Mortgage Lender Sentiment Survey®

Providing Insights Into Current Lending Activities and Market Expectations

Q2 2021 Summary Report – published June 10, 2021
Disclaimer

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# Table of Contents

Summary of Key Findings ............................................................................................................................................... 4  
Research Objectives .................................................................................................................................................. 5  
Q2 2021 Respondent Sample and Groups .................................................................................................................. 6  
Key Findings  
- U.S. Economy and Consumer Demand (Purchase and Refinance Mortgages) ................................................................. 8  
- Credit Standards ........................................................................................................................................................ 12  
- Profit Margin Outlook ............................................................................................................................................... 14  
Appendix  
- Survey Methodology Details ...................................................................................................................................... 18  
- Survey Question Text ............................................................................................................................................... 26
Despite elevated optimism towards the U.S. economy, lenders expressed a cautious outlook as expected mortgage demand growth slows and the decline in profit margin outlook sets a survey record.

- Lenders’ profit margin outlook declined again this quarter after two prior consecutive quarters’ decline, marking the largest quarterly decline recorded since survey inception (Q1 2014). Those expecting a lower profit margin outlook pointed to “competition from other lenders” and “market trend changes” as the primary reasons.

- For purchase mortgages, the net share of lenders reporting demand growth over the next three months are slightly down for GSE-eligible and government loans and about even for non-GSE-eligible loans compared to last quarter.

- For refinance mortgages, the net share of lenders reporting demand growth over the next three months fell significantly across loan types, reaching the lowest levels seen since Q4 2018.

- The net share of lenders reporting easing credit standards over the prior three months has gradually climbed since Q2 2020 across all loan types. For the next three months, the net share of lenders expecting easing has ticked up slightly from last quarter for non-GSE-eligible loans but remained relatively steady for GSE-eligible and government loans.
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.

**Objectives of Mortgage Lender Sentiment Survey®**

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

<table>
<thead>
<tr>
<th>Quarterly Regular Questions</th>
<th>Featured Specific Topic Analyses</th>
</tr>
</thead>
<tbody>
<tr>
<td>– Consumer Mortgage Demand</td>
<td>– COVID-19 &amp; Remote Working</td>
</tr>
<tr>
<td>– Credit Standards</td>
<td>– Mortgage Servicing Challenges</td>
</tr>
<tr>
<td>– Profit Margin Outlook</td>
<td>– CONDO Mortgage Lending Opportunities</td>
</tr>
<tr>
<td></td>
<td>– COVID-19 Challenges and Lender Business Priorities</td>
</tr>
<tr>
<td></td>
<td>– Impact of Technology on Lender Workforce Management</td>
</tr>
<tr>
<td></td>
<td>– Business Priorities and Industry Competition</td>
</tr>
</tbody>
</table>

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.
Q2 2021 Respondent Sample and Groups

The current analysis is based on second quarter 2021 data collection. For Q2 2021, a total of 250 senior executives completed the survey between May 4-17, representing 225 lending institutions.*

** Lender Size Groups**

- **Larger Institutions**
  - Top 15% of lenders
  - HIGHER loan origination volume
  - Sample Size: 66

- **Mid-sized Institutions**
  - Top 16%-35% of lenders
  - 85%
  - Sample Size: 63

- **Smaller Institutions**
  - Bottom 65% of lenders
  - LOWER loan origination volume
  - Sample Size: 96

<table>
<thead>
<tr>
<th>Sample Q2 2021</th>
<th>Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Lending Institutions</strong></td>
<td>225</td>
</tr>
<tr>
<td>The “Total” data throughout this report is an average of the means of the three lender-size groups listed below.</td>
<td></td>
</tr>
<tr>
<td><strong>Lender Size Groups</strong></td>
<td></td>
</tr>
<tr>
<td>Larger Institutions</td>
<td>66</td>
</tr>
<tr>
<td>Lenders in the Fannie Mae database who were in the top 15% of lending institutions based on their total 2020 loan origination volume (above $2.25 billion)</td>
<td></td>
</tr>
<tr>
<td>Mid-sized Institutions</td>
<td>63</td>
</tr>
<tr>
<td>Lenders in the Fannie Mae database who were in the next 20% (16%-35%) of lending institutions based on their total 2020 loan origination volume (between $598 million and $2.25 billion)</td>
<td></td>
</tr>
<tr>
<td>Smaller Institutions</td>
<td>96</td>
</tr>
<tr>
<td>Lenders in the Fannie Mae database who were in the bottom 65% of lending institutions based on their total 2020 loan origination volume (less than $598 million)</td>
<td></td>
</tr>
<tr>
<td><strong>Institution Type</strong>*</td>
<td></td>
</tr>
<tr>
<td>Mortgage Banks (non-depository)</td>
<td>103</td>
</tr>
<tr>
<td>Depository Institutions</td>
<td>72</td>
</tr>
<tr>
<td>Credit Unions</td>
<td>43</td>
</tr>
</tbody>
</table>

* 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 2020 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 2020 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.

<table>
<thead>
<tr>
<th>Loan Type Definition Used in the Survey</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan Type</td>
</tr>
<tr>
<td>GSE-eligible Loans</td>
</tr>
<tr>
<td>Non-GSE-eligible Loans</td>
</tr>
<tr>
<td>Government Loans</td>
</tr>
</tbody>
</table>
U.S. Economy and Consumer Demand

- Lender sentiment toward the U.S. economy turned significantly more positive compared to the previous quarter (Q1 2021) and the same quarter last year (Q2 2020), continuing the upward trajectory since Q3 2020.

- For purchase mortgages, the net share of lenders reporting demand growth over the past three months increased from last quarter across all lender types. Looking ahead, demand growth expectations over the next three months are slightly down for GSE-eligible and government loans and about even for non-GSE-eligible loans compared to last quarter.

- For refinance mortgages, the net share of lenders reporting demand growth over the prior three months dropped significantly from last quarter across all loan types, turning net negative for the first time since Q1 2019 and reaching the lowest reading since Q4 2018 for GSE-eligible and government loans. Refinance demand growth expectations on net for the next three months also fell significantly across loan types, reaching the lowest levels seen since Q4 2018.
U.S. Economy Overall

Lender sentiment toward the U.S. economy turned significantly more positive compared to the previous quarter (Q1 2021) and the same quarter last year (Q2 2020), continuing the upward trajectory since Q3 2020.

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

**Right Track**

**Don’t know**

**Wrong Track**

* Denotes a statistically significant change compared with Q1 2021 (previous quarter)

^ Denotes a statistically significant change compared with Q2 2020 (same quarter of last year)

Purchase Mortgage Demand

The net share of lenders reporting demand growth over the past three months increased from last quarter across all lender types. Looking ahead, demand growth expectations over the next three months are slightly down for GSE-eligible and government loans and about even for non-GSE-eligible loans compared to last quarter.

<table>
<thead>
<tr>
<th></th>
<th>GSE-Eligible</th>
<th>Non-GSE-Eligible</th>
<th>Government</th>
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</thead>
<tbody>
<tr>
<td><strong>Past 3 Months</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2 2018</td>
<td>50%</td>
<td>57%</td>
<td>41%</td>
</tr>
<tr>
<td>Q2 2019</td>
<td>26%</td>
<td>48%</td>
<td>31%</td>
</tr>
<tr>
<td>Q2 2020</td>
<td>14%</td>
<td>56%</td>
<td>22%</td>
</tr>
<tr>
<td>Q2 2021</td>
<td>-2%</td>
<td>48%</td>
<td>7%</td>
</tr>
<tr>
<td><strong>Net Up +</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2 2018</td>
<td>50%</td>
<td>57%</td>
<td>41%</td>
</tr>
<tr>
<td>Q2 2019</td>
<td>26%</td>
<td>48%</td>
<td>31%</td>
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<tr>
<td>Q2 2020</td>
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<td>56%</td>
<td>22%</td>
</tr>
<tr>
<td>Q2 2021</td>
<td>-2%</td>
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<td>7%</td>
</tr>
<tr>
<td><strong>Next 3 Months</strong></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Q2 2018</td>
<td>55%</td>
<td>55%</td>
<td>49%</td>
</tr>
<tr>
<td>Q2 2019</td>
<td>62%</td>
<td>52%</td>
<td>47%</td>
</tr>
<tr>
<td>Q2 2020</td>
<td>39%</td>
<td>58%</td>
<td>40%</td>
</tr>
<tr>
<td>Q2 2021</td>
<td>35%</td>
<td>51%</td>
<td>47%</td>
</tr>
<tr>
<td><strong>Net Up +</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2 2018</td>
<td>55%</td>
<td>55%</td>
<td>49%</td>
</tr>
<tr>
<td>Q2 2019</td>
<td>62%</td>
<td>52%</td>
<td>47%</td>
</tr>
<tr>
<td>Q2 2020</td>
<td>39%</td>
<td>58%</td>
<td>40%</td>
</tr>
<tr>
<td>Q2 2021</td>
<td>35%</td>
<td>51%</td>
<td>47%</td>
</tr>
</tbody>
</table>

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

* Denotes a statistically significant change compared with Q1 2021 (previous quarter)
^ Denotes a statistically significant change compared with Q2 2020 (same quarter of last year)

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

The net share of lenders reporting demand growth over the prior three months dropped significantly from last quarter across all loan types, turning net negative for the first time since Q1 2019 and reaching the lowest reading since Q4 2018 for GSE-eligible and government loans. Refinance demand growth expectations on net for the next three months also fell significantly across loan types, reaching the lowest levels seen since Q4 2018.

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 Q1 2021 (previous quarter)
^ Denotes a statistically significant change compared with Q2 2020 (same quarter of last year)
Credit Standards

• The net share of lenders reporting easing credit standards over the prior three months has gradually climbed since Q2 2020 across all loan types. This quarter, the net-easing share for GSE-eligible loans remained relatively flat from last quarter. For the next three months, the net share of lenders expecting easing has ticked up slightly from last quarter for non-GSE-eligible loans but remained relatively steady for GSE-eligible and government loans.
Credit Standards

The net share of lenders reporting easing credit standards over the prior three months has gradually climbed since Q2 2020 across all loan types. This quarter, the net-easing share for GSE-eligible loans remains relatively flat from last quarter. For the next three months, the net share of lenders expecting easing has ticked up slightly from last quarter for non-GSE-eligible loans but remained relatively steady for GSE-eligible and government loans.

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**Past 3 Months**

**GSE-Eligible**

- Q2 2018: **13%** Ease, **7%** Tighten, **55%** Net Ease+
- Q2 2019: **12%** Ease, **4%** Tighten, **5%** Net Ease+
- Q2 2020: **3%** Ease, **8%** Tighten, **-52%** Net Ease+
- Q2 2021: **13%** Ease, **8%** Tighten, **55%** Net Ease+

**Non-GSE-Eligible**

- Q2 2018: **16%** Ease, **2%** Tighten, **14%** Net Ease+
- Q2 2019: **14%** Ease, **4%** Tighten, **10%** Net Ease+
- Q2 2020: **2%** Ease, **4%** Tighten, **-64%** Net Ease+
- Q2 2021: **21%** Ease, **5%** Tighten, **16%** Net Ease+

**Government**

- Q2 2018: **14%** Ease, **7%** Tighten, **62%** Net Ease+
- Q2 2019: **13%** Ease, **1%** Tighten, **13%** Net Ease+
- Q2 2020: **4%** Ease, **3%** Tighten, **21%** Net Ease+
- Q2 2021: **1%** Ease, **4%** Tighten, **4%** Net Ease+

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**Next 3 Months**

**GSE-Eligible**

- Q2 2018: **8%** Ease, **2%** Tighten, **-29%** Net Ease+
- Q2 2019: **8%** Ease, **1%** Tighten, **-1%** Net Ease+
- Q2 2020: **11%** Ease, **5%** Tighten, **66%** Net Ease+
- Q2 2021: **10%** Ease, **1%** Tighten, **91%** Net Ease+

**Non-GSE-Eligible**

- Q2 2018: **17%** Ease, **1%** Tighten, **-44%** Net Ease+
- Q2 2019: **12%** Ease, **3%** Tighten, **5%** Net Ease+
- Q2 2020: **5%** Ease, **4%** Tighten, **20%** Net Ease+
- Q2 2021: **9%** Ease, **5%** Tighten, **49%** Net Ease+

**Government**

- Q2 2018: **6%** Ease, **1%** Tighten, **-28%** Net Ease+
- Q2 2019: **5%** Ease, **2%** Tighten, **1%** Net Ease+
- Q2 2020: **14%** Ease, **5%** Tighten, **29%** Net Ease+
- Q2 2021: **13%** Ease, **9%** Tighten, **86%** Net Ease+

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Net Ease + = % of lenders saying ease minus % of lenders saying tighten

The % saying “remain unchanged” is not shown

* Denotes a statistically significant change compared with Q1 2021 (previous quarter)

^ Denotes a statistically significant change compared with Q2 2020 (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

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Profit Margin Outlook Change

• Lenders’ profit margin outlook declined again this quarter after two prior consecutive quarters’ decline, marking the largest quarterly decline recorded since survey inception (Q1 2014).

• “Competition from other lenders” continued to be cited as the top reason by lenders who expect a lower profit outlook. “Market trend changes” continued to be the second top reason, with the share citing it reaching its highest reading since Q1 2017.
Lenders’ Profit Margin Outlook Change – Next 3 Months

The net-up profit margin outlook declined significantly after two prior consecutive quarters’ decline, marking the largest quarterly decline since survey inception (Q1 2014). Those expecting a lower profit margin outlook pointed to “competition from other lenders” and “market trend changes” as the primary reasons.

Profit Margin Outlook

<table>
<thead>
<tr>
<th></th>
<th>Q2 '18</th>
<th>Q3 '18</th>
<th>Q4 '18</th>
<th>Q1 '19</th>
<th>Q2 '19</th>
<th>Q3 '19</th>
<th>Q4 '19</th>
<th>Q1 '20</th>
<th>Q2 '20</th>
<th>Q3 '20</th>
<th>Q4 '20</th>
<th>Q1 '21</th>
<th>Q2 '21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase</td>
<td>18%</td>
<td>21%</td>
<td>11%</td>
<td>29%</td>
<td>41%</td>
<td>53%</td>
<td>27%</td>
<td>51%</td>
<td>52%</td>
<td>48%</td>
<td>19%</td>
<td>15%</td>
<td>11%**</td>
</tr>
<tr>
<td>About the same</td>
<td>35%</td>
<td>41%</td>
<td>45%</td>
<td>28%</td>
<td>12%</td>
<td>13%</td>
<td>28%</td>
<td>4%</td>
<td>28%</td>
<td>37%</td>
<td>33%</td>
<td>33%</td>
<td>19%</td>
</tr>
<tr>
<td>Decrease</td>
<td>47%</td>
<td>38%</td>
<td>45%</td>
<td>51%</td>
<td>47%</td>
<td>35%</td>
<td>44%</td>
<td>44%</td>
<td>24%</td>
<td>37%</td>
<td>33%</td>
<td>33%</td>
<td>69%**</td>
</tr>
</tbody>
</table>

Key Reasons for Expected Decrease – Q2 2021

- Competition from other lenders: 68%
- Market trend changes (i.e. shift from refinance to purchase): 44%
- GSE pricing and policies: 34%
- Consumer demand: 22%
- Staffing (personnel costs): 10%

Key Reasons for Expected Increase – Q2 2021

- Consumer demand: 56%
- Market trend changes (i.e. shift from refinance to purchase): 42%
- Operational efficiency (i.e. technology): 39%
- GSE pricing and policies: 19%
- Non-GSE (other investors) pricing and policies: 17%

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

|   | -17% | -20% | -34% | -8% | -1% | -29% | -37% | -58%** |

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.

Showing data for selected answer choices only. n=27

Showing data for selected answer choices only. n=144

* Denotes a statistically significant change compared with Q1 2021 (previous quarter)
* Denotes a statistically significant change compared with Q2 2020 (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 a lower profit outlook. “Market trend changes” continued to be the second top reason, with the share citing it reaching its highest reading since Q1 2017.

<table>
<thead>
<tr>
<th>Competition from Other Lenders</th>
<th>Market Trend Changes</th>
<th>GSE Pricing and Policies</th>
<th>Government Regulatory Compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 2019: 59%</td>
<td>Q2 2019: 3%</td>
<td>Q2 2019: 20%</td>
<td>Q2 2019: 12%</td>
</tr>
<tr>
<td>Q2 2020: 66%</td>
<td>Q2 2020: 19%</td>
<td>Q2 2020: 28%</td>
<td>Q2 2020: 7%</td>
</tr>
<tr>
<td>Q2 2021: 63%</td>
<td>Q2 2021: 25%</td>
<td>Q2 2021: 34%</td>
<td>Q2 2021: 5%</td>
</tr>
<tr>
<td>Q2 2019: 6%</td>
<td>Q2 2019: 16%</td>
<td>Q2 2019: 14%</td>
<td>Q2 2019: 21%</td>
</tr>
<tr>
<td>Q2 2020: 27%</td>
<td>Q2 2020: 24%</td>
<td>Q2 2020: 31%</td>
<td>Q2 2020: 8%</td>
</tr>
<tr>
<td>Q2 2021: 26%</td>
<td>Q2 2021: 29%</td>
<td>Q2 2021: 41%</td>
<td>Q2 2021: 8%</td>
</tr>
<tr>
<td>Q2 2019: 0%</td>
<td>Q2 2019: 44%</td>
<td>Q2 2019: 34%</td>
<td>Q2 2021: 7%</td>
</tr>
<tr>
<td>Q2 2020: 22%</td>
<td>Q2 2020: 19%</td>
<td>Q2 2020: 31%</td>
<td>Q2 2020: 7%</td>
</tr>
<tr>
<td>Q2 2021: 22%</td>
<td>Q2 2021: 12%</td>
<td>Q2 2021: 13%</td>
<td>Q2 2021: 7%</td>
</tr>
<tr>
<td>Q2 2019: 2%</td>
<td>Q2 2019: 10%</td>
<td>Q2 2019: 19%</td>
<td>Q2 2021: 7%</td>
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<tr>
<td>Q2 2020: 12%</td>
<td>Q2 2020: 8%</td>
<td>Q2 2020: 8%</td>
<td>Q2 2019: 7%</td>
</tr>
<tr>
<td>Q2 2021: 8%</td>
<td>Q2 2021: 5%</td>
<td>Q2 2021: 8%</td>
<td>Q2 2020: 7%</td>
</tr>
</tbody>
</table>

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)


* Denotes a statistically significant change compared with Q1 2021 (previous quarter)
\* Denotes a statistically significant change compared with Q2 2020 (same quarter of last year)
Appendix
Appendix

Survey Methodology Details .......................................................... 18
Survey Question Text ................................................................. 26
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 2020. Institutions were divided into three groups based on their 2020 total industry loan volume – Larger (top 15%), Mid-sized (top 16%-35%), and Smaller (bottom 65%). The data below further describe the composition and loan characteristics of the three groups of institutions.

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

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### Loan Origination Volume Groups

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### Institution Type

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## 2021 Q2 Cross-Subgroup Sample Sizes

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<th>Smaller Lenders</th>
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<td>(non-depository)</td>
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## 2021 Q2 Sample Sizes: Consumer Demand

### Purchase Mortgages:

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### Refinance Mortgages:

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## 2021 Q2 Sample Sizes: Credit Standards

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<td>54</td>
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<tr>
<td>Smaller Institutions</td>
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<td>67</td>
<td>94</td>
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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:**

<table>
<thead>
<tr>
<th>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 (Q2 2021)</th>
<th>Larger Institutions</th>
<th>Mid-sized Institutions</th>
<th>Smaller Institutions</th>
<th>Q2 “Total”</th>
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<tr>
<td>Go up</td>
<td>81%</td>
<td>75%</td>
<td>68%</td>
<td>75% (\frac{(81% + 75% + 68%)}{3})</td>
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<tr>
<td>Stayed the same</td>
<td>10%</td>
<td>16%</td>
<td>23%</td>
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<tr>
<td>Go down</td>
<td>10%</td>
<td>9%</td>
<td>8%</td>
<td>9%</td>
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</table>

![GSE Eligible](image)
Appendix

Survey Methodology Details

Survey 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.
q10. Over the past three months, apart from normal seasonal variation, did your firm’s consumer demand for single-family refinance mortgages go up, go down, or stay the same? Please answer for GSE eligible mortgages, non-GSE eligible mortgages, and Government mortgages.

q18. Over the next three months, apart from normal seasonal variation, do you expect your firm’s consumer demand for single-family refinance mortgages to go up, go down, or stay the same? Please answer for GSE eligible mortgages, non-GSE eligible mortgages, and Government mortgages.

**Profit Margin Outlook**

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

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)