Mortgage Lender Sentiment Survey®
Special Topics Report

COVID-19 & Remote Working

First Quarter 2021

Fannie Mae®

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Executive Summary

A majority of lenders shifted to remote work at the start of the COVID-19 pandemic. Many say it improved their productivity and saved on operating costs. However, post-pandemic, many believe a hybrid workplace model is ideal and indicate senior management and customer-facing personnel are the most likely to need to work in office.

Shift to Remote Working

88%

of lenders had **an increase in primarily remote** workplace arrangements compared to before the pandemic

Remote Workforce Impact

*(% who say remote is **better/worse** than pre-pandemic)*

62% say **Productivity is better** in the remote workforce arrangement

51% say **Operating Costs are better** in the remote workforce arrangement

52% say **Employee collaboration within and across functions is worse** in the remote workforce arrangement

Post-Pandemic Workforce

77%

of lenders anticipate that requests for **permanent remote work arrangements will increase** after the pandemic ends

Top Factors Impacting Remote Workforce Strategy

(% of most + second + third important factors combined)

53% say **Productivity**

38% say **Company Culture**

37% say **Talent Retention**

Preferred Workplace Model

79%

of lenders prefer **a hybrid** model (with 21-80% employees remote)

Functional Roles that Need to Work in Office

(top two functional roles selected %)

51% say **Senior Executives**

28% say **Personnel Interacting with Consumer Customers**

Reasons

Collaboration / Communication
Paperwork / Signatures
Access to Technology/Systems
Customer Service

Business Context

Business Context and Research Questions

Business Context

The COVID-19 pandemic brought significant changes to how we conduct businesses and live our lives. Quarantines, lockdowns, and social distancing pushed tens of millions to work from home. While numerous studies have looked into the limitations and benefits of remote work, as vaccination efforts continue, a common question is being asked of many businesses: To what extent will remote work persist post-pandemic?

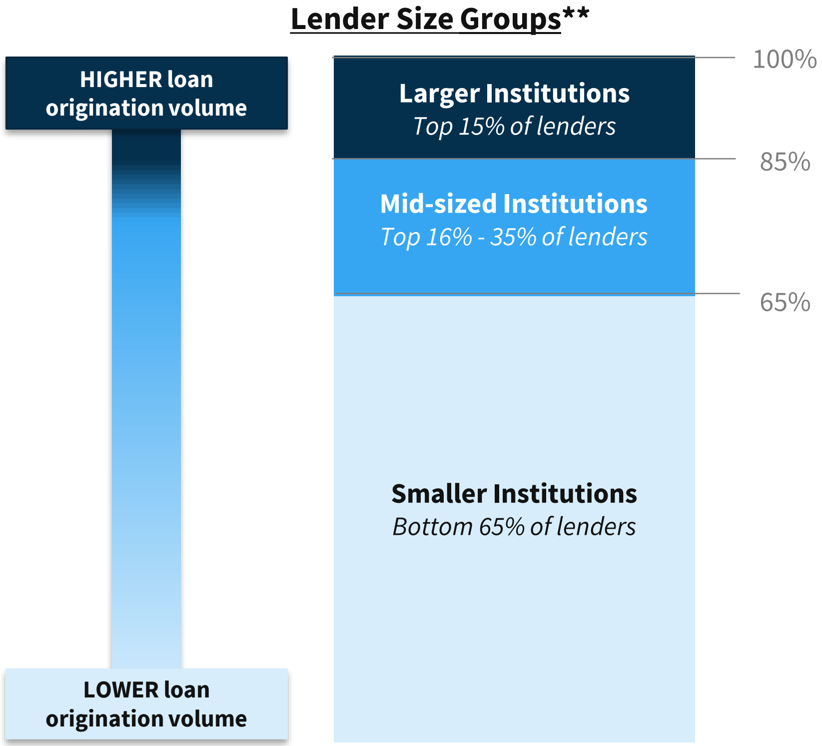
In early February, we surveyed over 200 senior mortgage executives, via the Mortgage Lender Sentiment Survey®, to learn about their remote workforce shifts, the benefits and challenges experienced, and how they foresee their workplace model will look post-pandemic.

Research Questions

1. Remote Workforce Trends/Changes
   - How has the COVID-19 pandemic changed lenders' full-time employees' workplace arrangements?
   - How prepared were lenders for shifting to a remote workforce when the pandemic started in March 2020?
   - After the COVID-19 pandemic is over, how do lenders anticipate the share of their remote workforce to change?
2. Impact of Remote Work
   - How has remote work impacted various aspects of mortgage business, ranging from productivity, operating costs, company culture, consumer customer service, collaboration, to employee satisfaction?
3. Preferred Post-Pandemic Workplace Strategy
   - What factors do lenders consider in deciding their remote workforce strategy for the post-pandemic era?
   - What is lenders preferred workplace model after the pandemic? Primarily in-office, primarily remote, or a hybrid?
   - What functional roles are most likely to need to or want to work in a company office after the pandemic is over and why?

Q1 2021 Respondent Sample and Groups

The current analysis is based on first quarter 2021 data collection. For Q1 2021, a total of 236 senior executives completed the survey between February 2-15, representing 214 lending institutions.*



Sample Q1 2021		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.		214
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)	61
	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)	60
	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)	93
Institution Type* **	**Mortgage Banks** (non-depository)	90
	Depository Institutions	81
	Credit Unions	39

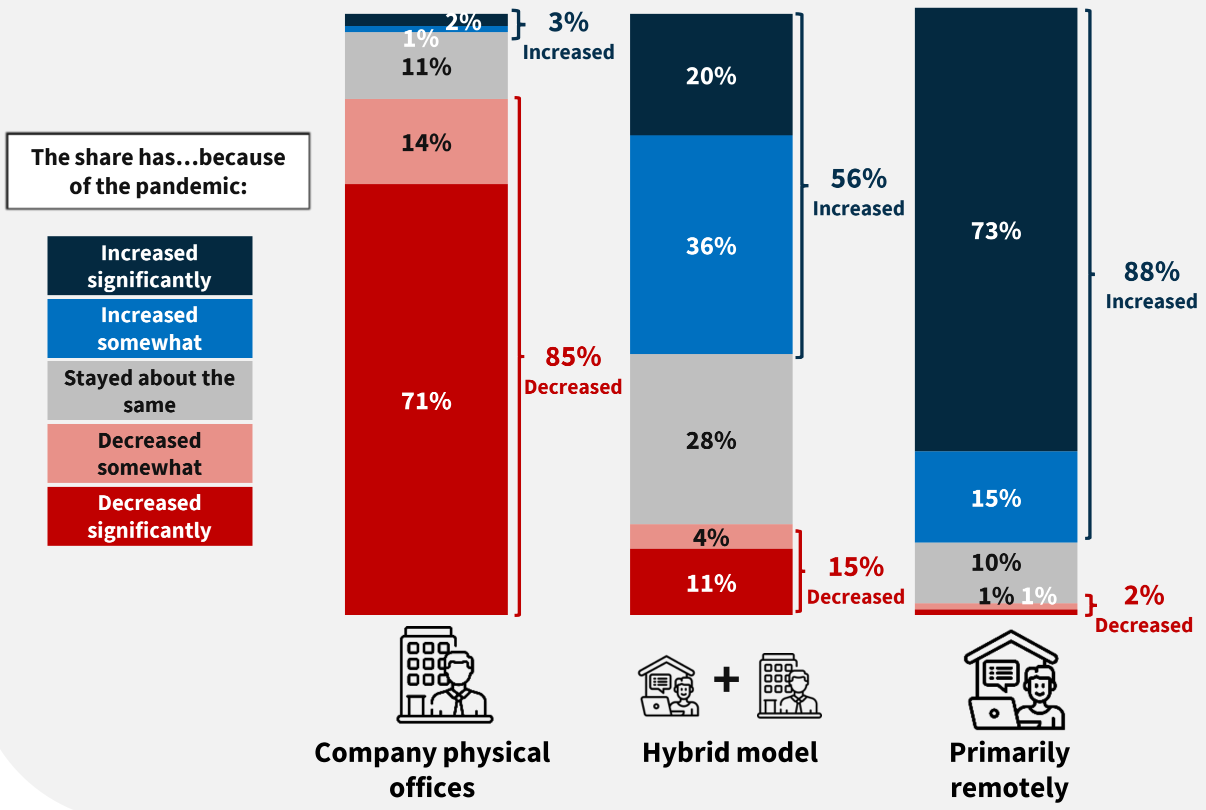
* The results of the Mortgage Lender Sentiment Survey are reported at the lending institutional parent-company level. If more than one individual from the same institution completes the survey, their responses are weighted to represent their parent institution.
** The 2019 total loan volume per lender 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.

COVID-19 Pandemic & Remote Working

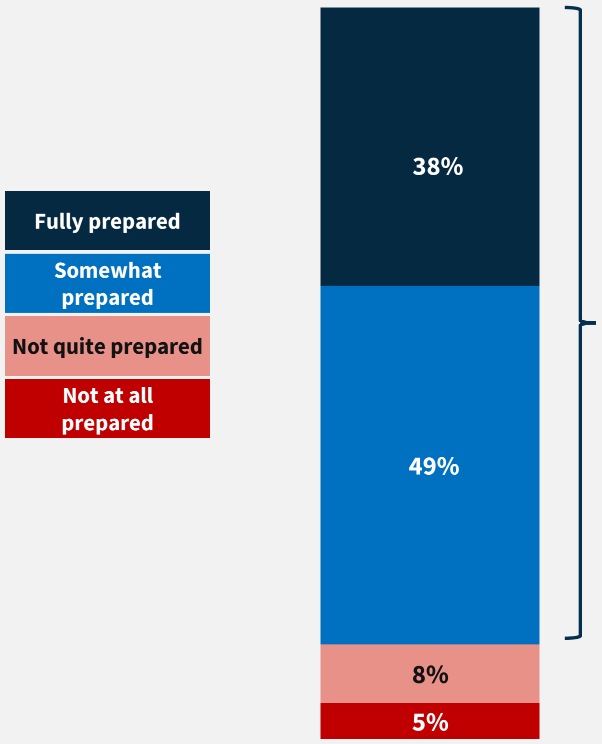
The COVID-19 Pandemic Impact on Workplace Arrangements

Most lenders reported that the share of full-time employees working remotely increased significantly due to the pandemic; most of those lenders also reported that their business was prepared for the change.

How has the COVID-19 pandemic changed your full-time employees' workplace arrangements?



How prepared was your mortgage business for shifting to a remote workforce in March 2020?



87% of mortgage lenders were prepared for the change

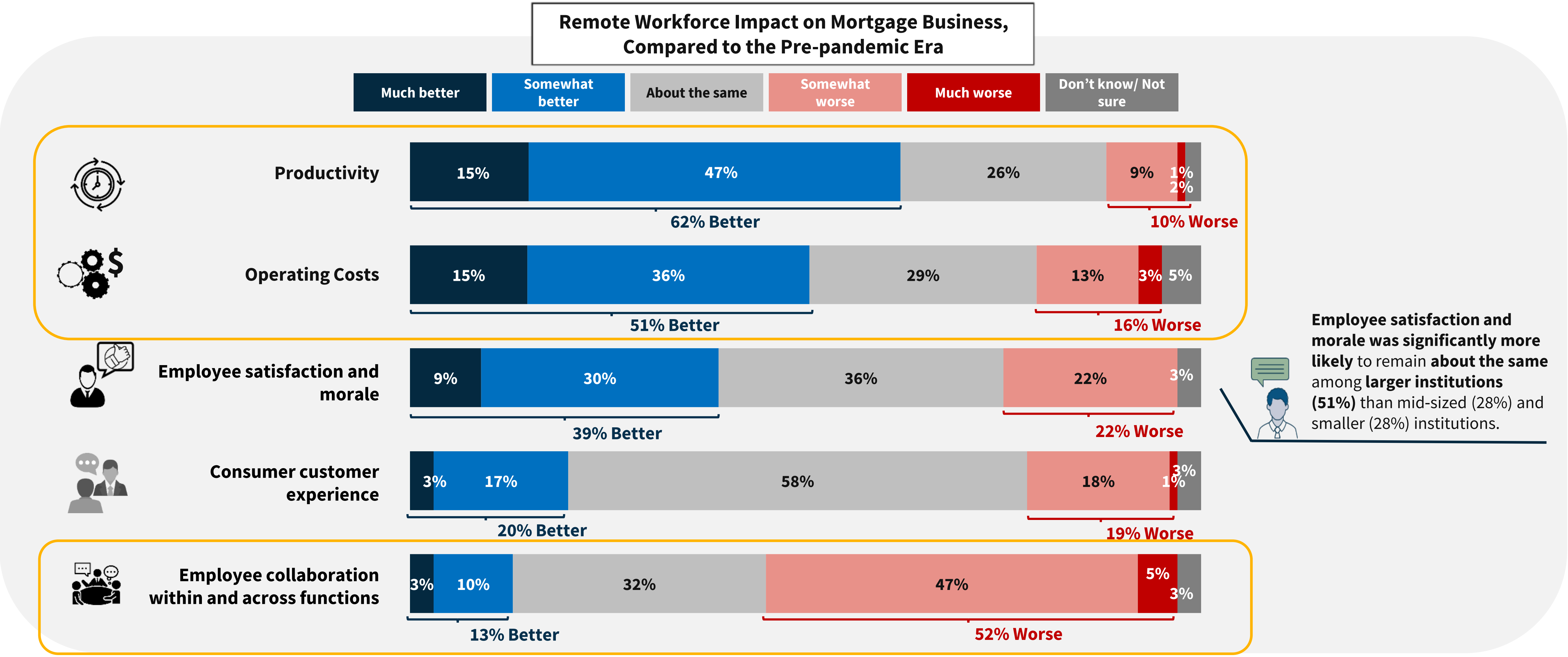
53% of **Mortgage Banks** say they were **fully** prepared for the shift to remote, **significantly more** than **Depository (25%)** and **Credit Unions (27%).**

Q: *For your mortgage business, how has the COVID-19 pandemic changed your full-time employees' workplace arrangements? For each workplace arrangement listed below, please indicate how its share has changed in response to COVID-19.*

Q: *In your view, how prepared was your mortgage business for shifting to a more remote workforce when the pandemic began in March last year?*

Remote Workforce Impact on Mortgage Business

Most lenders said shifting to a remote workforce improved productivity and operating costs; however, most also said it worsened employee collaboration within and across functions.

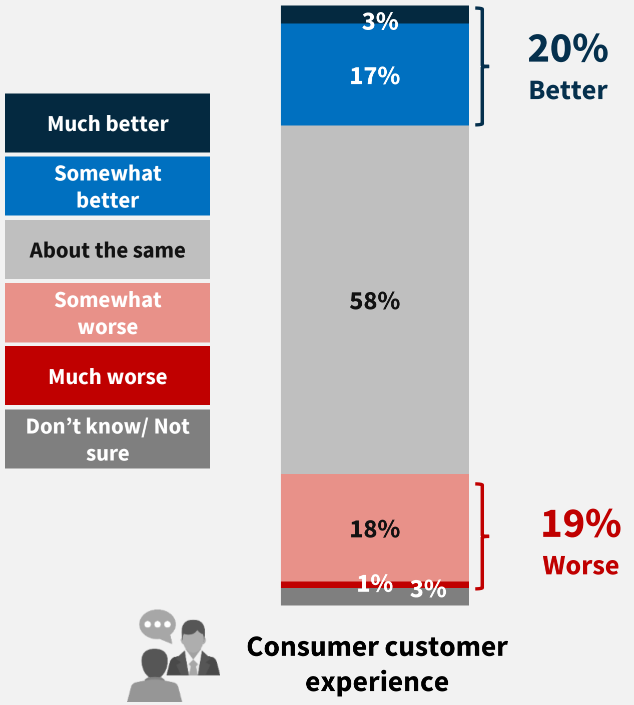


Q: *Overall, how has the shift to a more remote workforce affected the following aspects of your mortgage business, compared to the pre-pandemic era? Please select one answer per row.*

Remote Workforce Impact on Consumer Customer Experience

Many lenders felt the increased remote workforce did not have an impact on the consumer experience. However, some felt it improved due to enhanced technology, while others still felt it worsened due to limited personal touch.

Remote Workforce Impact on Consumer Customer Experience, Compared to the Pre-pandemic Era



How So (Impact on Consumer Customer Experience)?
N=61

Better

*"Made many **enhancements for online options** for the consumer." – Larger Institution*

*"**Improved technology** has improved the consumer experience." – Larger Institution*

*"The pandemic **shifted more consumers to use technology** creating advantages for us to handle more volume, **faster processes and increased productivity** per FTE. Disadvantages not all consumers embracing digital mortgage experience." – Mid- Sized Institution*

*"**Consumer facing technology worked great** and the hybrid model of working both at home and in office **increased productivity**." – Smaller Institution*

Worse

*"**People are somewhat siloed,** so it is harder to learn about issues or assign them resources." – Larger Institution*

*"**Satisfaction from consumers has declined** in areas we measure due to remote work." – Larger Institution*

*"**Less face-to-face attention** to customer needs." – Mid-sized Institution*

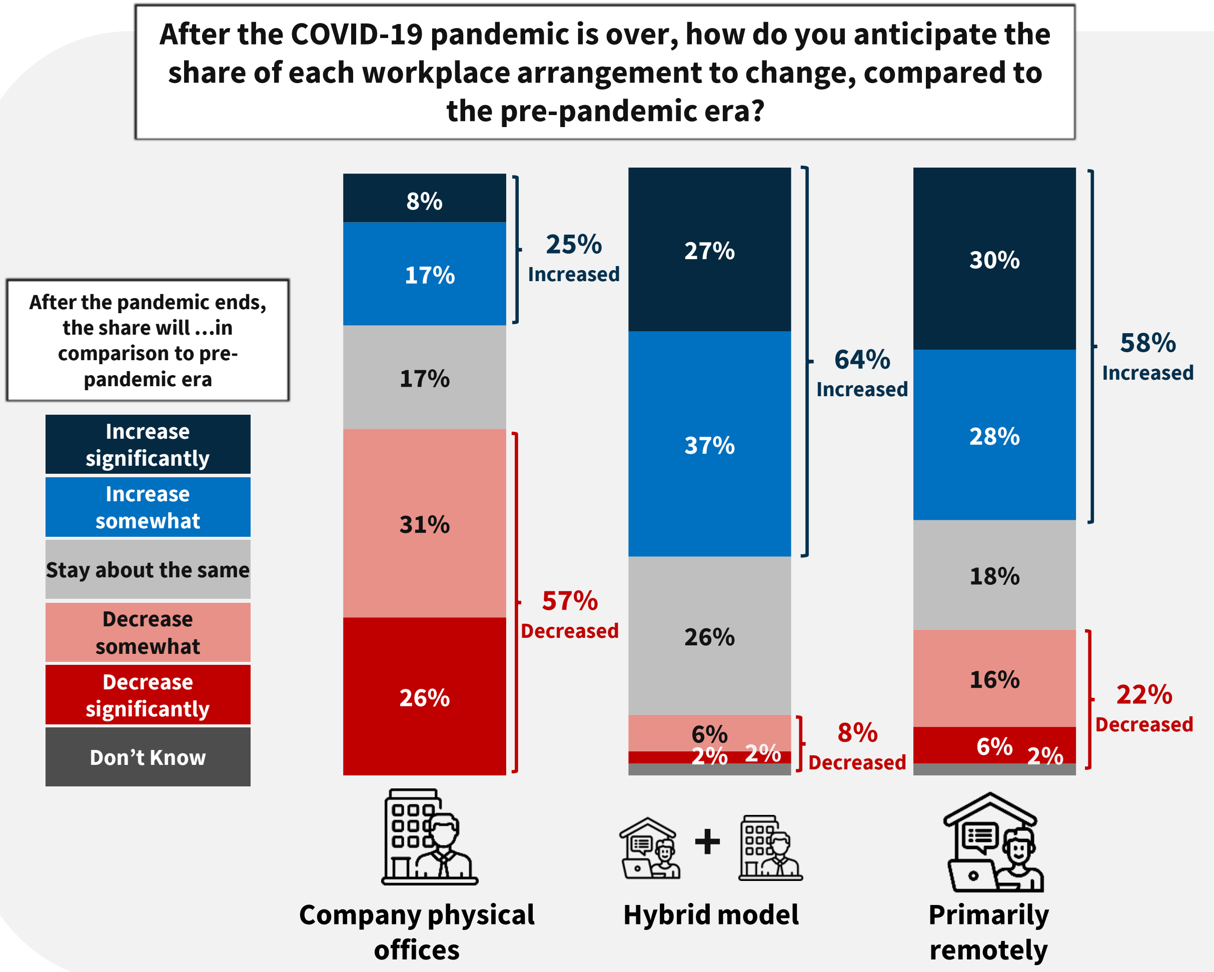
*"Less staff on site to deal with **paper trailing docs**, causing **delays and questions** for customers and custodians." – Mid-sized Institution*

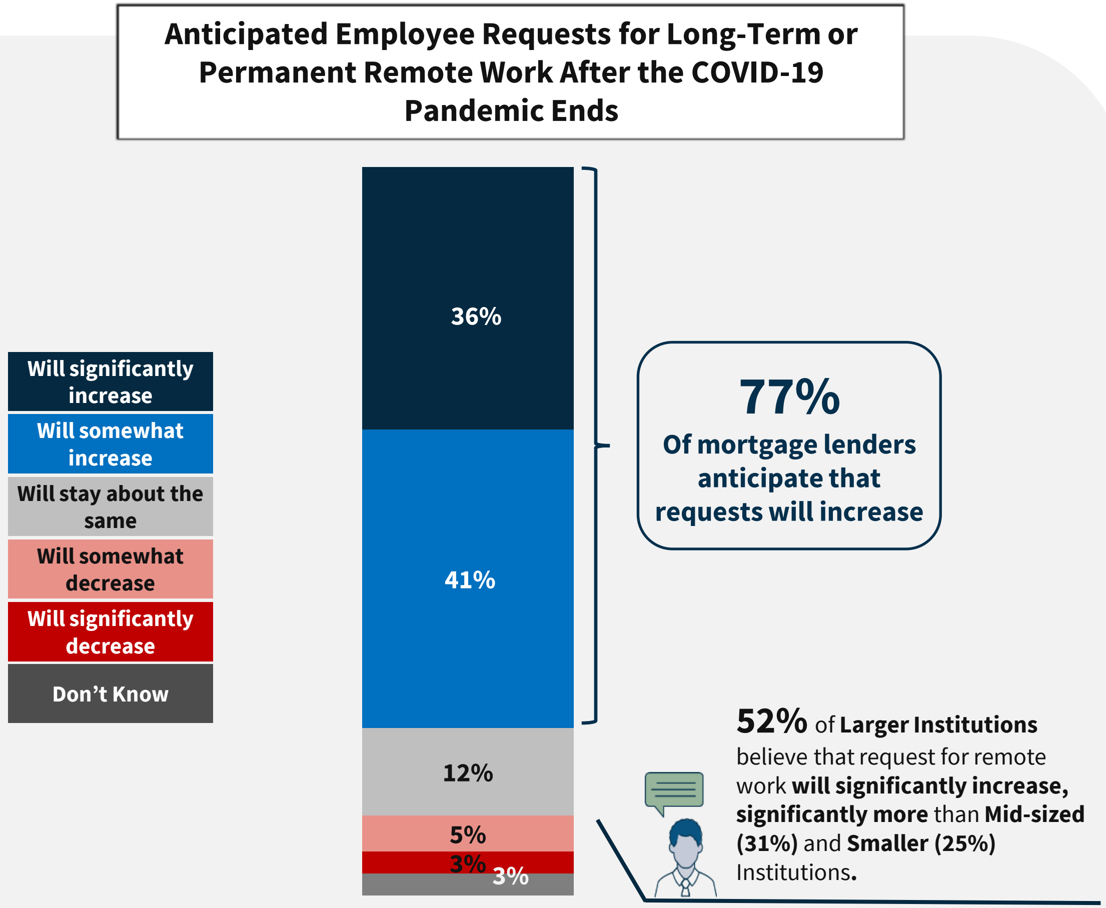
*"Not having everyone in the office made it **more challenging to get in touch with people**." – Smaller Institution*

***Q**: Overall, how has the shift to a more remote workforce affected the following aspects of your mortgage business, compared to the pre-pandemic era? Please select one answer per row.*
***Q: IF CHANGE IN CONSUMER CUSTOMER EXPERIENCE:** You mentioned that a remote workforce has made consumer customer experience [insert] . Could you please share some details about why? What are the advantages or disadvantages your firm has experienced? (Optional)*

Anticipated Workplace Arrangements After the COVID-19 Pandemic Ends

Lenders believe that the share of employees working remotely or in a hybrid model will increase, compared to the pre-pandemic era. Additionally, they anticipate an increase in employee requests for long-term or permanent remote work arrangements.





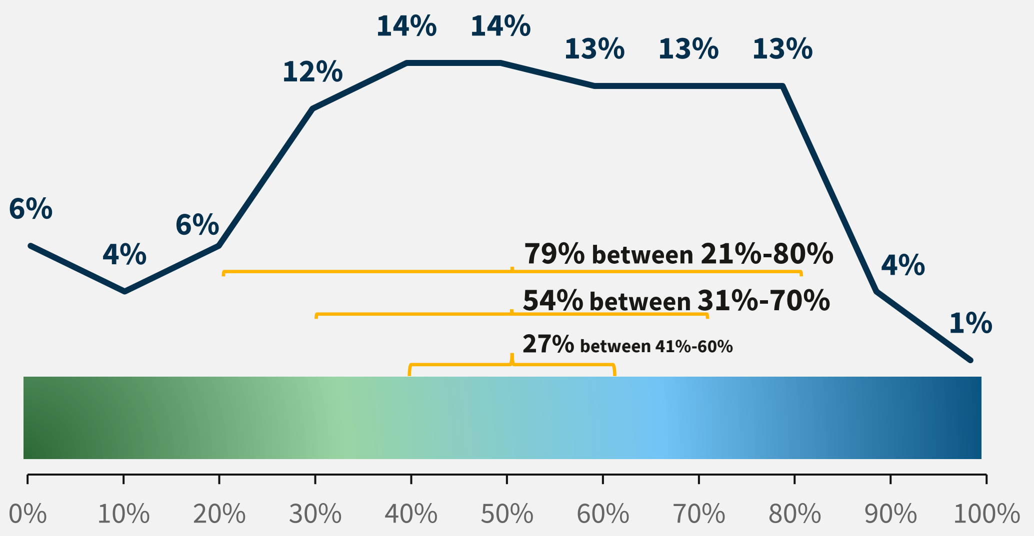
Q: Thinking long term, after the COVID-19 pandemic is over, how do you anticipate the share of each workplace arrangement to change, compared to the pre-pandemic era?
Q: After the COVID-19 pandemic ends, for your mortgage business, how do you anticipate the share of employees who will request long-term or permanent remote work arrangements to change?

Preferred Workplace Model

Despite anticipating increased employee requests for long-term remote work, most lenders say they prefer a hybrid model with a mix of remote and in-office workforces.

Preferred Workplace Model

On a scale of 0% = no employees remote, 100% = all employees remote
Showing share of lenders falling within each bucket, for ex. 1-10%, 11-20%, 21-30%, etc.



100% of employees in company offices

100% of employees remote

13% Of mortgage lenders choose exactly 50/50

Any Policies that Limit Your Firm's Ability for the Optimal Workplace Arrangement?
N=90

60 of the 90 mortgage lenders who responded, **said they saw no limitations** to their optimal workplace arrangement

Limitations to Remote Working

*"The actual **posting of physical payments and hard mail information** makes a remote environment more of a challenge." – Smaller Institution*

*"Access to systems, printers of quality, connections and speed of WIFI. **Access to systems and files is worse offsite.**" – Smaller Institution*

*"Anything that requires a **physical touch or wet signature**." – Smaller Institution*

*"**FHA restrictions of working from home**. Will limit our ability to originate FHA loans." – Mid- Sized Institution*

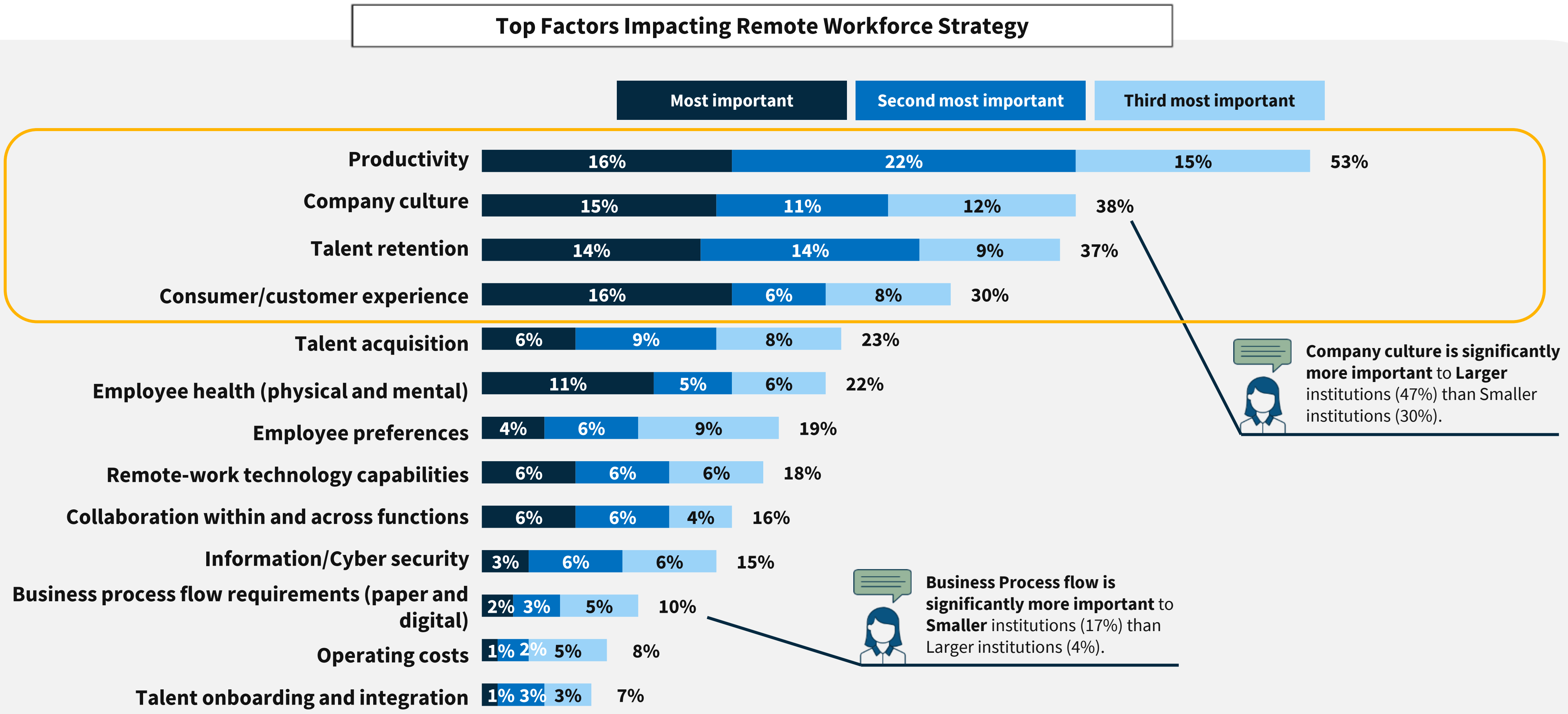
*"**State level loan officer licensing rules** impact remote Loan Officers." – Larger Institution*

22% of **Smaller Institutions** say that they would prefer the office be **at least 90% employees in company offices,** only 5% of larger institutions and 3% of mid-sized institutions agree.

Q: *Which workplace model do you prefer for your mortgage business? Please place the slider along the continuum that best represents the ideal mix. You can move the slider all the way to the end or place it somewhere in the middle.*
Q: *Are there policies or rules from secondary-market investors that you think limit your firm's ability to have the optimal workplace arrangement? Please share your thoughts. (Optional)*

Top Factors Impacting Remote Workforce Strategy

Productivity was cited by lenders as the most important factor when deciding remote workforce strategy, followed by company culture, talent retention, and consumer/customer experience.



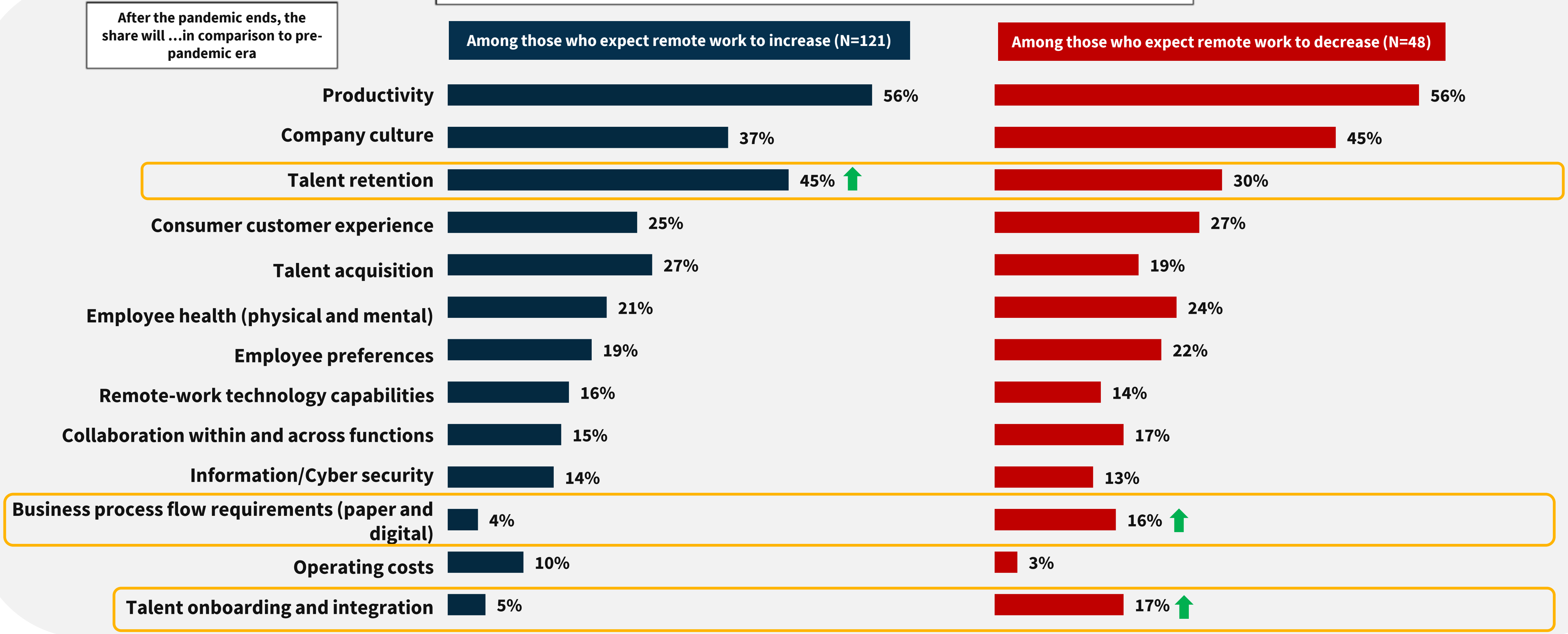
1% (N=3) chose no answer for the second most important; 2% (N=4) chose no answer for the third most important
1% of respondents said "Other". Responses include: "We do not work remotely", "State licensing", and "Customer Service".

Q: *Below is a list of possible factors that firms can take into consideration when deciding their remote workforce strategy. You mentioned earlier that you expect the share of your remote workforce to [INSERT RESPONSE FROM QR430b] after the COVID-19 pandemic ends. What are the three most important factors for your mortgage business when deciding your remote workforce strategy? Please select up to three and rank them in order of importance.*

Top Factors Impacting Remote Workforce Strategy – By Future Remote Work Expectations

Productivity was the most important factor cited by those expecting remote work arrangements to either increase *or* decrease post-pandemic. Lenders who expect it to increase also commonly considered talent retention, while those who expect it to decrease were more likely to consider company culture, business process flows, and talent integration.

Top Factors Impacting Remote Workforce Strategy
Showing % total important (Most + Second + Third)



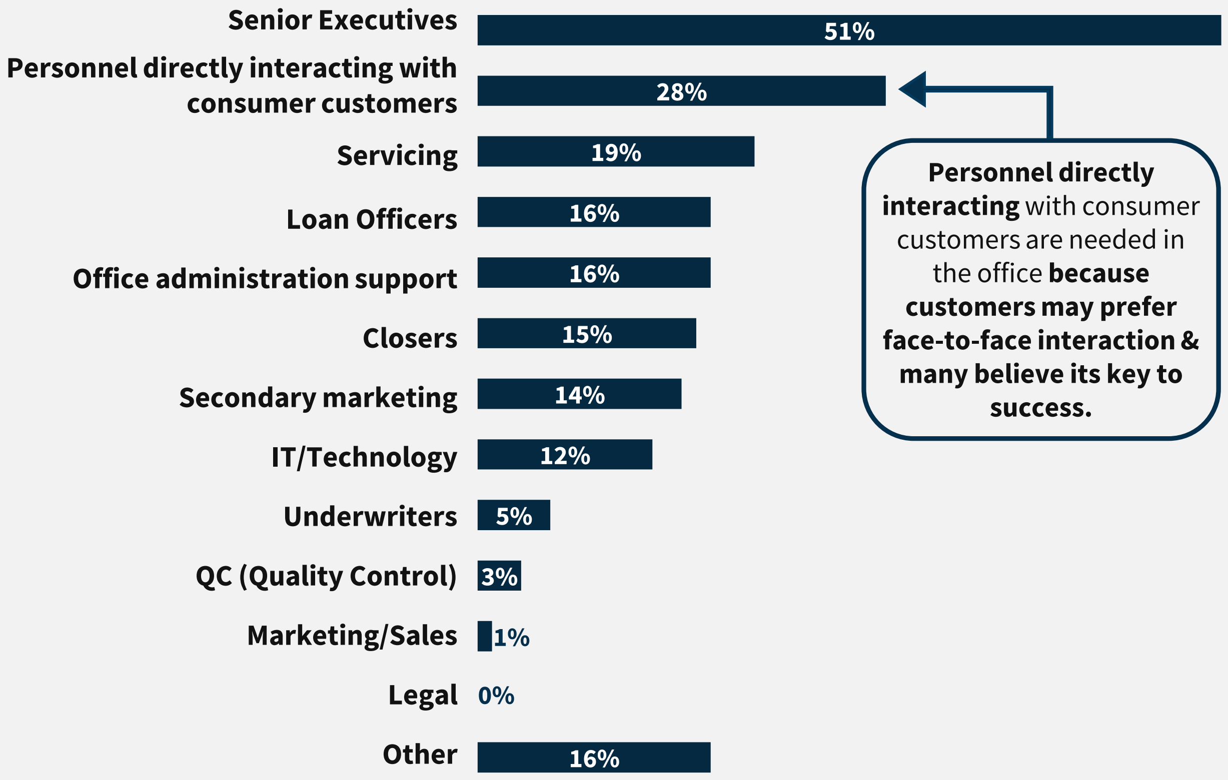
Q: Below is a list of possible factors that firms can take into consideration when deciding their remote workforce strategy. You mentioned earlier that you expect the share of your remote workforce to [INSERT RESPONSE FROM QR430b] after the COVID-19 pandemic ends. What are the three most important factors for your mortgage business when deciding your remote workforce strategy? Please select up to three and rank them in order of importance.

Denotes a % that is significantly greater than the other group at the 90% confidence level

Functional Areas Mostly Likely to Work in Office

Senior executives were cited as the functional area most likely needed to work in-office, so as to help facilitate communication, collaboration, and decision-making. Other functional areas that were cited as needing to work at the office are expected to help with paper trails, wet signatures, and consumer/customer service.

Functional Areas Mostly Likely to Work in a Company Physical Office
Showing % Selected (select up to two)



Personnel directly interacting with consumer customers are needed in the office **because customers may prefer face-to-face interaction & many believe its key to success.**

Responses for “Other” include: “Post-Closing” x16, “Shipping” x6, “Collateral handling/shipping” x3, “Delivery” x2, “Document specialists”, “Mailroom”, “Manual fulfillment”, “Trading”, “no specific area just base it on person”, “They all want to be in a physical office”, “All jobs must meet min standards”.

Why do they need/want to work in a company physical office? *N=133*

Senior Executives

*“**Senior Executives need to collaborate** more often on multi-faceted topics and that is still best done in person.” – Larger Institution*

*“**Proximity to decision making** for executives.”- Larger Institution*

*“**Facilitates better communication and collaboration** with other senior officers including Compliance & Finance.” – Mid-Sized Institution*

*“Senior executive **collaboration on company strategy** and business reviews **improve in person.**” – Mid-Sized Institution*

*“C suites need **more interaction and quicker off cuff discussions** than zoom allows for. Debate is limited when the people are separated.” – Smaller Institution*

Servicing, Loan Officers, and Closers

These areas are reported needing to be in office due to:

- The paper trail / Physical documents
- Need for wet signatures
- Customers are more comfortable meeting in person
- Access to systems (mail, notaries, payments, etc.)

Q: *To the best of your knowledge, what functional areas are most likely to have employees who want to or need to work in a company physical office? Please select up to two most common functional areas.*

Q: *Could you share some details about why [INSERT QR438 RESPONSES] are more likely to want to or need to work in a company physical office? How do their job functions play a role? Any insights you share will be appreciated. (Optional)*

Appendix

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

- **Mortgage Servicing Challenges**
- **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**

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.

Methodology of 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

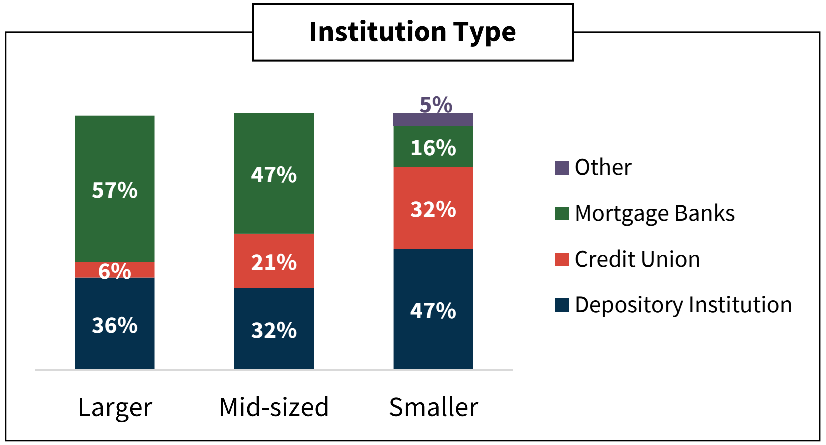
- Each quarter, a random selection of approximately 3,000 senior executives among Fannie Mae's approved lenders are invited to participate in the study.

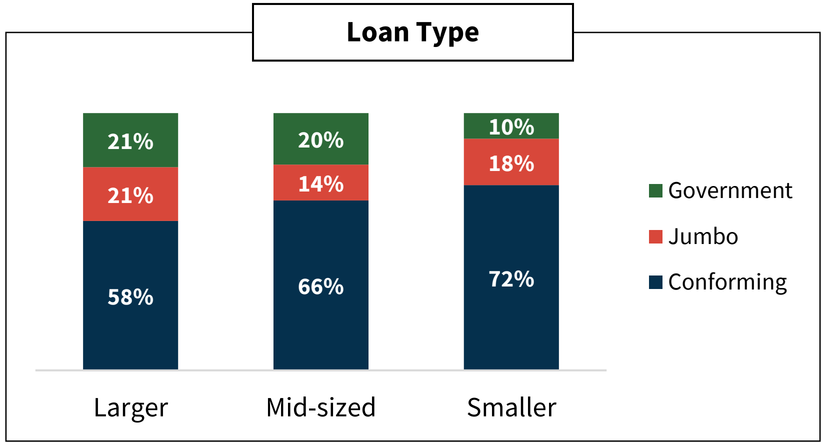
Data Weighting

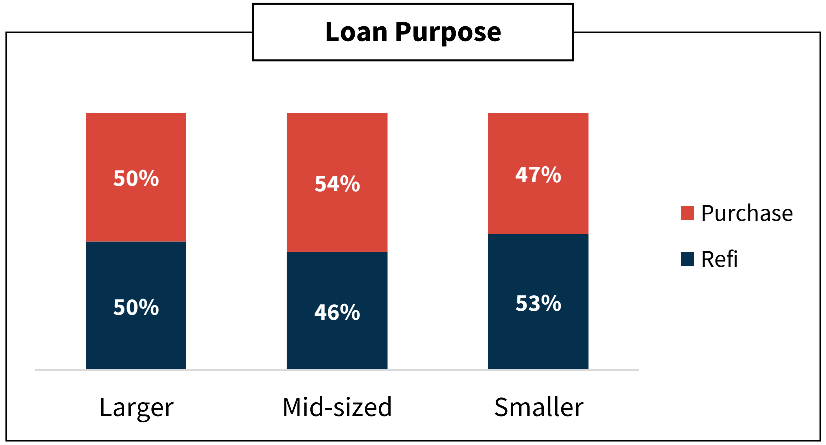
- The results of the Mortgage Lender Sentiment Survey are reported at the institutional parent-company level. If more than one individual from the same parent institution completes the survey, their responses are averaged to represent their parent institution.

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.







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

Q1 2021 Cross-Subgroup Sample Sizes

	Total	Larger Lenders	Mid-Sized Lenders	Smaller Lenders
Total	**214**	**61**	**60**	**93**
Mortgage Banks (non-depository)	90	37	32	21
Depository Institutions	81	20	17	44
Credit Unions	39	4	11	24

How to Read Significance Testing

On slides where significant differences between three groups are shown:

- Each group is assigned a letter (L/M/S, M/D/C).
- If a group has a significantly higher % than another group at the 95% confidence level, a letter will be shown next to the % for that metric. The letter denotes which group the % is significantly higher than.

Example: In your view, how prepared was your mortgage business for shifting to a more remote workforce when the pandemic began in March last year?

	Total	LOAN VOLUME			INSTITUTION TYPE		
		Larger (L)	Mid-sized (M)	Smaller (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
N=	214	61	60	93	90	81	39
Fully prepared	38%	48%^{S}	38%	30%	53%$^{D, C}$	25%	27%
Somewhat prepared	49%	49%	46%	53%	42%	58%^{M}	45%
Not quite prepared	8%	2%	12%	10%	4%	7%	21%^{M}
Not at all prepared	5%	2%	5%	8%	0%	10%^{M}	8%^{M}

48% is significantly higher than 30% (smaller institutions)

21% is significantly higher than 4% (mortgage banks)

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 below may add not sum to 100% due to rounding.

Example:

In your view, how prepared was your mortgage business for shifting to a more remote workforce when the pandemic began in March last year?

	Total	LOAN VOLUME		
		Larger (L)	Mid-sized (M)	Smaller (S)
N=	214	61	60	93
Fully prepared	38%	48%S	38%	30%
Somewhat prepared	49%	49%	46%	53%
Not quite prepared	8%	2%	12%	10%
Not at all prepared	5%	2%	5%	8%

"Total" of 38% is
(48% + 38% + 30%) / 3

The COVID-19 Pandemic Impact on Workplace Arrangements

For your mortgage business, how has the COVID-19 pandemic changed your full-time employees' workplace arrangements? For each workplace arrangement listed below, please indicate how its share has changed in response to COVID-19. Please select one answer for each row.

Share of employees working primarily in company physical offices

	Total	LOAN VOLUME			INSTITUTION TYPE		
		Larger (L)	Mid-sized (M)	Smaller (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
N=	214	61	60	93	90	81	39
Increased significantly	2%	0%	4%	2%	3%	2%	0%
Increased somewhat	1%	1%	2%	1%	3%	0%	0%
Stayed about the same	11%	8%	3%	23%$^{L, M}$	8%	22%^{M}	8%
Decreased somewhat	14%	8%	18%	17%	17%	12%	18%
Decreased significantly	71%	83%^{S}	73%^{S}	57%	69%	64%	74%

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

The COVID-19 Pandemic Impact on Workplace Arrangements

For your mortgage business, how has the COVID-19 pandemic changed your full-time employees' workplace arrangements? For each workplace arrangement listed below, please indicate how its share has changed in response to COVID-19. Please select one answer for each row.
Share of employees working primarily remotely

	Total	LOAN VOLUME			INSTITUTION TYPE		
		Larger (L)	Mid-sized (M)	Smaller (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
N=	214	61	60	93	90	81	39
Increased significantly	73%	81%[S]	77%[S]	60%	74%	64%	74%
Increased somewhat	15%	12%	17%	17%	16%	15%	18%
Stayed about the same	10%	5%	5%	20%[L, M]	8%	19%	8%
Decreased somewhat	1%	2%	2%	0%	2%	0%	0%
Decreased significantly	1%	0%	0%	2%	0%	2%	0%

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

The COVID-19 Pandemic Impact on Workplace Arrangements

For your mortgage business, how has the COVID-19 pandemic changed your full-time employees' workplace arrangements? For each workplace arrangement listed below, please indicate how its share has changed in response to COVID-19. Please select one answer for each row.

Share of employees with a hybrid model (some days in company physical offices and some days working remotely)

	Total	LOAN VOLUME			INSTITUTION TYPE		
		Larger (L)	Mid-sized (M)	Smaller (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
N=	214	61	60	93	90	81	39
Increased significantly	20%	15%	18%	27%	18%	19%	29%
Increased somewhat	36%	37%	37%	34%	32%	39%	40%
Stayed about the same	28%	20%	34%	30%	30%	32%	18%
Decreased somewhat	4%	5%	5%	3%	6%	3%	3%
Decreased significantly	11%	23%[M, S]	6%	5%	14%	7%	10%

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

Preparedness for the Shift to a Remote Workforce

In your view, how prepared was your mortgage business for shifting to a more remote workforce when the pandemic began in March last year?

	Total	LOAN VOLUME			INSTITUTION TYPE		
		Larger (L)	Mid-sized (M)	Smaller (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
N=	214	61	60	93	90	81	39
Fully prepared	38%	48%^{S}	38%	30%	53%$^{D, C}$	25%	27%
Somewhat prepared	49%	49%	46%	53%	42%	58%^{M}	45%
Not quite prepared	8%	2%	12%	10%	4%	7%	21%^{M}
Not at all prepared	5%	2%	5%	8%	0%	10%^{M}	8%^{M}

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

Remote Workforce Impact on Mortgage Business

Overall, how has the shift to a more remote workforce affected the following aspects of your mortgage business, compared to the pre-pandemic era? Please select one answer per row.
Productivity

	Total	LOAN VOLUME			INSTITUTION TYPE		
		Larger (L)	Mid-sized (M)	Smaller (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
N=	214	61	60	93	90	81	39
Much better	15%	15%	20%	10%	19%[D]	9%	17%
Somewhat better	47%	53%	47%	40%	50%	43%	41%
About the same	26%	25%	21%	34%	26%	32%	22%
Decreased somewhat	9%	7%	11%	10%	5%	10%	18%[M]
Decreased significantly	1%	0%	0%	2%	0%	0%	3%
Don’t know/ Not sure	2%	0%	2%	4%	0%	6%	0%

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

Remote Workforce Impact on Mortgage Business

Overall, how has the shift to a more remote workforce affected the following aspects of your mortgage business, compared to the pre-pandemic era? Please select one answer per row.
Consumer customer experience

	Total	LOAN VOLUME			INSTITUTION TYPE		
		Larger (L)	Mid-sized (M)	Smaller (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
N=	214	61	60	93	90	81	39
Much better	3%	2%	5%	2%	6%	1%	0%
Somewhat better	17%	18%	15%	18%	18%	17%	15%
About the same	58%	58%	60%	56%	58%	60%	55%
Decreased somewhat	18%	16%	20%	17%	18%	15%	22%
Decreased significantly	1%	3%	0%	1%	0%	1%	5%
Don’t know/ Not sure	3%	2%	0%	6%	1%	6%	3%

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

Remote Workforce Impact on Mortgage Business

Overall, how has the shift to a more remote workforce affected the following aspects of your mortgage business, compared to the pre-pandemic era? Please select one answer per row.
Operating costs (e.g., facilities, hardware/software, business travel, and personnel)

	Total	LOAN VOLUME			INSTITUTION TYPE		
		Larger (L)	Mid-sized (M)	Smaller (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
N=	214	61	60	93	90	81	39
Much better	15%	20%	13%	10%	17%	10%	12%
Somewhat better	36%	45%S	34%	28%	38%	37%	24%
About the same	29%	27%	21%	40%M	27%	37%	31%
Decreased somewhat	13%	2%	26%L,S	12%	12%	9%	18%
Decreased significantly	3%	4%	2%	2%	3%	0%	8%D
Don’t know/ Not sure	5%	2%	4%	8%	3%	6%	8%

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

Remote Workforce Impact on Mortgage Business

Overall, how has the shift to a more remote workforce affected the following aspects of your mortgage business, compared to the pre-pandemic era? Please select one answer per row.
Employee collaboration within and across functions

	Total	LOAN VOLUME			INSTITUTION TYPE		
		Larger (L)	Mid-sized (M)	Smaller (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
N=	214	61	60	93	90	81	39
Much better	3%	3%	5%	1%	6%	1%	0%
Somewhat better	10%	2%	15%^{L}	13%^{L}	13%^{D}	2%	21%^{D}
About the same	32%	39%	24%	33%	37%^{C}	34%	19%
Decreased somewhat	47%	51%	50%	41%	40%	51%	53%
Decreased significantly	5%	5%	4%	5%	4%	4%	5%
Don’t know/ Not sure	3%	0%	2%	6%	0%	7%^{M}	3%

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

Remote Workforce Impact on Mortgage Business

Overall, how has the shift to a more remote workforce affected the following aspects of your mortgage business, compared to the pre-pandemic era? Please select one answer per row.
Employee satisfaction and morale

	Total	LOAN VOLUME			INSTITUTION TYPE		
		Larger (L)	Mid-sized (M)	Smaller (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
N=	214	61	60	93	90	81	39
Much better	9%	7%	13%	6%	7%	6%	18%
Somewhat better	30%	26%	28%	37%	27%	32%	44%
About the same	36%	51%[M,S]	28%	28%	44%[C]	33%[C]	15%
Decreased somewhat	22%	16%	29%	23%	22%	23%	23%
Decreased significantly	0%	0%	0%	0%	0%	0%	0%
Don’t know/ Not sure	3%	0%	2%	6%	1%	7%	0%

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

Workplace Arrangements After the COVID-19 Pandemic ends

Thinking long term, after the COVID-19 pandemic is over, how do you anticipate the share of each workplace arrangement to change, compared to the pre-pandemic era?
Share of employees working primarily in company physical offices

	Total	LOAN VOLUME			INSTITUTION TYPE		
		Larger (L)	Mid-sized (M)	Smaller (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
N=	214	61	60	93	90	81	39
Increased significantly	8%	7%	8%	8%	8%	9%	5%
Increased somewhat	17%	13%	20%	19%	21%	12%	15%
Stayed about the same	17%	10%	10%	32%[L, M]	10%	28%[M]	26%[M]
Decreased somewhat	31%	31%	37%	26%	32%	30%	32%
Decreased significantly	26%	38%[S]	25%	15%	29%	22%	22%
Don’t know/ Not sure	0%	1%	0%	0%	1%	0%	0%

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

Workplace Arrangements After the COVID-19 Pandemic ends

Thinking long term, after the COVID-19 pandemic is over, how do you anticipate the share of each workplace arrangement to change, compared to the pre-pandemic era?
Share of employees working primarily remotely

	Total	LOAN VOLUME			INSTITUTION TYPE		
		Larger (L)	Mid-sized (M)	Smaller (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
N=	214	61	60	93	90	81	39
Increased significantly	30%	40%[S]	32%[S]	18%	34%	25%	23%
Increased somewhat	28%	32%	26%	27%	31%	23%	33%
Stayed about the same	18%	13%	12%	29%[L, M]	13%	27%[M]	15%
Decreased somewhat	16%	10%	23%	15%	16%	14%	18%
Decreased significantly	6%	4%	6%	8%	4%	7%	10%
Don't know/ Not sure	2%	1%	2%	2%	1%	4%	0%

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

Workplace Arrangements After the COVID-19 Pandemic ends

Thinking long term, after the COVID-19 pandemic is over, how do you anticipate the share of each workplace arrangement to change, compared to the pre-pandemic era?
Share of employees with a hybrid model (some days in company physical offices and some days working remotely)

	Total	LOAN VOLUME			INSTITUTION TYPE		
		Larger (L)	Mid-sized (M)	Smaller (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
N=	214	61	60	93	90	81	39
Increased significantly	27%	34%S	26%	19%	24%	24%	31%
Increased somewhat	37%	38%	37%	37%	39%	35%	36%
Stayed about the same	26%	16%	27%	34%L	23%	34%	23%
Decreased somewhat	6%	5%	9%	5%	8%	4%	8%
Decreased significantly	2%	4%	0%	2%	3%	2%	0%
Don’t know/ Not sure	2%	2%	2%	2%	3%	1%	3%

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

Requests for Remote Work After the COVID-19 Pandemic Ends

After the COVID-19 pandemic ends, for your mortgage business, how do you anticipate the share of employees who will request long-term or permanent remote work arrangements to change?

	Total	LOAN VOLUME			INSTITUTION TYPE		
		Larger (L)	Mid-sized (M)	Smaller (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
N=	214	61	60	93	90	81	39
Will significantly increase	36%	52%[M,S]	31%	25%	37%	27%	44%
Will somewhat increase	41%	37%	47%	38%	44%	40%	33%
Will stay about the same	12%	7%	10%	20%[L]	9%	16%	21%
Will somewhat decrease	5%	2%	9%	4%	8%	3%	3%
Will significantly decrease	3%	2%	3%	4%	2%	6%	0%
Don't know/ Not sure	3%	2%	0%	8%	0%	9%	0%

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

Ideal Workforce Model

Which workplace model do you prefer for your mortgage business? Please place the slider along the continuum that best represents the ideal mix. You can move the slider all the way to the end or place it somewhere in the middle.
100% of employees in company offices & **100% of employees remote**
On a scale of 0 to 100 with 0 as 100% employees in company offices and 100 as 100% employees remote

	Total	LOAN VOLUME			INSTITUTION TYPE		
		Larger (L)	Mid-sized (M)	Smaller (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
N=	214	61	60	93	90	81	39
Mean	47.81	51.98	50.88	40.57	51.22	43.79	43.94
Standard Deviation	24.48	21.85	22.59	27.30	23.20	25.93	26.72

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

Top Factors Impacting Remote Workforce Strategy

Below is a list of possible factors that firms can take into consideration when deciding their remote workforce strategy. You mentioned earlier that you expect the share of your remote workforce to [INSERT RESPONSE FROM QR430b] after the COVID-19 pandemic ends. What are the three most important factors for your mortgage business when deciding your remote workforce strategy? Please select up to three and rank them in order of importance.
Showing Most important + Second most important + Third most important

	Total	LOAN VOLUME			INSTITUTION TYPE		
		Larger (L)	Mid-sized (M)	Smaller (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
N=	214	61	60	93	90	81	39
Productivity	53%	52%	55%	52%	53%	46%	61%
Company culture	38%	47%S	37%	30%	41%	30%	44%
Talent retention (e.g., employee engagement and job satisfaction)	37%	41%	32%	34%	34%	40%	37%
Consumer customer experience	30%	24%	28%	38%	22%	36%M	38%
Talent acquisition (e.g., broadening talent pool)	23%	20%	21%	26%	23%	23%	24%
Employee health (physical and mental)	22%	26%	21%	19%	26%	18%	17%
Employee preferences	19%	21%	22%	15%	24%C	22%	6%
Remote-work technology capabilities	18%	18%	22%	14%	12%	26%M	12%
Information/Cyber security	16%	14%	18%	15%	17%	13%	17%
Collaboration within and across functions	15%	11%	15%	19%	18%	14%	16%
Business process flow requirements (paper and digital)	10%	4%	7%	17%L	7%	13%	19%
Operating costs (e.g., facilities, hardware/software, business travel, and personnel)	8%	11%	9%	8%	9%	10%	3%
Talent onboarding and integration	7%	5%	8%	7%	12%	4%	3%
Other	1%	3%	0%	1%	1%	2%	0%
No answer	3%	1%	4%	4%	2%	3%	7%

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

Functional Areas Mostly Likely to Work in a Company Physical Office

To the best of your knowledge, what functional areas are most likely to have employees who want to or need to work in a company physical office? Please select up to two most common functional areas.

	Total	LOAN VOLUME			INSTITUTION TYPE		
		Larger (L)	Mid-sized (M)	Smaller (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
N=	214	61	60	93	90	81	39
Senior Executives	51%	52%	57%	44%	54%	50%	44%
Personnel directly interacting with consumer customers	28%	25%	22%	35%	21%	35%^{M}	37%
Servicing	19%	20%	17%	22%	13%	22%	27%
Loan Officers	16%	11%	10%	27%$^{L, M}$	13%	22%	21%
Office administration support including HR and accounting/finance	16%	11%	22%	14%	26%^{D,C}	8%	8%
Closers	15%	10%	16%	19%	10%	17%	26%^{M}
Secondary marketing	14%	18%	15%	9%	13%	14%	13%
IT/Technology	12%	18%	9%	8%	18%^{D}	5%	5%
Underwriters	5%	4%	4%	5%	2%	7%	5%
QC (Quality Control)	3%	1%	5%	4%	4%	4%	0%
Marketing/Sales	1%	2%	0%	1%	1%	2%	0%
Legal	0%	0%	0%	1%	0%	1%	0%
Other	16%	24%^{S}	16%	8%	20%	9%	13%

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

Question Text

QR429: For your mortgage business, how has the COVID-19 pandemic changed your full-time employees' workplace arrangements? For each workplace arrangement listed below, please indicate how its share has changed in response to COVID-19. Please select one answer for each row.

QR430: Thinking long term, after the COVID-19 pandemic is over, how do you anticipate the share of each workplace arrangement to change, compared to the pre-pandemic era?

QR431: In your view, how prepared was your mortgage business for shifting to a more remote workforce when the pandemic began in March last year?

QR432: Overall, how has the shift to a more remote workforce affected the following aspects of your mortgage business, compared to the pre-pandemic era? Please select one answer per row.

QR433: You mentioned that a remote workforce has made consumer customer experience [INSERT RESPONSE FROM QR432b]. Could you please share some details about why? What are the advantages or disadvantages your firm has experienced? (Optional)

QR434: After the COVID-19 pandemic ends, for your mortgage business, how do you anticipate the share of employees who will request long-term or permanent remote work arrangements to change?

QR435: Which workplace model do you prefer for your mortgage business? Please place the slider along the continuum that best represents the ideal mix. You can move the slider all the way to the end or place it somewhere in the middle.

QR436: Are there policies or rules from secondary-market investors that you think limit your firm's ability to have the optimal workplace arrangement? Please share your thoughts. (Optional)

QR437: Below is a list of possible factors that firms can take into consideration when deciding their remote workforce strategy. You mentioned earlier that you expect the share of your remote workforce to [INSERT RESPONSE FROM QR430b] after the COVID-19 pandemic ends. What are the three most important factors for your mortgage business when deciding your remote workforce strategy? Please select up to three and rank them in order of importance.

QR438: To the best of your knowledge, what functional areas are most likely to have employees who want to or need to work in a company physical office? Please select up to two most common functional areas.

QR439: Could you share some details about why [INSERT QR438 RESPONSES] are more likely to want to or need to work in a company physical office? How do their job functions play a role? Any insights you share will be appreciated. (Optional)