



## Mortgage Lender Sentiment Survey Questionnaire Quarterly Tracking Study – Q2 2023

***/\* DISPLAY \*/*** Welcome to the *Mortgage Lender Sentiment Survey*®, a survey conducted by Fannie Mae among senior mortgage executives like you to gather your views and experience with the mortgage market.

We have shortened the survey to 5 minutes, with this survey and each subsequent survey focusing on one key topic to best highlight the specific opportunities and challenges facing the mortgage industry. Your participation is critical to ensure that the survey data provide a credible peer-driven view of mortgage industry trends.

The information you provide in this survey will be kept confidential. Fannie Mae personnel will not have access to the names or identities behind the individual response data. In addition, survey responses will be collected and analyzed by a third-party research vendor that will produce aggregated results to ensure objectivity and anonymity.

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

### Recession Sentiment

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

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

1. Right track
2. Wrong track
3. Don't know

***/\* QR497 \*/*** Based on current economic conditions and your perspective as a mortgage executive, how likely do you think that the U.S. economy will enter a recession over the next two years (in 2023 and 2024)?

***/\* RANDOMLY REVERSE CHOICES \*/***

- 1) Very likely
- 2) Somewhat likely
- 3) Somewhat unlikely
- 4) Very unlikely
- 5) Don't know/Not sure ***/\* DO NOT ROTATE \*/***

***/\* QR498 \*/*** **## IF QR497=1-2 “Very likely” or “Somewhat likely” ##** When would you expect the U.S. recession to start? Your best estimate would be fine.

- 1) We are already in a recession
- 2) Q3 2023
- 3) Q4 2023
- 4) Q1 2024
- 5) Q2 2024



- 6) More than a year from now (Q3 2024 or Q4 2024)
- 7) Don't know/Not sure

## Rotating Questions – Business Strategies

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**/\* DISPLAY \*/** In this section, we would like to gather your views about the current housing industry and your firm's business priorities.

**/\* METRIC A \*/** To maintain or improve your competitiveness in the marketplace, what are your firm's two most important business priorities for 2023? Please select up to two most important priorities and rank them in order of importance. **/\* RANDOM ROTATE CHOICES \*/**

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

**/\* GRID \*/**

**/\* QR440a \*/** Most important priority

**/\* QR440b \*/** Second most important priority

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

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

**/\* QR441a \*/ ## IF QR440a=1 or QR440b=1 ##** You mentioned that **consumer-facing technology** is a top priority for your firm. What technologies are you planning to invest in? What do you want to achieve? (Optional) **/\* OPEN END 1 BOXES 0 REQ \*/**

**/\* QR441b \*/ ## IF QR440a=2 or QR440b=2 ##** You mentioned **back-end process technology** is a top priority for your firm. What technologies are you planning to invest in? What do you want to achieve? (Optional) **/\* OPEN END 1 BOXES 0 REQ \*/**

**/\* QR441c \*/ ## IF QR440a=3 or QR440b=3 ##** You mentioned **marketing** is a top priority for your firm. Could you please share some details about why it is a top priority? What do you want to achieve? (Optional) **/\* OPEN END 1 BOXES 0 REQ \*/**

**/\* QR441d \*/ ## QR440a=4 or QR440b=4 ##** You mentioned **talent management & leadership** is a top priority for your firm. Could you please share some details about why it is a top priority? What do you want to achieve? (Optional) **/\* OPEN END 1 BOXES 0 REQ \*/**

**/\* QR441e \*/ ## QR440a=5 or QR440b=5 ##** You mentioned **new products or services** is a top priority for your firm. Could you please share some details about why it is a top priority? What do you want to achieve? (Optional) **/\* OPEN END 1 BOXES 0 REQ \*/**



**/\* QR441f \*/ ## IF QR440a=6 or QR440b=6 ##** You mentioned **data analytics and business intelligence** is a top priority for your firm. Could you please share some details about why it is a top priority? What do you want to achieve? (Optional) **/\* OPEN END 1 BOXES 0 REQ \*/**

**/\* QR441g \*/ ## IF QR440a=7 or QR440b=7 ##** You mentioned **regulation and compliance** is a top priority for your firm. Could you please share some details about why it is a top priority? What do you want to achieve? (Optional) **/\* OPEN END 1 BOXES 0 REQ \*/**

**/\* QR441h \*/ ## IF QR440a=8 or QR440b=8 ##** You mentioned **business process streamlining** is a top priority for your firm. Please share some details. What mortgage processes are you trying to streamline? What do you want to achieve? (Optional) **/\* OPEN END 1 BOXES 0 REQ \*/**

**/\* QR441i \*/ ## IF QR440a=10 or QR440b=10 ##** You mentioned **/\* [INSERT QR440a=10] \*/** is a top priority for your firm. Could you please share some details about why it is a top priority? What do you want to achieve? (Optional) **/\* OPEN END 1 BOXES 0 REQ \*/**

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

**/\* METRIC A \*/ ## IF QR440a=9 or QR440b=9 ##** You mentioned that **cost cutting** would be a top priority for your organization to maintain or improve competitiveness. In which areas do you expect to cut costs? Please select up to two areas. **/\* RANDOM ROTATE CHOICES \*/**

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

**/\* GRID \*/**

**/\* QR442a \*/ Top Area to Cut Cost**

**/\* QR442b \*/ Second Area to Cut Cost**

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

## **Risks**

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**/\* METRIC A \*/** Below are some possible risk factors that could impact the single-family residential mortgage business. In your view, what are the biggest risks for 2023? Please select up to three and rank them in order of significance. **/\* RANDOM ROTATE CHOICES \*/**

- 1) Mortgage rate changes
- 2) Cost of goods and services



- 3) Housing stock / supply
- 4) Demographic trends (e.g., immigration and homebuyer population)
- 5) Regulation / compliance
- 6) Cybersecurity
- 7) Job prospects / income fluctuation
- 8) Climate change
- 9) Mortgage defaults / delinquencies
- 10) Home price changes
- 11) Consumer access to mortgage credit
- 12) Bank liquidity risk
- 13) Household debt level
- 14) Other **/\* SPECIFY \*/ /\* DO NOT ROTATE \*/**

**/\* GRID \*/**

**/\* QR499a \*/ Biggest risk**

**/\* QR499b \*/ 2<sup>nd</sup> biggest risk**

**/\* QR499c \*/ 3<sup>rd</sup> biggest risk**

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

## **Credit Standards**

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

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

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

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

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

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

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

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



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

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

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

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

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

**Credit Standards over the Next 3 Months**

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

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

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

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

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

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

**/\* Q32 \*/ ## IF ANY (Q31a, Q31b, Q31c) = c1,c2,c4,c5 ##** What do you think will drive the change in your firm's credit standards for approving consumer applications for purchase and refinance mortgage loans over the next three months? Please be as specific as possible. (Optional) **/\* OPEN END 1 BOXES 0 REQ \*/**

**/\* QR500 \*/** How has the recent banking turmoil (e.g., lack of consumer confidence in banks and bank collapses) impacted your firm's operation or residential mortgage production or servicing? **/\* RANDOMLY REVERSE CHOICES \*/**



- 1) No impact at all
- 2) A little impact
- 3) Some impact
- 4) Significant impact
- 5) Don't know/Not sure **/\* DO NOT ROTATE \*/**

**/\* QR500b \*/ ## IF QR500=2-4 ##** You mentioned that the recent banking turmoil has **## PIPE FROM QR500 ##** on your firm's operation or residential mortgage production or servicing. Could you share some details? What impacts are you seeing? (Optional) **/\* OPEN END 1 BOXES 0 REQ \*/**

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

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

You can find the previous studies on the [Mortgage Lender Sentiment Survey®](#) page on FannieMae.com.

Please note that responses to the survey questions will be aggregated and analyzed solely to identify important topics, trends, and issues surrounding the mortgage industry. To ensure the confidentiality of the survey, Fannie Mae personnel will not have access to the names or identities behind the individual response data.

At this point, you may close your browser window or **click below** to enter your email address if you would like to receive a copy of this special-topic survey report when it's released. To ensure that your survey responses remain anonymous, after clicking on the link you will be directed to a separate website to enter your email address.