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 |
|-----|------|
|-----|------|

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?

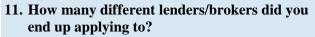
- I picked the loan type first, and then I picked the lender/broker
- I picked the lender/broker first, and then I picked the loan type
- **9. How did you apply for this mortgage?** *Mark one answer.*
 - Directly to a lender, such as a bank or credit union

- 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 |
|--------------------------------|----|
|--------------------------------|----|

- 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

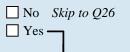
22. During the application process were you told about mortgages with any of the following?

| | 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

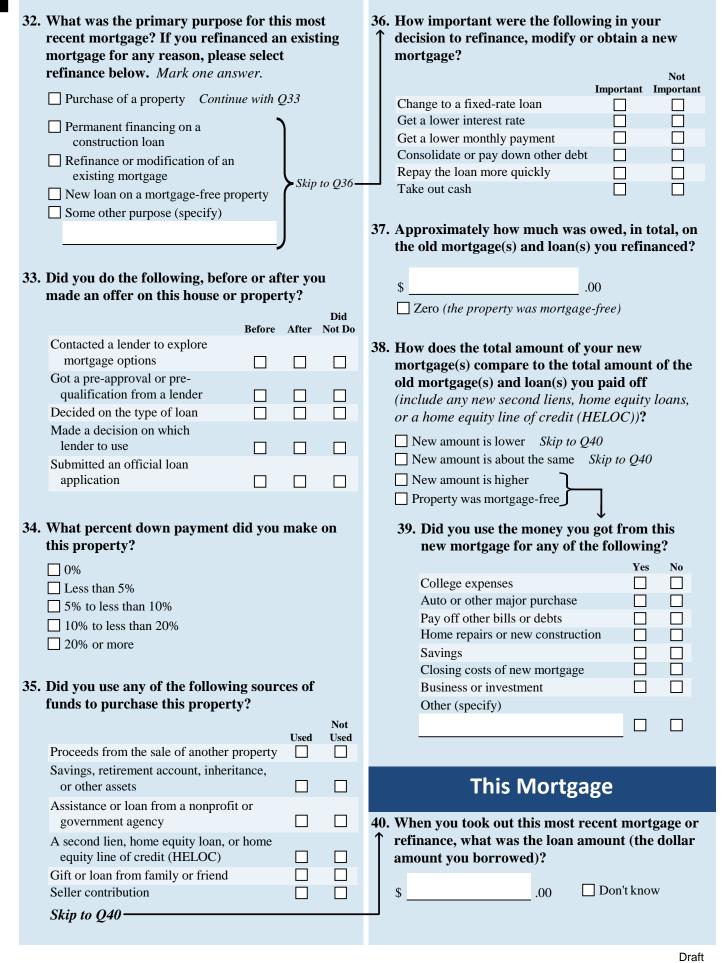
- 3 6 hours
- \Box 7 12 hours
- More than 12 hours
- **31.** Overall, how helpful was the home-buying course or counseling?

Uery Very

Somewhat

Not at all





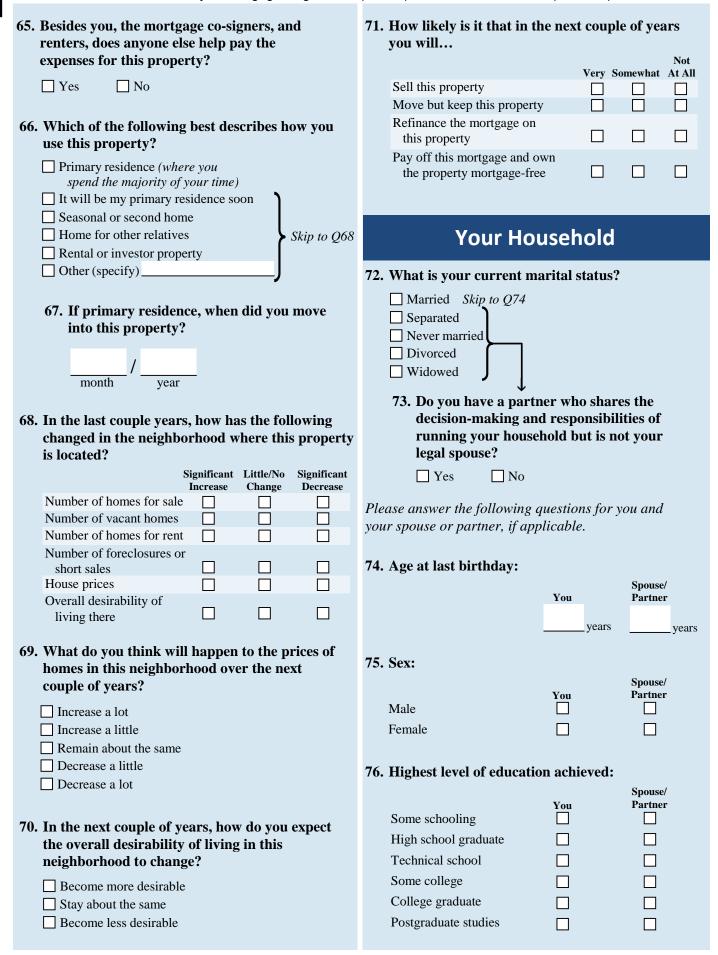
| | | • • • • | | . | | |
|-------------------|---------------|----------------|--------|-----------------|--------|---------------|
| National Survey | / of Mortaade | Originations | (NSMO) |) Questionnaire | Wave 9 | $(2016 \ 01)$ |
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| 41. | What 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.

