

Mortgage Lender Sentiment Survey[®]

Providing Insights Into Current Lending Activities and Market Expectations

Q1 2020 Full Report – published March 12, 2020



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Key Findings – Q1 2020

Lenders' demand expectations for both purchase and refinance mortgages hit new survey highs, which also contributed to their new survey-high profit margin outlook.

Economic Outlook

- The share of lenders believing that the U.S. economy is on the right track reached a survey high this quarter.

Mortgage Demand

- For purchase mortgages, the net share of lenders reporting demand growth over the prior three months reached the highest readings for any first quarter in the survey's history (since 2014) for GSE-eligible and government loans, and the highest since Q1 2015 for non-GSE-eligible loans. The net share reporting growth expectations reached survey highs across all loan types (GSE-eligible, non-GSE-eligible, and government).
- For refinance mortgages, the net share of lenders reporting demand growth over the prior three months went down slightly from last quarter's survey highs but remained very strong. Demand growth expectations on net for the next three months reached new survey highs for GSE-eligible and government loans.

Profit Margin Outlook

- Lenders' net profit margin outlook rose significantly, reaching a new survey high.
- "Consumer demand" and "operational efficiency" remain the top reasons cited by lenders for their increased profit margin outlook.



Research Objectives

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

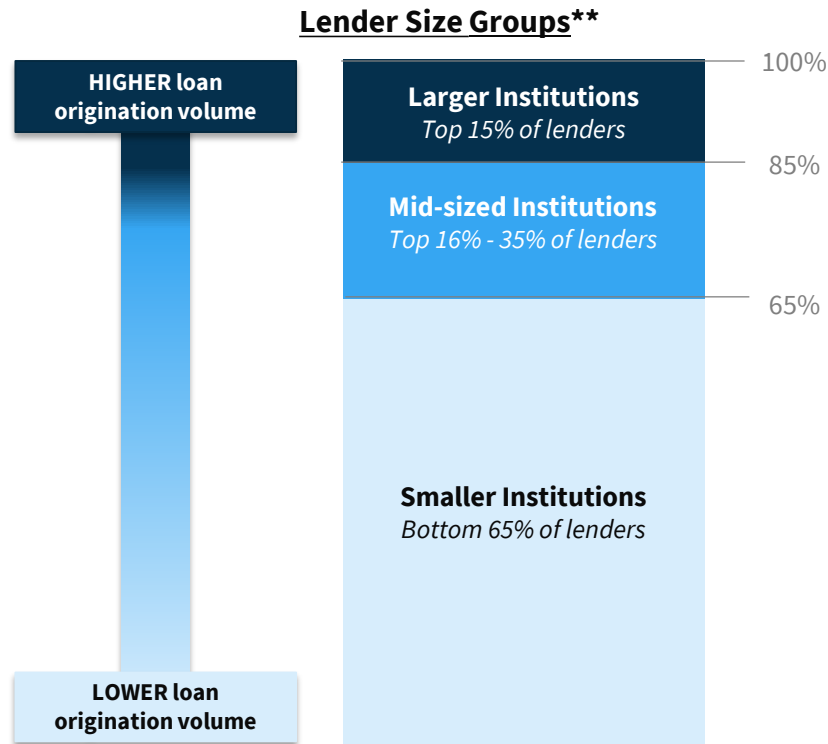
- **Lender Customer-Acquisition and Retention Strategies**
- **Digital Transformation Efforts: Front End vs. Back End**
- **Lenders' Business Priorities to Remain Competitive**
- **APIs and Mortgage Lending**
- **Housing Affordability**
- **Artificial Intelligence for Mortgage Lending**

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



Q1 2020 Respondent Sample and Groups

For Q1 2020, a total of 195 senior executives completed the survey between February 5-17, representing 183 lending institutions.*



Sample Q1 2020		Sample Size
Total Lending Institutions The "Total" data throughout this report is an average of the means of the three lender-size groups listed below.		183
Lender Size Groups	Larger Institutions Lenders in the Fannie Mae database who were in the top 15% of lending institutions based on their total 2018 loan origination volume (above \$980 million)	52
	Mid-sized Institutions Lenders in the Fannie Mae database who were in the next 20% (16%-35%) of lending institutions based on their total 2018 loan origination volume (between \$317.5 million and \$980 million)	40
	Smaller Institutions Lenders in the Fannie Mae database who were in the bottom 65% of lending institutions based on their total 2018 loan origination volume (less than \$317.5 million)	91
Institution Type***	Mortgage Banks (non-depository)	71
	Depository Institutions	73
	Credit Unions	38

* 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 2018 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 2018 loan origination volume and then assigned into the size groups, with the top 15% of lenders being the "larger" group, the next 20% of lenders being the "mid-sized" group and the rest being the "small" group.

*** Lenders that are not classified into mortgage banks or depository institutions or credit unions are mostly housing finance agencies or investment banks.



Loan Type Definition

Questions about consumer mortgage demand and credit standards are asked across three loan types: GSE-eligible, non-GSE-eligible, and government loans.

Loan Type Definition Used in the Survey	
Loan Type	Definition
GSE-eligible Loans	GSE-eligible Mortgages are defined as mortgages meeting the underwriting guidelines, including loan limit amounts, of the Government Sponsored Enterprises (GSEs) Fannie Mae and Freddie Mac. Government loans are excluded from this category.
Non-GSE-eligible Loans	Non-GSE-eligible Mortgages are defined as mortgages that do not meet the GSE guidelines for purchase. These loans typically require larger down payments and may carry higher interest rates than GSE loans. Government loans are excluded from this category.
Government Loans	Government Mortgages primarily include Federal Housing Administration (FHA) and the Department of Veterans Affairs (VA) insured loans, but also includes other programs such as Rural Housing Guaranteed and Direct loans.



U.S. Economy and Consumer Demand

- The share of lenders believing that the U.S. economy is on the right track reached a survey high this quarter.
- For purchase mortgages, the net share of lenders reporting demand growth over the prior three months reached the highest readings for any first quarter in the survey's history (since 2014) for GSE-eligible and government loans, and the highest since Q1 2015 for non-GSE-eligible loans. The net share reporting growth expectations reached survey highs across all loan types (GSE-eligible, non-GSE-eligible, and government).
- For refinance mortgages, the net share of lenders reporting demand growth over the prior three months went down slightly from last quarter's survey highs but remained very strong. Demand growth expectations on net for the next three months reached new survey highs for GSE-eligible and government loans.

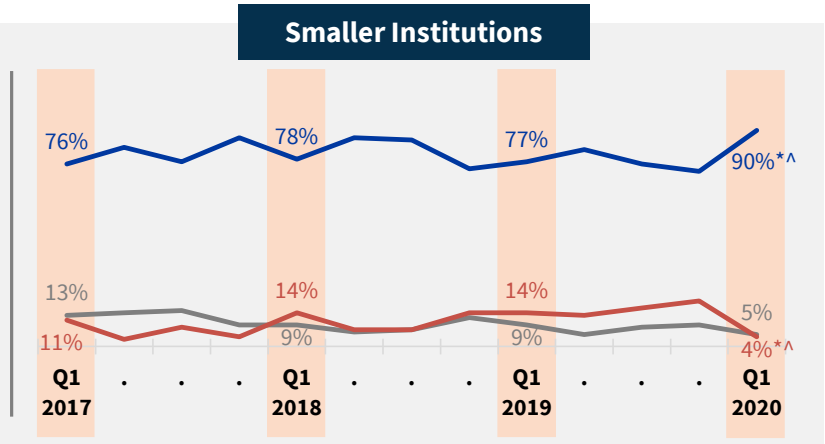
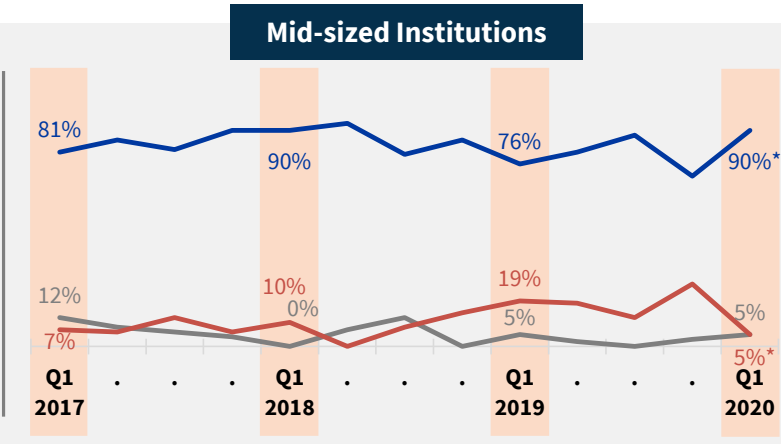
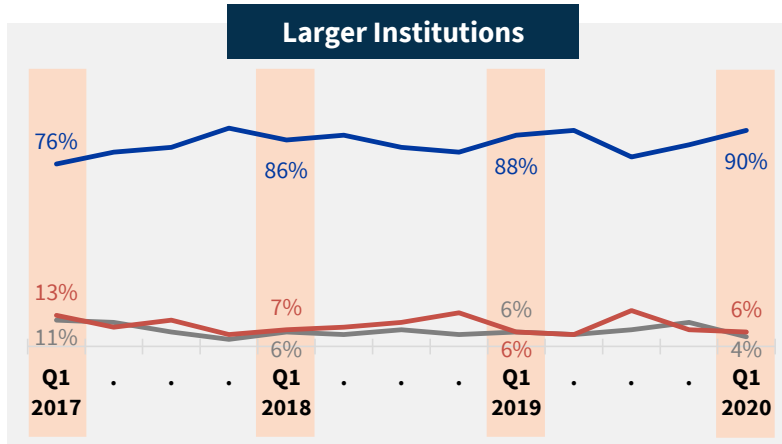
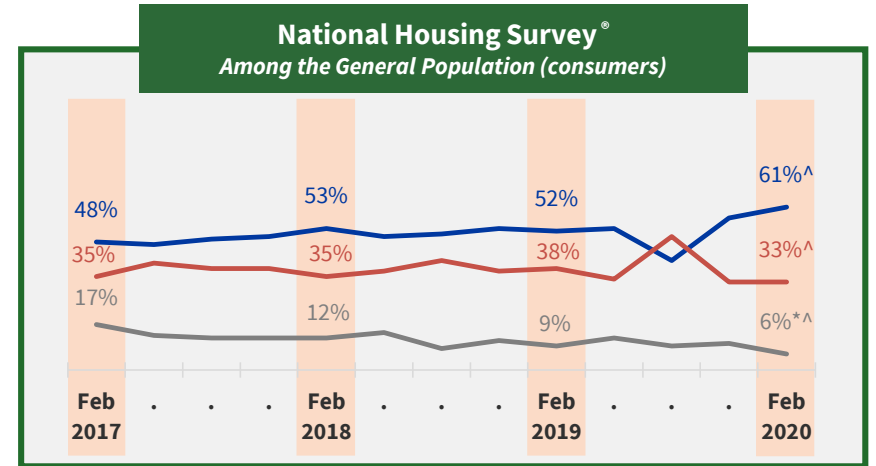
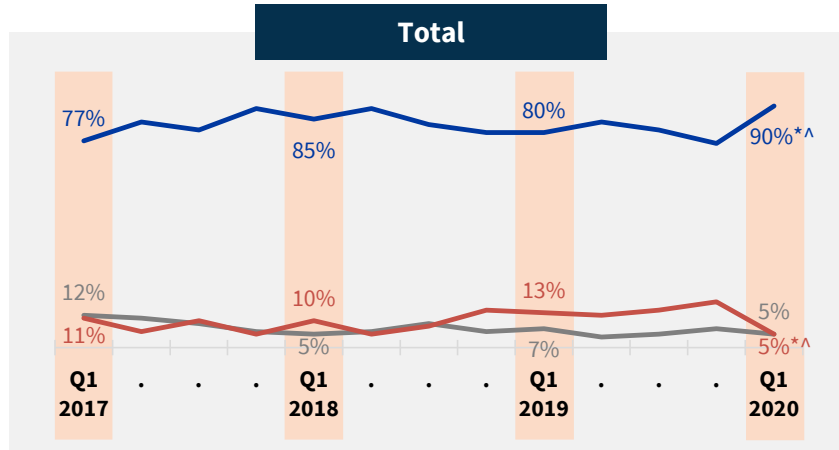


U.S. Economy Overall

The share of lenders believing that the U.S. economy is on the right track reached a survey high this quarter.

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

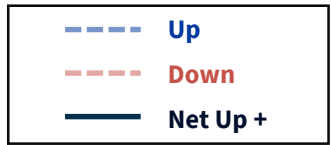
- Right Track
- Don't know
- Wrong Track



* Denotes a statistically significant change compared with Q4 2019 (previous quarter)
[^] Denotes a statistically significant change compared with Q1 2019 (same quarter of last year)

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

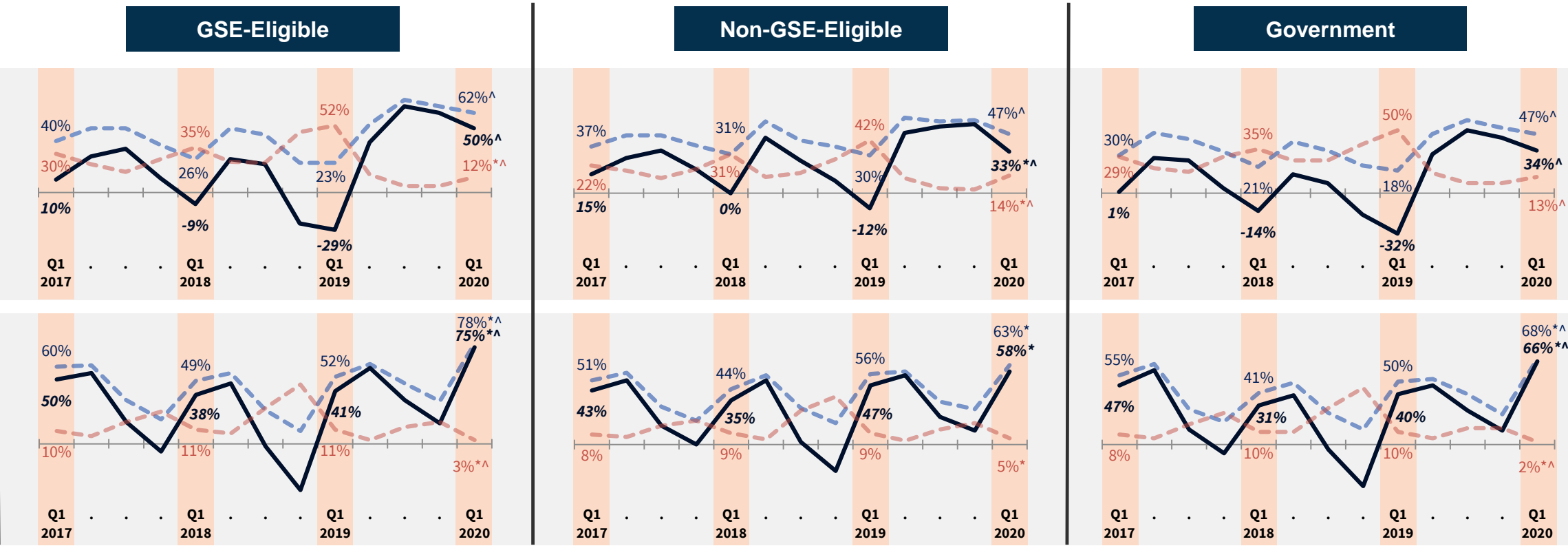
Purchase Mortgage Demand



The net share of lenders reporting demand growth over the prior three months reached the highest readings for any first quarter in the survey's history (since 2014) for GSE-eligible and government loans, and the highest since Q1 2015 for non-GSE-eligible loans. The net share reporting growth expectations reached survey highs across all loan types (GSE-eligible, non-GSE-eligible, and government).

Past 3 Months

Next 3 Months



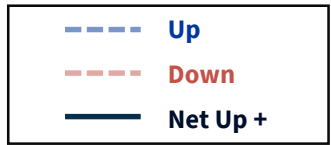
Net Up + = % of lenders saying up minus % of lenders saying down
The % saying "stay the same" is not shown

* Denotes a statistically significant change compared with Q4 2019 (previous quarter)
^ Denotes a statistically significant change compared with Q1 2019 (same quarter of last year)

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



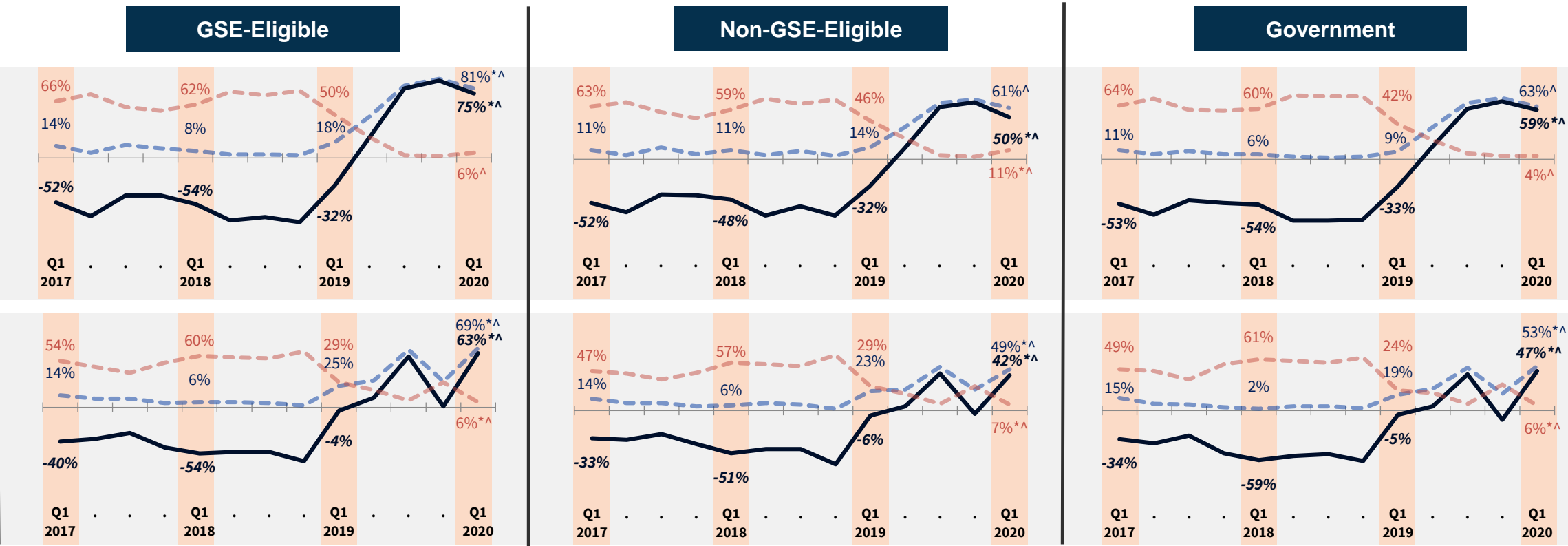
Refinance Mortgage Demand



The net share of lenders reporting demand growth over the prior three months went down slightly from last quarter's survey highs but remained very strong. Demand growth expectations on net for the next three months reached new survey highs for GSE-eligible and government loans.

Past 3 Months

Next 3 Months



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 Q4 2019 (previous quarter)
^ Denotes a statistically significant change compared with Q1 2019 (same quarter of last year)

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



Credit Standards

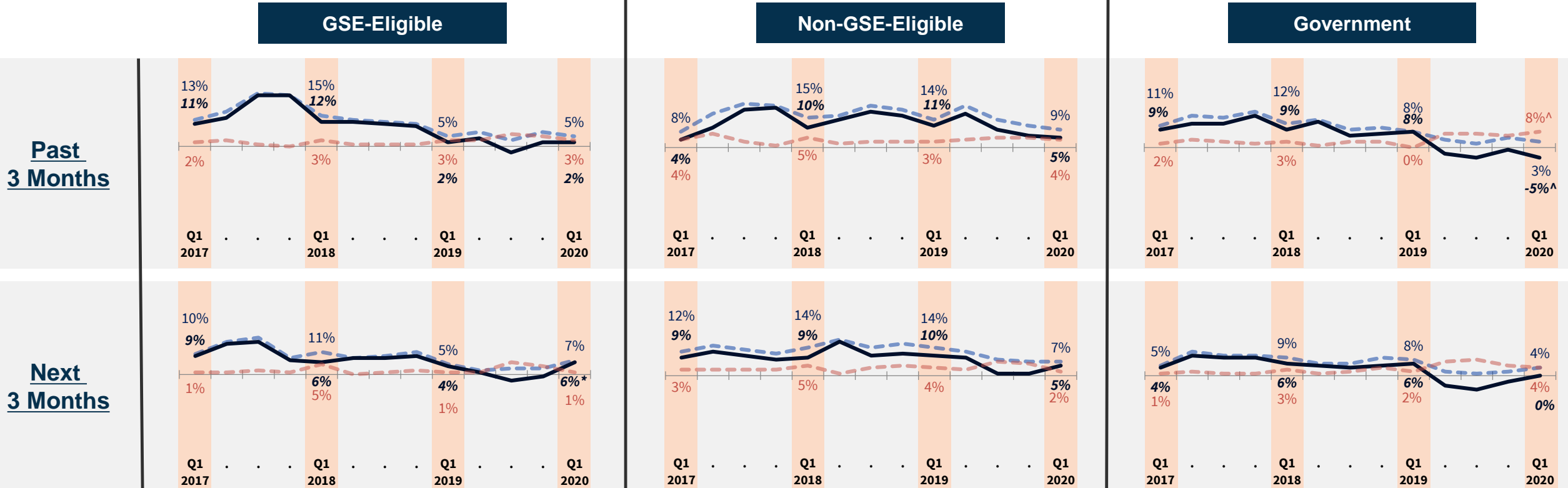
- Most lenders reported no major changes in their underwriting credit standards for the prior three months and expected no major changes for the next three months. For Non-GSE-eligible and government loans, the net share of lenders reporting credit easing over the prior three months seems to have gradually trended down over 2019. The net share expecting easing for the next three months appeared to increase slightly across all loan types.



Credit Standards



Most lenders reported no major changes in their underwriting credit standards for the prior three months and expected no major changes for the next three months. For Non-GSE-eligible and government loans, the net share of lenders reporting credit easing over the past three months seems to have gradually trended down over the year of 2019. The net share expecting easing for the next three months appears to tip up across all loan types.



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 Q4 2019 (previous quarter)
[^] Denotes a statistically significant change compared with Q1 2019 (same quarter of last year)

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

Profit Margin Outlook

- Lenders' net profit margin outlook rose significantly, reaching a new survey high.
- “Consumer demand” and “operational efficiency” continued to be cited by lenders as the two most important reasons behind their improved profitability outlook. Additionally, the share of lenders citing “operational efficiency” appears to trend up gradually throughout 2019.

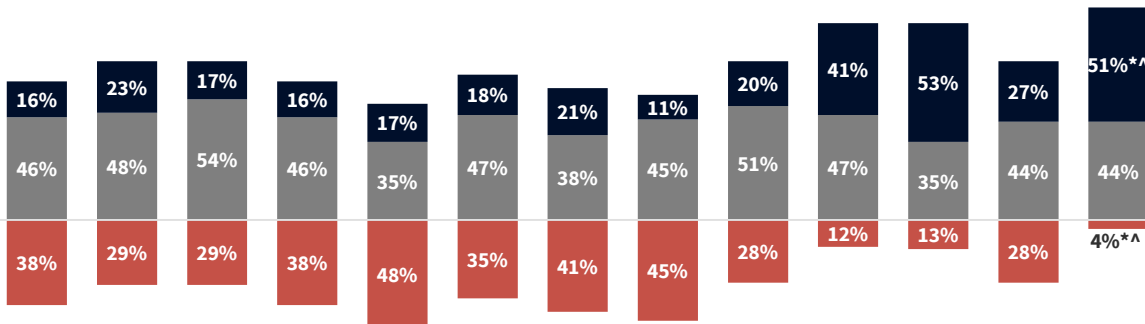


Lenders' Profit Margin Outlook – Next 3 Months

Lenders' net profit margin outlook rose significantly, reaching a new survey high. Very few lenders this quarter reported expectations of a decreased profitability outlook over the next three months. "Consumer demand" and "operational efficiency" remain the top reasons cited by lenders for their increased profit margin outlook.

Profit Margin Outlook

Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19	Q4 '19	Q1 '20
n=166	n=176	n=174	n=190	n=184	n=159	n=178	n=202	n=176	n=200	n=168	n=160	n=175

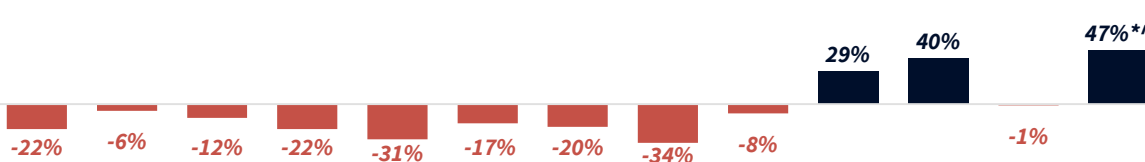


Increase

About the same

Decrease

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



Q: Over the next three months, how much do you expect your firm's profit margin to change for its single-family mortgage production? [Showing: (Substantially Increase (25+ basis points) + Moderately Increase (5 - 25 basis points)), About the same (0 - 5 basis points), (Moderately Decrease (5 - 25 basis points) + Substantially Decrease (25+ basis points))]
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.

Key Reasons for Expected Increase – Q1 2020

Consumer demand	67%
Operational efficiency (i.e. technology)	51%
Market trend changes (i.e. shift from refinance to purchase)	18%
GSE pricing and policies	16%
Staffing (personnel costs) reduction	10%

Showing data for selected answer choices only. n=86

Key Reasons for Expected Decrease – Q1 2020

Competition from other lenders	50%
Staffing (personnel costs)	42%
Market trend changes (i.e. shift from refinance to purchase)	25%
GSE pricing and policies	20%
Marketing expenses	12%

Showing data for selected answer choices only. n=8

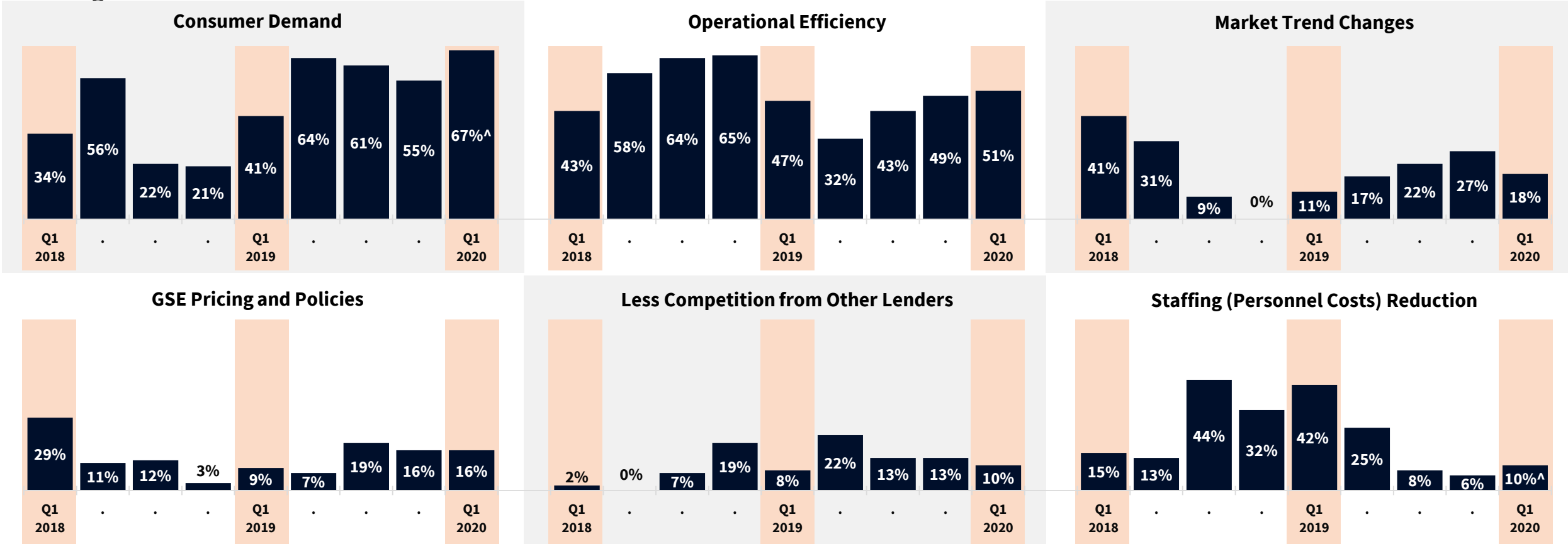
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Increased Profit Margin Outlook – Top Drivers

“Consumer demand” and “operational efficiency” continued to be cited by lenders as the two most important reasons in driving up their profitability outlook. Additionally, the share of lenders citing “operational efficiency” appeared to trend up gradually throughout 2019.



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

Total: Q1 2018: N=34 ; Q2 2018: N=30 ; Q3 2018: N=38 ; Q4 2018: N=22 ; Q1 2019: N=36; Q2 2019: N=81; Q3 2019: N=86; Q4 2019: N=42; Q1 2020: N=86

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

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Appendix



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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.

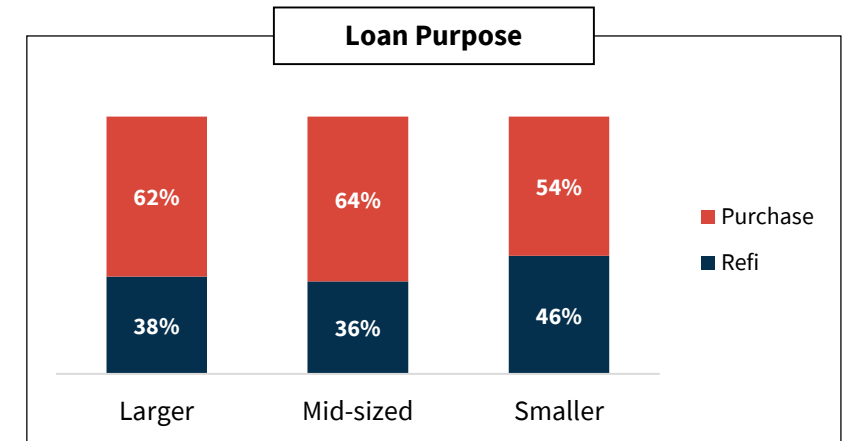
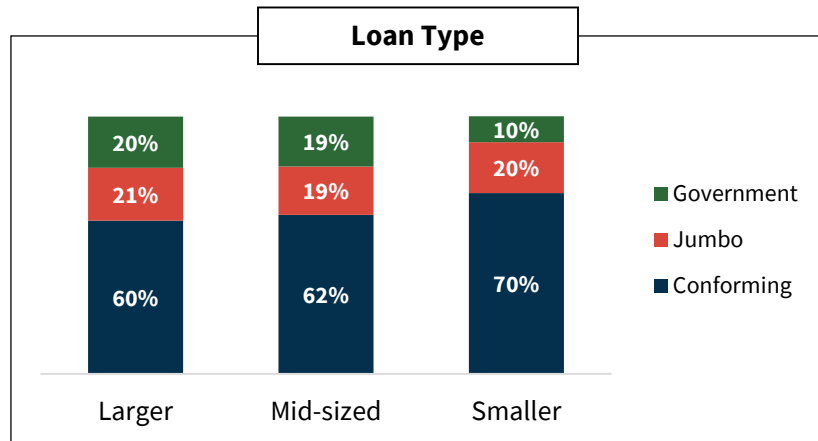
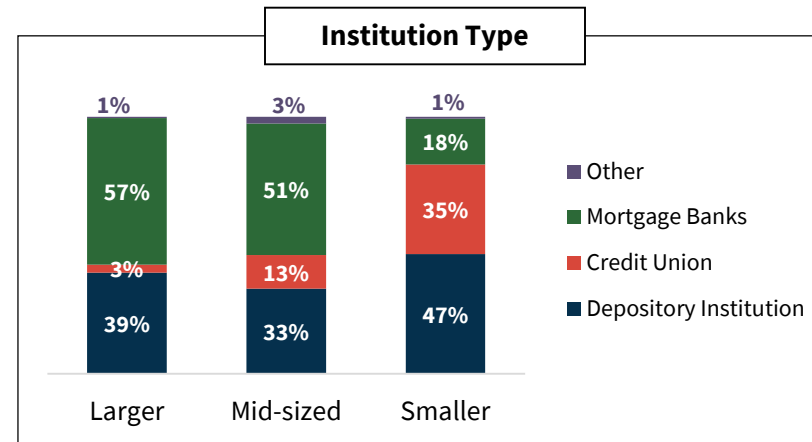
Data Weighting

- 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 2018. Institutions were divided into three groups based on their 2018 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

		Q1 2018		Q2 2018		Q3 2018		Q4 2018		Q1 2019		Q2 2019		Q3 2019		Q4 2019		Q1 2020	
		Sample Size	Margin of Error	Sample Size	Margin of Error	Sample Size	Margin of Error	Sample Size	Margin of Error	Sample Size	Margin of Error	Sample Size	Margin of Error	Sample Size	Margin of Error	Sample Size	Margin of Error	Sample Size	Margin of Error
Total Lending Institutions		196	±6.43%	170	±7.04%	184	±6.78%	212	±6.52%	184	±7.03%	211	±6.19%	179	±6.82%	168	±7.08%	183	±6.70%
Loan Origination Volume Groups	Larger Institutions	64	±10.32%	40	±13.79%	45	±12.83%	59	±12.36%	49	±13.62%	61	±10.50%	60	±10.64%	60	±10.63%	52	±11.65%
	Mid-sized Institutions	51	±12.36%	36	±15.07%	42	±13.73%	58	±12.47%	43	±14.59%	57	±11.43%	45	±13.25%	38	±14.67%	40	±14.19%
	Smaller Institutions	81	±10.30%	94	±9.60%	97	±9.51%	95	±9.74%	92	±9.92%	93	±9.62%	74	±10.92%	70	±11.26%	91	±9.70%
Institution Type	Mortgage Banks	69	±10.36%	56	±11.87%	66	±10.89%	76	±10.80%	53	±13.05%	91	±8.92%	72	±10.37%	76	±10.05%	71	±10.47%
	Depository Institutions	63	±11.63%	67	±11.29%	68	±11.31%	88	±10.15%	79	±10.72%	85	±9.80%	70	±10.98%	60	±11.98%	73	±10.65%
	Credit Unions	56	±12.04%	34	±16.05%	39	±14.96%	38	±15.48%	33	±16.69%	34	±16.05%	33	±16.32%	30	±17.19%	38	±15.03%

2018

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

2019

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

2020

Q1 was fielded between February 5, 2020 and February 17, 2020



2020 Q1 Cross-Subgroup Sample Sizes

	Total	Larger Lenders	Mid-Sized Lenders	Smaller Lenders
Total	183	52	40	91
Mortgage Banks (non-depository)	71	33	20	18
Depository Institutions	73	17	14	42
Credit Unions	38	2	6	30



2020 Q1 Sample Sizes: Consumer Demand

Purchase Mortgages:

	Past 3 Months			Next 3 Months		
	GSE-Eligible	Non-GSE-Eligible	Government	GSE-Eligible	Non-GSE-Eligible	Government
Total Lending Institutions	183	165	154	183	167	155
Larger Institutions	52	49	51	52	50	51
Mid-sized Institutions	40	34	35	40	34	35
Smaller Institutions	91	82	68	91	83	69

Refinance Mortgages:

	Past 3 Months			Next 3 Months		
	GSE-Eligible	Non-GSE-Eligible	Government	GSE-Eligible	Non-GSE-Eligible	Government
Total Lending Institutions	181	163	144	181	163	146
Larger Institutions	51	49	50	51	49	50
Mid-sized Institutions	39	33	34	39	33	34
Smaller Institutions	91	81	60	91	81	62



2020 Q1 Sample Sizes: Credit Standards

	Past 3 Months			Next 3 Months		
	GSE-Eligible	Non-GSE-Eligible	Government	GSE-Eligible	Non-GSE-Eligible	Government
Total Lending Institutions	182	168	156	182	168	156
Larger Institutions	52	50	51	52	50	51
Mid-sized Institutions	40	34	34	40	34	34
Smaller Institutions	91	84	70	91	84	71

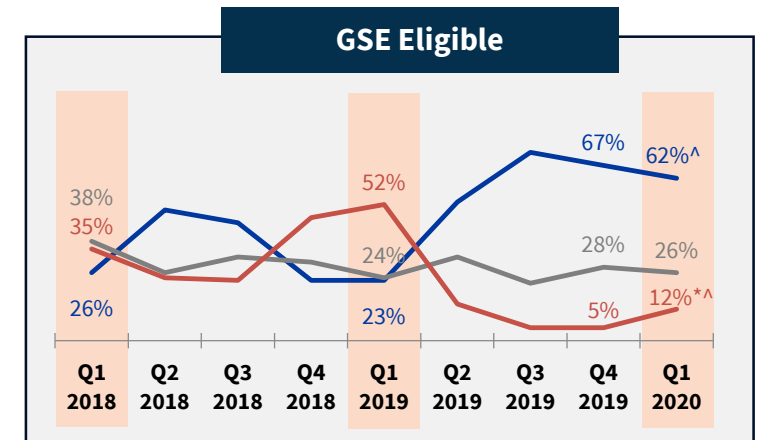


Calculation of the “Total”

The “Total” data presented in this report is an average of the means of the three loan origination volume groups (see an illustrated example below). Please note that percentages are based on the number of financial institutions that gave responses other than “Not Applicable.” Percentages may add to under or over 100% due to rounding.

Example:

Over the <u>past three months</u> , apart from normal seasonal variation, did your firm’s consumer demand for single-family <u>purchase</u> mortgages go up, go down, or stay the same? GSE Eligible (Q1 2020)	Larger Institutions	Mid-sized Institutions	Smaller Institutions	Q4 “Total”
Go up	61%	64%	62%	62% $[(61\% + 64\% + 62\%)/3]$
Stayed the same	27%	26%	24%	26%
Go down	12%	10%	14%	12%





Appendix

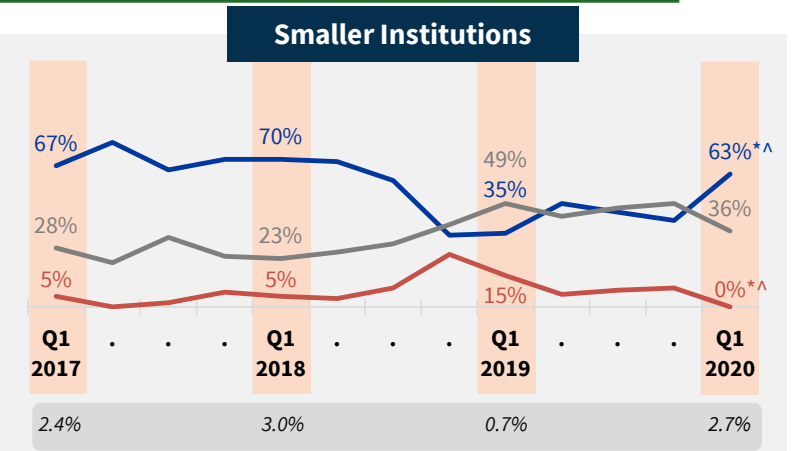
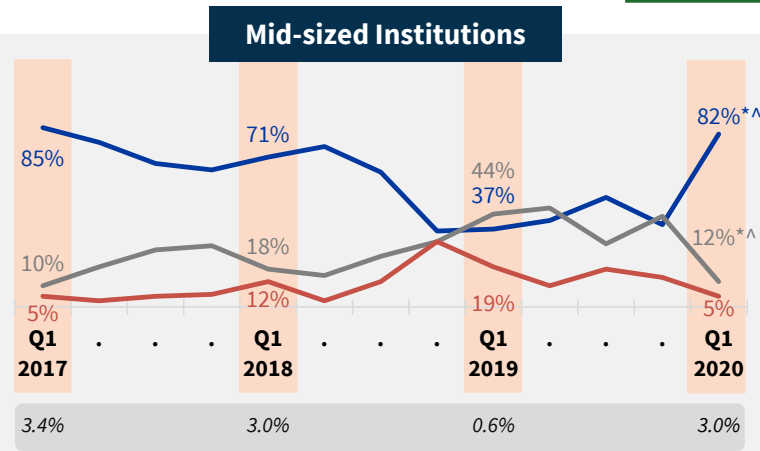
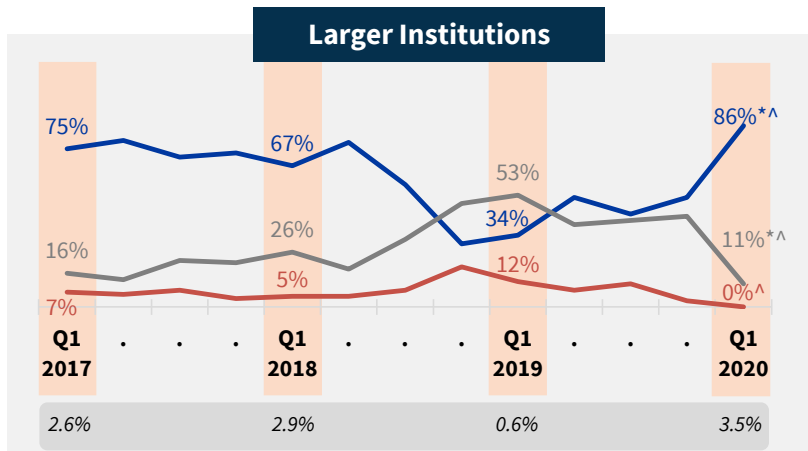
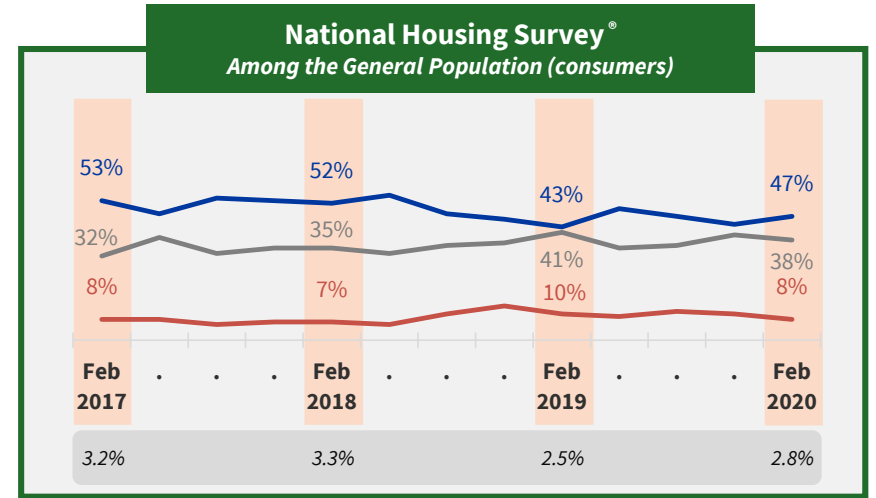
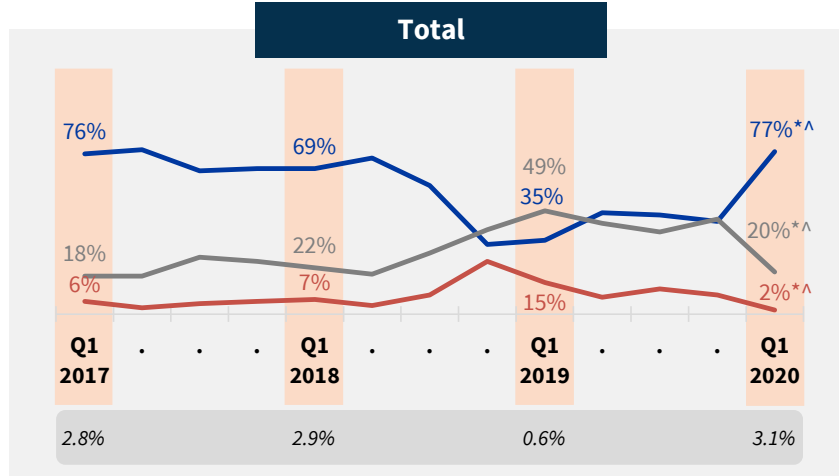
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Home Prices – Next 12 Months

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

- Go Up
- Stay the Same
- Go Down

By about what percent do you, as a senior mortgage executive, think home prices nationally will go up/down on average over the next 12 months?



* Denotes a statistically significant change compared with Q4 2019 (previous quarter)
 ^ Denotes a statistically significant change compared with Q1 2019 (same quarter of last year)

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

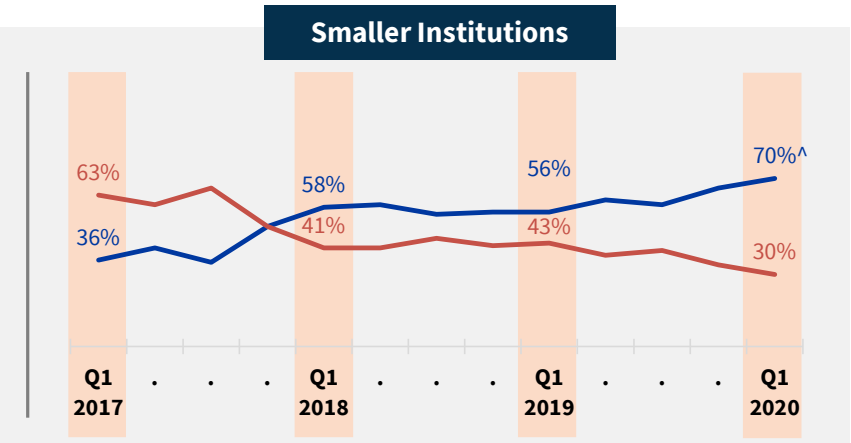
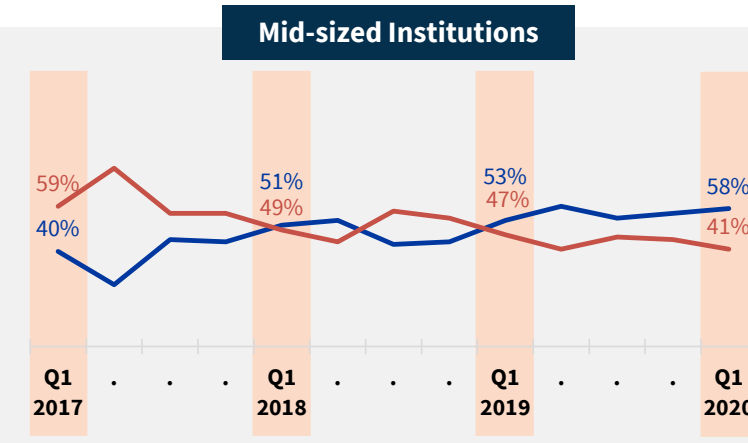
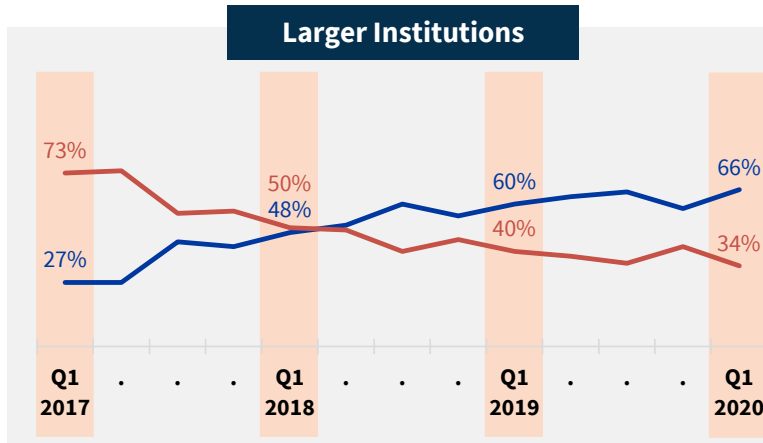
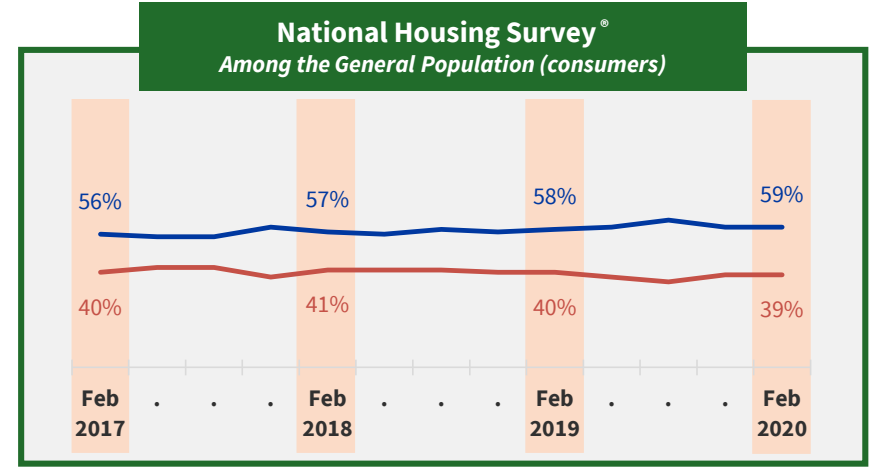
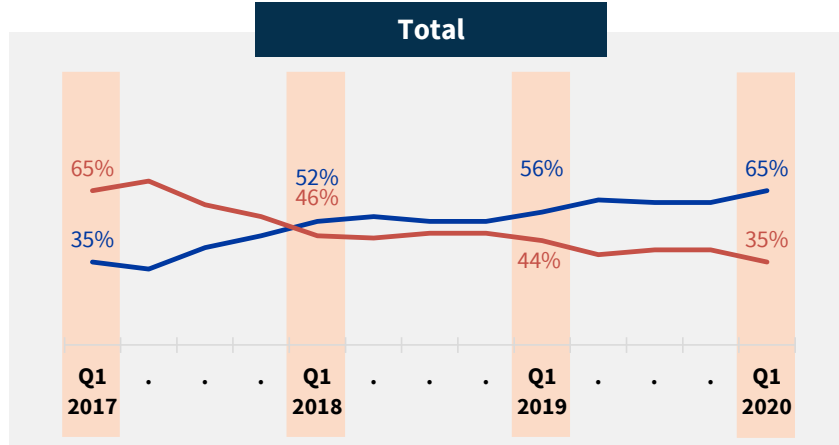


Difficulty of Getting a Mortgage

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

Easy
(Very easy + Somewhat easy)

Difficult
(Very difficult + Somewhat difficult)



* Denotes a statistically significant change compared with Q4 2019 (previous quarter)
 ^ Denotes a statistically significant change compared with Q1 2019 (same quarter of last year)

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

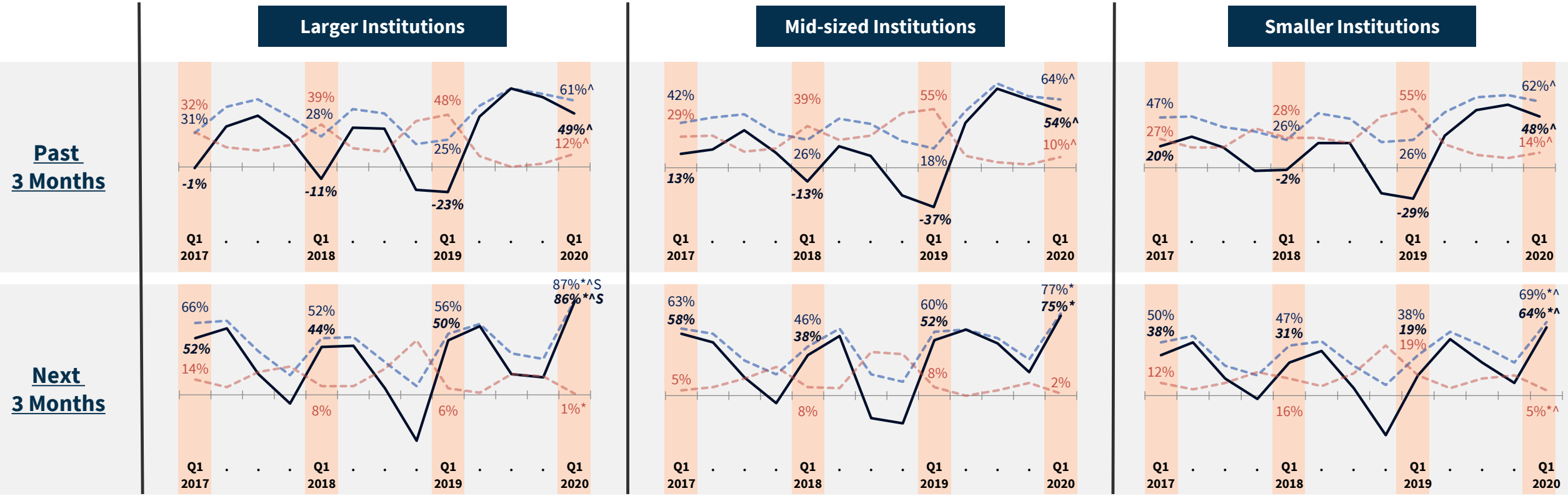




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Purchase Mortgage Demand: GSE-Eligible (by institution size)



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

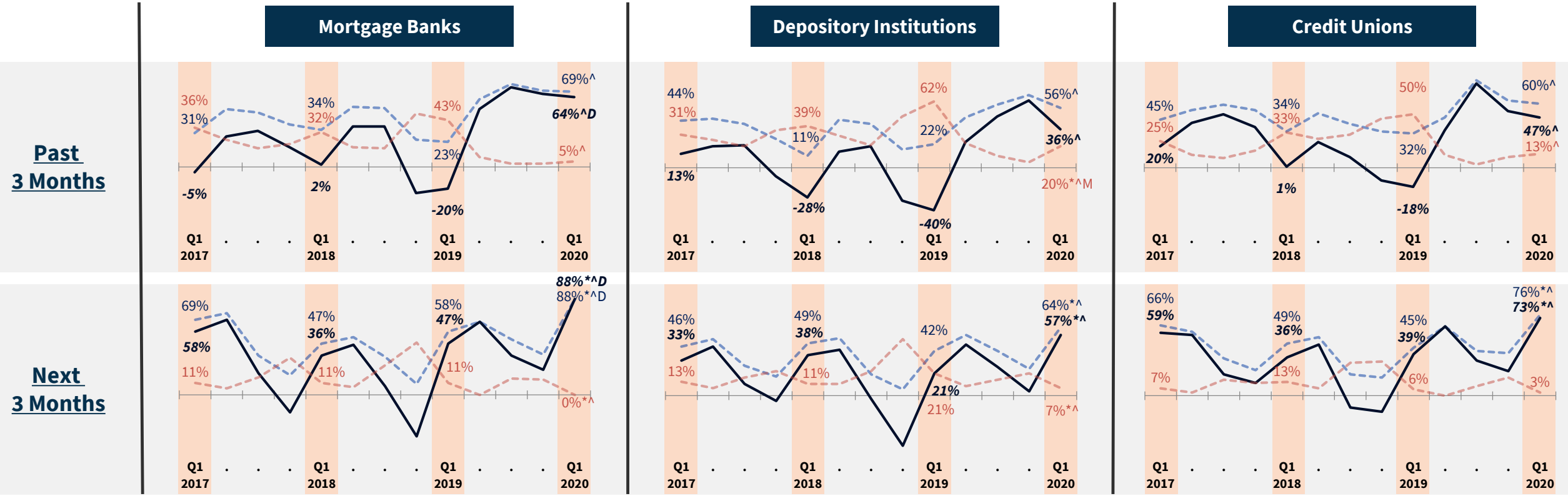
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L/M/S - Denote a % is significantly higher than the annual loan origination volume group that the letter represents at the 95% confidence level

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



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



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

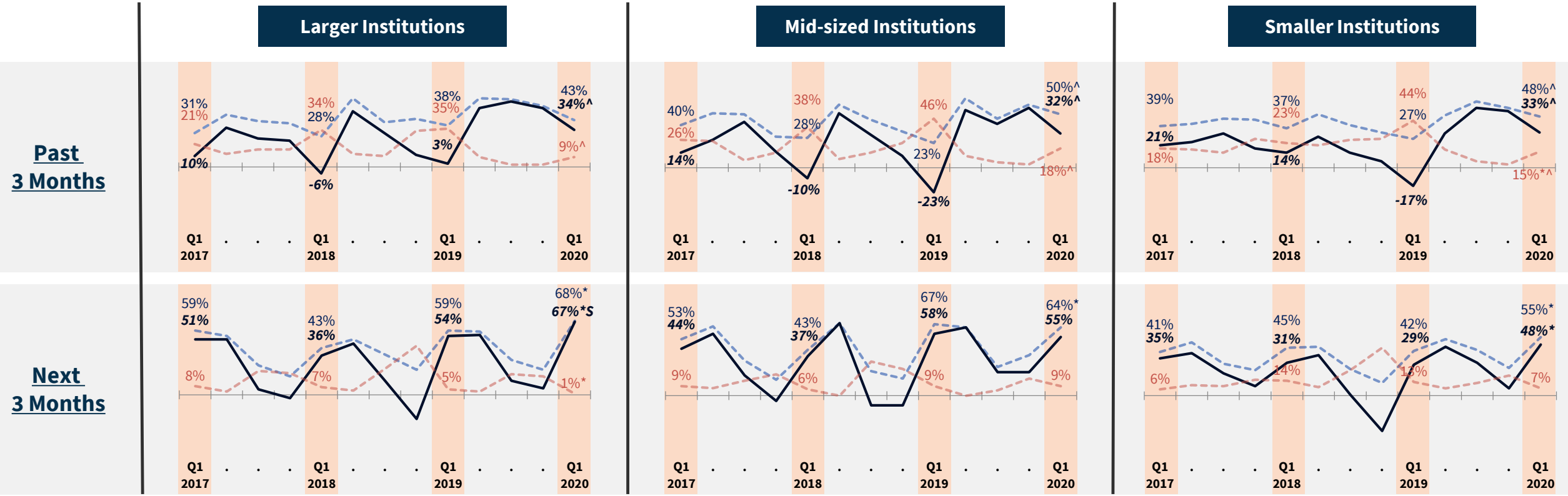
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M/D/C - Denote a % is significantly higher than the institution type group that the letter represents at the 95% confidence level

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



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



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

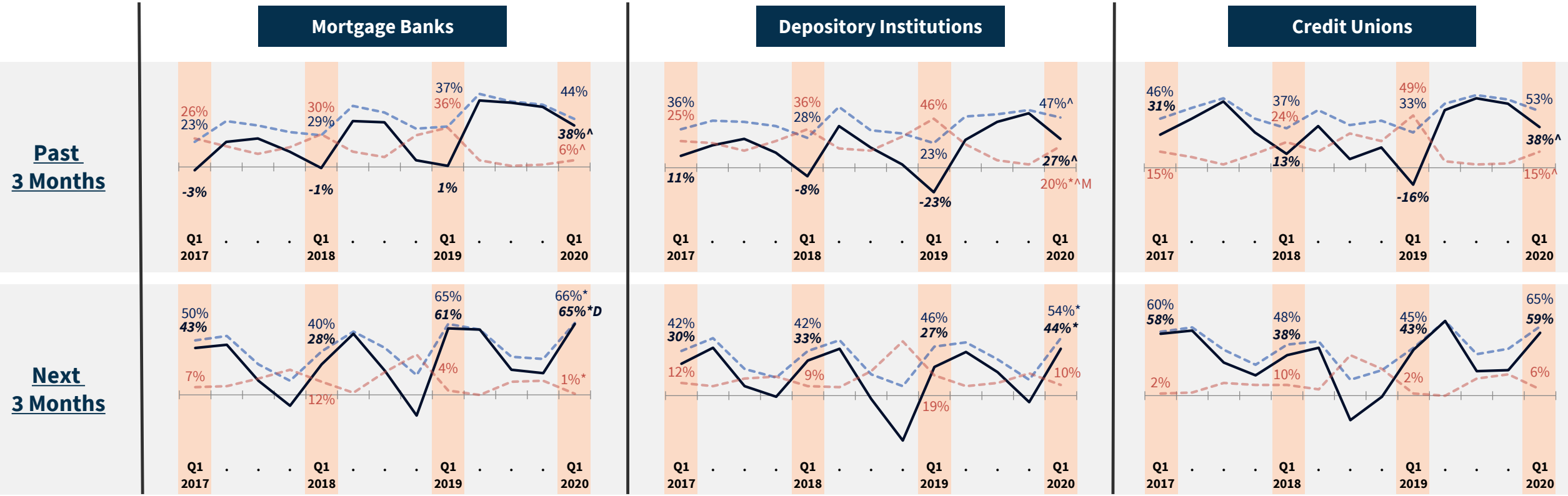
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L/M/S - Denote a % is significantly higher than the annual loan origination volume group that the letter represents at the 95% confidence level

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



Purchase Mortgage Demand: Non-GSE-Eligible (by institution type)



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

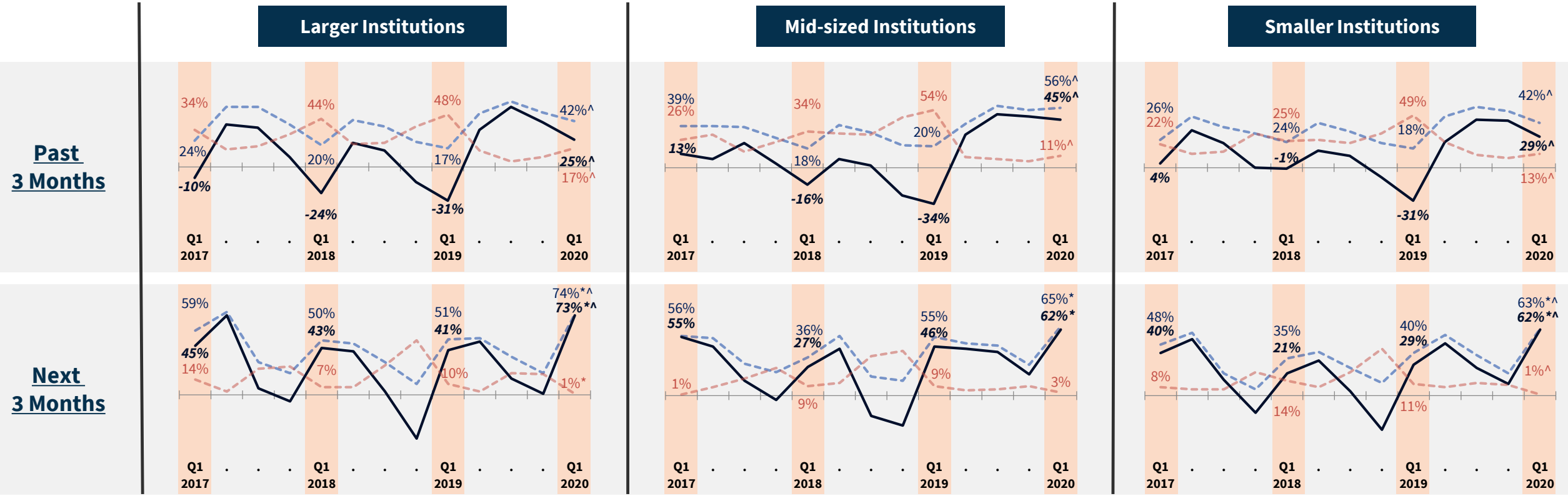
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M/D/C - Denote a % is significantly higher than the institution type group that the letter represents at the 95% confidence level

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



Purchase Mortgage Demand: Government (by institution size)



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

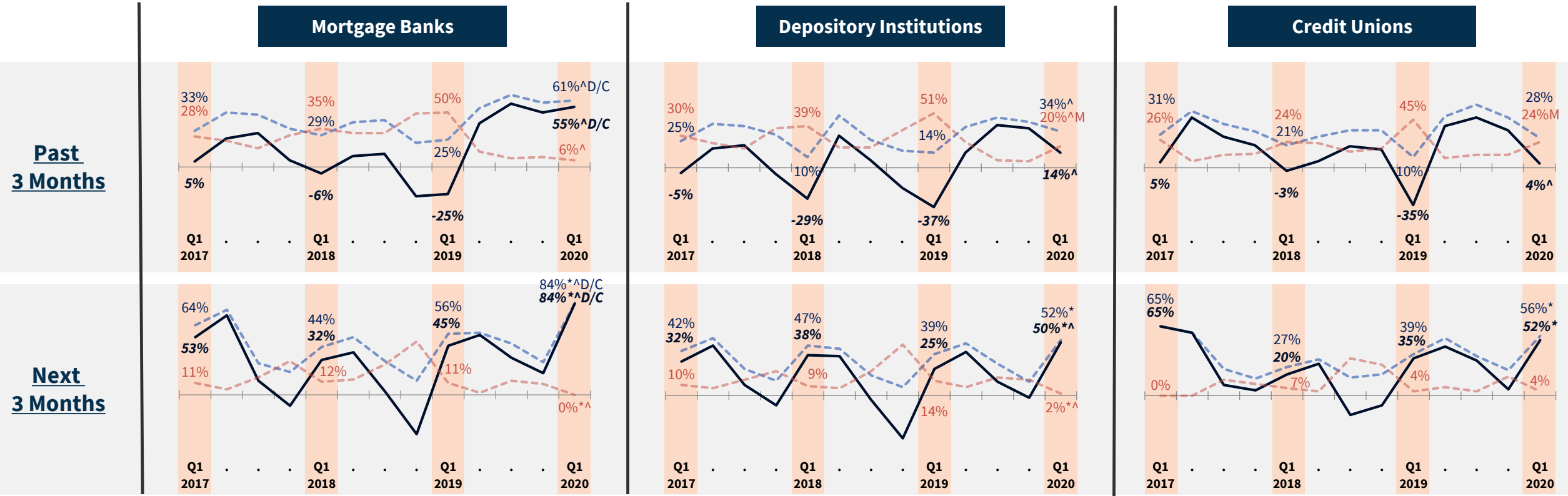
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Purchase Mortgage Demand: Government (by institution type)



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

* Denotes a statistically significant change compared with Q4 2019 (previous quarter)
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 The % saying "stay the same" is not shown



Purchase Mortgage Demand: Drivers of Change (selected verbatim)

Past 3 Months

N=117

- Rate changes/Economic conditions
- Marketing/Staffing
- Inventory/Market expansion

Drivers of Demand Up

Drivers of Demand Down

Q: What do you think drove the change in your firm's consumer demand for single-family purchase mortgages over the past three months? Please be as specific as possible. (Optional)

“Low inventory of homes for sale and declining rates removed some of the urgency.” – *Smaller Institution*

“Supply constraints.” – *Mid-sized Institution*

“Overall cost of owning a home continues to be a concern with rising prices. [City and town taxes] along with upkeep is also a large expense even at 40% of average household gross income.”
– *Larger Institution*

“Lower interest rates and increase in inventory.” – *Mid-sized Institution*

“Leveraging tools, training, and marketing to spur growth.” – *Mid-sized Institution*

“Continued demand being driven by limited inventory.” – *Larger Institution*

“Interest rates attractive, job market strong, inventory, and we are educating Agents/borrowers.” – *Smaller Institution*

“We're a regional shop, so the majority of our business is focused in an economically diversified area with many large employers. This has [led] to significant development and rehabilitation of starter homes, which has pushed the market entry up higher and higher. There are more people in this area than ever. There are fewer homes to buy. Simple supply and demand shows that we should see an increase in market value of all homes in times of tight inventory, low interest rates and economic expansion.” – *Smaller Institution*



Purchase Mortgage Demand: Drivers of Change (GSE-Eligible)

You mentioned that you expect your firm's consumer demand for GSE eligible loans will go up over the next three months. Which of the following housing marketplace factors do you think will drive the demand to go up? Please select up to two of the most important reasons and rank them in order of importance. (Showing % rank 1)	Total	Larger Institutions (L)	Mid-sized Institutions (M)	Smaller Institutions (S)	National Housing Survey Among the General Population (consumers)*
N=	139	45	31	62	
Mortgage rates are favorable	63%	64%	76%	48%	32%
Economic conditions (e.g., employment) overall are favorable	28%	26%	18%	43%	23%
There are many homes available on the market	1%	0%	0%	3%	18%
It is easy to qualify for a mortgage	1%	2%	0%	0%	5%
Home prices are low	0%	0%	0%	2%	10%

You mentioned that you expect your firm's consumer demand for GSE eligible loans will go down over the next three months. Which of the following housing marketplace factors do you think will drive the demand down? Please select up to two of the most important reasons and rank them in order of importance. (Showing % rank 1)	Total	Larger Institutions (L)	Mid-sized Institutions (M)	Smaller Institutions (S)	National Housing Survey Among the General Population (consumers)**
N=	7	1	1	5	
Home prices are high	54%	0%	100%	40%	51%
There are not many homes available on the market	20%	0%	0%	20%	10%
It is difficult to qualify for a mortgage	13%	100%	0%	20%	14%
Mortgage rates are not favorable	0%	0%	0%	0%	5%
Economic conditions (e.g., employment) overall are not favorable	0%	0%	0%	0%	13%

*Q: Please tell me the primary reason why you think this is a good time to buy a house.

**Q: Please tell me the primary reason why you think this is a bad time to buy a house.



Purchase Mortgage Demand: Drivers of Change (Non-GSE-Eligible)

You mentioned that you expect your firm's consumer demand for Non-GSE eligible loans will go up over the next three months. Which of the following housing marketplace factors do you think will drive the demand to go up? Please select up to two of the most important reasons and rank them in order of importance. (Showing % rank 1)	Total	Larger Institutions (L)	Mid-sized Institutions (M)	Smaller Institutions (S)	National Housing Survey Among the General Population (consumers)*
N=	101	34	22	46	
Mortgage rates are favorable	44%	62%	40%	26%	32%
Economic conditions (e.g., employment) overall are favorable	37%	24%	37%	55%	23%
It is easy to qualify for a mortgage	4%	3%	5%	4%	5%
Home prices are low	4%	0%	9%	4%	10%
There are many homes available on the market	2%	3%	0%	2%	18%

You mentioned that you expect your firm's consumer demand for Non-GSE eligible loans will go down over the next three months. Which of the following housing marketplace factors do you think will drive the demand down? Please select up to two of the most important reasons and rank them in order of importance. (Showing % rank 1)	Total	Larger Institutions (L)	Mid-sized Institutions (M)	Smaller Institutions (S)	National Housing Survey Among the General Population (consumers)**
N=	10	1	3	6	
Home prices are high	49%	0%	67%	33%	51%
Mortgage rates are not favorable	17%	0%	33%	0%	5%
It is difficult to qualify for a mortgage	15%	0%	0%	33%	14%
There are not many homes available on the market	12%	100%	0%	17%	10%
Economic conditions (e.g., employment) overall are not favorable	0%	0%	0%	0%	13%

*Q: Please tell me the primary reason why you think this is a good time to buy a house.

**Q: Please tell me the primary reason why you think this is a bad time to buy a house.



Purchase Mortgage Demand: Drivers of Change (Government)

You mentioned that you expect your firm's consumer demand for government loans will go up over the next three months. Which of the following housing marketplace factors do you think will drive the demand to go up? Please select up to two of the most important reasons and rank them in order of importance. (Showing % rank 1)	Total	Larger Institutions (L)	Mid-sized Institutions (M)	Smaller Institutions (S)	National Housing Survey Among the General Population (consumers)*
N=	104	38	23	44	
Mortgage rates are favorable	55%	63%	50%	48%	32%
Economic conditions (e.g., employment) overall are favorable	30%	27%	33%	30%	23%
It is easy to qualify for a mortgage	3%	0%	4%	5%	5%
There are many homes available on the market	2%	0%	0%	9%	18%
Home prices are low	1%	0%	4%	0%	10%

You mentioned that you expect your firm's consumer demand for government loans will go down over the next three months. Which of the following housing marketplace factors do you think will drive the demand down? Please select up to two of the most important reasons and rank them in order of importance. (Showing % rank 1)	Total	Larger Institutions (L)	Mid-sized Institutions (M)	Smaller Institutions (S)	National Housing Survey Among the General Population (consumers)**
N=	3	1	1	1	
Home prices are high	85%	0%	100%	100%	51%
There are not many homes available on the market	15%	100%	0%	0%	10%
Mortgage rates are not favorable	0%	0%	0%	0%	5%
It is difficult to qualify for a mortgage	0%	0%	0%	0%	14%
Economic conditions (e.g., employment) overall are not favorable	0%	0%	0%	0%	13%

*Q: Please tell me the primary reason why you think this is a good time to buy a house.

**Q: Please tell me the primary reason why you think this is a bad time to buy a house.



Upward Purchase Demand Outlook Drivers

Lenders continue to say favorable mortgage rates are the top reason driving increased expected future demand among GSE-eligible and government loans, reaching a new survey high for government loans. They say favorable economic conditions are the top reason for non-GSE-eligible loans.

GSE-Eligible	N=	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
		103	111	63	37	96	91	48	21	88	128	80	54	139
Mortgage rates are favorable		70%	82%	80%	83%	57%	54%	57%	16%	79%	89%	98%	90%	96% [^]
Economic conditions (e.g., employment) overall are favorable		85%	80%	76%	90%	90%	84%	81%	88%	76%	73%	82%	76%	84%
There are many homes available on the market		17%	15%	16%	9%	9%	13%	21%	24%	22%	20%	9%	18%	5%* [^]
It is easy to qualify for a mortgage		5%	8%	2%	5%	17%	15%	9%	28%	6%	8%	7%	6%	4%
Home prices are low		9%	5%	7%	3%	3%	6%	7%	6%	2%	5%	1%	3%	3%

Non-GSE-Eligible	N=	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
		80	91	51	33	77	76	48	31	88	110	59	41	101
Economic conditions (e.g., employment) overall are favorable		79%	75%	76%	73%	88%	79%	74%	63%	64%	70%	68%	69%	86%* [^]
Mortgage rates are favorable		58%	64%	74%	59%	53%	58%	49%	24%	72%	73%	85%	80%	77%
It is easy to qualify for a mortgage		15%	17%	12%	23%	22%	23%	34%	40%	19%	20%	22%	16%	15%
Home prices are low		9%	8%	8%	3%	3%	3%	4%	4%	2%	6%	4%	2%	5%
There are many homes available on the market		17%	15%	10%	16%	4%	9%	12%	17%	18%	16%	10%	16%	4%* [^]

Government	N=	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
		76	99	44	27	67	65	41	21	74	98	61	32	104
Mortgage rates are favorable		66%	76%	79%	69%	46%	50%	57%	28%	70%	80%	90%	82%	92% [^]
Economic conditions (e.g., employment) overall are favorable		81%	75%	72%	77%	79%	79%	69%	65%	73%	71%	82%	76%	78%
It is easy to qualify for a mortgage		20%	19%	13%	23%	28%	32%	27%	55%	22%	18%	8%	21%	12%
There are many homes available on the market		9%	12%	16%	12%	13%	10%	19%	20%	14%	19%	8%	14%	5%
Home prices are low		6%	8%	6%	2%	3%	4%	8%	0%	5%	7%	7%	0%	3%

*Q: You mentioned that you expect your firm's consumer demand for GSE Eligible/Non-GSE Eligible/government loans will go up over the next three months. Which of the following housing marketplace factors do you think will drive the demand to go up? Please **select up to two of the most important reasons** and rank them in order of importance. (Showing Total, % rank 1+2)

* Denotes a statistically significant change compared with Q4 2019 (previous quarter)
[^] Denotes a statistically significant change compared with Q1 2019 (same quarter of last year)



Downward Purchase Demand Outlook Drivers

This quarter, lenders are citing high home prices as the top reason driving down expected future demand for GSE-Eligible loans and a lack of homes on the market as the top reason for non-GSE-eligible and government loans.

GSE-Eligible	N=	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
		19	12	31	48	22	13	47	95	24	8	25	28	7
Home prices are high		39%	48%	47%	41%	47%	74%	66%	62%	65%	75%	66%	51%	89%
There are not many homes available on the market		34%	73%	82%	74%	64%	83%	69%	45%	57%	75%	71%	72%	85%
It is difficult to qualify for a mortgage		24%	30%	16%	12%	4%	0%	1%	3%	6%	0%	7%	3%	13%
Mortgage rates are not favorable		74%	25%	20%	23%	67%	26%	44%	64%	22%	12%	3%	28%	0%
Economic conditions (e.g., employment) overall are not favorable		12%	7%	12%	15%	13%	5%	8%	11%	30%	24%	17%	3%	0%

Non-GSE-Eligible	N=	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
		13	11	25	32	17	7	44	76	17	8	21	26	10
There are not many homes available on the market		18%	41%	84%	65%	61%	79%	61%	41%	38%	62%	52%	72%	66%
Home prices are high		38%	44%	53%	37%	27%	54%	65%	60%	70%	80%	75%	45%	61%
It is difficult to qualify for a mortgage		52%	28%	12%	23%	16%	25%	8%	6%	17%	0%	6%	19%	32%
Mortgage rates are not favorable		77%	43%	19%	21%	64%	21%	47%	70%	26%	13%	8%	19%	17%
Economic conditions (e.g., employment) overall are not favorable		10%	26%	15%	11%	18%	10%	9%	9%	36%	26%	18%	0%	0%^

Government	N=	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
		12	8	25	38	16	12	43	81	16	10	20	18	3
There are not many homes available on the market		37%	65%	81%	72%	66%	73%	54%	46%	37%	44%	69%	72%	100%
Home prices are high		24%	53%	47%	40%	36%	45%	65%	51%	51%	72%	60%	48%	100%
Mortgage rates are not favorable		75%	22%	18%	22%	56%	31%	44%	64%	37%	22%	0%	13%	0%
It is difficult to qualify for a mortgage		33%	37%	13%	8%	13%	0%	10%	8%	20%	30%	11%	7%	0%
Economic conditions (e.g., employment) overall are not favorable		22%	12%	27%	15%	19%	4%	9%	15%	17%	17%	21%	5%	0%

*Q: You mentioned that you expect your firm's consumer demand for GSE Eligible/Non-GSE Eligible/government loans will go down over the next three months. Which of the following housing marketplace factors do you think will drive the demand down? Please **select up to two of the most important reasons** and rank them in order of importance. (Showing Total, % rank 1+2)

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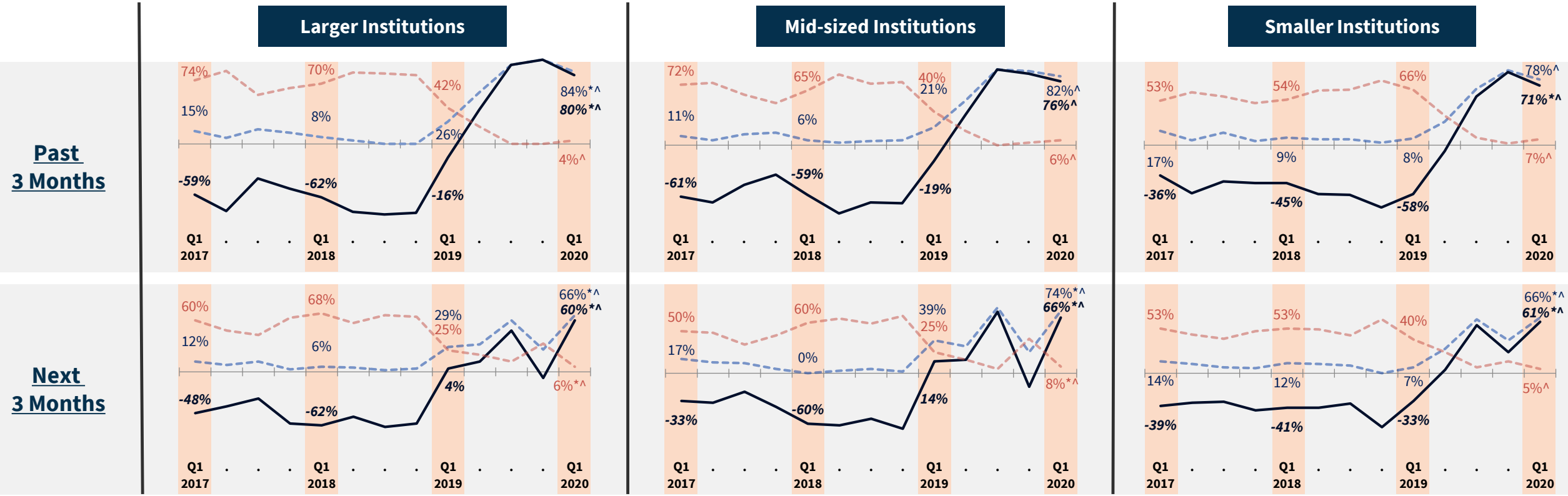




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Refinance Mortgage Demand: GSE-Eligible (by institution size)



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

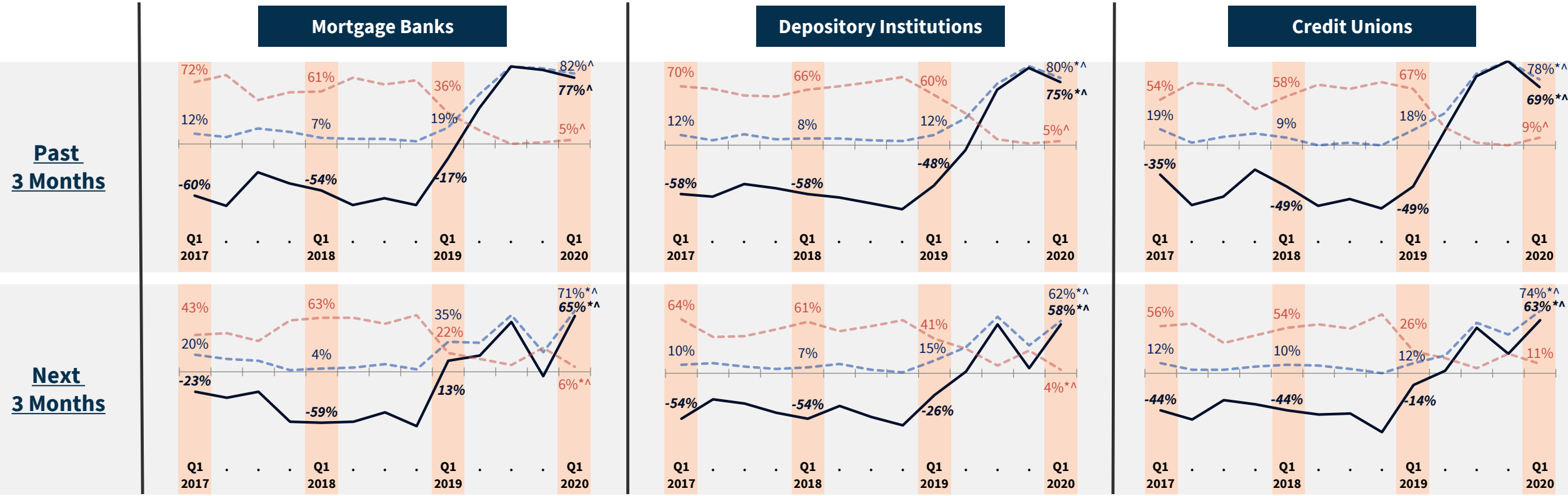
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L/M/S - Denote a % is significantly higher than the annual loan origination volume group that the letter represents at the 95% confidence level

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



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



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

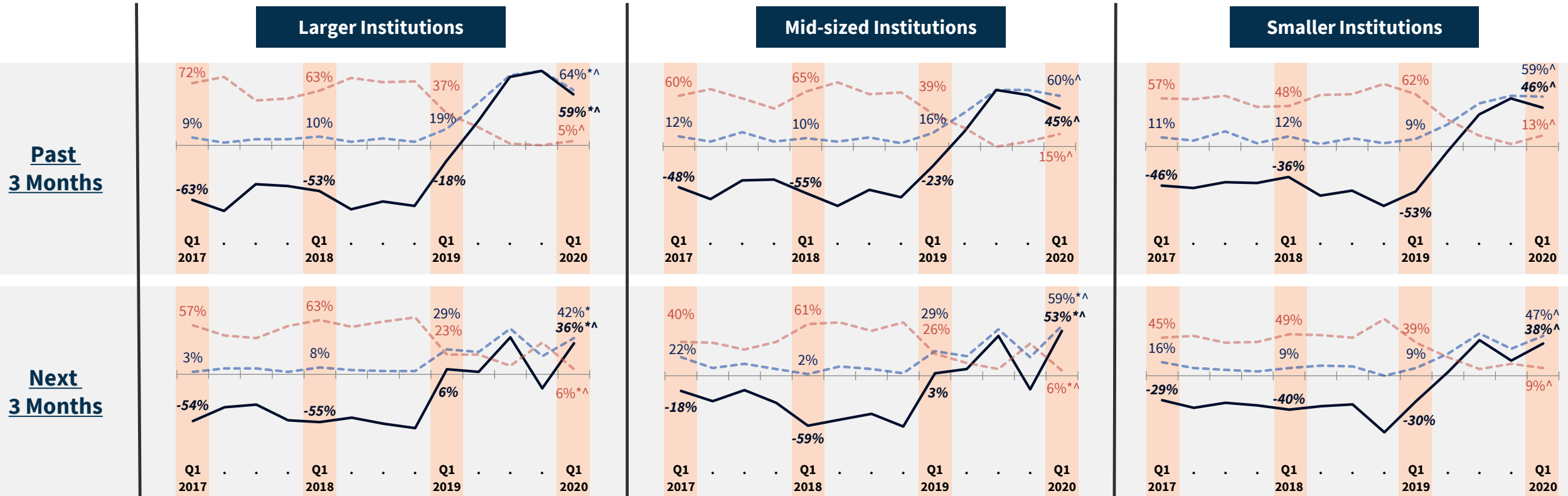
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M/D/C - Denote a % is significantly higher than the institution type group that the letter represents at the 95% confidence level

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



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



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

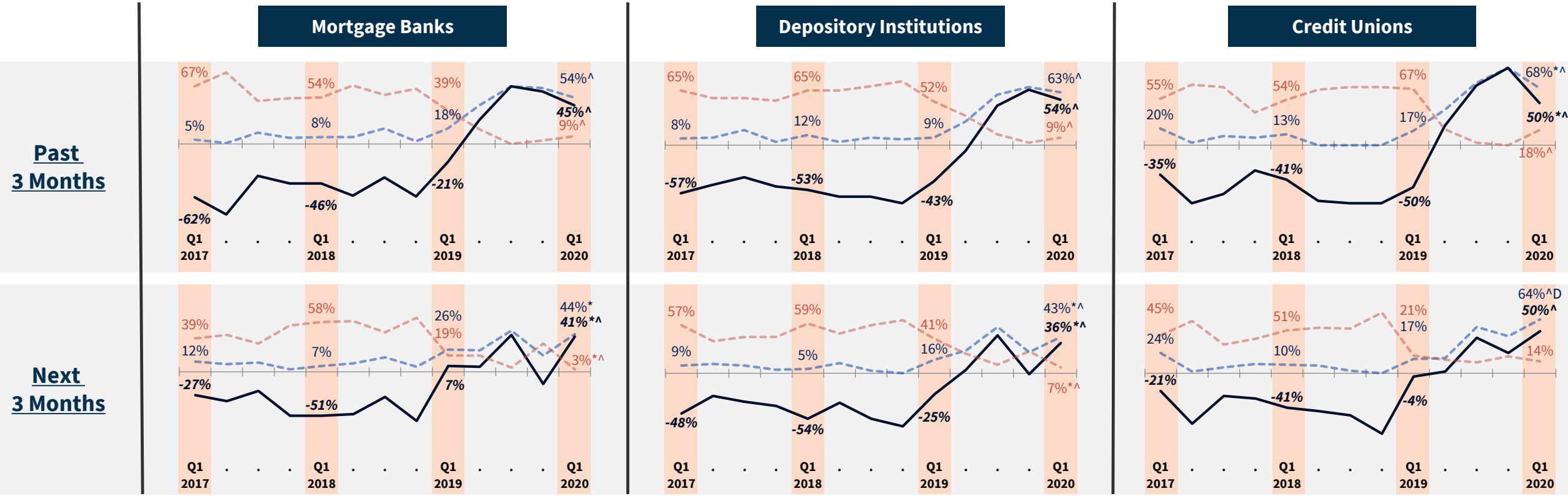
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L/M/S - Denote a % is significantly higher than the annual loan origination volume group that the letter represents at the 95% confidence level

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



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



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

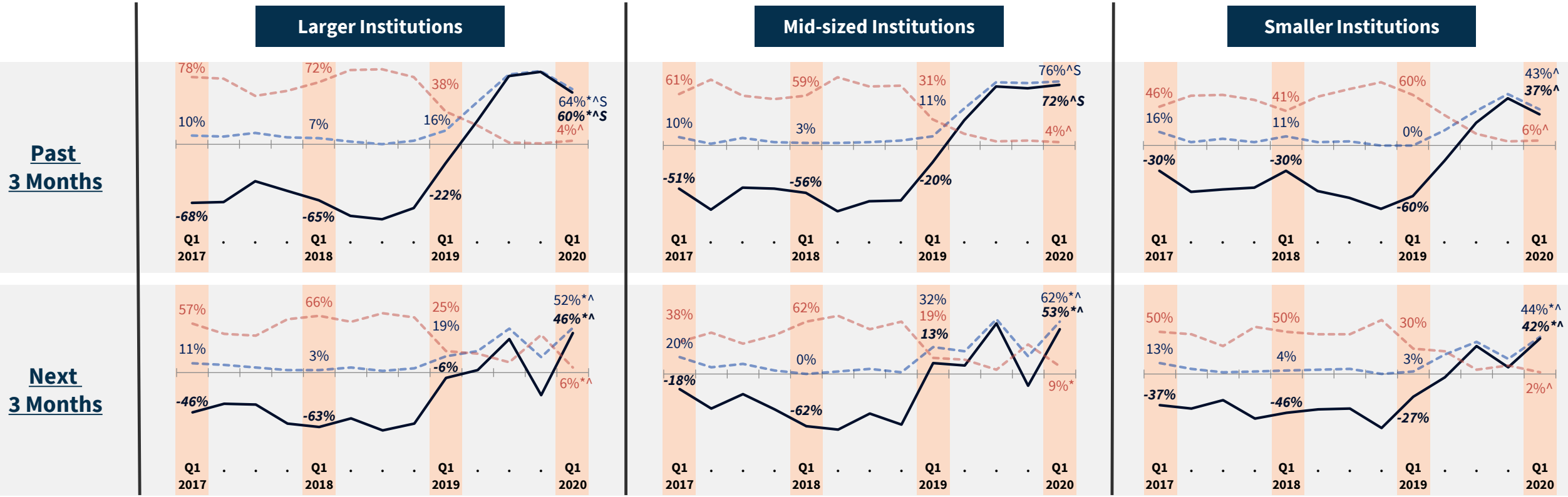
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Net Up + = % of lenders saying up minus % of lenders saying down
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Refinance Mortgage Demand: Government (by institution size)



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

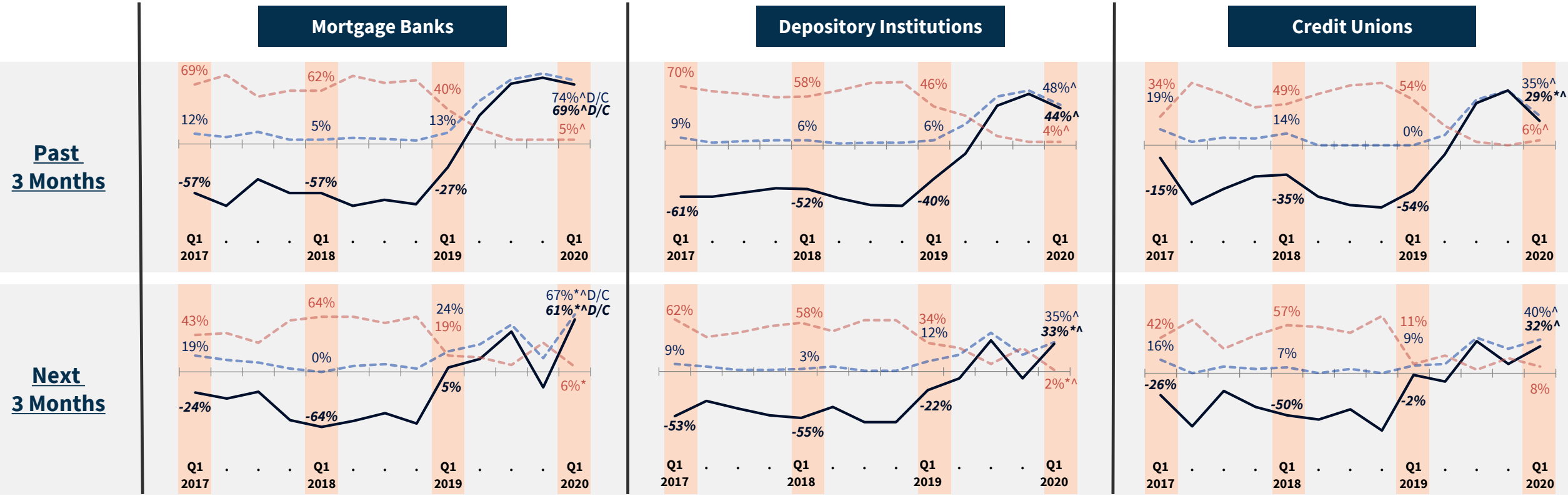
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Refinance Mortgage Demand: Government (by institution type)



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

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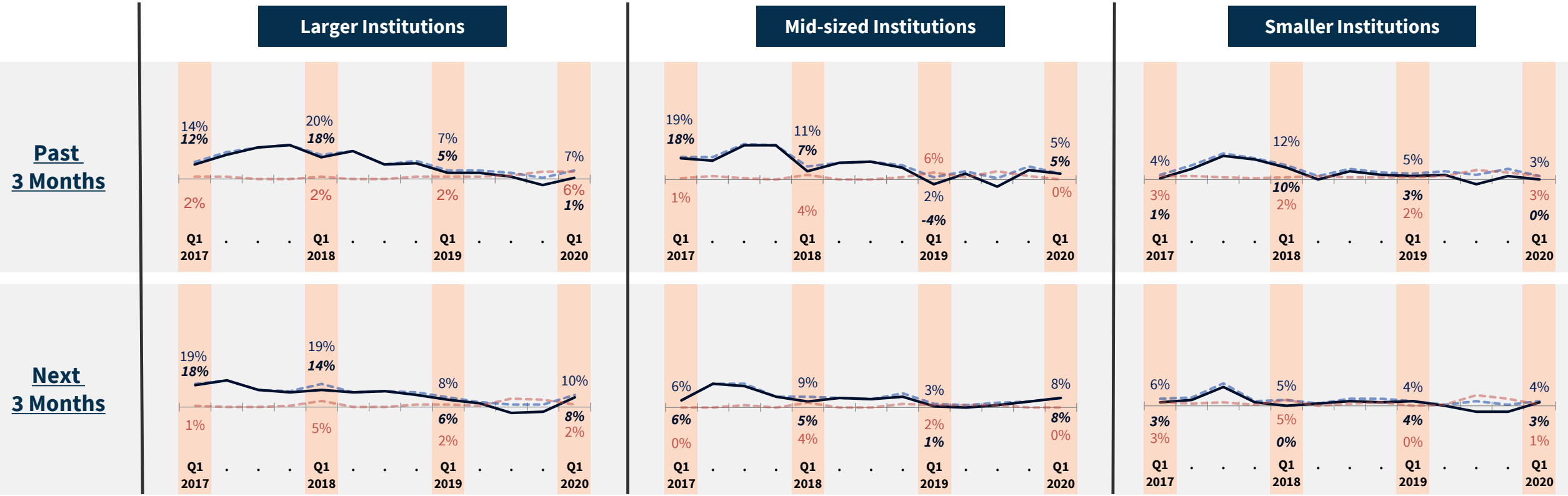




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Credit Standards: GSE-Eligible (by institution size)



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

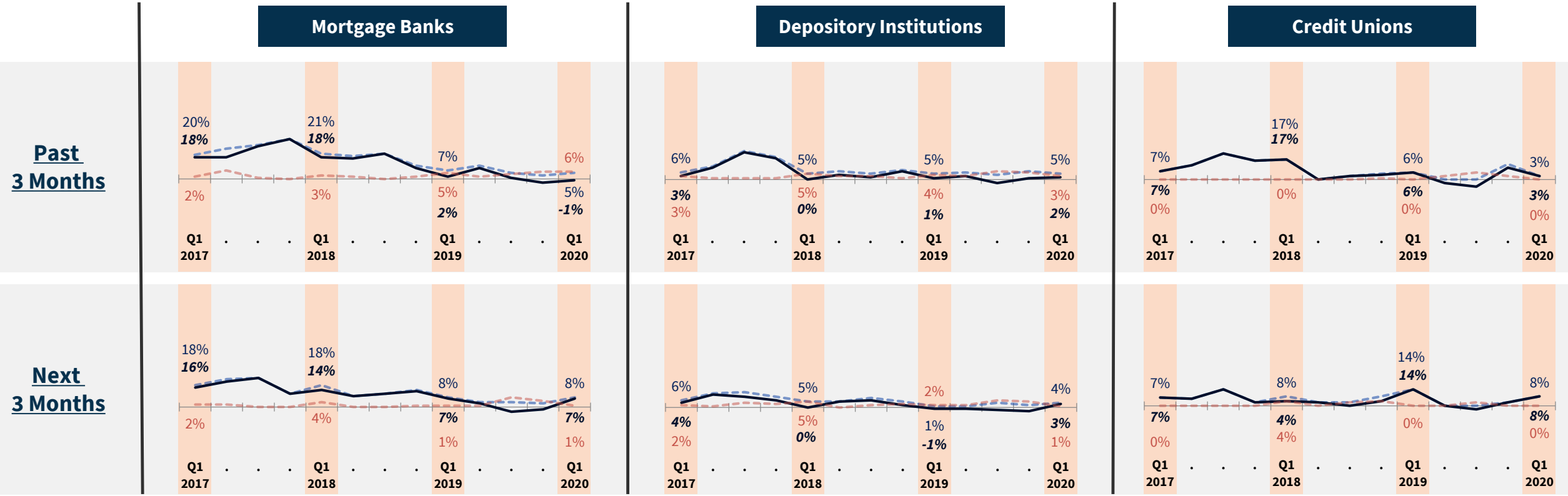
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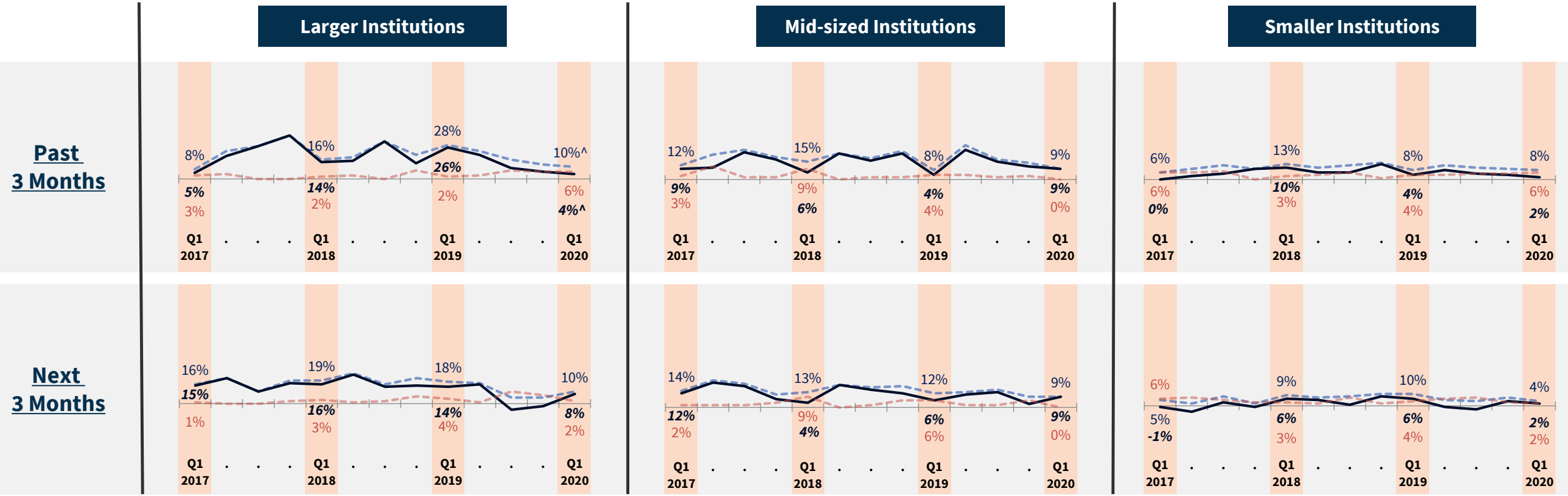
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Credit Standards: Non-GSE-Eligible (by institution size)



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

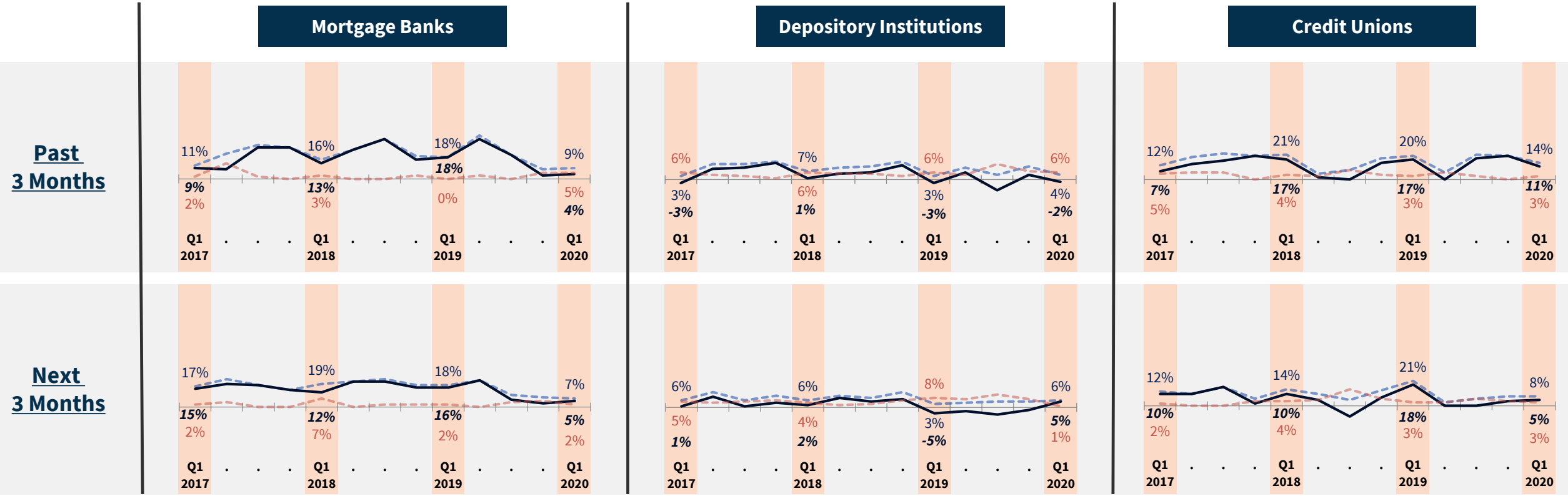
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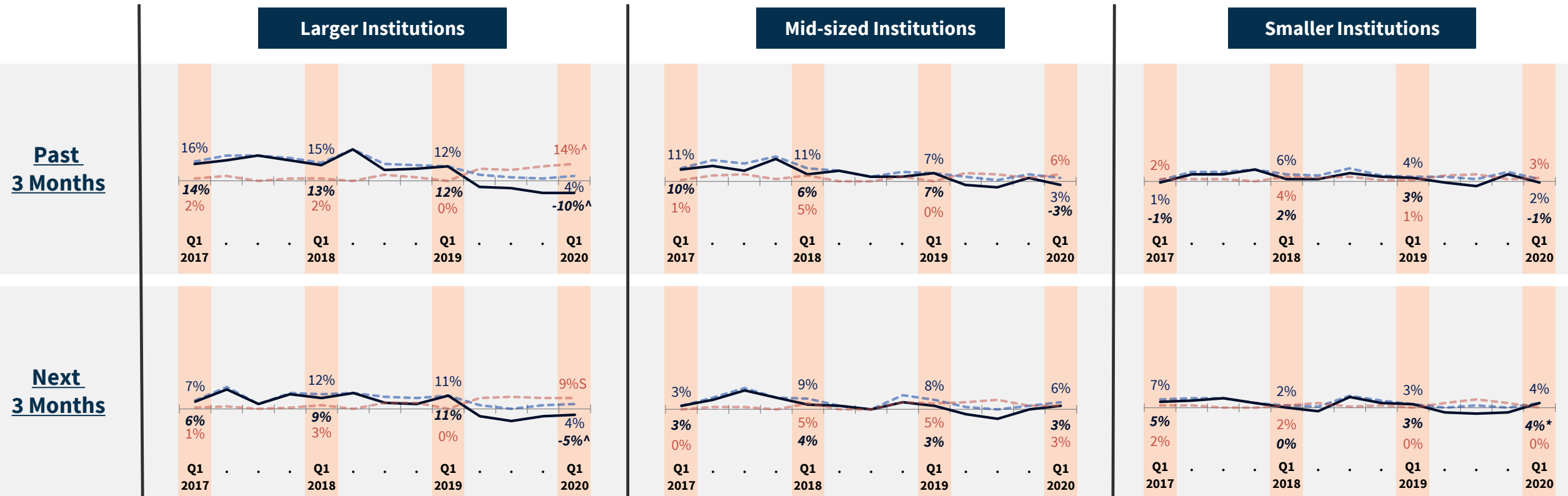
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Credit Standards: Government (by institution size)



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 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

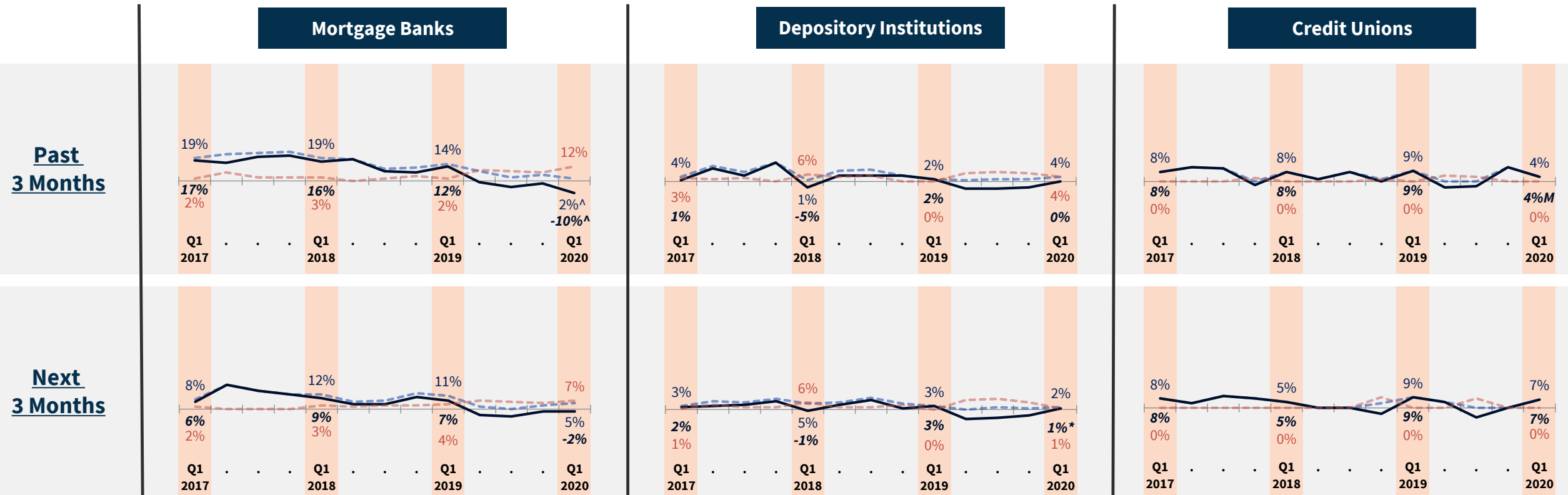
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Credit Standards: Drivers of Change (selected verbatim)

Drivers of Loosening Change

Drivers of Tightening Change

Past 3 Months

N=26

- Changes to guidelines
- Portfolio/Strategic changes
- Market/Economic conditions

Q: What do you think drove the change in your firm's credit standards for approving consumer applications for purchase mortgage loans over the **last three months**? Please be as specific as possible. (Optional)

"Management decision and history of few delinquent and charged off mortgages."
– *Smaller Institution*

"After reviewing our non-GSE portfolio we are seeing strong repayment trends and low repo rates which resulted in easing of some credit standards."
– *Mid-sized Institution*

"Updated guidelines." – *Larger Institution*

"Economic conditions." – *Smaller Institution*

"Early delinquencies." – *Larger Institution*

"Internal risk management given late cycle."
– *Smaller Institution*

Next 3 Months

N=18

- Internal/management changes
- Portfolio/Strategic changes
- Market/Economic conditions

Q: What do you think will drive the change in your firm's credit standards for approving consumer applications for purchase mortgage loans over the **next three months**? Please be as specific as possible. (Optional)

"Management decision to continue with allowing easing of credit requirements."
– *Smaller Institution*

"Less restrictions from investors in the future."
– *Mid-sized Institution*

"[Utilizing] more of the existing investor guidelines."
– *Mid-sized Institution*

"Seeing more risk in government lending." – *Larger Institution*

"We are new to government so standards had to improve. But for non GSE we will tighten slightly to ensure strong underwriting while at the top of the market." – *Smaller Institution*

"Change in bank leadership."
– *Smaller Institution*

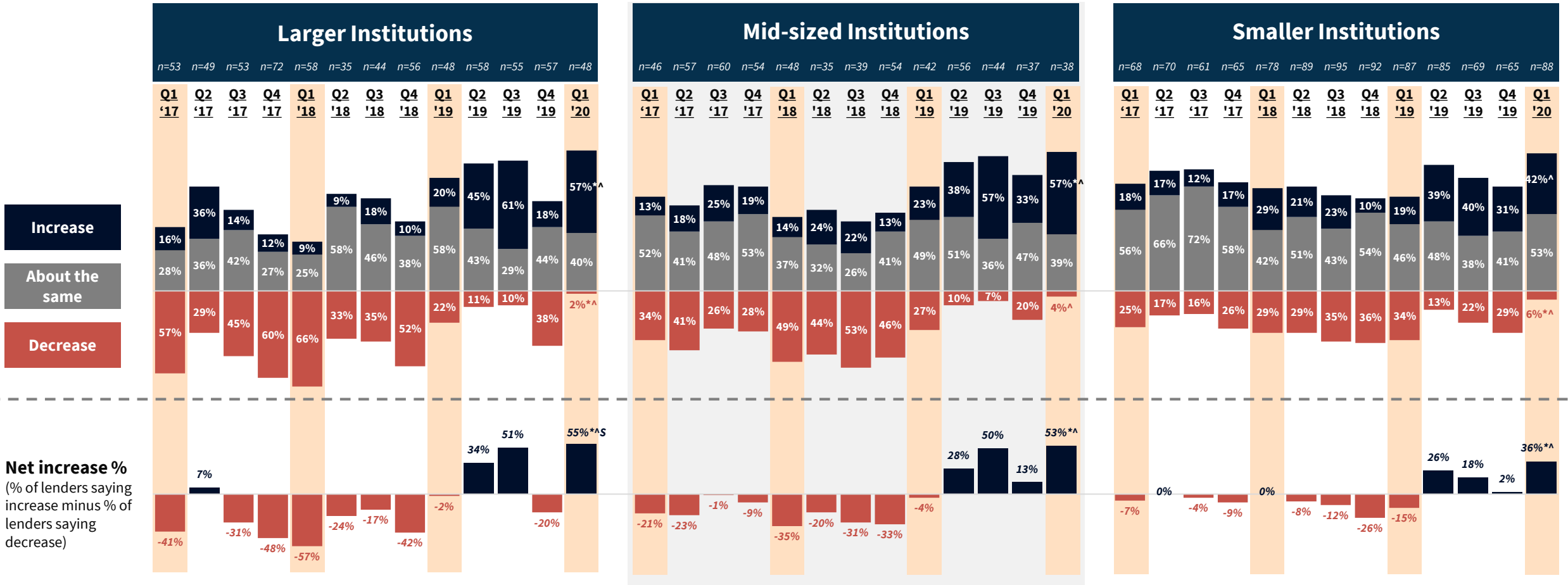




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Profit Margin Outlook – Next 3 Months (by institution size)



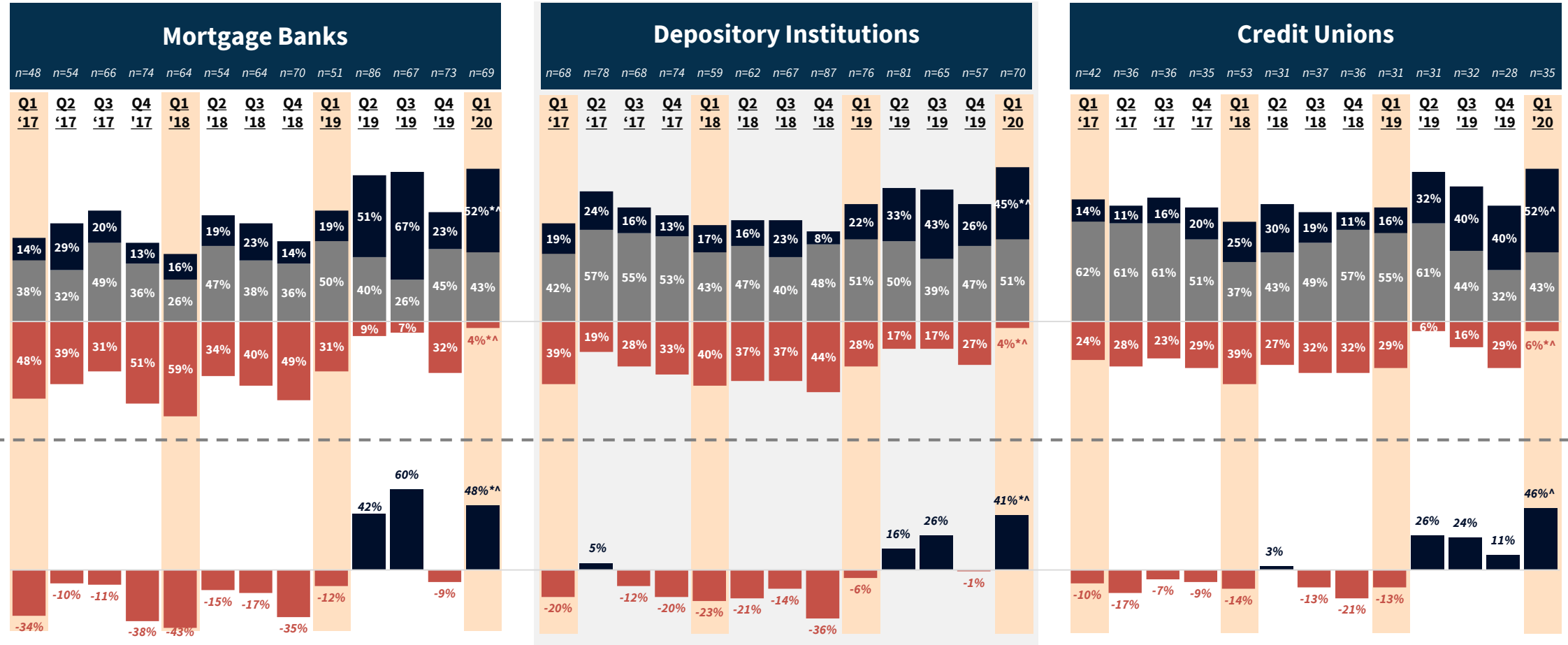
Q: Over the next three months, how much do you expect your firm's profit margin to change for its single-family mortgage production? [Showing: (Substantially Increase (25+ basis points) + Moderately Increase (5 - 25 basis points)), About the same (0 - 5 basis points), (Moderately Decrease (5 - 25 basis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

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



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))]

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Increased Profit Margin – Drivers

What do you think will drive the increase in your firm’s profit margin over the next three months? Please select the two most important reasons and rank them in order of importance. (Showing % rank 1 + 2)	Total								
	2018				2019				2020
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
N=	34	30	38	22	36	81	86	42	86
Consumer demand	34%	56%	22%	21%	41%	64%	61%	55%	67%^
Operational efficiency (i.e., technology)	43%	58%	64%	65%	47%	32%	43%	49%	51%
Market trend changes (i.e. shift from refinance to purchase)	41%	31%	9%	0%	11%	17%	22%	27%	18%
GSE pricing and policies	29%	11%	12%	3%	9%	7%	19%	16%	16%
Less competition from other lenders	2%	0%	7%	19%	8%	22%	13%	13%	10%
Staffing (personnel costs) reduction	15%	13%	44%	32%	42%	25%	8%	6%	10%^
Government monetary or fiscal policy	6%	4%	6%	9%	3%	8%	12%	6%	5%
Non-GSE (other investors) pricing and policies	8%	15%	6%	21%	19%	6%	10%	10%	4%^
Servicing cost reduction	4%	4%	2%	0%	3%	2%	1%	4%	3%
Marketing expense reduction	4%	0%	4%	0%	1%	9%	2%	0%	2%
Government regulatory compliance	6%	0%	7%	0%	0%	2%	2%	0%	1%

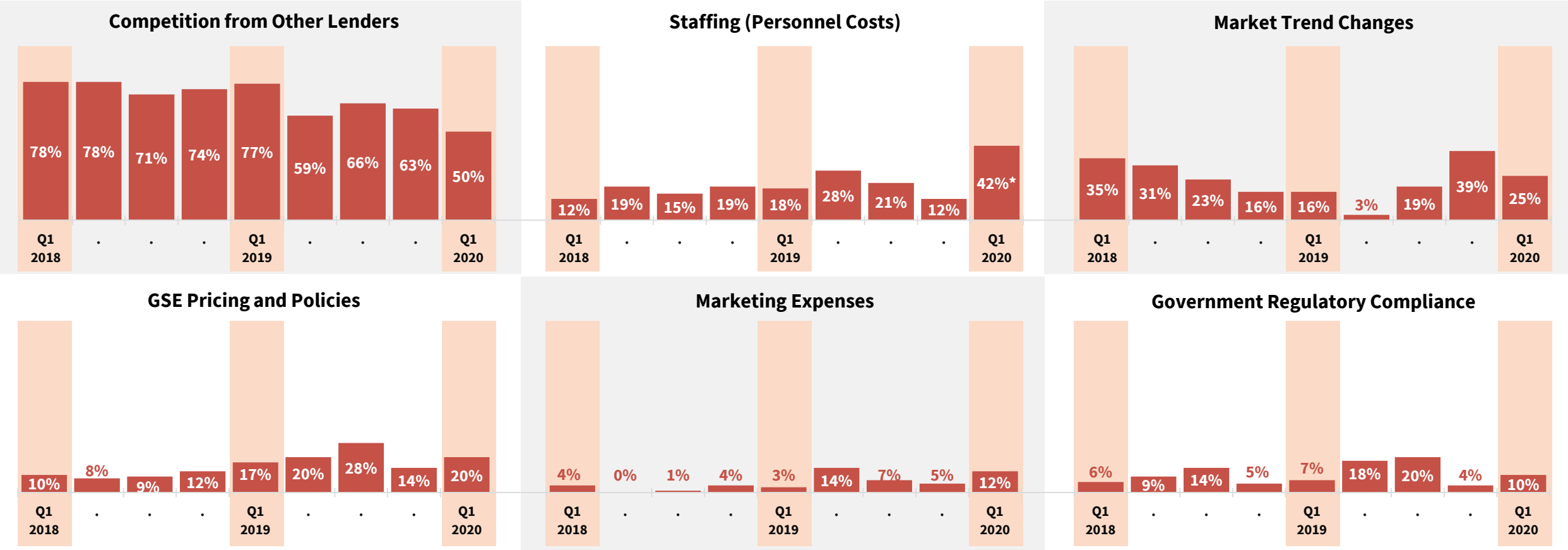
For detailed data by lender size and lender type, please check out the excel file posted on the [Mortgage Lender Sentiment Survey](#) web page, together with the report.

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Decreased Profit Margin Outlook – Top Drivers

Only eight lenders reported expecting a decreased profit margin outlook. “Competition from other lenders” continues to be cited by lenders who expect lower profit margins as the top reason, followed by “Staffing.”



Q: What do you think will drive the decrease in your firm’s profit margin over the next three months? Please select the two most important reasons and rank them in order of importance. (Showing % rank 1 + 2)
 Total: Q1 2018: N=85 ; Q2 2018: N=52 ; Q3 2018: N=69 ; Q4 2018: N=87 ; Q1 2019: N=52 ; Q2 2019: N=24; Q3 2019=23; Q4 2019: N=47; Q1 2020: N=8

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Decreased Profit Margin – Drivers

What do you think will drive the decrease in your firm's profit margin over the next three months? Please select the two most important reasons and rank them in order of importance. (Showing % rank 1 + 2)	Total								
	2018				2019				2020
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
N=	85	52	69	87	52	24	23	47	8
Competition from other lenders	78%	78%	71%	74%	77%	59%	66%	63%	50%
Staffing (personnel costs)	12%	19%	15%	19%	18%	28%	21%	12%	42%*
Market trend changes (i.e. shift from refinance to purchase)	35%	31%	23%	16%	16%	3%	19%	39%	25%
GSE pricing and policies	10%	8%	9%	12%	17%	20%	28%	14%	20%
Marketing expenses	4%	0%	1%	4%	3%	14%	7%	5%	12%
Government regulatory compliance	6%	9%	14%	5%	7%	18%	20%	4%	10%
Government monetary or fiscal policy	12%	9%	8%	10%	9%	12%	7%	5%	9%
Consumer demand	22%	19%	37%	38%	29%	13%	8%	36%	0%*
Operational efficiency (i.e. technology)	7%	12%	9%	7%	5%	13%	12%	10%	0%
Non-GSE (other investors) pricing and policies	8%	8%	10%	6%	10%	3%	4%	5%	0%
Servicing costs	3%	2%	2%	1%	3%	3%	4%	2%	0%

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Question Text

Economic and Housing Sentiment

- q1. In general, do you, as a senior mortgage executive, think the U.S. economy overall is on the right track or the wrong track?
- q1a. Do you think it is very difficult, somewhat difficult, somewhat easy, or very easy for consumers to get a home mortgage today?
- q2. Nationally, during the next 12 months, do you, as a senior mortgage executive, think home prices in general will go up, go down, or stay the same as where they are now?
- q4a. By about what percent do you, as a senior mortgage executive, think home prices nationally will go up on average over the next 12 months?
- q5a. By about what percent do you, as a senior mortgage executive, think home prices nationally will go down on average over the next 12 months?

Consumer Demand

- q6. Over the past three months, apart from normal seasonal variation, did your firm's consumer demand for single-family purchase mortgages go up, go down, or stay the same? Please answer for GSE eligible mortgages, non-GSE eligible mortgages, and Government mortgages.
- q7. What do you think drove the change in your firm's consumer demand for single family purchase mortgages over the past three months? Please be as specific as possible. (Optional)
- q14. Over the next three months, apart from normal seasonal variation, do you expect your firm's consumer demand for single-family purchase mortgages to go up, go down, or stay the same? Please answer for GSE eligible mortgages, non-GSE eligible mortgages, and Government mortgages.
- q46. You mentioned that you expect your firm's consumer demand for GSE eligible loans will go up over the next three months. Which of the following housing marketplace factors do you think will drive the demand to go up? Please select **up to two** of the most important reasons and rank them in order of importance.
- q47. You mentioned that you expect your firm's consumer demand for GSE eligible loans will go down over the next three months. Which of the following housing marketplace factors do you think will drive the demand down? Please select **up to two** of the most important reasons and rank them in order of importance.
- q49. You mentioned that you expect your firm's consumer demand for Non-GSE eligible loans will go up over the next three months. Which of the following housing marketplace factors do you think will drive the demand to go up? Please select **up to two** of the most important reasons and rank them in order of importance.
- q50. You mentioned that you expect your firm's consumer demand for Non-GSE eligible loans will go down over the next three months. Which of the following housing marketplace factors do you think will drive the demand down? Please select **up to two** of the most important reasons and rank them in order of importance.
- q51. You mentioned that you expect your firm's consumer demand for government loans will go up over the next three months. Which of the following housing marketplace factors do you think will drive the demand to go up? Please select **up to two** of the most important reasons and rank them in order of importance.
- q52. You mentioned that you expect your firm's consumer demand for government loans will go down over the next three months. Which of the following housing marketplace factors do you think will drive the demand down? Please select **up to two** of the most important reasons and rank them in order of importance.



Question Text Continued

- q10. Over the 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.
- q20. You indicated that you expect your firm's demand to **go down** for the following types of mortgages. By about what percent do you expect your firm's consumer demand for single-family refinance mortgages to go down over the next three months?
- q21. You said that you expect your firm's demand to **go up** for the following types of mortgages. By about what percent do you expect your firm's consumer demand for single-family refinance mortgages to go up over the next three months?

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?
- q23. 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.
- 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.
- q25. 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.
- 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.

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)

