PLEASE TELL US ABOUT YOUR RECENT

RESIDENTIAL MORTGAGE OR REFINANCE EXPERIENCE

A nationwide survey of mortgage borrowers throughout the United States

Over the last few years the U.S. economy has gone through some dramatic changes. Learning directly from borrowers about their experiences will help us improve lending practices and the mortgage process for future borrowers.



This research study is sponsored by two Federal agencies working together on behalf of consumers.

The Federal Housing Finance Agency oversees Fannie Mae and Freddie Mac to ensure the safety of the U.S. housing finance system; and

The Consumer Financial Protection Bureau works to ensure that all consumers have access to markets for consumer financial products and services and that these markets are fair, transparent, and competitive.

TO TAKE THE SURVEY ONLINE Esta encuesta está disponible en español en línea

GO TO www.NSMBsurvey.com

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1 Visite al sitio web <u>www.NSMBsurvey.com</u>

LOG IN with your unique survey PIN # found in the accompanying letter Inicie la sesión con su número PIN único en la encuesta que se encuentra en la carta adjunta.

Online responses are processed more quickly, so taking the survey online makes it less likely you will receive follow-up reminders to complete the survey.

Respuestas en línea son procesadas más rápido, por lo que tomar la encuesta en línea hace que sea menos probable que usted reciba recordatorios de seguimiento para completar la encuesta.

We are interested in learning about your experience purchasing or refinancing either a personal home or a home for someone else, including rental property.

We look forward to hearing from you.

Privacy Act Notice: In accordance with the Privacy Act, as amended (5 U.S.C. § 552a), the following notice is provided. The information requested on this Survey is collected pursuant to 12 U.S.C. 4544 for the purposes of gathering information for the National Mortgage Database. Routine uses which may be made of the collected information can be found in the Federal Housing Finance Agency's System of Records Notice (SORN) FHFA-21 National Mortgage Database. Providing the requested information is voluntary. Submission of the survey authorizes FHFA to collect the information provided and to disclose it as set forth in the referenced SORN.

Paperwork Reduction Act Statement: Notwithstanding any other provision of the law, no person is required to respond to, nor shall any person be subject to a penalty for failure to comply with, a collection of information subject to the requirements of the Paperwork Reduction Act, unless that collection of information displays a currently valid OMB Control Number.

OMB No. 2590-0012 Expires 12/31/2016 Thank you for helping us to learn more about your experience in getting or refinancing a mortgage.

1. Within the past 18 months or so, did you take out or co-sign for a mortgage loan including any refinance of an existing mortgage?

☐ Yes → If you took out or co-signed for more than one mortgage during this time, please refer to your experience with the most recent refinance or new mortgage.

□ No → Please return the blank questionnaire so we know the survey does not apply to you. The money enclosed is yours to keep.

2. Did we mail this survey to the address of the house or property you financed with this mortgage?

Yes	🗌 No
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3. Including you, how many people signed or cosigned for this mortgage?

 4 or more

If this loan was co-signed by others, take into account all co-signers as best you can when answering the rest of the survey. Otherwise, it is your own situation that we want to know about.

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4. When you began the process of getting this mortgage, how familiar were you (and any co-signers) with each of the following?

	Very	Somewhat	Not At All
The mortgage interest rates available at that time			
The different types of mortgages available			
The mortgage process			
The down payment needed to qualify for a mortgage			
The income needed to qualify for a mortgage			
Your credit history or credit score			
The money needed at closing			

5. When you began the process of getting this mortgage, how concerned were you about qualifying for a mortgage?

Very Somewhat

Not at all

6. How firm an idea did you (and any co-signers) have about the mortgage you wanted?

Firm idea Some idea

Little idea

7. How much did you use each of the following sources to get information about mortgages or mortgage lenders?

	Α	Α	Not
	Lot	Little	At All
Your lender or broker			
Other lenders or brokers			
Real estate agents or builders			
Material in the mail			
Websites that provide information			
on getting a mortgage			
Newspaper/TV/Radio			
Friends/relatives/co-workers			
Bankers or financial planners			
Housing counselors			
Other (specify)			

8. Which of the following best describes your shopping process?

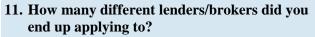
- I picked the loan type first, and then I picked the lender/broker
- I picked the lender/broker first, and then I picked the loan type
- **9. How did you apply for this mortgage?** *Mark one answer.*
 - Directly to a lender, such as a bank or credit union

- Other (specify)
- **10.** How many different lenders/brokers did you seriously consider before choosing where to apply for this mortgage?

 $\Box 1$ $\square 2$ 3 4 \Box 5 or more



Through a mortgage broker (someone who works with two or more lenders to get a loan)



 \Box

1

1		3	4	5	or more	,
2.	Did you a lender/bi reasons?					Ţ
					Yes	No
	Searching	for bette	r loan ter	ms		
	Concern of	ver quali	fying for	a loan		
	Informatio	on learned	d from the	e		
	"Good F	Faith Estin	mate"			
	Turned do	wn on ea	rlier appl	ication		

13. How important were each of the following in choosing the lender/broker you used for the mortgage you took out?

	Important	Important
Having an established banking relationship		
Having a local office or branch near	ру 🗌	
Used previously to get a mortgage		
Lender/broker is a personal friend or relative Lender/broker operates online		
Recommendation from a friend/ relative/co-worker		
Recommendation from a real estate agent/home builder		
Reputation of the lender/broker		
Spoke my primary language, which i not English	s	

14. Who initiated the first contact between you and the lender/broker you used for the mortgage you took out?

I (or one of my co-signers) di	id
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- The lender/broker did
- We were put in contact by a third party (such as a real estate agent or home builder)
- 15. How open were you to suggestions from your lender/broker about mortgages with different features or terms?

Very

Somewhat N

Not at all

16. How important were each of the following in determining the mortgage you took out?

		Not
	Important	Important
Lower interest rate		
Lower APR (Annual Percentage Rat	e) 🗌	
Lower closing fees		
Lower down payment		
Lower monthly payment		
An interest rate fixed for the life		
of the loan		
A term of 30 years		
No mortgage insurance		

17. Was the "Good Faith Estimate" you received from your lender/broker...

	Yes	No
Easy to understand		
Valuable information		

18. Did the "Good Faith Estimate" lead you to...

	Yes	No
Ask questions of your lender/broker		
Seek a change in your loan or closing		

19. In the process of getting this mortgage from your lender/broker, did you...

	Yes	No
Have to add another co-signer to qualify		
Resolve credit report errors or problems		
Answer follow-up requests for more information about income or assets		
Have more than one appraisal		
Redo/refile paperwork due to processing delays		
Delay or postpone closing date		
Have your "Good Faith Estimate" revised to reflect changes in your loan terms		
End up with better mortgage terms than you were originally offered		
Check other sources to confirm that terms of this mortgage were reasonable		

- 20. Your lender may have given you a "Shopping for your home loan: Settlement cost booklet", did you receive a copy?
 - No Skip to Q22Yes

Don't know



21. If you received a copy of the Settlement cost booklet, did the booklet lead you to ask additional questions about your mortgage terms?

Yes No

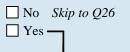
22. During the application process were you told about mortgages with any of the following?

	res	INO
An interest rate that is fixed for the life of the loan		
An interest rate that could change over the life of the loan		
A term of less than 30 years		
A higher interest rate in return for lower closing costs		
A lower interest rate in return for paying higher closing costs (<i>discount points</i>)	; 	
Interest-only monthly payments		
An escrow account for taxes and/or homeowner insurance		
A prepayment penalty (fee if the mortga, is paid off early)	ge	
Reduced documentation or "easy" approval		
An FHA, VA, USDA or Rural Housing loan		

23. In selecting your settlement agent did you...

	Yes	No
Use an agent recommended by the		
lender/broker		
Use an agent you had used previously		
Shop around		

24. Did your lender require you to get title insurance on this mortgage?



25. Which best describes how you picked the title insurance?

Reissued previous title insurance

Used title insurance recommended by lender/broker or settlement agent

Shopped around

26. Overall, how satisfied are you that the mortgage you got was the one with the...

			Not
	Very	Somewhat	At All
Best terms to fit your needs			
Lowest interest rate for which			
you could qualify			
Lowest closing costs			

27. Overall, how satisfied are you with the...

			INOL
	Very	Somewhat	At All
Lender/broker you used			
Application process			
Documentation process required for the loan			
Loan closing process			
Information in mortgage disclosure documents			
Timeliness of mortgage disclosure documents			
Settlement agent			

28. Did you take a course about home-buying or talk to a housing counselor?

□ No Skip to Q32 □ Yes -

29. How was the home-buying course or counseling provided?

	Yes	No
In person, one-on-one		
In person, in a group		
Over the phone		
Online		

30. How many hours was the home-buying course or counseling?

Less than 3 hours

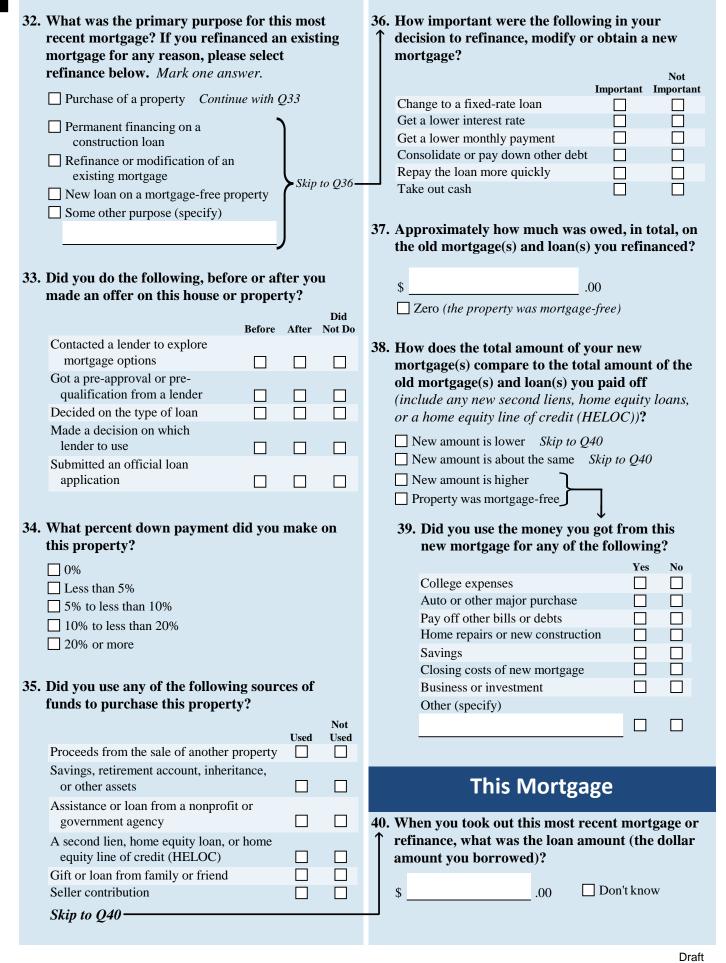
- 3 6 hours
- \Box 7 12 hours
- More than 12 hours
- **31.** Overall, how helpful was the home-buying course or counseling?

Uery Very

Somewhat

Not at all





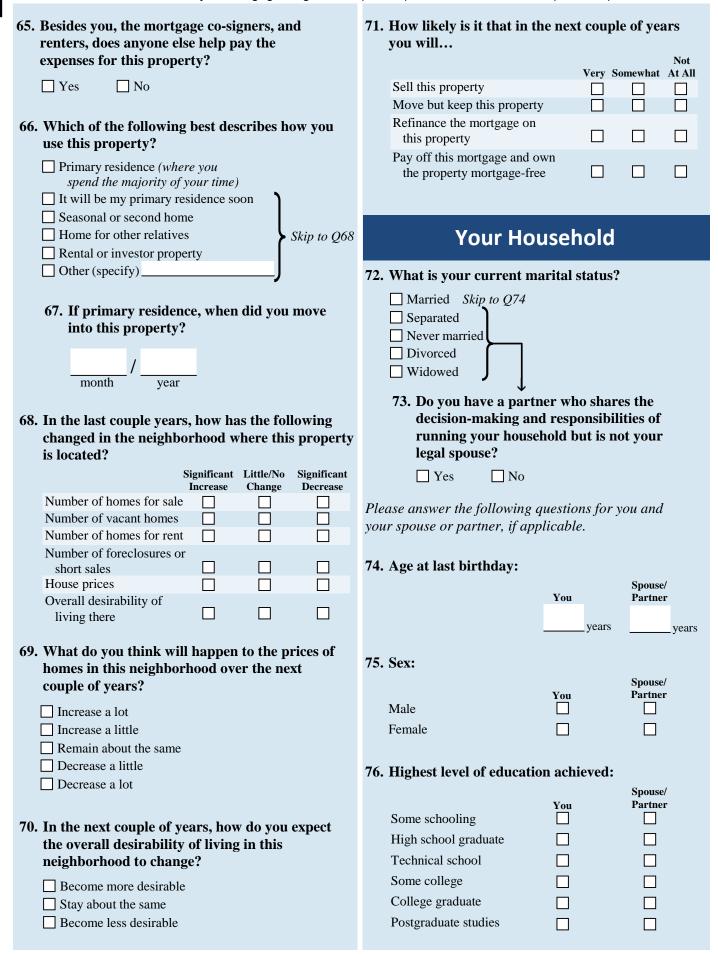
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National Survey	/ of Mortaade	Originations	(NSMO)) Questionnaire	Wave 9	$(2016 \ 01)$
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41.	What is the monthly payment, i amount paid to escrow for taxes				47. The closing disclosure statement you r closing shows the loan closing costs an closing costs separately. What were the	d other
	\$00] Don't	know		closing costs you paid on this loan?	• 10 411
42.	What is the interest rate on this	mort	gage?		\$00 □ Don't k	now
	%] Don't	know		48. How were the total closing costs (loan other costs) for this loan paid?	costs and
43.	Is this an adjustable-rate mortg allows the interest rate to chang the loan)?				Yes By me or a co-signer (check or wire transfer) By lender/broker	No Don't Know
	Yes No				By seller/builder	
	Don't know				Other (specify)	
	At the time of application, did t you the option to set/lock the in that it would not change before Yes No Don't know When was the interest rate set/l loan? At application Between application and closing Around closing	terest closin	rate s	0	 49. Did you compare the final loan costs to Good Faith Estimate you received from lender? No Skip to Q51 Yes 50. Did you find any significant difference between the two? Yes No 51. Did you seek input about your closing documents from any of the following particular difference of the following particular d	n your ences
46.	Does this mortgage have any of	the fo	llowiı	ng	Lender/broker	es No
	features?			Don't	Settlement agent	
		Yes	No	Know	Real estate agent	
	A prepayment penalty (fee if the	_	_	_		
	<i>mortgage is paid off early)</i> An escrow account for taxes and/or				Title agent [Trusted friend or relative who is not	
	An escrow account for taxes and/or homeowner insurance					
	A balloon payment					
	Interest-only payments				Other (specify)	
	51.5					
					L	_ U



52. Did you face any unpleasant "surprises" at your loan closing?	This Mortgaged Property
□ No Skip to Q54 □ Yes -	57. When did you buy or acquire this property? If you refinanced, the date you originally acquired the property?
↓ 53. What unpleasant surprises did you face?	
YesNoDifferent loan terms	 /
 54. At the same time you took out this mortgage, did you also take out another loan on the property you financed with this mortgage (a second lien, home equity loan, or home equity line of credit (HELOC))? No Skip to Q56 Yes 55. What was the amount of this loan? 	 Generative and the state of the sta
\$00	 Condo, apartment house, or co-op Unit in a partly commercial structure Other (specify) 61. Does this mortgage cover more than one
56. How well could you explain to someone the Not	unit?
Very Somewhat At All Process of taking out a mortgage	 Yes No 62. About how much do you think this property is worth in terms of what you could sell it for now?
Difference between a prime and subprime loan	\$00 Don't know
Difference between a mortgage's interest rate and its APR	63. Do you rent out all or any portion of this property?
Consequences of not making required mortgage payments	No Skip to Q65
Difference between lender's and owner's title insurance	General Yes64. How much rent do you receive annually?
	\$.00 per year







77. Hispanic or Latino:

		Spouse/
	You	Partner
Yes		
No		

78. Race: Mark all that apply.

		Spouse/
	You	Partner
White		
Black or African American		
American Indian or Alaska Native		
Asian		
Native Hawaiian or Pacific Islander		

79. Current work status: Mark all that apply.

Self-employed/work for self	You	Partner
Employed full time		
Employed part time		
Retired		
Temporarily laid-off or on leave		
Not working for pay (student, homemaker, disabled, unemployed)		

80. Have you ever served on active duty in the U.S. Armed Forces? (Active duty includes serving in the U.S. Armed Forces as well as activation from the Reserves or National Guard).

Yes, now on active duty	You	Spouse/ Partnei
Yes, on active duty in the past, but not now		
No, never on active duty except for initial/basic training		
No, never served in the U.S. Armed Forces		

81. Besides you (and your spouse/partner) who else lives in your household? *Mark all that apply.*

- Children/grandchildren age 18-22
- Children/grandchildren age 23 or older
- Parents of you or your spouse or partner
- Other relatives like siblings or cousins
- Non-relatives

No one else

82. Approximately how much is your total annual household income from all sources (wages, salaries, tips, interest, child support, investment income, retirement, social security, and alimony)?

Under \$35,000
\$35,000 to \$49,999
\$50,000 to \$74,999
\$75,000 to \$99,999
\$100,000 to \$174,999
\$175,000 or more

83. How does this total annual household income compare to what it is in a "normal" year?

- Higher than normal
- Normal

Spouse/

Lower than normal

84. Does your total annual household income include any of the following sources?

	Yes	No
Wages or salary		
Business or self-employment		
Interest or dividends		
Alimony or child support		
Social Security benefits		

85. Does anyone in your household have any of the following?

	Yes	No
401(k), 403(b), IRA, or pension plan		
Stocks, bonds, or mutual funds (not in		
retirement accounts or pension plans)		
Certificates of deposit		
Investment real estate		

86. Which <u>one</u> of the following statements best describes the amount of financial risk you are willing to take when you make investments?

- Take substantial financial risks expecting to earn substantial returns
- Take above-average financial risks expecting to earn above-average returns
- Take average financial risks expecting to earn average returns
- Not willing to take any financial risks



87. Do you agree or disagree with the following statements?

	Agree	Disagree
Owning a home is a good financial investment		
Most mortgage lenders generally treat borrowers well		
Most mortgage lenders would offer me roughly the same rates and fees		
Late payments will lower my credit rating		
Lenders shouldn't care about any late payments, only whether loans are fully repaid		
It is okay to default or stop making mortgage payments if it is in the borrower's financial interest		

88. In the last couple of years, have any of the following happened to you?

	Yes	No
Separated or divorced		
Married/remarried/new partner		
Death of a household member		
Addition to your household (not including spouse/partner)		
Person leaving your household (not including spouse/partner)		
Disability or serious illness of household member		
Disaster affecting a property you own		
Disaster affecting your (or your spouse/partner's) work		
Moved within the area (less than 50 miles)		
Moved to a new area (50 miles or more)		

89. In the last couple of years, have any of the following happened to you (or your spouse/partner)?

	Yes	No
Layoff, unemployment or reduced		
hours of work		
Retirement		
Promotion		
Starting a new job		
Starting a second job		
Business failure		
A personal financial crisis		

90. In the last couple years, how have the following changed for you (and your spouse/partner)?

	Significant Increase	Little/No Change	Significant Decrease
Household income			
Housing expenses			
Non-housing expenses			

91. In the next couple of years, how do you expect the following to change for you (and your spouse/partner)?

	Significant Increase	Little/No Change	Significant Decrease
Household income			
Housing expenses			
Non-housing expenses			

92. How likely is it that in the next couple of years you (or your spouse/partner) will face...

			INOL
	Very	Somewhat	At All
Retirement			
Difficulties making your mortgage payments			
A layoff, unemployment, of forced reduction in hours			
Some other personal finance crisis			

93. If your household faced an unexpected personal financial crisis in the next couple of years, how likely is it you could...

	Very	Somewhat	At All
Pay your bills for the next 3 months without borrowing			
Get significant financial help from family or friends			
Borrow enough money from a bank or credit union			
Significantly increase your income			



The Federal Housing Finance Agency and the Consumer Financial Protection Bureau thank you for completing this survey.

We have provided the space below if you wish to share additional comments or further explain any of your answers. **Please do <u>not</u> put your name or address on the questionnaire.**

Please use the enclosed business reply envelope to return your completed questionnaire. FHFA 1600 Research Blvd, RC B16 Rockville, MD 20850

For any questions about the survey or online access you can call toll free 1-855-339-7877.

