



Mortgage Lender Sentiment Survey Questionnaire Quarterly Tracking Study – Q4 2023

/* DISPLAY */ Welcome to the *Mortgage Lender Sentiment Survey*®, a survey conducted by Fannie Mae among senior mortgage executives like you to gather your views and experience with the mortgage market.

We have shortened the survey to 5 minutes, with this survey and each subsequent survey focusing on one key topic to best highlight the specific opportunities and challenges facing the mortgage industry. Your participation is critical to ensure that the survey data provide a credible peer-driven view of mortgage industry trends.

The information you provide in this survey will be kept confidential. Fannie Mae personnel will not have access to the names or identities behind the individual response data. In addition, survey responses will be collected and analyzed by a third-party research vendor that will produce aggregated results to ensure objectivity and anonymity.

Thank you for taking part in this survey, your participation is greatly appreciated.

NHS Tracking

/* DISPLAY */ This first series of questions asks about the overall economy and mortgage lending industry nationwide. We're specifically interested in your opinion as a senior mortgage executive.

/* 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?

- 1) Right track
- 2) Wrong track
- 3) Don't know

/* Q1A */ Do you think it is very difficult, somewhat difficult, somewhat easy, or very easy for consumers to get a home mortgage today?

- 1) Very difficult
- 2) Somewhat difficult
- 3) Somewhat easy
- 4) Very easy
- 5) Don't know

/* 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?

- 1) Go up
- 2) Go down
- 3) Stay the same
- 4) Don't know



/* Q4a */ ## IF Q2=C1 ## 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? **/* OPEN END NUMERIC (0 TO 100) */**

/* Q5a */ ## IF Q2=C2 ## 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? **/* OPEN END NUMERIC (0 TO 100) */**

Rotating Questions – Condominium Mortgages

/* METRIC A */ Which processes listed below are the most important for your organization to streamline? Please select up to two processes and rank them in order of importance.

DO NOT ALLOW SAME CHOICE FOR QR411a AND QR411b; ALLOW RESPONDENT TO ANSWER ONLY QR411a AND NOT QR411b

/* RANDOM ROTATE CHOICES */

- 1) Loan origination process
- 2) Title review process
- 3) Appraisal process
- 4) Loss mitigation workout process
- 5) Escrow administration process
- 6) Borrower income validation
- 7) Condo project approval process
- 8) Other **/* SPECIFY */ /* DO NOT ROTATE */**

/* GRID */

/* QR411a */ Most important

/* QR411b */ Second most important

/* END GRID */

/* DISPLAY */ For the next section, we would like to gather your views and experiences with underwriting condominium (condo) mortgage loans. Please consider all condo mortgage loans your organization originates, across GSEs, FHA, or aggregators, when answering the questions.

/* QR406 */ Over the past 12 months, has your organization originated single-family condominium mortgage loans for consumers?

- 1) Yes
- 2) No

/* QR407 */ ## IF NO (QR406=C2) ## Could you please share some details about why your organization has not originated single-family condominium loans? What are the barriers or concerns? (Optional) **/* OPEN END 1 BOXES 0 REQ */**

/* QR408 */ ## IF ORIGINATES CONDO LOANS (QR406=C1) ## Approximately what share of your organization's total mortgage loan production volume (including purchase and refinance mortgages) is condo lending?

- 1) 1%-2%
- 2) 3%-4%



- 3) 5%-10%
- 4) 11%-15%
- 5) 16%-20%
- 6) Over 20%
- 7) Don't know/not sure

/* QR409 */ ## IF ORIGINATES CONDO LOANS (QR406=C1) AND QR408 = NOT C7 ## You mentioned that condo lending accounts for about /* [INSERT QR408] */ of your firm's total loan production volume. In your view, how do you expect that share to grow, contract, or stay the same over the next 12 months at your organization?

- 1) Will grow significantly
- 2) Will grow somewhat
- 3) Will stay about the same
- 4) Will contract somewhat
- 5) Will contract significantly

/* QR412 */ ## IF ORIGINATES CONDO LOANS (QR406=C1) ## Does your organization have dedicated “condo approval teams” that focus on all condo specific work?

- 1) Yes
- 2) No
- 3) Don't know/Not sure

/* QR413 */ ## IF ORIGINATES CONDO LOANS (QR406=C1) ## Is your organization currently lending in newly constructed condo projects?

- 1) Yes
- 2) No
- 3) Don't know/Not sure

/* QR414 */ ## IF ORIGINATES CONDO LOANS (QR406=C1) AND QR413=C1 ## When does your organization usually start lending in newly constructed condo projects?

- 1) When the construction starts or during the construction
- 2) When the project hits 25% occupancy
- 3) When the project hits 50% occupancy
- 4) When the project hits 75% occupancy
- 5) When the unit owners take control of the HOA
- 6) Don't know/Not sure

/* QR415 */ ## IF ORIGINATES CONDO LOANS (QR406=C1) AND QR413=C1 ## Does your organization form partnerships with condo builders as their preferred lender?

- 1) Yes
- 2) No
- 3) Don't know/Not sure



/* METRIC A */ ## IF ORIGINATES CONDO LOANS (QR406=C1) ## Listed below are some data or information sources used for condo project underwriting. In your view, which are most useful sources of data? Please select up to two and rank them in order of usefulness.

DO NOT ALLOW SAME CHOICE FOR QR416a AND QR416b; ALLOW RESPONDENT TO ANSWER ONLY QR416a AND NOT QR416b

ALWAYS SHOW ANSWER CHOICES C1 AND C2 TOGETHER, AND ROTATE THEM TOGETHER WITH OTHER ANSWER CHOICES

/* RANDOM ROTATE CHOICES */

- 1) HOA questionnaire
- 2) Other HOA documents
- 3) Appraisals
- 4) Real estate agents
- 5) Sellers
- 6) Builders/developers
- 7) Sales contracts
- 8) Public records
- 9) Google
- 10) Insurance agents
- 11) Lender project approval lists
- 12) Other **/* SPECIFY */ /* DO NOT ROTATE */**

/* GRID */

/* QR416a */ Most useful

/* QR416b */ Second most useful

/* END GRID */

/* METRIC A */ ## IF ORIGINATES CONDO LOANS (QR406=C1) ## Listed below are some ideas which could help streamline the condo underwriting process. In your view, which are most helpful? Please select up to two and rank them in order of helpfulness.

DO NOT ALLOW SAME CHOICE FOR QR514a AND QR514b; ALLOW RESPONDENT TO ANSWER ONLY QR514a AND NOT QR514b

/* RANDOM ROTATE CHOICES */

- 1) Using GSEs' or investors' approval decision or list of approved condo projects
- 2) Incorporating condo project eligibility review into the appraisal process
- 3) Using a vendor to complete condo project eligibility review
- 4) Crowd-sourcing condo project eligibility information
- 5) Incorporating condo project eligibility into automated underwriting systems (AUS)
- 6) Requiring a standardized condo questionnaire
- 7) Having a single review process for all condos in lieu of multiple review types
- 8) Other **/* SPECIFY */ /* DO NOT ROTATE */**

/* GRID */

/* QR514a */ Most helpful

/* QR514b */ Second most helpful

/* END GRID */



/* METRIC A */ ## IF ORIGINATES CONDO LOANS (QR406=C1) ## Listed below are different risks secondary-market investors might use in evaluating condo eligibility. In your view, which are the most important risks you think secondary-market investors should focus on? Please select up to two and rank them in order of importance.

DO NOT ALLOW SAME CHOICE FOR QR417a AND QR417b; ALLOW RESPONDENT TO ANSWER ONLY QR417a AND NOT QR417b

/* RANDOM ROTATE CHOICES */

- 1) Litigation (construction defect litigation or other litigation)
- 2) Deferred maintenance or aging projects, amenities, and buildings
- 3) HOA financial instability (including reserve, delinquency rate of HOA dues, and special assessments)
- 4) Commercial space or mixed use
- 5) Hotel or resort use or short-term rentals
- 6) Oversupply or overvaluation
- 7) Inadequate insurance
- 8) Natural disasters
- 9) Other **/* SPECIFY */ /* DO NOT ROTATE */**

/* GRID */

/* QR417a */ Most important

/* QR417b */ Second most important

/* END GRID */

/* METRIC A */ ## IF ORIGINATES CONDO LOANS (QR406=C1) ## Listed below is the same list of risks. In your view, what are the risks whose concern levels have grown significantly over the past year? Please select up to two and rank them in order of increased concern level.

DO NOT ALLOW SAME CHOICE FOR QR418a AND QR418b; ALLOW RESPONDENT TO ANSWER ONLY QR418a AND NOT QR418b ## ## SHOW ANSWER CHOICES IN THE SAME ORDER AS QR417a

/* RANDOM ROTATE CHOICES */

- 1) Litigation (construction defect litigation or other litigation)
- 2) Deferred maintenance or aging projects, amenities, and buildings
- 3) HOA financial instability (including reserve, delinquency rate of HOA dues, and special assessments)
- 4) Commercial space or mixed use
- 5) Hotel or resort use or short-term rentals
- 6) Oversupply or overvaluation
- 7) Inadequate insurance
- 8) Natural disasters
- 9) Other **/* SPECIFY */ /* DO NOT ROTATE */**

/* GRID */

/* QR418a */ Concern that has increased the most

/* QR418b */ Concern that has increased the second most

/* END GRID */



/* QR419 */ ## IF ORIGINATES CONDO LOANS (QR406=C1) ## If there's one thing you could change in the condo project underwriting policies or processes, what would that be? Please share your views with us. (Optional) **/* OPEN END 1 BOXES 0 REQ */**

/* Q43 */ This is the last question. Are there other topics that you think would be interesting or useful to be included in the future survey among senior mortgage executives like yourself? (Optional) **/* OPEN END 1 BOXES 0 REQ */**

/* DISPLAY */ This now completes the survey. We really appreciate you taking the time to contribute to this important industry research.

You can find the previous studies on the [Mortgage Lender Sentiment Survey®](#) page on FannieMae.com.

Please note that responses to the survey questions will be aggregated and analyzed solely to identify important topics, trends, and issues surrounding the mortgage industry. To ensure the confidentiality of the survey, Fannie Mae personnel will not have access to the names or identities behind the individual response data.

At this point, you may close your browser window or [click below](#) to enter your email address if you would like to receive a copy of this special-topic survey report when it's released. To ensure that your survey responses remain anonymous, after clicking on the link you will be directed to a separate website to enter your email address.