



## Mortgage Lender Sentiment Survey® Questionnaire Quarterly Tracking Study – Q1 2016

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

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

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

### NHS Questions

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

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

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

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

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

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

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

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

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



## Consumer Demand

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

**/\* METRIC A \*/ ## IF Q14b=C4, C5 ##** You mentioned that you expect your firm's consumer demand for **Non-GSE** eligible loans will go down over the next three months. Which of the following housing marketplace factors do you think will drive the demand down? Please select up to two of the most important reasons and rank them in order of importance. **/\* RANDOM ROTATE CHOICES \*/**

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



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

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

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

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

**/\* METRIC A \*/ ## IF Q14c=C1, C2 ##** You mentioned that you expect your firm's consumer demand for **government** loans will go up over the next three months. Which of the following housing marketplace factors do you think will drive the demand to go up? Please select up to two of the most important reasons and rank them in order of importance. **/\* RANDOM ROTATE CHOICES \*/**

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

**/\* Q18a \*/ Refinance - [ \* Non-GSE Eligible \* ] [- Non-GSE Eligible Mortgages are defined as mortgages that do not meet the GSE guidelines for purchase. These loans typically require larger down payments and typically carry higher interest rates than GSE loans. Exclude Government loans from this category. -]**

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

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

## **Profit Margin**

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**/\* DISPLAY \*/ Now you will see some questions regarding your firm's profit margin outlook.**

**/\* Q22 \*/ Over the next three months, how much do you expect your firm's profit margin to change for its single-family mortgage production?**

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

**/\* METRIC A \*/ ## IF Q22=4,5 ## What primary strategies, if any, is your firm planning to use to address your decreased profit margin? Please select the two most important strategies and rank them in order of importance. /\* RANDOM ROTATE CHOICES \*/**

- 1) Loan officer staffing adjustments
- 2) Back-office staffing adjustments
- 3) Operational efficiency (i.e. technology) investments
- 4) New or re-allocation of origination channels (i.e. retail or online or third-party channels)
- 5) New or re-allocation of mortgage product offerings
- 6) Underwriting standard changes
- 7) New borrower segments
- 8) Business acquisition/merger/divestment
- 9) Marketing outreach expansion/contraction
- 10) Price adjustments
- 11) MSR (Mortgage Servicing Rights) sales
- 12) Investor outlet expansion/contraction
- 13) Other **/\* DO NOT ROTATE \*/**



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

**/\* Q23a \*/** 1 - Most important

**/\* Q23b \*/** 2 - Second most important

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

**/\* METRIC A \*/ ## IF Q22=4,5 ##** What do you think will drive the decrease in your firm's profit margin over the next three months? Please select the two most important reasons and rank them in order of importance. **/\* RANDOM ROTATE CHOICES \*/**

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

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

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

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

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

**/\* METRIC A \*/ ## IF Q22=1,2 ##** What primary strategies, if any, is your firm planning to use to achieve your increased profit margin? Please select the two most important strategies and rank them in order of importance. **/\* RANDOM ROTATE CHOICES \*/**

- 1) Loan officer staffing adjustments
- 2) Back-office staffing adjustments
- 3) Operational efficiency (i.e. technology) investments
- 4) New or reallocation of origination channels (i.e. retail or online or third-party channels)
- 5) New or reallocation of mortgage product offerings
- 6) Underwriting standard changes
- 7) New borrower segments
- 8) Business acquisition/merger/divestment
- 9) Marketing outreach expansion/contraction
- 10) Price adjustments
- 11) MSR (Mortgage Servicing Rights) sales
- 12) Investor outlet expansion/contraction
- 13) Other **/\* DO NOT ROTATE \*/**



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

**/\* Q25a \*/** 1 - Most important

**/\* Q25b \*/** 2 - Second most important

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

**/\* METRIC A \*/ ## IF Q22=1,2 ##** What do you think will drive the increase in your firm's profit margin over the next three months? Please select the two most important reasons and rank them in order of importance. **/\* RANDOM ROTATE CHOICES \*/**

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

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

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

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

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

**/\* Q26c \*/ ## IF Q23A = C3 OR Q23B=C3 OR Q24A = C7 OR Q24B = C7 OR Q25A = C3 OR Q25B=C3 OR Q26A = C7 OR Q26B = C7 ##** You previously mentioned that operational efficiencies will impact your firms strategies and profit margin. Could you share some details about your firm's plans or challenges regarding operational efficiencies and its impact on profit margin? **/\* OPEN END 1 BOXES 1 REQ \*/**



## Credit Standards

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

**/\* METRIC B \*/** 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 typically 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 typically 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 \*/**



## Mortgage Execution Share

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**/\* DISPLAY \*/** The next series of questions is about your firm's mortgage-origination execution strategy.

**/\* METRIC A \*/** Approximately, what percent of your firm's total mortgage originations goes to each of the following categories? Please enter a percent in each box below. If a category is not applicable to your firm, please enter 0. The percentages below must add up to 100%. **/\* OPEN END NUMERIC (0 TO 100) \*/**

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

**/\* Q35a \*/** Portfolio Retention

**/\* Q35b \*/** GSE (Fannie Mae and Freddie Mac)

**/\* Q35c \*/** Ginnie Mae (FHA/VA)

**/\* Q35d \*/** Private Label Securities / Non-Agency Securities

**/\* Q35e \*/** Whole Loan Sales to NON-GSE (Correspondent)

**/\* Q35f \*/** Other

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

**/\* q35fother \*/ ## IF Q35f > 0 ##** On the previous page you indicated "other." Please specify your firm's other post mortgage-origination execution category. **/\* OPEN END 1 BOXES 1 REQ \*/ ## QUESTION IS REQUIRED ##**

**/\* METRIC A \*/** Looking forward, what percent of your firm's total mortgage originations over the next 12 months will go to each of the following categories? Please enter a percent for each category. If a category is not applicable to your firm, please enter 0. The percentages below must add up to 100%. **/\* OPEN END NUMERIC (0 TO 100) \*/**

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

**/\* Q44a \*/** Portfolio Retention

**/\* Q44b \*/** GSE (Fannie Mae and Freddie Mac)

**/\* Q44c \*/** Ginnie Mae (FHA/VA)

**/\* Q44d \*/** Private Label Securities / Non-Agency Securities

**/\* Q44e \*/** Whole Loan Sales to NON-GSE (Correspondent)

**/\* Q44f \*/ ## INSERT RESPONSE FROM q35fother ##**

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



## Mortgage Servicing Rights

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**/\* DISPLAY \*/** Now, we will be asking you about your firm's mortgage servicing rights (MSR) strategy.

**/\* METRIC B \*/** Approximately, what percent of your mortgage servicing rights (MSR) goes to each of the following categories? Please enter a percent in each box below. If a category is not applicable to your firm, please enter 0. The percentages below must add up to 100%. **/\* OPEN END NUMERIC (0 TO 100) \*/**

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

**/\* Q38a \*/** MSR retained, serviced in-house

**/\* Q38b \*/** MSR retained, serviced by a subservicer

**/\* Q38c \*/** MSR sold

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

**/\* METRIC A \*/** Looking forward, what percent of your firm's mortgage servicing rights (MSR) over the next 12 months will go to each of the following categories? Please enter a percent for each category. If a category is not applicable to your firm, please enter 0. The percentages below must add up to 100%. **/\* OPEN END NUMERIC (0 TO 100) \*/**

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

**/\* Q45a \*/** MSR retained, serviced in-house

**/\* Q45b \*/** MSR retained, serviced by a subservicer

**/\* Q45c \*/** MSR sold

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

## Rotating Questions - TRID

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**/\* DISPLAY \*/** The Truth in Lending Act (TILA)/Real Estate Settlement Procedures Act (RESPA) Integrated Disclosure (TRID) Rule, part of the Consumer Finance Protection Bureau's "Know Before You Owe" initiative, took effect on Oct. 3, 2015. In this section, we will be asking about your firm's practices with regards to TRID.

**/\* METRIC A \*/** Listed below are some challenges lending institutions may have faced when implementing TRID requirements. Please select **up to two** of the biggest challenges that your firm faced during implementation and rank them in order of significance. **/\* RANDOM ROTATE CHOICES \*/**

- 1) Internal training
- 2) Communication with all key players, such as the buyer, the seller, the loan officer, title insurance provider, closing agent, real estate agent, etc.
- 3) Accuracy (within tolerance variance levels) of the Loan Estimate and Closing Disclosure
- 4) Meeting all timing requirements
- 5) Managing relationships or coordinating with third-party technology vendors
- 6) Managing relationships or coordinating with closing agents
- 7) Resolving errors
- 8) Other **/\* SPECIFY \*/** **/\* DO NOT ROTATE \*/**



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

**/\* QR116 \*/** 1 – Biggest Challenge

**/\* QR117 \*/** 2 – Second Biggest Challenge

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

**/\* QR118 \*/** You indicated that **## INSERT RESPONSE FROM QR116 ##** and **## INSERT RESPONSE FROM QR117 ##** were challenges that your firm faced during TRID implementation. Why have these been challenges for your firm and how have they been challenges? **/\* OPEN END 1 BOXES 1 REQ \*/**

**/\* QR119 \*/** **## IF QR116=5 OR QR117=5 ##** You mentioned that **managing or coordinating with third-party technology vendors** was one of the top two challenges that your firm faced during TRID implementation. Does your firm still have challenges with your third-party technology vendors today?

- 1) Yes, significantly
- 2) Yes, somewhat
- 3) No
- 4) Not sure/Don't know/Not applicable

**/\* QR119b \*/** **## IF QR116=5 OR QR117=5 ##** Does your firm plan to switch third-party technology vendors or move more in-house? Please select all that apply. **/\* MULTIPLE RESPONSES PERMITTED \*/**

- 1) Switch vendors
- 2) Move more in-house
- 3) Neither of the above (please explain) **/\* SPECIFY \*/ /\* EXCLUSIVE \*/**
- 4) Not sure/Don't know/Not applicable **/\* EXCLUSIVE \*/**

**/\* QR120 \*/** Which of the following statements best describes your firm's strategy moving forward with regards to the operational process for loan origination and closing, compared to the pre-TRID period?

- 1) We are going to bring more in-house
- 2) We are looking to outsource more (using third-party vendors)
- 3) Neither of the above (please explain) **/\* SPECIFY \*/**
- 4) Not sure/Don't know/Not applicable

**/\* QR121 \*/** With regards to the cooperation between your firm and the closing agent, which of the following statements better describes your firm's strategy to generate and deliver the Closing Disclosure, with TRID? **/\* RANDOM ROTATE CHOICES \*/**

- 1) My firm plays a major role, with the assistance of the closing agent
- 2) The closing agent plays a major role, with my firm's assistance
- 3) Not sure/Don't know/Not applicable **/\* DO NOT ROTATE \*/**



***/\* QR122 \*/*** With TRID, what is your firm's most common method of loan documentation delivery?

- 1) Postal mail
- 2) Expedited mail (overnight, 2nd day, etc.)
- 3) Email
- 4) Ask borrower to go to a secured site to retrieve documents
- 5) Other ***/\* SPECIFY \*/***
- 6) Not sure/Don't know/Not applicable

***/\* QR123 \*/*** To what extent has TRID implementation caused your firm to raise or lower loan fees to the borrower?

- 1) Significantly raise loan fees
- 2) Somewhat raise loan fees
- 3) No changes on loan fees
- 4) Somewhat lower loan fees
- 5) Significantly lower loan fees
- 6) Not sure/Don't know/Not applicable

***/\* QR124 \*/*** Has TRID implementation affected the time it takes for a loan to close?

- 1) Yes, significantly
- 2) Yes, somewhat
- 3) No
- 4) Not sure/Don't know/Not Applicable

***/\* QR125 \*/ ## IF QR124=1, 2 ##*** Approximately how many more days, on average, does it take a loan to close, compared with the pre-TRID period? ***/\* OPEN END NUMERIC \*/***

***/\* QR126 \*/ ## IF QR124=1, 2 ##*** Do you expect the time it takes to close a loan to shorten as your firm has more experience with TRID?

- 1) Yes, significantly
- 2) Yes, somewhat
- 3) No
- 4) Not sure/Don't know/Not applicable

***/\* QR127 \*/*** Which of the following strategies does your firm currently use to market or educate consumers about TRID? Please select all that apply. ***/\* MULTIPLE RESPONSES PERMITTED \*/***

- 1) My firm develops marketing/education materials
- 2) My firm refers consumers to the CFPB's materials (Consumer Finance Protection Bureau)
- 3) None of the above (please explain) ***/\* SPECIFY \*/ /\* EXCLUSIVE \*/***
- 4) Not sure/Don't know/Not applicable ***/\* EXCLUSIVE \*/***



**/\* QR128 \*/** In your view, how has TRID changed the competitiveness of the mortgage market? **/\* RANDOMLY REVERSE CHOICES \*/**

***TRID has made the mortgage market...***

- 1) Significantly less competitive
- 2) Somewhat less competitive
- 3) Neither less nor more competitive
- 4) Somewhat more competitive
- 5) Significantly more competitive
- 6) Don't know **/\* DO NOT ROTATE \*/**

**/\* QR129 \*/ ## IF QR128= 1, 2 ##** Why do you think TRID has made the mortgage market **less** competitive? Please share your thoughts. **/\* OPEN END 1 BOXES 1 REQ \*/**

**/\* QR130 \*/ ## IF QR128= 4, 5 ##** Why do you think TRID has made the mortgage market **more** competitive? Please share your thoughts. **/\* OPEN END 1 BOXES 1 REQ \*/**

**/\* QR131 \*/** How has TRID changed your firm's competitive position? **/\* RANDOMLY REVERSE CHOICES \*/**

***TRID has caused my firm to have...***

- 1) Significantly fewer competitive advantages
- 2) Somewhat fewer competitive advantages
- 3) No change in competitive advantages
- 4) Somewhat more competitive advantages
- 5) Significantly more competitive advantages
- 6) Don't know **/\* DO NOT ROTATE \*/**

**/\* QR132 \*/ ## IF QR131=1, 2 ##** Why do you think TRID has caused your firm to have **fewer** competitive advantages? Please share your thoughts. **/\* OPEN END 1 BOXES 1 REQ \*/**

**/\* QR133 \*/ ## IF QR131=4, 5 ##** Why do you think TRID has caused your firm to have **more** competitive advantages? Please share your thoughts. **/\* OPEN END 1 BOXES 1 REQ \*/**



**/\* METRIC A \*/** Based on what your firm has experienced since TRID took effect, which of the following best describes how TRID has changed consumers' mortgage knowledge or behaviors in each area?

- 1) Significantly improved
- 2) Somewhat improved
- 3) Has not changed
- 4) Don't know

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

**/\* QR134a \*/** Consumers' understanding of the mortgage transaction cost (e.g., closing fees)

**/\* QR134b \*/** Consumers' understanding of the mortgage loan they apply for (e.g., loan amount, interest rate, monthly principal & Interest, monthly payment calculation, etc.)

**/\* QR134c \*/** Consumers' shopping around for loans

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

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

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

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

At this point, you may close your browser window or **[click below](#)** to enter your email address if you would like to receive a copy of the Q1 2016 Mortgage Lender Sentiment 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.