

# Mortgage Lender Sentiment Survey<sup>®</sup>

## Providing Insights Into Current Lending Activities and Market Expectations

Q4 2021 Full Report



# Disclaimer

Opinions, analyses, estimates, forecasts, and other views of Fannie Mae's Economic & Strategic Research (ESR) group or survey respondents included in these materials should not be construed as indicating Fannie Mae's business prospects or expected results, are based on a number of assumptions, and are subject to change without notice. How this information affects Fannie Mae will depend on many factors. Although the ESR group bases its opinions, analyses, estimates, forecasts, and other views on information it considers reliable, it does not guarantee that the information provided in these materials is accurate, current, or suitable for any particular purpose. Changes in the assumptions or the information underlying these views could produce materially different results. The analyses, opinions, estimates, forecasts, and other views published by the ESR group represent the views of that group or survey respondents as of the date indicated and do not necessarily represent the views of Fannie Mae or its management.





# Table of Contents

<b>Summary of Key Findings.....</b>	<b>4</b>
<b>Research Objectives.....</b>	<b>5</b>
<b>Q4 2021 Respondent Sample and Groups.....</b>	<b>6</b>
<b>Key Findings</b>	
U.S. Economy and Consumer Demand (Purchase and Refinance Mortgages).....	8
Credit Standards.....	12
Profit Margin Outlook.....	14
<b>Appendix.....</b>	<b>18</b>
Survey Methodology Details.....	19
Economic and Housing Sentiment.....	27
Consumer Demand (Purchase Mortgages).....	30
Consumer Demand (Refinance Mortgages).....	43
Credit Standards.....	50
Profit Margin Outlook.....	58
Survey Question Text.....	64

# Key Findings – Q4 2021

**Key survey indicators suggest that the 2022 housing market will return to a more “normal” state after the boom experienced over the past two years.**

## Profit Margin Outlook

- Lenders’ profitability outlook on net fell significantly with an extremely small share of lenders expecting profit margins to increase over the next three months.
- “Competition from other lenders” continued to be the top reason cited by lenders who expect lower profit margins. “Market trend changes (e.g., shift from refinance to purchase)” remained the second most popular reason, while “consumer demand” came in third, reaching its highest reading since Q4 2019.

## Mortgage Demand

- For purchase mortgages, although the net shares of lenders reporting demand growth over the prior three months, as well as for the next three months, reached the lowest readings for any fourth quarter over the past two years, the direction on net stayed positive for the past three months with more lenders reporting that demand went up, and it stayed neutral for the next three months with lenders equally split between upward and downward demand expectations.
- For refinance mortgages, the net share of lenders reporting refinance demand growth over the prior three months, as well as the net share expecting demand growth for the next three months, decreased significantly from last quarter and last year across all loan types, reaching the lowest readings in three years (since Q4 2018).



# Objectives of Mortgage Lender Sentiment Survey®

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

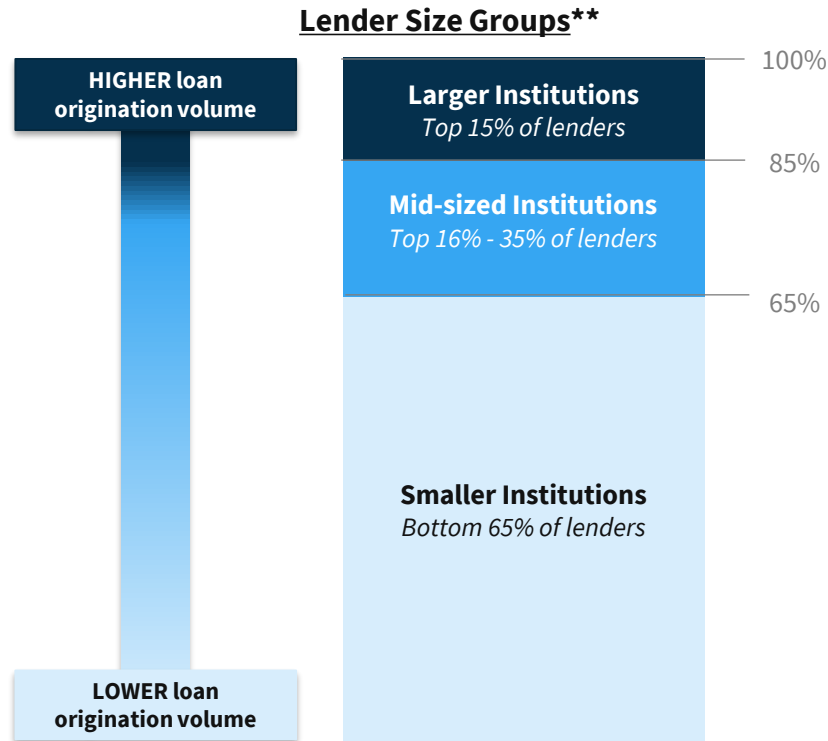
- **Closing Homeownership Gaps**
- **Lenders' 2021 Business Priorities**
- **COVID-19 & Remote Working**
- **Mortgage Servicing Challenges**
- **CONDO Mortgage Lending Opportunities**
- **COVID-19 Challenges and Lender Business Priorities**

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.



# Q4 2021 Respondent Sample and Groups

The current analysis is based on fourth quarter 2021 data collection. For Q4 2021, a total of 228 senior executives completed the survey between November 1-15, representing 205 lending institutions.\*



Sample Q4 2021		Sample Size
<b>Total Lending Institutions</b> The “Total” data throughout this report is an average of the means of the three lender-size groups listed below.		205
<b>Lender Size Groups</b>	<b>Larger Institutions</b> Lenders in the Fannie Mae database who were in the top 15% of lending institutions based on their total 2020 loan origination volume (above \$2.25 billion)	58
	<b>Mid-sized Institutions</b> Lenders in the Fannie Mae database who were in the next 20% (16%-35%) of lending institutions based on their total 2020 loan origination volume (between \$598 million and \$2.25 billion)	54
	<b>Smaller Institutions</b> Lenders in the Fannie Mae database who were in the bottom 65% of lending institutions based on their total 2020 loan origination volume (less than \$598 million)	93
<b>Institution Type***</b>	<b>Mortgage Banks</b> (non-depository)	88
	<b>Depository Institutions</b>	73
	<b>Credit Unions</b>	39

\* 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 2020 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 2020 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
<b>GSE-eligible Loans</b>	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.
<b>Non-GSE-eligible Loans</b>	Non-GSE-eligible Mortgages are defined as mortgages that do not meet the GSE guidelines for purchase. Government loans are excluded from this category.
<b>Government Loans</b>	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

- In Q4 2021, lenders were about equally split on their views about the economy, with half believing the economy is on the right track and half believing it's on the wrong track. Overall, lenders' economic sentiment is more optimistic than consumers', according to the November 2021 Fannie Mae National Housing Survey®.
- For purchase mortgages, although the net shares of lenders reporting demand growth over the prior three months, as well as for the next three months, reached the lowest readings for any fourth quarter over the past two years, the direction on net stayed positive for the past three months with more lenders reporting that demand went up, and it stayed neutral for the next three months with lenders equally split between upward and downward demand expectations.
- For refinance mortgages, the net share of lenders reporting refinance demand growth over the prior three months, as well as the net share expecting demand growth for the next three months, decreased significantly from last quarter and last year across all loan types, reaching the lowest readings in three years (since Q4 2018).



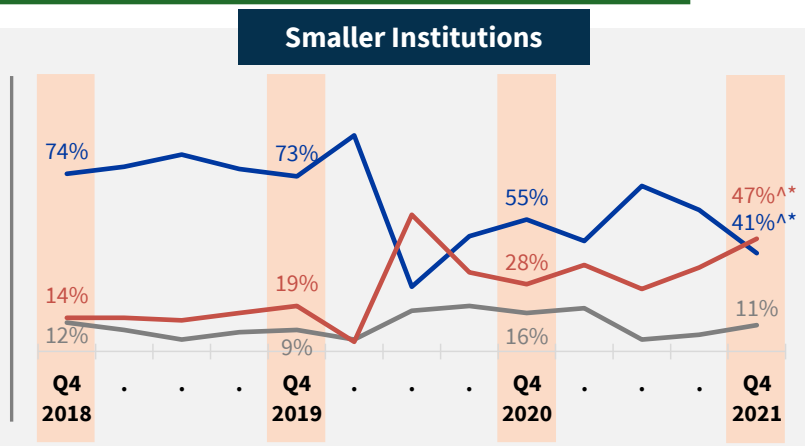
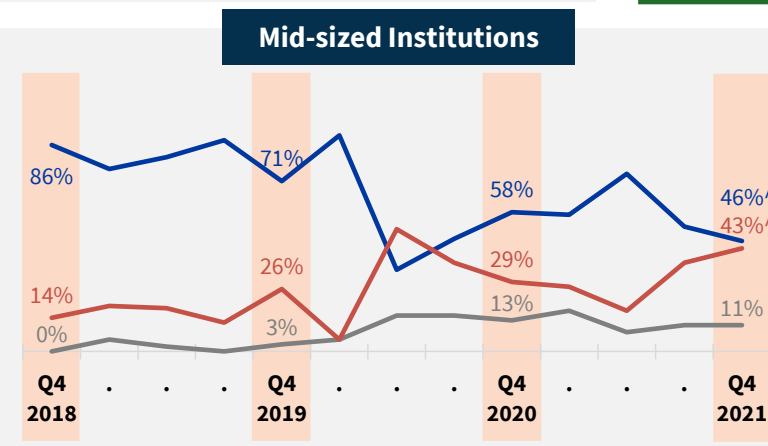
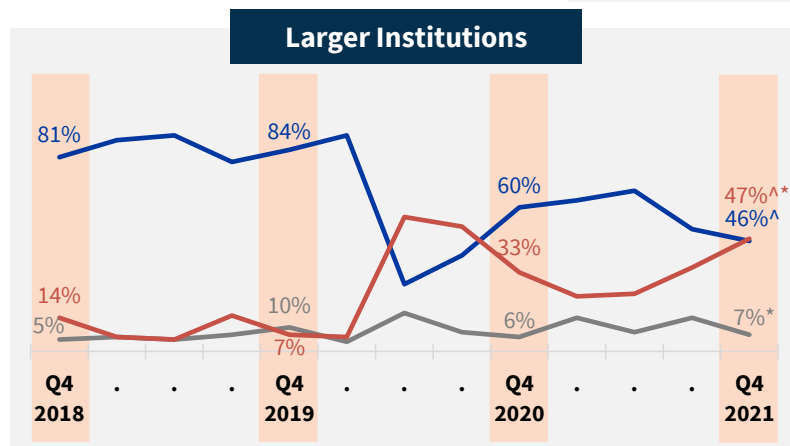
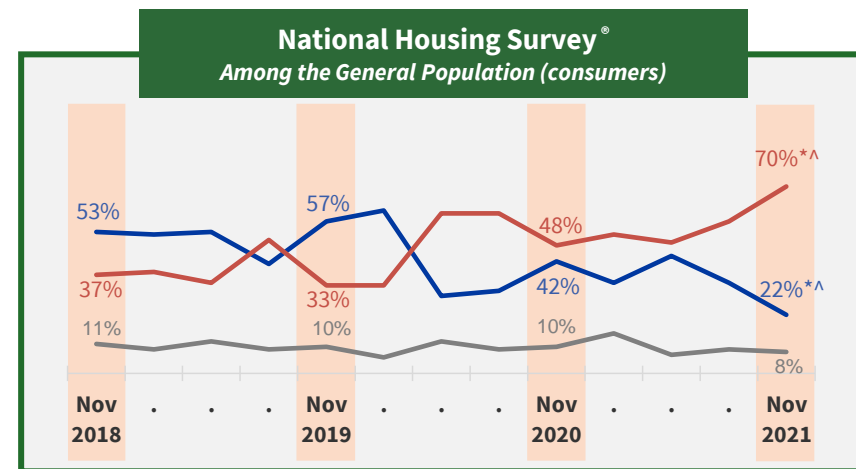
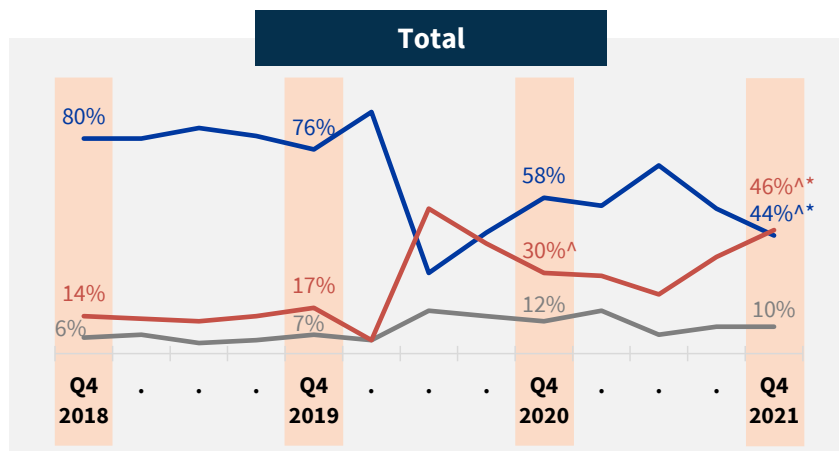


# U.S. Economy Overall

In Q4 2021, lenders were about equally split on their views about the economy, with half believing the economy is on the right track. Still, lenders' economic sentiment was more optimistic than consumers', according to the latest Fannie Mae National Housing Survey®.

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



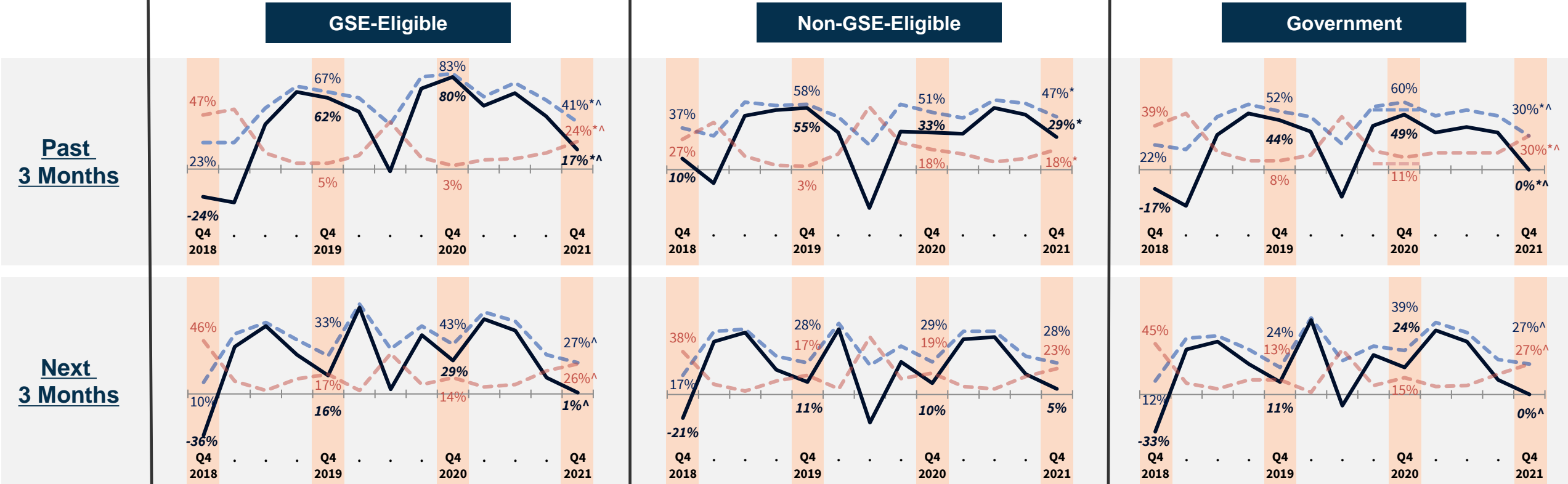
\* Denotes a statistically significant change compared with Q3 2021 (previous quarter)  
<sup>^</sup> Denotes a statistically significant change compared with Q4 2020 (same quarter of last year)

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



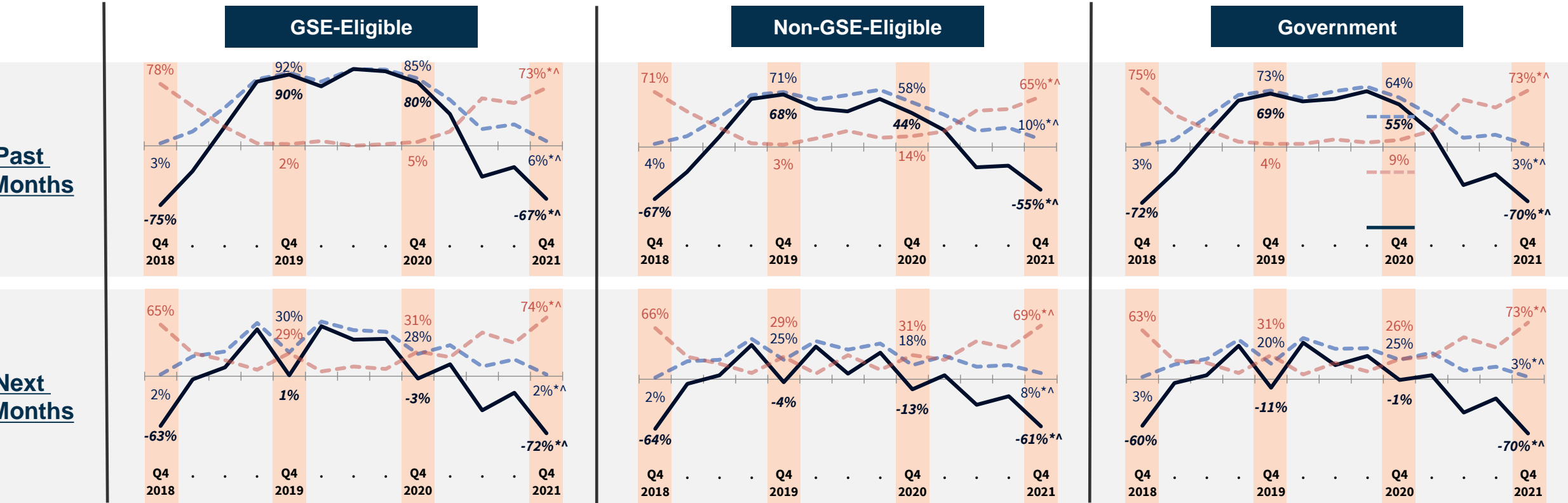
# Purchase Mortgage Demand

Although the net shares of lenders reporting demand growth over the prior three months, as well as for the next three months, reached the lowest readings for any fourth quarter over the past two years, the direction on net stayed positive for the past three months with more lenders reporting that demand went up, and it stayed neutral for the next three months with lenders equally split between upward and downward demand expectations.



# Refinance Mortgage Demand

The net share of lenders reporting refinance demand growth over the prior three months, as well as the net share expecting demand growth for the next three months, decreased significantly from last quarter and last year across all loan types, reaching the lowest readings in three years (since Q4 2018).



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 Q3 2021 (previous quarter)  
^ Denotes a statistically significant change compared with Q4 2020 (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

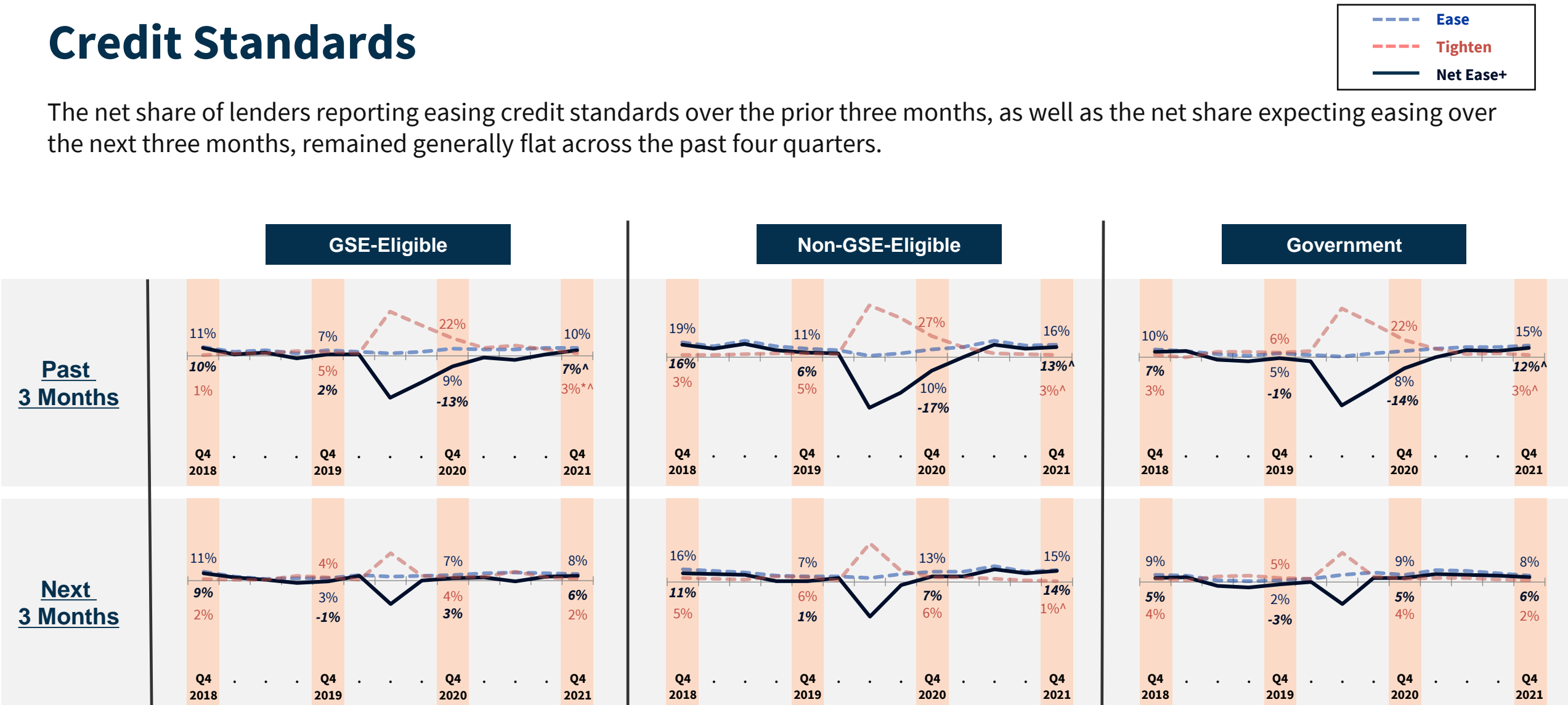
# Credit Standards

- The net share of lenders reporting easing credit standards over the prior three months, as well as the net share expecting easing over the next three months, remained generally flat across the past four quarters.



# Credit Standards

The net share of lenders reporting easing credit standards over the prior three months, as well as the net share expecting easing over the next three months, remained generally flat across the past four quarters.

</

# Profit Margin Outlook Change

- With an extremely small share of lenders expecting profit margins to increase, lenders' profit margin outlook on net fell significantly this quarter.
- “Competition from other lenders” continued to be the top reason cited by lenders who expect lower profit margins. “Market trend changes (e.g., from refinance to purchase)” remained the second top reason, while the share citing “consumer demand” increased from last quarter to become the third top reason, reaching its highest reading since Q4 2019.

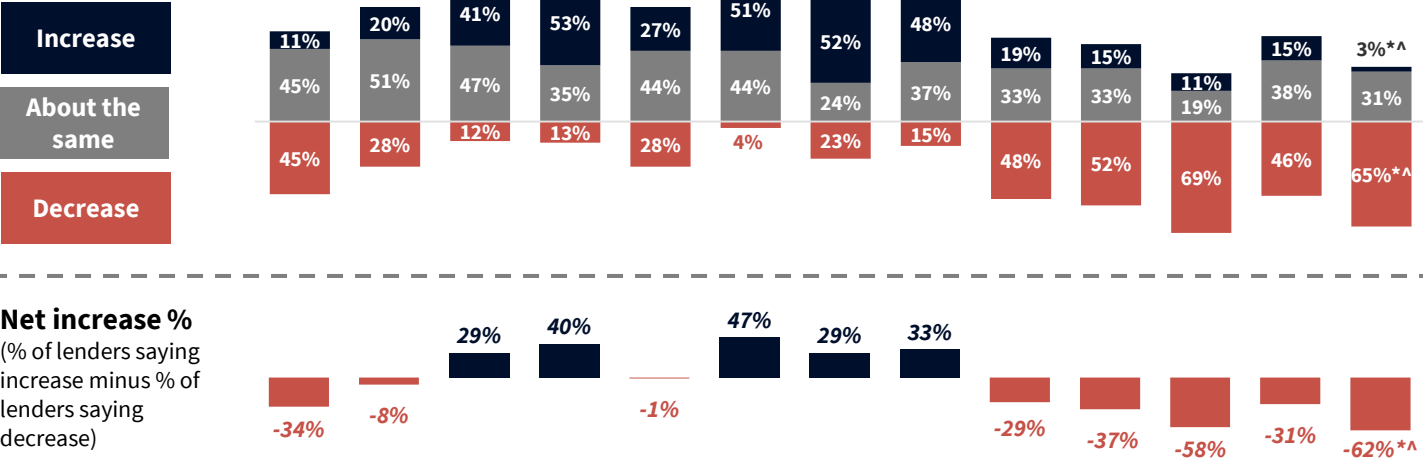


# Lenders' Profit Margin Outlook Change – Next 3 Months

With an extremely small share of lenders expecting profit margins to increase, lenders' profit margin outlook on net fell significantly this quarter. Those expecting a lower profit margin outlook continued to point to “competition from other lenders” and “market trend changes” as the primary reasons.

## Profit Margin Outlook

Q4 '18	Q1 '19	Q2 '19	Q3 '19	Q4 '19	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Q1 '21	Q2 '21	Q3 '21	Q4 '21
n=202	n=176	n=200	n=168	n=160	n=175	n=216	n=172	n=195	n=205	n=214	n=181	n=193



## Key Reasons for Expected Decrease – Q4 2021 (N = 122)

Competition from other lenders	76%
Market trend changes (i.e. shift from refinance to purchase)	41%
Consumer demand	31%
Staffing (personnel costs)	15%
GSE pricing and policies	10%

Showing data for selected answer choices only. n=122

## Key Reasons for Expected Increase (N = 8)

Fewer than ten lenders reported that they expect profit margins to increase over the next three months. Due to the extremely small sample size, the key reasons are not shown here.

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))]

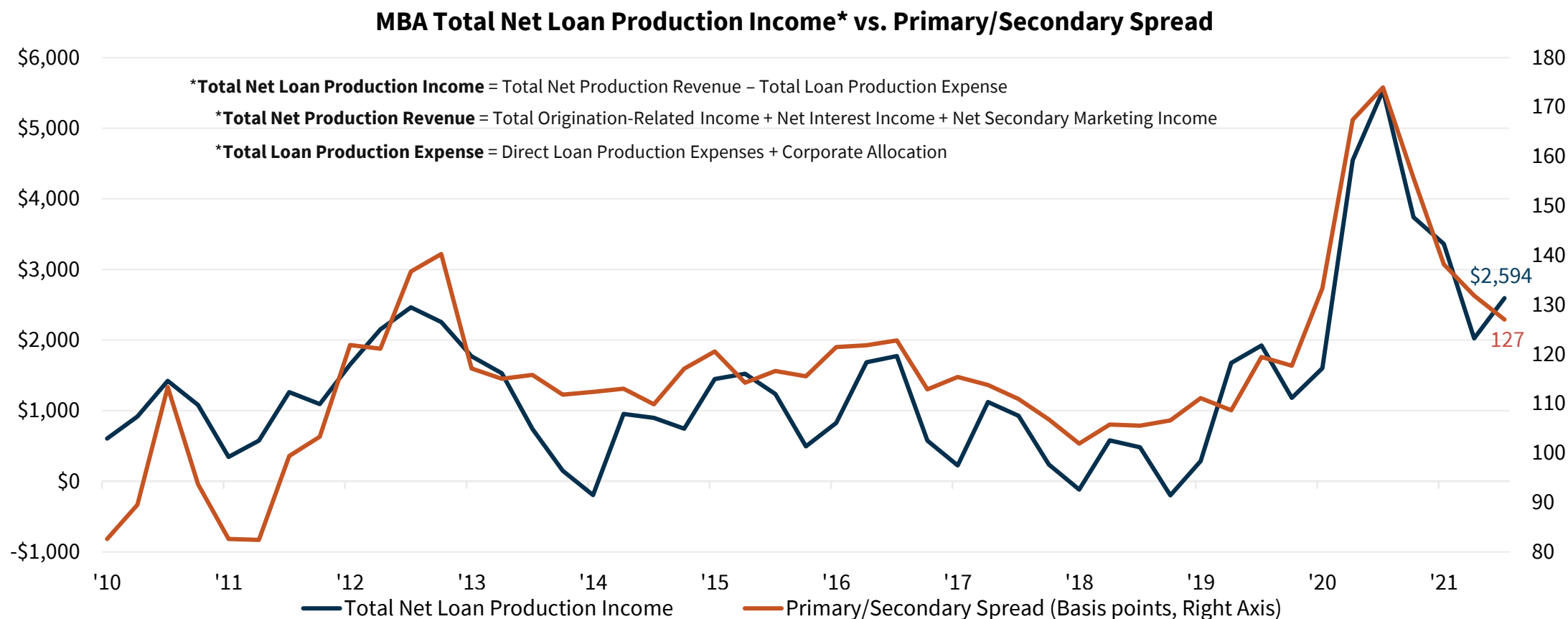
Q: What do you think will drive the increase (decrease) in your firm's profit margin over the next three months? Please select up to two of the most important reasons.

\* Denotes a statistically significant change compared with Q3 2021 (previous quarter)

^ Denotes a statistically significant change compared with Q4 2020 (same quarter of last year)

# Primary-Secondary Mortgage Spread and Loan Production Income

The primary-secondary mortgage spread, which is correlated with loan production income, averaged 127 basis points in Q3 2021, 13 basis points above the 2019 average, though down from the peak of 174 basis points seen in Q3 2020.



\*Formula for primary/secondary spread calculation is the (FRM30 Zero-Point Mortgage Rate– 30-year Current Coupon Mortgage-Equivalent Yield)

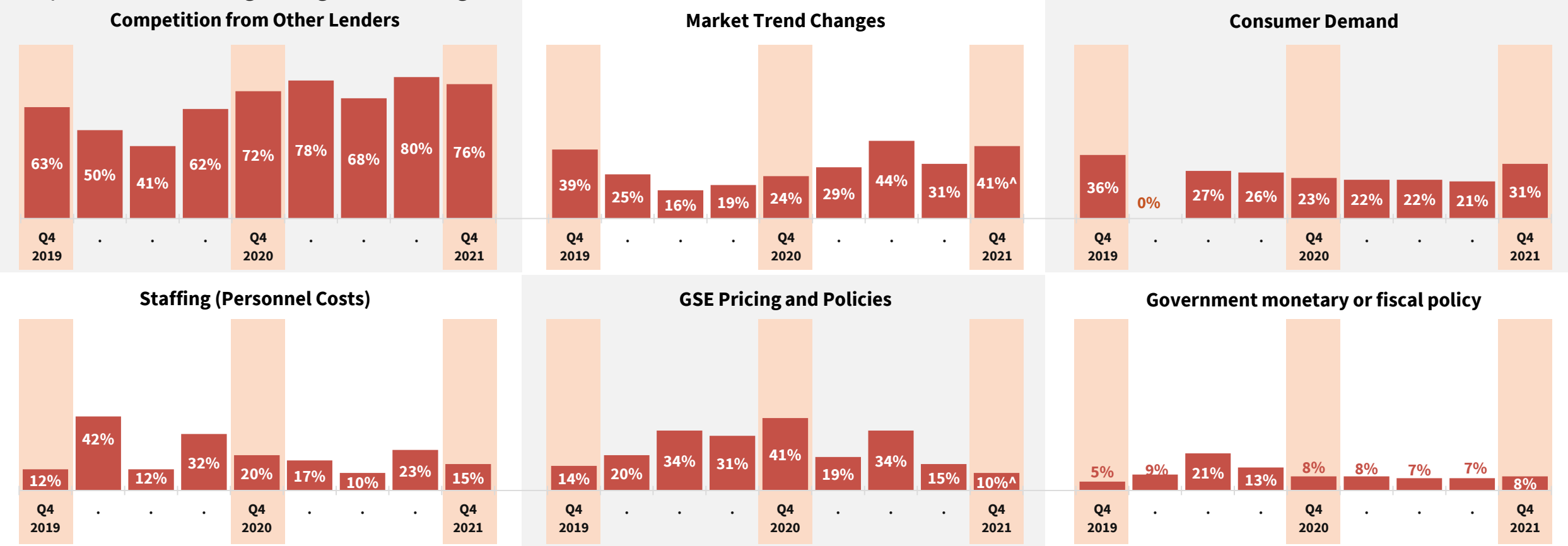
Source: Mortgage Bankers Association, Federal Reserve, Freddie Mac, Fannie Mae Economic & Strategic Research November 2021 Forecast – Data in Forecast as of 11/10/2021





# Decreased Profit Margin Outlook – Top Drivers

“Competition from other lenders” continued to be the top reason cited by lenders who expect lower profit margins. “Market trend changes” remained the second top reason, while the share citing “consumer demand” increased from last quarter to become the third top reason, reaching its highest reading since Q4 2019.



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: Q4 2019: N=47; Q1 2020: N=8; Q2 2020: N=51; Q3 2020: N=26; Q4 2020: N=92; Q1 2021: N=105; Q2 2021: N=144; Q3 2021: N=80; Q4 2021: N=122

<sup>\*</sup> Denotes a statistically significant change compared with Q3 2021 (previous quarter)

<sup>^</sup> Denotes a statistically significant change compared with Q4 2020 (same quarter of last year)





# Appendix





# Appendix

<b>Survey Methodology Details.....</b>	<b>18</b>
Economic and Housing Sentiment.....	27
Consumer Demand (Purchase Mortgages).....	30
Consumer Demand (Refinance Mortgages).....	43
Credit Standards.....	50
Profit Margin Outlook.....	58
Survey Question Text.....	64

# Mortgage Lender Sentiment Survey<sup>®</sup>

## 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.

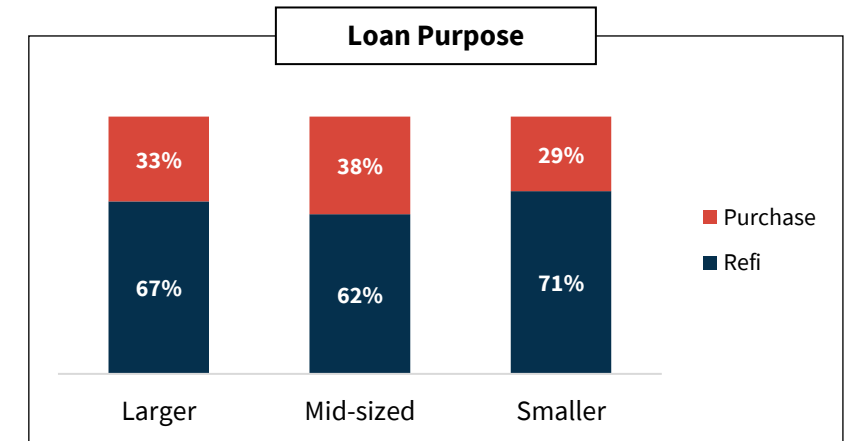
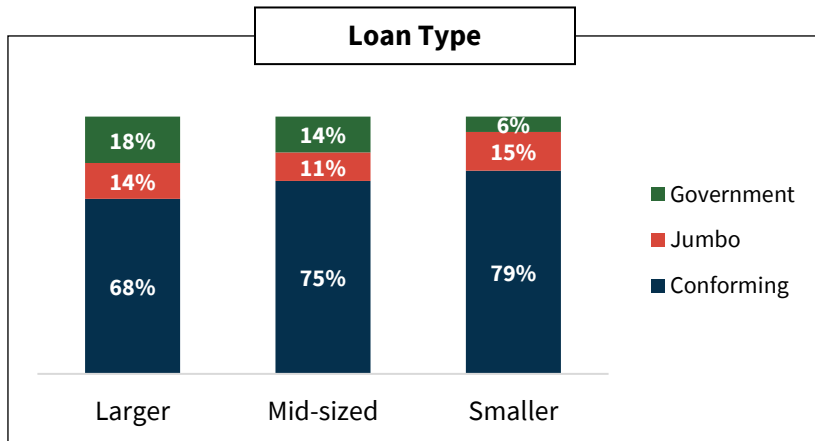
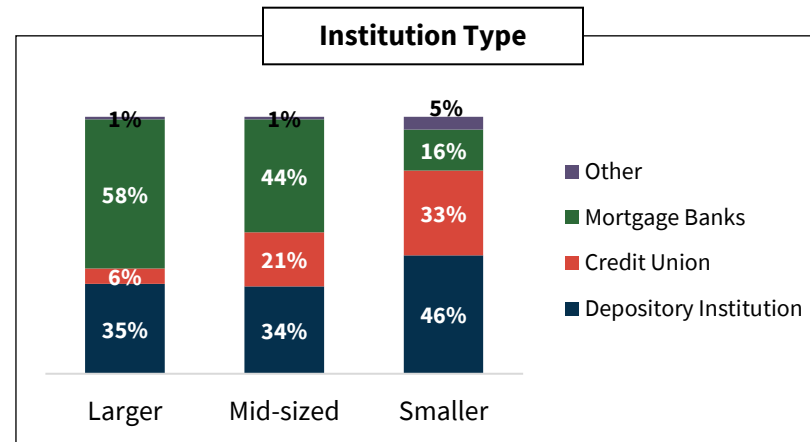
## Data Weighting

- 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 2020. Institutions were divided into three groups based on their 2020 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

		Q4 2019		Q1 2020		Q2 2020		Q3 2020		Q4 2020		Q1 2021		Q2 2021		Q3 2021		Q4 2021	
		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
<b>Total Lending Institutions</b>		<b>168</b>	<b>±7.08%</b>	<b>183</b>	<b>±6.70%</b>	<b>229</b>	<b>±5.87%</b>	<b>186</b>	<b>±6.64%</b>	<b>202</b>	<b>±6.63%</b>	<b>214</b>	<b>±6.11%</b>	<b>225</b>	<b>±5.93%</b>	<b>192</b>	<b>±6.52%</b>	<b>205</b>	<b>±6.27%</b>
<b>Loan Origination Volume Groups</b>	Larger Institutions	60	±10.63%	52	±11.65%	71	±9.26%	51	±11.80%	52	±11.62%	61	±10.37%	66	±9.87%	50	±11.98%	58	±10.78%
	Mid-sized Institutions	38	±14.67%	40	±14.19%	62	±10.76%	51	±12.25%	55	±11.66%	60	±11.00%	63	±10.65%	51	±12.22%	54	±11.79%
	Smaller Institutions	70	±11.26%	91	±9.70%	96	±9.42%	84	±10.15%	95	±9.48%	93	±9.59%	96	±9.42%	91	±9.70%	93	±9.59%
<b>Institution Type</b>	Mortgage Banks	76	±10.05%	71	±10.47%	89	±9.07%	66	±10.96%	84	±9.46%	90	±9.04%	103	±8.29%	84	±9.48%	88	±9.23%
	Depository Institutions	60	±11.98%	73	±10.65%	89	±9.46%	73	±10.65%	67	±11.18%	81	±10.01%	72	±10.71%	68	±11.05%	73	±10.60%
	Credit Unions	30	±17.19%	38	±15.03%	46	±13.49%	41	±14.40%	45	±13.65%	39	±14.81%	43	±14.01%	39	±14.80%	39	±14.80%

## 2019

Q4 was fielded between October 30, 2019 and November 10, 2019

## 2020

Q1 was fielded between February 5, 2020 and February 17, 2020  
 Q2 was fielded between May 5, 2020 and May 18, 2020  
 Q3 was fielded between August 4, 2020 and August 16, 2020  
 Q4 was fielded between October 27, 2020 and November 8, 2020

## 2021

Q1 was fielded between February 4, 2021 and February 17, 2021  
 Q2 was fielded between May 4, 2021 and May 17, 2021  
 Q3 was fielded between August 3, 2021 and August 16, 2021  
 Q4 was fielded between November 1, 2021 and November 15, 2021



# 2021 Q4 Cross-Subgroup Sample Sizes

	Total	Larger Lenders	Mid-Sized Lenders	Smaller Lenders
<b>Total</b>	205	58	54	93
<b>Mortgage Banks</b> (non-depository)	88	37	28	23
<b>Depository Institutions</b>	73	15	15	43
<b>Credit Unions</b>	39	6	10	23



# 2021 Q4 Sample Sizes: Consumer Demand

## Purchase Mortgages:

	Past 3 Months			Next 3 Months		
	GSE-Eligible	Non-GSE-Eligible	Government	GSE-Eligible	Non-GSE-Eligible	Government
<b>Total Lending Institutions</b>	<b>203</b>	<b>181</b>	<b>174</b>	<b>203</b>	<b>184</b>	<b>176</b>
Larger Institutions	58	56	55	58	57	55
Mid-sized Institutions	54	47	47	54	47	47
Smaller Institutions	91	78	72	91	80	74

## Refinance Mortgages:

	Past 3 Months			Next 3 Months		
	GSE-Eligible	Non-GSE-Eligible	Government	GSE-Eligible	Non-GSE-Eligible	Government
<b>Total Lending Institutions</b>	<b>196</b>	<b>173</b>	<b>166</b>	<b>196</b>	<b>174</b>	<b>164</b>
Larger Institutions	56	54	53	56	54	53
Mid-sized Institutions	50	42	43	50	43	43
Smaller Institutions	90	77	70	90	78	68





# 2021 Q4 Sample Sizes: Credit Standards

	Past 3 Months			Next 3 Months		
	GSE-Eligible	Non-GSE-Eligible	Government	GSE-Eligible	Non-GSE-Eligible	Government
<b>Total Lending Institutions</b>	<b>204</b>	<b>180</b>	<b>173</b>	<b>204</b>	<b>180</b>	<b>173</b>
Larger Institutions	58	54	55	58	55	55
Mid-sized Institutions	54	46	47	54	46	47
Smaller Institutions	92	79	72	92	79	72

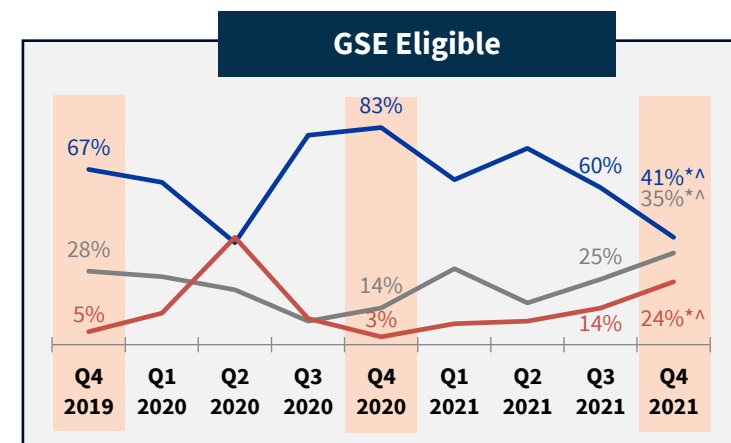


# Calculation of the “Total”

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 (Q4 2021)	Larger Institutions	Mid-sized Institutions	Smaller Institutions	Q4 “Total”
Go up	39%	39%	46%	<b>41% [(39% + 39% + 46%)/3]</b>
Stayed the same	47%	28%	29%	<b>35%</b>
Go down	13%	32%	24%	<b>24%</b>





# Appendix

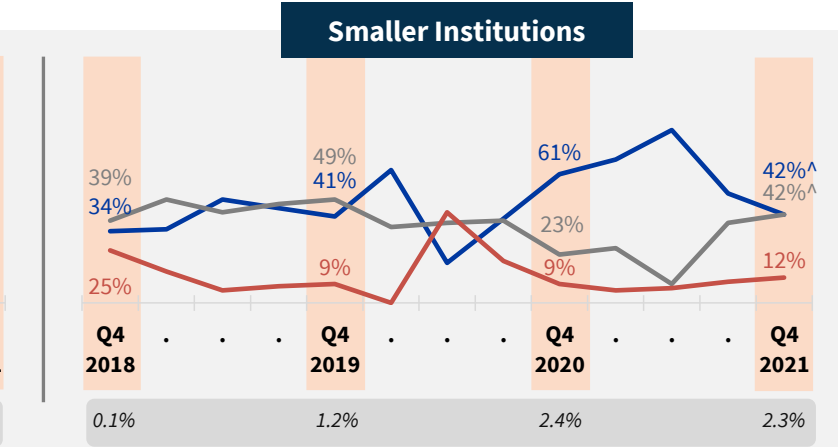
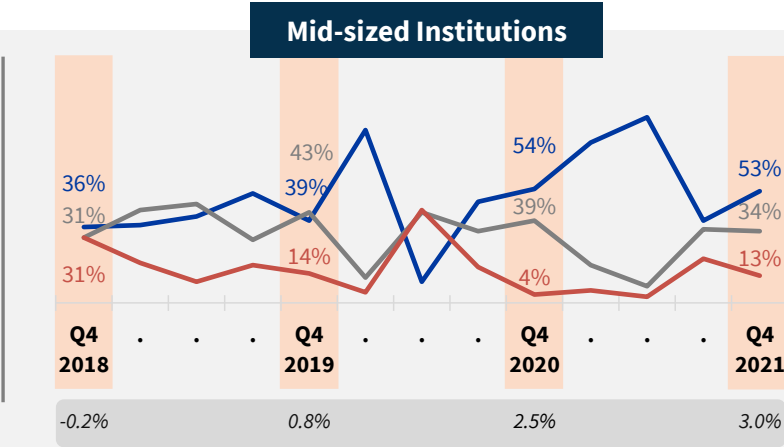
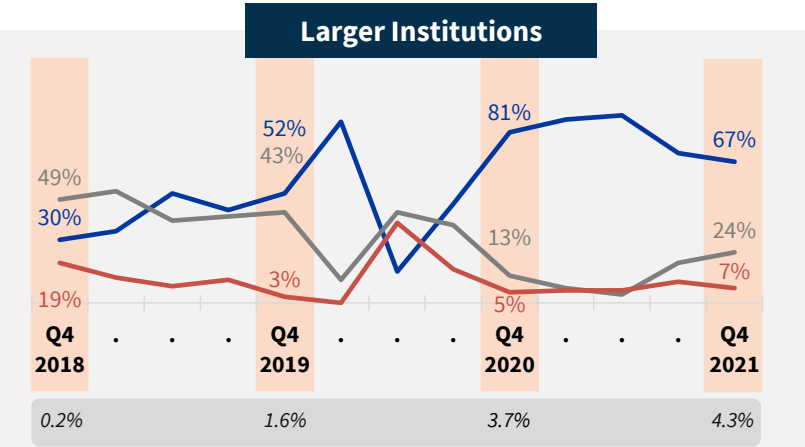
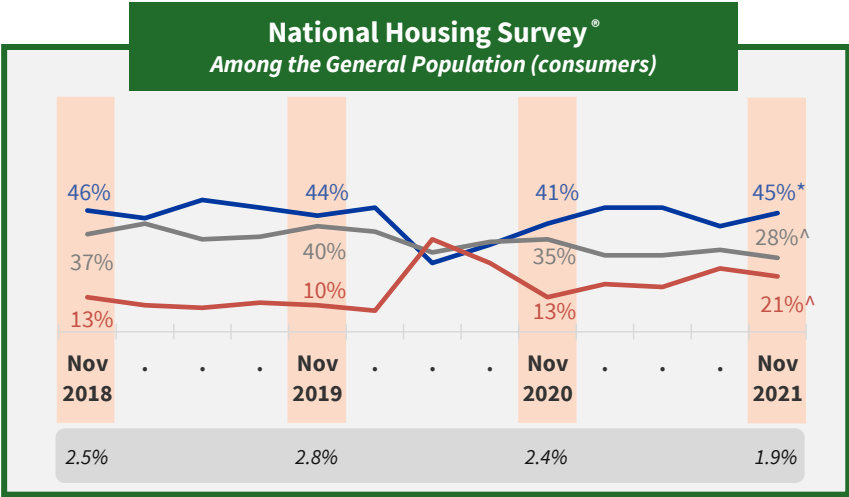
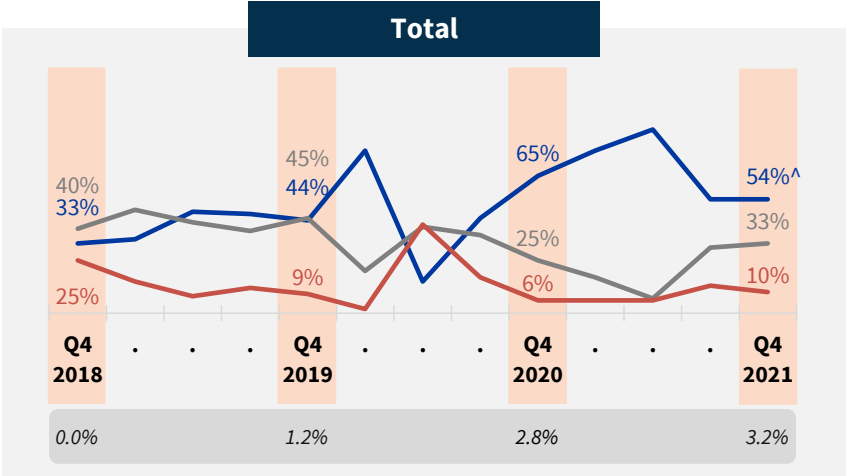
Survey Methodology Details.....	18
<b>Economic and Housing Sentiment.....</b>	<b>27</b>
Consumer Demand (Purchase Mortgages).....	30
Consumer Demand (Refinance Mortgages).....	43
Credit Standards.....	50
Profit Margin Outlook.....	58
Survey Question Text.....	64

# 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 Q3 2021 (previous quarter)  
<sup>^</sup> Denotes a statistically significant change compared with Q4 2020 (same quarter of last year)

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

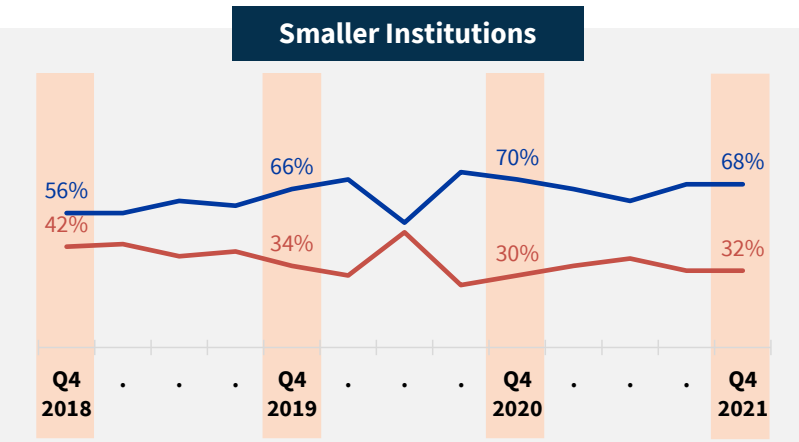
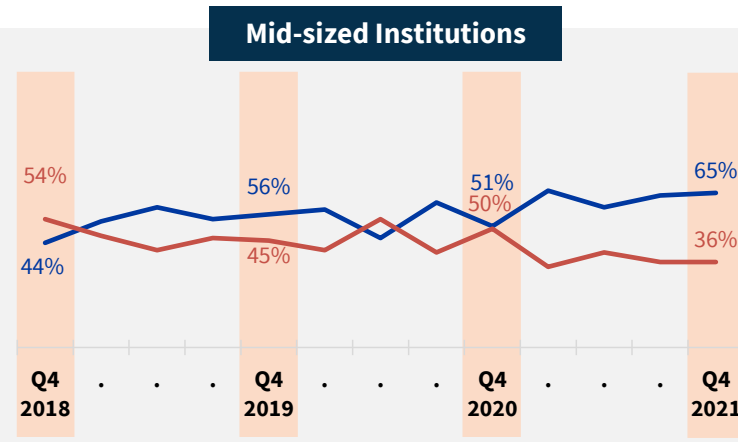
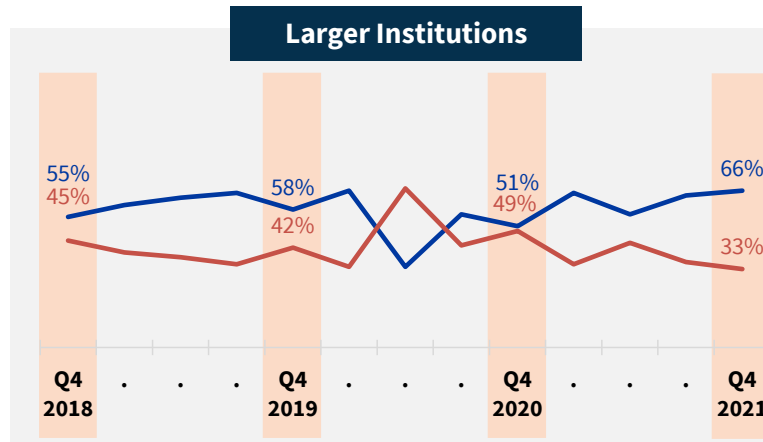
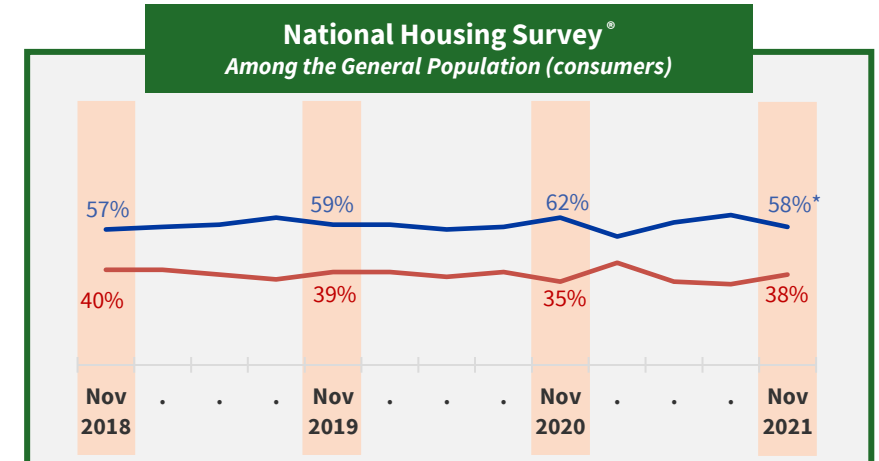
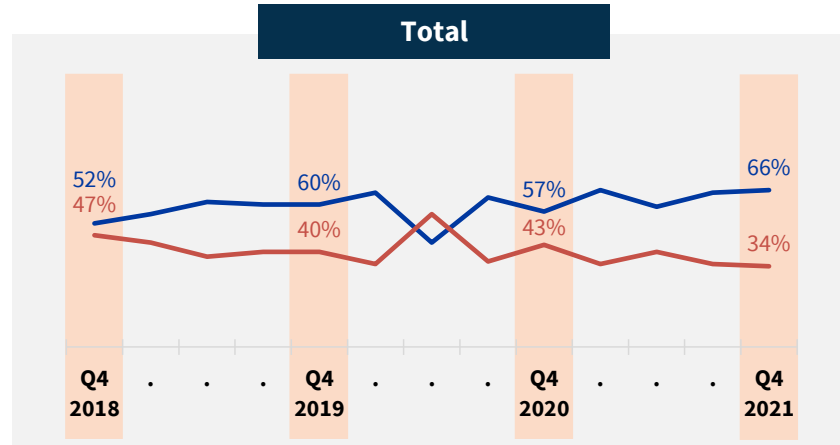


# Difficulty of Getting a Mortgage

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 Q3 2021 (previous quarter)  
^ Denotes a statistically significant change compared with Q4 2020 (same quarter of last year)

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





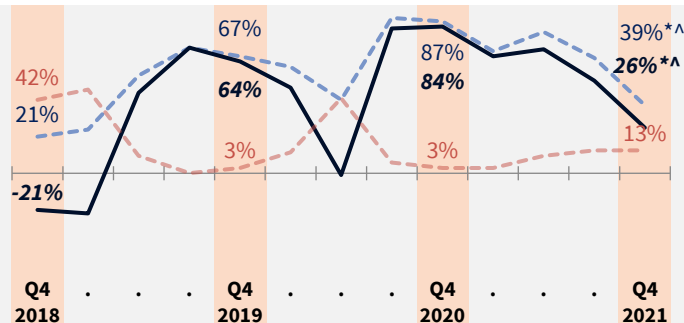
# Appendix

Survey Methodology Details.....	18
Economic and Housing Sentiment.....	27
<b>Consumer Demand (Purchase Mortgages).....</b>	<b>30</b>
Consumer Demand (Refinance Mortgages).....	43
Credit Standards.....	50
Profit Margin Outlook.....	58
Survey Question Text.....	64

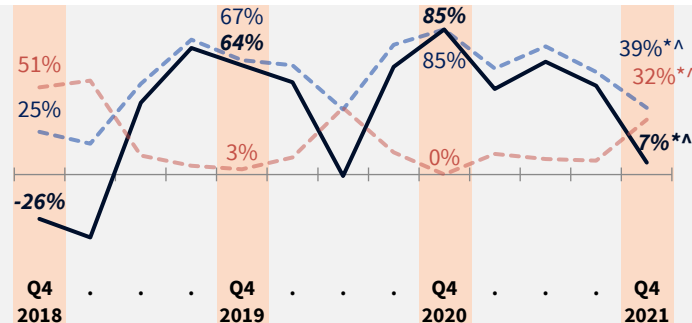
# Purchase Mortgage Demand: GSE-Eligible (by institution size)

**Past  
3 Months**

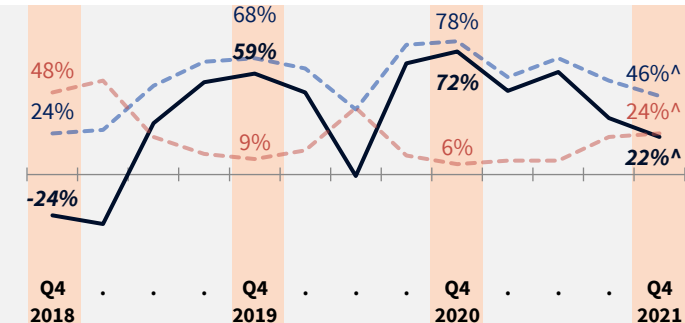
**Larger Institutions**



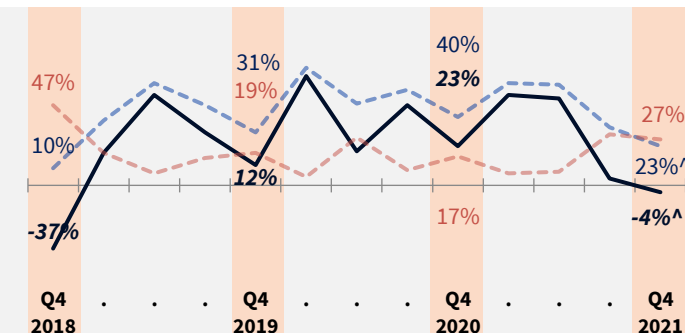
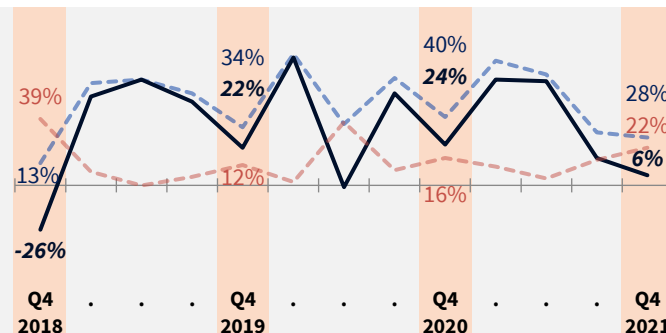
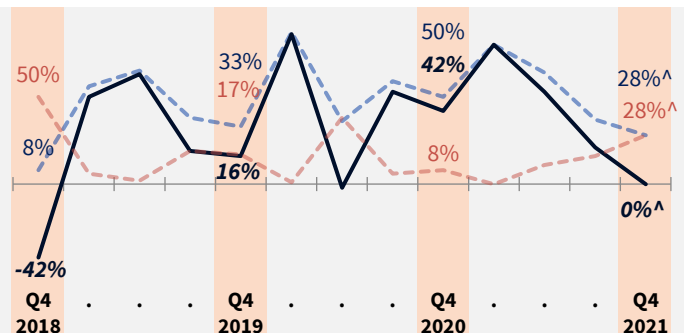
**Mid-sized Institutions**



**Smaller Institutions**



**Next  
3 Months**



--- Up  
--- Down  
— Net Up +

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 Q3 2021 (previous quarter)  
^ Denotes a statistically significant change compared with Q4 2020 (same quarter of last year)

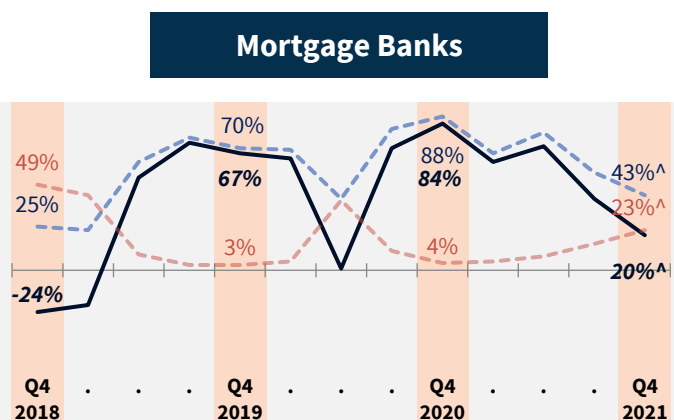
L/M/S - Denote a % is significantly higher than the annual loan origination volume group that the letter represents at the 95% confidence level

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

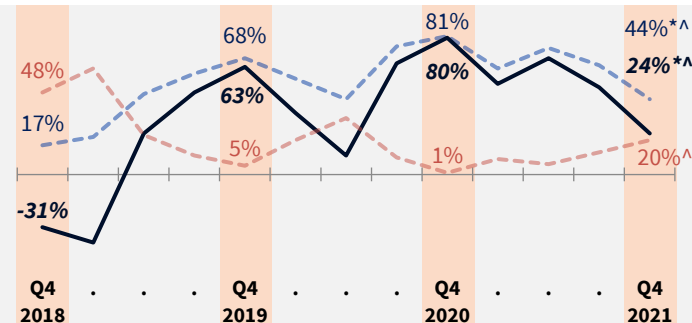


# Purchase Mortgage Demand: GSE-Eligible (by institution type)

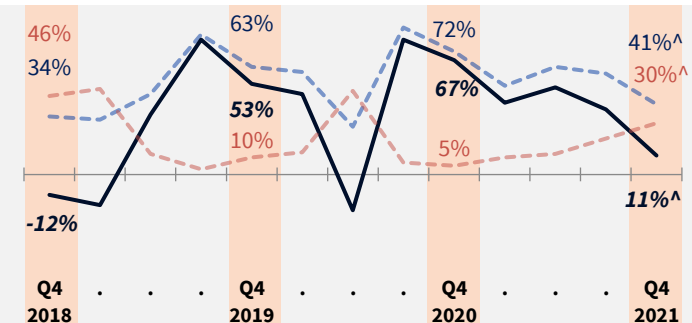
**Past  
3 Months**



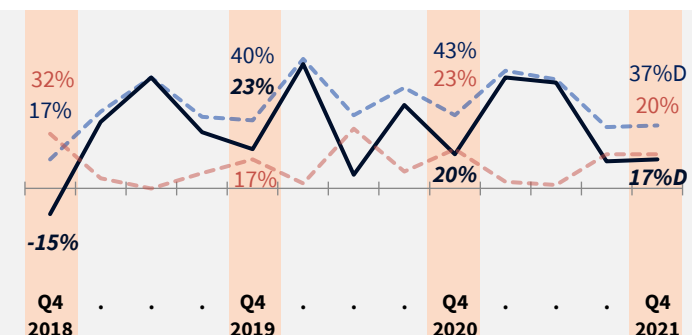
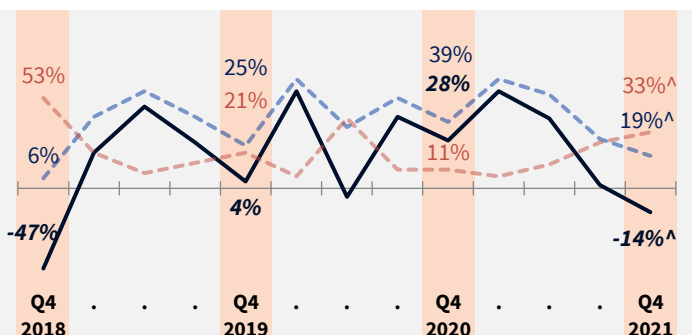
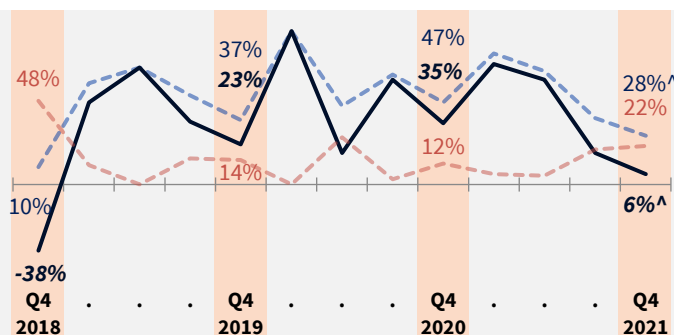
### Depository Institutions



### Credit Unions



**Next  
3 Months**



--- Up  
--- Down  
— Net Up +

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 Q3 2021 (previous quarter)  
^ Denotes a statistically significant change compared with Q4 2020 (same quarter of last year)

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

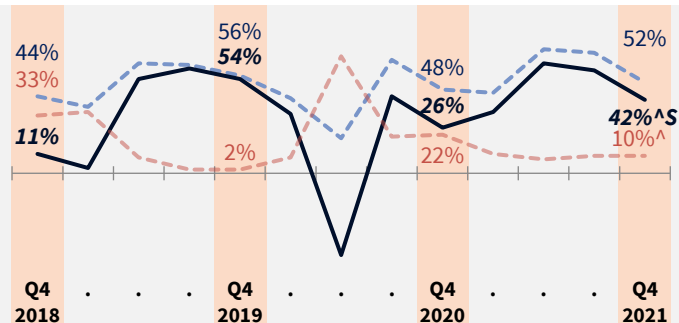




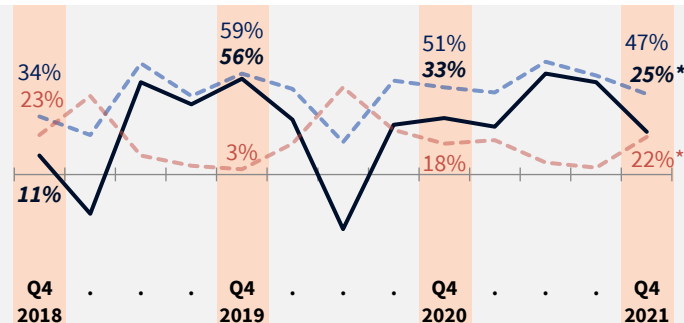
# Purchase Mortgage Demand: Non-GSE-Eligible (by institution size)

Past  
3 Months

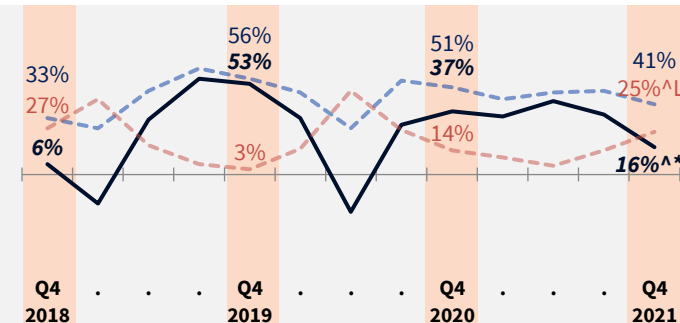
Larger Institutions



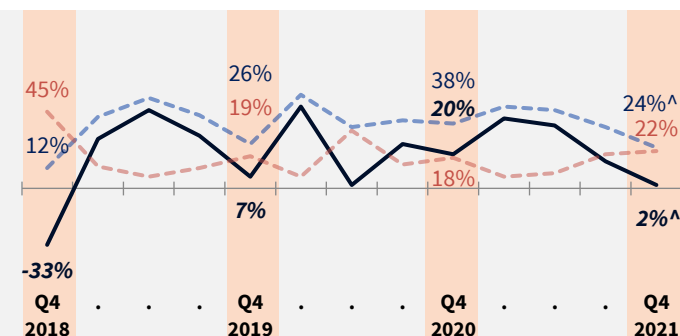
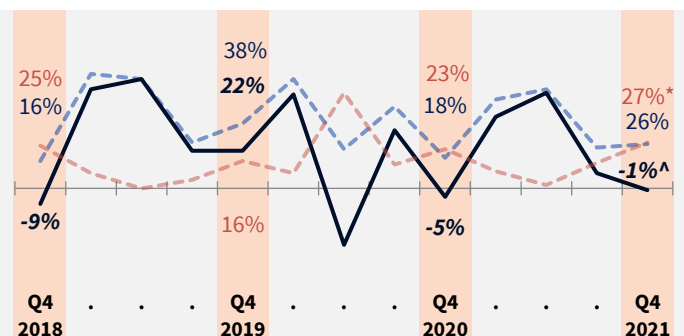
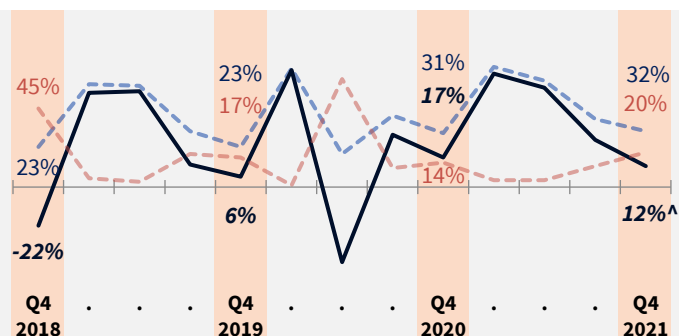
Mid-sized Institutions



Smaller Institutions



Next  
3 Months



--- Up  
--- Down  
— Net Up +

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 Q3 2021 (previous quarter)  
^ Denotes a statistically significant change compared with Q4 2020 (same quarter of last year)

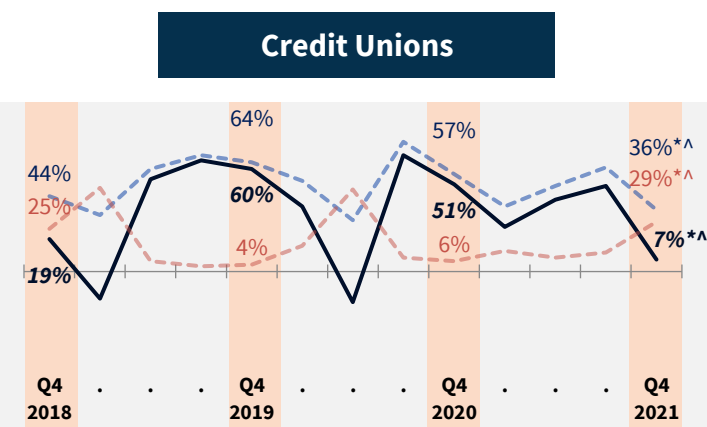
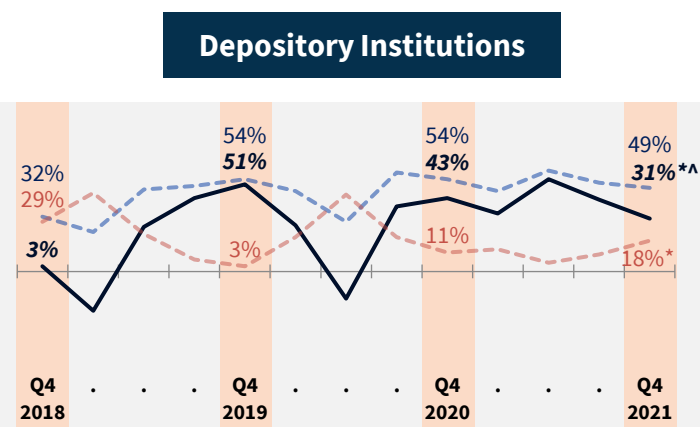
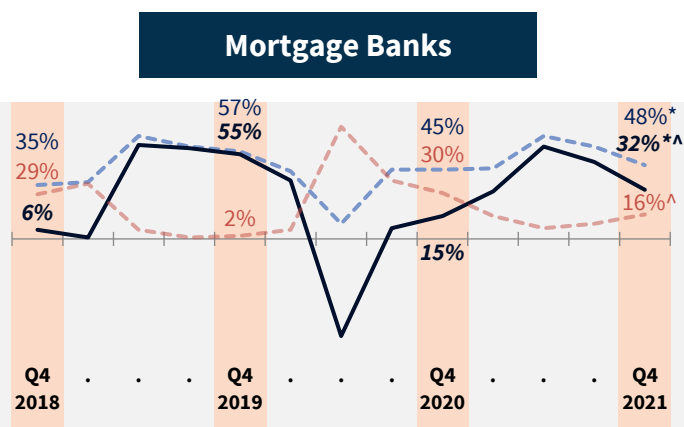
L/M/S - Denote a % is significantly higher than the annual loan origination volume group that the letter represents at the 95% confidence level

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

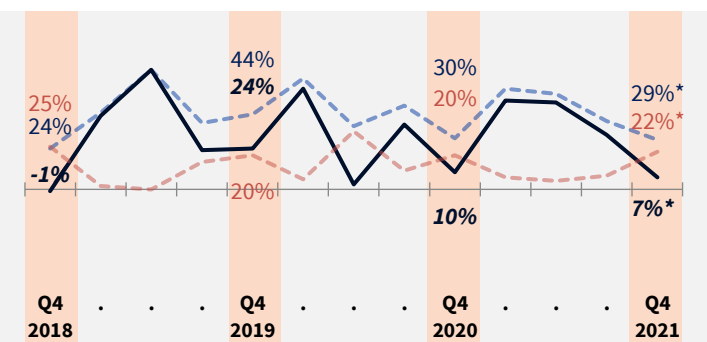
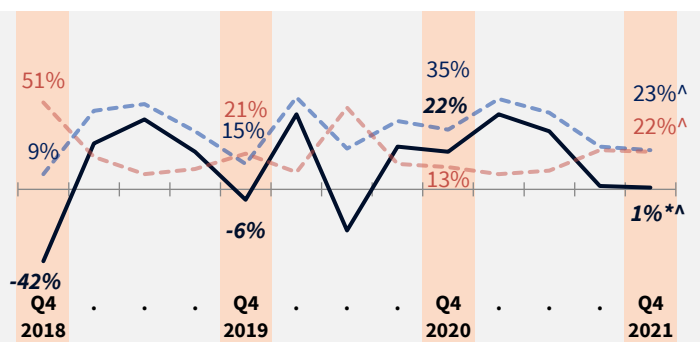
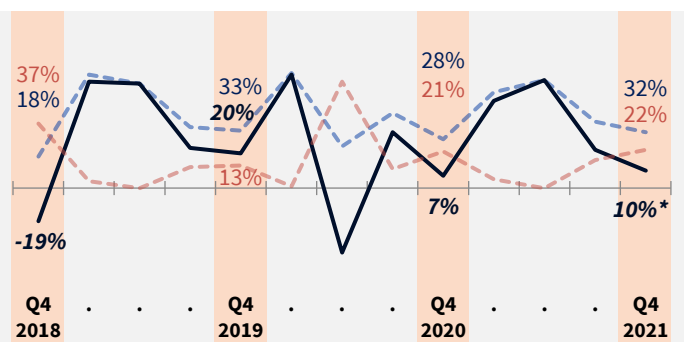


# Purchase Mortgage Demand: Non-GSE-Eligible (by institution type)

**Past  
3 Months**



**Next  
3 Months**



--- Up  
--- Down  
— Net Up +

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 Q3 2021 (previous quarter)  
^ Denotes a statistically significant change compared with Q4 2020 (same quarter of last year)

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

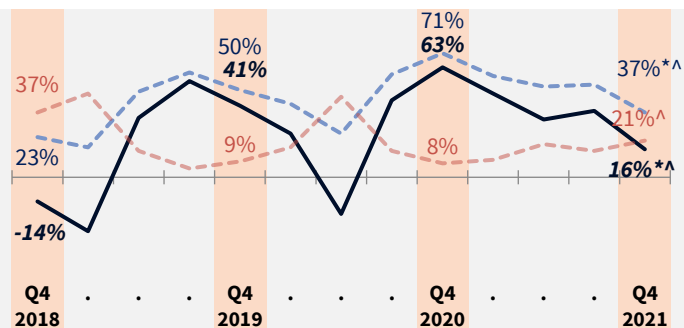
Net Up + = % of lenders saying up minus % of lenders saying down  
The % saying "stay the same" is not shown



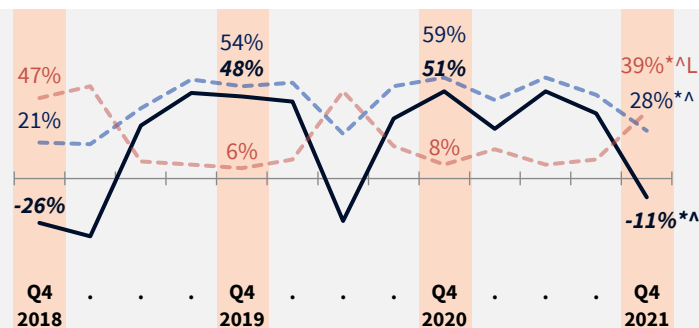
# Purchase Mortgage Demand: Government (by institution size)

**Past  
3 Months**

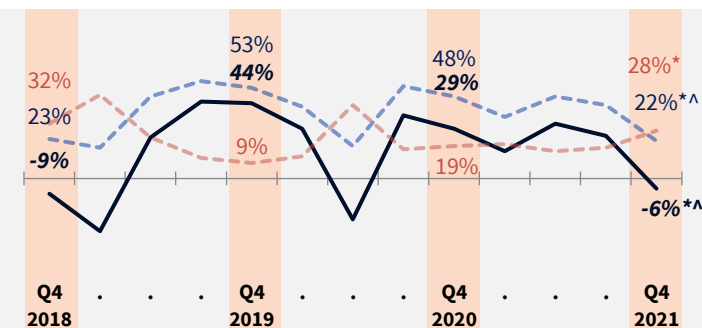
**Larger Institutions**



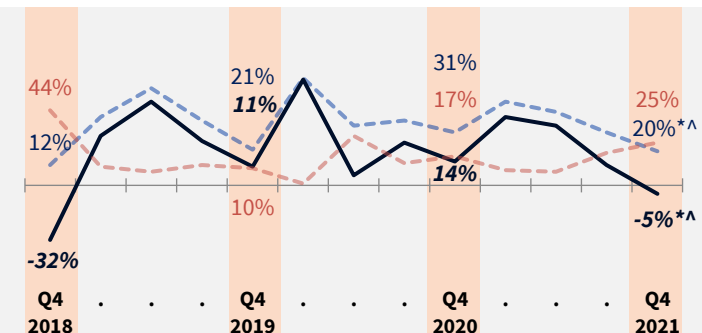
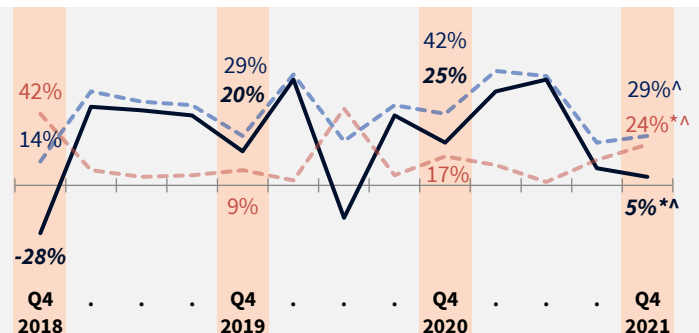
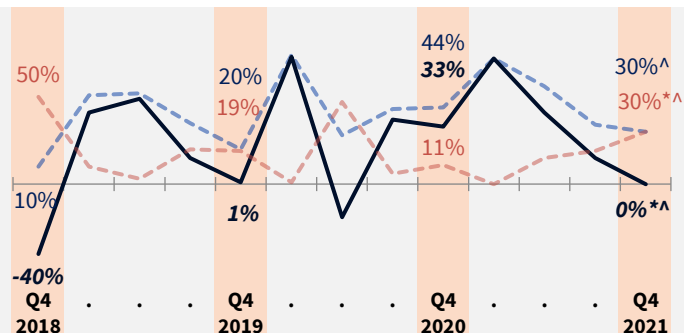
**Mid-sized Institutions**



**Smaller Institutions**



**Next  
3 Months**



--- Up  
--- Down  
— Net Up +

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 Q3 2021 (previous quarter)  
^ Denotes a statistically significant change compared with Q4 2020 (same quarter of last year)

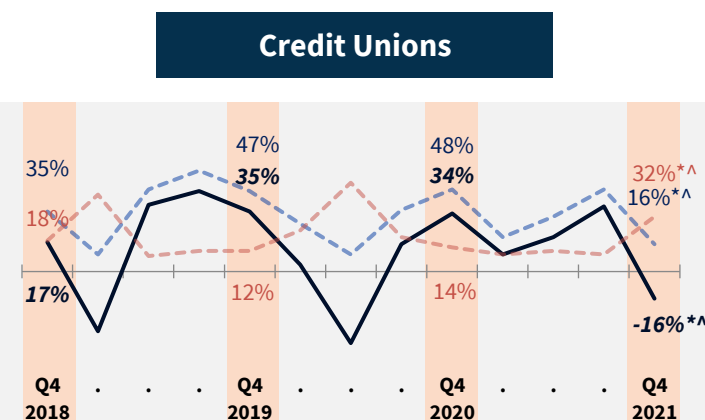
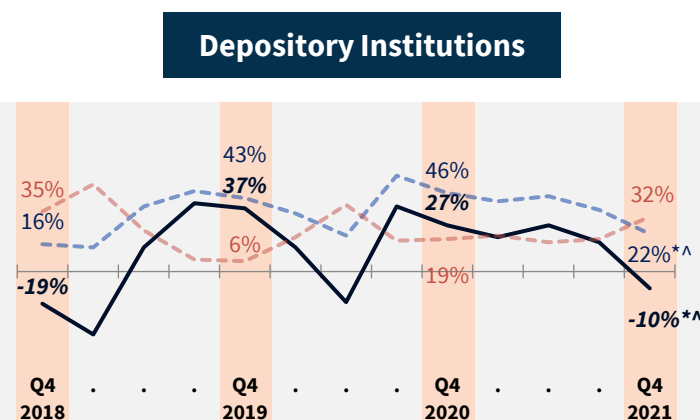
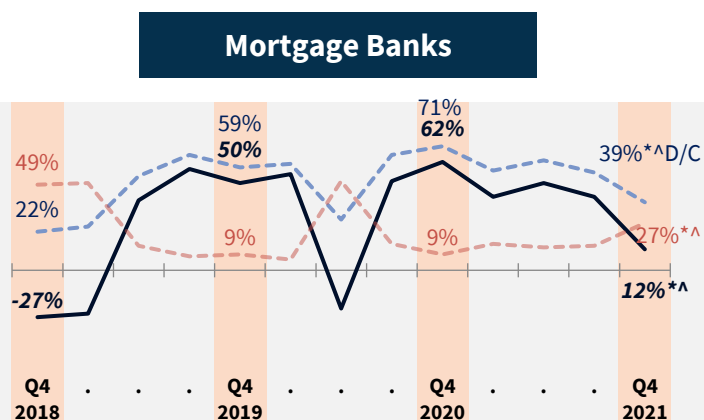
L/M/S - Denote a % is significantly higher than the annual loan origination volume group that the letter represents at the 95% confidence level

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

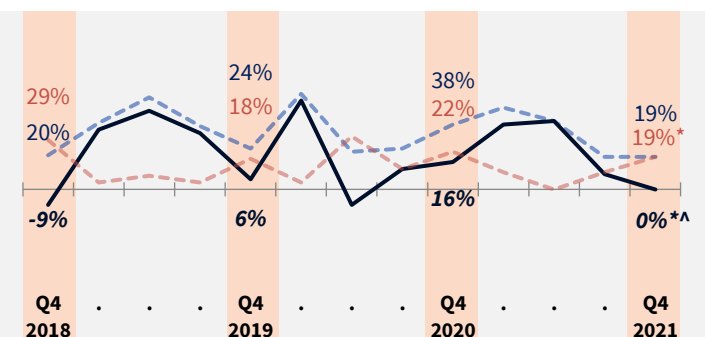
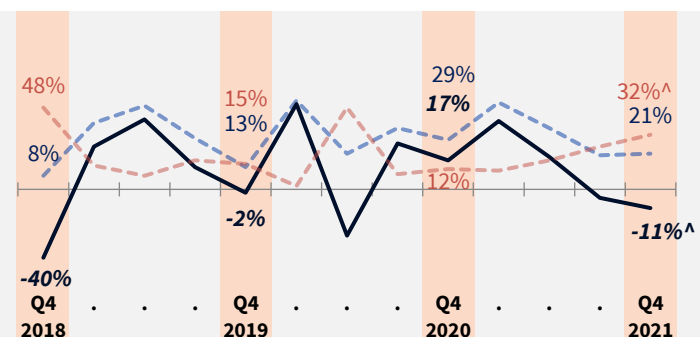
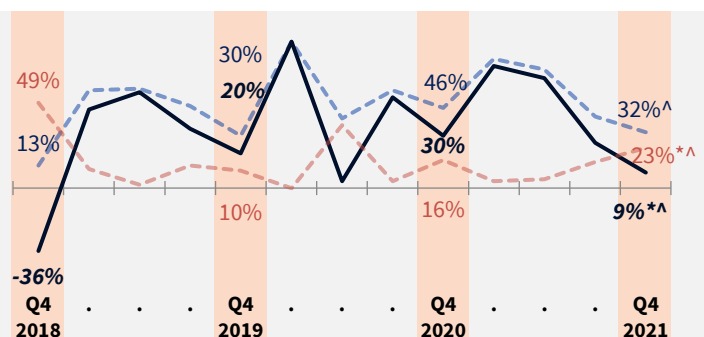


# Purchase Mortgage Demand: Government (by institution type)

**Past  
3 Months**



**Next  
3 Months**



--- Up  
--- Down  
— Net Up +

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 Q3 2021 (previous quarter)  
^ Denotes a statistically significant change compared with Q4 2020 (same quarter of last year)

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: Drivers of Change (selected verbatim)

## Past 3 Months

N=138

- Interest Rates
- Housing Supply
- Consumer Demand
- High Prices

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 interest rates, deferred purchases during COVID, home price increases of 20%." – *Larger Institution*

"The imbalance of demand versus supply and as more supply comes on the market the purchases have increased." – *Larger Institution*

"Housing demand higher than normal seasonal amount." – *Mid-sized Institution*

"Inventory of homes becoming available." – *Smaller Institution*

"Increasing interest rates, increasing home prices in our lending geography." – *Larger Institution*

"Home prices and bidding wars. After the initial wave of bidding wars, some consumers stepped away out of frustration or just affordability." – *Smaller Institution*

"Lack of home supply." – *Mid-sized 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)					<b>National Housing Survey</b> <i>Among the General Population (consumers)*</i>
	Total	Larger Institutions (L)	Mid-sized Institutions (M)	Smaller Institutions (S)	
N=	52	16	15	22	
Mortgage rates are favorable	60%	58%	66%	56%	39%
Economic conditions (e.g., employment) overall are favorable	24%	31%	7%	37%	8%
It is easy to qualify for a mortgage	7%	2%	13%	5%	8%
There are many homes available on the market	1%	0%	0%	2%	18%
Home prices are low	0%	0%	0%	0%	14%

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)					<b>National Housing Survey</b> <i>Among the General Population (consumers)**</i>
	Total	Larger Institutions (L)	Mid-sized Institutions (M)	Smaller Institutions (S)	
N=	52	16	12	24	
There are not many homes available on the market	44%	33%	50%	51%	8%
Home prices are high	30%	21%	38%	35%	59%
Economic conditions (e.g., employment) overall are not favorable	7%	15%	0%	6%	20%
Mortgage rates are not favorable	4%	6%	0%	4%	4%
It is difficult to qualify for a mortgage	0%	0%	0%	0%	3%

\*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)					<b>National Housing Survey</b> <i>Among the General Population (consumers)*</i>
	Total	Larger Institutions (L)	Mid-sized Institutions (M)	Smaller Institutions (S)	
N=	50	18	12	20	
Mortgage rates are favorable	47%	46%	60%	36%	39%
Economic conditions (e.g., employment) overall are favorable	18%	22%	0%	31%	8%
It is easy to qualify for a mortgage	11%	11%	8%	13%	8%
Home prices are low	6%	8%	8%	0%	14%
There are many homes available on the market	4%	0%	8%	5%	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)					<b>National Housing Survey</b> <i>Among the General Population (consumers)**</i>
	Total	Larger Institutions (L)	Mid-sized Institutions (M)	Smaller Institutions (S)	
N=	42	12	12	18	
There are not many homes available on the market	38%	29%	32%	56%	8%
Home prices are high	30%	14%	52%	19%	59%
Economic conditions (e.g., employment) overall are not favorable	7%	9%	0%	14%	20%
Mortgage rates are not favorable	4%	9%	4%	0%	3%
It is difficult to qualify for a mortgage	0%	0%	0%	0%	4%

\*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)					<b>National Housing Survey</b> <i>Among the General Population (consumers)*</i>
	Total	Larger Institutions (L)	Mid-sized Institutions (M)	Smaller Institutions (S)	
N=	45	16	14	14	
Mortgage rates are favorable	55%	55%	64%	41%	39%
Economic conditions (e.g., employment) overall are favorable	18%	18%	7%	34%	8%
It is easy to qualify for a mortgage	7%	6%	7%	7%	8%
There are many homes available on the market	3%	0%	7%	3%	18%
Home prices are low	3%	0%	0%	14%	14%

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)					<b>National Housing Survey</b> <i>Among the General Population (consumers)**</i>
	Total	Larger Institutions (L)	Mid-sized Institutions (M)	Smaller Institutions (S)	
N=	46	16	12	18	
There are not many homes available on the market	44%	40%	35%	59%	8%
Home prices are high	31%	17%	57%	22%	59%
Economic conditions (e.g., employment) overall are not favorable	10%	18%	0%	8%	20%
It is difficult to qualify for a mortgage	2%	0%	0%	5%	4%
Mortgage rates are not favorable	0%	0%	0%	0%	3%

\*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, though the share of lenders citing this is significantly lower than Q4 2020 for GSE-eligible loans.

GSE-Eligible N=	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021
	21	88	128	80	54	139	93	106	85	148	138	64	52
Mortgage rates are favorable	16%	79%	89%	98%	90%	96%	99%	97%	98%	95%	92%	95%	87%^
Economic conditions (e.g., employment) overall are favorable	88%	76%	73%	82%	76%	84%	29%	27%	51%	50%	79%	58%	63%
It is easy to qualify for a mortgage	28%	6%	8%	7%	6%	4%	19%	27%	13%	17%	5%	15%	23%
There are many homes available on the market	24%	22%	20%	9%	18%	5%	13%	13%	7%	11%	7%	16%	4%
Home prices are low	6%	2%	5%	1%	3%	3%	14%	9%	8%	3%	1%	0%	4%

Non-GSE-Eligible N=	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021
	31	88	110	59	41	101	55	69	54	106	105	58	50
Mortgage rates are favorable	24%	72%	73%	85%	80%	77%	90%	96%	87%	94%	89%	81%	78%
Economic conditions (e.g., employment) overall are favorable	63%	64%	70%	68%	69%	86%	34%	33%	52%	58%	72%	56%	63%
It is easy to qualify for a mortgage	40%	19%	20%	22%	16%	15%	15%	21%	17%	17%	14%	26%	25%
There are many homes available on the market	17%	18%	16%	10%	16%	4%	12%	9%	9%	5%	5%	10%	9%
Home prices are low	4%	2%	6%	4%	2%	5%	22%	16%	5%	3%	1%	3%	8%

Government N=	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021
	21	74	98	61	32	104	60	64	62	112	100	47	45
Mortgage rates are favorable	28%	70%	80%	90%	82%	92%	97%	90%	92%	92%	85%	87%	80%
Economic conditions (e.g., employment) overall are favorable	65%	73%	71%	82%	76%	78%	31%	39%	46%	43%	76%	67%	66%^
It is easy to qualify for a mortgage	55%	22%	18%	8%	21%	12%	24%	30%	25%	27%	19%	13%	18%
There are many homes available on the market	20%	14%	19%	8%	14%	5%	6%	11%	2%	7%	5%	11%	7%
Home prices are low	0%	5%	7%	7%	0%	3%	17%	9%	3%	7%	3%	1%	7%

\*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 Q3 2021 (previous quarter)  
^ Denotes a statistically significant change compared with Q4 2020 (same quarter of last year)



# Downward Purchase Demand Outlook Drivers

This quarter, lenders now cite lack of homes available on the market as the top reason for driving down expected demand across all loan types. High home prices is the second top reason, at a significantly higher level compared to Q4 2020 across all loan types.

<b>GSE-Eligible</b>	<b>Q4 2018</b>	<b>Q1 2019</b>	<b>Q2 2019</b>	<b>Q3 2019</b>	<b>Q4 2019</b>	<b>Q1 2020</b>	<b>Q2 2020</b>	<b>Q3 2020</b>	<b>Q4 2020</b>	<b>Q1 2021</b>	<b>Q2 2021</b>	<b>Q3 2021</b>	<b>Q4 2021</b>
<i>N=</i>	95	24	8	25	28	7	76	15	30	12	16	43	52
There are not many homes available on the market	45%	57%	75%	71%	72%	85%	33%	66%	68%	65%	78%	72%	72%
Home prices are high	62%	65%	75%	66%	51%	89%	17%	22%	35%	34%	71%	79%	61%^
Economic conditions (e.g., employment) overall are not favorable	11%	30%	24%	17%	3%	0%	92%	86%	56%	71%	18%	21%	24%^
Mortgage rates are not favorable	64%	22%	12%	3%	28%	0%	2%	0%	7%	5%	27%	10%	21%
It is difficult to qualify for a mortgage	3%	6%	0%	7%	3%	13%	34%	9%	10%	14%	0%	9%	0%

<b>Non-GSE-Eligible</b>	<b>Q4 2018</b>	<b>Q1 2019</b>	<b>Q2 2019</b>	<b>Q3 2019</b>	<b>Q4 2019</b>	<b>Q1 2020</b>	<b>Q2 2020</b>	<b>Q3 2020</b>	<b>Q4 2020</b>	<b>Q1 2021</b>	<b>Q2 2021</b>	<b>Q3 2021</b>	<b>Q4 2021</b>
<i>N=</i>	76	17	8	21	26	10	100	22	32	14	10	28	42
There are not many homes available on the market	41%	38%	62%	52%	72%	66%	21%	56%	58%	45%	86%	66%	68%
Home prices are high	60%	70%	80%	75%	45%	61%	12%	20%	27%	35%	75%	76%	61%^
Economic conditions (e.g., employment) overall are not favorable	9%	36%	26%	18%	0%	0%	85%	67%	45%	62%	0%	22%	24%
Mortgage rates are not favorable	70%	26%	13%	8%	19%	17%	10%	6%	24%	10%	12%	17%	15%
It is difficult to qualify for a mortgage	6%	17%	0%	6%	19%	32%	46%	28%	26%	30%	19%	10%	6%^

<b>Government</b>	<b>Q4 2018</b>	<b>Q1 2019</b>	<b>Q2 2019</b>	<b>Q3 2019</b>	<b>Q4 2019</b>	<b>Q1 2020</b>	<b>Q2 2020</b>	<b>Q3 2020</b>	<b>Q4 2020</b>	<b>Q1 2021</b>	<b>Q2 2021</b>	<b>Q3 2021</b>	<b>Q4 2021</b>
<i>N=</i>	81	16	10	20	18	3	79	13	26	12	16	27	46
There are not many homes available on the market	46%	37%	44%	69%	72%	100%	26%	63%	58%	58%	77%	63%	75%
Home prices are high	51%	51%	72%	60%	48%	100%	16%	28%	33%	25%	48%	85%	65%^
Economic conditions (e.g., employment) overall are not favorable	15%	17%	17%	21%	5%	0%	93%	85%	59%	48%	4%	17%	22%^
Mortgage rates are not favorable	64%	37%	22%	0%	13%	0%	8%	0%	16%	28%	33%	17%	16%
It is difficult to qualify for a mortgage	8%	20%	30%	11%	7%	0%	37%	14%	20%	21%	19%	10%	2%^

\*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**)

\* Denotes a statistically significant change compared with Q3 2021 (previous quarter)  
^ Denotes a statistically significant change compared with Q4 2020 (same quarter of last year)



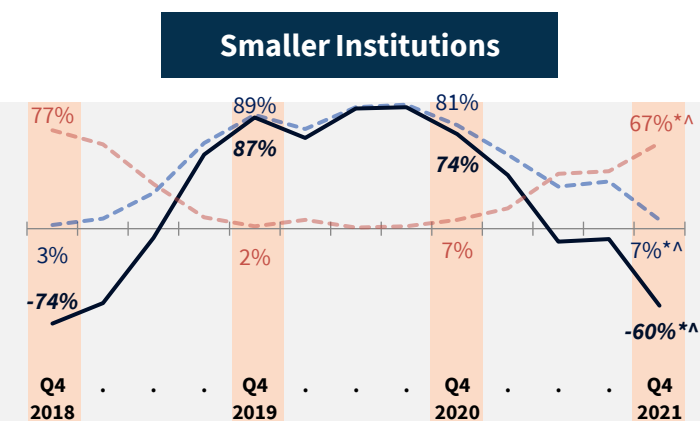
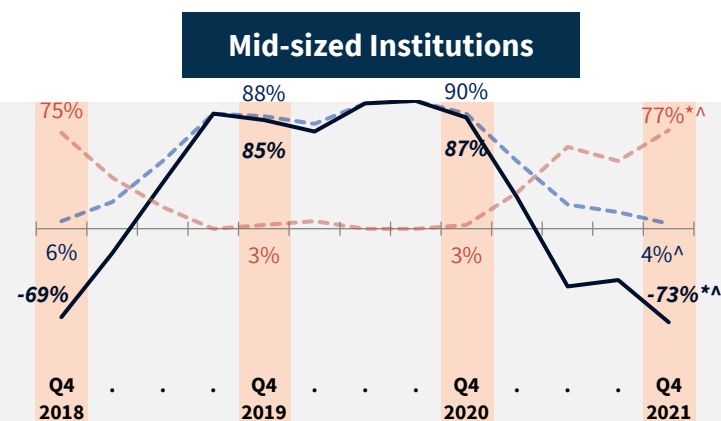
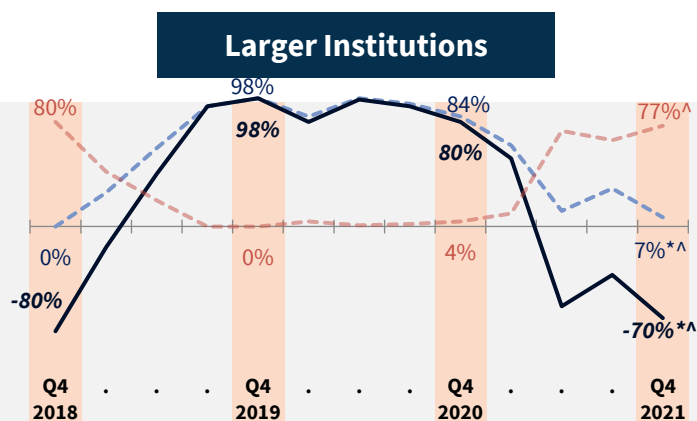


# Appendix

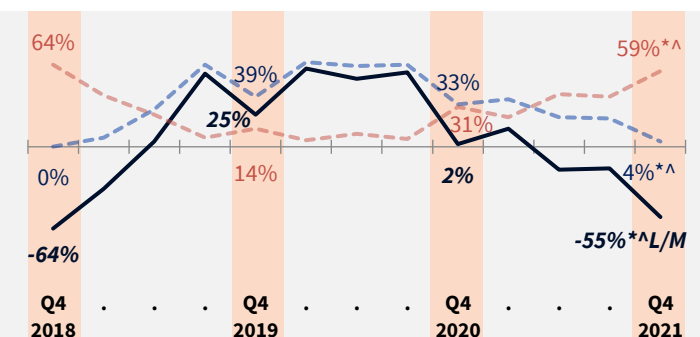
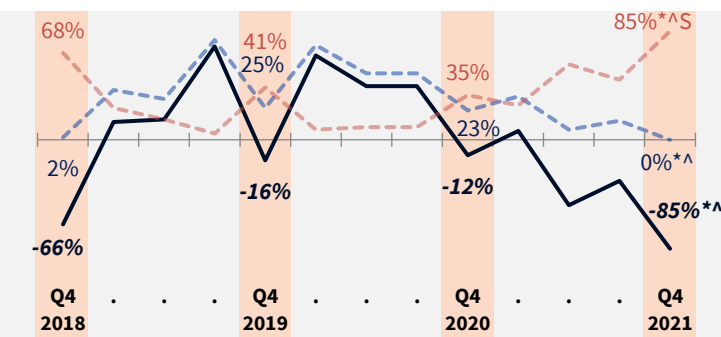
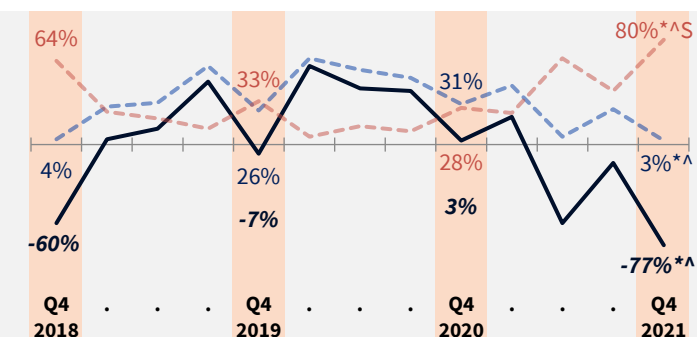
Survey Methodology Details.....	18
Economic and Housing Sentiment.....	27
Consumer Demand (Purchase Mortgages).....	30
<b>Consumer Demand (Refinance Mortgages).....</b>	<b>43</b>
Credit Standards.....	50
Profit Margin Outlook.....	58
Survey Question Text.....	64

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

**Past  
3 Months**



**Next  
3 Months**



--- Up  
--- Down  
— Net Up +

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

\* Denotes a statistically significant change compared with Q3 2021 (previous quarter)  
^ Denotes a statistically significant change compared with Q4 2020 (same quarter of last year)

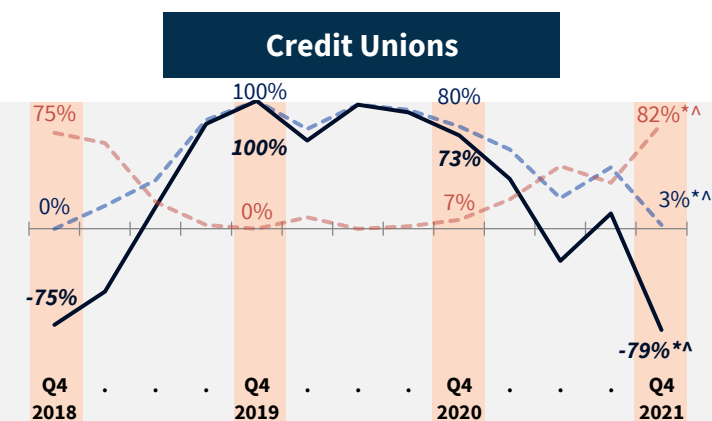
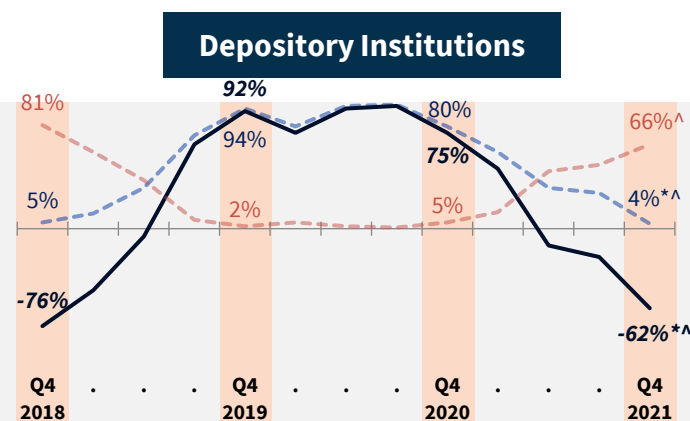
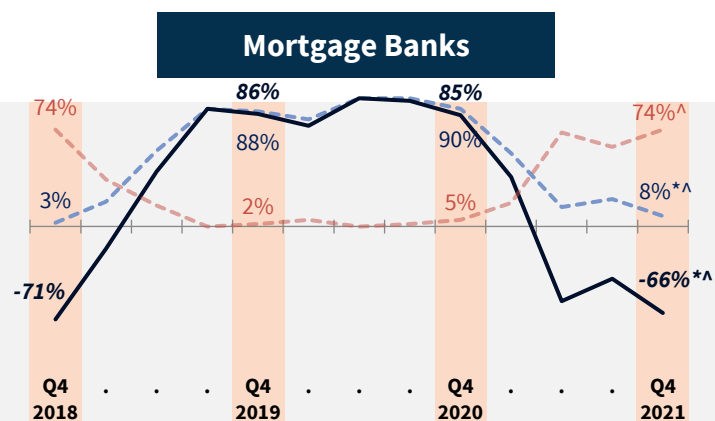
L/M/S - Denote a % is significantly higher than the annual loan origination volume group that the letter represents at the 95% confidence level

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

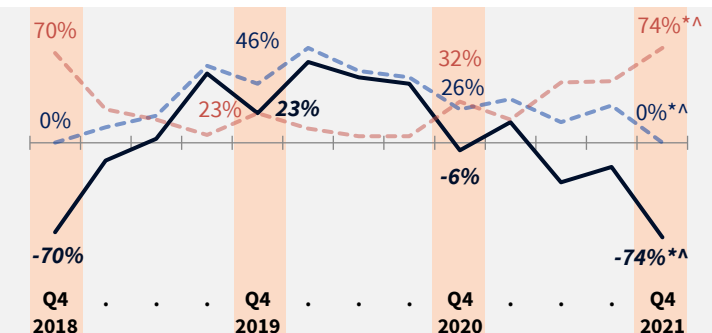
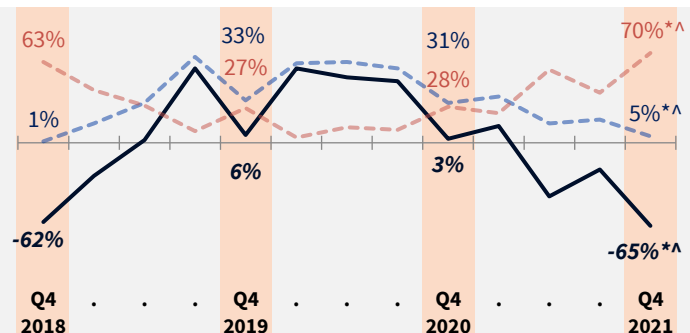
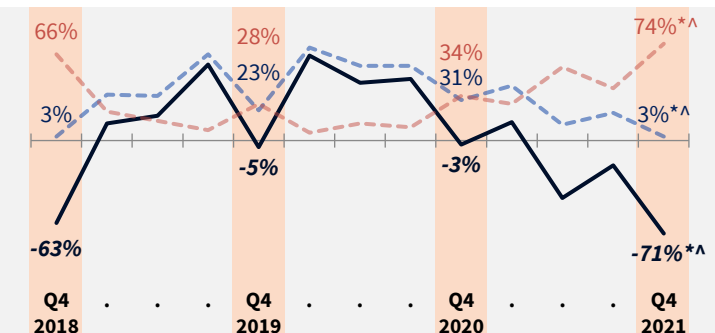


# Refinance Mortgage Demand: GSE-Eligible (by institution type)

**Past  
3 Months**



**Next  
3 Months**



--- Up  
--- Down  
— Net Up +

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

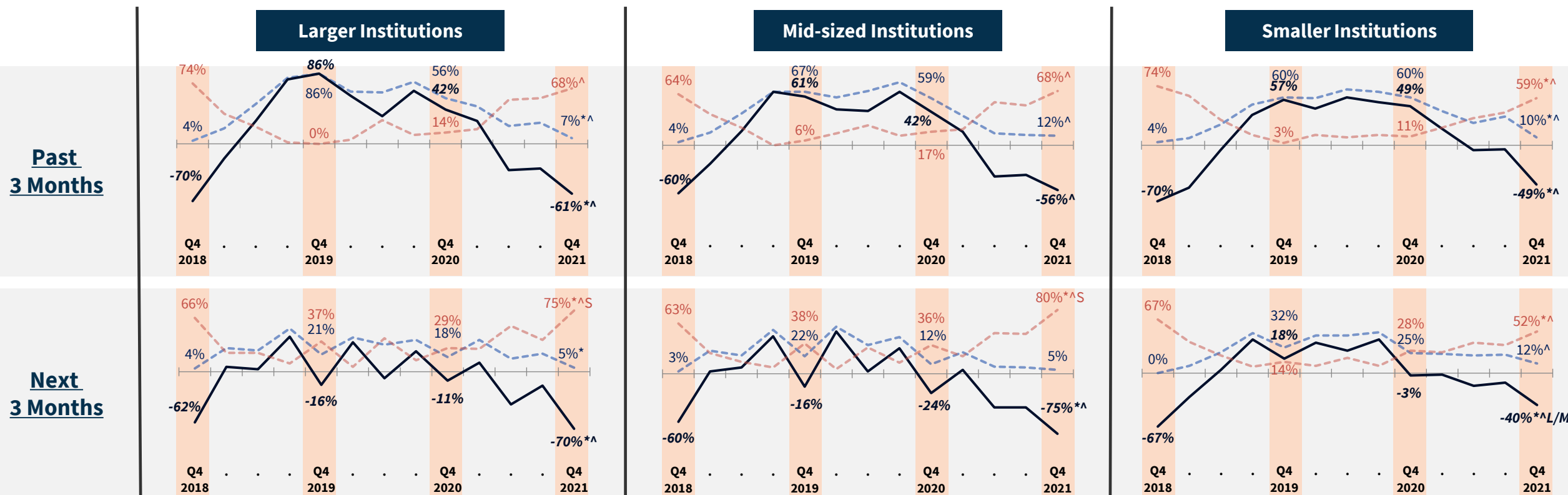
\* Denotes a statistically significant change compared with Q3 2021 (previous quarter)  
^ Denotes a statistically significant change compared with Q4 2020 (same quarter of last year)

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)



--- Up  
--- Down  
— Net Up +

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

\* Denotes a statistically significant change compared with Q3 2021 (previous quarter)  
^ Denotes a statistically significant change compared with Q4 2020 (same quarter of last year)

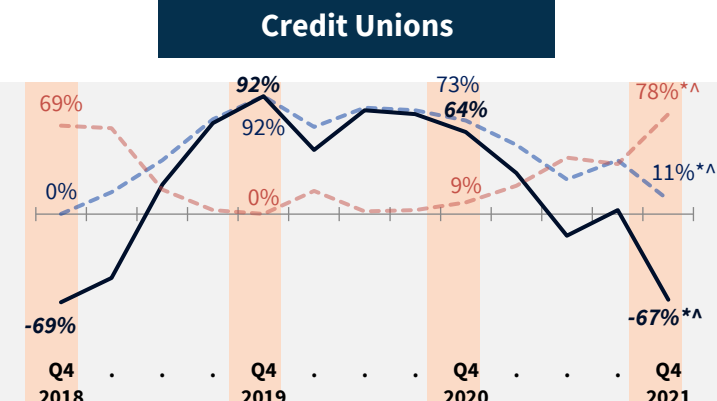
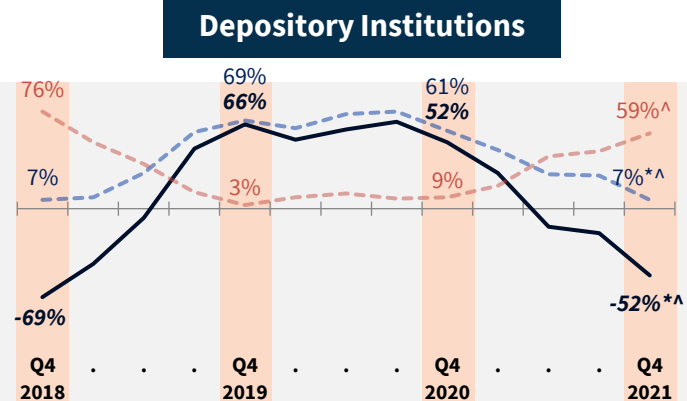
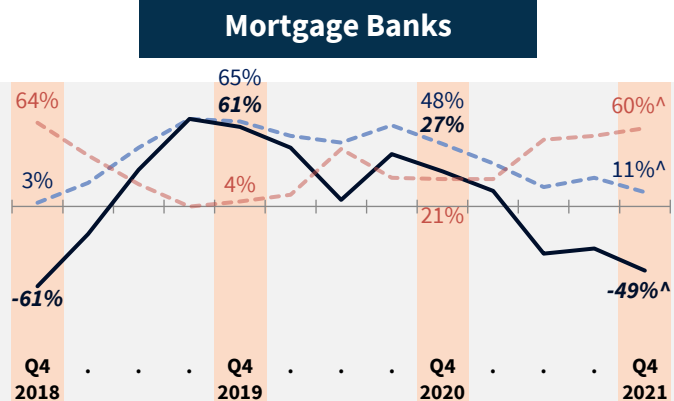
L/M/S - Denote a % is significantly higher than the annual loan origination volume group that the letter represents at the 95% confidence level

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

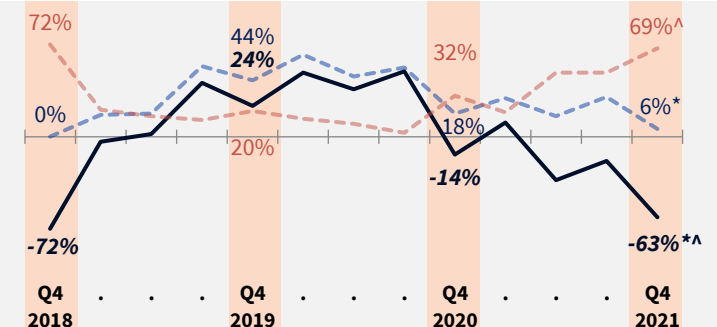
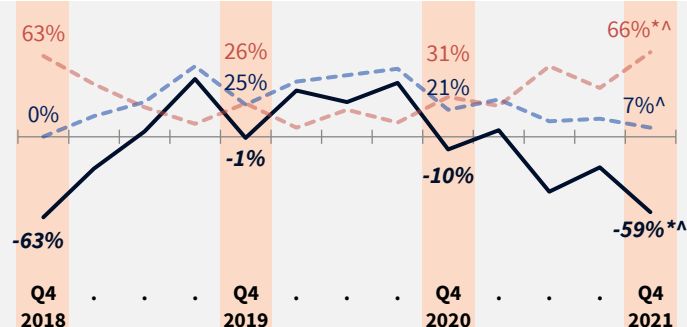
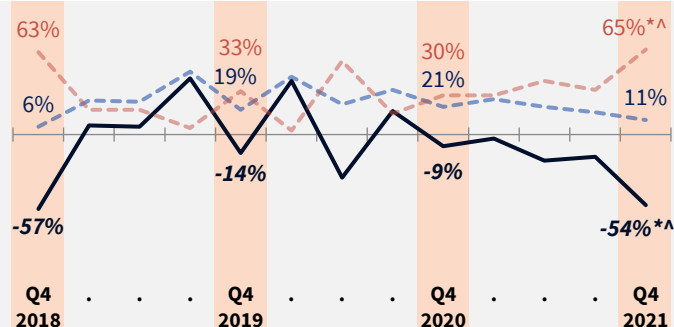


# Refinance Mortgage Demand: Non-GSE-Eligible (by institution type)

Past  
3 Months



Next  
3 Months



--- Up  
--- Down  
— Net Up +

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

\* Denotes a statistically significant change compared with Q3 2021 (previous quarter)  
^ Denotes a statistically significant change compared with Q4 2020 (same quarter of last year)

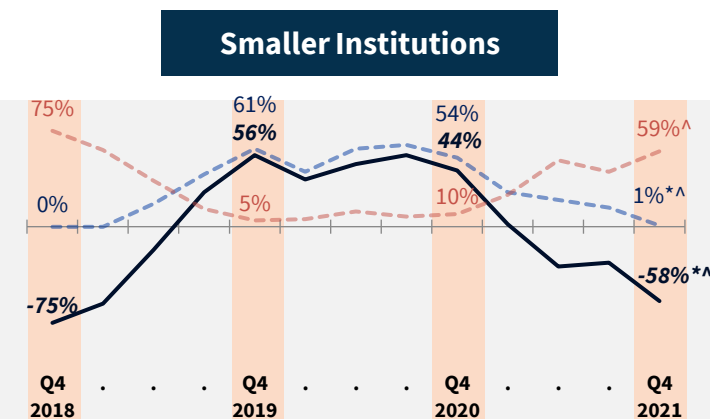
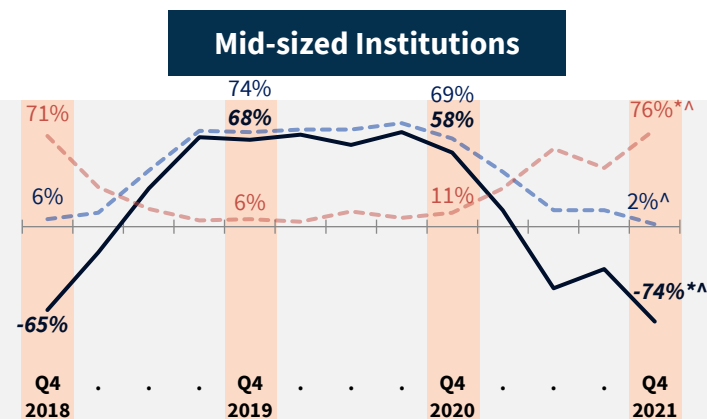
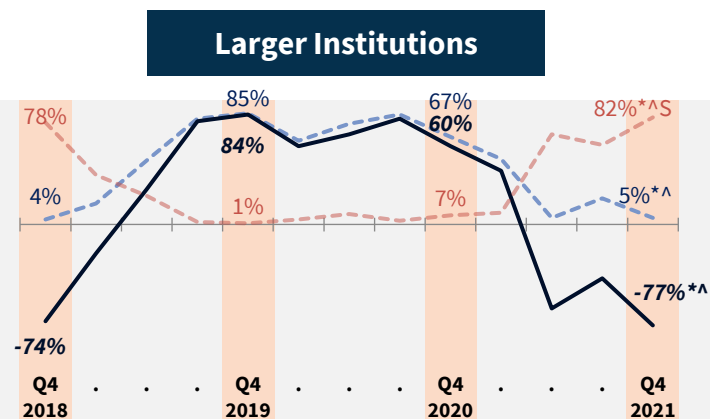
M/D/C - Denote a % is significantly higher than the institution type group that the letter represents at the 95% confidence level

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

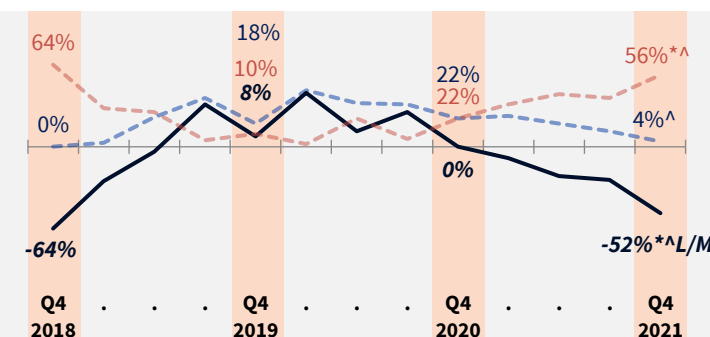
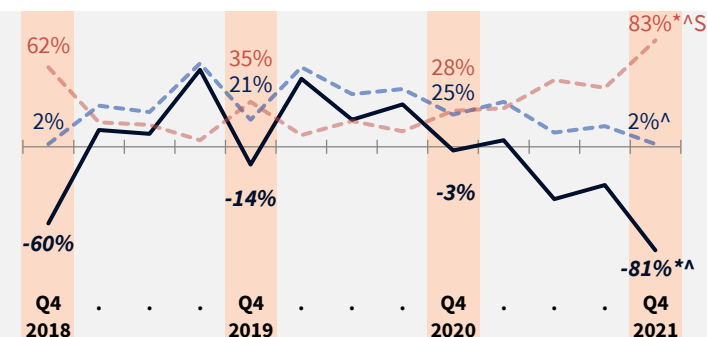
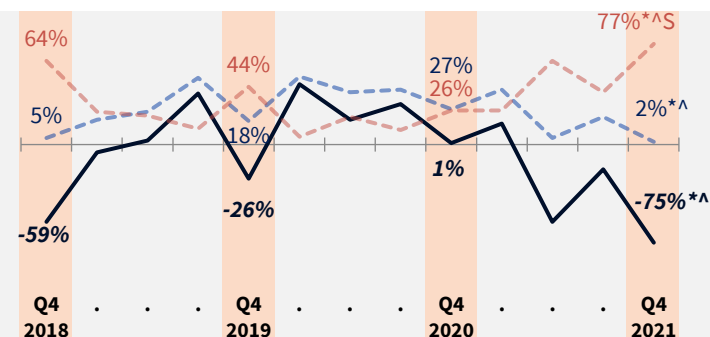


# Refinance Mortgage Demand: Government (by institution size)

**Past  
3 Months**



**Next  
3 Months**



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

\* Denotes a statistically significant change compared with Q3 2021 (previous quarter)  
 ^ Denotes a statistically significant change compared with Q4 2020 (same quarter of last year)

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

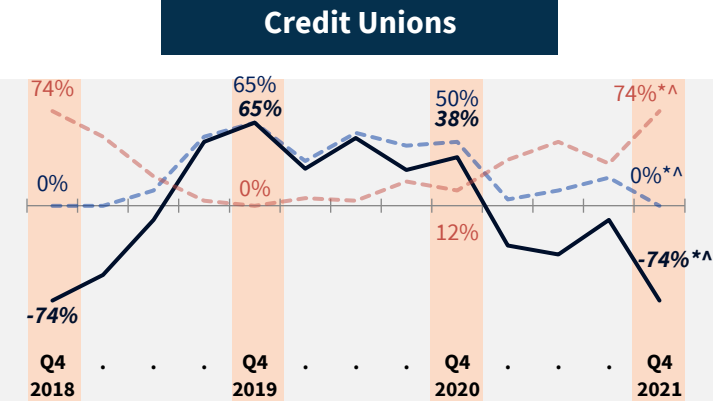
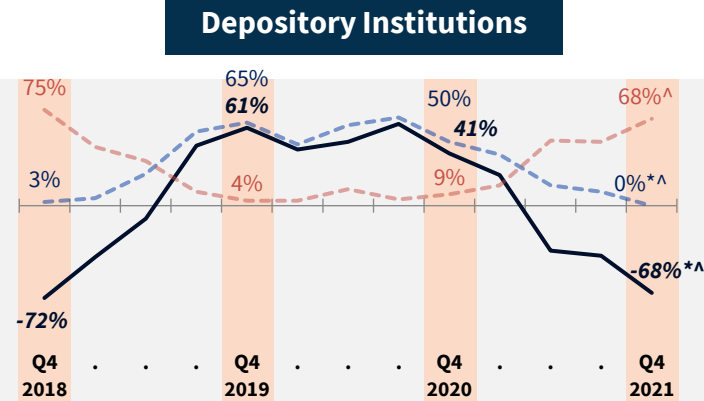
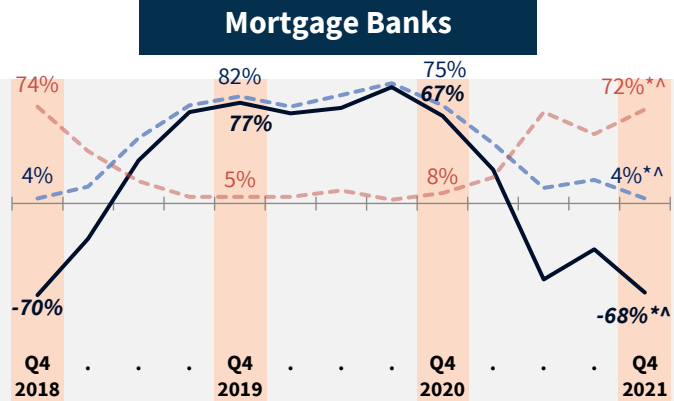
Net Up + = % of lenders saying up minus % of lenders saying down  
 The % saying "stay the same" is not shown



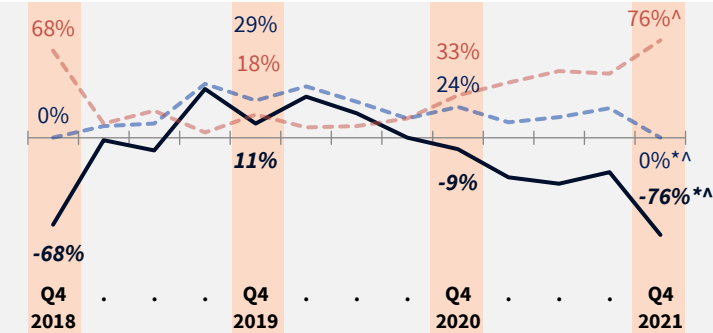
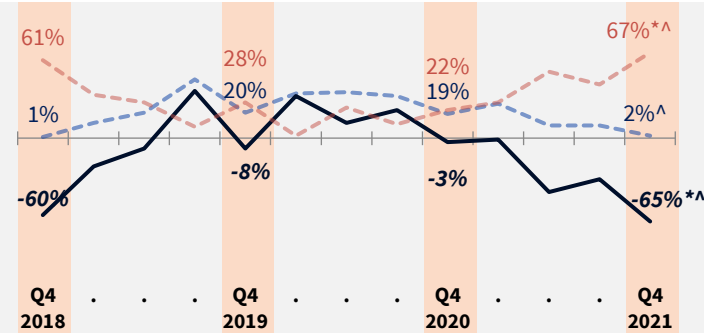
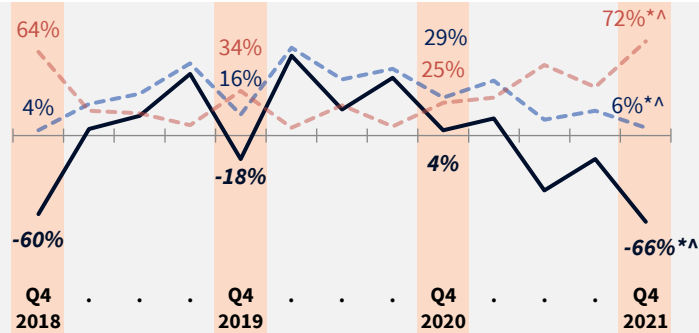


# Refinance Mortgage Demand: Government (by institution type)

Past  
3 Months



Next  
3 Months



--- Up  
--- Down  
— Net Up +

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

\* Denotes a statistically significant change compared with Q3 2021 (previous quarter)  
^ Denotes a statistically significant change compared with Q4 2020 (same quarter of last year)

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





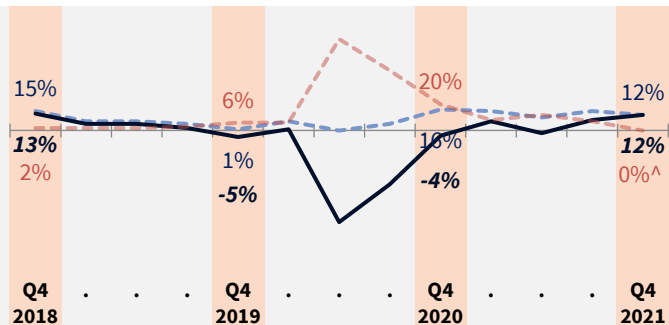
# Appendix

Survey Methodology Details.....	18
Economic and Housing Sentiment.....	27
Consumer Demand (Purchase Mortgages).....	30
Consumer Demand (Refinance Mortgages).....	43
<b>Credit Standards.....</b>	<b>50</b>
Profit Margin Outlook.....	58
Survey Question Text.....	64

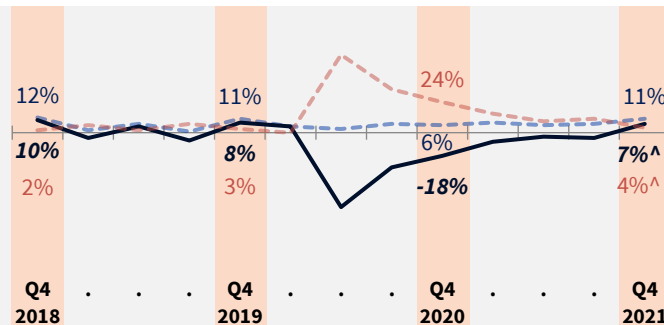
# Credit Standards: GSE-Eligible (by institution size)

Past  
3 Months

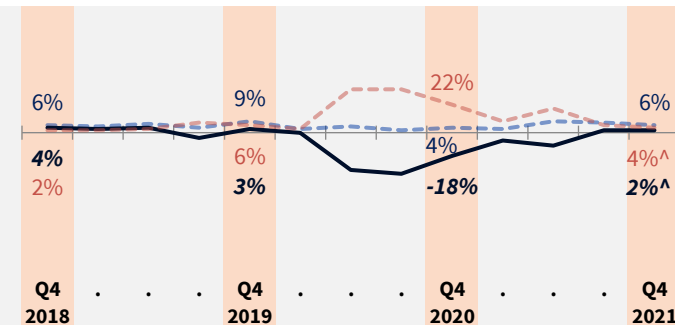
**Larger Institutions**



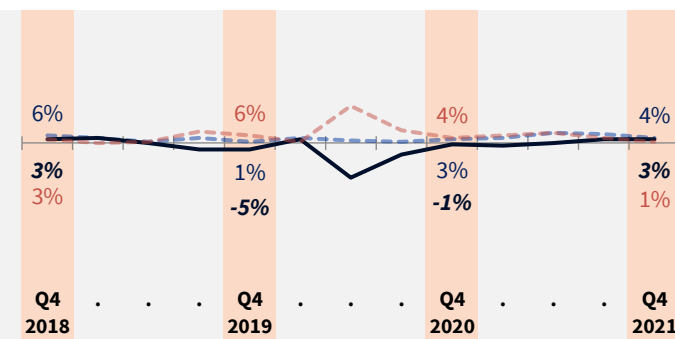
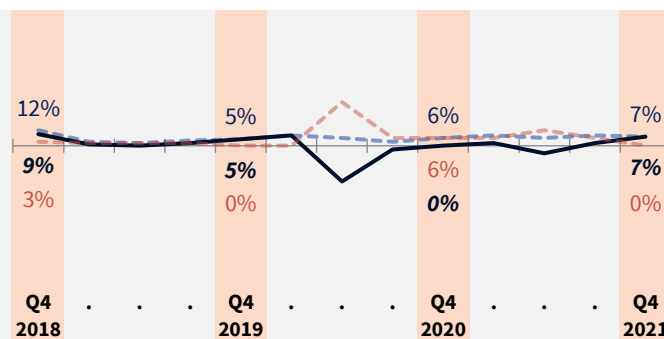
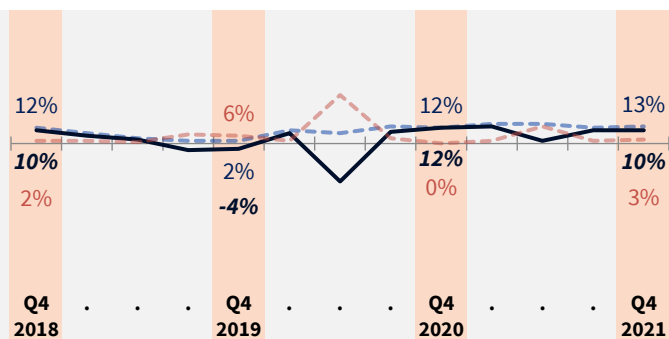
**Mid-sized Institutions**



**Smaller Institutions**



Next  
3 Months



--- Ease  
--- Tighten  
— Net Ease +

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

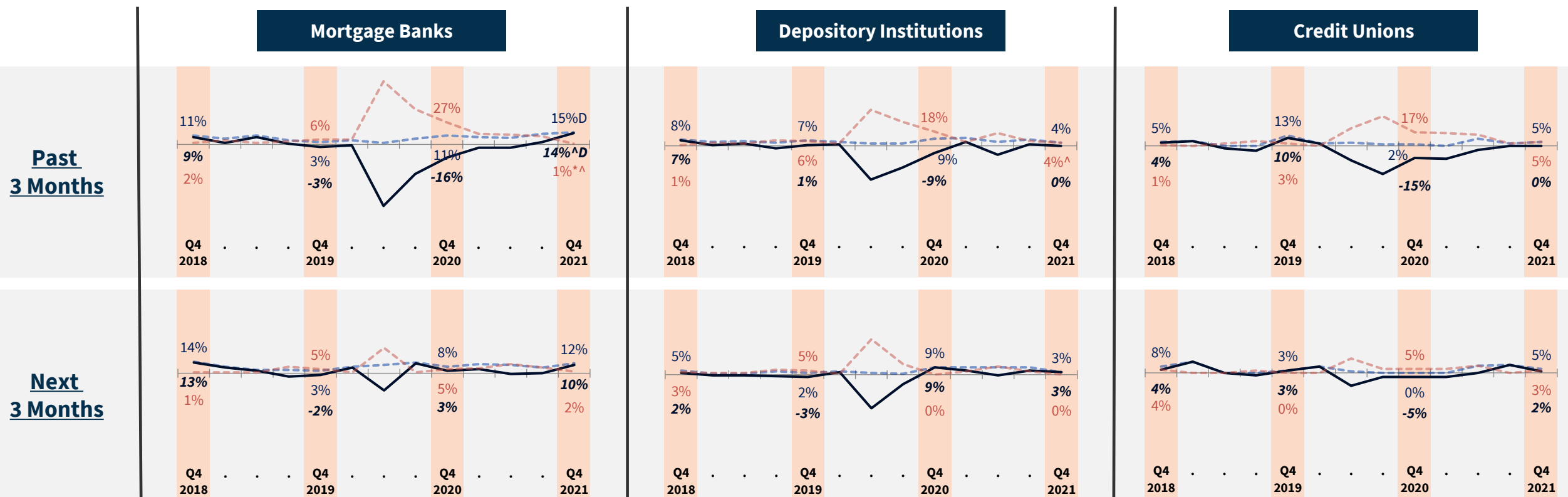
\* Denotes a statistically significant change compared with Q3 2021 (previous quarter)  
^ Denotes a statistically significant change compared with Q4 2020 (same quarter of last year)

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



# Credit Standards: GSE-Eligible (by institution type)



- - - Ease  
 - - - Tighten  
 — Net Ease +

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

\* Denotes a statistically significant change compared with Q3 2021 (previous quarter)  
 ^ Denotes a statistically significant change compared with Q4 2020 (same quarter of last year)

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

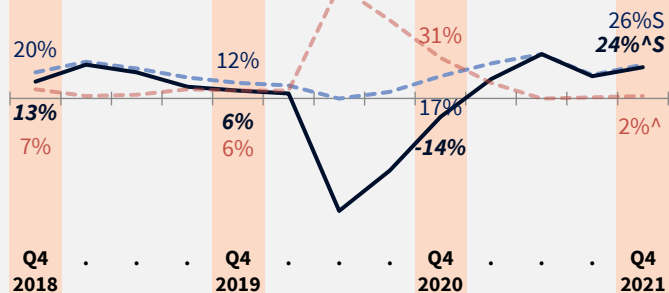
Net Ease + = % of lenders saying up minus % of lenders saying down  
 The % saying "stay the same" is not shown



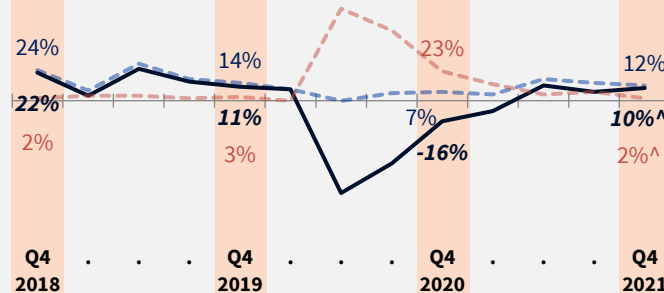
# Credit Standards: Non-GSE-Eligible (by institution size)

Past 3 Months

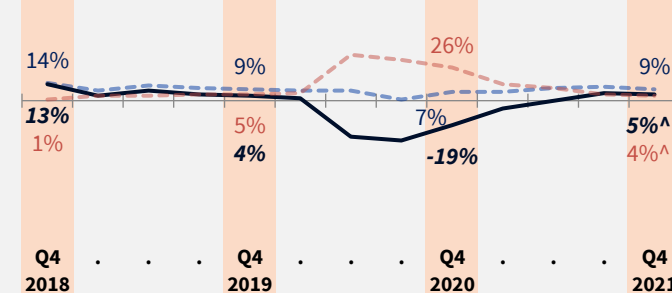
Larger Institutions



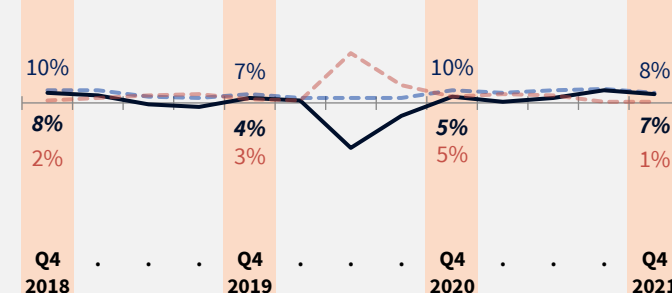
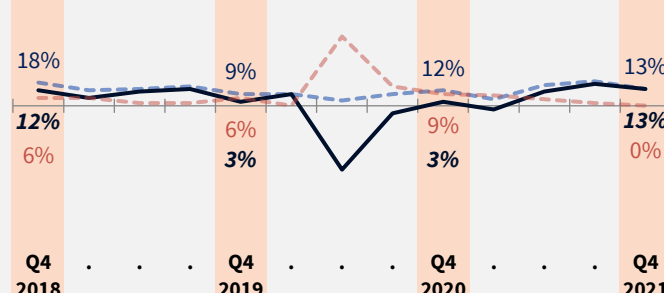
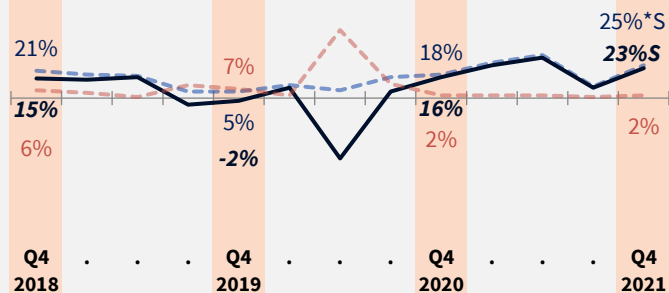
Mid-sized Institutions



Smaller Institutions



Next 3 Months



--- Ease  
--- Tighten  
— Net Ease +

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

\* Denotes a statistically significant change compared with Q3 2021 (previous quarter)  
^ Denotes a statistically significant change compared with Q4 2020 (same quarter of last year)

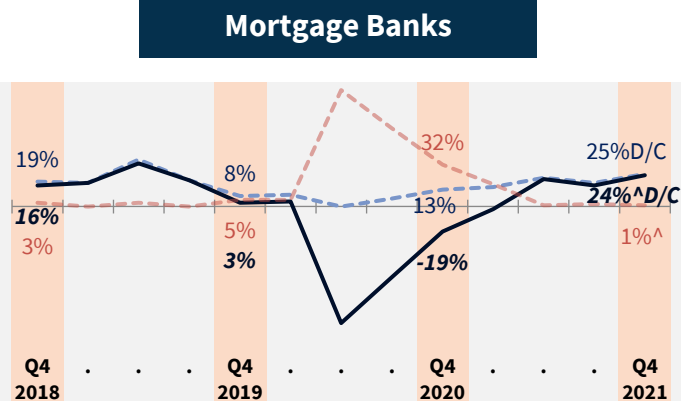
L/M/S - Denote a % is significantly higher than the annual loan origination volume group that the letter represents at the 95% confidence level

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

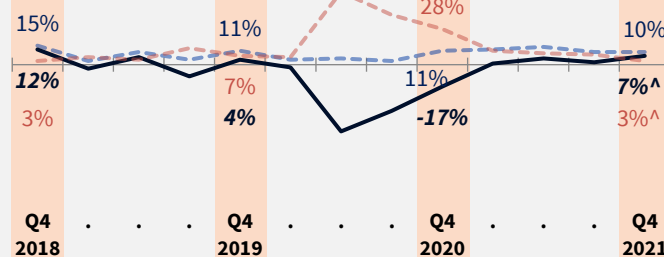


# Credit Standards: Non-GSE-Eligible (by institution type)

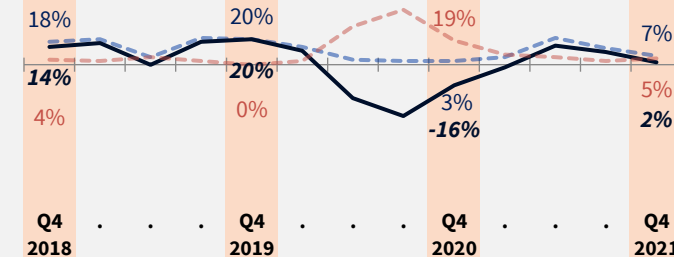
**Past  
3 Months**



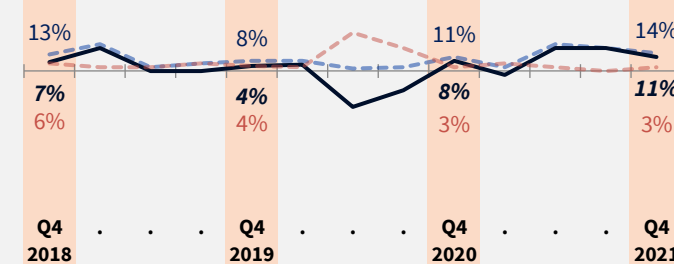
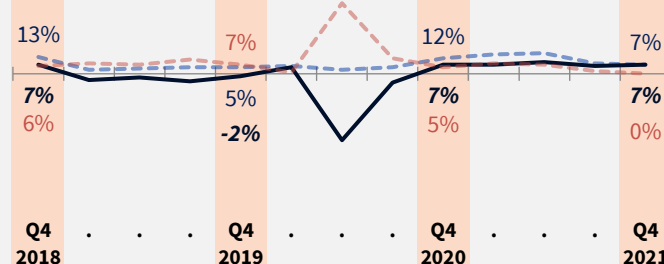
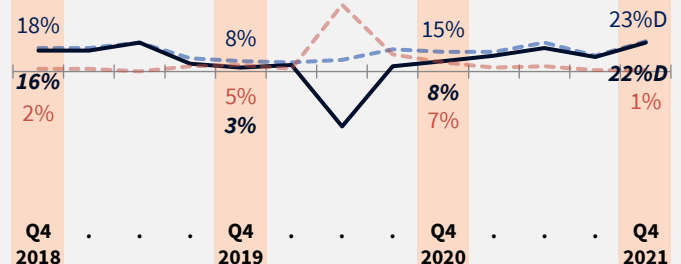
**Depository Institutions**



**Credit Unions**



**Next  
3 Months**



--- Ease  
--- Tighten  
— Net Ease +

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

\* Denotes a statistically significant change compared with Q3 2021 (previous quarter)  
^ Denotes a statistically significant change compared with Q4 2020 (same quarter of last year)

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

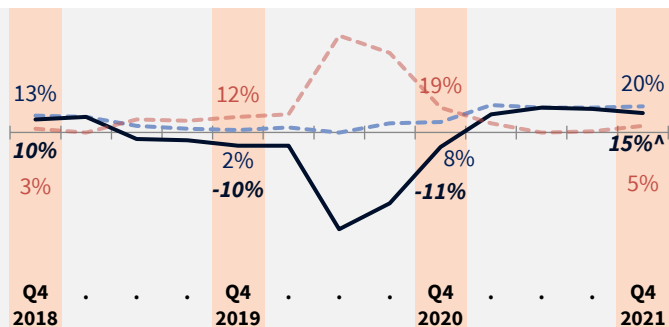
Net Ease + = % of lenders saying up minus % of lenders saying down  
The % saying "stay the same" is not shown



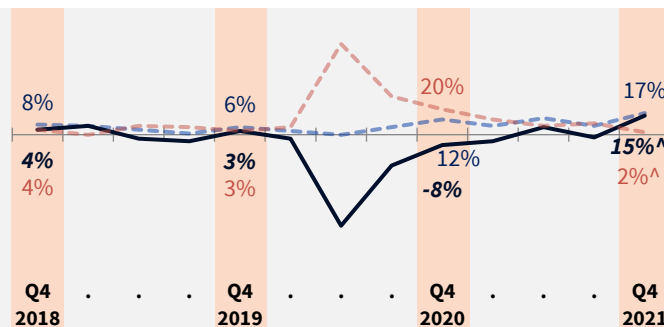
# Credit Standards: Government (by institution size)

**Past  
3 Months**

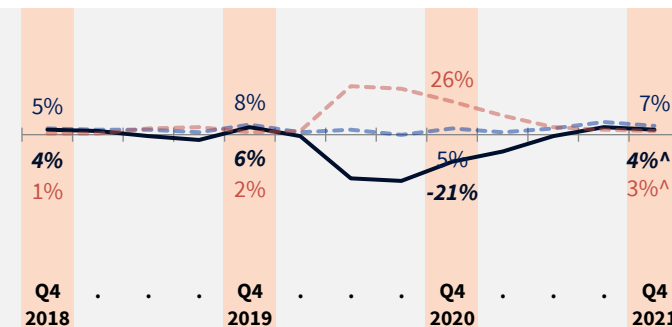
**Larger Institutions**



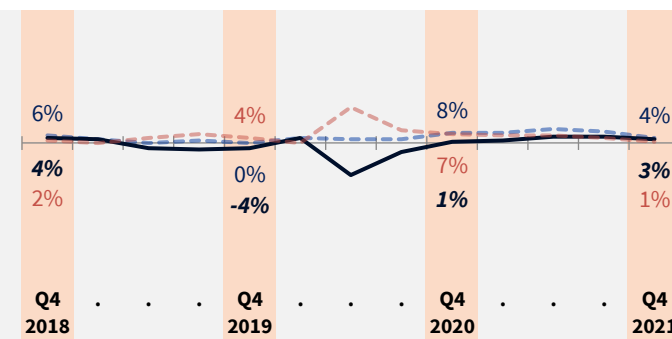
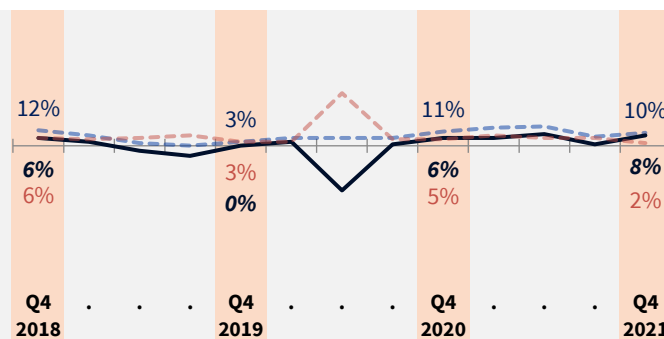
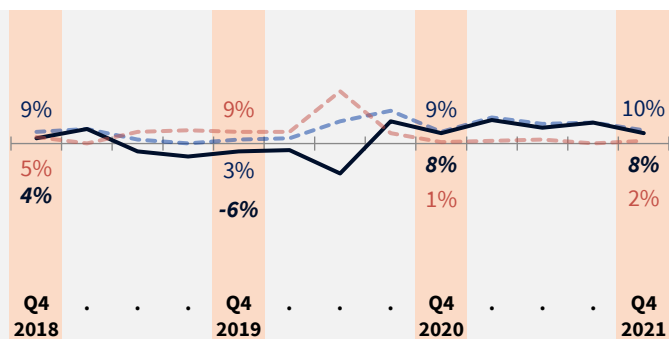
**Mid-sized Institutions**



**Smaller Institutions**



**Next  
3 Months**



--- Ease  
--- Tighten  
— Net Ease +

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

\* Denotes a statistically significant change compared with Q3 2021 (previous quarter)  
^ Denotes a statistically significant change compared with Q4 2020 (same quarter of last year)

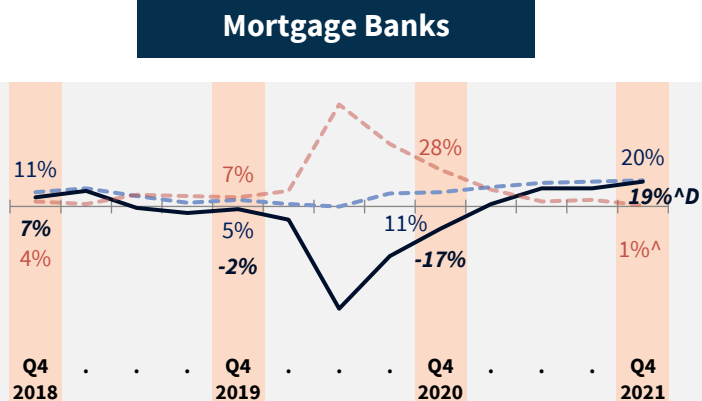
L/M/S - Denote a % is significantly higher than the annual loan origination volume group that the letter represents at the 95% confidence level

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

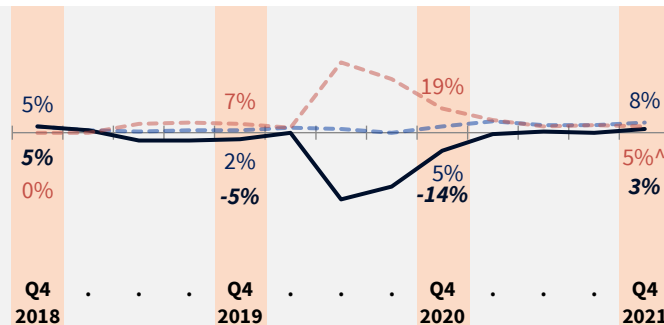


# Credit Standards: Government (by institution type)

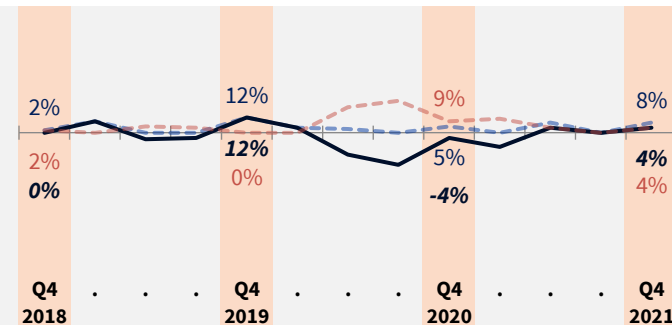
**Past  
3 Months**



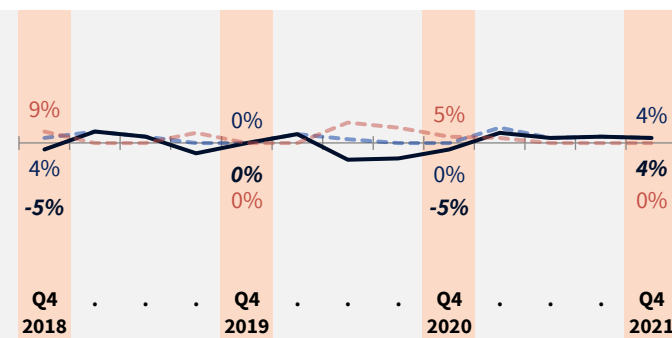
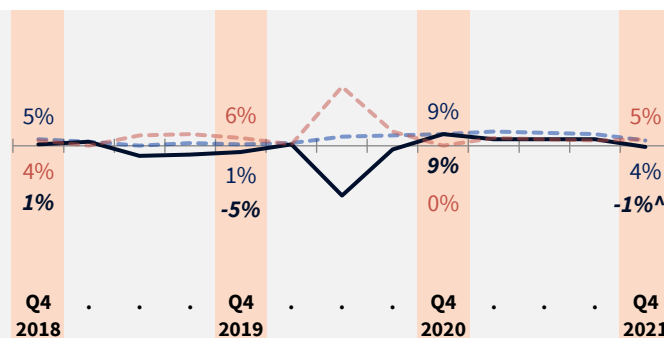
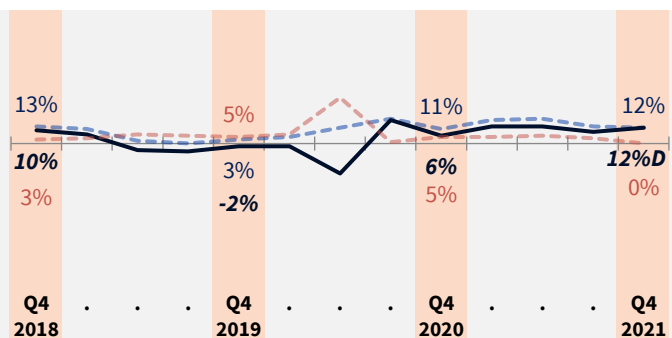
**Depository Institutions**



**Credit Unions**



**Next  
3 Months**



--- Ease  
--- Tighten  
— Net Ease +

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

\* Denotes a statistically significant change compared with Q3 2021 (previous quarter)  
^ Denotes a statistically significant change compared with Q4 2020 (same quarter of last year)

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

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





# Credit Standards: Drivers of Change (selected verbatim)

Drivers of Loosening Change

Drivers of Tightening Change

## Past 3 Months

N=47

- Loosening COVID-19 Restrictions
- Changes to guidelines
- 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)

"Introduction to Non-QM loan products."  
– *Smaller Institution*

"Aggregators easing their guides." "Investor Guidelines." "COVID overlays lifted." – *Mid-sized Institutions*

"Market Competition / Removal of additional COVID overlays." "Competitive pressures" – *Larger Institutions*

"Economy." – *Smaller Institution*

"Revenue outlook." – *Mid-sized Institution*

"The credit quality of the borrowers has declined and the buyers of these loans are struggling to purchase loans making the process if we are doing a jumbo it better be good."  
– *Larger Institution*

## Next 3 Months

N=28

- Changes to guidelines
- Market/Economic conditions
- COVID-19

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)

"Reduction of COVID overlays." "Loosening back to pre-pandemic levels" – *Mid-sized Institutions*

"Economy and HPI Index." "Competition." – *Smaller Institutions*

"Adding a jumbo offering." "Aggregators easing guides" – *Larger Institutions*

"Economy." – *Small-sized Institution*

"Economy - Inflation." – *Mid-sized Institution*

"Going back to pre-COVID guidance." – *Larger Institution*

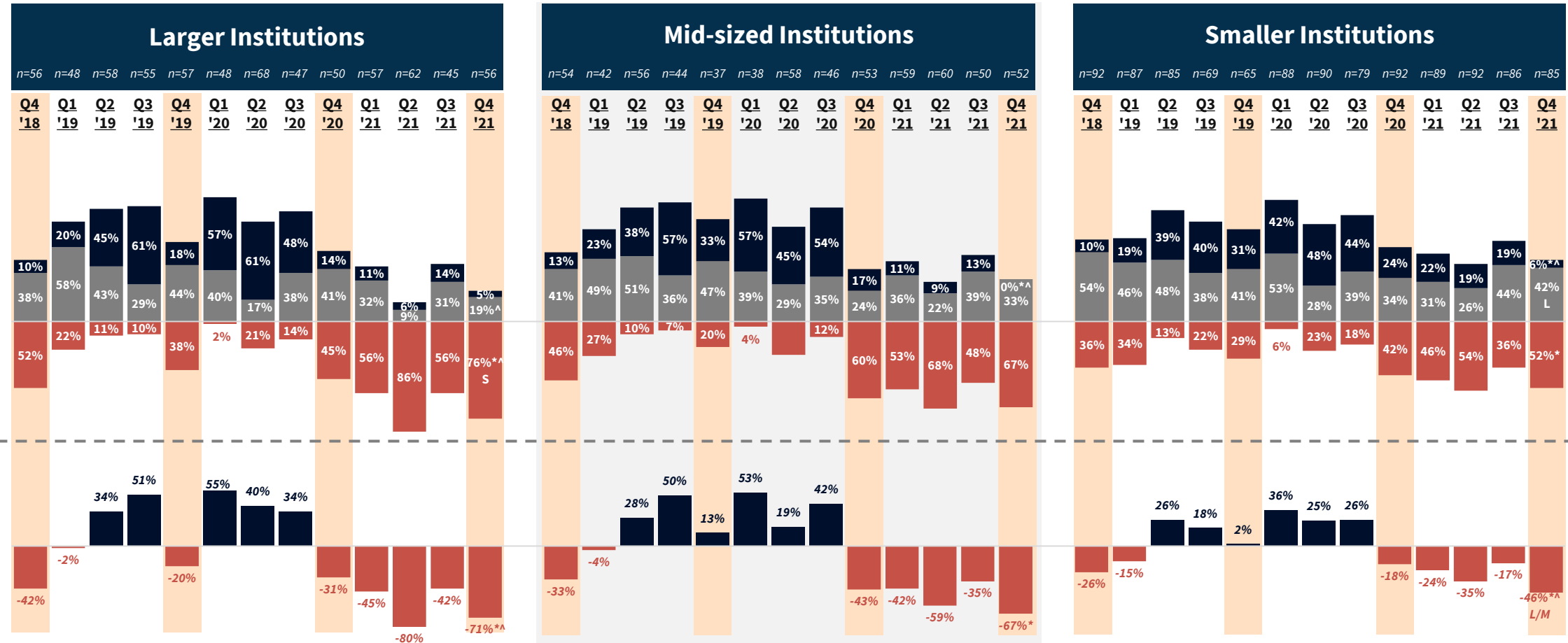




# Appendix

Survey Methodology Details.....	18
Economic and Housing Sentiment.....	27
Consumer Demand (Purchase Mortgages).....	30
Consumer Demand (Refinance Mortgages).....	43
Credit Standards.....	50
<b>Profit Margin Outlook.....</b>	<b>58</b>
Survey Question Text.....	64

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



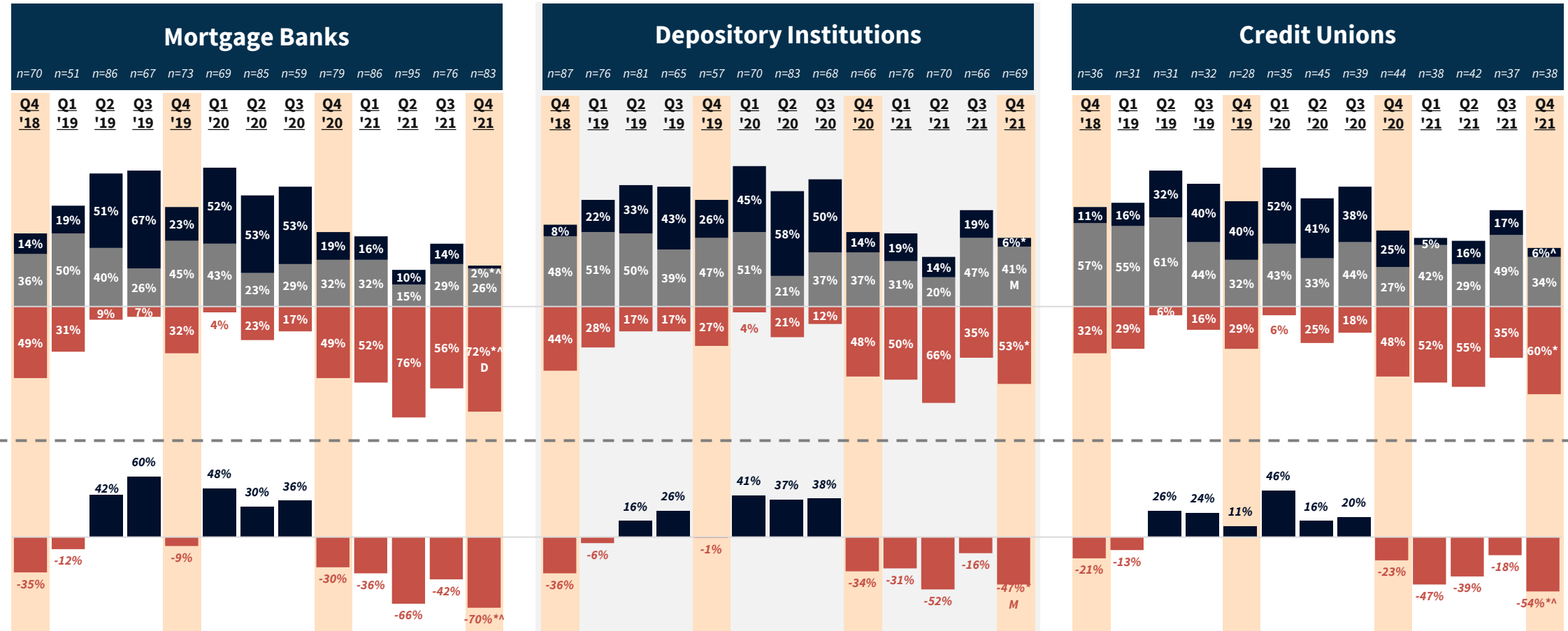
Q: Over the next three months, how much do you expect your firm's profit margin to change for its single-family mortgage production? [Showing: (Substantially Increase (25+ basis points) + Moderately Increase (5 - 25 basis points)), About the same (0 - 5 basis points), (Moderately Decrease (5 - 25 basis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

\* Denotes a statistically significant change compared with Q3 2021 (previous quarter)  
^ Denotes a statistically significant change compared with Q4 2020 (same quarter of last year)

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



# 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))]

\* Denotes a statistically significant change compared with Q3 2021 (previous quarter)  
^ Denotes a statistically significant change compared with Q4 2020 (same quarter of last year)

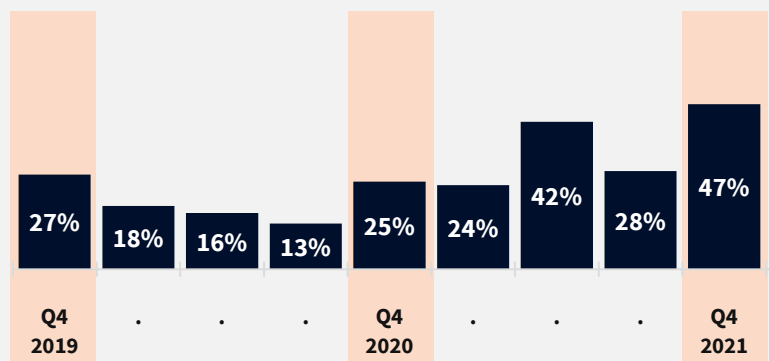
M/D/C - Denote a % is significantly higher than the annual loan origination volume group that the letter represents at the 95% confidence level



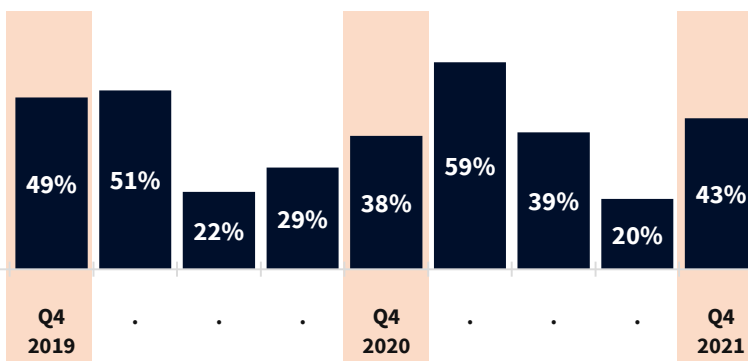
# Increased Profit Margin Outlook – Top Drivers (N = 8, small base)

Note: Due to the extremely small base size (with eight lenders in Q4 2021), results are to be interpreted with caution.

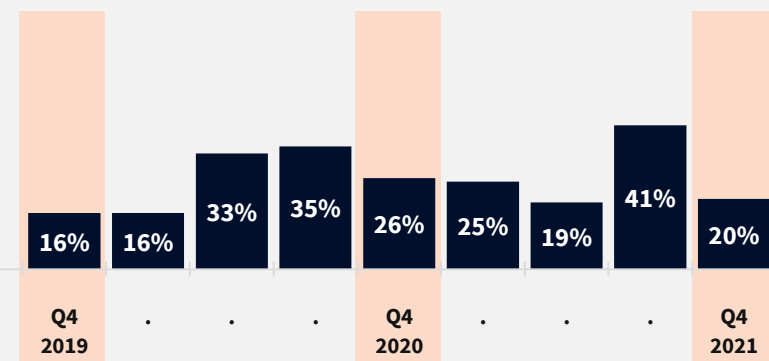
## Market Trend Changes



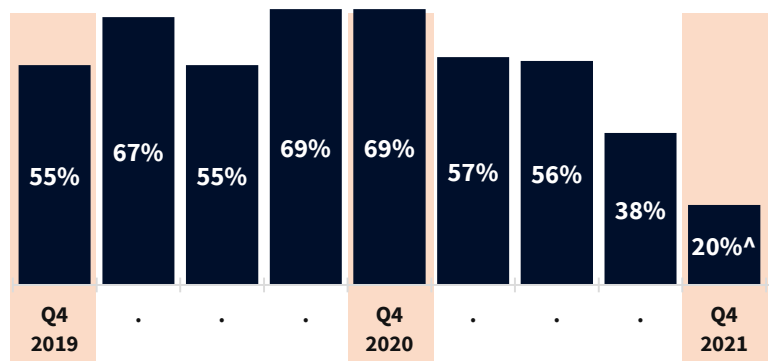
## Operational Efficiency



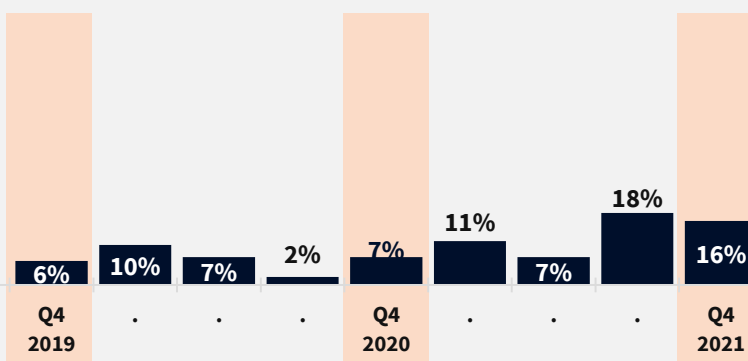
## GSE Pricing and Policies



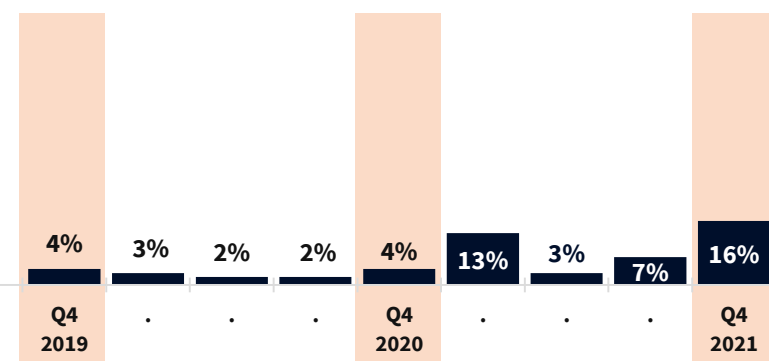
## Consumer Demand



## Staffing Reduction



## Servicing Cost Reduction



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: Q4 2019: N=42; Q1 2020: N=86; Q2 2020: N=112; Q3 2020: N=82; Q4 2020: N=38; Q1 2021: N=32; Q2 2021: N=27; Q3 2021: N=30; Q4 2021: N=8

\* Denotes a statistically significant change compared with Q3 2021 (previous quarter)

^ Denotes a statistically significant change compared with Q4 2020 (same quarter of last year)



# 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								
	2019	2020				2021			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
N=	42	86	112	82	38	32	27	30	8
Market trend changes (i.e. shift from refinance to purchase)	27%	18%	16%	13%	25%	24%	42%	28%	47%
Operational efficiency (i.e., technology)	49%	51%	22%	29%	38%	57%	39%	20%	43%
GSE pricing and policies	16%	16%	33%	35%	26%	25%	19%	41%	20%
Consumer demand	55%	67%	55%	69%	69%	57%	56%	38%	20%^
Staffing (personnel costs) reduction	6%	10%	7%	2%	7%	11%	7%	18%	16%
Servicing cost reduction	4%	3%	2%	2%	4%	13%	3%	7%	16%
Government monetary or fiscal policy	6%	5%	16%	14%	10%	5%	3%	10%	10%
Less competition from other lenders	13%	10%	28%	12%	9%	3%	8%	16%	0%
Non-GSE (other investors) pricing and policies	10%	4%	10%	4%	8%	1%	17%	12%	0%
Marketing expense reduction	0%	2%	4%	8%	4%	0%	5%	6%	0%
Government regulatory compliance	0%	1%	0%	2%	0%	0%	0%	3%	0%

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.

\* Denotes a statistically significant change compared with Q3 2021 (previous quarter)

^ Denotes a statistically significant change compared with Q4 2020 (same quarter of last year)



# 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								
	2019	2020				2021			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
N=	47	8	51	26	92	105	144	80	122
Competition from other lenders	63%	50%	41%	62%	72%	78%	68%	80%	76%
Market trend changes (i.e. shift from refinance to purchase)	39%	25%	16%	19%	24%	29%	44%	31%	41% <sup>^</sup>
Consumer demand	36%	0%	27%	26%	23%	22%	22%	21%	31%
Staffing (personnel costs)	12%	42%	12%	32%	20%	17%	10%	23%	15%
GSE pricing and policies	14%	20%	34%	31%	41%	19%	34%	15%	10% <sup>^</sup>
Government monetary or fiscal policy	5%	9%	21%	13%	8%	8%	7%	7%	8%
Non-GSE (other investors) pricing and policies	5%	0%	15%	3%	2%	3%	4%	8%	6%
Operational efficiency (i.e. technology)	10%	0%	3%	3%	2%	6%	3%	7%	5%
Government regulatory compliance	4%	10%	5%	0%	2%	9%	3%	5%	3%
Marketing expenses	5%	12%	0%	0%	0%	1%	2%	1%	3%
Servicing costs	2%	0%	15%	3%	1%	3%	1%	1%	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.

\* Denotes a statistically significant change compared with Q3 2021 (previous quarter)

<sup>^</sup> Denotes a statistically significant change compared with Q4 2020 (same quarter of last year)





# Appendix

Survey Methodology Details.....	18
Economic and Housing Sentiment.....	27
Consumer Demand (Purchase Mortgages).....	30
Consumer Demand (Refinance Mortgages).....	43
Credit Standards.....	50
Profit Margin Outlook.....	58
<b>Survey Question Text.....</b>	<b>64</b>



# 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.

## 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?

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.

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.

Q53a. You mentioned earlier that "market trend changes" is an important factor for your firm's profit margin to decrease. What market trend changes are you seeing? Please share details with us. (Optional)

Q53b. You mentioned earlier that "market trend changes" is an important factor for your firm's profit margin to increase. What market trend changes are you seeing? Please share details with us. (Optional)

Q53c. You mentioned earlier that "GSE pricing and policies" is an important factor for your firm's profit margin to decrease. How are you seeing it affect profit margin? Please share details with us. (Optional)

Q53d. You mentioned earlier that "GSE pricing and policies" is an important factor for your firm's profit margin to increase. How are you seeing it affect profit margin? Please share details with us. (Optional)

## 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)

