



Fannie Mae®

MORTGAGE UNDERSTANDING STUDY

Fannie Mae conducted a consumer survey that uncovers opportunities to close knowledge gaps around mortgage qualifications and underscores the need to continue to improve the mortgage process.

Today's housing market is challenging for homebuyers, but the desire to own a home remains strong.

Good time to buy?

Only 19% feel now is a good time to buy a home, down from 62% in 2018.

62%

Dec 2018

19%

Dec 2023

55%

of consumers think it would be very or somewhat easy to get a mortgage

Why affordability is cited as the reason to hold off:

- High mortgage rates
- High home prices
- Unfavorable economic conditions

Housing affordability is cited as a reason to hold off.

Q4 market indicators between 2018 – 2023

HOME PRICE INDEX

HOUSING SUPPLY

Home price growth
(+57%)

Supply of existing homes for sale
(-35%)

Home price growth

Supply of existing homes for sale

Source: Fannie Mae Home Price Index, National Association of Realtors

Median household income



Increased
28%
since 2018
(Q4'18 – Q4'23)

Source: U.S. Census Bureau, Moody's

30-year fixed mortgage rate



Increased
53%
since 2018
(Q4'18 – Q4'23)

Source: Freddie Mac

Consumers still believe in the dream of homeownership.

92%

of consumers say owning a home is important



25%

of consumers are actively considering buying a home in the next 3 years



74%

of consumers say they will buy a home on their next move



21%

of renters are working on preparing themselves financially for homeownership

(an increase of 5 percentage points from 2018)

70%

of consumers believe buying a home is a safe investment

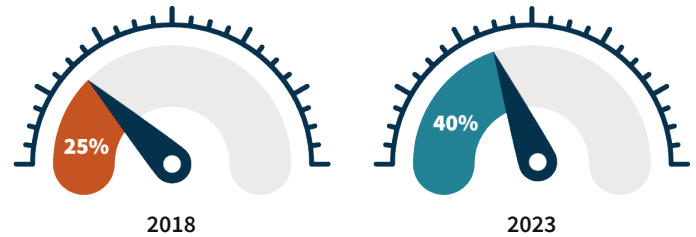


Consumer knowledge of what it takes to qualify for a mortgage is mixed.

Most consumers have an understanding of their credit, and it's grown since 2015.



And significantly more are using credit monitoring services.



Knowledge gaps persist when navigating the mortgage process, creating extra hurdles to buying a home.

45%

Consumers who would feel confident going through the mortgage process (on par with 2018 confidence levels).

90%

Consumers who overstate or don't know the minimum required down payment for a typical mortgage.

32%

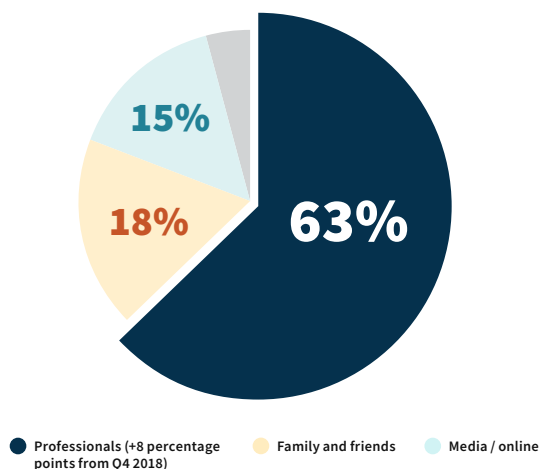
Consumers who are only able to correctly approximate the minimum credit score required by lenders.

Three major challenges:

- 1 Lack of confidence navigating the mortgage process
- 2 Overestimating minimum down payment required
- 3 Overestimating minimum credit score required

Together, Fannie Mae and the industry can help close the knowledge gap.

Consumers rely most on housing industry professionals, including real estate agents, lenders, financial planners, and counselors for mortgage advice.



Many homebuyer resources and programs are available.

Here are a few from Fannie Mae.

Affordable mortgage options ›

Loans that allow for down payments as little as 3% like HomeReady® Mortgage.

Make rent count ›

A solid record of consistent rent payments may help you qualify for a mortgage, even if you have a limited credit history.

HomeView® ›

Comprehensive free first-time homebuyer course — in both English and Spanish.

Calculators and checklists ›

Robust set of free tools helping to estimate down payment assistance, monthly mortgage payments, closing costs, and more.