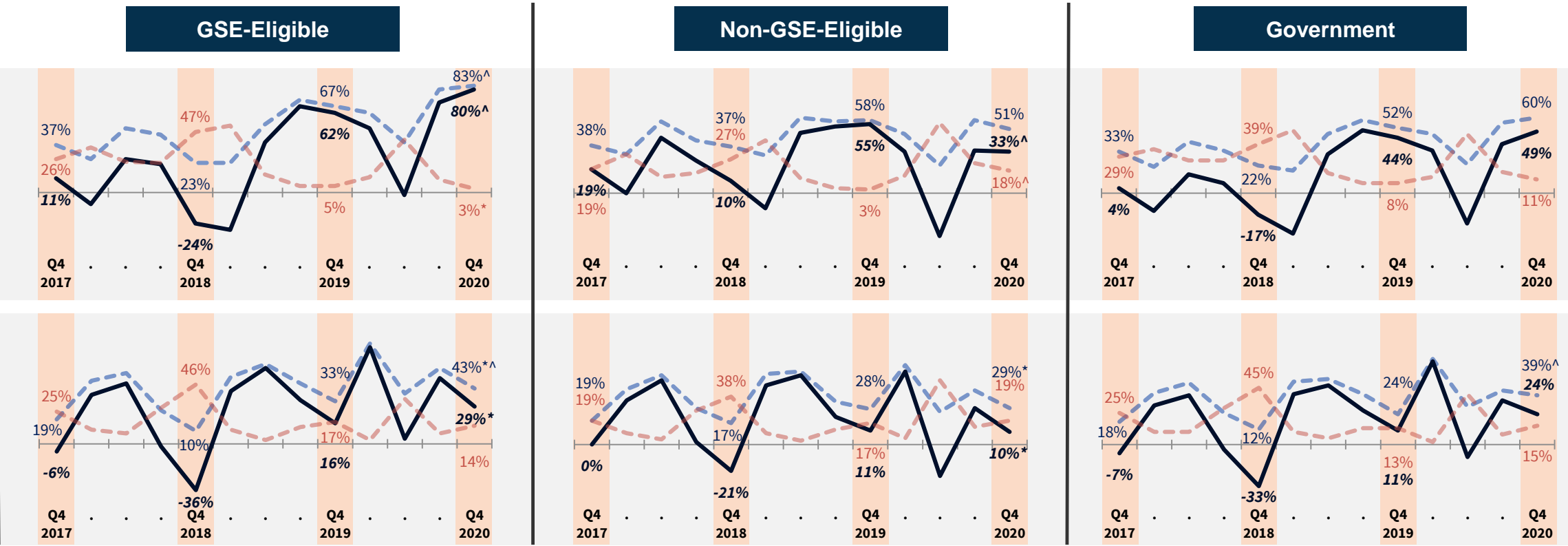^ Denotes a statistically significant change compared with Q4 2019 (same quarter of last year)

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

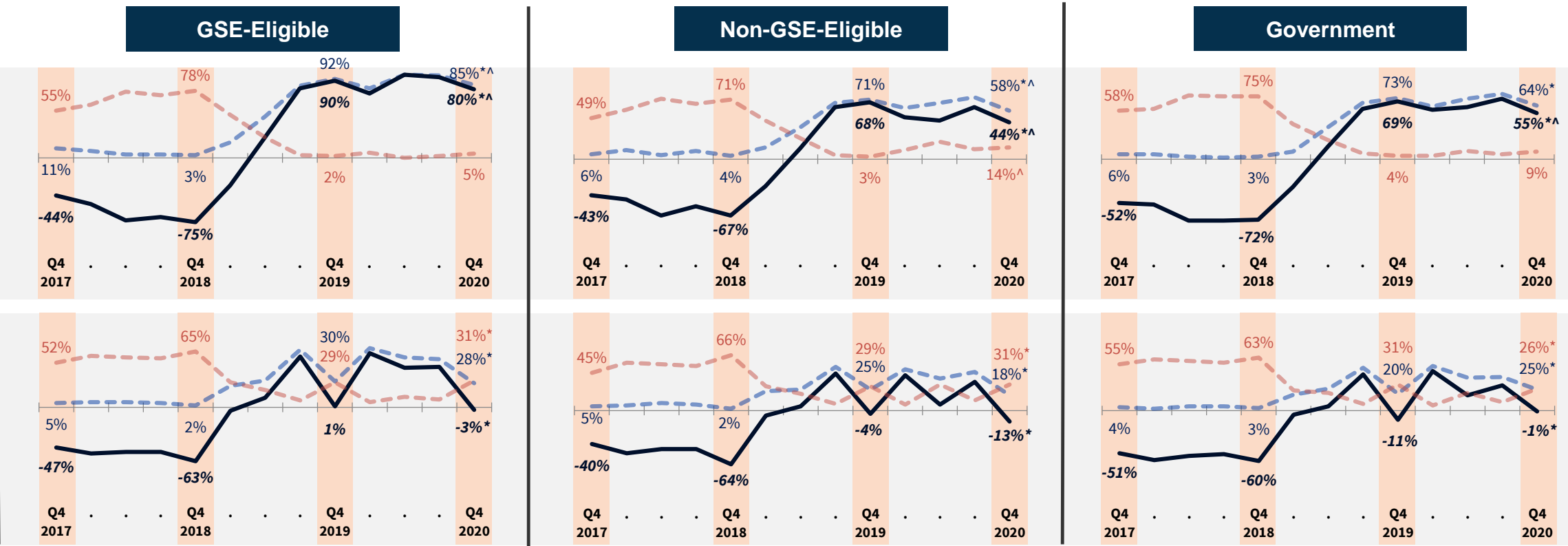- On net, lenders continued to report that credit standards tightened for the prior three months, though significantly less so compared to last quarter. Most lenders expect credit standards to stay about the same for the next three months.

Credit Standards

On net, lenders continued to report that credit standards tightened for the prior three months, though significantly less so compared to last quarter. Most lenders expect credit standards to stay about the same for the next three months.

GSE-Eligible | **Non-GSE-Eligible** | **Government**

Past 3 Months

GSE-Eligible: 25%, 11%, 7%, 22%*^, 9%, 0%, 10%, 5%, 2%, -13%*^, Q4 2017, Q4 2018, Q4 2019, Q4 2020

Non-GSE-Eligible: 21%, 20%, 19%, 11%, 27%*^, 10%, 1%, 16%, 3%, 6%, 5%, -17%*^, Q4 2017, Q4 2018, Q4 2019, Q4 2020

Government: 18%, 10%, 6%, 22%*^, 8%, 16%, 2%, 7%, 3%, 5%, -1%, -14%*^, Q4 2017, Q4 2018, Q4 2019, Q4 2020

Next 3 Months

GSE-Eligible: 8%, 11%, 4%, 7%, 7%, 1%, 9%, 2%, 3%, -1%, 4%, 3%, Q4 2017, Q4 2018, Q4 2019, Q4 2020

Non-GSE-Eligible: 11%, 16%, 7%, 13%, 8%, 3%, 11%, 5%, 6%, 1%, 7%*, 6%*, Q4 2017, Q4 2018, Q4 2019, Q4 2020

Government: 10%, 9%, 5%, 9%^, 9%, 1%, 5%, 4%, 2%, -3%, 5%^, 4%, Q4 2017, Q4 2018, Q4 2019, Q4 2020
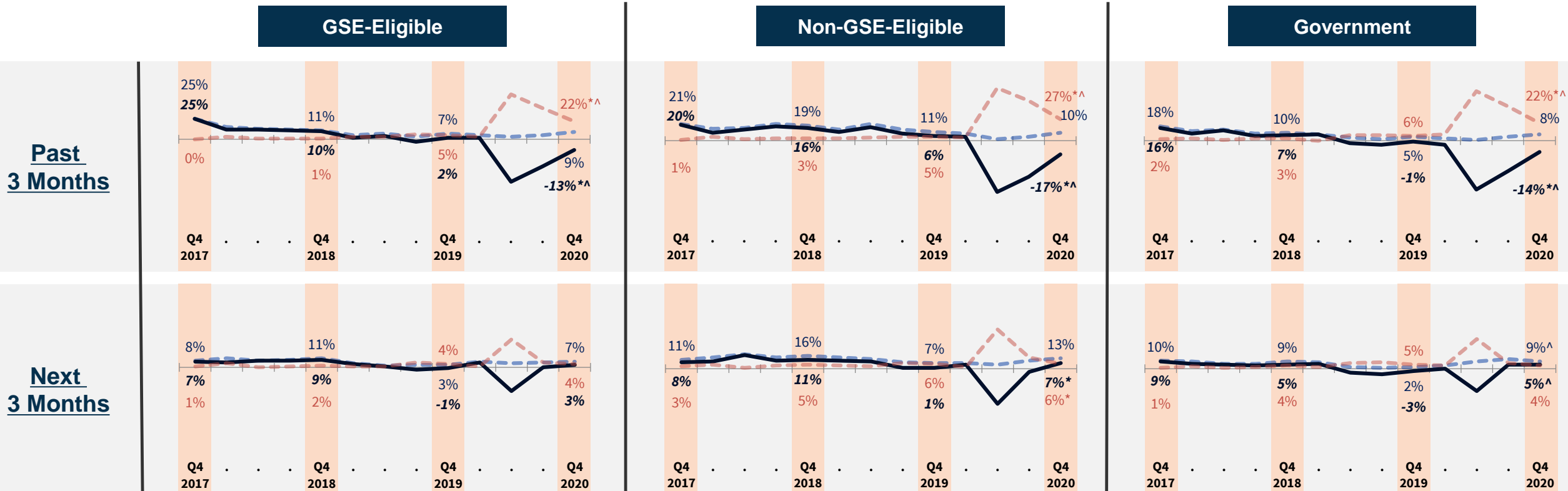
Net Ease + = % of lenders saying ease minus % of lenders saying tighten
The % saying "remain unchanged" is not shown

Denotes a statistically significant change compared with Q3 2020 (previous quarter)
^ *Denotes a statistically significant change compared with Q4 2019 (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 declined significantly this quarter, with a higher share of lenders expecting profit margins to decrease.

- For seven consecutive quarters, "consumer demand" was cited as the top reason by lenders who expressed a more optimistic profitability outlook. "Operational efficiency" was the second most important reason cited.

- For the twelfth consecutive quarter, "competition from other lenders" was cited as the primary reason by lenders who expect a lower profit margin outlook. "GSE pricing and policies" jumped to the second most important reason, reaching a new survey high.

Lenders' Profit Margin Outlook – Next 3 Months

Lenders' net profit margin outlook decreased significantly this quarter, with a higher share of lenders expecting their profit margin to decrease. "Competition from other lenders" remained the top reason cited among those with a decreased profit margin outlook, while "consumer demand" remained the top reason cited by lenders who expect increased profit margins.

Profit Margin Outlook

	Q4 '17	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19	Q4 '19	Q1 '20	Q2 '20	Q3 '20	Q4 '20
	n=190	n=184	n=159	n=178	n=202	n=176	n=200	n=168	n=160	n=175	n=216	n=172	n=195
Increase	16%	17%	18%	21%	11%	20%	41%	53%	27%	51%	52%	48%	19%*
About the same	46%	35%	47%	38%	45%	51%	47%	35%	44%	44%	24%	37%	33%^
Decrease	38%	48%	35%	41%	45%	28%	12%	13%	28%	4%	23%	15%	48%*^

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

Q4 '17	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19	Q4 '19	Q1 '20	Q2 '20	Q3 '20	Q4 '20
-22%	-31%	-17%	-20%	-34%	-8%	29%	40%	-1%	47%	29%	33%	-29%*^
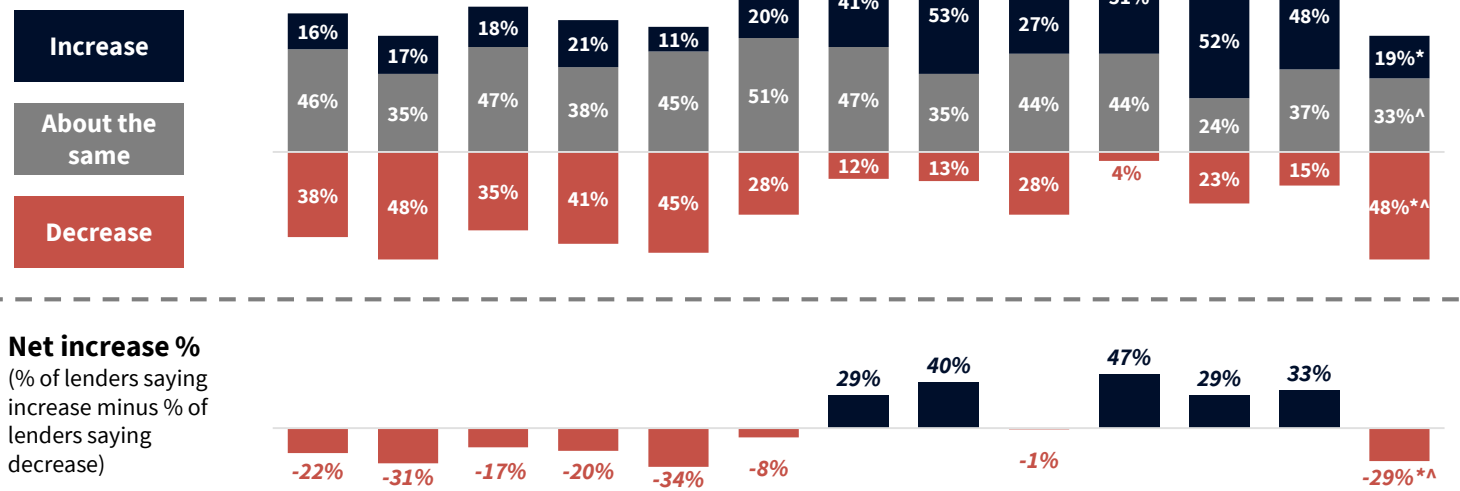
Key Reasons for Expected Increase – Q4 2020

Consumer demand	**69%**
Operational efficiency (i.e. technology)	**38%**
GSE pricing and policies	26%
Market trend changes (i.e. shift from refinance to purchase)	25%
Government monetary or fiscal policy	10%

Showing data for selected answer choices only. n=38

Key Reasons for Expected Decrease – Q4 2020

Competition from other lenders	**72%**
GSE pricing and policies	**41%**
Market trend changes (i.e. shift from refinance to purchase)	24%
Consumer demand	23%
Staffing (personnel costs)	20%

Showing data for selected answer choices only. n=92

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

* Denotes a statistically significant change compared with Q3 2020 (previous quarter)
^ Denotes a statistically significant change compared with Q4 2019 (same quarter of last year)

Increased Profit Margin Outlook – Top Drivers

For seven consecutive quarters, "consumer demand" has been cited as the top reason by lenders who expressed an increased profitability outlook. "Operational efficiency" is now the second most important reason cited.
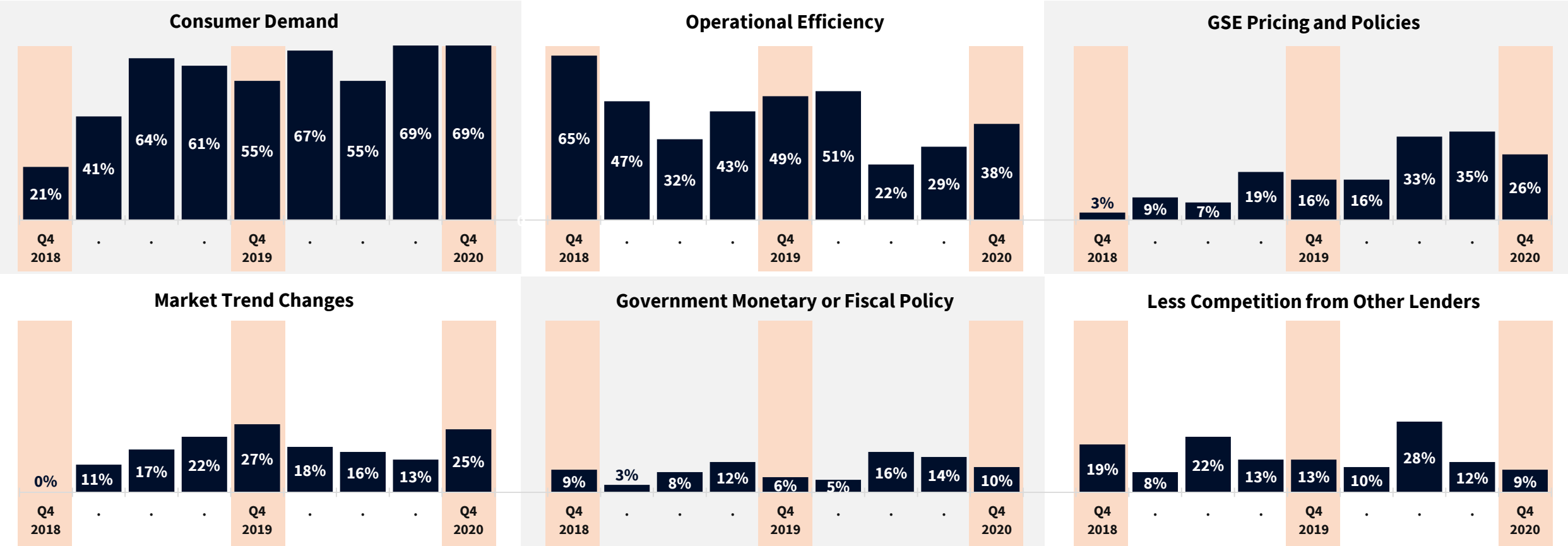
Consumer Demand

Q4 2018	.	.	.	Q4 2019	.	.	.	Q4 2020
21%	41%	64%	61%	55%	67%	55%	69%	69%

Operational Efficiency

Q4 2018	.	.	.	Q4 2019	.	.	.	Q4 2020
65%	47%	32%	43%	49%	51%	22%	29%	38%

GSE Pricing and Policies

Q4 2018	.	.	.	Q4 2019	.	.	.	Q4 2020
3%	9%	7%	19%	16%	16%	33%	35%	26%

Market Trend Changes

Q4 2018	.	.	.	Q4 2019	.	.	.	Q4 2020
0%	11%	17%	22%	27%	18%	16%	13%	25%

Government Monetary or Fiscal Policy

Q4 2018	.	.	.	Q4 2019	.	.	.	Q4 2020
9%	3%	8%	12%	6%	5%	16%	14%	10%

Less Competition from Other Lenders

Q4 2018	.	.	.	Q4 2019	.	.	.	Q4 2020
19%	8%	22%	13%	13%	10%	28%	12%	9%

Q: 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: Q4 2018: N=22 ; Q1 2019: N=36; Q2 2019: N=81; Q3 2019: N=86; Q4 2019: N=42; Q1 2020: N=86; Q2 2020: N=112; Q3 2020: N=82; Q4 2020: N=38

Denotes a statistically significant change compared with Q3 2020 (previous quarter)
^*Denotes a statistically significant change compared with Q4 2019 (same quarter of last year)*

Decreased Profit Margin Outlook – Top Drivers

"Competition from other lenders" continued to be cited as the top reason by lenders who expect lower profit margins. The share of lenders citing "GSE pricing and policies" reached a survey new high and is now the second most important reason.

Competition from Other Lenders

Q4 2018				Q4 2019				Q4 2020
74%	77%	59%	66%	63%	50%	41%	62%	72%

GSE Pricing and Policies

Q4 2018				Q4 2019				Q4 2020
12%	17%	20%	28%	14%	20%	34%	31%	41%^

Market Trend Changes

Q4 2018				Q4 2019				Q4 2020
16%	16%	3%	19%	39%	25%	16%	19%	24%

Consumer Demand

Q4 2018				Q4 2019				Q4 2020
38%	29%	13%	8%	36%	0%	27%	26%	23%

Staffing (Personnel Costs)

Q4 2018				Q4 2019				Q4 2020
19%	18%	28%	21%	12%	42%	12%	32%	20%

Government Monetary or Fiscal Policy

Q4 2018				Q4 2019				Q4 2020
10%	9%	12%	7%	5%	9%	21%	13%	8%

Q: What do you think will drive the decrease in your firm's profit margin over the next three months? Please select the two most important reasons and rank them in order of importance. (Showing % rank 1 + 2)

Total: Q4 2018: N=87 ; Q1 2019: N=52 ; Q2 2019: N=24; Q3 2019=23; Q4 2019: N=47; Q1 2020: N=8; Q2 2020: N=51; Q3 2020: N=26; Q4 2020: N=92
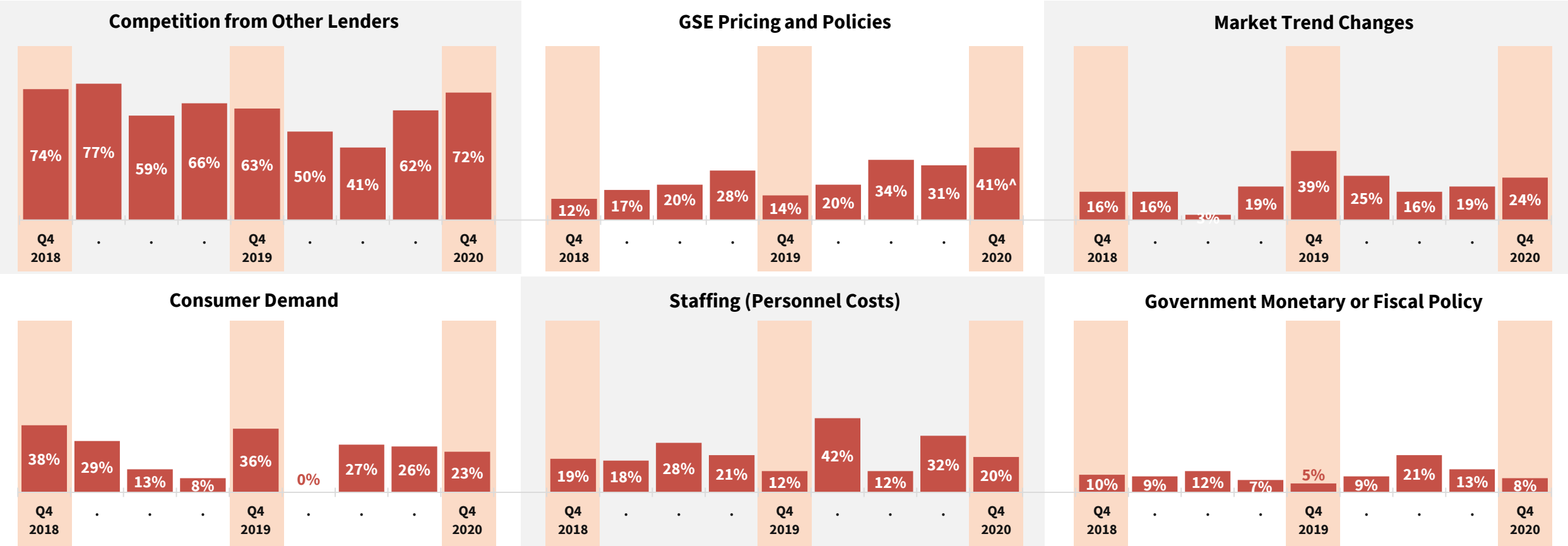
Denotes a statistically significant change compared with Q3 2020 (previous quarter)

^ *Denotes a statistically significant change compared with Q4 2019 (same quarter of last year)*

Appendix

Appendix

Mortgage Lender Sentiment Survey®

Survey Methodology

- A quarterly, 10- to 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 2019. Institutions were divided into three groups based on their 2019 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.

Institution Type

	Larger	Mid-sized	Smaller
Other			5%
Mortgage Banks	57%	47%	16%
Credit Union	6%	21%	32%
Depository Institution	36%	32%	47%

Loan Type

	Larger	Mid-sized	Smaller
Government	21%	20%	10%
Jumbo	21%	14%	18%
Conforming	58%	66%	72%

Loan Purpose

	Larger	Mid-sized	Smaller
Purchase	50%	54%	47%
Refi	50%	46%	53%
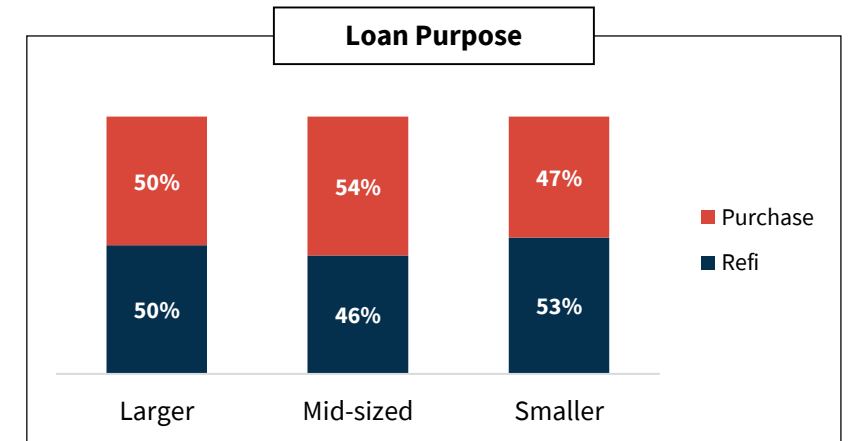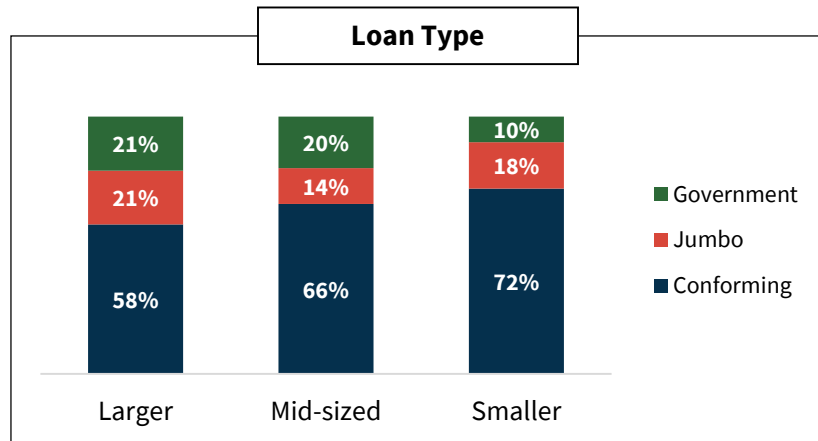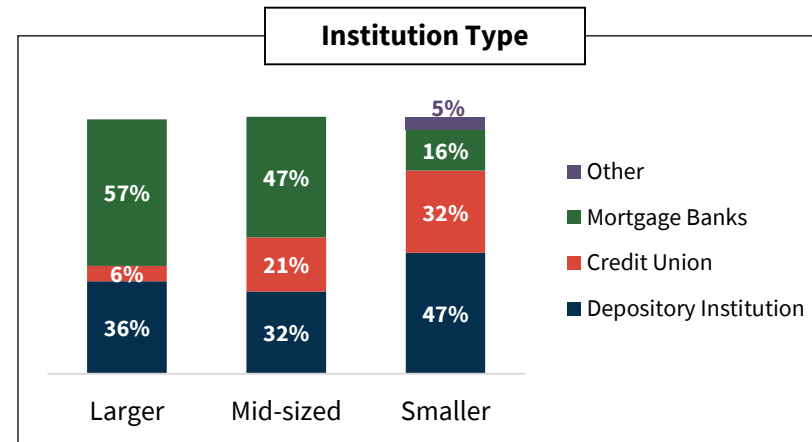
Note: Government loans include FHA loans, VA loans and other non-conventional loans from Marketrac.

Sample Sizes

		Q4 2018		Q1 2019		Q2 2019		Q3 2019		Q4 2019		Q1 2020		Q2 2020		Q3 2020		Q4 2020	
		Sample Size	Margin of Error	Sample Size	Margin of Error	Sample Size	Margin of Error	Sample Size	Margin of Error	Sample Size	Margin of Error	Sample Size	Margin of Error	Sample Size	Margin of Error	Sample Size	Margin of Error	Sample Size	Margin of Error
Total Lending Institutions		**212**	**±6.52%**	**184**	**±7.03%**	**211**	**±6.19%**	**179**	**±6.82%**	**168**	**±7.08%**	**183**	**±6.70%**	**229**	**±5.87%**	**186**	**±6.64%**	**202**	**±6.63%**
Loan Origination Volume Groups	Larger Institutions	59	±12.36%	49	±13.62%	61	±10.50%	60	±10.64%	60	±10.63%	52	±11.65%	71	±9.26%	51	±11.80%	52	±11.62%
	Mid-sized Institutions	58	±12.47%	43	±14.59%	57	±11.43%	45	±13.25%	38	±14.67%	40	±14.19%	62	±10.76%	51	±12.25%	55	±11.66%
	Smaller Institutions	95	±9.74%	92	±9.92%	93	±9.62%	74	±10.92%	70	±11.26%	91	±9.70%	96	±9.42%	84	±10.15%	95	±9.48%
Institution Type	Mortgage Banks	76	±10.80%	53	±13.05%	91	±8.92%	72	±10.37%	76	±10.05%	71	±10.47%	89	±9.07%	66	±10.96%	84	±9.46%
	Depository Institutions	88	±10.15%	79	±10.72%	85	±9.80%	70	±10.98%	60	±11.98%	73	±10.65%	89	±9.46%	73	±10.65%	67	±11.18%
	Credit Unions	38	±15.48%	33	±16.69%	34	±16.05%	33	±16.32%	30	±17.19%	38	±15.03%	46	±13.49%	41	±14.40%	45	±13.65%

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

2019
Q1 was fielded between February 6, 2019 and February 17, 2019
Q2 was fielded between May 1, 2019 and May 12, 2019
Q3 was fielded between July 31, 2019 and August 11, 2019
Q4 was fielded between October 30, 2019 and November 10, 2019

2020
Q1 was fielded between February 5, 2020 and February 17, 2020
Q2 was fielded between May 5, 2020 and May 18, 2020
Q3 was fielded between August 4, 2020 and August 16, 2020
Q4 was fielded between October 27, 2020 and November 8, 2020

2020 Q4 Cross-Subgroup Sample Sizes

	Total	Larger Lenders	Mid-Sized Lenders	Smaller Lenders
Total	**202**	**52**	**55**	**95**
Mortgage Banks (non-depository)	84	37	26	21
Depository Institutions	67	13	11	43
Credit Unions	45	2	18	25

2020 Q4 Sample Sizes: Consumer Demand

Purchase Mortgages:

	Past 3 Months			Next 3 Months		
	GSE-Eligible	Non-GSE-Eligible	Government	GSE-Eligible	Non-GSE-Eligible	Government
Total Lending Institutions	**200**	**172**	**166**	**201**	**172**	**166**
Larger Institutions	52	44	50	52	45	50
Mid-sized Institutions	55	46	48	55	46	46
Smaller Institutions	93	81	68	94	82	69

Refinance Mortgages:

	Past 3 Months			Next 3 Months		
	GSE-Eligible	Non-GSE-Eligible	Government	GSE-Eligible	Non-GSE-Eligible	Government
Total Lending Institutions	**194**	**166**	**152**	**195**	**166**	**154**
Larger Institutions	49	42	47	49	42	47
Mid-sized Institutions	53	44	44	53	44	44
Smaller Institutions	92	80	61	93	80	62

2020 Q4 Sample Sizes: Credit Standards

	Past 3 Months			Next 3 Months		
	GSE-Eligible	Non-GSE-Eligible	Government	GSE-Eligible	Non-GSE-Eligible	Government
Total Lending Institutions	**200**	**168**	**162**	**200**	**168**	**164**
Larger Institutions	52	43	49	52	44	50
Mid-sized Institutions	55	46	48	55	46	48
Smaller Institutions	93	79	66	93	79	66

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 purchase mortgages go up, go down, or stay the same? GSE Eligible (Q4 2020)	Larger Institutions	Mid-sized Institutions	Smaller Institutions	Q4 "Total"
Go up	87%	85%	78%	**83% [(87% + 85% + 78%)/3]**
Stayed the same	11%	15%	17%	**14%**
Go down	3%	0%	6%	**3%**

GSE Eligible

Appendix

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?
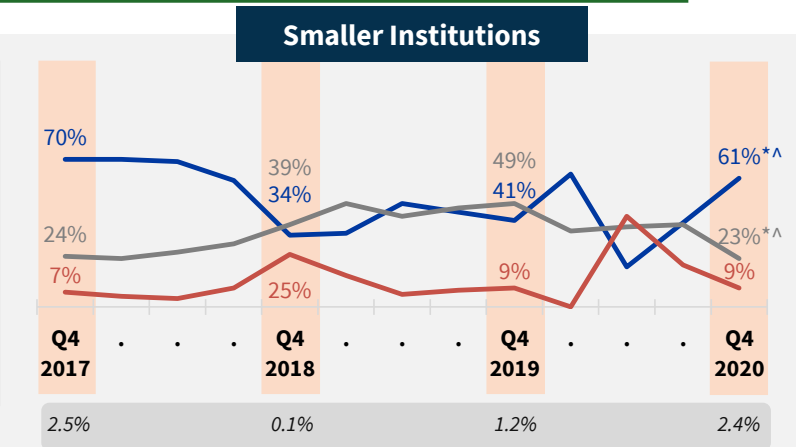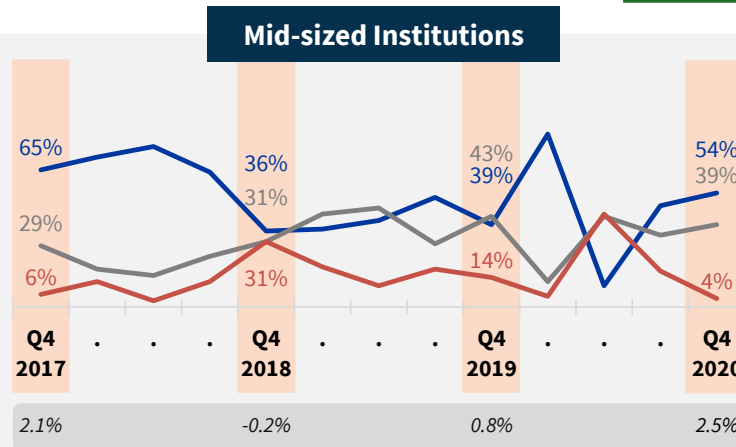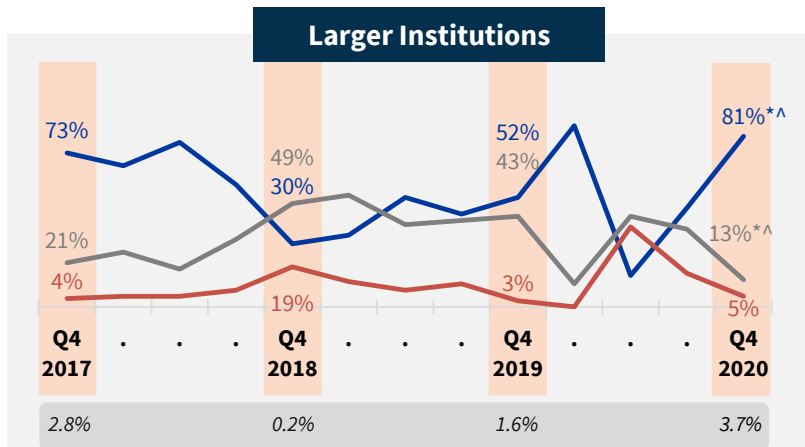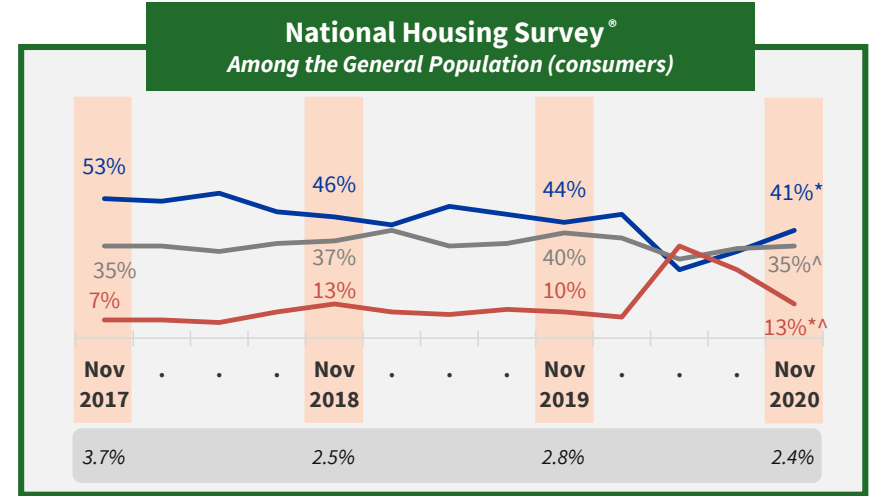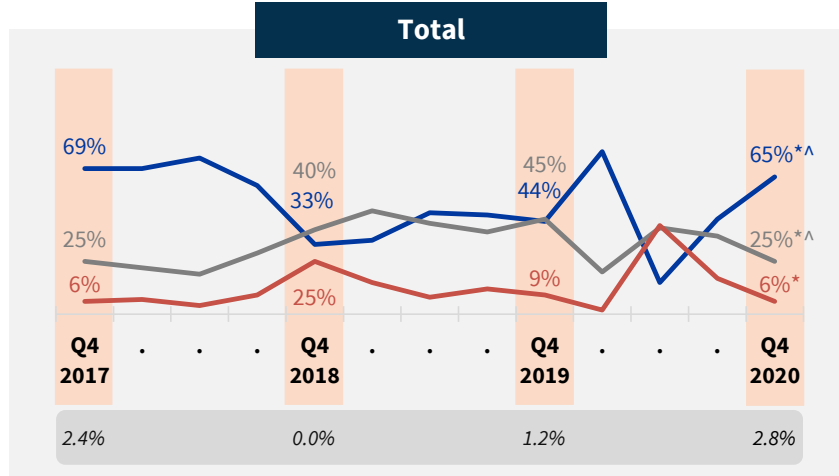
Total

69% 40% 33% 45% 44% 65%*^
25% 25% 9% 25%*^
6% 6%*

Q4 2017 · · · Q4 2018 · · · Q4 2019 · · · Q4 2020

2.4%   0.0%   1.2%   2.8%

National Housing Survey®
Among the General Population (consumers)

53% 46% 44% 41%*
35% 37% 40% 35%^
7% 13% 10% 13%*^

Nov 2017 · · · Nov 2018 · · · Nov 2019 · · · Nov 2020

3.7%   2.5%   2.8%   2.4%

Larger Institutions

73% 49% 52% 81%*^
21% 30% 43% 13%*^
4% 19% 3% 5%

Q4 2017 · · · Q4 2018 · · · Q4 2019 · · · Q4 2020

2.8%   0.2%   1.6%   3.7%

Mid-sized Institutions

65% 36% 43% 39% 54% 39%
29% 31% 14%
6% 31% 4%

Q4 2017 · · · Q4 2018 · · · Q4 2019 · · · Q4 2020

2.1%   -0.2%   0.8%   2.5%

Smaller Institutions

70% 39% 49% 61%*^
24% 34% 41% 23%*^
7% 25% 9% 9%

Q4 2017 · · · Q4 2018 · · · Q4 2019 · · · Q4 2020

2.5%   0.1%   1.2%   2.4%

* Denotes a statistically significant change compared with Q3 2020 (previous quarter)
^ Denotes a statistically significant change compared with Q4 2019 (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)

Total

Q4 2017: 54% / 46%
Q4 2018: 52% / 47%
Q4 2019: 60% / 40%
Q4 2020: 57% / 43%

National Housing Survey®
Among the General Population (consumers)

Nov 2017: 59% / 38%
Nov 2018: 57% / 40%
Nov 2019: 59% / 39%
Nov 2020: 62% / 35%

Larger Institutions

Q4 2017: 57% / 42%
Q4 2018: 55% / 45%
Q4 2019: 58% / 42%
Q4 2020: 51% / 49%

Mid-sized Institutions

Q4 2017: 56% / 44%
Q4 2018: 54% / 44%
Q4 2019: 56% / 45%
Q4 2020: 51% / 50%

Smaller Institutions

Q4 2017: 50% / 50%
Q4 2018: 56% / 42%
Q4 2019: 66% / 34%
Q4 2020: 70% / 30%

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Appendix

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

Larger Institutions

Mid-sized Institutions

Smaller Institutions

Past 3 Months

Next 3 Months

Larger Institutions — Past 3 Months: 46%, 26%, 20%, 42%, 21%, -21%, 67%, 64%, 3%, 87%^, 84%, 3%

Mid-sized Institutions — Past 3 Months: 32%, 18%, 14%, 51%, 25%, -26%, 67%, 64%, 3%, 85%^, 85% *^, 0%*

Smaller Institutions — Past 3 Months: 37%, 34%, -3%, 48%, 24%, -24%, 68%, 59%, 9%, 78%, 72%, 6%

Larger Institutions — Next 3 Months: 26%, 18%, -8%, 50%, 8%, -42%, 33%, 16%, 17%, 50%, 42%^, 8%

Mid-sized Institutions — Next 3 Months: 27%, 20%, -7%, 39%, 13%, -26%, 34%, 22%, 12%, 40%*, 24%*, 16%

Smaller Institutions — Next 3 Months: 22%, 19%, -3%, 47%, 10%, -37%, 31%, 12%, 19%, 40%*, 23%*, 17%

Q4 2017 · · Q4 2018 · · Q4 2019 · · Q4 2020

- - - **Up**
- - - **Down**
——— **Net Up +**

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

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

* *Denotes a statistically significant change compared with Q3 2020 (previous quarter)*
^ *Denotes a statistically significant change compared with Q4 2019 (same quarter of last year)*

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: <u>GSE-Eligible (by institution type)</u>

Mortgage Banks — Past 3 Months: 39%, 21%, 18%, 49%, 25%, -24%, 70%, 67%, 3%, 88%^C, 84%, 4% (Q4 2017–Q4 2020)

Depository Institutions — Past 3 Months: 35%, 27%, -8%, 48%, 17%, -31%, 68%, 63%, 5%, 81%, 80%, 1% (Q4 2017–Q4 2020)

Credit Unions — Past 3 Months: 54%, 38%, 16%, -12%, 46%, 34%, 63%, 53%, 10%, 72%, 67%, 5% (Q4 2017–Q4 2020)

Mortgage Banks — Next 3 Months: 34%, 18%, -16%, 48%, 10%, -38%, 37%, 23%, 14%, 47%, 35%*, 12% (Q4 2017–Q4 2020)

Depository Institutions — Next 3 Months: 23%, 18%, -5%, 53%, 6%, -47%, 25%, 21%, 4%, 39%, 28%^, 11% (Q4 2017–Q4 2020)

Credit Unions — Next 3 Months: 24%, 12%, 12%, 32%, -15%, 17%, 40%, 23%, 43%, 23%, 20%*, 17% (Q4 2017–Q4 2020)

Legend: Up (blue dashed), Down (red dashed), Net Up + (black solid)

Q: Over the <u>past three months</u>, 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? *"Up" = Went up significantly + Went up somewhat, "Down" = Went down significantly + Went down somewhat*

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

* Denotes a statistically significant change compared with Q3 2020 (previous quarter)

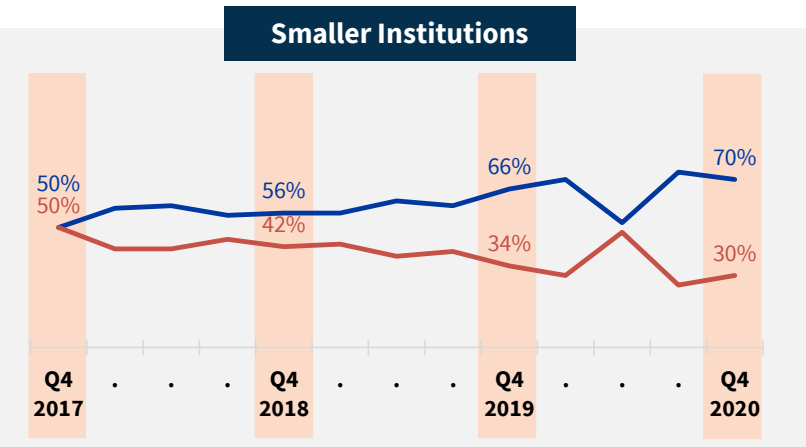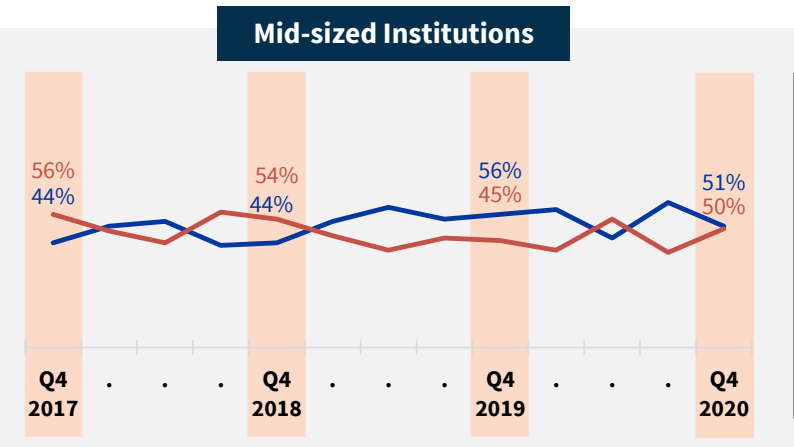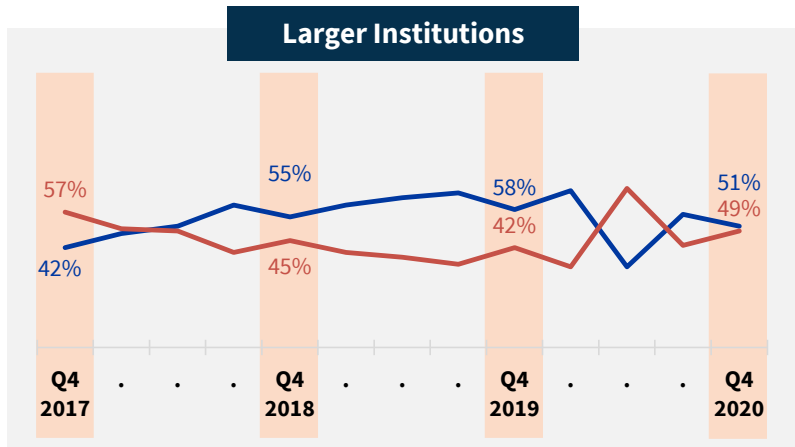*^ Denotes a statistically significant change compared with Q4 2019 (same quarter of last year)*

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

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

Purchase Mortgage Demand: <u>Non-GSE-Eligible (by institution size)</u>

Larger Institutions

Mid-sized Institutions

Smaller Institutions

Past 3 Months

Next 3 Months

- - - - **Up**
- - - - **Down**
——— **Net Up +**

Q: Over the <u>past three months</u>, 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? *"Up" = Went up significantly + Went up somewhat, "Down" = Went down significantly + Went down somewhat*

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

* Denotes a statistically significant change compared with Q3 2020 (previous quarter)

^ Denotes a statistically significant change compared with Q4 2019 (same quarter of last year)

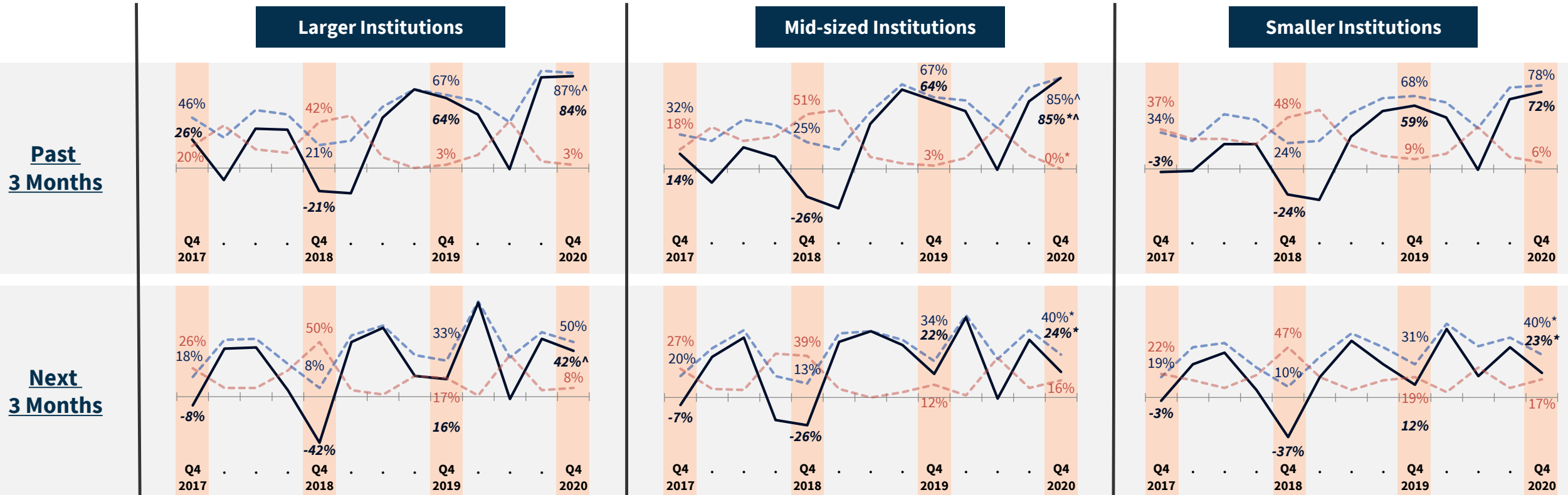*L/M/S - Denote a % is significantly higher than the annual loan origination volume group that the letter represents at the 95% confidence level*

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

Purchase Mortgage Demand: <u>Non-GSE-Eligible (by institution type)</u>

Mortgage Banks

Past 3 Months
- 32%
- 18%
- 14%
- 35%
- 29%
- 6%
- 57%
- 55%
- 2%
- 45%
- 30%^D/C
- 15%^

Q4 2017 · · · Q4 2018 · · Q4 2019 · · · Q4 2020

Next 3 Months
- 23%
- 13%
- -10%
- 37%
- 18%
- -19%
- 33%
- 20%
- 13%
- 28%
- 21%
- 7%*

Q4 2017 · · · Q4 2018 · · Q4 2019 · · · Q4 2020

Depository Institutions

Past 3 Months
- 39%
- 25%
- 14%
- 32%
- 29%
- 3%
- 54%
- 51%
- 3%
- 54%
- 43%M
- 11%

Q4 2017 · · · Q4 2018 · · Q4 2019 · · · Q4 2020

Next 3 Months
- 18%
- 17%
- -1%
- 51%
- 9%
- -42%
- 21%
- 15%
- -6%
- 35%^
- 22%^
- 13%

Q4 2017 · · · Q4 2018 · · Q4 2019 · · · Q4 2020

Credit Unions

Past 3 Months
- 46%
- 33%
- 13%
- 44%
- 25%
- 19%
- 64%
- 60%
- 4%
- 57%
- 51%M
- 6%

Q4 2017 · · · Q4 2018 · · Q4 2019 · · · Q4 2020

Next 3 Months
- 29%
- 19%
- 10%
- 25%
- 24%
- -1%
- 44%
- 24%
- 20%
- 30%
- 20%
- 10%

Q4 2017 · · · Q4 2018 · · Q4 2019 · · · Q4 2020

Legend:
- Up (dashed blue)
- Down (dashed pink)
- Net Up + (solid dark)

Q: Over the <u>past three months</u>, 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? *"Up"* = Went up significantly + Went up somewhat, *"Down"* = Went down significantly + Went down somewhat
Q: Over the <u>next three months</u>, apart from normal seasonal variation, do you expect your firm's consumer demand for single-family <u>purchase</u> mortgages to go up, go down, or stay the same? *"Up"* = Go up significantly + Go up somewhat, *"Down"* = Go down significantly + Go down somewhat
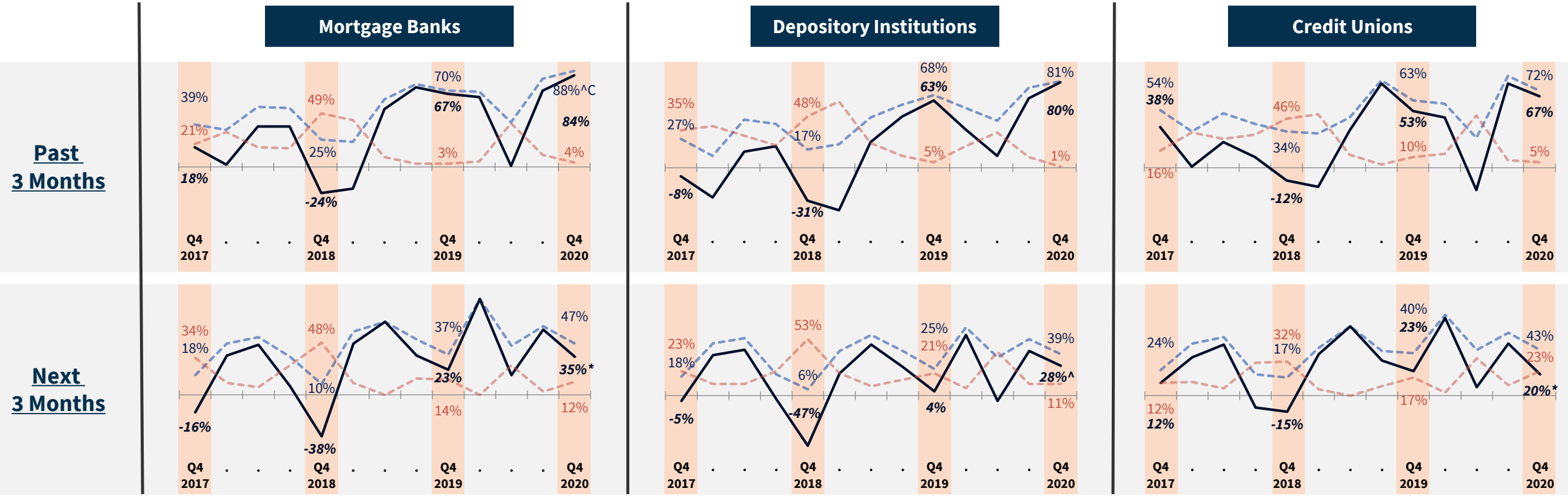
* Denotes a statistically significant change compared with Q3 2020 (previous quarter)
^ Denotes a statistically significant change compared with Q4 2019 (same quarter of last year)
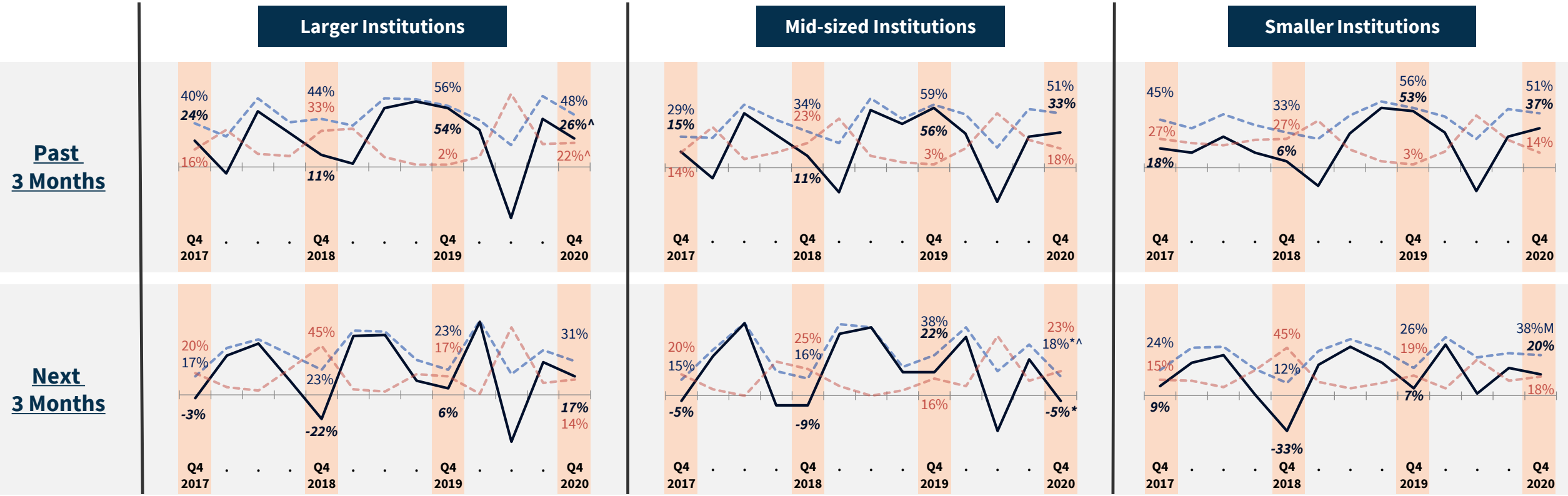
M/D/C - Denote a % is significantly higher than the institution type group that the letter represents at the 95% confidence level

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

Purchase Mortgage Demand: <u>Government (by institution size)</u>

Larger Institutions

Past 3 Months
- 39%
- 30%
- 9%
- -14%
- 37%
- 23%
- 50%
- 41%
- 71%^S
- 63%S
- 9%
- 8%
- Q4 2017, Q4 2018, Q4 2019, Q4 2020

Next 3 Months
- 26%
- 20%
- -6%
- 50%
- 10%
- -40%
- 20%
- 19%
- 1%
- 44%^
- 33%^
- 11%
- Q4 2017, Q4 2018, Q4 2019, Q4 2020

Mid-sized Institutions

Past 3 Months
- 28%
- 24%
- 4%
- -26%
- 47%
- 21%
- 54%
- 48%
- 6%
- 59%
- 51%
- 8%
- Q4 2017, Q4 2018, Q4 2019, Q4 2020

Next 3 Months
- 26%
- 22%
- -4%
- 42%
- 14%
- -28%
- 29%
- 20%
- 9%
- 42%
- 25%
- 17%
- Q4 2017, Q4 2018, Q4 2019, Q4 2020

Smaller Institutions

Past 3 Months
- 32%
- 32%
- 0%
- -9%
- 32%
- 23%
- 53%
- 44%
- 9%
- 48%
- 29%
- 19%
- Q4 2017, Q4 2018, Q4 2019, Q4 2020

Next 3 Months
- 22%
- 6%
- -16%
- 44%
- 12%
- -32%
- 21%
- 11%
- 10%
- 31%
- 17%
- 14%
- Q4 2017, Q4 2018, Q4 2019, Q4 2020

Legend:
- Up
- Down
- Net Up +

Q: Over the <u>past three months</u>, 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? *"Up" = Went up significantly + Went up somewhat, "Down" = Went down significantly + Went down somewhat*

Q: Over the <u>next three months</u>, apart from normal seasonal variation, do you expect your firm's consumer demand for single-family <u>purchase</u> mortgages to go up, go down, or stay the same? *"Up" = Go up significantly + Go up somewhat, "Down" = Go down significantly + Go down somewhat*
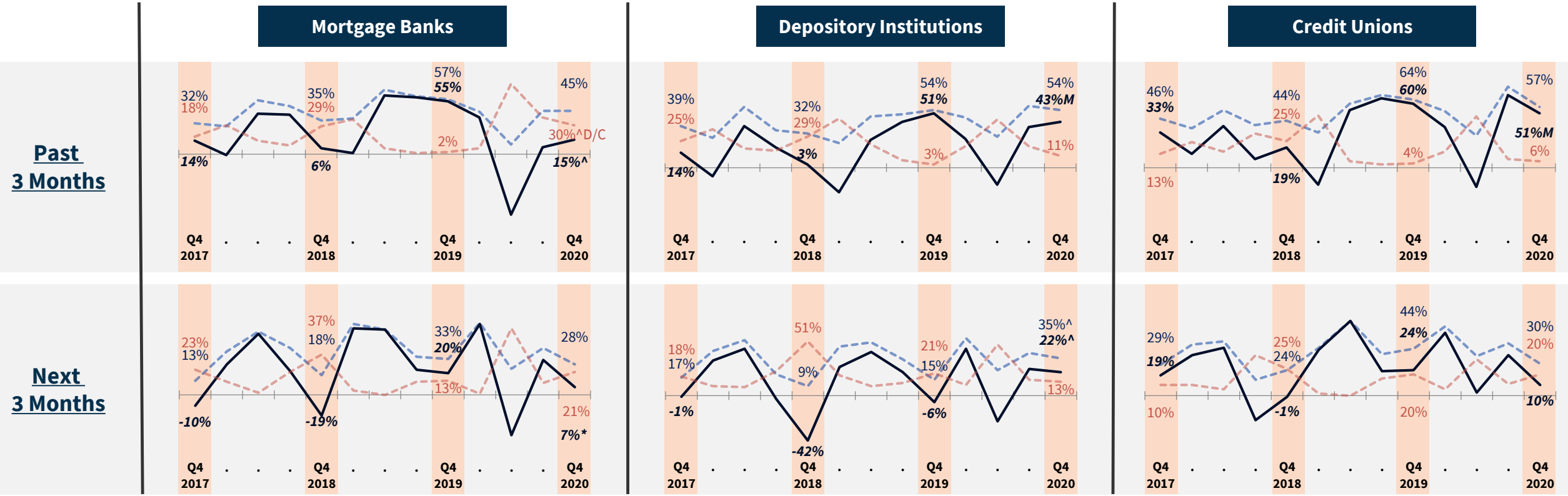
* Denotes a statistically significant change compared with Q3 2020 (previous quarter)
^ Denotes a statistically significant change compared with Q4 2019 (same quarter of last year)

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: <u>Government (by institution type)</u>

Past 3 Months

Mortgage Banks
- 35%
- 29%
- 6%
- 49%
- 22%
- 59%
- 50%
- 62%D
- 71%D/C
- 9%
- 9%
- -27%
- Q4 2017 · · Q4 2018 · · Q4 2019 · · · Q4 2020

Depository Institutions
- 37%
- 31%
- -6%
- 35%
- 16%
- 43%
- 37%
- 6%
- 46%
- 27%
- 19%
- -19%
- Q4 2017 · Q4 2018 · Q4 2019 · Q4 2020

Credit Unions
- 34%
- 21%
- 13%
- 35%
- 18%
- 47%
- 35%
- 12%
- 48%
- 34%
- 14%
- 17%
- Q4 2017 · Q4 2018 · Q4 2019 · Q4 2020

Next 3 Months

Mortgage Banks
- 31%
- 21%
- -10%
- 49%
- 13%
- 30%
- 20%
- 46%^D
- 30%*
- 10%
- 16%*
- -36%
- Q4 2017 · · Q4 2018 · · Q4 2019 · · · Q4 2020

Depository Institutions
- 23%
- 14%
- -9%
- 48%
- 8%
- 15%
- 13%
- 29%^
- 17%
- 12%
- -2%
- -40%
- Q4 2017 · Q4 2018 · Q4 2019 · Q4 2020

Credit Unions
- 16%
- 11%
- 5%
- 29%
- 20%
- 18%
- 24%
- 6%
- 38%
- 22%
- 16%
- -9%
- Q4 2017 · Q4 2018 · Q4 2019 · Q4 2020

Legend:
- - - Up
- - - Down
- — Net Up +

Q: Over the <u>past three months</u>, 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? *"Up" = Went up significantly + Went up somewhat, "Down" = Went down significantly + Went down somewhat*
Q: Over the <u>next three months</u>, apart from normal seasonal variation, do you expect your firm's consumer demand for single-family <u>purchase</u> mortgages to go up, go down, or stay the same? *"Up" = Go up significantly + Go up somewhat, "Down" = Go down significantly + Go down somewhat*
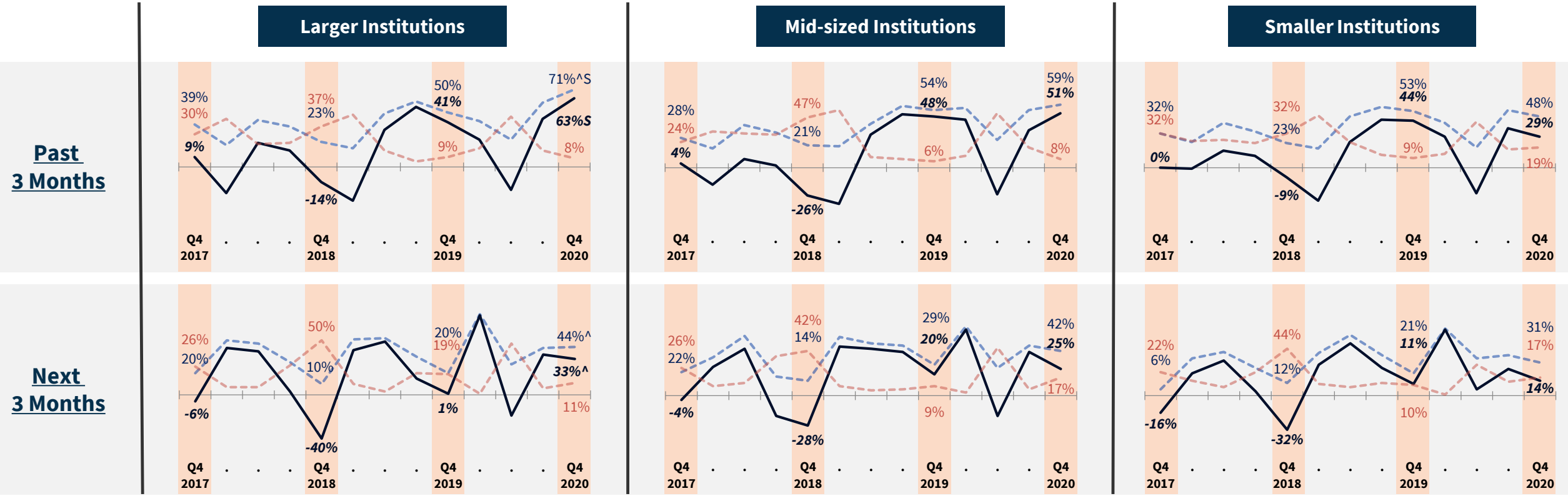
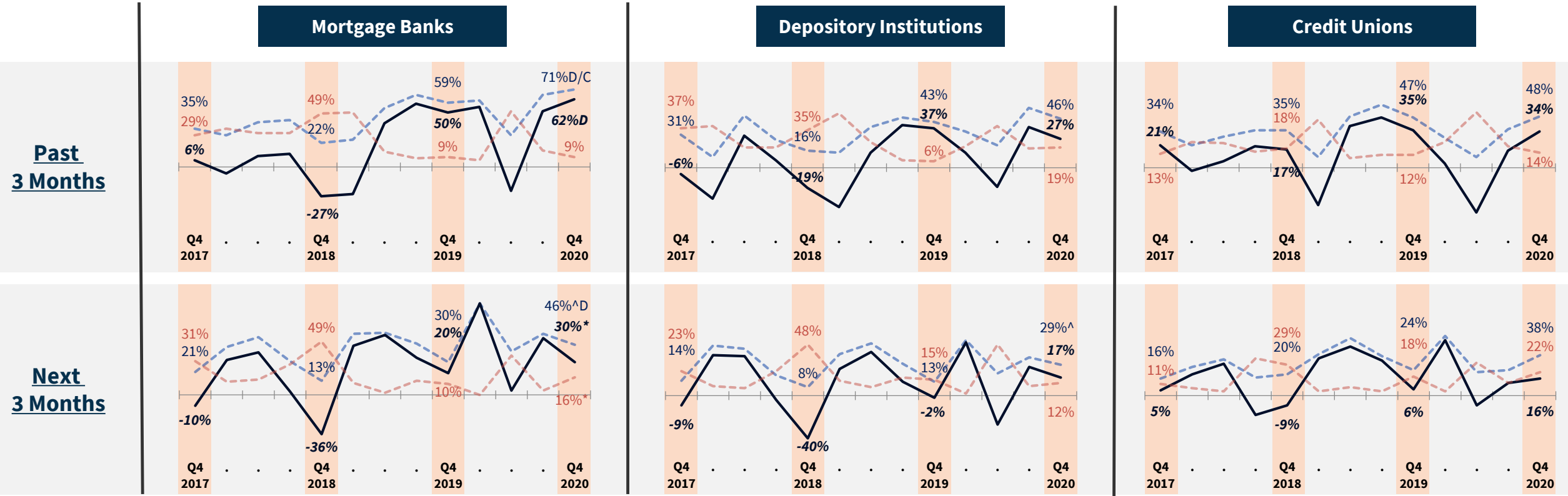** Denotes a statistically significant change compared with Q3 2020 (previous quarter)*
^ Denotes a statistically significant change compared with Q4 2019 (same quarter of last year)

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

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

Purchase Mortgage Demand: Drivers of Change (selected verbatim)

Past 3 Months *N=177*	
• **Interest Rates** • **COVID-19** • **Economic/market conditions**	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 COVID pulling first time buyers off the fence." *– Larger Institution*

"Low interest rates and a delayed spring market due to COVID." *– Larger Institution*

"There is pent up demand as consumers had limited access to buy real estate during lock-downs and quarantines." *– Mid-sized Institution*

"Lack of supply within the market, low interest rates and COVID-19 driving demand from condo to single-family due to social distancing." *– Mid-sized Institution*

"Rates and the desire to leave tight urban locations due to COVID realizations. " *– Smaller Institution*

"Economic conditions and unemployment." *– Larger Institution*

"People were laid off and no income to qualify." *– Smaller Institution*

"Refinance crowded out purchases." *– 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=	85	26	22	37	
Mortgage rates are favorable	82%	81%	84%	81%	53%
Economic conditions (e.g., employment) overall are favorable	11%	12%	9%	14%	10%
There are many homes available on the market	1%	0%	0%	3%	11%
Home prices are low	1%	0%	0%	3%	12%
It is easy to qualify for a mortgage	0%	0%	0%	0%	3%

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=	30	4	9	16	
Economic conditions (e.g., employment) overall are not favorable	39%	50%	39%	33%	44%
There are not many homes available on the market	35%	50%	33%	30%	5%
Home prices are high	5%	0%	0%	12%	29%
Mortgage rates are not favorable	4%	0%	11%	0%	1%
It is difficult to qualify for a mortgage	0%	0%	0%	0%	5%

*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=	54	14	8	31	
Mortgage rates are favorable	72%	61%	100%	68%	53%
Economic conditions (e.g., employment) overall are favorable	10%	7%	0%	16%	10%
It is easy to qualify for a mortgage	5%	7%	0%	6%	3%
There are many homes available on the market	1%	0%	0%	3%	11%
Home prices are low	0%	0%	0%	0%	12%

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=	32	6	10	15	
Economic conditions (e.g., employment) overall are not favorable	27%	23%	24%	33%	44%
Mortgage rates are not favorable	20%	31%	19%	13%	1%
There are not many homes available on the market	19%	23%	10%	27%	5%
It is difficult to qualify for a mortgage	13%	0%	33%	0%	5%
Home prices are high	6%	15%	0%	7%	29%

*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=	62	22	20	21	
Mortgage rates are favorable	75%	77%	77%	67%	53%
Economic conditions (e.g., employment) overall are favorable	13%	9%	15%	14%	10%
It is easy to qualify for a mortgage	4%	5%	3%	5%	3%
There are many homes available on the market	1%	0%	0%	5%	11%
Home prices are low	1%	0%	0%	5%	12%

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=	26	6	8	12	
Economic conditions (e.g., employment) overall are not favorable	36%	55%	25%	33%	44%
There are not many homes available on the market	26%	27%	25%	25%	5%
It is difficult to qualify for a mortgage	10%	0%	12%	17%	5%
Mortgage rates are not favorable	10%	18%	12%	0%	1%
Home prices are high	10%	0%	19%	8%	29%

*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.

Upward Purchase Demand Outlook Drivers

Lenders again say favorable mortgage rates are the top reason driving increased expected future demand, near the survey highs from Q2 2020 among all loan types.

GSE-Eligible	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
N=	37	96	91	48	21	88	128	80	54	139	93	106	85
Mortgage rates are favorable	83%	57%	54%	57%	16%	79%	89%	98%	90%	96%	99%	97%	98%^
Economic conditions (e.g., employment) overall are favorable	90%	90%	84%	81%	88%	76%	73%	82%	76%	84%	29%	27%	51%*^
It is easy to qualify for a mortgage	5%	17%	15%	9%	28%	6%	8%	7%	6%	4%	19%	27%	13%*
Home prices are low	3%	3%	6%	7%	6%	2%	5%	1%	3%	3%	14%	9%	8%
There are many homes available on the market	9%	9%	13%	21%	24%	22%	20%	9%	18%	5%	13%	13%	7%

Non-GSE-Eligible	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
N=	33	77	76	48	31	88	110	59	41	101	55	69	54
Mortgage rates are favorable	59%	53%	58%	49%	24%	72%	73%	85%	80%	77%	90%	96%	87%
Economic conditions (e.g., employment) overall are favorable	73%	88%	79%	74%	63%	64%	70%	68%	69%	86%	34%	33%	52%*
It is easy to qualify for a mortgage	23%	22%	23%	34%	40%	19%	20%	22%	16%	15%	15%	21%	17%
There are many homes available on the market	16%	4%	9%	12%	17%	18%	16%	10%	16%	4%	12%	9%	9%
Home prices are low	3%	3%	3%	4%	4%	2%	6%	4%	2%	5%	22%	16%	5%

Government	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
N=	27	67	65	41	21	74	98	61	32	104	60	64	62
Mortgage rates are favorable	69%	46%	50%	57%	28%	70%	80%	90%	82%	92%	97%	90%	92%
Economic conditions (e.g., employment) overall are favorable	77%	79%	79%	69%	65%	73%	71%	82%	76%	78%	31%	39%	46%^
It is easy to qualify for a mortgage	23%	28%	32%	27%	55%	22%	18%	8%	21%	12%	24%	30%	25%
Home prices are low	2%	3%	4%	8%	0%	5%	7%	7%	0%	3%	17%	9%	3%
There are many homes available on the market	12%	13%	10%	19%	20%	14%	19%	8%	14%	5%	6%	11%	2%

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

* Denotes a statistically significant change compared with Q3 2020 (previous quarter)
^ Denotes a statistically significant change compared with Q4 2019 (same quarter of last year)

Downward Purchase Demand Outlook Drivers

This quarter, fewer lenders compared to last quarter are citing economic conditions as the top reason for driving down expected demand across all loan types. The lack of homes on the market is now the top reason among GSE-Eligible and Non-GSE-Eligible loans.

GSE-Eligible	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
N=	48	22	13	47	95	24	8	25	28	7	76	15	30
There are not many homes available on the market	74%	64%	83%	69%	45%	57%	75%	71%	72%	85%	33%	66%	68%
Economic conditions (e.g., employment) overall are not favorable	15%	13%	5%	8%	11%	30%	24%	17%	3%	0%	92%	86%	56%*^
Home prices are high	41%	47%	74%	66%	62%	65%	75%	66%	51%	89%	17%	22%	35%
It is difficult to qualify for a mortgage	12%	4%	0%	1%	3%	6%	0%	7%	3%	13%	34%	9%	10%
Mortgage rates are not favorable	23%	67%	26%	44%	64%	22%	12%	3%	28%	0%	2%	0%	7%^

Non-GSE-Eligible	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
N=	32	17	7	44	76	17	8	21	26	10	100	22	32
There are not many homes available on the market	65%	61%	79%	61%	41%	38%	62%	52%	72%	66%	21%	56%	58%
Economic conditions (e.g., employment) overall are not favorable	11%	18%	10%	9%	9%	36%	26%	18%	0%	0%	85%	67%	45%^
Home prices are high	37%	27%	54%	65%	60%	70%	80%	75%	45%	61%	12%	20%	27%
It is difficult to qualify for a mortgage	23%	16%	25%	8%	6%	17%	0%	6%	19%	32%	46%	28%	26%
Mortgage rates are not favorable	21%	64%	21%	47%	70%	26%	13%	8%	19%	17%	10%	6%	24%

Government	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
N=	38	16	12	43	81	16	10	20	18	3	79	13	26
Economic conditions (e.g., employment) overall are not favorable	15%	19%	4%	9%	15%	17%	17%	21%	5%	0%	93%	85%	59%^
There are not many homes available on the market	72%	66%	73%	54%	46%	37%	44%	69%	72%	100%	26%	63%	58%
Home prices are high	40%	36%	45%	65%	51%	51%	72%	60%	48%	100%	16%	28%	33%
It is difficult to qualify for a mortgage	8%	13%	0%	10%	8%	20%	30%	11%	7%	0%	37%	14%	20%
Mortgage rates are not favorable	22%	56%	31%	44%	64%	37%	22%	0%	13%	0%	8%	0%	16%

*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**)

* Denotes a statistically significant change compared with Q3 2020 (previous quarter)
^ Denotes a statistically significant change compared with Q4 2019 (same quarter of last year)

Appendix

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

Larger Institutions

Mid-sized Institutions

Smaller Institutions

Past 3 Months

Larger Institutions (Past 3 Months):
- 65%, 80%
- 98%, 98%, 84%^, 80%^
- 13%, 0%, 0%, 4%
- -52%, -80%
- Q4 2017, Q4 2018, Q4 2019, Q4 2020

Mid-sized Institutions (Past 3 Months):
- 50%, 75%
- 88%, 85%, 90%*, 87%*
- 15%, 6%, 3%, 3%
- -35%, -69%
- Q4 2017, Q4 2018, Q4 2019, Q4 2020

Smaller Institutions (Past 3 Months):
- 50%, 77%
- 89%, 87%, 81%*, 74%*
- 5%, 3%, 2%, 7%
- -45%, -74%
- Q4 2017, Q4 2018, Q4 2019, Q4 2020

Next 3 Months

Larger Institutions (Next 3 Months):
- 63%, 64%, 33%, 31%*, 26%, 28%*
- 3%, 4%, 3%*
- -60%, -60%, -7%
- Q4 2017, Q4 2018, Q4 2019, Q4 2020

Mid-sized Institutions (Next 3 Months):
- 45%, 68%, 41%, 35%*, 23%*
- 5%, 2%, 25%, -12%*
- -40%, -66%, -16%
- Q4 2017, Q4 2018, Q4 2019, Q4 2020

Smaller Institutions (Next 3 Months):
- 50%, 64%, 39%, 33%*, 25%, 31%*^
- 6%, 0%, 14%, 2%*^
- -44%, -64%
- Q4 2017, Q4 2018, Q4 2019, Q4 2020

Legend:
- Up (blue dashed)
- Down (red dashed)
- Net Up + (black solid)

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

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

* Denotes a statistically significant change compared with Q3 2020 (previous quarter)

^ Denotes a statistically significant change compared with Q4 2019 (same quarter of last year)

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

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

Refinance Mortgage Demand: <u>GSE-Eligible (by institution type)</u>

Mortgage Banks

Past 3 Months

60% · 74% · 88% · 90%
14% · 3% · 86% · 85%
· · 2% · 5%
-46%
-71%

Q4 2017 · Q4 2018 · Q4 2019 · Q4 2020

Next 3 Months

60% · 66% · 28% · 34%*
2% · 3% · 23% · 31%*
· · -5% · -3%*
-58%
-63%

Q4 2017 · Q4 2018 · Q4 2019 · Q4 2020

Depository Institutions

Past 3 Months

58% · 81% · 94% · 80%*^
7% · 5% · 92% · 75%*^
· · 2% · 5%
-51%
-76%

Q4 2017 · Q4 2018 · Q4 2019 · Q4 2020

Next 3 Months

52% · 63% · 33% · 31%*
5% · 1% · 27% · 28%*
· · 6% · 3%*
-47%
-62%

Q4 2017 · Q4 2018 · Q4 2019 · Q4 2020

Credit Unions

Past 3 Months

43% · 75% · 100% · 80%^
14% · 0% · 100% · 73%^
· · 0% · 7%
-29%
-75%

Q4 2017 · Q4 2018 · Q4 2019 · Q4 2020

Next 3 Months

45% · 70% · 46% · 32%*
8% · 0% · 23% · 26%*
· · 23% · -6%*
-37%
-70%

Q4 2017 · Q4 2018 · Q4 2019 · Q4 2020

Legend:
- - - Up
- - - Down
—— Net Up +

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

* Denotes a statistically significant change compared with Q3 2020 (previous quarter)
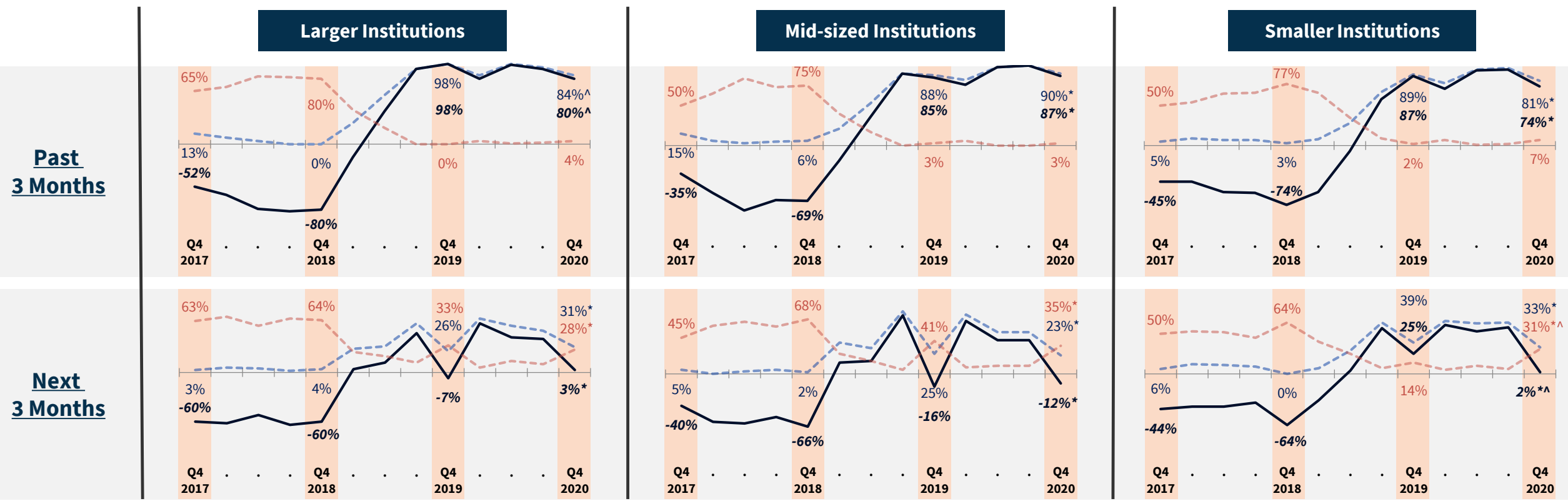*^ Denotes a statistically significant change compared with Q4 2019 (same quarter of last year)*

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

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

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

Larger Institutions

Mid-sized Institutions

Smaller Institutions

Past 3 Months

Larger Institutions:
54%, 7%, -47%, Q4 2017; 74%, 4%, -70%, Q4 2018; 86%, 86%, 0%, Q4 2019; 56%^, 42%^, 14%^, Q4 2020

Mid-sized Institutions:
45%, 6%, -39%, Q4 2017; 64%, 4%, -60%, Q4 2018; 67%, 61%, 6%, Q4 2019; 59%*, 42%, 17%, Q4 2020

Smaller Institutions:
47%, 4%, -43%, Q4 2017; 74%, 4%, -70%, Q4 2018; 60%, 57%, 3%, Q4 2019; 60%, 49%, 11%, Q4 2020

Next 3 Months

Larger Institutions:
56%, 3%, -53%, Q4 2017; 66%, 4%, -62%, Q4 2018; 37%, 21%, -16%, Q4 2019; 29%, 18%*, -11%*, Q4 2020

Mid-sized Institutions:
40%, 8%, -32%, Q4 2017; 63%, 3%, -60%, Q4 2018; 38%, 22%, -16%, Q4 2019; 36%*, 12%*, -24%*, Q4 2020

Smaller Institutions:
40%, 5%, -35%, Q4 2017; 67%, 0%, -67%, Q4 2018; 32%, 18%, 14%, Q4 2019; 28%*, 25%*, -3%*, Q4 2020

Legend:
- - - 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
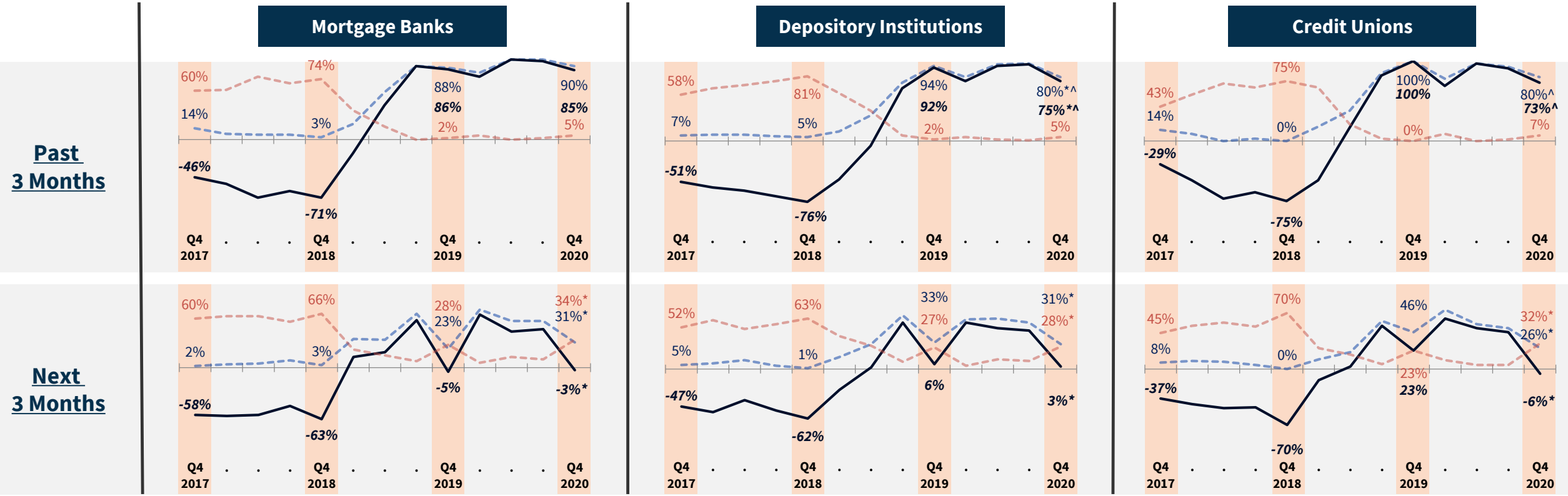
*Denotes a statistically significant change compared with Q3 2020 (previous quarter)
^ Denotes a statistically significant change compared with Q4 2019 (same quarter of last year)

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

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

Refinance Mortgage Demand: <u>Non-GSE-Eligible (by institution type)</u>

Mortgage Banks | **Depository Institutions** | **Credit Unions**

Past 3 Months

Mortgage Banks: 53%, 7%, -46%, 64%, 3%, -61%, 65%, 4%, **61%**, 48%, 21%^, **27%^**, Q4 2017, Q4 2018, Q4 2019, Q4 2020

Depository Institutions: 53%, 4%, -49%, 76%, 7%, -69%, 69%, 3%, **66%**, 61%, 9%, **52%**, Q4 2017, Q4 2018, Q4 2019, Q4 2020

Credit Unions: 39%, 9%, -30%, 69%, 0%, -69%, 92%, 0%, **92%**, 73%M, 9%, **64%^M**, Q4 2017, Q4 2018, Q4 2019, Q4 2020

Next 3 Months

Mortgage Banks: 54%, 3%, -51%, 63%, 6%, -57%, 33%, 19%, **-14%**, 30%, 21%, -9%*, Q4 2017, Q4 2018, Q4 2019, Q4 2020

Depository Institutions: 43%, 4%, -39%, 63%, 0%, -63%, 26%, 25%, **-1%**, 31%*, 21%*, -10%*, Q4 2017, Q4 2018, Q4 2019, Q4 2020

Credit Unions: 41%, 11%, -30%, 72%, 20%, -72%, 44%, 24%, **24%**, 32%*, 18%*^, -14%*, Q4 2017, Q4 2018, Q4 2019, Q4 2020

Legend:
- - - **Up**
- - - **Down**
—— **Net Up +**

Q: Over the <u>past three months</u>, apart from normal seasonal variation, did your firm's consumer demand for single-family <u>refinance</u> 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 <u>next three months</u>, apart from normal seasonal variation, do you expect your firm's consumer demand for single-family <u>refinance</u> mortgages to go up, go down, or stay the same? *"Up" = Go up significantly + Go up somewhat, "Down" = Go down significantly + Go down somewhat*
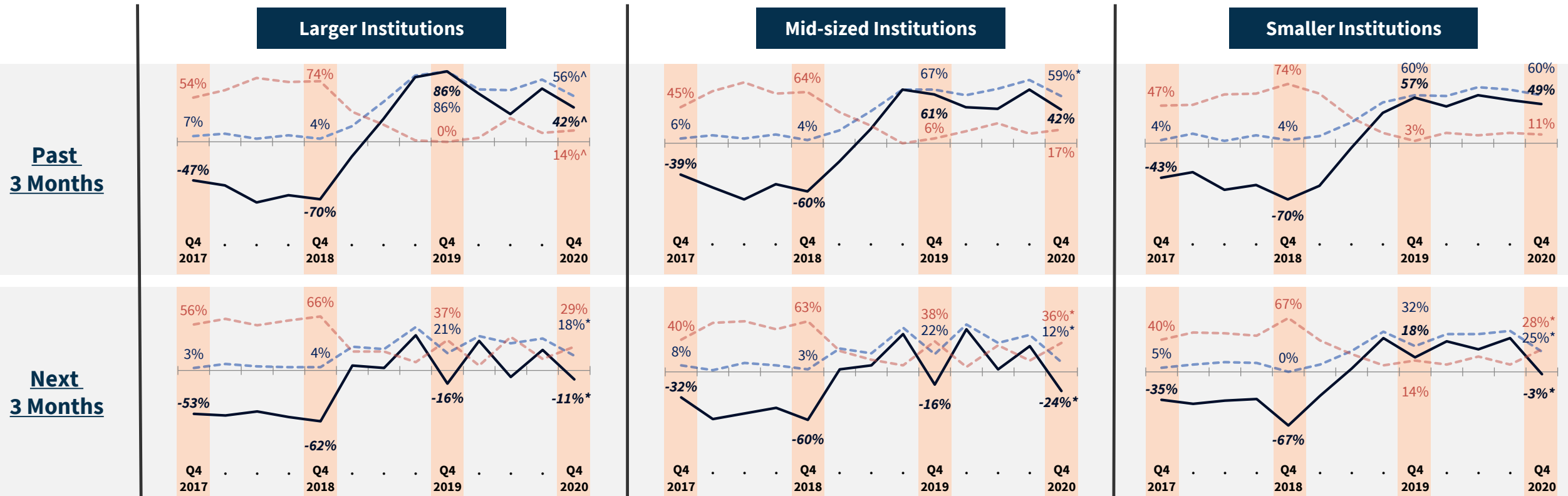
* Denotes a statistically significant change compared with Q3 2020 (previous quarter)

^ Denotes a statistically significant change compared with Q4 2019 (same quarter of last year)

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

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

Refinance Mortgage Demand: <u>Government (by institution size)</u>

Larger Institutions

Past 3 Months

- 62%
- 78%
- 8%
- 4%
- 85%
- **84%**
- 1%
- 67%^
- **60%^**
- 7%
- -54%
- -74%

Q4 2017 · · Q4 2018 · · Q4 2019 · · Q4 2020

Next 3 Months

- 62%
- 64%
- 3%
- 5%
- 44%
- 18%
- 27%
- 26%
- **1%**
- -59%
- -59%
- -26%

Q4 2017 · · Q4 2018 · · Q4 2019 · · Q4 2020

Mid-sized Institutions

Past 3 Months

- 55%
- 71%
- 4%
- 6%
- 74%
- **68%**
- 6%
- 69%
- **58%**
- 11%
- -51%
- -65%

Q4 2017 · · Q4 2018 · · Q4 2019 · · Q4 2020

Next 3 Months

- 46%
- 62%
- 4%
- 2%
- 35%
- 21%
- 28%
- 25%
- -42%
- -60%
- -14%
- **-3%***

Q4 2017 · · Q4 2018 · · Q4 2019 · · Q4 2020

Smaller Institutions

Past 3 Months

- 54%
- 75%
- 4%
- 0%
- 61%
- **56%**
- 5%
- 54%
- **44%**
- 10%
- -50%
- -75%

Q4 2017 · · Q4 2018 · · Q4 2019 · · Q4 2020

Next 3 Months

- 56%
- 64%
- 3%
- 0%
- 18%
- 10%
- 22%
- 22%*
- 8%
- **0%***
- -53%
- -64%

Q4 2017 · · Q4 2018 · · Q4 2019 · · Q4 2020

- - - - **Up**
- - - - **Down**
──── **Net Up +**

Q: Over the <u>past three months</u>, apart from normal seasonal variation, did your firm's consumer demand for single-family <u>refinance</u> 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 <u>next three months</u>, apart from normal seasonal variation, do you expect your firm's consumer demand for single-family <u>refinance</u> mortgages to go up, go down, or stay the same? *"Up" = Go up significantly + Go up somewhat, "Down" = Go down significantly + Go down somewhat*
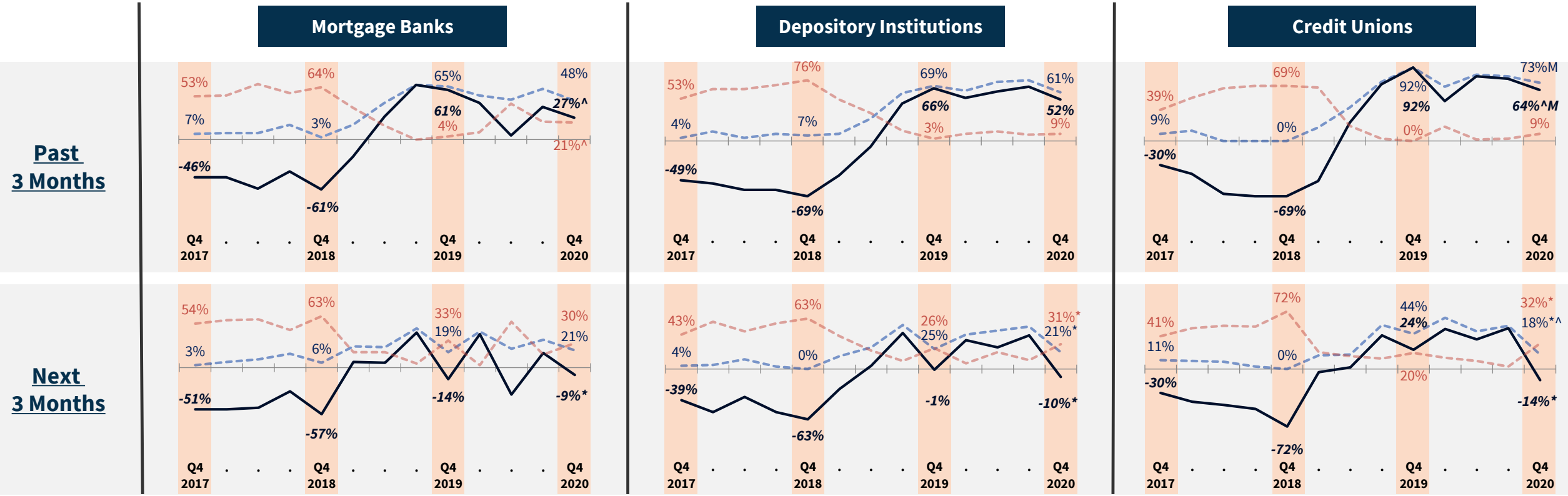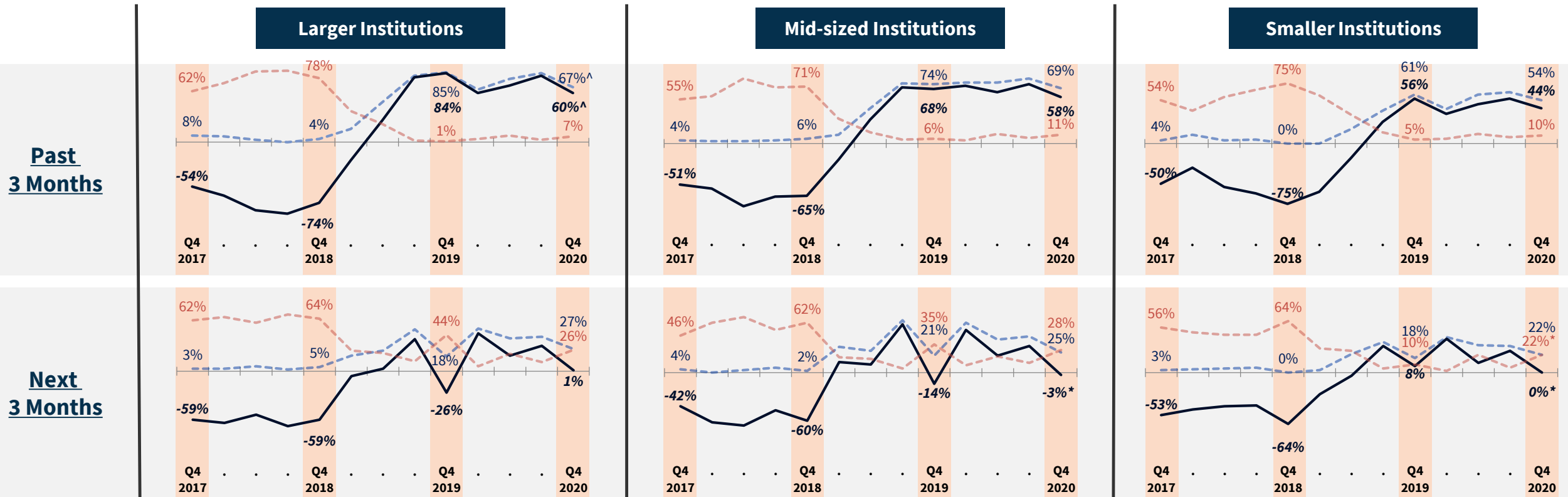
* Denotes a statistically significant change compared with Q3 2020 (previous quarter)
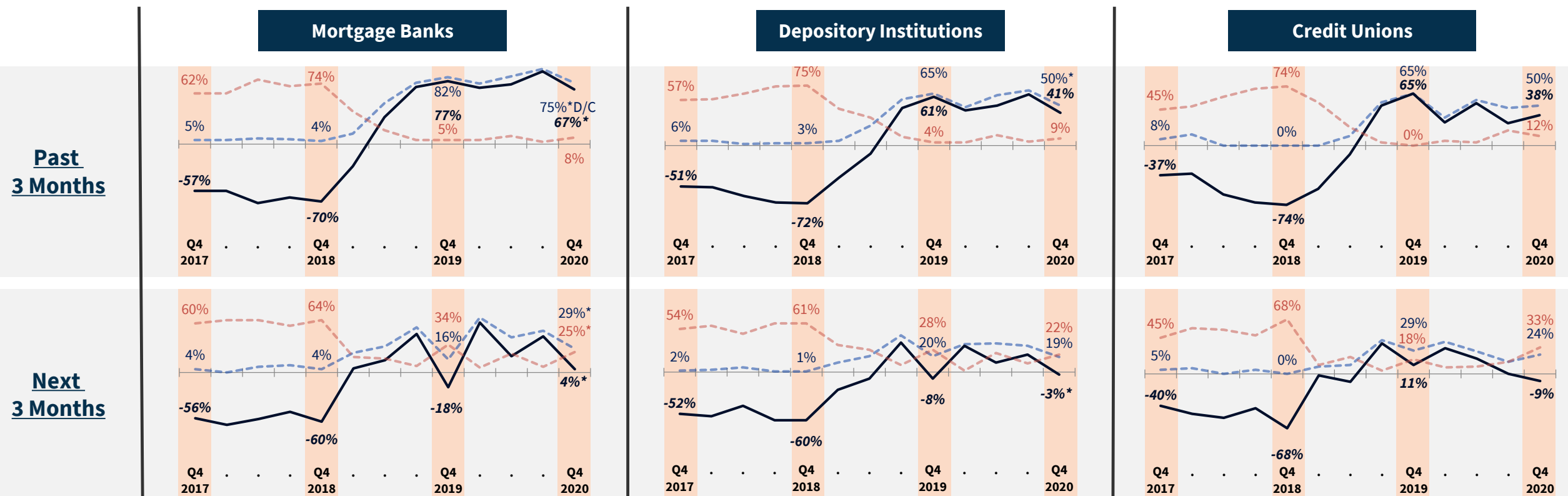*^ Denotes a statistically significant change compared with Q4 2019 (same quarter of last year)*

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

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

Refinance Mortgage Demand: <u>Government (by institution type)</u>

Mortgage Banks

Depository Institutions

Credit Unions

Past 3 Months / Next 3 Months charts with values:

Mortgage Banks — Past 3 Months: 62%, 5%, 74%, 4%, 82%, 77%, 5%, 75%*D/C, 67%*, 8%, -57%, -70%; Q4 2017, Q4 2018, Q4 2019, Q4 2020

Depository Institutions — Past 3 Months: 57%, 6%, 75%, 3%, 65%, 61%, 4%, 50%*, 41%, 9%, -51%, -72%; Q4 2017, Q4 2018, Q4 2019, Q4 2020

Credit Unions — Past 3 Months: 45%, 8%, 74%, 0%, 65%, 65%, 0%, 50%, 38%, 12%, -37%, -74%; Q4 2017, Q4 2018, Q4 2019, Q4 2020

Mortgage Banks — Next 3 Months: 60%, 4%, 64%, 4%, 34%, 16%, 29%*, 25%*, -56%, -60%, -18%, 4%*; Q4 2017, Q4 2018, Q4 2019, Q4 2020

Depository Institutions — Next 3 Months: 54%, 2%, 61%, 1%, 28%, 20%, 22%, 19%, -52%, -60%, -8%, -3%*; Q4 2017, Q4 2018, Q4 2019, Q4 2020

Credit Unions — Next 3 Months: 45%, 5%, 68%, 0%, 29%, 18%, 33%, 24%, -40%, -68%, 11%, -9%; Q4 2017, Q4 2018, Q4 2019, Q4 2020

Legend:
- - - - **Up**
- - - - **Down**
——— **Net Up +**

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

* Denotes a statistically significant change compared with Q3 2020 (previous quarter)
^ Denotes a statistically significant change compared with Q4 2019 (same quarter of last year)

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

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

Q4 2020 Mortgage Lender Sentiment Survey®

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Appendix

Credit Standards: <u>GSE-Eligible (by institution size)</u>

Larger Institutions

Mid-sized Institutions

Smaller Institutions

Past 3 Months

Larger Institutions:
- 28% / 28%
- 0%
- 15% / 13% / 2%
- 6% / 1% / -5%
- 20%* / 16%^S / -4%*
- Q4 2017 . . Q4 2018 . . Q4 2019 . . Q4 2020

Mid-sized Institutions:
- 29% / 29% / 0%
- 12% / 10% / 2%
- 11% / 8% / 3%
- 24%^ / 6% / -18%^
- Q4 2017 . . Q4 2018 . . Q4 2019 . . Q4 2020

Smaller Institutions:
- 18% / 17% / 1%
- 6% / 4% / 2%
- 9% / 3% / 6%
- 22%^ / 4% / -18%^
- Q4 2017 . . Q4 2018 . . Q4 2019 . . Q4 2020

Next 3 Months

Larger Institutions:
- 13% / 12% / 1%
- 12% / 10% / 2%
- 6% / 2% / -4%
- 12% / 12%^S / 0%
- Q4 2017 . . Q4 2018 . . Q4 2019 . . Q4 2020

Mid-sized Institutions:
- 9% / 9% / 0%
- 12% / 9% / 3%
- 5% / 5% / 0%
- 6% / 6% / 0%
- Q4 2017 . . Q4 2018 . . Q4 2019 . . Q4 2020

Smaller Institutions:
- 4% / 3% / 1%
- 6% / 3% / 3%
- 6% / 1% / -5%
- 4% / 3% / -1%
- Q4 2017 . . Q4 2018 . . Q4 2019 . . Q4 2020

Legend:
- Ease (blue dashed)
- Tighten (red dashed)
- Net Ease + (black solid)

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

* Denotes a statistically significant change compared with Q3 2020 (previous quarter)

^ Denotes a statistically significant change compared with Q4 2019 (same quarter of last year)

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
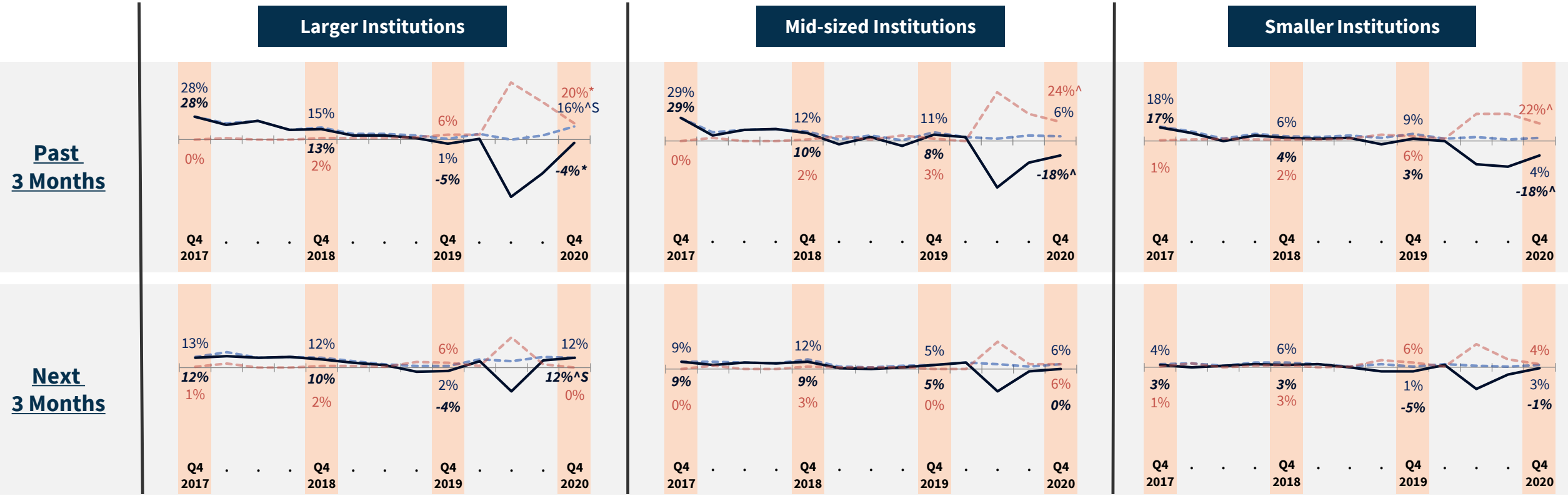*The % saying "stay the same" is not shown*

Credit Standards: <u>GSE-Eligible (by institution type)</u>

Mortgage Banks

Depository Institutions

Credit Unions

Past 3 Months

Mortgage Banks: 33%, 33%, 0%, 11%, 9%, 2%, 6%, 3%, -3%, 27%*^, 11%, -16% — Q4 2017, Q4 2018, Q4 2019, Q4 2020

Depository Institutions: 19%, 18%, 1%, 8%, 7%, 1%, 7%, 6%, 1%, 18%, 9%, -9%* — Q4 2017, Q4 2018, Q4 2019, Q4 2020

Credit Unions: 16%, 16%, 0%, 5%, 4%, 1%, 13%, 10%, 3%, 17%*, 2%, -15%*^ — Q4 2017, Q4 2018, Q4 2019, Q4 2020

Next 3 Months

Mortgage Banks: 11%, 11%, 0%, 14%, 13%, 1%, 5%, 3%, -2%, 8%, 5%, 3% — Q4 2017, Q4 2018, Q4 2019, Q4 2020

Depository Institutions: 9%, 6%, 3%, 5%, 3%, 2%, 5%, 2%, -3%, 9%, 9%*^C, 0%* — Q4 2017, Q4 2018, Q4 2019, Q4 2020

Credit Unions: 3%, 3%, 0%, 8%, 4%, 4%, 3%, 3%, 0%, 5%, 0%, -5% — Q4 2017, Q4 2018, Q4 2019, Q4 2020

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

Q: Over the <u>past three months</u>, 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 <u>next three months</u>, how do you expect your firm's credit standards for approving applications from individuals for mortgage loans to change (across purchase mortgages and refinance mortgages)? *"Ease" = Ease considerably + Ease somewhat, "Tighten" = Tighten somewhat + Tighten considerably*
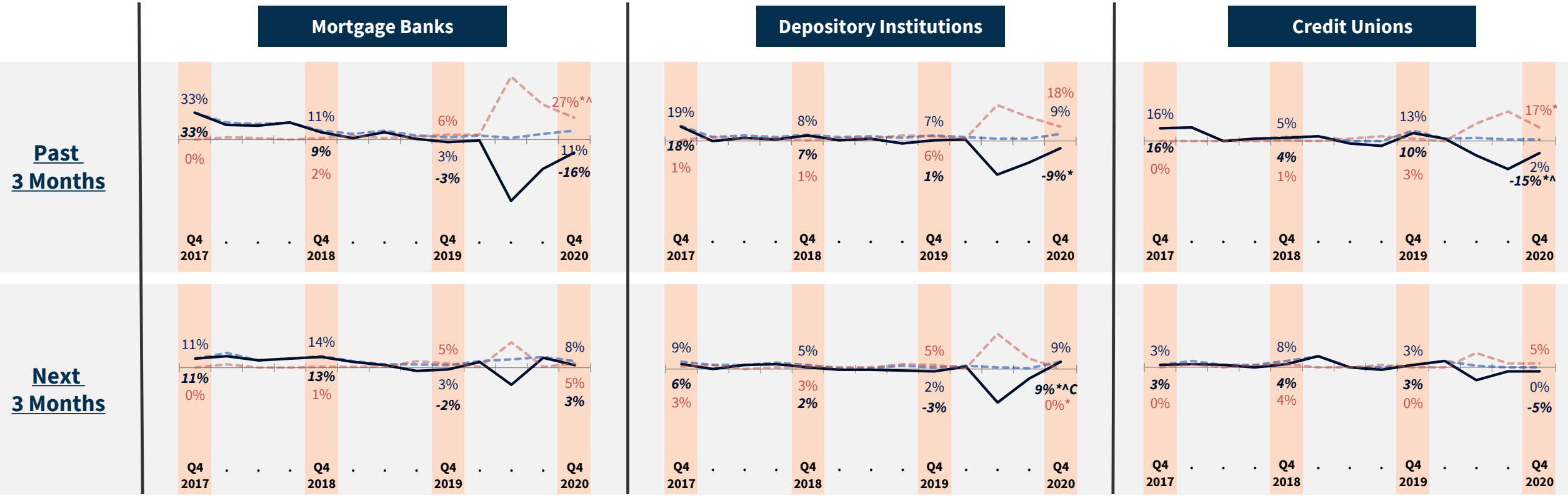
* Denotes a statistically significant change compared with Q3 2020 (previous quarter)
^ Denotes a statistically significant change compared with Q4 2019 (same quarter of last year)

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: <u>Non-GSE-Eligible (by institution size)</u>

Larger Institutions

Mid-sized Institutions

Smaller Institutions

Past 3 Months

Larger Institutions:
- 36%, 36%, 0%
- 20%, 13%, 7%
- 12%, 6%, 6%
- 31%*^, 17%, -14%*
- Q4 2017, Q4 2018, Q4 2019, Q4 2020

Mid-sized Institutions:
- 19%, 17%, 2%
- 24%, 22%, 2%
- 14%, 11%, 3%
- 23%*^, 7%, -16%*^
- Q4 2017, Q4 2018, Q4 2019, Q4 2020

Smaller Institutions:
- 9%, 9%, 0%
- 14%, 13%, 1%
- 9%, 4%, 5%
- 26%^, 7%, -19%^
- Q4 2017, Q4 2018, Q4 2019, Q4 2020

Next 3 Months

Larger Institutions:
- 19%, 17%, 2%
- 21%, 15%, 6%
- 5%, -2%, 7%
- 18%, 16%^, 2%
- Q4 2017, Q4 2018, Q4 2019, Q4 2020

Mid-sized Institutions:
- 11%, 7%, 4%
- 18%, 12%, 6%
- 9%, 3%, 6%
- 12%, 3%, 9%
- Q4 2017, Q4 2018, Q4 2019, Q4 2020

Smaller Institutions:
- 3%, 2%, -1%
- 10%, 8%, 2%
- 7%, 4%, 3%
- 10%, 5%*, 5%
- Q4 2017, Q4 2018, Q4 2019, Q4 2020

Legend:
- - - - **Ease**
- - - - **Tighten**
—— **Net Ease +**

Q: Over the <u>past three months</u>, 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 <u>next three months</u>, how do you expect your firm's credit standards for approving applications from individuals for mortgage loans to change (across purchase mortgages and refinance mortgages)? *"Ease" = Ease considerably + Ease somewhat, "Tighten" = Tighten somewhat + Tighten considerably*
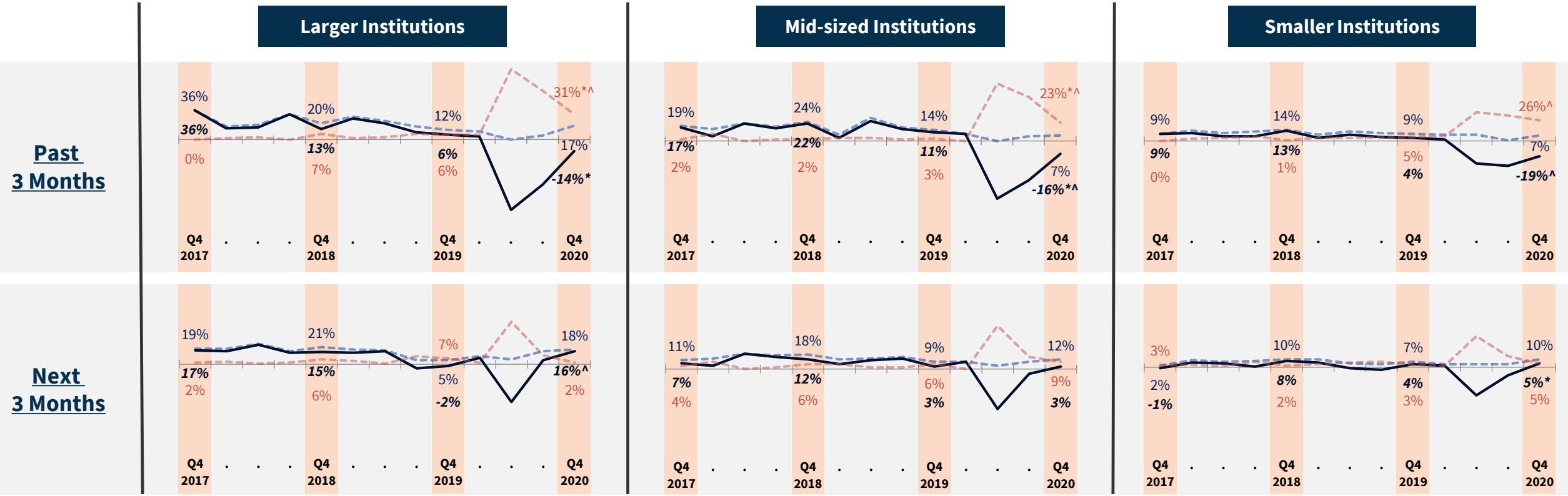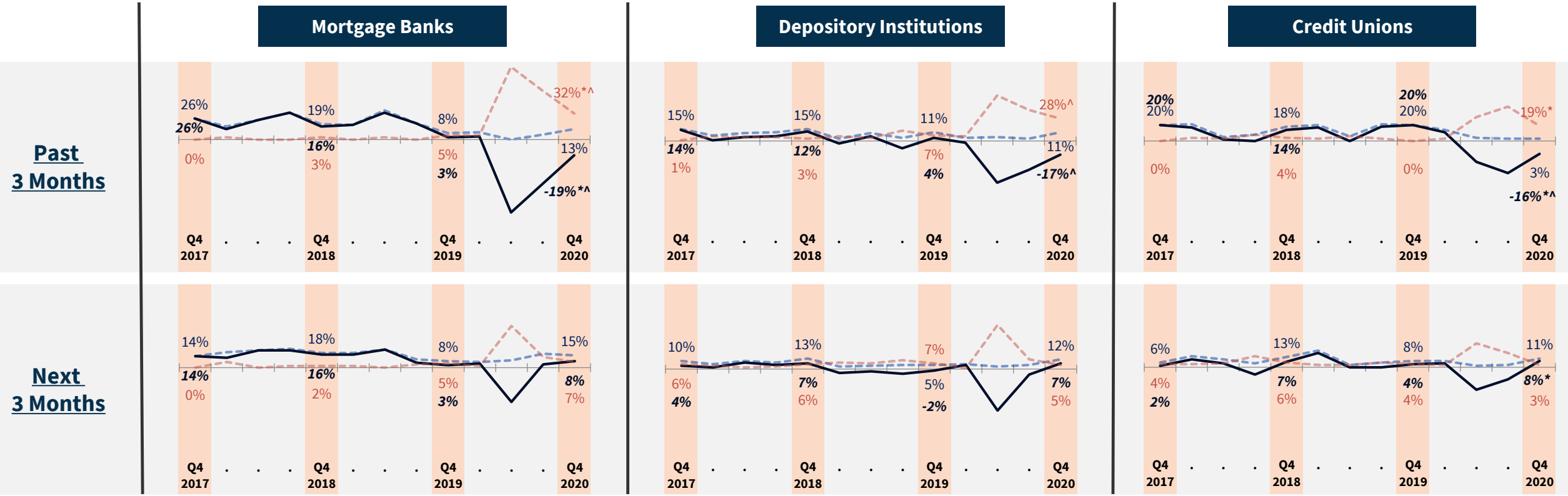
* Denotes a statistically significant change compared with Q3 2020 (previous quarter)

^ Denotes a statistically significant change compared with Q4 2019 (same quarter of last year)

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

Q4 2020 Mortgage Lender Sentiment Survey®

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

Mortgage Banks

Past 3 Months

26%
26%
19%
8%
32%*^
13%
0%
3%
16%
5%
3%
-19%*^

Q4 2017 · · · Q4 2018 · · · Q4 2019 · · · Q4 2020

Next 3 Months

14%
18%
8%
15%
14%
16%
5%
3%
8%
0%
2%
7%

Q4 2017 · · · Q4 2018 · · · Q4 2019 · · · Q4 2020

Depository Institutions

Past 3 Months

15%
15%
11%
28%^
11%
14%
12%
7%
1%
3%
4%
-17%^

Q4 2017 · · · Q4 2018 · · · Q4 2019 · · · Q4 2020

Next 3 Months

10%
13%
7%
12%
6%
7%
5%
7%
4%
6%
-2%
5%

Q4 2017 · · · Q4 2018 · · · Q4 2019 · · · Q4 2020

Credit Unions

Past 3 Months

20%
20%
18%
20%
20%
19%*
14%
3%
0%
4%
0%
-16%*^

Q4 2017 · · · Q4 2018 · · · Q4 2019 · · · Q4 2020

Next 3 Months

6%
13%
8%
11%
4%
7%
4%
8%*
2%
6%
4%
3%

Q4 2017 · · · Q4 2018 · · · Q4 2019 · · · Q4 2020

Legend:
- - - - 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
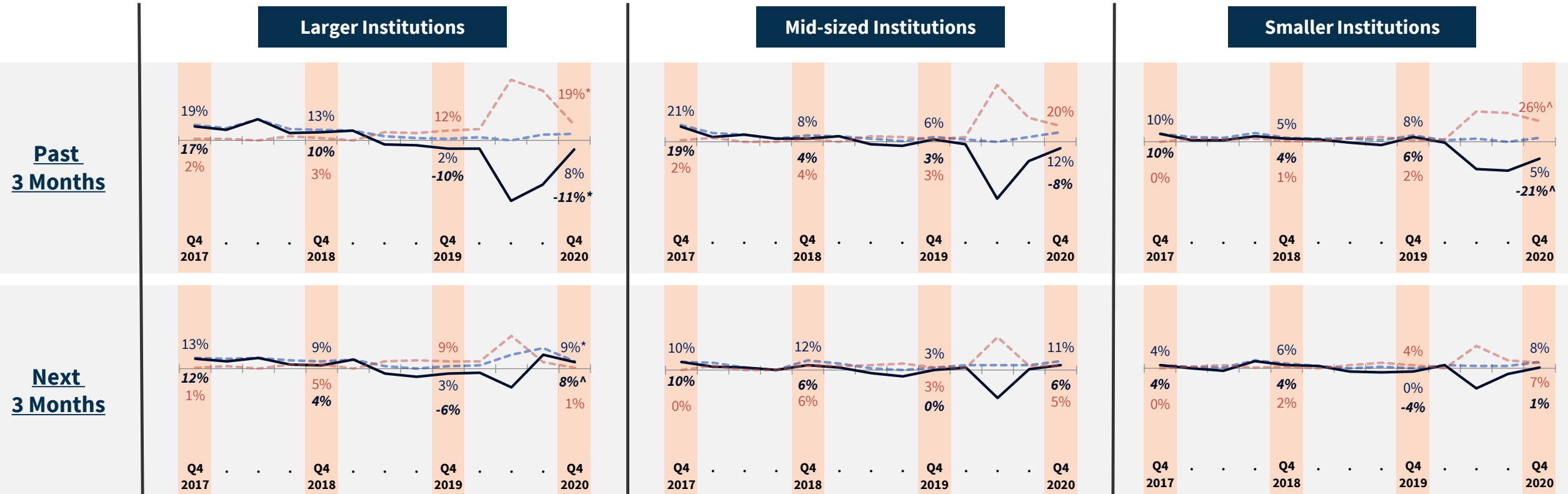
*Denotes a statistically significant change compared with Q3 2020 (previous quarter)
^ Denotes a statistically significant change compared with Q4 2019 (same quarter of last year)

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: <u>Government</u> (by institution size)

Larger Institutions

Mid-sized Institutions

Smaller Institutions

Past 3 Months

Larger Institutions: 19% / 17% / 2%; 13% / 10% / 3%; 12% / 2% / -10%; 19%* / 8% / -11%*
Q4 2017 · · Q4 2018 · · Q4 2019 · · · Q4 2020

Mid-sized Institutions: 21% / 19% / 2%; 8% / 4% / 4%; 6% / 3% / 3%; 20% / 12% / -8%
Q4 2017 · · Q4 2018 · · Q4 2019 · · Q4 2020

Smaller Institutions: 10% / 10% / 0%; 5% / 4% / 1%; 8% / 6% / 2%; 26%^ / 5% / -21%^
Q4 2017 · · Q4 2018 · · Q4 2019 · · · Q4 2020

Next 3 Months

Larger Institutions: 13% / 12% / 1%; 9% / 5% / 4%; 9% / 3% / -6%; 9%* / 8%^ / 1%
Q4 2017 · · Q4 2018 · · Q4 2019 · · · Q4 2020

Mid-sized Institutions: 10% / 10% / 0%; 12% / 6% / 6%; 3% / 3% / 0%; 11% / 6% / 5%
Q4 2017 · · Q4 2018 · · Q4 2019 · · Q4 2020

Smaller Institutions: 4% / 4% / 0%; 6% / 4% / 2%; 4% / 0% / -4%; 8% / 7% / 1%
Q4 2017 · · Q4 2018 · · Q4 2019 · · · Q4 2020

Legend:
- - - **Ease**
- - - **Tighten**
—— **Net Ease +**

Q: Over the <u>past three months</u>, 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 <u>next three months</u>, how do you expect your firm's credit standards for approving applications from individuals for mortgage loans to change (across purchase mortgages and refinance mortgages)? *"Ease" = Ease considerably + Ease somewhat, "Tighten" = Tighten somewhat + Tighten considerably*
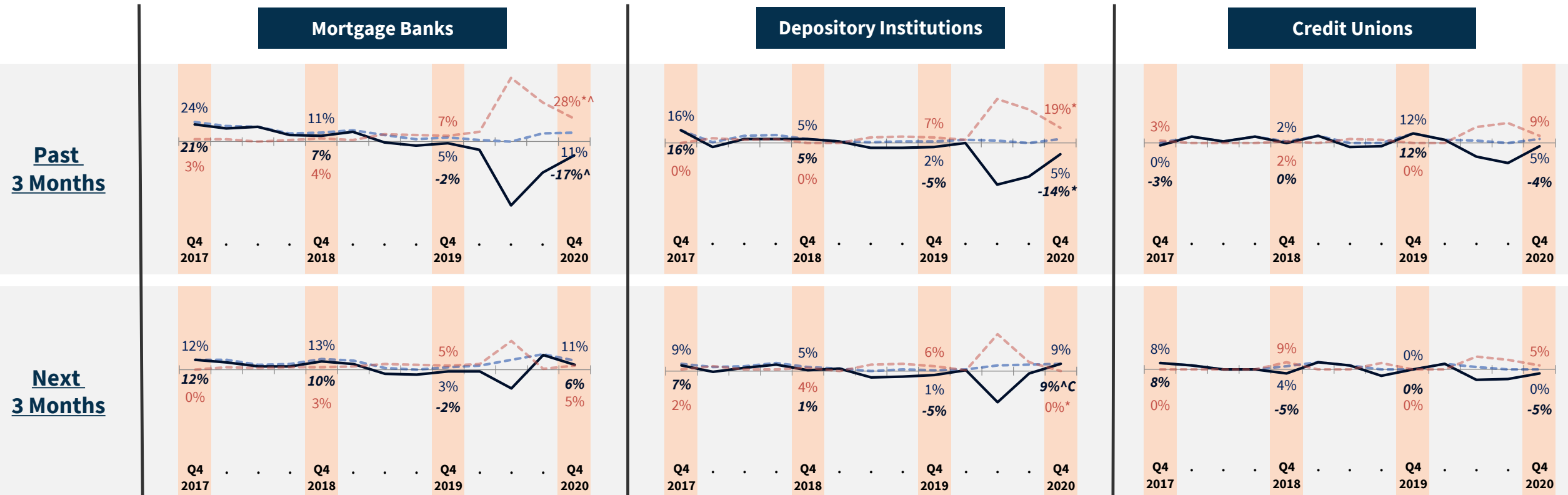
* Denotes a statistically significant change compared with Q3 2020 (previous quarter)
^ Denotes a statistically significant change compared with Q4 2019 (same quarter of last year)

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: <u>Government</u> (by institution type)

Mortgage Banks

Past 3 Months
- 24%
- 21%
- 3%
- 11%
- 7%
- 4%
- 7%
- 5%
- -2%
- 28%*^
- 11%
- -17%^

Q4 2017 · · Q4 2018 · Q4 2019 · · · Q4 2020

Next 3 Months
- 12%
- 12%
- 0%
- 13%
- 10%
- 3%
- 5%
- 3%
- -2%
- 11%
- 6%
- 5%

Q4 2017 · · Q4 2018 · Q4 2019 · · · Q4 2020

Depository Institutions

Past 3 Months
- 16%
- 16%
- 0%
- 5%
- 5%
- 0%
- 7%
- 2%
- -5%
- 19%*
- 5%
- -14%*

Q4 2017 · · Q4 2018 · Q4 2019 · Q4 2020

Next 3 Months
- 9%
- 7%
- 2%
- 5%
- 4%
- 1%
- 6%
- 1%
- -5%
- 9%
- 9%^C
- 0%*

Q4 2017 · · Q4 2018 · Q4 2019 · Q4 2020

Credit Unions

Past 3 Months
- 3%
- 0%
- -3%
- 2%
- 2%
- 0%
- 12%
- 12%
- 0%
- 9%
- 5%
- -4%

Q4 2017 · · Q4 2018 · · · Q4 2019 · · · Q4 2020

Next 3 Months
- 8%
- 8%
- 0%
- 9%
- 4%
- -5%
- 0%
- 0%
- 0%
- 5%
- 0%
- -5%

Q4 2017 · · Q4 2018 · Q4 2019 · · · Q4 2020

Legend:
- - - - Ease
- - - - Tighten
——— Net Ease +

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

* Denotes a statistically significant change compared with Q3 2020 (previous quarter)
^ Denotes a statistically significant change compared with Q4 2019 (same quarter of last year)

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: Drivers of Change (selected verbatim)

Drivers of Loosening Change

Drivers of Tightening Change

Past 3 Months
N=83
- **COVID-19 related concerns and uncertainty**
- **Changes to guidelines**
- **Market/Economic conditions**

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)

Next 3 Months
N=33
- **Changes to guidelines**
- **Market/Economic conditions**
- **COVID-19 related concerns and uncertainty**

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)

"Comfort with the COVID climate." – *Larger Institution*

"As COVID becomes less of a consideration in the typical borrower's income we will loosen out restrictions." – *Larger Institution*

"We had tightened significantly at the beginning of COVID. Some of those changes are being rolled back." – *Mid-sized Institution*

"General economy conditions have slightly improved and there is less uncertainty than 6 months ago." – *Larger Institution*

"Tightened risk thresholds due to decreased secondary market availability for scratch & dent loans." –*Larger Institution*

"Continued rollback of credit overlays implemented at the beginning of COVID." – *Mid-sized Institution*

"Secondary market requirements, impact of COVID on uncertainty in market, COVID impact on interest rates." –*Mid-sized Institution*

"Less intrusive appraisals and closings may result in lowering of underwriting standards." – *Smaller Institution*

"Uncertainty around economic conditions due to COVID-19." – *Mid-sized Institution*

"COVID-19." – *Mid-sized Institution*

"COVID-19 created disruptions in employment and the need to verify income and employment." – *Smaller Institution*

"COVID, forbearance, limited staffing." – *Smaller Institution*

Appendix

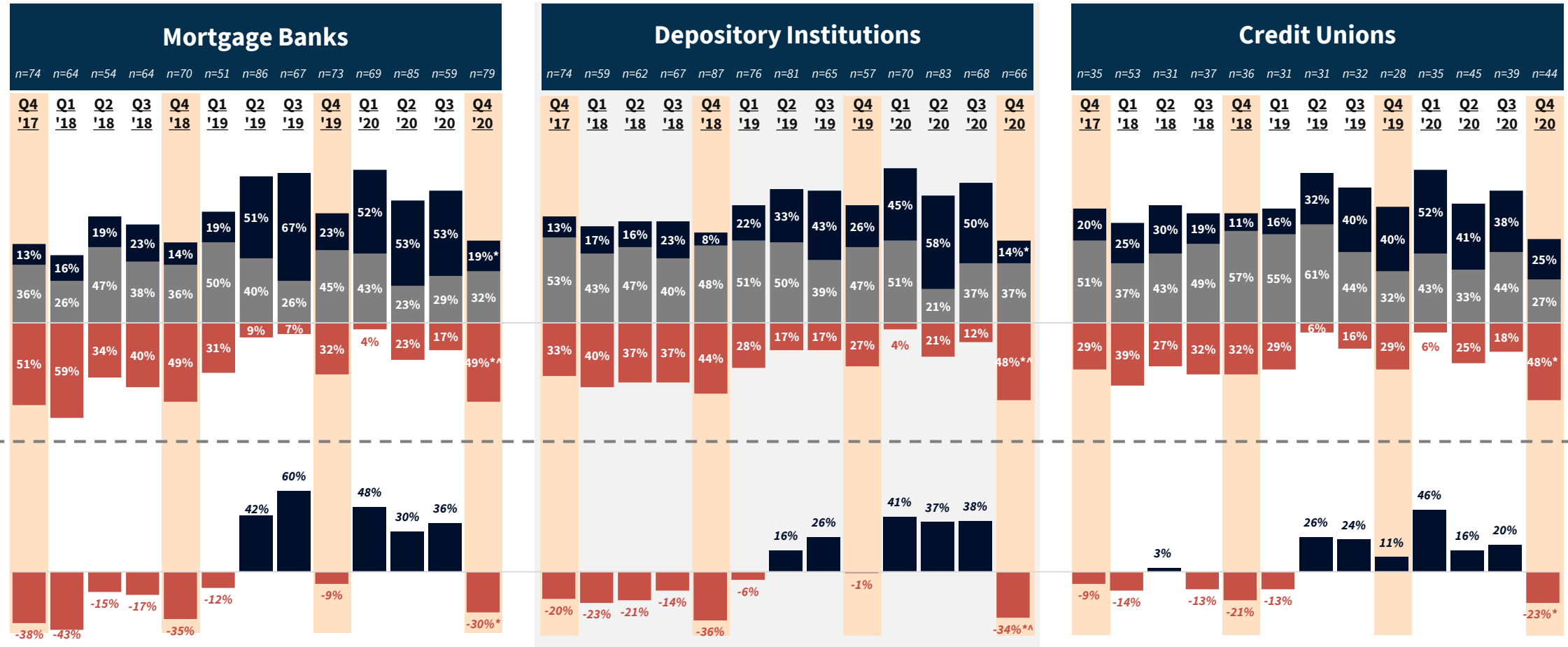# Profit Margin Outlook – Next 3 Months (by institution size)
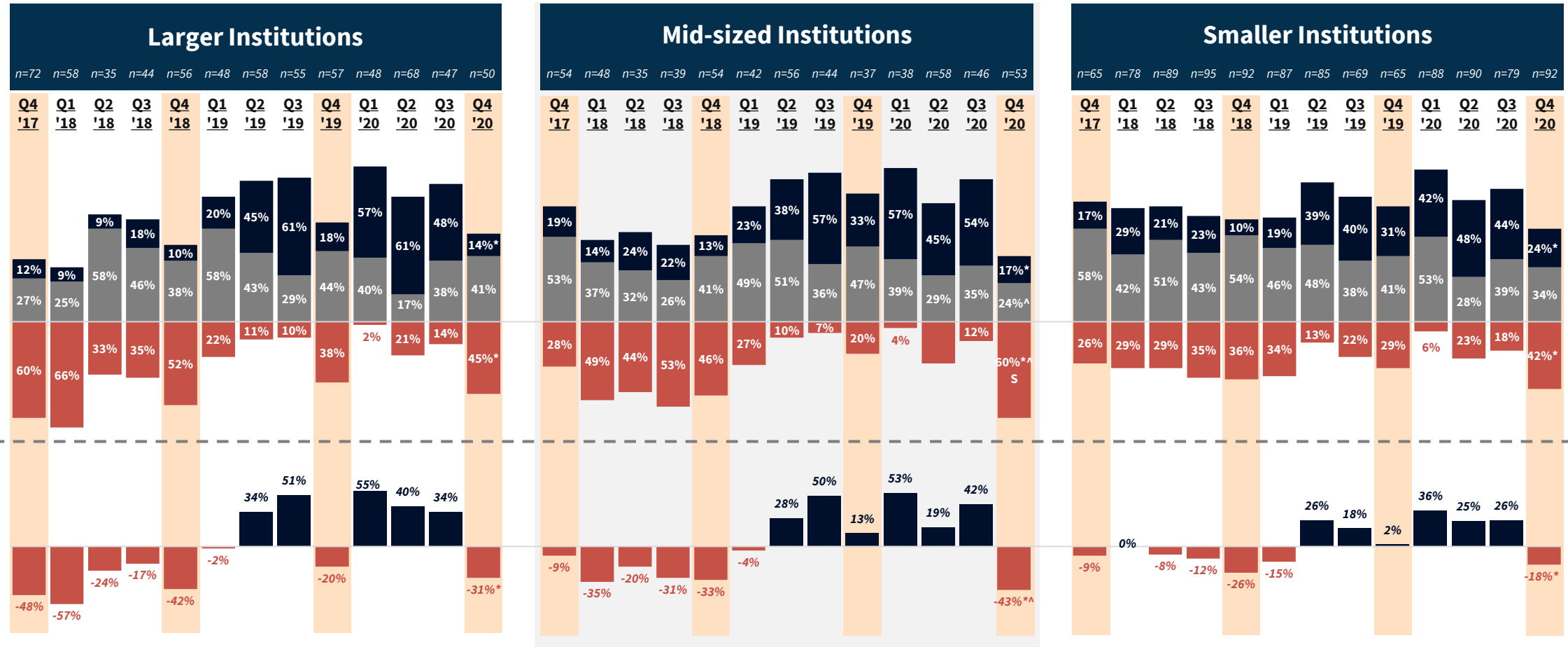
Q: Over the next three months, how much do you expect your firm's profit margin to change for its single-family mortgage production? [Showing: (Substantially Increase (25+ basis points) + Moderately Increase (5 - 25 basis points)), About the same (0 - 5 basis points), (Moderately Decrease (5 - 25 basis points) + Substantially Decrease (25+ basis points)]

*Denotes a statistically significant change compared with Q3 2020 (previous quarter)
^ Denotes a statistically significant change compared with Q4 2019 (same quarter of last year)

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

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

Mortgage Banks

	Q4 '17	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19	Q4 '19	Q1 '20	Q2 '20	Q3 '20	Q4 '20
n	n=74	n=64	n=54	n=64	n=70	n=51	n=86	n=67	n=73	n=69	n=85	n=59	n=79
Increase	13%	16%	19%	23%	14%	19%	51%	67%	23%	52%	53%	53%	19%*
About the same	36%	26%	47%	38%	36%	50%	40%	26%	45%	43%	23%	29%	32%
Decrease	51%	59%	34%	40%	49%	31%	9%	7%	32%	4%	23%	17%	49%*^
Net increase %	-38%	-43%	-15%	-17%	-35%	-12%	42%	60%	-9%	48%	30%	36%	-30%*

Depository Institutions

	Q4 '17	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19	Q4 '19	Q1 '20	Q2 '20	Q3 '20	Q4 '20
n	n=74	n=59	n=62	n=67	n=87	n=76	n=81	n=65	n=57	n=70	n=83	n=68	n=66
Increase	13%	17%	16%	23%	8%	22%	33%	43%	26%	45%	58%	50%	14%*
About the same	53%	43%	47%	40%	48%	51%	50%	39%	47%	51%	21%	37%	37%
Decrease	33%	40%	37%	37%	44%	28%	17%	17%	27%	4%	21%	12%	48%*^
Net increase %	-20%	-23%	-21%	-14%	-36%	-6%	16%	26%	-1%	41%	37%	38%	-34%*^

Credit Unions

	Q4 '17	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19	Q4 '19	Q1 '20	Q2 '20	Q3 '20	Q4 '20
n	n=35	n=53	n=31	n=37	n=36	n=31	n=31	n=32	n=28	n=35	n=45	n=39	n=44
Increase	20%	25%	30%	19%	11%	16%	32%	40%	40%	52%	41%	38%	25%
About the same	51%	37%	43%	49%	57%	55%	61%	44%	32%	43%	33%	44%	27%
Decrease	29%	39%	27%	32%	32%	29%	6%	16%	29%	6%	25%	18%	48%*
Net increase %	-9%	-14%	3%	-13%	-21%	-13%	26%	24%	11%	46%	16%	20%	-23%*

Increase
About the same
Decrease

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)]

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

* Denotes a statistically significant change compared with Q3 2020 (previous quarter)
^ Denotes a statistically significant change compared with Q4 2019 (same quarter of last year)

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								
	2018		2019			2020			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
N=	*22*	*36*	*81*	*86*	*42*	*86*	*112*	*82*	*38*
Consumer demand	21%	41%	64%	61%	55%	67%	55%	69%	69%
Operational efficiency (i.e., technology)	65%	47%	32%	43%	49%	51%	22%	29%	38%
GSE pricing and policies	3%	9%	7%	19%	16%	16%	33%	35%	26%
Market trend changes (i.e. shift from refinance to purchase)	0%	11%	17%	22%	27%	18%	16%	13%	25%
Government monetary or fiscal policy	9%	3%	8%	12%	6%	5%	16%	14%	10%
Less competition from other lenders	19%	8%	22%	13%	13%	10%	28%	12%	9%
Non-GSE (other investors) pricing and policies	21%	19%	6%	10%	10%	4%	10%	4%	8%
Staffing (personnel costs) reduction	32%	42%	25%	8%	6%	10%	7%	2%	7%
Marketing expense reduction	0%	1%	9%	2%	0%	2%	4%	8%	4%
Servicing cost reduction	0%	3%	2%	1%	4%	3%	2%	2%	4%
Government regulatory compliance	0%	0%	2%	2%	0%	1%	0%	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 Q3 2020 (previous quarter)
^ Denotes a statistically significant change compared with Q4 2019 (same quarter of last year)

Decreased Profit Margin – Drivers

What do you think will drive the decrease in your firm's profit margin over the next three months? Please select the two most important reasons and rank them in order of importance. (*Showing % rank 1 + 2*)	Total								
	2018		2019			2020			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
N=	*87*	*52*	*24*	*23*	*47*	*8*	*51*	*26*	*92*
Competition from other lenders	74%	77%	59%	66%	63%	50%	41%	62%	72%
GSE pricing and policies	12%	17%	20%	28%	14%	20%	34%	31%	41%^
Market trend changes (i.e. shift from refinance to purchase)	16%	16%	3%	19%	39%	25%	16%	19%	24%
Consumer demand	38%	29%	13%	8%	36%	0%	27%	26%	23%
Staffing (personnel costs)	19%	18%	28%	21%	12%	42%	12%	32%	20%
Government monetary or fiscal policy	10%	9%	12%	7%	5%	9%	21%	13%	8%
Non-GSE (other investors) pricing and policies	6%	10%	3%	4%	5%	0%	15%	3%	2%
Operational efficiency (i.e. technology)	7%	5%	13%	12%	10%	0%	3%	3%	2%
Government regulatory compliance	5%	7%	18%	20%	4%	10%	5%	0%	2%
Servicing costs	1%	3%	3%	4%	2%	0%	15%	3%	1%
Marketing expenses	4%	3%	14%	7%	5%	12%	0%	0%	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 Q3 2020 (previous quarter)
^ Denotes a statistically significant change compared with Q4 2019 (same quarter of last year)

Appendix

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

Profit Margin Outlook

q22. Over <u>the next three months</u>, how much do you expect your firm's profit margin to change for its single-family mortgage production?

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.

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.

Q53a. 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)

Q53b. 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)

Q53c. You mentioned earlier that "GSE pricing and policies" is an important factor for your firm's profit margin to decrease. How are you seeing it affect profit margin? Please share details with us. (Optional)

Q53d. You mentioned earlier that "GSE pricing and policies" is an important factor for your firm's profit margin to increase. How are you seeing it affect profit margin? Please share details with us. (Optional)

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)