Improving Mortgage Experiences in America

National Survey of Mortgage Originations



We are conducting this survey of people who have taken out or co-signed for a mortgage loan to purchase a housing property or to refinance or modify an existing loan.

Learning directly from borrowers like you about your mortgage experiences will help us improve lending practices and the mortgage process for future borrowers like you. It is important to get the perspective of all borrowers for making government policies.

You can mail back the paper survey in the enclosed business reply envelope or complete the survey online. The online version may be easier to complete because it skips any questions that do not apply to you based on your responses. Online responses are also processed more quickly, making it less likely that you will receive reminders to complete this survey. We appreciate your help either way.

To complete the survey on a computer or tablet Go to: <u>www.NSMOsurvey.com</u> Enter the unique access code provided in the letter we sent you.

To complete the survey on a mobile device/smartphone

Text your unique access code to (202) 759-2029.

Para contestar la encuesta en una computadora o tableta Vaya a: <u>www.NSMOsurvey.com</u> Ingrese el código de acceso único que se le envió en la carta.

Para contestar la encuesta en un aparato móvil/teléfono inteligente Envíe en un mensaje de texto su código de acceso único al **(202) 759-2029.**

ABOUT THE SPONSORS: The **Federal Housing Finance Agency** and the **Consumer Financial Protection Bureau** are working together to sponsor this survey. We are doing this because both agencies are concerned with improving the safety of the U.S. housing finance system and making sure all consumers have better access to mortgages. Thanks so much for helping us assist future borrowers.

You can find more information on our websites - fhfa.gov/nsmo and consumerfinance.gov

Your answers to this survey will help us as we improve the safety of the U.S. housing finance system and help to ensure that people have access to funds needed to build or improve housing.

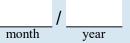
We look forward to hearing from you.

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.

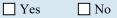
Paperwork Reduction Act Statement: Notwithstanding any other provision of the law, no person is required to respond to, nor shall any person be subject to a penalty for failure to comply with, a collection of information subject to the requirements of the Paperwork Reduction Act, unless that collection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

OMB No. 2590-0012 Expires 6/30/2023

- 1. Did you take out or co-sign for a mortgage loan sometime in the last couple of years including a purchase or any refinance/modification of an existing loan?
 - $\Box Yes$
 - $\square \text{ No} \rightarrow \text{Skip to 72 on page 7}$
- 2. When did you take out this mortgage? If you took out or co-signed for more than one mortgage, please refer to your experience with the most recent refinance, modification, or new mortgage.



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



- **4. Who signed or co-signed for this mortgage?** *Mark <u>all</u> that apply.*
 - I signed
 - Spouse/partner including a former spouse/partner
 - Parents
 - Children
 - Other relatives
 - Other (e.g. friend, business partner)
- → If you co-signed this loan with others, take into account all co-signers as best you can when answering the survey. If no co-signers, answer based on your own situation.
- 5. When you began the process of getting this mortgage, how familiar were you (and any co-signers) with each of the following?

	Very	Somewhat	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			

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

Very Somewhat

🗌 Not at all

7. How firm an idea did you have about the mortgage you wanted?

Firm idea Some idea

Little idea

Not

A

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

	Lot	Little	At All
Your mortgage lender/broker			
Other mortgage lenders/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, credit unions or financial			
planners			
Housing counselors			
Other (specify)			

Δ

- 9. Which <u>one</u> of the following best describes your shopping process?
 - ☐ I picked the loan type first, and then I picked the mortgage lender/broker
 - ☐ I picked the mortgage lender/broker first, and then I picked the loan type
- 10. Which <u>one</u> of the following best describes how you applied for this mortgage?
 - Directly to a lender, such as a bank or credit union
 - Through a mortgage broker who works with multiple lenders to get you a loan
 - Through a builder who arranged financing

3

Other (specify)

 $\square 2$

11. How many different mortgage lenders/brokers did you seriously consider before choosing where to apply for this mortgage?

4

26697	

5 or more

 \Box 1

	v many differ you end up a	ent mortgage le pplying to?	enders/b	rokers	17.	Hov dete
	2	3 4	5 or m	ore		
13.		ly to more than er for any of the	e followi	ng		Low Low Low
	Searching for	better loan terms	Yes	No		Low
	-	qualifying for a loa	an 🗆			An in of
	Information le					A ter
	"Loan Estim					No n
	Turned down of	on earlier applicati	on			
	-	vere each of the tgage lender/br		0	18.	You "Yo guid
	0	you took out?	unci you	u useu		
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Have	ing an establish		Important	Important		
	ationship	ed baliking				
	-	e or branch nearby			\downarrow	Did
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Pape	erless online mo	rtgage process				ĽΥ
	ommendation fr				•	T (1
rel	ative/co-worker	·			20.	In the
Reco	ommendation fr	om a real				you
est	ate agent/home	builder				Have
Rep	utation of mortg	age lender/broker				Reso
Spol	ke my primary l	anguage, which is				Ansv
no	t English					inf
	ommodations fo	or people with	_	_		Have
dis	sabilities					Redo
						del
		e first contact b	-			Dela
		der/broker you	used for	• the		Have
moi	tgage you too	ok out?				to
🗌 I	(or one of my c	co-signers) did				Chec
]	The mortgage le	nder/broker did				tei
□ V	-	contact by a third p	• •	n as a		
	real estate age	nt or home builder	")		21.	Was
						mor
6. Hov	v open were y	ou to suggestion	ns from	your		
		broker about m	ortgage	s with		Easy
diff	erent features	s or terms?				Valu
	/ery	Somewhat		Not at all		

v important were each of the following in ermining the mortgage you took out?

		Not
	Important	Important
Lower interest rate		
Lower APR (Annual Percentage Rate	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		

r lender may have given you a booklet ur home loan toolkit: A step-by-step le," do you remember receiving a copy?



the "Your home loan toolkit" booklet lead to ask additional questions about your tgage terms?

Yes	🗌 No
-----	------

he process of getting this mortgage from r mortgage 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 "Loan Estimate" revised to reflect changes in your loan terms		
Check other sources to confirm that terms of this mortgage were reasonable		

s the "Loan Estimate" you received from your tgage lender/broker...

	Yes	No
Easy to understand		
Valuable information		



22. Did the "Loan Estimate" lead you to...

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

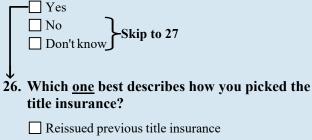
23. During the application process were you told about mortgages with any of the following?

24. In selecting your settlement/closing agent did you use someone...

	Yes	No
Selected/recommended by the mortgage		
lender/broker, or real estate agent		
You used previously		
Found shopping around		

Did not have a settlement/closing agent

25. Do you have title insurance on this mortgage?



- Used title insurance recommended by mortgage lender/broker or settlement agent
- Shopped around

27. 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			

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

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

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

 \square No \rightarrow Skip to 33 on page 4

30. Was your home-buying course or counseling...

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

31. How many hours was your home-buying course or counseling?

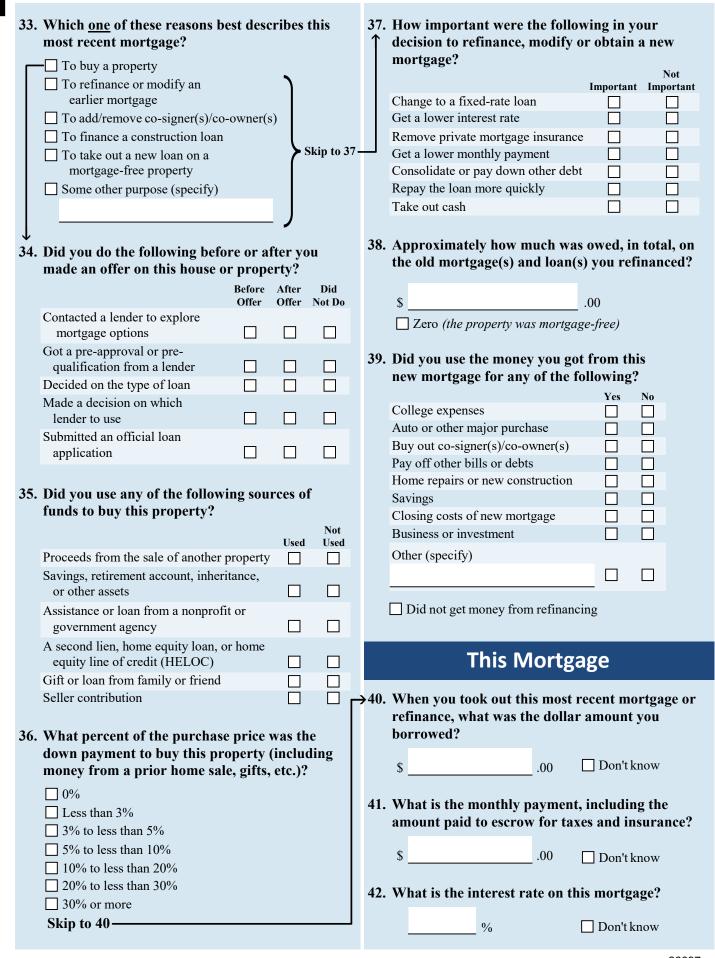
- Less than 3 hours
- 3 6 hours
- $\boxed{7}$ 7 12 hours
- More than 12 hours

32. Overall, how helpful was your home-buying course or counseling?

Ury Very

Somewhat Not at all







Don't

43. Which one of the following best describes how you 49. After closing on this mortgage, how much cash decided on the interest rate of your mortgage?

- Paid higher closing costs to get lower interest rate
- Paid lower closing costs with a higher interest rate
- Got a balance between closing costs and interest rate

44. Does this mortgage have...

	X 7	NT	Know
	Yes	No	KNOW
A prepayment penalty (fee if the mortgage is paid off early)			
An escrow account for taxes and/or homeowner insurance			
An adjustable rate (one that can change over the life of the loan)			
A balloon payment			
Interest-only payments			
Private mortgage insurance			

45. At any time after you made your final loan application did any of the following change?

	Higher	Same	Lower
Monthly payment			
Interest rate			
Other fees			
Amount of money needed to close loan			

46. The "Closing Disclosure" statement you received at closing shows the loan closing costs and other closing costs separately. What were the loan closing costs you paid on this loan?

.00

\$

- Don't know
- 47. How were the total closing costs (loan costs and other costs) for this loan paid? Don't

	Yes	No	Know
By me or a co-signer with a check			
or wire transfer			
Added to the mortgage amount			
By mortgage lender/broker			
By seller/builder			
Other (specify)			

Loan had no closing costs

48. Were the loan costs you paid similar to what you had expected to pay based on the Loan Estimates or Closing Disclosures you received?

🗌 No Yes

reserves in checking, savings, and other similar assets did you have remaining?

- Less than one month's mortgage payment
- □ 1-2 months' worth of mortgage payments
- 3-6 months' worth of mortgage payments
- 7 months' worth or more of mortgage payments

50. Did you seek input about your closing documents from any of the following people? * 7 ът

	1 CS	110
Mortgage lender/broker		
Settlement/closing agent		
Real estate agent		
Personal attorney		
Title insurance agent		
Trusted friend or relative who is not		
a co-signer on the mortgage		
Housing counselor		
Other (specify)		

51. Did you face any of the following at your loan closing?

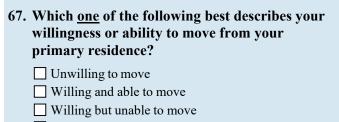
	res	INO
Loan documents not ready at closing		
Closing did not occur as originally		
scheduled		
Three-day rule required re-disclosure		
Mortgage terms different at closing than		
expected, e.g. interest rate, monthly		
payment		
More cash needed at closing than		
expected, e.g. escrow, unexpected fees		
Less cash needed at closing than		
expected		
Asked to sign blank documents at closing		
Asked to sign pre-dated or post-dated		
documents at closing		
Felt rushed at closing or not given time		
to read documents		

52. Is there any additional problem you encountered while getting this mortgage that you'd like to tell us about?



53. At the same time you took out this mortgage, did you also take out another loan on the	59. Which <u>one</u> of the following best describes this property?
property you financed with this mortgage (a	
second lien, home equity loan, or a home equity	Single-family detached house
line of credit (HELOC))?	Townhouse, row house, or villa
┏━━━ Yes	2-unit, 3-unit, or 4-unit dwelling
$\square \text{ No} \rightarrow \text{Skip to 55}$	Apartment (or condo/co-op) in apartment
↓ -	building
54. What was the amount of this loan?	 Unit in a partly commercial structure Other (specify)
.00	
Don't know	60. Does this mortgage cover more than one unit?
55. How well could you explain to someone the	\Box Yes \Box No
Not Very Somewhat At All	
Process of taking out a mortgage	61. About how much do you think this property is
Difference between a fixed- and	worth in terms of what you could sell it for now?
an adjustable-rate mortgage	
Difference between a prime and subprime loan	\$00 [Don't know]
Difference between a mortgage's	62. Do you rent out all or any portion of this
interest rate and its APR	property?
Amortization of a loan	Yes
Consequences of not making required mortgage payments	$\square \text{ No} \rightarrow \text{Skip to 64}$
Difference between lender's and owner's title insurance	↓ 63. How much rent do you receive annually?
Relationship between discount	
points and interest rate	\$00 per year
Reason payments into an escrow account can change	64 Desides you the montgage of signers and
	64. Besides you, the mortgage co-signers, and renters, does anyone else help pay the expenses
This Mortgaged Property	for this property?
	Yes No
56. When did you first become the owner of this	
property?	65. Which one of the following best describes how
1	you use this property?
month year	Primary residence (where you
57. What was the purchase price of this property, or	spend the majority of your time)
if you built it, how much did the construction	 It will be my primary residence soon Seasonal or second home
and land cost?	Home for other relatives Skip to 68
	Rental or investment property on page 7
\$00 Don't know	☐ Other (specify)
58. Which one of the following best describes how	
you acquired this property?	Ψ 66. If primary residence, when did you move into
Purchased an existing home	this property?
 Purchased an existing nome Purchased a newly-built home from a builder 	
Had or purchased land and built a house	/
Received as a gift or inheritance	month year
Other (specify)	





Unsure/Don't know at this time

68. In the last couple years, how have the following changed in the neighborhood where this property is located?

	Significant Increase	Little/No Change	Significant Decrease
Number of homes for sale			
Number of vacant homes			
Number of homes for rent			
Number of foreclosures or short sales	r		
House prices			
Overall desirability of living there			

- 69. What do you think will happen to the prices of homes in this neighborhood over the next couple of years?
 - Increase a lot
 - Increase a little
 - Remain about the same
 - Decrease a little
 - Decrease a lot
- 70. In the next couple of years, how do you expect the overall desirability of living in this neighborhood to change?
 - Become more desirable
 - Stay about the same
 - Become less desirable

71. How likely is it that in the next couple of years you will...

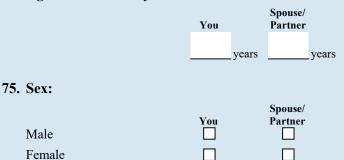
			1101
	Very	Somewhat	At All
Sell this property			
Move but keep this property			
Refinance the mortgage on this property			
Pay off this mortgage and own the property mortgage-free			

Your Household

- 72. What is your current marital status?
 - Married
 Separated
 Never married
 Divorced
 Widowed
 - 73. Do you have a partner who shares the decision-making and responsibilities of running your household but is not your legal spouse?
 - Yes No

Please answer the following questions for you and your spouse or partner, if applicable.

74. Age at last birthday:



76. Highest level of education achieved:

	You	Spouse/ Partner
Some schooling		
High school graduate		
Technical school		
Some college		
College graduate		
Postgraduate studies		

77. Hispanic or Latino:

		Spouse/
	You	Partner
Yes		
No		

78. Race: Mark <u>all</u> that apply.

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



Spouse/

79. Current work status: Mark <u>all</u> that apply.

	Spouse
You	Partne
	You

80. Ever served on active duty in the U.S. Armed Forces, Reserves or National Guard?

Never served in the military	You	Partne
Only on active duty for training in the Reserves or National Guard		
Now on active duty		
On active duty in the past, but not now		

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

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



82. Do you speak a language other than English at home?

Yes

 $\square \text{ No} \rightarrow \text{Skip to 85}$

83. Was it important to get your mortgage documents in this language?

Yes No

84. Did you get mortgage documents in this language?

🗌 Yes 📃 No

85. 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)?

Less than \$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

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

Higher than normal

Normal

Lower than normal

87. 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, pension or other	_	_
retirement benefits		

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

	res	INO
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		

- 89. Which <u>one</u> of the following statements best describes the amount of financial risk you are willing to take when you save or 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



90. 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		
I would consider counseling or taking a course about managing my finances i I faced financial difficulties		

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

	Yes	No
Separated, divorced or partner left		
Married, remarried or new partner		
Death of a household member		
Addition to your household		
(not spouse/partner)		
Person leaving your household		
(not 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)		

92. 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		

93. 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			

94. 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			

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

			1100
	Very	Somewhat	At All
Retirement			
Difficulties making your mortgage payments			
A layoff, unemployment, or forced reduction in hours			
Some other personal financial crisis			

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

	Very S	omewha	Not t At All
Pay your bills for the next 3 months without borrowing			
Get significant financial help from family or friends			
Borrow a significant amount from a bank or credit union			
Significantly increase your income			



Not

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

We have provided space below for any additional comments. If the COVID-19 (coronavirus) situation has affected or might affect your ability to make your mortgage payments, please tell us about it here. **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.

