Technical Report Series

NMDB
National Mortgage Database

cfpb Consumer Financial Protection Bureau

FHFA Federal Housing Finance Agency

A Profile of 2013 Mortgage Borrowers: Statistics from the National Survey of Mortgage Originations

Technical Report 16-01

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1.0   Introduction

This Report provides information about the first set of responses to the National Survey of Mortgage Originations (NSMO or survey), which is jointly administered by the Federal Housing Finance Agency (FHFA) and the Consumer Financial Protection Bureau (CFPB). The survey collects information from a representative sample of recent mortgage borrowers about their experiences in choosing and in taking out a mortgage. It is designed to provide researchers, policy makers, and others with comprehensive data about the consumer experience when getting a mortgage.

The survey data contained in this Report pertains to borrowers who obtained a mortgage in 2013. As a result, these survey data provide a baseline of information prior to the effective dates of recent mortgage reforms, including revised mortgage disclosures, resulting from the Dodd-Frank Wall Street Reform and Consumer Protection Act.

The NSMO is a recurring quarterly mail survey of about 6,000 new mortgage borrowers each quarter using a sampling frame drawn from the National Mortgage Database (NMDB).[1] The NMDB in turn is a representative 1-in-20 sample of closed-end first-lien mortgages reported to Experian, one of the three national credit repositories. At present the quarterly sample of 6,000 mortgages represent a sampling rate of about 1-in-260 from the population of new mortgage originations.

The NSMO questionnaire focuses on topics such as mortgage shopping behavior, mortgage closing experiences, and other information that cannot be obtained from any other source, such as expectations regarding house price appreciation, critical household financial events, and life events such as unemployment, large medical expenses, or divorce. In general, borrowers are not asked to provide information about mortgage terms in the questionnaire since these fields are available in the Experian data. However, the survey collects a limited amount of information on the mortgage to verify that the credit repository records and survey responses pertain to the same mortgage.

The NSMO survey design calls for a sample drawn from mortgages newly reported to Experian during the previous quarter. In the first year of the survey there was a catch up period to cover all mortgages originated in 2013 and reported to Experian by September 2014. This report

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[1] The National Mortgage Database project is a multi-year project being jointly undertaken by the Federal Housing Finance Agency (FHFA) and the Consumer Financial Protection Bureau (CFPB). The project is designed to provide a source of information about the U.S. mortgage market based on a five percent sample of residential mortgages. The NMDB will enable FHFA to meet the statutory requirements of section 1324(c) of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as amended by the Housing and Economic Recovery Act of 2008, to conduct a monthly mortgage market survey. For CFPB, the NMDB project will support policymaking and research efforts and help identify and understand emerging mortgage and housing market trends. For further information on the NMDB, see National Mortgage Database Technical Report 15-01 (August 27, 2015), http://www.fhfa.gov/PolicyProgramsResearch/Programs/Documents/NMDB_Technical_Report_15-01_082715.pdf. For additional background, see also the Appendix.

presents results from the 6,062 responses to the first year of the survey and, thus, provides an overview of the mortgage market and borrowers' experiences in 2013.[2] These unweighted responses were about one-third of the sample drawn from mortgages originated in 2013. It is intended to be the first in a series of annual reports on new mortgage borrowers based on the NSMO.

This report is organized as follows. Section two compares the 2013 NSMO with 2013 Home Mortgage Disclosure Act (HMDA) data. Section three presents the overall profile of survey respondents in 2013, including their demographic characteristics and what kind of mortgages they obtained. Sections four through seven describe how the 2013 borrowers shopped for their mortgages and the application and closing processes. Section eight presents borrowers' mortgage outcomes and measures of their satisfaction in the mortgage application and closing process. Section nine considers borrowers' opinions on financial responsibility and section ten examines borrowers' opinions on the neighborhood where they obtained their mortgage. Sections eleven and twelve discuss 2013 mortgage borrower's expectations for house prices, neighborhood desirability, and their own financial circumstances over the next couple of years. Finally, section thirteen offers next steps. The Appendix provides details on the overall NMDB project and the sample frame and data preparation procedures for the NSMO.

2.0   Comparing the 2013 NSMO with 2013 Home Mortgage Disclosure Act Data

To provide context about the representative scope of the NSMO, this section compares the NSMO sample of mortgages originated in 2013 with 2013 Home Mortgage Disclosure Act data. While the HMDA data do have some well-known coverage issues due to lender reporting requirements, the annual HMDA data are believed to be close to a universe of all first-lien mortgages originated in the United States. To make the comparison with the loan level data available in HMDA, the NSMO sample is weighted to represent the overall mortgage market in 2013. For example, the NSMO sample of mortgages originated in 2013 represents 7.5 million originations of first liens on owner-occupied homes in 2013 with a total loan volume of $1.58 trillion. The 2013 collection for the Home Mortgage Disclosure Act included 7.1 million originations of first liens on owner-occupied housing covering $1.56 trillion. Thus, the count of mortgages covered by the NSMO was five percent greater than in HMDA and the amount was

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[2] There are several ways calculations based on the NSMO raw survey responses may not be representative of the population as a whole and, as a result, survey responses are appropriately weighted. Commonly, in survey sampling, some individuals chosen for the sample are unwilling or unable to participate in the survey. Nonresponse bias (either complete nonresponse to the survey or nonresponse to selected items within the survey) is the bias that results when respondents differ in meaningful ways from non- respondents. To address this nonresponse bias, the NSMO uses weighting to adjust for differential response to the survey. In addition, to address missing information on individual questions within the survey, the NSMO uses statistical methods to impute missing data; the technique makes multiple estimates of missing data to allow for an estimate of the uncertainty attributable to this type of nonresponse. See National Survey of Mortgage Borrowers Technical Report 15-02 (August 27, 2015), http://www.fhfa.gov/PolicyProgramsResearch/Programs/Documents/NSMO_Technical_Report_15-02-082715.pdf for more details.

only two percent greater. Accordingly, the average loans size in the NSMO is smaller than in HMDA—$212,165 compared with $219,229.

Both NSMO and HMDA break down total originations of first liens on owner-occupied loans into home purchase and refinance transactions. The NSMO showed 2.9 million loans to purchase a home in 2013 with a loan volume of $620 billion compared with 2.7 million loans and a loan volume of $625 billion in the 2013 HMDA data. The NSMO showed 4.6 million transactions to refinance a loan for $962 billion, while HMDA showed 4.4 million for $931 billion.

Table 1. Comparison of Mortgage Originations, 2013
(Count and Dollar Volume)

Mortgage Originations	National Survey of Mortgage Originations		Home Mortgage Disclosure Act (HMDA)	
	Count (Thousands)[1]	Volume (Billions Dollar)	Count (Thousands)	Volume (Billions Dollar)
Owner-occupied	*7,457*	*1,582*	*7,096*	*1,556*
Purchase	2,858	620	2,703	625
Refinance	4,598	962	4,393	931
Not owner-occupied	*675*	*124*	*1,123*	*316*

Source: National Survey of Mortgage Originations, 2013, and Home Mortgage Disclosure Act, 2013
Notes: 1. The owner-occupied count total from the NSMO does not equal the sum of purchase and refinance counts from the NSMO due to rounding.

The greater count and dollar volumes of loans in the NSMO compared with 2013 HMDA likely stems in large part from differences in the set of lenders that the two data sets cover. Specifically, some lenders do not report loans for HMDA because they do not meet the asset-size, location, federally related, or loan activity requirements for reporting. In contrast, loans from these lenders would be sampled in the NSMO.

The NSMO and 2013 HMDA data particularly diverge in their coverage of mortgages on properties that are not owner-occupied. HMDA includes about 1.1 million such mortgages, more than 60 percent greater than captured in the NSMO. The NSMO reported $124 billion in mortgage originations in 2013 that were not owner-occupied properties, while HMDA showed $316 billion. HMDA covers many larger mortgages that were both not owner-occupied and included business partnerships, and these mortgages would not be covered by NSMO. Reconciling the sources of these differences requires further investigation.

3.0   Profile of 2013 Mortgage Borrowers

Tables 2 through 5 present percentage distributions of loan and property characteristics for several demographic groups, loan types, and properties from the NSMO. Table 2 presents loan size and mortgage term to maturity. Table 3 presents credit score, Table 4 presents loan type, and Table 5 presents property type. The bottom row of each table shows the percentage distribution of each loan or property characteristic. Finally, Table 6 presents the percent of household life events experienced by survey respondents over the last couple of years.

Table 2. Loan Size and Mortgage Term to Maturity, by Demographic, Loan, and Property Characteristics
(Percentage Distribution)

Characteristics	Loan Size[1]				Mortgage Term to Maturity[1]				Share of All Loans	Share of Purchases	Share of Refinances
	$50,000 or Less	$50,000 to $150,000	$150,001 to $300,000	More than $300,000	Less than 15 Years	15 Years	15 to 30 Years	30 Years or More			
Respondent Age											
35 Years or Younger	1.4	41.6	44.1	12.9	1.6	7.8	4.8	85.8	21.9	40.0	10.5
36 to 45	1.7	31.5	41.1	25.6	3.1	17.8	7.3	71.9	23.3	22.4	23.9
46 to 55	3.5	37.9	39.0	19.5	6.4	25.5	9.0	59.2	24.2	16.7	28.9
56 to 65	4.1	45.3	34.0	16.5	8.9	23.1	7.1	60.9	19.8	13.3	24.0
Older than 65	8.0	48.4	31.2	12.5	8.5	18.7	5.8	67.0	10.7	7.6	12.7
Race/Ethnicity											
Non-Hispanic White	3.4	42.0	38.4	16.2	6.0	18.8	7.2	68.0	72.8	70.9	73.9
Hispanic and Non-White	2.7	34.1	39.8	23.4	3.4	18.1	6.1	72.3	27.2	29.1	26.1
Hispanic White	4.4	45.7	36.4	13.5	4.4	16.1	7.3	72.2	5.5	6.4	4.9
Asian	0.9	17.1	38.0	44.0	3.2	28.0	4.8	64.0	5.7	5.6	5.8
Black	4.6	47.7	38.1	9.5	2.6	12.5	8.6	76.3	5.0	5.1	4.9
Mixed and Other	1.9	31.0	43.1	23.9	3.5	16.6	5.1	74.8	11.1	12.0	10.6
Respondent Education											
High School or Less	8.8	59.7	25.6	6.0	6.3	18.3	8.9	66.5	12.1	11.7	12.3
Some School	12.7	54.2	29.5	3.6	5.0	14.0	10.7	70.3	1.8	2.3	1.5
High School	8.1	60.6	24.9	6.5	6.5	19.1	8.6	65.9	10.3	9.4	10.8
Some College	3.8	50.9	35.7	9.6	5.5	15.8	7.9	70.8	23.6	22.8	24.1
Technical School	4.9	54.4	34.1	6.5	5.5	16.2	9.4	68.9	4.9	4.4	5.2
Partial College	3.6	50.0	36.0	10.4	5.5	15.7	7.5	71.3	18.8	18.5	18.9
College Degree	2.3	36.9	42.5	18.3	4.1	18.0	6.0	71.9	35.1	36.3	34.4
Postgraduate	1.5	26.2	42.4	29.9	6.1	21.8	6.4	65.7	29.1	29.2	29.1
Household Income											
Less than $50,000	9.5	72.1	16.6	1.8	5.1	14.2	7.9	72.8	17.4	19.8	15.8
Less than $35,000	14.1	72.6	11.6	1.7	5.5	13.8	8.3	72.5	6.4	6.5	6.4
$35,000 to $49,999	6.8	71.9	19.5	1.8	4.8	14.5	7.7	72.9	10.9	13.4	9.4
$50,000 to $99,999	3.2	47.7	42.6	6.5	5.2	18.1	7.1	69.6	38.1	38.6	37.7
$50,000 to $74,999	4.3	53.7	37.7	4.3	4.7	17.5	7.2	70.6	19.4	20.9	18.4
$75,000 to $99,999	2.0	41.6	47.6	8.9	5.6	18.8	7.1	68.5	18.7	17.7	19.3
$100,000 to $174,999	1.0	25.4	51.4	22.1	5.6	19.4	7.3	67.7	28.8	27.4	29.7
$175,000 or More	0.4	11.5	31.2	56.9	5.3	23.2	4.8	66.7	15.8	14.2	16.8
Household Type											
Couple	2.7	35.9	40.5	20.9	5.7	19.1	6.9	68.3	78.0	77.3	78.4
Married	2.5	35.2	40.6	21.6	5.9	19.9	6.9	67.3	71.1	66.4	74.1
With Partner	4.2	43.4	39.0	13.5	4.0	10.8	6.9	78.3	6.9	10.9	4.3
Single	5.1	53.7	32.8	8.3	3.9	16.9	7.0	72.2	22.0	22.7	21.6
Male	4.1	53.8	32.9	9.2	3.7	17.1	4.8	74.4	9.5	10.6	8.9
Female	5.9	53.7	32.7	7.7	4.0	16.7	8.6	70.6	12.5	12.1	12.7
Military											
Active Duty or Veteran	3.9	40.1	41.1	15.0	6.0	15.4	4.6	74.0	18.3	18.0	18.6
Active Duty	1.8	27.7	50.9	19.5	4.6	7.5	4.4	83.5	1.8	3.1	0.9
Veteran	4.1	41.4	40.0	14.5	6.1	16.3	4.7	73.0	16.6	14.9	17.7
No Military Service	3.1	39.8	38.3	18.9	5.1	19.3	7.5	68.1	81.7	82.0	81.4
Basic Training	3.7	48.3	31.6	16.4	5.6	18.9	9.4	66.1	5.0	4.3	5.4
Never Served	3.0	39.2	38.7	19.0	5.1	19.4	7.3	68.2	76.7	77.7	76.0

Table 2. Loan Size and Mortgage Term to Maturity, by Demographic, Loan, Property Characteristics (Continued)
(Percentage Distribution)

Characteristics	Loan Size[1]				Mortgage Term to Maturity[1]				Share of All Loans	Share of Purchases	Share of Refinances
	$50,000 or Less	$50,000 to $150,000	$150,001 to $300,000	More than $300,000	Less than 15 Years	15 Years	15 to 30 Years	30 Years or More			
Employment											
Full-Time	2.4	37.9	40.2	19.5	5.0	18.5	7.0	69.4	86.3	89.3	84.4
Couple, Both	1.7	34.3	41.6	22.4	5.2	19.5	7.1	68.2	41.6	42.5	41.0
Couple, One	2.8	34.8	41.0	21.4	5.6	18.7	6.8	68.9	27.7	27.6	27.7
Single	3.7	51.5	35.7	9.1	3.7	15.8	7.3	73.1	17.1	19.2	15.7
Not Full-Time	8.2	52.2	29.9	9.7	7.0	19.1	6.3	67.5	13.7	10.7	15.6
Couple, Neither	7.1	46.9	34.0	12.0	8.5	18.2	6.7	66.6	8.7	7.2	9.7
Single	10.0	61.6	22.7	5.7	4.5	20.6	5.7	69.2	4.9	3.4	5.9
Credit Score[1]											
Lower than 620	5.0	52.0	31.0	12.0	5.2	7.9	11.8	75.1	4.3	4.0	4.4
620 to 679	3.8	41.8	43.2	11.2	2.1	11.2	6.9	79.8	14.6	16.3	13.5
620 to 639	4.9	46.0	38.8	10.3	2.2	10.7	3.5	83.7	3.4	3.7	3.1
640 to 659	1.6	39.7	46.6	12.1	3.0	9.6	8.2	79.2	5.4	5.7	5.2
660 to 679	5.2	41.4	42.5	10.9	1.2	13.0	7.7	78.1	5.8	6.9	5.2
680 to 719	2.9	44.6	39.0	13.5	4.7	13.7	7.0	74.6	14.6	15.0	14.4
680 to 699	4.4	45.0	40.5	10.1	4.6	13.3	8.9	73.3	6.4	6.3	6.5
700 to 719	1.8	44.4	37.8	16.1	4.9	14.1	5.5	75.5	8.2	8.7	8.0
720 or Higher	3.1	37.6	38.3	21.1	6.1	22.0	6.6	65.3	66.5	64.8	67.6
720 to 739	1.9	39.9	39.7	18.6	4.8	14.3	6.3	74.6	9.6	10.5	9.0
740 or Higher	3.2	37.2	38.1	21.5	6.3	23.3	6.7	63.7	56.9	54.3	58.6
Loan Type											
Purchase[2]	3.2	38.9	40.1	17.9	2.2	8.0	2.3	87.5	38.8	100.0	0.0
First-Time Homeowner[1]	2.1	44.2	41.8	11.9	0.9	4.7	1.4	93.1	8.5	22.0	0.0
Repeat Homeowner	2.7	35.5	41.2	20.6	1.9	7.5	2.6	87.9	26.6	68.7	0.0
Seasonal Home	5.9	41.4	36.1	16.7	3.3	33.7	0.7	62.4	1.1	2.8	0.0
Relative Home	10.0	67.1	17.2	5.8	5.3	13.0	8.0	73.7	0.5	1.3	0.0
Investment Home	10.4	53.1	25.6	10.9	9.2	13.1	1.6	76.1	2.0	5.2	0.0
Refinance[2]	3.3	40.4	38.0	18.3	7.3	25.3	9.9	57.5	61.2	0.0	100.0
Homeowner Cashout[3]	3.3	37.5	39.7	19.6	8.0	25.8	7.1	59.1	16.8	0.0	27.5
Homeowner Regular	3.0	41.0	37.5	18.5	7.1	25.5	10.8	56.5	39.7	0.0	64.8
Seasonal Home	4.8	34.2	33.1	28.0	9.9	31.0	1.4	57.7	0.8	0.0	1.3
Relative Home	2.3	61.9	25.2	10.6	13.1	32.0	6.5	48.4	0.5	0.0	0.8
Investment Home	6.6	46.5	38.3	8.7	4.0	18.6	14.6	62.8	3.4	0.0	5.6
Property Type											
Single-family Detached House	2.9	38.4	40.3	18.4	5.5	18.7	7.0	68.9	84.0	81.8	85.5
Townhouse, Row House, or Villa	2.6	46.2	33.2	18.0	1.8	17.3	5.7	75.2	5.7	6.6	5.2
Mobile or Manufactured Home	17.3	71.3	9.7	1.7	16.2	16.0	13.7	54.1	1.7	2.0	1.4
Two-to-Four Unit Dwelling	5.8	48.5	32.6	13.1	4.3	22.9	8.4	64.3	2.2	2.0	2.3
Condo, Apartment House, or Co-op	2.8	41.1	34.4	21.7	2.3	18.5	5.2	74.0	6.0	7.0	5.4
Other	12.0	54.1	33.9	0.0	21.9	19.0	0.0	59.1	0.3	0.6	0.2
All Respondents	**3.2**	**39.8**	**38.8**	**18.1**	**5.3**	**18.6**	**6.9**	**69.2**	**100.0**	**100.0**	**100.0**

Source: National Survey of Mortgage Originations, 2013

Notes: 1. Credit score, loan size, mortgage term to maturity, and first-time homebuyer status are assembled from the National Mortgage Database. Credit score from Vantage ranges from 300 to 850. A homebuyer is classified as first-time if neither the respondent nor the spouse is older than 54 years in age and there is no evidence of a prior mortgage in the credit files.
2. Mortgages to purchase a property are classified as the "purchase" loan type and all other mortgages are clasified as the "refinance" type.
3. If a refinance mortgage amount is higher than the prior mortgage amount or a if the mortgage is for a previously mortgage-free property, the mortgage is classified as a cashout refinance.

Table 3. Credit Score, by Demographic, Loan, and Property Characteristics
(Percentage Distribution)

Characteristics	Credit Score[1]											Share of All Loans
	Lower than 620	620 to 679				680 to 719			720 or Higher			
		All	620 to 639	640 to 659	660 to 679	All	680 to 699	700 to 719	All	720 to 739	740 or Higher	
Respondent Age												
35 Years or Younger	3.9	17.6	3.8	6.0	7.8	16.2	6.4	9.9	62.2	12.7	49.6	21.9
36 to 45	5.1	15.7	3.4	5.8	6.5	16.4	6.9	9.5	62.8	9.5	53.3	23.3
46 to 55	4.0	15.4	3.5	5.7	6.2	13.6	6.3	7.3	67.1	9.1	58.0	24.2
56 to 65	3.8	12.2	3.4	5.0	3.8	13.1	6.2	6.9	70.9	8.3	62.6	19.8
Older than 65	4.7	8.5	1.8	3.2	3.5	12.9	6.1	6.8	73.8	6.8	67.0	10.7
Race/Ethnicity												
Non-Hispanic White	*3.8*	*13.9*	*2.9*	*5.3*	*5.7*	*14.7*	*6.6*	*8.1*	*67.6*	*9.2*	*58.4*	*72.8*
Hispanic and Non-White	*5.4*	*16.4*	*4.6*	*5.6*	*6.3*	*14.6*	*5.9*	*8.6*	*63.6*	*10.5*	*53.1*	*27.2*
Hispanic White	6.6	17.9	5.5	4.5	7.9	17.7	5.3	12.4	57.8	14.8	43.0	5.5
Asian	2.1	7.9	1.7	4.7	1.6	6.4	1.7	4.6	83.6	6.5	77.1	5.7
Black	9.1	22.4	7.1	5.4	9.8	23.7	10.1	13.6	44.8	11.7	33.1	5.0
Mixed and Other	4.8	17.4	4.5	6.6	6.3	13.2	6.6	6.6	64.5	9.9	54.6	11.1
Respondent Education												
High School or Less	*7.4*	*19.3*	*5.2*	*8.8*	*5.3*	*21.2*	*9.6*	*11.6*	*52.1*	*10.5*	*41.6*	*12.1*
Some School	4.8	27.0	4.7	15.0	7.3	28.6	20.7	7.9	39.5	7.6	31.9	1.8
High School	7.8	17.9	5.3	7.7	5.0	19.9	7.7	12.3	54.3	11.0	43.3	10.3
Some College	*5.8*	*21.2*	*4.9*	*7.1*	*9.3*	*16.4*	*6.8*	*9.6*	*56.6*	*9.4*	*47.2*	*23.6*
Technical School	5.2	18.5	5.1	4.2	9.1	12.3	5.2	7.2	64.0	9.7	54.3	4.9
Partial College	5.9	21.9	4.8	7.8	9.3	17.5	7.2	10.3	54.7	9.3	45.3	18.8
College Degree	*3.8*	*13.3*	*3.2*	*4.7*	*5.4*	*14.3*	*6.8*	*7.4*	*68.7*	*10.0*	*58.7*	*35.1*
Postgraduate	*2.3*	*8.9*	*1.5*	*3.5*	*3.9*	*10.9*	*4.2*	*6.7*	*77.9*	*8.8*	*69.1*	*29.1*
Household Income												
Less than $50,000	*7.9*	*19.4*	*5.2*	*6.0*	*8.3*	*17.9*	*8.6*	*9.3*	*54.9*	*10.6*	*44.3*	*17.4*
Less than $35,000	11.4	19.3	4.8	6.5	8.0	16.3	9.5	6.8	53.0	10.0	43.0	6.4
$35,000 to $49,999	5.8	19.5	5.4	5.7	8.5	18.8	8.0	10.8	55.9	10.9	45.0	10.9
$50,000 to $99,999	*4.6*	*15.8*	*3.5*	*6.3*	*6.0*	*16.3*	*7.3*	*9.0*	*63.4*	*10.3*	*53.1*	*38.1*
$50,000 to $74,999	4.3	15.4	3.3	5.8	6.4	17.9	8.1	9.8	62.4	10.1	52.2	19.4
$75,000 to $99,999	4.8	16.1	3.7	6.8	5.6	14.6	6.4	8.2	64.5	10.5	54.0	18.7
$100,000 to $174,999	*3.1*	*13.8*	*3.2*	*5.1*	*5.5*	*13.1*	*5.2*	*7.9*	*70.1*	*8.8*	*61.3*	*28.8*
$175,000 or More	*1.7*	*8.0*	*1.2*	*3.3*	*3.5*	*10.0*	*4.1*	*5.9*	*80.3*	*8.2*	*72.1*	*15.8*
Household Type												
Couple	*4.1*	*14.7*	*3.2*	*5.8*	*5.7*	*14.5*	*6.2*	*8.4*	*66.6*	*9.4*	*57.2*	*78.0*
Married	4.1	14.3	2.9	5.6	5.7	14.5	6.1	8.4	67.1	9.1	57.9	71.1
With Partner	4.0	18.8	5.5	7.7	5.6	15.2	6.7	8.5	62.0	12.5	49.5	6.9
Single	*4.7*	*14.2*	*4.0*	*3.9*	*6.3*	*15.1*	*7.3*	*7.8*	*66.0*	*10.1*	*55.9*	*22.0*
Male	3.4	11.9	2.8	3.1	6.0	16.0	7.1	8.9	68.7	11.0	57.7	9.5
Female	5.7	15.9	4.9	4.5	6.5	14.3	7.4	6.9	64.0	9.4	54.6	12.5
Military												
Active Duty or Veteran	*4.6*	*15.7*	*2.6*	*6.6*	*6.5*	*16.0*	*7.1*	*8.9*	*63.8*	*10.0*	*53.8*	*18.3*
Active Duty	3.4	14.0	0.0	11.1	2.9	23.5	11.4	12.2	59.1	13.8	45.3	1.8
Veteran	4.7	15.8	2.9	6.1	6.8	15.2	6.6	8.5	64.3	9.6	54.7	16.6
No Military Service	*4.2*	*14.4*	*3.5*	*5.1*	*5.7*	*14.3*	*6.3*	*8.1*	*67.1*	*9.5*	*57.6*	*81.7*
Basic Training	6.9	16.2	3.9	6.3	6.0	14.2	6.9	7.3	62.7	11.4	51.3	5.0
Never Served	4.0	14.2	3.5	5.1	5.7	14.4	6.2	8.1	67.4	9.4	58.0	76.7

Table 3. Credit Score, by Demographic, Loan, and Property Characteristics (Continued)
(Percentage Distribution)

Characteristics	Credit Score[1]											Share of All Loans
	Lower than 620	620 to 679				680 to 719			720 or Higher			
		All	620 to 639	640 to 659	660 to 679	All	680 to 699	700 to 719	All	720 to 739	740 or Higher	
Employment												
Full-Time	4.1	15.4	3.5	5.6	6.2	15.3	6.7	8.6	65.3	9.8	55.4	86.3
Couple, Both	4.4	16.3	3.5	6.2	6.6	15.4	6.0	9.5	63.8	9.9	54.0	41.6
Couple, One	3.7	13.9	3.0	5.8	5.2	14.5	7.2	7.3	67.9	9.5	58.5	27.7
Single	4.0	15.5	4.4	4.0	7.0	16.3	7.7	8.5	64.3	10.2	54.1	17.1
Not Full-Time	5.4	9.7	2.3	4.0	3.4	10.5	4.4	6.1	74.4	8.0	66.3	13.7
Couple, Neither	4.3	9.7	2.1	4.4	3.2	10.2	3.7	6.5	75.8	7.1	68.6	8.7
Single	7.4	9.8	2.6	3.4	3.8	10.9	5.6	5.3	71.9	9.6	62.3	4.9
Credit Score[1]												
Lower than 620	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.3
620 to 679	0.0	100.0	23.0	37.0	40.0	0.0	0.0	0.0	0.0	0.0	0.0	14.6
620 to 639	0.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.4
640 to 659	0.0	100.0	0.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.4
660 to 679	0.0	100.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	5.8
680 to 719	0.0	0.0	0.0	0.0	0.0	100.0	43.7	56.3	0.0	0.0	0.0	14.6
680 to 699	0.0	0.0	0.0	0.0	0.0	100.0	100.0	0.0	0.0	0.0	0.0	6.4
700 to 719	0.0	0.0	0.0	0.0	0.0	100.0	0.0	100.0	0.0	0.0	0.0	8.2
720 or Higher	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	14.4	85.6	66.5
720 to 739	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0	0.0	9.6
740 or Higher	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	0.0	100.0	56.9
Loan Type												
Purchase[2]	4.0	16.3	3.7	5.7	6.9	15.0	6.3	8.7	64.8	10.5	54.3	38.8
First-Time Homeowner[1]	4.2	18.2	2.5	7.3	8.4	17.7	8.1	9.6	59.9	11.5	48.4	8.5
Repeat Homeowner	4.2	17.3	4.5	5.8	6.9	15.1	6.2	8.9	63.4	10.6	52.8	26.6
Seasonal Home	0.0	0.0	0.0	0.0	0.0	8.2	3.0	5.3	91.8	7.4	84.3	1.1
Relative Home	6.3	7.3	2.6	2.2	2.4	8.7	3.4	5.3	77.7	0.0	77.7	0.5
Investment Home	1.4	5.7	0.0	1.4	4.3	6.7	3.1	3.6	86.2	9.3	76.8	2.0
Refinance[2]	4.4	13.5	3.1	5.2	5.2	14.4	6.5	8.0	67.6	9.0	58.6	61.2
Homeowner Cashout[3]	6.3	16.4	4.0	6.1	6.3	16.6	8.0	8.6	60.6	8.5	52.1	16.8
Homeowner Regular	3.7	12.7	2.9	4.9	4.9	13.8	5.8	7.9	69.8	9.9	59.9	39.7
Seasonal Home	0.0	14.7	3.4	9.2	2.1	7.4	7.4	0.0	77.9	4.0	74.0	0.8
Relative Home	2.9	11.1	6.8	0.0	4.3	18.5	3.5	15.1	67.4	0.0	67.4	0.5
Investment Home	4.5	9.0	0.9	3.9	4.2	12.1	6.2	5.9	74.4	3.9	70.5	3.4
Property Type												
Single-family Detached House	4.4	15.1	3.1	5.8	6.2	15.1	6.5	8.5	65.4	9.7	55.7	84.0
Townhouse, Row House, or Villa	2.7	11.4	4.3	1.8	5.3	12.5	5.5	6.9	73.5	8.5	65.0	5.7
Mobile or Manufactured Home	18.7	21.7	9.2	3.8	8.7	12.3	7.3	5.0	47.3	8.4	38.9	1.7
Two-to-Four Unit Dwelling	1.6	12.2	4.3	4.5	3.4	16.0	7.2	8.8	70.2	5.7	64.5	2.2
Condo, Apartment House, or Co-op	0.3	9.8	3.6	4.1	2.2	10.2	4.3	5.9	79.7	10.2	69.5	6.0
Other	0.0	19.3	8.5	5.7	5.1	25.6	15.0	10.6	55.1	20.9	34.2	0.3
All Respondents	**4.3**	**14.6**	**3.4**	**5.4**	**5.8**	**14.6**	**6.4**	**8.2**	**66.5**	**9.6**	**56.9**	**100.0**

Source: National Survey of Mortgage Originations, 2013
Notes: 1. Credit score, loan size, mortgage term to maturity, and first-time homebuyer status are assembled from the National Mortgage Database. Credit score from Vantage ranges from 300 to 850. A homebuyer is classified as first-time if neither the respondent nor the spouse is older than 54 years in age and there is no evidence of a prior mortgage in the credit files.
2. Mortgages to purchase a property are classified as the "purchase" loan type and all other mortgages are classified as the "refinance" type.
3. If a refinance mortgage amount is higher than the prior mortgage amount or a if the mortgage is for a previously mortgage-free property, the mortgage is classified as a cashout refinance.

Table 4. Loan Type, by Demographic and Property Characteristics
(Percentage Distribution)

Characteristics	Loan Type[2]												Share of All Loans
	Purchase[2]						Refinance[2]						
	All	First-Time[1]	Repeat	Seasonal	Relative	Investment	All	Cashout[3]	Regular	Seasonal	Relative	Investment	
Respondent Age													
35 Years or Younger	70.7	28.7	39.9	0.1	0.1	1.9	29.3	7.0	20.2	0.0	0.2	1.9	21.9
36 to 45	37.3	6.3	28.5	0.4	0.1	1.9	62.7	15.7	42.3	0.3	0.4	4.0	23.3
46 to 55	26.8	3.2	19.5	1.6	0.3	2.2	73.2	21.5	47.1	0.9	0.4	3.3	24.2
56 to 65	26.0	0.0	20.6	1.9	1.1	2.4	74.0	21.1	45.8	1.8	0.9	4.4	19.8
Older than 65	27.4	0.0	22.6	1.9	1.5	1.4	72.6	21.0	45.7	1.5	0.6	3.7	10.7
Race/Ethnicity													
Non-Hispanic White	37.8	8.1	26.1	1.2	0.6	1.7	62.2	17.5	40.4	1.0	0.5	3.0	72.8
Hispanic and Non-White	41.4	9.8	28.0	0.8	0.2	2.7	58.6	15.1	37.9	0.4	0.5	4.7	27.2
Hispanic White	45.5	10.3	31.2	1.1	0.5	2.4	54.5	13.0	36.0	0.2	0.4	4.9	5.5
Asian	38.2	10.3	22.3	0.9	0.0	4.8	61.8	15.8	41.8	0.0	0.2	4.0	5.7
Black	40.0	9.9	27.7	0.0	0.0	2.3	60.0	13.6	40.9	0.3	1.3	3.8	5.0
Mixed and Other	41.7	9.2	29.4	0.9	0.3	1.9	58.3	16.4	35.4	0.7	0.4	5.4	11.1
Respondent Education													
High School or Less	37.6	6.9	27.1	0.8	0.8	2.0	62.4	22.0	38.7	0.2	0.4	1.1	12.1
Some School	49.4	8.6	38.0	0.0	0.0	2.8	50.6	20.9	28.0	0.9	0.0	0.7	1.8
High School	35.5	6.6	25.1	1.0	0.9	1.9	64.5	22.1	40.6	0.1	0.5	1.1	10.3
Some College	37.5	7.3	27.0	1.2	0.5	1.4	62.5	16.3	41.1	0.6	0.5	4.1	23.6
Technical School	34.8	10.7	21.1	0.9	0.8	1.2	65.2	15.6	45.6	0.4	0.7	2.9	4.9
Partial College	38.2	6.4	28.6	1.2	0.4	1.5	61.8	16.5	39.9	0.6	0.4	4.4	18.8
College Degree	40.0	10.3	26.2	1.0	0.2	2.3	60.0	16.6	38.5	0.9	0.4	3.6	35.1
Postgraduate	38.8	8.1	26.6	1.2	0.7	2.1	61.2	15.4	40.4	1.1	0.7	3.7	29.1
Household Income													
Less than $50,000	44.3	15.2	27.3	0.5	0.2	1.1	55.7	18.3	34.0	0.3	0.7	2.4	17.4
Less than $35,000	39.1	11.7	26.2	0.0	0.0	1.1	60.9	18.4	37.7	0.8	0.8	3.3	6.4
$35,000 to $49,999	47.3	17.2	27.9	0.9	0.3	1.0	52.7	18.2	31.9	0.0	0.7	2.0	10.9
$50,000 to $99,999	39.3	10.3	26.5	0.5	0.4	1.6	60.7	17.3	40.0	0.5	0.2	2.7	38.1
$50,000 to $74,999	41.9	11.7	28.1	0.5	0.2	1.3	58.1	16.1	39.1	0.3	0.3	2.3	19.4
$75,000 to $99,999	36.7	8.9	24.8	0.6	0.6	1.8	63.3	18.6	41.0	0.6	0.1	3.1	18.7
$100,000 to $174,999	36.9	5.0	27.8	1.2	0.7	2.1	63.1	16.2	41.8	0.8	0.4	4.0	28.8
$175,000 or More	34.8	3.3	24.0	2.8	0.7	3.9	65.2	15.3	41.3	2.2	1.2	5.3	15.8
Household Type													
Couple	38.4	5.9	28.6	1.3	0.6	2.1	61.6	16.9	39.9	0.9	0.4	3.5	78.0
Married	36.2	5.7	26.4	1.3	0.6	2.1	63.8	17.7	41.1	0.9	0.5	3.6	71.1
With Partner	61.9	8.2	51.1	0.5	0.4	1.7	38.1	8.9	26.7	0.6	0.2	1.8	6.9
Single	39.9	17.8	19.7	0.5	0.2	1.7	60.1	16.5	39.0	0.6	0.6	3.3	22.0
Male	43.0	20.9	19.4	0.5	0.1	2.0	57.0	17.7	34.6	0.6	0.8	3.3	9.5
Female	37.5	15.4	19.8	0.5	0.3	1.5	62.5	15.7	42.4	0.6	0.5	3.3	12.5
Military													
Active Duty or Veteran	38.1	5.3	28.2	1.3	1.1	2.2	61.9	18.4	38.4	1.1	0.3	3.8	18.3
Active Duty	68.8	17.2	45.4	0.0	0.0	6.2	31.2	5.8	17.8	0.0	0.0	7.6	1.8
Veteran	34.8	4.1	26.4	1.4	1.2	1.7	65.2	19.8	40.6	1.2	0.3	3.4	16.6
No Military Service	38.9	9.3	26.3	1.0	0.4	2.0	61.1	16.5	40.0	0.7	0.5	3.4	81.7
Basic Training	33.6	5.1	26.1	1.0	0.2	1.2	66.4	15.2	46.4	0.3	0.9	3.6	5.0
Never Served	39.3	9.5	26.3	1.0	0.4	2.0	60.7	16.6	39.6	0.8	0.5	3.3	76.7

Table 4. Loan Type, by Demographic and Property Characteristics (Continued)
(Percentage Distribution)

Characteristics	Loan Type[2]												Share of All Loans
	Purchase[2]						Refinance[2]						
	All	First-Time[1]	Repeat	Seasonal	Relative	Investment	All	Cashout[3]	Regular	Seasonal	Relative	Investment	
Employment													
Full-Time	40.1	9.6	27.1	1.1	0.4	2.0	59.9	16.2	39.2	0.7	0.5	3.4	86.3
Couple, Both	39.6	8.0	27.9	1.0	0.4	2.2	60.4	16.7	39.5	0.5	0.5	3.2	41.6
Couple, One	38.7	4.2	30.6	1.3	0.5	2.0	61.3	15.9	40.3	1.1	0.4	3.7	27.7
Single	43.7	22.0	19.3	0.6	0.2	1.5	56.3	15.2	36.9	0.4	0.6	3.4	17.1
Not Full-Time	30.3	2.1	23.8	1.3	1.0	2.0	69.7	21.1	42.5	1.7	0.6	3.8	13.7
Couple, Neither	32.1	1.5	25.4	2.0	1.5	1.7	67.9	21.1	40.3	1.9	0.5	4.2	8.7
Single	27.0	3.2	20.9	0.2	0.3	2.4	73.0	21.3	46.3	1.3	0.9	3.2	4.9
Credit Score[1]													
Lower than 620	36.4	8.5	26.4	0.0	0.7	0.7	63.6	25.1	34.6	0.0	0.3	3.6	4.3
620 to 679	43.2	10.7	31.5	0.0	0.3	0.8	56.8	18.9	34.6	0.8	0.4	2.1	14.6
620 to 639	42.9	6.5	36.1	0.0	0.4	0.0	57.1	20.1	34.2	0.8	1.0	1.0	3.4
640 to 659	40.9	11.5	28.6	0.0	0.2	0.5	59.1	18.9	36.4	1.4	0.0	2.5	5.4
660 to 679	45.4	12.3	31.5	0.0	0.2	1.5	54.6	18.2	33.3	0.3	0.4	2.4	5.8
680 to 719	39.6	10.3	27.5	0.6	0.3	0.9	60.4	19.1	37.4	0.4	0.6	2.8	14.6
680 to 699	38.2	10.8	25.7	0.5	0.3	1.0	61.8	21.1	36.2	0.9	0.3	3.3	6.4
700 to 719	40.8	9.9	28.9	0.7	0.3	0.9	59.2	17.6	38.3	0.0	0.9	2.5	8.2
720 or Higher	37.8	7.7	25.4	1.5	0.6	2.6	62.2	15.3	41.6	0.9	0.5	3.8	66.5
720 to 739	42.4	10.2	29.4	0.8	0.0	2.0	57.6	14.9	40.9	0.3	0.0	1.4	9.6
740 or Higher	37.0	7.3	24.7	1.6	0.7	2.7	63.0	15.4	41.7	1.0	0.6	4.3	56.9
Loan Type[2]													
Purchase[2]	100.0	22.0	68.7	2.8	1.3	5.2	0.0	0.0	0.0	0.0	0.0	0.0	38.8
First-Time Homeowner[1]	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.5
Repeat Homeowner	100.0	0.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	26.6
Seasonal Home	100.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.1
Relative Home	100.0	0.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5
Investment Home	100.0	0.0	0.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0
Refinance[2]	0.0	0.0	0.0	0.0	0.0	0.0	100.0	27.5	64.8	1.3	0.8	5.6	61.2
Homeowner Cashout[3]	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0	0.0	0.0	0.0	0.0	16.8
Homeowner Regular	0.0	0.0	0.0	0.0	0.0	0.0	100.0	0.0	100.0	0.0	0.0	0.0	39.7
Seasonal Home	0.0	0.0	0.0	0.0	0.0	0.0	100.0	0.0	0.0	100.0	0.0	0.0	0.8
Relative Home	0.0	0.0	0.0	0.0	0.0	0.0	100.0	0.0	0.0	0.0	100.0	0.0	0.5
Investment Home	0.0	0.0	0.0	0.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	100.0	3.4
Property Type													
Single-family Detached House	37.7	8.3	26.9	0.8	0.4	1.4	62.3	17.5	40.9	0.7	0.5	2.7	84.0
Townhouse, Row House, or Villa	44.2	10.2	27.9	1.4	1.7	3.1	55.8	12.0	36.3	0.8	0.4	6.3	5.7
Mobile or Manufactured Home	47.7	6.1	36.5	2.4	1.9	0.8	52.3	16.7	33.0	0.7	0.5	1.4	1.7
Two-to-Four Unit Dwelling	35.2	5.7	15.3	0.4	0.0	13.8	64.8	19.2	24.8	0.5	1.5	18.9	2.2
Condo, Apartment House, or Co-op	45.2	11.5	23.2	4.2	0.8	5.6	54.8	12.5	33.6	2.3	0.7	5.7	6.0
Other	67.0	21.7	36.0	0.0	0.0	9.3	33.0	5.7	24.7	0.0	0.0	2.6	0.3
All Respondents	**38.8**	**8.5**	**26.6**	**1.1**	**0.5**	**2.0**	**61.2**	**16.8**	**39.7**	**0.8**	**0.5**	**3.4**	**100.0**

Source: National Survey of Mortgage Originationss, 2013
Notes: 1. Credit score, loan size, mortgage term to maturity, and first-time homebuyer status are assembled from the National Mortgage Database. Credit score from Vantage ranges from 300 to 850. A homebuyer is classified as first-time if neither the respondent nor the spouse is older than 54 years in age and there is no evidence of a prior mortgage in the credit files.
2. Mortgages to purchase a property are classified as the "purchase" loan type and all other mortgages are clasified as the "refinance" type.
3. If a refinance mortgage amount is higher than the prior mortgage amount or a if the mortgage is for a previously mortgage-free property, the mortgage is classified as a cashout refinance.

Table 5. Property Type, by Demographic and Loan Characteristics
(Percentage Distribution)

Characteristics	Property Type						Share of All Loans
	Single-Family	Townhouse	Mobile	Two-to-Four Unit	Condo	Other	
Respondent Age							
35 Years or Younger	83.0	6.5	1.6	1.5	7.0	0.4	21.9
36 to 45	83.9	5.6	1.8	2.0	6.1	0.6	23.3
46 to 55	87.0	5.1	1.3	1.9	4.5	0.1	24.2
56 to 65	83.3	6.0	1.4	3.0	6.0	0.3	19.8
Older than 65	81.1	5.5	2.6	3.2	7.3	0.2	10.7
Race/Ethnicity							
Non-Hispanic White	*85.3*	*5.3*	*2.0*	*2.0*	*5.2*	*0.2*	*72.8*
Hispanic and Non-White	*80.7*	*7.0*	*0.8*	*2.6*	*8.3*	*0.6*	*27.2*
Hispanic White	78.4	7.4	1.1	3.0	9.6	0.5	5.5
Asian	73.7	11.5	0.3	2.0	12.0	0.6	5.7
Black	79.8	9.2	0.5	3.9	5.6	0.9	5.0
Mixed and Other	85.8	3.6	1.1	2.2	6.8	0.4	11.1
Respondent Education							
High School or Less	*85.8*	*2.8*	*4.2*	*2.5*	*3.8*	*0.9*	*12.1*
Some School	82.0	3.0	3.3	4.2	4.6	2.9	1.8
High School	86.5	2.8	4.3	2.2	3.7	0.5	10.3
Some College	*86.6*	*4.9*	*2.9*	*2.3*	*3.0*	*0.4*	*23.6*
Technical School	87.3	3.7	1.2	4.0	3.1	0.7	4.9
Partial College	86.4	5.2	3.3	1.8	2.9	0.3	18.8
College Degree	*83.1*	*6.8*	*0.9*	*2.3*	*6.9*	*0.1*	*35.1*
Postgraduate	*82.4*	*6.4*	*0.6*	*1.9*	*8.4*	*0.3*	*29.1*
Household Income							
Less than $50,000	*81.3*	*5.1*	*3.5*	*3.8*	*5.3*	*0.9*	*17.4*
Less than $35,000	80.4	3.8	4.0	6.1	5.1	0.6	6.4
$35,000 to $49,999	81.8	5.9	3.3	2.5	5.3	1.1	10.9
$50,000 to $99,999	*85.0*	*5.6*	*2.2*	*2.2*	*4.8*	*0.2*	*38.1*
$50,000 to $74,999	83.5	6.7	2.3	2.4	4.8	0.3	19.4
$75,000 to $99,999	86.6	4.4	2.1	2.0	4.8	0.1	18.7
$100,000 to $174,999	*85.0*	*5.6*	*0.7*	*1.6*	*6.8*	*0.3*	*28.8*
$175,000 or More	*82.9*	*7.1*	*0.1*	*1.5*	*8.5*	*0.0*	*15.8*
Household Type							
Couple	*87.0*	*4.7*	*1.6*	*1.9*	*4.7*	*0.2*	*78.0*
Married	88.0	4.4	1.5	1.8	4.0	0.2	71.1
With Partner	75.7	6.9	2.0	3.0	12.4	0.0	6.9
Single	*73.7*	*9.6*	*2.0*	*3.3*	*10.6*	*0.8*	*22.0*
Male	74.5	8.2	2.4	3.3	10.4	1.2	9.5
Female	73.1	10.7	1.7	3.3	10.7	0.5	12.5
Military							
Active Duty or Veteran	*87.9*	*4.0*	*1.9*	*1.9*	*3.8*	*0.6*	*18.3*
Active Duty	87.8	5.3	0.9	0.0	4.1	1.8	1.8
Veteran	87.9	3.9	2.0	2.1	3.7	0.4	16.6
No Military Service	*83.2*	*6.1*	*1.6*	*2.3*	*6.5*	*0.3*	*81.7*
Basic Training	86.0	5.0	1.6	3.0	3.9	0.5	5.0
Never Served	83.0	6.2	1.6	2.2	6.7	0.3	76.7

Table 5. Property Type, by Demographic and Loan Characteristics (Continued)
(Percentage Distribution)

Characteristics	Property Type						Share of
	Single-Family	Townhouse	Mobile	Two-to-Four Unit	Condo	Other	All Loans
Employment							
Full-Time	*84.7*	*5.7*	*1.5*	*1.9*	*6.0*	*0.3*	*86.3*
Couple, Both	86.3	5.0	1.4	1.9	5.1	0.2	41.6
Couple, One	88.5	4.0	1.5	1.4	4.4	0.2	27.7
Single	74.4	9.8	1.5	2.5	11.0	0.9	17.1
Not Full-Time	*80.2*	*6.4*	*2.8*	*4.3*	*6.0*	*0.3*	*13.7*
Couple, Neither	85.1	4.8	2.4	3.4	4.1	0.1	8.7
Single	71.5	9.1	3.6	6.0	9.2	0.6	4.9
Credit Score[1]							
Lower than 620	*87.9*	*3.6*	*7.3*	*0.8*	*0.4*	*0.0*	*4.3*
620 to 679	*86.7*	*4.5*	*2.5*	*1.8*	*4.1*	*0.4*	*14.6*
620 to 639	78.1	7.4	4.5	2.8	6.4	0.8	3.4
640 to 659	90.2	1.9	1.2	1.8	4.5	0.3	5.4
660 to 679	88.5	5.2	2.5	1.3	2.2	0.3	5.8
680 to 719	*86.5*	*4.9*	*1.4*	*2.4*	*4.2*	*0.6*	*14.6*
680 to 699	85.9	5.0	1.9	2.4	4.0	0.8	6.4
700 to 719	87.0	4.8	1.0	2.4	4.3	0.4	8.2
720 or Higher	*82.7*	*6.4*	*1.2*	*2.3*	*7.2*	*0.3*	*66.5*
720 to 739	85.0	5.1	1.4	1.3	6.4	0.7	9.6
740 or Higher	82.3	6.6	1.1	2.5	7.4	0.2	56.9
Loan Type							
Purchase[2]	*81.8*	*6.6*	*2.0*	*2.0*	*7.0*	*0.6*	*38.8*
First-Time Homeowner[1]	81.5	6.9	1.2	1.5	8.1	0.8	8.5
Repeat Homeowner	84.8	6.0	2.3	1.3	5.2	0.4	26.6
Seasonal Home	65.3	7.3	3.6	0.7	23.1	0.0	1.1
Relative Home	65.7	18.9	6.1	0.0	9.4	0.0	0.5
Investment Home	56.9	8.9	0.7	15.1	17.0	1.5	2.0
Refinance[2]	*85.5*	*5.2*	*1.4*	*2.3*	*5.4*	*0.2*	*61.2*
Homeowner Cashout[3]	87.2	4.1	1.6	2.5	4.5	0.1	16.8
Homeowner Regular	86.7	5.3	1.4	1.4	5.1	0.2	39.7
Seasonal Home	73.8	5.8	1.5	1.4	17.5	0.0	0.8
Relative Home	78.3	5.0	1.6	6.7	8.4	0.0	0.5
Investment Home	66.6	10.5	0.7	12.0	9.9	0.2	3.4
Property Type							
Single-family Detached House	100.0	0.0	0.0	0.0	0.0	0.0	84.0
Townhouse, Row House, or Villa	0.0	100.0	0.0	0.0	0.0	0.0	5.7
Mobile or Manufactured Home	0.0	0.0	100.0	0.0	0.0	0.0	1.7
Two-to-Four Unit Dwelling	0.0	0.0	0.0	100.0	0.0	0.0	2.2
Condo, Apartment House, or Co-op	0.0	0.0	0.0	0.0	100.0	0.0	6.0
Other	0.0	0.0	0.0	0.0	0.0	100.0	0.3
All Respondents	**84.0**	**5.7**	**1.7**	**2.2**	**6.0**	**0.3**	**100.0**

Source: National Survey of Mortgage Originations, 2013

Notes: 1. Credit score, loan size, mortgage term to maturity, and first-time homebuyer status are assembled from the National Mortgage Database. Credit score from Vantage ranges from 300 to 850. A homebuyer is classified as first-time if neither the respondent nor the spouse is older than 54 years in age and there is no evidence of a prior mortgage in the credit files.

2. Mortgages to purchase a property are classified as the "purchase" loan type and all other mortgages are clasified as the "refinance" type.

3. If a refinance mortgage amount is higher than the prior mortgage amount or a if the mortgage is for a previously mortgage-free property, the mortgage is classified as a cashout refinance.

Table 6. Household Life Events, by Loan and Demographic Characteristics
(Percent Who Experienced Each Event in the Last Several Years)

Characteristics	Divorced or Separated	Married or Had a Partner	Death in Household	Addition to Household	Left Household	Disability or Illness	Disaster to Home	Disaster to Work or Job	Moved Less than 50 Miles	Moved 50 Miles or More
Loan Type										
Purchase [1]	*6.4*	*15.6*	*2.8*	*16.3*	*5.2*	*7.3*	*1.2*	*1.7*	*62.8*	*25.8*
First-Time Homeowner [2]	5.9	20.1	2.6	13.6	3.5	3.8	0.7	1.2	74.3	22.8
Repeat Homeowner	7.2	15.6	2.9	18.7	5.5	8.6	1.4	2.0	66.5	29.3
Non-Occupant Owner	1.2	5.1	1.6	4.7	7.5	5.7	1.0	0.5	8.1	6.8
Refinance [1]	*4.9*	*6.6*	*3.4*	*11.8*	*9.8*	*9.4*	*2.0*	*3.0*	*5.4*	*3.2*
Homeowner Cashout [3]	6.2	7.2	3.9	11.3	10.8	10.0	2.3	3.8	6.1	3.0
Homeowner Regular	4.4	6.1	3.2	11.7	9.2	9.2	1.8	2.8	3.9	2.4
Non-Occupant Owner	4.8	9.1	3.8	14.5	10.8	8.0	1.8	2.3	14.5	11.4
Loan Size										
$50,000 or Less	7.4	3.9	6.3	7.1	8.1	10.8	2.5	1.8	22.8	6.7
$50,001 to $150,000	6.2	10.1	3.7	10.9	8.5	10.1	1.7	2.4	25.5	9.4
$150,001 to $300,000	5.4	11.1	2.7	15.1	7.8	7.8	1.6	2.7	29.2	13.9
More than $300,000	3.7	9.1	2.3	17.2	7.4	6.2	1.6	2.5	29.8	14.4
Credit Score [2]										
Lower than 620	7.8	12.6	5.5	17.0	10.1	11.2	2.9	6.3	27.3	12.2
620 to 679	6.0	12.6	3.6	16.4	8.4	9.5	2.6	3.4	34.4	10.8
680 to 719	6.6	10.6	3.8	14.2	9.7	11.0	1.3	2.9	29.1	11.8
720 or Higher	5.0	9.3	2.8	12.6	7.4	7.6	1.5	2.0	25.8	12.3
Respondent Age										
35 Years or Younger	3.5	23.5	1.1	26.7	2.7	3.4	0.7	1.1	53.9	19.1
36 to 45	6.0	9.6	1.6	18.3	5.1	5.4	1.8	1.9	27.6	11.8
46 to 55	9.0	6.6	3.2	6.3	14.7	8.5	1.7	3.8	19.9	8.3
56 to 65	4.8	4.0	4.7	6.9	11.2	13.9	2.4	3.1	15.6	8.9
Older than 65	1.8	3.1	8.0	4.9	4.3	16.1	2.0	2.6	13.7	11.8
Race/Ethnicity										
Non-Hispanic White	5.5	9.3	3.2	12.9	8.5	8.8	1.6	2.5	26.7	11.8
Hispanic and Non-White	5.4	12.4	3.2	15.2	6.6	8.0	1.7	2.5	30.1	12.4
Respondent Education										
High School or Less	6.5	7.4	5.6	11.1	8.4	12.2	1.6	2.5	25.3	8.8
Some College	6.9	10.4	4.2	10.9	9.0	10.9	1.7	2.9	26.6	10.0
College Degree	5.6	11.3	2.3	15.1	7.4	7.4	1.6	2.6	29.5	11.9
Postgraduate	3.7	9.5	2.5	14.9	7.8	6.5	1.8	2.1	27.2	15.0
Household Income										
Less than $50,000	9.4	7.0	6.4	11.0	7.2	13.6	1.6	4.0	31.8	11.6
$50,000 to $99,999	6.2	10.4	3.7	12.4	7.2	9.6	1.9	2.6	28.6	11.7
$100,000 to $174,999	3.8	12.3	1.6	16.2	8.6	6.2	1.6	2.0	25.7	12.8
$175,000 or More	2.6	8.9	1.2	14.3	9.7	4.6	1.3	1.7	24.2	11.2
Household Type										
Couple	2.1	12.5	1.7	15.5	8.0	8.7	1.5	2.6	26.6	12.6
Single	17.5	1.8	8.3	6.7	7.9	8.2	2.2	2.3	31.3	9.6
All Respondents	**5.5**	**10.1**	**3.2**	**13.5**	**8.0**	**8.6**	**1.7**	**2.5**	**27.6**	**12.0**

Source: National Survey of Mortgage Originations, 2013
Notes: 1. Mortgages to purchase a property are classified as the "purchase" loan type and all other mortgages are clasified as the "refinance" type.
2. Credit score and first-time homebuyer status are assembled from the National Mortgage Database. Credit score from Vantage ranges from 300 to 850. A homebuyer is classified as first-time if neither the respondent nor the spouse is older than 54 years in age and there is no evidence of a prior mortgage in the credit files.
3. If a refinance mortgage amount is higher than the previous mortgage or a if mortgage is for a previously mortgage-free property, it is classified as a cashout refinance.

About 48 percent of respondents were between the ages of 36 and 55 years, and nearly 20 percent were 56 to 65 years old (See Table 2). Twenty-two percent were 35 years old or younger and 11 percent were older than 65. By race and ethnicity, 73 percent of respondents reported that they were non-Hispanic white with almost six percent reporting they were Hispanic white. Asians were nearly six percent of respondents, and Black or African Americans accounted for five percent of respondents. Eleven percent indicated that they were mixed or other race.

More than three-quarters of households in the NSMO are couples with 71 percent reporting they were married and seven percent reporting they were living with a partner. More than 20 percent of respondents indicated they were single; with 10 percent reporting they were male and 13 percent reporting they were female. More than 86 percent of borrowers' households included at least one full-time worker. Less than one in five respondents reported that they were active duty or veterans of the US military with 82 percent indicating they had no current or past military service.

Comparing respondents to the NSMO with 2013 Survey of Consumer Finances (SCF) conducted by the Federal Reserve, mortgage borrowers tend to have higher incomes than other households. For example, about 17 percent of NSMO respondents had total annual family income of less than $50,000, while an estimated 16 percent of borrowers in the NSMO reported annual income of $175,000 or more.[3] By comparison, according to estimates from the 2013 SCF, 53 percent of all families (including renters and homeowners that did not have a mortgage) had income less than $50,000 and eight percent of all families had income of $175,000 or more. Considering only families in the SCF who took out a mortgage or home-equity loan in 2013, 17 percent of these had income less than $50,000 and 19 percent had annual income of at least $175,000.

Two-thirds of survey respondents had a credit score of 720 or higher, 29 percent had a credit score between 620 and 719, and only four percent of respondents had a credit score below 620 (Table 3).

The majority of 2013 mortgage loans reported in the survey were for refinancing an existing mortgage (Table 3). Sixty-one percent of survey respondents reported they refinanced an existing mortgage while 39 percent reported they purchased a home. An estimated 17 percent were refinances of the borrower's primary residence and included borrowing additional money, 40 percent were refinances of the borrower's primary residence without extracting equity and the remainder were refinancing of investment properties (three percent), seasonal homes (one percent), or a relative's home (one percent). Investors, including owners of seasonal and relative homes, represented eight percent of all mortgage borrowers in 2013. Owner occupants represented 92 percent of mortgage borrowers, with 35 percent purchasing a home and 57 percent refinancing an existing mortgage. Single-family properties were the primary property type used to collateralize the respondent's mortgage (Table 5). Eighty-four percent of the

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[3] For more about the Survey of Consumer Finances including results from the 2013 SCF, see
http://www.federalreserve.gov/econresdata/scf/scfindex.htm

properties reported by survey respondents were single-family detached homes. Condominiums and townhouses were each reported by about six percent of respondents, and the remaining four percent of properties reported to be mobile homes and 2-, 3-, and 4-unit dwellings.

The estimates in Table 6 indicate that different life events had each affected about five percent of all recent mortgage borrowers overall. For example, six percent of all respondents indicated that they were divorced or separated in the last few years, and 10 percent indicated they had married or obtained a new partner. Roughly nine percent reported experiencing a disability or major illness and another three percent reported a disaster that affected either their job. Finally, 28 percent indicated that they moved less than 50 miles from their previous residence, and 12 percent indicated that they have moved 50 miles or more from their previous residence. In general, each of the life events shown in Table 6 is common among most groups of borrowers.

4.0   The Search for a Mortgage

Mortgage shopping behavior differed significantly by borrower characteristics and by whether the consumer was also shopping for a home at the same time as the mortgage. First-time home buyers differed significantly from repeat home buyers in their mortgage search behavior and repeat borrowers differed significantly in their mortgage search behavior depending on whether they were refinancing or purchasing a home. Investors (non-occupant owners), both for home purchasers and refinancers, differed from other mortgage borrowers.

Searching for a mortgage is often intertwined with the search for a home, and the mortgage transaction can be heavily influenced by the housing transaction. Even when the consumer is refinancing an existing mortgage, the mortgage search can be confusing and stressful and the settlement process and expenses can influence the consumer's search behavior for the mortgage. Selecting a mortgage can be especially complicated for first-time borrowers. This section examines how respondents searched for a mortgage, with an emphasis on those buying their first property.

The survey asked about each respondent's assessment of their prior knowledge about getting a mortgage to gauge their familiarity with the basics of mortgage loan terms. Overall only 3 to 10 percent of respondents reported that they were not at all familiar with either the types of mortgages available, the process, interest rate levels, down payment or income requirements or the type of credit history that was expected (Table 7). First-time buyers were even less likely to indicate that they were familiar with the process of taking out a mortgage, and the types of mortgages, or interest rates available compared both to borrowers who had bought a home before and to those who refinanced. First-time homebuyers were also much more likely compared to other borrowers to indicate that they were not at all familiar with the income required for a mortgage, credit history required, down payment, or the amount of money required at closing.

Table 7. Prior Knowledge About Getting a Mortgage and Concern About Qualifying, by Loan and Demographic Characteristics

Characteristics	Prior Knowledge (Percent Not at All Familiar with Each Feature)							Concerned About Qualifying (Percentage Distribution)		
	Interest Rates Available	Mortgage Types Available	Process of Taking Out Mortgage	Down Payment to Qualify	Income Needed to Qualify	Credit History or Score	Money Needed at Closing	Very	Somewhat	Not at All
Loan Type										
Purchase [1]	*6.4*	*12.6*	*16.0*	*9.4*	*9.4*	*4.2*	*14.0*	*20.7*	*32.6*	*46.7*
First-Time Homeowner [2]	12.7	23.7	35.6	18.1	18.9	8.3	27.5	24.4	39.3	36.3
Repeat Homeowner	5.0	10.1	11.3	7.6	6.9	3.2	10.9	21.6	31.6	46.8
Non-Occupant Owner	2.2	4.9	3.9	2.3	4.7	1.9	4.5	5.6	23.4	71.0
Refinance [1]	*1.3*	*5.8*	*2.8*	*7.4*	*5.7*	*2.0*	*7.3*	*11.7*	*27.9*	*60.4*
Homeowner Cashout [3]	1.7	6.0	2.8	8.7	6.3	2.0	8.6	14.4	28.7	56.9
Homeowner Regular	1.1	5.9	2.9	6.8	5.5	2.0	6.9	11.0	27.5	61.5
Non-Occupant Owner	0.9	3.7	1.4	7.0	4.7	1.7	6.3	7.9	29.0	63.1
Loan Size										
$50,000 or Less	6.8	13.8	9.5	11.5	10.4	5.4	13.7	17.5	33.8	48.7
$50,001 to $150,000	4.6	11.3	9.4	10.4	8.7	3.3	11.7	16.6	30.4	53.0
$150,001 to $300,000	2.6	7.3	7.2	7.4	6.6	2.7	8.6	15.3	28.3	56.3
More than $300,000	1.1	3.5	5.7	4.2	4.0	1.6	8.1	11.5	30.5	58.0
Credit Score [2]										
Lower than 620	5.2	20.8	15.8	19.2	11.2	8.3	21.9	41.7	36.0	22.3
620 to 679	5.3	10.2	10.0	10.9	8.7	4.4	12.3	27.0	41.0	32.1
680 to 719	5.9	11.1	10.9	11.1	9.9	3.1	12.6	21.1	36.7	42.2
720 or Higher	2.1	6.7	6.3	6.2	5.9	2.1	8.0	9.6	25.3	65.1
Respondent Age										
35 Years or Younger	7.4	14.7	20.0	11.6	11.7	4.9	17.0	17.8	33.5	48.7
36 to 45	3.3	8.0	6.1	7.8	5.5	2.5	9.5	16.3	32.5	51.2
46 to 55	1.1	4.3	3.2	5.7	5.0	2.0	5.6	14.7	27.3	58.1
56 to 65	1.9	7.8	3.8	7.2	5.9	1.9	7.6	13.9	26.2	59.9
Older than 65	2.4	7.2	5.1	9.2	8.3	3.1	10.2	11.0	28.0	61.0
Race/Ethnicity										
Non-Hispanic White	2.7	7.5	6.9	6.9	6.1	2.6	9.0	11.6	29.3	59.1
Hispanic and Non-White	4.8	11.0	10.5	11.5	9.7	3.4	12.3	24.8	30.8	44.3
Respondent Education										
High School or Less	5.9	14.1	11.3	16.1	12.2	5.2	15.2	22.4	31.8	45.7
Some College	3.8	8.9	7.7	9.6	6.8	2.8	10.5	16.9	33.1	50.0
College Degree	3.5	8.3	8.3	7.5	7.4	3.1	9.4	13.9	30.7	55.4
Postgraduate	1.5	5.8	6.1	4.5	5.0	1.7	7.9	12.3	25.0	62.6
Household Income										
Less than $50,000	7.4	16.9	15.5	17.2	13.6	5.8	18.5	26.5	39.3	34.2
$50,000 to $99,999	4.2	9.5	8.3	8.9	7.5	2.9	10.2	17.3	30.8	51.9
$100,000 to $174,999	1.0	4.9	4.7	4.7	4.6	1.7	6.9	10.4	27.3	62.4
$175,000 or More	0.7	3.0	4.4	2.7	3.6	1.7	5.2	6.4	21.2	72.4
Household Type										
Couple	2.6	7.2	6.7	6.9	5.8	2.5	8.7	14.3	28.8	56.9
Single	5.5	12.9	12.1	12.8	11.9	4.1	14.2	18.4	33.0	48.6
All Respondents	**3.3**	**8.4**	**7.9**	**8.2**	**7.1**	**2.8**	**9.9**	**15.2**	**29.7**	**55.1**

Source: National Survey of Mortgage Originations, 2013

Notes: 1. Mortgages to purchase a property are classified as the "purchase" loan type and all other mortgages are clasified as the "refinance" type.

2. Credit score and first-time homebuyer status are assembled from the National Mortgage Database. Credit score from Vantage ranges from 300 to 850. A homebuyer is classified as first-time if neither the respondent nor the spouse is older than 54 years in age and there is no evidence of a prior mortgage in the credit files.

3. If a refinance mortgage amount is higher than the previous mortgage or a if mortgage is for a previously mortgage-free property, it is classified as a cashout refinance.

One fifth of young borrowers 35 years old or younger indicated that they were not at all familiar with the process of taking out a mortgage. Slightly more than 17 percent of households with less than $50,000 in income indicated they were not at all familiar with the down payment required to purchase a house or the amount of money needed at closing. For borrowers with credit scores below 620, more than one-fifth reported that they were not at all familiar with the types of mortgages available.

The percentage reporting they were not at all familiar with each of the facets of the mortgage process generally declined as loan amount, education, credit score, and income increased. The number of persons feeling unfamiliar with the process were also comparatively high among Hispanic or non-white borrowers as well as for single-headed households.

These same patterns were true for the shares of borrowers that were concerned about qualifying for a mortgage. For example, approximately 12 percent of non-Hispanic white borrowers reported that they were very concerned with qualifying compared to nearly 25 percent of Hispanic or non-white borrowers. The difference in borrowers concerned about qualifying for a mortgage was starkest by credit score: 42 percent of those with scores below 620 were very concerned about qualifying, whereas only 10 percent of borrowers with scores of at least 720 were reportedly very concerned.

A substantial proportion of borrowers that refinanced their mortgage or looked for investment property had a firm idea about the type of mortgage they wanted (Table 8). The percentage of borrowers who said they had a firm idea increased with age and credit score. Fourteen percent of first-time buyers had little idea of what type of mortgage they wanted and slightly more than half had some idea, while only 35 percent of first- time buyers had a firm idea of the mortgage they wanted.

By the end of the process of getting their mortgage, greater than half of first-time buyers and those that refinanced a mortgage felt they were somewhat able to explain the process of taking out a mortgage and 40 percent felt they were very confident in their ability to explain the mortgage process. For borrowers with $175,000 or more in income, nearly six out of 10 were very confident in their ability to explain the process of taking out a mortgage, while fewer than four out of 10 borrowers in the lowest income range (less than $50,000 in income), were very confident in their ability to explain the process. Seven percent of households with incomes less than $50,000 and nine percent of households in which the respondent had a high school education or less were not at all confident about their ability to explain the process of taking out a mortgage.

Slightly more than 40 percent of all respondents reported having a difficult time explaining the difference between a prime and a subprime loan. This sizable share, however, might be expected since there is not a single definition of a subprime loan. The share of borrowers that were not at all confident in their ability to explain prime versus subprime loans exceeded 50 percent among first-time buyers, borrowers 35 years old or younger, borrowers taking out loans of $50,000 or

Table 8. Knowledge About the Mortgage Borrower Wanted and the Mortgage Process, by Loan and Demographic Characteristics

Characteristics	Idea About the Mortgage Wanted (Percentage Distribution)			Ability to Explain Mortgage Process (Percentage Distribution)			Mortgage Knowledge (Percent Not at All Able to Explain Each Feature)				
	Firm Idea	Some Idea	Little Idea	Very	Somewhat	Not at All	Fixed Versus Adjustable Rate	Prime Versus Subprime	Interest Rate Versus APR	Amortization of Loan	Consequence of Not Paying
Loan Type											
Purchase[1]	*54.0*	*38.8*	*7.2*	*47.0*	*49.4*	*3.6*	*5.7*	*45.3*	*26.2*	*31.9*	*6.9*
First-Time Homeowner[2]	34.9	51.0	14.0	40.5	56.4	3.0	7.8	57.7	31.4	44.7	9.8
Repeat Homeowner	57.8	36.4	5.8	47.3	48.8	3.9	5.5	43.4	25.7	29.8	6.3
Non-Occupant Owner	70.6	27.5	1.9	60.2	37.0	2.8	2.6	30.0	17.5	17.4	4.4
Refinance[1]	*72.0*	*25.3*	*2.7*	*46.7*	*49.3*	*4.1*	*3.7*	*37.9*	*23.6*	*24.2*	*6.2*
Homeowner Cashout[3]	69.8	27.5	2.7	45.2	49.4	5.4	4.6	39.5	25.1	23.4	6.0
Homeowner Regular	72.9	24.4	2.7	45.7	50.8	3.6	3.5	38.2	23.8	25.7	6.4
Non-Occupant Owner	72.7	24.7	2.6	59.9	36.1	4.0	2.9	29.5	16.9	14.6	4.8
Loan Size											
$50,000 or Less	60.5	31.6	7.9	36.8	56.2	7.0	10.4	51.3	35.1	43.2	10.1
$50,001 to $150,000	63.0	31.6	5.4	41.8	53.2	5.0	6.2	47.3	28.8	34.8	7.2
$150,001 to $300,000	65.3	30.3	4.4	49.1	47.6	3.4	3.7	39.0	22.7	23.3	6.1
More than $300,000	69.8	28.3	1.9	54.8	43.2	2.0	1.6	28.4	17.6	16.0	4.8
Credit Score[2]											
Lower than 620	52.3	40.6	7.2	37.0	56.5	6.4	5.8	50.1	36.3	41.6	9.4
620 to 679	55.1	37.0	7.9	42.6	51.9	5.4	7.2	47.6	28.5	34.8	8.6
680 to 719	60.5	33.7	5.7	42.9	52.2	4.8	6.8	42.6	28.4	33.4	6.8
720 or Higher	69.0	27.7	3.2	49.2	47.6	3.2	3.3	38.3	22.2	23.3	5.7
Respondent Age											
35 Years or Younger	50.5	41.1	8.4	43.8	52.6	3.5	5.2	55.1	30.3	38.0	7.2
36 to 45	62.8	32.0	5.2	44.6	51.7	3.7	4.5	42.1	27.3	27.3	6.4
46 to 55	70.5	26.7	2.8	49.6	47.5	2.8	2.6	34.0	20.0	21.3	5.6
56 to 65	71.9	25.8	2.3	49.5	46.5	4.0	4.8	35.4	21.5	23.7	5.9
Older than 65	74.4	22.9	2.6	46.2	46.6	7.2	6.9	33.8	23.5	24.7	7.8
Race/Ethnicity											
Non-Hispanic White	66.8	29.4	3.8	47.1	49.5	3.4	3.9	39.8	24.5	25.7	5.5
Hispanic and Non-White	60.2	33.5	6.2	46.0	48.9	5.1	6.1	43.2	24.9	31.2	8.9
Respondent Education											
High School or Less	58.8	33.6	7.6	34.1	56.5	9.4	11.4	49.4	34.9	46.3	13.0
Some College	63.1	31.2	5.7	42.6	53.5	3.9	5.2	44.2	25.5	31.3	7.0
College Degree	64.5	31.4	4.1	49.0	47.8	3.2	3.4	40.3	24.2	24.4	5.3
Postgraduate	69.9	27.6	2.5	52.9	44.7	2.4	2.4	34.9	20.0	19.2	4.6
Household Income											
Less than $50,000	54.8	36.3	8.9	36.9	54.5	8.7	9.7	55.3	36.6	45.6	10.4
$50,000 to $99,999	62.0	33.1	4.9	41.9	54.4	3.7	4.6	46.0	27.0	30.9	6.5
$100,000 to $174,999	70.0	27.1	2.9	51.6	45.7	2.7	3.1	34.7	20.5	20.1	5.6
$175,000 or More	74.5	24.3	1.2	60.7	38.0	1.3	1.0	23.1	13.1	11.0	3.6
Household Type											
Couple	66.7	29.5	3.8	48.1	48.6	3.4	4.3	39.2	22.9	25.2	6.0
Single	59.2	33.9	6.9	42.4	51.9	5.8	5.2	46.2	30.6	34.3	7.9
All Respondents	**65.0**	**30.5**	**4.5**	**46.8**	**49.3**	**3.9**	**4.5**	**40.8**	**24.6**	**27.2**	**6.4**

Source: National Survey of Mortgage Originations, 2013

Notes: 1. Mortgages to purchase a property are classified as the "purchase" loan type and all other mortgages are clasified as the "refinance" type.

2. Credit score and first-time homebuyer status are assembled from the National Mortgage Database. Credit score from Vantage ranges from 300 to 850. A homebuyer is classified as first-time if neither the respondent nor the spouse is older than 54 years in age and there is no evidence of a prior mortgage in the credit files.

3. If a refinance mortgage amount is higher than the previous mortgage or a if mortgage is for a previously mortgage-free property, it is classified as a cashout refinance.

less, borrowers with credit scores of less than 620, or borrowers with household income of less than $50,000. Overall about one- quarter of borrowers reported that they could not explain amortization or the difference between the interest rate and APR on a loan. The percentages that reportedly were not able to explain these details of mortgages were generally highest among borrowers with a high school diploma or less education, first-time buyers, those taking out loans of $50,000 or less, those with credit scores below 620, those with household incomes below $50,000, single households, and Hispanic or non-white borrowers.

5.0   Selecting a Mortgage

Selecting a mortgage requires the borrower to balance many features that affect the total cost of owning a home. Table 9 shows that about two-thirds of respondents went directly to a lender for their mortgage rather than to a mortgage broker. For the smallest loan size, $50,000 or less, nearly 85 percent of borrowers went directly to the lender. Borrowers who obtained loans greater than $300,000 and homeowners who were repeat buyers were relatively more likely than other groups to use a broker, with more than 40 percent of borrowers in these groups reporting they used a broker. Borrowers initiated contact with the lender or broker 69 percent of the time, lenders initiated contact 16 percent, and a third party initiated contact for 15 percent of respondents. The share of loans for which a third party initiated contact was more than double (31 percent) for home purchase loans than for all respondents. Just13 percent of first-time homebuyers and 4 percent of overall respondents used housing counselors or courses on home ownership.

The survey asked the number of lenders a borrower seriously considered when selecting a mortgage. Table 10 shows that more than half of all borrowers, 51 percent, considered applying to only one lender. One-third, 34 percent, seriously considered two lenders and 15 percent considered more than two lenders. The percentage of borrowers that considered just one lender declined with their annual income, from nearly 60 percent for those with income of $50,000 or less, to 44 percent for those with income of $175,000 or more. Nearly 52 percent of non-Hispanic white borrowers seriously considered only one lender, while 47 percent non-white or Hispanic borrowers did so.

When looking at actual mortgage applications, 81 percent of borrowers applied to just one lender. First-time purchasers were the least likely to apply to just one lender at 68 percent. Not quite one-quarter of first-time purchasers applied to two lenders compared with 15 percent for borrowers as a whole. Borrowers aged 35 years old or younger reported applying to two lenders 20 percent of the time. The overall rate of applicants who applied to three lenders was just three percent and less than one percent reportedly applied to more than three lenders. The share of non-Hispanic white borrowers who applied to only one lender was about five percentage points higher than the share for non-white or Hispanic borrowers (82 percent and 78 percent, respectively). While some consumers applied to multiple lenders to get better terms, others went "shopping" because they got denied. It is difficult to know if younger borrowers, for example,

Table 9. Mortage Application Channel, First Contact, and Housing Counseling, by Loan and Demographic Characteristics

Characteristics	Mortgage Application (Percent Who Applied)		Contact Initiated by (Percentage Distribution)			Housing Counseling (Percent Who Received)
	Directly	Through Broker	Borrower	Lender	Third Party	
Loan Type						
Purchase [1]	*58.9*	*39.9*	*63.4*	*5.7*	*30.9*	*6.7*
First-Time Homeowner [2]	63.7	35.5	61.4	7.2	31.4	13.3
Repeat Homeowner	56.2	42.4	62.1	5.5	32.4	5.3
Non-Occupant Owner	68.0	32.0	78.2	3.8	18.1	1.2
Refinance [1]	*73.1*	*26.8*	*73.0*	*22.1*	*5.0*	*2.4*
Homeowner Cashout [3]	70.2	29.8	77.9	16.7	5.4	3.7
Homeowner Regular	73.6	26.3	71.6	23.5	4.9	2.1
Non-Occupant Owner	80.0	20.0	66.5	29.1	4.4	0.5
Loan Size						
$50,000 or Less	84.7	14.8	72.1	17.8	10.1	4.8
$50,001 to $150,000	73.1	26.6	68.4	17.5	14.2	5.1
$150,001 to $300,000	64.5	34.7	68.7	15.1	16.2	3.8
More than $300,000	59.2	40.5	71.9	12.8	15.4	2.4
Credit Score [2]						
Lower than 620	63.6	35.3	58.7	24.8	16.5	8.6
620 to 679	61.7	37.5	61.2	19.4	19.4	6.7
680 to 719	65.7	33.9	62.5	19.5	18.0	7.1
720 or Higher	69.6	30.0	73.2	13.5	13.3	2.6
Respondent Age						
35 Years or Younger	62.0	37.2	67.0	7.8	25.2	7.7
36 to 45	65.0	34.6	69.2	15.8	14.9	4.1
46 to 55	67.9	31.8	72.0	17.5	10.4	2.9
56 to 65	72.7	26.8	69.2	19.5	11.3	2.6
Older than 65	74.9	24.8	67.8	20.6	11.6	2.3
Race/Ethnicity						
Non-Hispanic White	69.0	30.7	71.4	14.9	13.7	3.1
Hispanic and Non-White	64.1	34.9	63.6	18.0	18.4	6.9
Respondent Education						
High School or Less	69.1	30.4	65.2	21.0	13.9	6.3
Some College	68.1	31.4	65.6	17.8	16.6	5.5
College Degree	66.2	33.4	71.2	13.9	14.9	3.1
Postgraduate	68.4	31.1	71.6	14.0	14.4	3.3
Household Income						
Less than $50,000	69.9	29.6	62.2	18.7	19.1	9.4
$50,000 to $99,999	68.6	30.9	68.2	16.9	14.9	4.3
$100,000 to $174,999	65.8	33.7	72.0	13.9	14.1	2.0
$175,000 or More	66.4	33.4	74.6	13.0	12.4	1.6
Household Type						
Couple	67.4	32.1	70.3	15.1	14.6	3.5
Single	68.6	31.1	65.5	17.9	16.6	6.3
All Respondents	**67.6**	**31.9**	**69.3**	**15.7**	**15.0**	**4.1**

Source: National Survey of Mortgage Originations, 2013

Notes: 1. Mortgages to purchase a property are classified as the "purchase" loan type and all other mortgages are clasified as the "refinance" type.

2. Credit score and first-time homebuyer status are assembled from the National Mortgage Database. Credit score from Vantage ranges from 300 to 850. A homebuyer is classified as first-time if neither the respondent nor the spouse is older than 54 years in age and there is no evidence of a prior mortgage in the credit files.

3. If a refinance mortgage amount is higher than the previous mortgage or a if mortgage is for a previously mortgage-free property, it is classified as a cashout refinance.

Table 10. Number of Lenders Considered and Applied to, by Loan and Demographic Characteristics

Characteristics	Number of Lenders Seriously Considered (Percentage Distribution)					Number of Lenders Applied to (Percentage Distribution)				
	1	2	3	4	5 or More	1	2	3	4	5 or More
Loan Type										
Purchase [1]	*46.3*	*38.4*	*12.9*	*1.5*	*0.9*	*75.1*	*19.8*	*4.2*	*0.6*	*0.3*
First-Time Homeowner[2]	44.1	38.7	14.5	2.1	0.6	67.7	23.6	6.7	1.6	0.4
Repeat Homeowner	46.8	38.9	12.1	1.3	1.0	76.6	19.3	3.5	0.4	0.2
Non-Occupant Owner	48.2	34.2	15.0	1.6	1.0	82.0	13.9	3.7	0.0	0.5
Refinance [1]	*53.6*	*31.0*	*12.3*	*1.7*	*1.3*	*84.6*	*12.5*	*2.1*	*0.6*	*0.2*
Homeowner Cashout[3]	52.3	33.0	11.5	1.9	1.4	84.1	13.2	1.8	0.6	0.3
Homeowner Regular	54.5	30.6	12.2	1.5	1.2	85.3	12.0	1.9	0.5	0.2
Non-Occupant Owner	50.8	27.8	16.4	2.4	2.6	80.7	13.6	4.2	1.5	0.0
Loan Size										
$50,000 or Less	58.2	31.8	7.9	0.7	1.5	85.1	13.0	1.3	0.0	0.5
$50,001 to $150,000	56.9	29.4	11.4	1.3	1.0	82.3	13.9	3.1	0.6	0.2
$150,001 to $300,000	47.7	36.0	13.7	1.6	1.1	79.7	16.2	3.1	0.8	0.2
More than $300,000	42.6	39.8	13.5	2.4	1.6	80.0	16.9	2.3	0.4	0.4
Credit Score [2]										
Lower than 620	59.8	25.8	11.5	2.1	0.8	80.6	15.2	3.0	0.4	0.8
620 to 679	53.7	32.5	11.5	1.0	1.4	74.9	21.0	3.5	0.1	0.5
680 to 719	52.6	35.8	9.1	1.4	1.1	80.2	16.4	2.4	0.8	0.1
720 or Higher	49.2	34.3	13.6	1.7	1.2	82.4	13.8	2.9	0.7	0.2
Respondent Age										
35 Years or Younger	47.4	35.9	14.0	1.6	1.2	74.2	20.3	4.2	1.0	0.2
36 to 45	48.6	37.1	12.3	1.1	1.0	79.8	16.5	2.8	0.6	0.2
46 to 55	49.7	34.0	13.2	1.6	1.6	83.1	13.8	2.4	0.5	0.2
56 to 65	53.6	31.1	11.5	2.4	1.4	84.2	12.8	2.2	0.5	0.3
Older than 65	59.5	27.9	10.8	1.4	0.3	86.1	10.4	2.8	0.5	0.2
Race/Ethnicity										
Non-Hispanic White	52.4	32.7	12.4	1.4	1.2	82.2	14.7	2.5	0.6	0.2
Hispanic and Non-White	46.5	37.0	13.1	2.2	1.2	77.6	17.0	4.1	0.8	0.5
Respondent Education										
High School or Less	63.9	27.7	5.9	1.7	0.8	82.4	15.2	1.5	0.6	0.4
Some College	54.4	32.3	11.3	1.0	1.0	81.8	14.6	2.9	0.6	0.1
College Degree	49.6	34.6	12.8	1.9	1.2	80.1	15.9	3.0	0.7	0.3
Postgraduate	43.8	37.0	16.1	1.7	1.4	80.6	15.2	3.3	0.6	0.2
Household Income										
Less than $50,000	59.8	27.8	10.2	1.5	0.7	80.5	15.1	3.4	1.0	0.0
$50,000 to $99,999	51.4	33.9	11.9	1.5	1.3	80.4	15.7	3.0	0.5	0.4
$100,000 to $174,999	48.3	34.7	14.2	1.6	1.3	80.6	16.0	2.5	0.7	0.1
$175,000 or More	43.8	39.3	13.8	1.8	1.3	83.3	13.2	2.8	0.4	0.3
Household Type										
Couple	49.5	34.7	12.9	1.7	1.2	81.0	15.6	2.6	0.6	0.3
Single	55.4	31.0	11.5	1.2	0.9	80.6	14.4	4.0	0.7	0.2
All Respondents	**50.8**	**33.9**	**12.6**	**1.6**	**1.2**	**80.9**	**15.3**	**2.9**	**0.6**	**0.2**

Source: National Survey of Mortgage Originations, 2013

Notes: 1. Mortgages to purchase a property are classified as the "purchase" loan type and all other mortgages are clasified as the "refinance" type.

2. Credit score and first-time homebuyer status are assembled from the National Mortgage Database. Credit score from Vantage ranges from 300 to 850. A homebuyer is classified as first-time if neither the respondent nor the spouse is older than 54 years in age and there is no evidence of a prior mortgage in the credit files.

3. If a refinance mortgage amount is higher than the previous mortgage or a if mortgage is for a previously mortgage-free property, it is classified as a cashout refinance.

are savvier about shopping or just had to apply to more lenders before they found one to approve them.

Borrowers were asked how important a variety of factors were in selecting a lender or broker. Table 11 lists the responses to these questions. Borrowers indicated that the lender's reputation, the lenders' location, and having an established banking relationship with a lender were important considerations in choosing a lender or broker. In particular, the lender's reputation was very important to 40 percent and somewhat important to 27 percent of borrowers. Having a local office or branch nearby was very important to 36 percent of borrowers and somewhat important to 25 percent, and the banking relationship was very important to 46 percent of borrowers and somewhat important to an additional 24 percent.

Borrowers also identified factors that were unimportant when selecting a lender. For example, whether the lender spoke the borrower's primary language (91 percent), was recommended by a website (86 percent), or was a credit union (67 percent) were reported as not at all important by borrowers. Home purchasers were nearly twice as likely (70 percent) as those who refinanced (39 percent) to report that a lender used previously was unimportant, and purchasers were less likely than those refinancing loans to say that an agent's recommendation was unimportant (43 percent and 86 percent, respectively).

More than half of borrowers refinancing a mortgage reported that using a lender with an established banking relationship was important (Table 12). More than three in 10 first-time homebuyers and of borrowers aged 35 years or younger found recommendations from a friend, relative, or co-worker important in selecting a lender or broker. Home purchasers were much more likely than those refinancing an existing mortgage to report that recommendations from a real estate agent or a home builder were important.

The NSMO asked how important a variety of mortgage terms or features were in the borrower's selecting a mortgage. A low interest rate was very important to 96 percent of borrowers and a low Annual Percentage Rate (APR) was very important to 82 percent (Table 13). Low closing fees were very important to 71 percent of borrowers and somewhat important for 24 percent more. Only 50 percent overall reported that a low down payment was very important. However, 60 percent or more of first-time home buyers (60 percent), borrowers with income below $50,000 (63 percent), borrowers with at most a high school education (67 percent), and borrowers with low credit scores (68 percent) said a low down payment was very important in choosing the mortgage (Table 14).

A low monthly payment was very important to 65 percent overall of borrowers. However, over 70 percent of borrowers with a high school education or less, and those with household income below $50,000 as well as borrowers with credit scores below 620 reported that low monthly payments were very important.

Table 11. Importance of Decision Factors in Choosing the Lender
(Percentage Distribution)

Factors	Importance of Factors		
	Very	Somewhat	Not at All
All Mortgages			
Established banking relationship	45.9	24.1	30.0
Local office	35.7	24.8	39.5
Used previously	35.1	13.7	51.2
Lender is a personal friend	8.3	10.0	81.7
Lender operates online	18.7	24.7	56.6
Lender is a credit union	17.2	15.7	67.1
Recommended by a friend/relative/co-worker	19.5	18.2	62.4
Recommended by an agent/home builder	16.4	14.4	69.2
Recommended by a website	3.4	10.3	86.3
Lender reputation	39.7	27.3	33.0
Spoke borrower's primary language (not English)	5.8	3.5	90.7
Purchases			
Established banking relationship	38.6	25.5	35.9
Local office	38.9	26.7	34.4
Used previously	18.3	11.2	70.5
Lender is a personal friend	9.1	12.2	78.7
Lender operates online	16.4	23.8	59.8
Lender is a credit union	15.5	17.7	66.8
Recommended by a friend/relative/co-worker	26.4	21.7	52.0
Recommended by an agent/home builder	34.0	23.3	42.7
Recommended by a website	3.1	10.0	87.0
Lender reputation	39.9	27.5	32.6
Spoke borrower's primary language (not English)	6.0	3.5	90.5
Refinances			
Established banking relationship	50.6	23.2	26.2
Local office	33.7	23.6	42.7
Used previously	45.8	15.3	38.9
Lender is a personal friend	7.8	8.6	83.5
Lender operates online	20.2	25.2	54.6
Lender is a credit union	18.3	14.4	67.3
Recommended by a friend/relative/co-worker	15.1	15.9	68.9
Recommended by an agent/home builder	5.2	8.8	86.0
Recommended by a website	3.6	10.6	85.8
Lender reputation	39.5	27.2	33.3
Spoke borrower's primary language (not English)	5.6	3.5	90.9

Source: National Survey of Mortgage Originations, 2013

Table 12. Importance of Decision Factors in Choosing the Lender, by Loan and Demographic Characteristics
(Percentage Distribution)

Characteristics	Established Banking Relationship			Recommended by Friend/Relative/Co-worker			Recommended by Agent/Home Builder		
	Very	Somewhat	Not at All	Very	Somewhat	Not at All	Very	Somewhat	Not at All
Loan Type									
Purchase[1]	*38.6*	*25.5*	*35.9*	*26.4*	*21.7*	*52.0*	*34.0*	*23.3*	*42.7*
First-Time Homeowner[2]	37.7	26.8	35.5	34.8	25.6	39.6	36.4	22.5	41.1
Repeat Homeowner	38.0	25.3	36.6	25.3	20.7	54.1	35.4	23.4	41.2
Non-Occupant Owner	45.0	23.2	31.8	14.7	19.6	65.7	18.5	24.3	57.2
Refinance[1]	*50.6*	*23.2*	*26.2*	*15.1*	*15.9*	*68.9*	*5.2*	*8.8*	*86.0*
Homeowner Cashout[3]	50.0	22.5	27.5	14.6	17.6	67.8	6.6	9.5	83.9
Homeowner Regular	50.8	23.2	26.0	16.0	15.7	68.3	4.6	8.8	86.6
Non-Occupant Owner	50.8	26.4	22.8	9.8	12.0	78.2	5.5	6.2	88.3
Loan Size									
$50,000 or Less	58.6	21.2	20.2	11.5	11.6	76.9	10.0	9.6	80.5
$50,001 to $150,000	49.7	23.9	26.4	17.9	16.3	65.8	14.5	12.9	72.6
$150,001 to $300,000	42.8	24.7	32.5	20.1	19.4	60.5	18.5	15.1	66.3
More than $300,000	42.0	23.7	34.2	23.0	20.9	56.1	17.0	17.2	65.9
Credit Score[2]									
Lower than 620	44.1	22.2	33.7	20.3	12.8	66.8	14.9	9.6	75.5
620 to 679	39.9	26.3	33.8	19.7	19.2	61.2	23.9	14.9	61.2
680 to 719	44.8	27.1	28.1	21.5	18.7	59.8	19.1	14.6	66.3
720 or Higher	47.6	23.1	29.3	18.9	18.2	62.9	14.2	14.6	71.2
Respondent Age									
35 Years or Younger	38.8	30.5	30.7	31.5	25.2	43.3	29.7	22.4	47.9
36 to 45	43.2	26.6	30.2	21.0	22.4	56.6	14.9	17.1	68.0
46 to 55	49.4	21.7	29.0	16.5	16.8	66.7	11.7	12.8	75.5
56 to 65	49.3	20.8	29.9	13.0	12.4	74.5	11.4	8.3	80.3
Older than 65	52.3	17.3	30.4	10.4	8.0	81.6	12.0	7.4	80.6
Race/Ethnicity									
Non-Hispanic White	46.0	23.7	30.3	18.3	16.7	65.0	15.6	12.7	71.6
Hispanic and Non-White	45.7	25.1	29.2	22.7	22.0	55.3	18.4	18.9	62.7
Respondent Education									
High School or Less	52.3	24.0	23.7	16.6	11.5	71.8	13.9	10.7	75.4
Some College	46.7	22.9	30.4	16.3	16.6	67.1	16.3	13.3	70.4
College Degree	44.2	25.5	30.3	22.5	20.2	57.3	16.6	15.5	67.9
Postgraduate	44.7	23.4	31.9	19.6	19.7	60.6	17.2	15.5	67.3
Household Income									
Less than $50,000	49.4	23.7	26.9	19.8	17.0	63.2	18.7	14.9	66.4
$50,000 to $99,999	47.0	24.0	29.0	19.1	17.7	63.2	16.0	13.4	70.6
$100,000 to $174,999	42.9	24.8	32.3	19.5	18.4	62.1	16.4	14.7	68.9
$175,000 or More	45.1	23.6	31.3	20.0	20.2	59.8	14.7	15.8	69.4
Household Type									
Couple	45.6	24.2	30.1	19.2	18.3	62.5	16.0	14.4	69.5
Single	47.0	23.6	29.4	20.3	17.8	61.9	17.5	14.4	68.1
All Respondents	**45.9**	**24.1**	**30.0**	**19.5**	**18.2**	**62.4**	**16.4**	**14.4**	**69.2**

Source: National Survey of Mortgage Originations, 2013

Notes: 1. Mortgages to purchase a property are classified as the "purchase" loan type and all other mortgages are clasified as the "refinance" type.

2. Credit score and first-time homebuyer status are assembled from the National Mortgage Database. Credit score from Vantage ranges from 300 to 850. A homebuyer is classified as first-time if neither the respondent nor the spouse is older than 54 years in age and there is no evidence of a prior mortgage in the credit files.

3. If a refinance mortgage amount is higher than the previous mortgage or a if mortgage is for a previously mortgage-free property, it is classified as a cashout refinance.

Table 13. Importance of Decision Factors in Choosing the Mortgage
(Percentage Distribution)

Factors	Importance of Factors		
	Very	Somewhat	Not at All
All Mortgages			
Low interest rate	95.6	3.9	0.5
Low APR	82.1	11.6	6.3
Low closing fees	70.6	24.2	5.2
Low down payment	49.8	22.9	27.3
Low monthly payment	65.1	24.5	10.4
Fixed interest rate	87.4	7.8	4.7
Term less than 30 years	34.6	24.1	41.4
No mortgage insurance	40.3	23.9	35.8
Purchases			
Low interest rate	92.7	6.4	0.9
Low APR	78.5	14.7	6.7
Low closing fees	63.0	30.4	6.7
Low down payment	47.7	28.6	23.7
Low monthly payment	59.4	29.1	11.5
Fixed interest rate	85.2	10.1	4.8
Term less than 30 years	21.8	27.3	50.8
No mortgage insurance	34.0	26.8	39.1
Refinances			
Low interest rate	97.4	2.3	0.3
Low APR	84.3	9.6	6.1
Low closing fees	75.4	20.4	4.2
Low down payment	51.1	19.3	29.5
Low monthly payment	68.7	21.6	9.7
Fixed interest rate	88.8	6.4	4.7
Term less than 30 years	42.6	22.0	35.4
No mortgage insurance	44.2	22.1	33.7

Source: National Survey of Mortgage Originations, 2013

Table 14. Importance of Decision Factors in Choosing the Mortgage, by Loan and Demographic Characteristics
(Percentage Distribution)

Characteristics	Low Down Payment			Low Monthly Payment			No Mortgage Insurance		
	Very	Somewhat	Not at All	Very	Somewhat	Not at All	Very	Somewhat	Not at All
Loan Type									
Purchase[1]	*47.7*	*28.6*	*23.7*	*59.4*	*29.1*	*11.5*	*34.0*	*26.8*	*39.1*
First-Time Homeowner[2]	59.9	25.6	14.6	65.8	27.1	7.0	28.5	28.1	43.4
Repeat Homeowner	46.3	28.1	25.7	59.4	28.2	12.4	34.4	26.8	38.8
Non-Occupant Owner	29.6	39.2	31.2	44.0	40.6	15.3	44.6	24.2	31.2
Refinance[1]	*51.1*	*19.3*	*29.5*	*68.7*	*21.6*	*9.7*	*44.2*	*22.1*	*33.7*
Homeowner Cashout[3]	52.3	18.0	29.7	68.2	21.6	10.2	43.9	22.5	33.6
Homeowner Regular	51.1	19.8	29.0	69.3	21.3	9.4	43.9	21.8	34.3
Non-Occupant Owner	46.9	19.9	33.2	65.1	24.1	10.8	48.3	22.6	29.0
Loan Size									
$50,000 or Less	54.7	20.7	24.6	69.7	17.5	12.8	36.5	20.8	42.7
$50,001 to $150,000	55.2	20.1	24.7	69.4	22.1	8.5	39.0	23.0	38.0
$150,001 to $300,000	50.6	23.9	25.4	64.9	25.5	9.6	41.2	26.2	32.6
More than $300,000	35.3	27.3	37.4	55.2	28.7	16.1	41.8	21.6	36.6
Credit Score[2]									
Lower than 620	68.4	14.5	17.2	78.2	15.1	6.8	32.5	22.2	45.3
620 to 679	67.3	17.1	15.6	75.6	18.2	6.2	33.6	28.3	38.2
680 to 719	61.7	21.3	17.0	72.3	20.7	7.0	35.2	25.2	39.6
720 or Higher	42.2	25.1	32.8	60.4	27.3	12.3	43.4	22.8	33.8
Respondent Age									
35 Years or Younger	55.2	27.1	17.7	66.0	25.7	8.3	32.6	28.1	39.2
36 to 45	51.1	25.7	23.1	62.2	26.7	11.1	39.8	25.6	34.7
46 to 55	48.6	22.5	28.9	62.8	27.2	10.1	44.5	23.8	31.7
56 to 65	48.1	18.3	33.6	68.2	20.3	11.5	44.6	20.1	35.2
Older than 65	41.7	17.7	40.7	68.8	19.0	12.1	39.4	19.2	41.4
Race/Ethnicity									
Non-Hispanic White	47.5	22.9	29.6	63.9	25.4	10.8	40.5	23.4	36.1
Hispanic and Non-White	56.0	23.0	21.0	68.3	22.2	9.5	39.6	25.4	35.0
Respondent Education									
High School or Less	66.7	15.9	17.4	77.0	15.5	7.6	39.7	19.5	40.9
Some College	55.8	21.1	23.1	71.4	21.1	7.5	38.8	24.2	37.0
College Degree	48.9	23.1	28.0	63.4	25.6	10.9	40.6	24.9	34.5
Postgraduate	39.0	27.1	33.9	57.0	29.6	13.4	41.3	24.4	34.3
Household Income									
Less than $50,000	63.1	17.9	19.0	78.4	16.2	5.4	32.7	24.0	43.2
$50,000 to $99,999	56.3	20.5	23.2	69.9	22.2	7.9	39.0	25.0	36.0
$100,000 to $174,999	43.5	27.1	29.4	60.1	28.3	11.6	44.3	24.2	31.5
$175,000 or More	30.9	26.6	42.6	47.8	32.2	20.0	44.5	20.7	34.8
Household Type									
Couple	48.2	23.6	28.2	63.5	25.2	11.2	41.2	23.7	35.1
Single	55.6	20.5	23.9	70.5	21.9	7.6	37.2	24.6	38.2
All Respondents	**49.8**	**22.9**	**27.3**	**65.1**	**24.5**	**10.4**	**40.3**	**23.9**	**35.8**

Source: National Survey of Mortgage Originations, 2013
Notes: 1. Mortgages to purchase a property are classified as the "purchase" loan type and all other mortgages are clasified as the "refinance" type.
2. Credit score and first-time homebuyer status are assembled from the National Mortgage Database. Credit score from Vantage ranges from 300 to 850. A homebuyer is classified as first-time if neither the respondent nor the spouse is older than 54 years in age and there is no evidence of a prior mortgage in the credit files.
3. If a refinance mortgage amount is higher than the previous mortgage or a if mortgage is for a previously mortgage-free property, it is classified as a cashout refinance.

6.0 During the Application Process

The NSMO found that many lenders requested that the borrower provide additional information or perform additional steps after the initial loan application. Less than one-fifth of respondents were asked to add another cosigner to the mortgage in order to qualify (Table 15). This estimated percentage did not vary substantially across most demographic and loan-characteristic groups, ranging from about 14 percent to 23 percent for most borrowers. An exception was single households, who were much less likely to be asked to add a co-signer. For single households, only three percent were asked to add a cosigner. By contrast, 23 percent of couples were asked to add a co-signer, which might have included the spouse or partner when only one party had applied for the mortgage.

Nearly 18 percent of borrowers reported being asked to resolve problems that appeared on a credit report.   The share of borrowers that fixed problems with their credit reports differed sharply by credit score: about one third of borrowers with credit scores of 679 or lower addressed an issue, compared with 11 percent of borrowers with scores 720 or greater. The share of borrowers that resolved credit-report issues also declined with education, falling from about 22 percent among borrowers in high school or less and some college to 14 percent among those in the postgraduate group.

Roughly one in five borrowers had to delay their closing date. Delays were somewhat more common for purchase mortgages than for refinances. The fraction that reported the closing date had been delayed ranged from 25 to 28 percent across the three groups of purchasers compared with a range of 16 to 22 percent for borrowers in the refinance groups.

Delays in closing may have arisen from needing to answer follow-up questions, having to redo paperwork, or needing an additional appraisal. Almost 60 percent of respondents reported answering follow-up requests for more information, but only one-fifth reported having to redo paperwork during the application process. The fraction of borrowers that redid paperwork was fairly steady across groups defined by demographics and loan characteristics. In contrast, the estimated fraction that answered follow-up questions varied more noticeably. Nearly two- thirds of borrowers with loans of more than $300,000 had to answer follow-up requests, for example, while just 53 percent of loans of less than $50,000 involved such requests. The percentage of borrowers that responded to follow-up requests also rose with income and education, but the percentage fell with credit score. Purchasers were also more likely to have answered follow-up questions than those who refinanced.

Very few borrowers—just seven percent—reported needing multiple appraisals. The percentage of borrowers that required multiple appraisals was somewhat higher for homebuyers with the lowest credit score and for those with loans for more than $300,000.

Table 15. Additional Steps Taken in the Mortgage Process, by Loan and Demographic Characteristics
(Percent Who Took Each Step)

Characteristics	Had to Add Co-Signer to Qualify	Resolved Credit Report Issues	Answered Follow-up Requests	Had Multiple Appraisals	Redid Paperwork Due to Delays	Delayed Closing Date
Loan Type						
Purchase [1]	*17.0*	*23.4*	*68.8*	*9.2*	*21.6*	*25.8*
First-Time Homeowner [2]	20.6	24.5	69.3	9.8	23.0	28.4
Repeat Homeowner	16.2	24.9	68.8	9.2	21.4	24.7
Non-Occupant Owner	14.3	10.2	67.3	7.1	20.5	27.9
Refinance [1]	*19.2*	*14.3*	*53.2*	*5.3*	*19.1*	*17.2*
Homeowner Cashout [3]	21.2	18.1	56.0	6.5	18.5	17.5
Homeowner Regular	18.9	13.1	50.9	4.7	19.0	16.4
Non-Occupant Owner	15.4	11.4	61.9	5.7	22.5	22.1
Loan Size						
$50,000 or Less	19.7	14.9	52.7	3.9	19.4	19.1
$50,001 to $150,000	16.8	18.4	54.9	6.6	18.6	19.9
$150,001 to $300,000	19.5	18.7	60.9	6.3	20.7	19.7
More than $300,000	19.1	15.5	66.2	8.9	22.2	23.8
Credit Score [2]						
Lower than 620	18.1	37.2	63.0	9.3	17.7	22.4
620 to 679	17.6	32.7	60.5	6.4	22.4	26.5
680 to 719	19.1	26.7	61.5	8.0	20.5	21.7
720 or Higher	18.4	11.4	58.2	6.4	19.7	18.8
Respondent Age						
35 Years or Younger	19.1	20.5	62.7	8.4	20.6	23.9
36 to 45	19.3	17.7	61.5	7.6	19.5	20.7
46 to 55	18.0	16.0	55.3	5.6	20.9	20.5
56 to 65	16.8	15.9	58.1	5.8	20.4	18.8
Older than 65	18.4	20.4	58.1	6.1	18.3	16.3
Race/Ethnicity						
Non-Hispanic White	17.2	16.0	58.0	5.9	18.8	18.7
Hispanic and Non-White	21.4	22.7	62.5	9.2	23.7	25.3
Respondent Education						
High School or Less	18.4	22.1	50.5	6.7	19.4	20.3
Some College	18.2	22.0	57.4	7.2	20.4	20.5
College Degree	18.2	16.8	59.8	5.8	20.1	19.8
Postgraduate	18.7	14.0	63.5	7.6	20.2	21.4
Household Income						
Less than $50,000	14.3	22.3	57.4	8.7	21.3	21.8
$50,000 to $99,999	19.1	19.9	58.8	6.4	19.9	20.1
$100,000 to $174,999	20.8	15.2	59.4	6.1	19.3	19.5
$175,000 or More	16.7	12.9	61.8	6.9	20.8	22.0
Household Type						
Couple	22.7	17.8	59.8	7.0	20.5	21.0
Single	3.2	18.0	57.2	6.1	18.8	18.7
All Respondents	**18.4**	**17.8**	**59.2**	**6.8**	**20.1**	**20.5**

Source: National Survey of Mortgage Originations, 2013
Notes: 1. Mortgages to purchase a property are classified as the "purchase" loan type and all other mortgages are clasified as the "refinance" type.
2. Credit score and first-time homebuyer status are assembled from the National Mortgage Database. Credit score from Vantage ranges from 300 to 850. A homebuyer is classified as first-time if neither the respondent nor the spouse is older than 54 years in age and there is no evidence of a prior mortgage in the credit files.
3. If a refinance mortgage amount is higher than the previous mortgage or a if mortgage is for a previously mortgage-free property, it is classified as a cashout refinance.

7.0   Closing on a Mortgage

Closing on a mortgage is a complex process that involves substantial paperwork and a range of costs and services associated with the loan. This section examines the NSMO questions about the closing process, including locking the interest rate, the sources of information used by borrowers about their closing, funding the closing costs, finding a settlement agent, title insurance, and other features of the mortgage. Table 16 presents the response to these questions.

More than 90 percent of respondents indicated they were offered the option to lock in the mortgage interest rate on the loans, but just 47 percent locked their rate when they applied for the loan, 43 percent locked their rate between the application and closing date, and 10 percent waited for the closing date to lock their interest rate.

More than 60 percent of borrowers reported seeking input on the closing from the lender or broker. Twenty-four percent of all borrowers and more than 60 percent of first-time homebuyers asked their real estate agent for input about their closing documents. Only 12 to 18 percent of borrowers reportedly sought input from the settlement agent, an attorney, the title agent, or a trusted friend, and less than one percent turned to a housing counselor for input on the mortgage closing.

The survey asked the borrower to report who paid any of the closing costs. Because costs could be funded through multiple sources, the shares do not add up to 100 percent. The borrower paid at least some of the costs of closing the loan on 59 percent of loans (Table 17). In purchase transactions, more than 80 percent of borrowers paid their own closing costs. The lender and seller were less likely to have paid some or all of the closing costs (17 percent and 14 percent of loans, respectively). Closing costs were added to the mortgage amount for 38 percent of loans.

Respondents were also asked about their search for a settlement agent and the features present in the mortgage they obtained. Table 18 lists the responses to these questions. Two-thirds of respondents indicated that the lender recommended the settlement agent. More than one-fifth of borrowers overall indicated they selected an agent they had used previously, with slightly greater shares for investors and those that refinanced. Twelve percent of borrowers shopped around for a settlement agent to handle their closing.

Borrowers reported that nearly 80 percent of their mortgages included an escrow account for taxes or homeowner insurance. Among mortgage features reported, only three percent of all loans included a pre-payment penalty, and just two percent included a balloon payment feature. About five percent of mortgages reportedly included credit life, debt suspension, or debt cancelation insurance. These types of insurance were more common among first-time homebuyers and borrowers with credit scores less than 620, incomes less than $50,000, or high school or less education.

Table 16. Option and Timing of Interest Rate Lock and Sources of Input About Closing Documents, by Loan and Demographic Characteristics

Characteristics	Option to Lock or Set Interest Rate (Percent with Option)	Locked or Set Interest Rate (Percentage Distribution)			Sources of Input About Closing Documents (Percentage Who Sought Input from Each Source)						
		At Application	Between Application and Closing	Around Closing	Lender or Broker	Attorney	Real Estate Agent	Settlement Agent	Title Agent	Trusted Friend	Housing Counselor
Loan Type											
Purchase[1]	*91.6*	*36.3*	*51.1*	*12.6*	*69.2*	*19.7*	*54.5*	*19.5*	*17.3*	*26.3*	*1.3*
First-Time Homeowner[2]	91.6	29.9	56.7	13.4	73.7	18.6	62.5	20.6	17.6	44.8	1.3
Repeat Homeowner	91.6	36.7	50.2	13.1	68.3	19.4	53.4	18.9	17.3	22.6	1.2
Non-Occupant Owner	92.1	48.5	45.1	6.4	65.3	24.9	44.1	20.7	15.7	9.7	1.7
Refinance[1]	*92.4*	*53.2*	*39.0*	*7.7*	*57.4*	*15.2*	*5.3*	*7.4*	*8.9*	*13.3*	*0.5*
Homeowner Cashout[3]	90.7	50.9	40.5	8.6	54.3	15.0	7.3	7.5	9.5	12.9	0.8
Homeowner Regular	93.4	54.5	38.2	7.3	59.2	14.6	4.7	7.2	8.6	14.1	0.4
Non-Occupant Owner	90.3	50.7	40.6	8.7	53.1	21.0	3.4	8.1	9.1	8.1	0.5
Loan Size											
$50,000 or Less	86.7	61.2	32.1	6.7	61.7	16.5	17.3	8.0	8.0	13.5	1.3
$50,001 to $150,000	90.6	49.2	40.2	10.6	60.2	15.0	23.1	10.8	12.0	18.7	1.3
$150,001 to $300,000	93.0	44.2	46.2	9.6	61.9	17.3	26.2	12.7	12.8	19.6	0.4
More than $300,000	94.4	43.9	48.0	8.0	66.0	20.6	24.6	14.2	11.7	15.9	0.3
Credit Score[2]											
Lower than 620	86.9	49.2	38.7	12.0	55.9	16.8	19.2	12.7	9.8	18.9	2.6
620 to 679	87.5	41.5	44.5	14.0	62.4	15.4	30.1	10.1	14.8	21.3	2.2
680 to 719	90.9	47.1	43.1	9.8	64.6	15.1	25.4	10.5	11.2	18.3	0.8
720 or Higher	93.7	47.6	44.0	8.5	61.7	17.7	23.2	12.8	11.9	17.7	0.4
Respondent Age											
35 Years or Younger	92.5	36.5	51.1	12.4	69.5	16.3	46.8	16.8	15.6	40.8	1.4
36 to 45	92.0	44.7	45.3	9.9	60.9	15.6	23.6	12.6	11.6	18.1	0.7
46 to 55	92.3	47.6	43.6	8.8	59.4	17.0	15.7	10.2	11.1	10.6	0.4
56 to 65	91.3	52.6	39.3	8.1	59.7	18.4	15.7	9.6	11.4	9.5	0.8
Older than 65	92.4	58.6	33.5	7.9	59.1	18.6	16.0	10.0	9.8	6.9	0.5
Race/Ethnicity											
Non-Hispanic White	93.1	47.6	43.4	8.9	61.8	16.4	22.7	12.4	11.5	18.3	0.5
Hispanic and Non-White	89.5	44.1	44.4	11.5	62.6	18.4	28.9	11.3	13.9	18.4	1.6
Respondent Education											
High School or Less	87.8	52.3	34.9	12.8	58.3	12.6	20.1	9.1	12.2	14.5	1.7
Some College	90.6	47.4	42.4	10.3	58.7	14.9	22.5	9.9	12.1	16.0	1.0
College Degree	93.0	44.1	46.7	9.3	63.6	17.5	25.6	12.1	12.1	20.1	0.8
Postgraduate	94.1	46.9	44.9	8.2	64.2	19.8	26.3	15.1	12.2	19.7	0.2
Household Income											
Less than $50,000	87.5	47.2	38.0	14.9	61.6	15.7	26.9	11.5	13.4	21.9	2.4
$50,000 to $99,999	92.2	47.0	43.6	9.4	62.6	15.9	25.6	10.4	12.6	19.8	0.8
$100,000 to $174,999	93.1	45.3	46.4	8.4	62.3	17.6	23.6	12.8	11.3	17.8	0.2
$175,000 or More	95.0	47.9	45.5	6.5	60.3	19.9	20.1	15.5	11.2	11.8	0.2
Household Type											
Couple	92.5	46.8	43.6	9.6	61.5	17.2	23.7	12.1	12.2	17.1	0.8
Single	90.6	46.1	44.1	9.8	63.7	16.0	26.9	12.0	12.0	22.8	1.0
All Respondents	**92.1**	**46.7**	**43.7**	**9.6**	**62.0**	**17.0**	**24.4**	**12.1**	**12.1**	**18.3**	**0.8**

Source: National Survey of Mortgage Originations, 2013
Notes: 1. Mortgages to purchase a property are classified as the "purchase" loan type and all other mortgages are clasified as the "refinance" type.
2. Credit score and first-time homebuyer status are assembled from the National Mortgage Database. Credit score from Vantage ranges from 300 to 850. A homebuyer is classified as first-time if neither the respondent nor the spouse is older than 54 years in age and there is no evidence of a prior mortgage in the credit files.
3. If a refinance mortgage amount is higher than the previous mortgage or a if mortgage is for a previously mortgage-free property, it is classified as a cashout refinance.

Table 17. Source of Funding for the Closing Costs, by Loan and Demographic Characteristics
(Percent Who Reported Each Source)

Characteristics	Closing Costs Paid			
	By Borrower	By Lender	By Seller	By Adding to Mortgage
Loan Type				
Purchase [1]	*81.2*	*9.2*	*32.8*	*15.4*
First-Time Homeowner[2]	80.1	9.4	42.7	16.3
Repeat Homeowner	80.6	9.6	31.9	15.1
Non-Occupant Owner	88.8	5.1	16.3	15.6
Refinance [1]	*44.9*	*21.7*	*1.5*	*51.6*
Homeowner Cashout[3]	39.6	15.7	3.1	64.2
Homeowner Regular	46.9	24.7	0.9	45.8
Non-Occupant Owner	47.1	17.6	1.1	54.9
Loan Size				
$50,000 or Less	49.9	20.7	9.0	37.0
$50,001 to $150,000	56.5	13.6	13.6	38.9
$150,001 to $300,000	59.5	17.3	16.3	38.7
More than $300,000	65.1	22.2	9.0	32.1
Credit Score [2]				
Lower than 620	40.1	19.7	13.1	38.5
620 to 679	52.1	17.3	21.3	42.0
680 to 719	52.8	16.2	16.8	41.8
720 or Higher	63.1	16.7	11.3	35.6
Respondent Age				
35 Years or Younger	73.5	12.5	29.9	26.1
36 to 45	59.1	15.5	13.6	37.7
46 to 55	54.4	19.3	8.1	43.7
56 to 65	54.6	18.3	6.3	40.9
Older than 65	47.5	20.3	6.6	40.4
Race/Ethnicity				
Non-Hispanic White	57.8	16.8	13.2	39.1
Hispanic and Non-White	62.1	16.9	14.9	33.4
Respondent Education				
High School or Less	47.5	15.7	12.4	40.9
Some College	55.1	15.4	14.2	39.0
College Degree	61.1	16.6	14.4	37.8
Postgraduate	64.4	18.9	12.9	34.5
Household Income				
Less than $50,000	53.1	15.4	16.5	39.2
$50,000 to $99,999	57.4	15.7	14.8	39.0
$100,000 to $174,999	60.9	17.6	13.0	37.3
$175,000 or More	65.7	19.7	8.9	32.6
Household Type				
Couple	58.5	17.0	13.7	37.7
Single	60.8	16.4	13.6	36.9
All Respondents	**59.0**	**16.8**	**13.7**	**37.5**

Source: National Survey of Mortgage Originations, 2013

Notes: 1. Mortgages to purchase a property are classified as the "purchase" loan type and all other mortgages are clasified as the "refinance" type.
2. Credit score and first-time homebuyer status are assembled from the National Mortgage Database. Credit score from Vantage ranges from 300 to 850. A homebuyer is classified as first-time if neither the respondent nor the spouse is older than 54 years in age and there is no evidence of a prior
3. If a refinance mortgage amount is higher than the previous mortgage or a if mortgage is for a previously mortgage-free property, it is classified as a

Table 18. Settlement Agent Selection and Mortgage Features, by Loan and Demographic Characteristics

Characteristics	Settlement Agent Selection (Percent Who Used Each Method)			Mortgage Features (Percent with Each Feature)				
	Lender Recommended	Previous Agent	Shopped Around	Prepayment Penalty	Escrow Account	Balloon Payment	Interest-Only Payment	Credit/Debt Insurance
Loan Type								
Purchase[1]	*65.8*	*19.0*	*15.4*	*4.0*	*85.9*	*3.2*	*4.9*	*6.9*
First-Time Homeowner[2]	67.8	9.5	18.1	5.6	90.9	2.8	6.5	9.5
Repeat Homeowner	66.4	19.8	14.8	3.4	85.8	2.7	4.5	6.8
Non-Occupant Owner	56.7	36.0	13.4	4.5	74.9	8.0	3.9	2.2
Refinance[1]	*66.8*	*23.4*	*10.6*	*2.3*	*75.4*	*1.6*	*3.8*	*3.1*
Homeowner Cashout[3]	64.8	26.6	11.8	2.5	76.3	2.1	4.9	3.1
Homeowner Regular	67.5	22.2	10.0	2.1	74.8	1.2	3.4	3.4
Non-Occupant Owner	68.0	22.3	10.6	3.6	76.2	3.8	2.8	1.2
Loan Size								
$50,000 or Less	59.1	21.1	12.9	4.6	60.0	6.4	5.9	5.5
$50,001 to $150,000	65.7	20.4	11.4	3.0	81.6	2.2	4.3	5.7
$150,001 to $300,000	67.0	22.0	13.2	2.5	84.1	1.8	3.6	4.7
More than $300,000	68.2	24.1	13.0	3.5	68.1	2.5	5.0	1.7
Credit Score[2]								
Lower than 620	72.7	15.1	13.8	2.8	87.8	1.2	4.5	11.2
620 to 679	68.0	19.8	11.5	3.2	89.7	1.9	5.4	7.5
680 to 719	66.6	21.1	12.8	3.1	86.6	2.9	5.6	5.9
720 or Higher	65.7	22.7	12.5	2.9	75.1	2.3	3.6	3.3
Respondent Age								
35 Years or Younger	69.5	17.0	16.0	4.1	90.4	2.7	4.4	8.1
36 to 45	66.6	22.7	12.4	3.2	80.6	2.0	4.0	4.0
46 to 55	64.8	23.5	12.0	1.8	78.4	2.2	4.4	4.6
56 to 65	64.8	21.8	11.6	2.8	73.6	1.8	4.2	2.7
Older than 65	66.6	24.9	7.7	3.1	67.8	2.5	3.9	2.6
Race/Ethnicity								
Non-Hispanic White	67.1	22.5	10.6	2.8	79.8	2.2	3.6	4.4
Hispanic and Non-White	64.8	19.5	17.3	3.5	78.5	2.3	5.8	5.2
Respondent Education								
High School or Less	59.2	25.9	12.8	3.4	81.2	2.4	7.1	5.7
Some College	67.2	22.1	11.8	3.1	80.6	2.3	4.5	6.2
College Degree	66.0	21.7	13.0	3.0	80.4	1.9	3.4	4.6
Postgraduate	69.4	19.7	12.2	2.5	76.6	2.6	3.7	2.9
Household Income								
Less than $50,000	63.8	20.0	12.3	4.2	83.6	2.2	6.8	8.5
$50,000 to $99,999	65.7	21.9	13.1	2.8	81.5	1.8	3.8	5.0
$100,000 to $174,999	67.0	20.3	13.0	2.6	79.7	2.1	3.2	3.3
$175,000 or More	69.9	25.7	10.0	2.7	69.5	3.6	4.3	1.9
Household Type								
Couple	66.5	22.0	12.5	3.0	78.8	2.4	4.3	4.4
Single	66.3	20.6	12.2	3.0	81.6	1.7	3.8	5.4
All Respondents	**66.4**	**21.7**	**12.4**	**3.0**	**79.5**	**2.2**	**4.2**	**4.6**

Source: National Survey of Mortgage Originations, 2013

Notes: 1. Mortgages to purchase a property are classified as the "purchase" loan type and all other mortgages are clasified as the "refinance" type.

2. Credit score and first-time homebuyer status are assembled from the National Mortgage Database. Credit score from Vantage ranges from 300 to 850. A homebuyer is classified as first-time if neither the respondent nor the spouse is older than 54 years in age and there is no evidence of a prior mortgage in the credit files.

3. If a refinance mortgage amount is higher than the previous mortgage or a if mortgage is for a previously mortgage-free property, it is classified as a cashout refinance.

8.0   Satisfaction with Mortgage Terms, Mortgage Process and Information

Table 19 presents mortgage borrowers' satisfaction with the terms, interest rate, and closing costs received on their most recent mortgages. Eighty percent indicated that they were very satisfied with the general terms of their mortgage, and 18 percent more indicated that they were somewhat satisfied. Only two percent of respondents indicated that they were not at all satisfied with their mortgage terms. There was little variation in reported satisfaction across groups of borrowers.

Borrowers were slightly less satisfied with the interest rate received on their mortgage. More than three-quarters of respondents indicated that they were very satisfied with their interest rate. Overall, four percent of borrowers were not satisfied with their interest rate. Borrowers with credit scores less than 620 (eight percent), those with household incomes of less than $50,000 (seven percent), and those with a high school education (eight percent) were more likely to report being dissatisfied with their interest rate.

Respondents were notably less likely to report that they were very satisfied with closing costs than they were with terms and interest rates. Approximately 58 percent were very satisfied and 33 percent were somewhat satisfied that they received the lowest closing costs. Nine percent were not at all satisfied with their closing costs. Borrowers with household incomes of less than $50,000 (13 percent), borrowers with a high school education or less (11 percent), Hispanic or non-white borrowers (11 percent), and borrowers with small balance mortgages (11 percent) were more likely to be dissatisfied with their closing costs.

Table 20 presents the overall satisfaction with the lender or broker used by the borrower, the mortgage application process, and the loan closing process. More than 95 percent of all respondents indicated that they were very or somewhat satisfied with the lender or broker they used. Three out of four respondents were reportedly very satisfied with their lender; only four percent were dissatisfied with their lender. There was generally little variation across borrower groups, although borrowers with credit scores less than 620 or income of $50,000 or less were more likely to be dissatisfied with their lender.

Overall, nearly 90 percent of respondents reported that they were very or somewhat satisfied with the mortgage application process. Slightly more than 60 percent reported they were very satisfied, and an additional 29 percent were somewhat satisfied. Nearly 8 percent were not at all satisfied. There was little variation in the estimated shares of borrowers who reported they were satisfied with the process. Investors who purchased a house or refinanced a mortgage (14 and 10 percent, respectively) and respondents in the highest income group (11 percent) were most likely to be dissatisfied with the application process.

Similarly, all but eight percent of respondents reported that they were very or somewhat satisfied with the mortgage closing process; 66 percent reported that they were very satisfied and 27 percent reported that they were somewhat satisfied. Among those borrowers who were more likely to be dissatisfied with the closing process were investors who purchased a house (10

Table 19. Satisfaction that Mortgage Was the Loan with the Best Features, by Loan and Demographic Characteristics
(Percentage Distribution)

Characteristics	Terms			Interest Rate			Closing Costs		
	Very	Somewhat	Not at All	Very	Somewhat	Not at All	Very	Somewhat	Not at All
Loan Type									
Purchase[1]	*77.4*	*20.8*	*1.9*	*73.1*	*22.0*	*4.9*	*53.3*	*37.9*	*8.8*
First-Time Homeowner[2]	77.4	22.0	0.6	70.6	25.3	4.1	56.4	35.6	7.9
Repeat Homeowner	77.5	20.2	2.3	74.8	20.2	5.0	53.9	37.0	9.1
Non-Occupant Owner	76.2	22.2	1.6	66.6	28.0	5.3	41.4	49.5	9.0
Refinance[1]	*81.6*	*16.6*	*1.8*	*78.1*	*18.1*	*3.8*	*61.6*	*30.0*	*8.4*
Homeowner Cashout[3]	80.0	17.3	2.7	77.1	19.0	3.9	55.7	33.7	10.7
Homeowner Regular	83.1	15.7	1.1	79.5	17.0	3.4	64.9	28.2	6.9
Non-Occupant Owner	74.9	21.1	4.1	69.5	24.1	6.3	54.2	32.1	13.7
Loan Size									
$50,000 or Less	83.7	13.8	2.5	78.2	16.3	5.5	66.5	23.0	10.5
$50,001 to $150,000	80.8	17.6	1.7	76.1	19.1	4.8	60.7	30.3	9.0
$150,001 to $300,000	77.8	20.2	2.0	75.3	20.9	3.9	58.7	33.9	7.4
More than $300,000	82.2	16.0	1.7	77.8	18.8	3.4	51.1	39.0	9.9
Credit Score[2]									
Lower than 620	75.0	22.3	2.7	73.9	18.6	7.5	64.5	25.5	10.0
620 to 679	74.0	22.2	3.8	73.5	21.5	5.0	60.1	29.1	10.8
680 to 719	78.7	19.4	1.9	76.5	20.1	3.4	62.6	29.4	8.0
720 or Higher	81.9	16.8	1.3	76.8	19.2	4.0	56.7	35.2	8.1
Respondent Age									
35 Years or Younger	76.2	23.0	0.8	74.1	22.6	3.3	56.2	36.2	7.5
36 to 45	78.8	19.6	1.5	75.2	21.5	3.3	55.6	36.4	8.1
46 to 55	81.3	16.6	2.0	78.4	17.6	3.9	60.1	30.6	9.3
56 to 65	82.0	15.8	2.2	76.3	17.8	5.8	61.0	30.4	8.7
Older than 65	83.4	13.2	3.3	77.0	17.4	5.5	60.0	29.8	10.1
Race/Ethnicity									
Non-Hispanic White	82.1	16.6	1.3	78.1	18.1	3.7	59.9	32.6	7.6
Hispanic and Non-White	74.3	22.3	3.4	70.9	23.7	5.4	54.3	34.4	11.3
Respondent Education									
High School or Less	80.8	16.5	2.7	76.5	15.5	8.0	65.3	23.5	11.2
Some College	79.9	17.7	2.3	77.0	18.5	4.5	61.8	30.1	8.1
College Degree	79.3	19.2	1.5	75.6	21.3	3.1	57.7	34.0	8.3
Postgraduate	80.5	18.1	1.5	76.0	20.3	3.6	53.5	38.3	8.2
Household Income									
Less than $50,000	76.3	19.8	3.9	74.5	19.0	6.5	58.6	28.7	12.7
$50,000 to $99,999	79.2	19.5	1.3	75.2	21.0	3.8	60.9	31.3	7.9
$100,000 to $174,999	81.1	17.2	1.7	77.4	19.5	3.1	57.1	35.8	7.2
$175,000 or More	84.0	15.0	1.0	78.2	17.4	4.4	54.4	37.2	8.4
Household Type									
Couple	80.1	18.1	1.8	76.4	19.6	4.0	58.2	33.1	8.7
Single	79.6	18.5	1.9	75.4	19.8	4.8	58.9	32.9	8.2
All Respondents	**80.0**	**18.2**	**1.8**	**76.2**	**19.6**	**4.2**	**58.4**	**33.1**	**8.6**

Source: National Survey of Mortgage Originations, 2013

Notes: 1. Mortgages to purchase a property are classified as the "purchase" loan type and all other mortgages are clasified as the "refinance" type.

2. Credit score and first-time homebuyer status are assembled from the National Mortgage Database. Credit score from Vantage ranges from 300 to 850. A homebuyer is classified as first-time if neither the respondent nor the spouse is older than 54 years in age and there is no evidence of a prior mortgage in the credit files.

3. If a refinance mortgage amount is higher than the previous mortgage or a if mortgage is for a previously mortgage-free property, it is classified as a cashout refinance.

Table 20. Satisfaction with the Mortgage Process, by Loan and Demographic Characteristics
(Percentage Distribution)

Characteristics	Lender or Broker			Application			Closing		
	Very	Somewhat	Not at All	Very	Somewhat	Not at All	Very	Somewhat	Not at All
Loan Type									
Purchase[1]	*74.0*	*20.8*	*5.2*	*60.4*	*31.4*	*8.1*	*61.9*	*28.9*	*9.1*
First-Time Homeowner[2]	72.5	23.2	4.4	61.3	31.6	7.1	60.4	29.9	9.7
Repeat Homeowner	74.7	19.8	5.5	60.3	31.9	7.7	62.6	28.6	8.8
Non-Occupant Owner	72.1	22.5	5.3	59.0	27.2	13.8	61.1	28.9	10.0
Refinance[1]	*75.7*	*20.6*	*3.7*	*64.3*	*28.0*	*7.6*	*68.0*	*24.9*	*7.1*
Homeowner Cashout[3]	75.9	20.7	3.4	63.6	28.8	7.6	66.9	26.5	6.6
Homeowner Regular	76.6	19.6	3.8	64.8	27.8	7.4	68.8	24.2	7.0
Non-Occupant Owner	67.7	27.7	4.6	63.1	27.0	9.9	64.6	25.4	9.9
Loan Size									
$50,000 or Less	80.9	14.2	4.9	68.0	25.4	6.6	71.8	23.2	5.0
$50,001 to $150,000	75.7	20.3	4.0	65.6	27.4	7.0	67.6	24.7	7.7
$150,001 to $300,000	74.4	21.0	4.6	62.8	29.5	7.8	65.1	27.0	7.9
More than $300,000	73.8	21.8	4.4	56.0	34.1	9.9	61.5	29.7	8.8
Credit Score[2]									
Lower than 620	72.7	21.2	6.1	65.6	27.8	6.7	69.5	22.4	8.1
620 to 679	74.4	19.7	6.0	64.6	25.3	10.1	67.3	23.2	9.5
680 to 719	78.2	18.1	3.7	67.0	26.8	6.2	68.7	24.7	6.5
720 or Higher	74.6	21.4	4.0	61.3	30.9	7.8	64.3	27.8	7.8
Respondent Age									
35 Years or Younger	74.8	21.1	4.2	60.7	32.6	6.7	60.7	31.0	8.3
36 to 45	73.7	21.6	4.7	59.7	31.8	8.5	63.1	27.9	9.0
46 to 55	74.8	20.9	4.3	63.8	28.1	8.1	67.6	25.0	7.4
56 to 65	74.3	21.3	4.3	65.8	26.5	7.8	68.9	23.7	7.4
Older than 65	80.4	15.7	4.0	66.1	25.5	8.4	70.6	22.6	6.7
Race/Ethnicity									
Non-Hispanic White	76.6	19.2	4.1	64.1	28.0	7.9	67.2	25.2	7.6
Hispanic and Non-White	70.7	24.4	4.8	59.4	33.0	7.6	61.5	29.8	8.7
Respondent Education									
High School or Less	78.5	17.8	3.7	68.9	25.3	5.9	71.3	23.5	5.2
Some College	77.2	17.9	4.9	65.4	28.7	5.9	68.1	23.1	8.8
College Degree	73.5	22.5	4.0	62.5	29.2	8.3	64.3	27.4	8.3
Postgraduate	73.7	21.8	4.5	58.6	31.7	9.7	62.9	29.3	7.8
Household Income									
Less than $50,000	74.5	19.8	5.7	62.8	30.0	7.2	63.3	27.9	8.8
$50,000 to $99,999	75.8	20.6	3.7	65.3	27.5	7.2	67.9	24.3	7.8
$100,000 to $174,999	75.2	20.5	4.3	62.0	30.5	7.4	65.2	27.1	7.8
$175,000 or More	73.5	22.1	4.4	58.4	30.9	10.7	63.6	28.9	7.5
Household Type									
Couple	74.8	20.7	4.5	62.4	29.4	8.3	65.5	26.7	7.8
Single	75.7	20.6	3.8	64.5	29.2	6.3	66.1	25.7	8.2
All Respondents	**75.0**	**20.6**	**4.3**	**62.8**	**29.3**	**7.8**	**65.6**	**26.5**	**7.9**

Source: National Survey of Mortgage Originations, 2013

Notes: 1. Mortgages to purchase a property are classified as the "purchase" loan type and all other mortgages are clasified as the "refinance" type.

2. Credit score and first-time homebuyer status are assembled from the National Mortgage Database. Credit score from Vantage ranges from 300 to 850. A homebuyer is classified as first-time if neither the respondent nor the spouse is older than 54 years in age and there is no evidence of a prior mortgage in the credit files.

3. If a refinance mortgage amount is higher than the previous mortgage or a if mortgage is for a previously mortgage-free property, it is classified as a cashout refinance.

percent), borrowers with credit scores between 620 and 679 (10 percent), non-white borrowers (10 percent), and borrowers who earn $50,000 or less per year (nine percent).

Table 21 presents the overall satisfaction of 2013 borrowers with the information in mortgage disclosure documents, the timeliness of the mortgage disclosure documents, and their settlement agent. The vast majority of respondents indicated they were very or somewhat satisfied with the information (95 percent), timeliness of the mortgage disclosure process (92 percent), and with their settlement agent (95 percent). Investors and borrowers in the lowest income and credit-score groups were somewhat more likely to report that they were not at all satisfied with the disclosures, timeliness, or settlement agent, and borrowers older than 65 tended to be more likely to report they were very satisfied with these aspects of the mortgage process

9.0   Opinions on Financial Responsibility

The survey asked borrowers whether they agreed or disagreed with statements about financial responsibility. Table 22 presents the shares of borrowers who agreed with each of these statements. For example, about 95 percent of respondents agreed that owning a home is a good financial investment and the share that agreed exceeded 90 percent for all groups of borrowers.

In general, respondents believe that mortgage lenders treat borrowers well. Slightly more than 75 percent of respondents agreed that lenders treat borrowers well. The percentage of respondents that reported they felt lenders treat borrowers well declined with education and loan size. Seventy-eight percent of non-Hispanic white borrowers stated that they believe lenders treat borrowers well, compared with 70 percent of Hispanics or non- whites.

Borrowers were also asked whether late payment of their mortgage would lower their credit ratings. More than nine out of 10 respondents agreed that late payments would lower their credit ratings. The estimated shares within groups varied little, ranging from 96 percent for investors who purchased a property to 87 percent for respondents with at most a high school education. In contrast, just 14 percent of respondents agreed with the statement that lenders should not care about late payments, only whether loans are fully repaid. This share that reportedly agreed with this statement differed widely across groups, from 10 percent for borrowers in the highest income category to about 20 percent among those who borrowed $50,000 or less and about 21 percent for borrowers who had a credit score between 621 and 680. The shares decreased across the loan size, education, and income categories but increased across age categories.

Respondents were far less likely to agree with the statement that it is okay to default or stop paying if it is in the borrower's financial interest. An estimated seven percent of respondents agreed with this statement, with those older than 65 (five percent), non-Hispanic white respondents (six percent), and those respondents with low balance mortgages (five percent) least likely to agree with this statement. Hispanic or non-white borrowers (nine percent), investors (eight percent), respondents with postgraduate degrees (nine percent), and borrowers with large

Table 21. Satisfaction with Information During the Mortgage Process, by Loan and Demographic Characteristics
(Percentage Distribution)

Characteristics	Disclosures			Timeliness			Settlement Agent		
	Very	Somewhat	Not at All	Very	Somewhat	Not at All	Very	Somewhat	Not at All
Loan Type									
Purchase [1]	*60.8*	*33.9*	*5.3*	*61.0*	*31.2*	*7.8*	*67.7*	*26.8*	*5.6*
First-Time Homeowner [2]	59.1	35.4	5.6	59.3	32.3	8.4	62.9	29.9	7.1
Repeat Homeowner	61.2	33.7	5.1	61.4	31.0	7.5	68.9	26.2	4.9
Non-Occupant Owner	62.4	31.4	6.2	61.8	29.9	8.3	69.9	23.2	6.9
Refinance [1]	*64.7*	*30.4*	*4.9*	*64.5*	*27.9*	*7.6*	*69.2*	*25.8*	*5.0*
Homeowner Cashout [3]	66.1	29.7	4.2	65.1	28.9	6.0	71.4	24.7	4.0
Homeowner Regular	64.9	30.2	4.8	64.5	27.6	7.9	68.7	26.0	5.2
Non-Occupant Owner	58.0	34.2	7.9	61.8	27.5	10.8	65.5	28.3	6.2
Loan Size									
$50,000 or Less	69.6	27.4	3.0	66.0	24.8	9.2	68.3	25.0	6.7
$50,001 to $150,000	65.5	29.5	5.1	64.0	28.4	7.6	70.6	24.1	5.2
$150,001 to $300,000	63.2	32.1	4.7	63.5	29.1	7.4	68.6	26.3	5.1
More than $300,000	57.1	36.7	6.2	59.8	32.1	8.1	64.2	30.8	5.0
Credit Score [2]									
Lower than 620	64.9	26.0	9.0	66.8	23.2	10.0	69.2	24.9	5.9
620 to 679	65.0	29.9	5.1	63.3	28.1	8.6	70.5	23.4	6.1
680 to 719	67.4	28.8	3.8	63.6	30.2	6.2	72.1	23.5	4.4
720 or Higher	61.8	33.1	5.1	62.7	29.6	7.6	67.4	27.5	5.1
Respondent Age									
35 Years or Younger	58.3	37.0	4.7	59.1	33.3	7.6	64.6	31.1	4.3
36 to 45	60.3	33.7	6.0	61.0	31.2	7.8	66.7	27.5	5.8
46 to 55	63.9	30.9	5.2	64.0	27.5	8.5	69.2	25.2	5.6
56 to 65	66.9	28.6	4.5	65.9	26.9	7.1	71.1	24.6	4.3
Older than 65	71.1	24.3	4.5	68.9	24.4	6.7	74.9	18.7	6.4
Race/Ethnicity									
Non-Hispanic White	65.0	30.2	4.8	65.0	27.4	7.6	71.4	23.6	5.0
Hispanic and Non-White	58.4	35.9	5.7	58.2	34.0	7.8	61.2	33.1	5.7
Respondent Education									
High School or Less	68.2	27.2	4.6	67.0	26.0	7.0	73.7	21.3	5.0
Some College	68.3	27.5	4.2	64.5	28.0	7.4	69.8	24.2	6.0
College Degree	61.9	32.8	5.3	62.0	30.1	7.8	67.4	27.1	5.5
Postgraduate	58.6	35.8	5.6	61.7	30.4	7.9	67.0	28.7	4.3
Household Income									
Less than $50,000	63.2	29.3	7.4	61.6	29.0	9.4	67.1	25.8	7.2
$50,000 to $99,999	65.4	30.8	3.8	64.5	28.7	6.8	70.8	24.9	4.3
$100,000 to $174,999	62.0	33.4	4.6	62.7	29.6	7.7	66.8	28.1	5.1
$175,000 or More	60.1	33.6	6.3	62.2	30.0	7.8	68.4	26.4	5.3
Household Type									
Couple	62.8	32.3	4.9	63.1	29.2	7.8	68.9	26.1	5.0
Single	64.8	29.6	5.6	63.3	29.3	7.3	67.7	26.4	5.9
All Respondents	**63.2**	**31.7**	**5.1**	**63.1**	**29.2**	**7.7**	**68.6**	**26.2**	**5.2**

Source: National Survey of Mortgage Originations, 2013

Notes: 1. Mortgages to purchase a property are classified as the "purchase" loan type and all other mortgages are clasified as the "refinance" type.

2. Credit score and first-time homebuyer status are assembled from the National Mortgage Database. Credit score from Vantage ranges from 300 to 850. A homebuyer is classified as first-time if neither the respondent nor the spouse is older than 54 years in age and there is no evidence of a prior mortgage in the credit files.

3. If a refinance mortgage amount is higher than the previous mortgage or a if mortgage is for a previously mortgage-free property, it is classified as a cashout refinance.

Table 22. Opinions on Homeownership, Lenders, and Mortgage Payments, by Loan and Demographic Characteristics
(Percent Who Agreed with Each Statement)

Characteristics	Owning a Home Is a Good Financial Investment	Mortgage Lenders Generally Treat Borrowers Well	Late Payments Will Lower Credit Rating	Lenders Should Not Care About Late Payments, Only Whether Loans Fully Repaid	It Is Okay to Default If It Is in the Borrower's Financial Interest
Loan Type					
Purchase [1]	*95.3*	*78.7*	*92.4*	*13.3*	*6.9*
First-Time Homeowner [2]	94.4	78.6	90.8	11.4	7.9
Repeat Homeowner	95.5	79.3	92.4	14.1	6.4
Non-Occupant Owner	95.9	74.8	96.2	12.4	7.9
Refinance [1]	*94.3*	*74.3*	*91.8*	*13.8*	*7.1*
Homeowner Cashout [3]	95.1	75.2	89.6	15.6	5.9
Homeowner Regular	93.9	74.1	92.5	13.0	7.6
Non-Occupant Owner	94.0	72.6	93.3	14.2	7.0
Loan Size					
$50,000 or Less	97.0	84.0	90.4	20.4	4.7
$50,001 to $150,000	94.5	79.3	91.1	13.9	5.9
$150,001 to $300,000	94.8	73.6	91.9	13.8	7.6
More than $300,000	94.2	72.4	94.7	11.5	8.5
Credit Score [2]					
Lower than 620	97.6	71.0	89.7	17.5	8.9
620 to 679	94.6	76.5	91.4	20.7	5.4
680 to 719	94.7	75.1	90.4	15.5	6.6
720 or Higher	94.5	76.4	92.7	11.4	7.3
Respondent Age					
35 Years or Younger	94.2	77.9	93.4	10.4	8.0
36 to 45	93.9	74.3	94.0	13.1	8.9
46 to 55	95.1	76.5	90.0	14.1	6.0
56 to 65	94.8	74.4	91.6	16.2	5.6
Older than 65	95.8	77.5	90.4	15.5	5.4
Race/Ethnicity					
Non-Hispanic White	94.3	78.1	92.6	11.8	6.3
Hispanic and Non-White	95.5	70.4	90.5	18.5	8.9
Respondent Education					
High School or Less	96.2	80.2	86.9	19.2	6.9
Some College	95.4	79.2	90.5	16.6	5.5
College Degree	94.2	77.5	92.7	12.4	6.7
Postgraduate	93.9	69.8	94.5	10.4	8.7
Household Income					
Less than $50,000	94.3	76.1	89.5	19.0	7.2
$50,000 to $99,999	94.8	77.8	90.9	14.7	6.0
$100,000 to $174,999	95.1	74.6	94.4	11.0	7.6
$175,000 or More	93.8	74.0	93.2	9.9	8.0
Household Type					
Couple	94.9	76.2	92.6	12.6	7.0
Single	93.6	75.3	89.9	17.3	6.9
All Respondents	**94.6**	**76.0**	**92.0**	**13.6**	**7.0**

Source: National Survey of Mortgage Originations, 2013

Notes: 1. Mortgages to purchase a property are classified as the "purchase" loan type and all other mortgages are clasified as the "refinance" type.

2. Credit score and first-time homebuyer status are assembled from the National Mortgage Database. Credit score from Vantage ranges from 300 to 850. A homebuyer is classified as first-time if neither the respondent nor the spouse is older than 54 years in age and there is no evidence of a prior mortgage in the credit files.

3. If a refinance mortgage amount is higher than the previous mortgage or a if mortgage is for a previously mortgage-free property, it is classified as a cashout refinance.

balance mortgages (nine percent) were more likely to agree that it is okay to default when it is in the borrower's financial interest.

10.0   Recent Changes in Neighborhood Housing

Tables 23 and 24 present respondents' opinions on changes to the neighborhoods where homes were located for which they had most recently acquired a mortgage. New borrowers in 2013 were asked if the number of homes in the neighborhood for sale, for rent, that were vacant, and that were foreclosed/sold as a short sale had significantly increased, experienced little or no change, or had significantly decreased over the last couple of years. They were also asked their opinion on changes to house prices and the overall desirability of living in the neighborhood.

Two out of three indicated that the number of homes available for sale in their neighborhood experienced little or no change, while slightly more than a quarter reported that the number for sale had increased significantly. Less than six percent of respondents reported the number of homes for sale declined significantly in their neighborhood. There was little variation across borrower groups, for either significant increase or significant decrease. Borrowers with large loans (nine percent) and borrowers with high incomes (eight percent) reported a decrease in available homes for sale, slightly more than what other borrowers reported.

Different borrower groups varied sharply in their descriptions of changes in the number of vacant homes in the neighborhood and clearly described distinctly different neighborhoods. Overall, one out of eight respondents indicated that the number of vacant homes increased significantly, nearly 80 percent indicated that there was little or no change, and almost eight percent reported that the number of vacant homes had declined significantly. Borrowers with a high school education or less (17 percent), borrowers with lower household income (17 percent), borrowers with very low to moderately low credit scores (15 percent), and respondents with mortgages less than $50,000 (22 percent) reported a significant increase in vacant homes in their neighborhood over the last two years. By contrast, respondents with very high income (seven percent) and borrowers with larger mortgages (six percent) were less likely to report a significant increase in vacant homes.

Different borrower groups also varied in their responses about the changes in the number of houses for rent in their neighborhood. Overall, slightly more than 12 percent of respondents reported a significant increase in rental housing, slightly more than 80 percent of borrowers reported little or no change, and only five percent reported a significant decrease in the number of rental homes. Borrowers who took out a smaller mortgage (18 percent), or who had very low credit scores (17 percent), respondents with a high school education or less (15 percent), and low income borrowers (16 percent) were more likely to report a significant increase in the number of rental properties in their neighborhoods than were other borrowers.

Nearly three-quarters of respondents indicated that the number of foreclosures and short sales in their neighborhood had little or no change over the last couple of years (Table 24). Fifteen

Table 23. Changes in Housing Availability in Neighborhood over Last Couple Years, by Loan and Demographic Characteristics
(Percentage Distribution)

Characteristics	Number of Homes for Sale			Number of Vacant Homes			Number of Homes for Rent		
	Significantly Increase	Little or No Change	Significantly Decrease	Significantly Increase	Little or No Change	Significantly Decrease	Significantly Increase	Little or No Change	Significantly Decrease
Loan Type									
Purchase [1]	26.4	68.5	5.1	10.6	80.5	8.9	11.1	83.0	5.9
First-Time Homeowner[2]	25.7	69.7	4.7	8.1	85.1	6.8	8.5	85.6	5.9
Repeat Homeowner	27.1	67.8	5.1	11.4	79.1	9.5	11.6	82.0	6.4
Non-Occupant Owner	23.6	70.4	5.9	10.3	80.5	9.2	13.2	83.9	2.9
Refinance [1]	27.3	66.6	6.1	13.8	79.1	7.1	13.0	81.9	5.1
Homeowner Cashout[3]	28.4	65.3	6.4	14.5	79.1	6.4	13.6	80.9	5.5
Homeowner Regular	27.2	67.0	5.8	13.6	78.9	7.5	12.9	81.9	5.2
Non-Occupant Owner	23.6	68.9	7.5	13.5	80.2	6.3	12.1	85.3	2.6
Loan Size									
$50,000 or Less	25.9	71.9	2.2	22.1	74.3	3.5	18.2	78.5	3.3
$50,001 to $150,000	26.3	69.4	4.3	15.8	78.3	5.9	13.7	81.2	5.1
$150,001 to $300,000	28.7	65.2	6.1	11.7	80.2	8.1	12.4	82.3	5.3
More than $300,000	24.8	66.5	8.8	5.6	82.3	12.1	7.9	85.4	6.7
Credit Score [2]									
Lower than 620	26.3	67.8	5.9	15.5	77.1	7.4	16.9	75.1	8.0
620 to 679	27.7	66.7	5.6	15.3	76.7	8.0	13.9	79.0	7.1
680 to 719	28.5	65.2	6.3	14.5	78.1	7.4	14.1	79.7	6.2
720 or Higher	26.5	67.9	5.6	11.3	80.8	7.9	11.2	84.1	4.7
Respondent Age									
35 Years or Younger	27.8	66.8	5.4	10.8	80.9	8.3	11.9	83.3	4.8
36 to 45	28.4	65.2	6.4	11.2	79.9	8.9	12.7	82.5	4.8
46 to 55	26.3	67.8	5.9	13.2	79.1	7.7	11.9	82.1	6.0
56 to 65	25.9	68.5	5.6	15.5	78.3	6.1	13.2	81.6	5.2
Older than 65	25.4	69.8	4.8	12.1	80.1	7.8	11.5	81.7	6.8
Race/Ethnicity									
Non-Hispanic White	25.5	69.3	5.2	12.5	80.7	6.8	11.1	83.9	5.1
Hispanic and Non-White	30.8	62.1	7.1	12.6	76.9	10.5	15.5	78.2	6.3
Respondent Education									
High School or Less	26.9	67.6	5.5	16.5	76.2	7.2	15.1	76.8	8.1
Some College	27.0	68.3	4.7	15.0	77.8	7.2	14.8	79.8	5.4
College Degree	27.7	66.5	5.7	11.6	79.8	8.7	11.8	83.2	4.9
Postgraduate	25.9	67.4	6.6	10.1	82.4	7.5	9.6	85.5	4.8
Household Income									
Less than $50,000	27.8	67.1	5.1	17.2	76.0	6.8	15.6	77.5	6.9
$50,000 to $99,999	26.9	68.5	4.6	14.1	79.3	6.6	14.4	81.0	4.6
$100,000 to $174,999	28.4	65.2	6.4	10.9	79.7	9.4	10.2	84.9	4.9
$175,000 or More	23.4	68.6	8.0	6.7	84.4	8.9	7.4	86.1	6.5
Household Type									
Couple	26.7	67.7	5.6	11.8	80.4	7.8	11.6	83.4	5.1
Single	27.7	66.1	6.2	15.1	77.0	7.9	14.8	78.6	6.6
All Respondents	**26.9**	**67.3**	**5.7**	**12.6**	**79.6**	**7.8**	**12.3**	**82.3**	**5.4**

Source: National Survey of Mortgage Originations, 2013
Notes: 1. Mortgages to purchase a property are classified as the "purchase" loan type and all other mortgages are clasified as the "refinance" type.
2. Credit score and first-time homebuyer status are assembled from the National Mortgage Database. Credit score from Vantage ranges from 300 to 850. A homebuyer is classified as first-time if neither the respondent nor the spouse is older than 54 years in age and there is no evidence of a prior mortgage in the credit files.
3. If a refinance mortgage amount is higher than the previous mortgage or a if mortgage is for a previously mortgage-free property, it is classified as a cashout refinance.

Table 24. Changes in Neighborhood Desireability over Last Couple Years, by Loan and Demographic Characteristics
(Percentage Distribution)

Characteristics	Number of Foreclosures or Short Sales			House Prices			Overall Desireablity of Living There		
	Significantly Increase	Little or No Change	Significantly Decrease	Significantly Increase	Little or No Change	Significantly Decrease	Significantly Increase	Little or No Change	Significantly Decrease
Loan Type									
Purchase [1]	*12.5*	*77.4*	*10.1*	*28.7*	*62.9*	*8.3*	*23.3*	*72.9*	*3.7*
First-Time Homeowner [2]	10.9	79.1	10.0	26.6	68.9	4.5	22.7	74.1	3.2
Repeat Homeowner	12.8	76.6	10.7	29.3	61.1	9.6	24.1	71.8	4.1
Non-Occupant Owner	14.1	80.0	6.0	29.3	62.1	8.6	19.2	78.4	2.5
Refinance [1]	*16.8*	*74.0*	*9.2*	*25.3*	*54.1*	*20.6*	*19.0*	*75.5*	*5.5*
Homeowner Cashout [3]	17.3	73.9	8.8	27.3	54.7	18.0	20.5	74.2	5.2
Homeowner Regular	16.2	74.3	9.5	24.3	54.5	21.2	18.6	76.1	5.3
Non-Occupant Owner	20.3	72.1	7.6	26.9	48.1	25.1	16.9	75.2	7.9
Loan Size									
$50,000 or Less	21.0	72.8	6.1	17.5	64.1	18.3	15.1	78.7	6.3
$50,001 to $150,000	17.8	74.8	7.4	18.4	63.0	18.7	15.0	77.8	7.2
$150,001 to $300,000	14.2	76.2	9.6	28.2	56.2	15.5	22.0	74.7	3.3
More than $300,000	10.1	75.1	14.8	42.9	47.0	10.1	31.2	66.3	2.5
Credit Score [2]									
Lower than 620	17.6	72.8	9.6	22.7	61.0	16.3	19.0	72.7	8.3
620 to 679	16.6	74.0	9.4	24.4	59.3	16.3	19.6	73.9	6.5
680 to 719	16.7	74.1	9.2	24.9	58.1	17.0	22.0	73.2	4.8
720 or Higher	14.3	76.1	9.6	27.7	56.8	15.5	20.7	75.1	4.2
Respondent Age									
35 Years or Younger	12.5	77.9	9.6	28.1	63.0	8.9	22.9	72.4	4.8
36 to 45	14.2	74.2	11.6	32.3	52.9	14.7	24.6	70.1	5.3
46 to 55	17.3	73.5	9.2	24.1	57.7	18.1	18.1	77.0	4.9
56 to 65	16.4	75.4	8.2	23.6	56.3	20.1	17.9	77.5	4.6
Older than 65	15.1	76.6	8.3	22.4	58.0	19.6	18.6	77.3	4.1
Race/Ethnicity									
Non-Hispanic White	15.5	76.5	8.0	24.0	59.1	16.9	19.0	76.6	4.4
Hispanic and Non-White	14.1	72.2	13.7	33.7	53.2	13.1	25.0	69.0	5.9
Respondent Education									
High School or Less	19.0	71.7	9.4	19.9	60.7	19.4	13.0	78.7	8.2
Some College	17.4	73.7	8.8	23.7	58.4	18.0	19.8	75.0	5.2
College Degree	15.0	74.9	10.1	27.4	57.3	15.3	21.8	73.1	5.1
Postgraduate	11.7	78.7	9.6	30.8	55.8	13.4	23.1	74.2	2.7
Household Income									
Less than $50,000	18.1	74.2	7.8	19.9	61.9	18.2	16.7	75.3	8.0
$50,000 to $99,999	16.9	74.0	9.1	22.9	59.9	17.2	18.4	76.2	5.5
$100,000 to $174,999	13.6	76.9	9.5	29.7	55.1	15.2	23.8	73.2	3.0
$175,000 or More	10.4	77.0	12.6	37.3	51.2	11.5	24.9	72.1	3.0
Household Type									
Couple	14.4	76.2	9.4	27.4	57.1	15.5	20.5	75.2	4.2
Single	17.8	72.3	9.9	23.8	59.1	17.1	21.2	72.0	6.8
All Respondents	**15.1**	**75.3**	**9.5**	**26.6**	**57.5**	**15.9**	**20.7**	**74.5**	**4.8**

Source: National Survey of Mortgage Originations, 2013

Notes: 1. Mortgages to purchase a property are classified as the "purchase" loan type and all other mortgages are clasified as the "refinance" type.

2. Credit score and first-time homebuyer status are assembled from the National Mortgage Database. Credit score from Vantage ranges from 300 to 850. A homebuyer is classified as first-time if neither the respondent nor the spouse is older than 54 years in age and there is no evidence of a prior mortgage in the credit files.

3. If a refinance mortgage amount is higher than the previous mortgage or a if mortgage is for a previously mortgage-free property, it is classified as a cashout refinance.

percent of respondents reported a significant increase and 10 percent reported a significant decrease. Borrowers who took out small mortgages (21 percent), had low credit scores (18 percent), and have a high school education or less (19 percent) reported a larger increase in the number of foreclosures.

Fifty-eight percent of respondents reported that there was little or no change to house prices in their neighborhood over the last couple of years, while 27 percent reported a significant increase in prices and 16 percent of respondents reported significant decline in house prices in their neighborhood. However, respondents who took out large mortgages (43 percent), high income borrowers (37 percent), and borrowers with postgraduate degrees (31 percent) were far more likely to report a significant increase in house price over the last couple years than were other respondents. Individuals, who purchased a home, including investors and first-time buyers, were far less likely to report a significant decline in house price (eight percent) than were respondents who refinanced a mortgage (21 percent).

Borrowers were asked if the overall desirability of living in their neighborhood had changed over the last couple of years. Nearly three out of four indicated that there had been little or no change in desirability, 21 percent reported a significant increase in desirability and only five percent reported a significant decline. There was little to no variation across borrower groups.

11.0   Expectations on Neighborhood House Prices and Neighborhood Desirability

Respondents were asked what they think will happen to prices of homes in their neighborhood over the next couple of years. Nearly 77 percent of all respondents expect house prices to increase, with 62 percent expecting that prices will increase a little and 15 percent expecting that prices will increase a lot (Table 25). Nearly 19 percent of respondents indicated that prices would remain about the same over the next couple of years and just four percent of respondents expect prices to decrease. The percentage of borrowers who reportedly expect price increases generally rose with loan size and borrower income, and both the share expecting home prices to remain about the same and the share expecting price declines decreased with loan size and income. There was generally little variation across other groups of borrowers in expectations on neighborhood house prices.

Borrowers were also asked whether they expect the overall desirability of living in their neighborhood to change in the next couple of years (Table 26). About 74 percent of respondents indicated that they expected overall desirability of their neighborhood to stay about the same, 23 percent of respondents expected neighborhood desirability to increase, and 3 percent of respondents expected neighborhood desirability to decrease. Borrowers with loans for less than $150,000, borrowers with credit scores of 679 or less, borrowers with at most a high school education, and borrowers with household income of less than $50,000 were more likely than other groups of borrowers to expect that neighborhood desirability would decrease.

Table 25. Expectations for House Prices in Neighborhood over Next Couple of Years, by Loan and Demographic Characteristics
(Percentage Distribution)

Characteristics	Prices of Similar Homes in Neighborhood Will				
	Increase a Lot	Increase a Little	Remain About the Same	Decrease a Little	Decrease a Lot
Loan Type					
Purchase [1]	*18.1*	*62.4*	*16.7*	*2.3*	*0.5*
First-Time Homeowner [2]	21.7	55.0	21.0	2.1	0.3
Repeat Homeowner	17.1	64.1	15.7	2.4	0.7
Non-Occupant Owner	17.3	66.5	14.1	2.1	0.0
Refinance [1]	*12.7*	*62.0*	*20.6*	*3.5*	*1.2*
Homeowner Cashout [3]	14.3	60.5	20.7	3.3	1.2
Homeowner Regular	11.7	62.1	21.3	3.7	1.2
Non-Occupant Owner	15.5	66.4	13.6	3.4	1.1
Loan Size					
$50,000 or Less	10.0	51.9	32.2	5.4	0.4
$50,001 to $150,000	10.2	59.0	24.6	4.6	1.5
$150,001 to $300,000	16.4	65.3	15.4	2.2	0.7
More than $300,000	22.2	64.0	12.4	1.0	0.5
Credit Score [2]					
Lower than 620	18.5	48.4	28.0	3.5	1.6
620 to 679	16.1	56.9	21.7	3.7	1.5
680 to 719	17.8	58.6	18.9	3.3	1.4
720 or Higher	13.6	64.9	18.0	2.8	0.7
Respondent Age					
35 Years or Younger	16.2	61.9	18.8	2.3	0.7
36 to 45	15.5	61.3	19.0	3.1	1.1
46 to 55	14.3	62.1	19.2	3.8	0.6
56 to 65	13.4	63.1	18.7	3.2	1.5
Older than 65	14.1	62.6	20.2	2.3	0.8
Race/Ethnicity					
Non-Hispanic White	12.9	63.5	19.9	3.0	0.7
Hispanic and Non-White	19.8	58.6	16.8	3.3	1.6
Respondent Education					
High School or Less	13.4	53.5	26.0	5.7	1.3
Some College	15.0	59.0	21.2	3.5	1.3
College Degree	15.6	63.1	17.6	2.9	0.8
Postgraduate	14.2	67.1	16.3	1.7	0.7
Household Income					
Less than $50,000	11.8	53.3	27.3	5.5	2.0
$50,000 to $99,999	13.9	61.1	20.9	3.0	1.0
$100,000 to $174,999	15.9	65.9	15.3	2.6	0.3
$175,000 or More	18.0	67.6	12.4	1.3	0.7
Household Type					
Couple	14.5	63.2	18.5	3.0	0.7
Single	15.7	58.4	21.0	3.2	1.7
All Respondents	**14.8**	**62.1**	**19.1**	**3.1**	**0.9**

Source: National Survey of Mortgage Originations, 2013

Notes: 1. Mortgages to purchase a property are classified as the "purchase" loan type and all other mortgages are clasified as the "refinance" type.
2. Credit score and first-time homebuyer status are assembled from the National Mortgage Database. Credit score from Vantage ranges from 300 to 850. A homebuyer is classified as first-time if neither the respondent nor the spouse is older than 54 years in age and there is no evidence of a prior mortgage in the credit files.
3. If a refinance mortgage amount is higher than the previous mortgage or a if mortgage is for a previously mortgage-free property, it is classified as a cashout refinance.

**Table 26. Expectations for Neighborhood Desirability over Next Couple of Years,
by Loan and Demographic Characteristics**
(Percentage Distribution)

Characteristics	Living in the Neighborhood Will		
	Become More Desireable	Stay About The Same	Become Less Desirable
Loan Type			
Purchase [1]	28.1	70.6	1.3
First-Time Homeowner[2]	30.6	68.1	1.4
Repeat Homeowner	27.8	70.9	1.3
Non-Occupant Owner	24.4	74.4	1.3
Refinance [1]	19.9	76.7	3.4
Homeowner Cashout[3]	20.2	76.4	3.4
Homeowner Regular	19.9	76.9	3.3
Non-Occupant Owner	18.9	76.4	4.7
Loan Size			
$50,000 or Less	12.2	84.5	3.3
$50,001 to $150,000	17.2	78.9	3.8
$150,001 to $300,000	25.0	72.7	2.3
More than $300,000	33.7	65.9	0.4
Credit Score [2]			
Lower than 620	26.2	70.5	3.3
620 to 679	23.0	72.9	4.1
680 to 719	24.2	72.3	3.5
720 or Higher	22.7	75.3	2.0
Respondent Age			
35 Years or Younger	27.5	70.4	2.1
36 to 45	26.6	70.3	3.1
46 to 55	20.1	77.1	2.8
56 to 65	20.4	76.9	2.7
Older than 65	17.9	80.1	2.0
Race/Ethnicity			
Non-Hispanic White	21.0	76.6	2.4
Hispanic and Non-White	28.7	68.2	3.1
Respondent Education			
High School or Less	17.7	78.4	3.9
Some College	21.4	75.2	3.4
College Degree	24.4	73.0	2.6
Postgraduate	25.0	73.5	1.5
Household Income			
Less than $50,000	17.8	78.0	4.2
$50,000 to $99,999	20.9	75.7	3.3
$100,000 to $174,999	25.7	73.0	1.3
$175,000 or More	29.3	69.3	1.4
Household Type			
Couple	23.1	74.7	2.2
Single	23.1	73.0	3.9
All Respondents	**23.1**	**74.3**	**2.6**

Source: National Survey of Mortgage Originations, 2013
Notes: 1. Mortgages to purchase a property are classified as the "purchase" loan type and all other mortgages are clasified as the "refinance" type.
2. Credit score and first-time homebuyer status are assembled from the National Mortgage Database. Credit score from Vantage ranges from 300 to 850. A homebuyer is classified as first-time if neither the respondent nor the spouse is older than 54 years in age and there is no evidence of a prior mortgage in the credit files.
3. If a refinance mortgage amount is higher than the previous mortgage or a if mortgage is for a previously mortgage-free property, it is classified as a cashout refinance.

12.0   Financial Expectations

The NSMO survey asked borrowers how likely they were to encounter events in the next couple of years that might constrain their household finances. Specifically, the survey asked the likelihood over the next couple of years that the respondent would: retire; be laid off, become unemployed, or be forced to reduce hours of work; have difficulties making their mortgage payments; or experience some other personal financial crisis.

Twenty-three percent of respondents indicated they were likely to retire in the next couple of years (Table 27). Not surprisingly, this fraction was about twice as high for respondents who were older than 56 than those aged 46 to 55 years old, while six percent of respondents aged 36 to 45 years old and three percent of respondents aged 35 years or younger indicated they would retire in the next couple of years. Only three percent of first-time homebuyers indicated they were likely to retire in the next couple of years, while 33 percent of investors purchasing a home expressed the expectation of retiring in the near term.

Fifteen percent of respondents expected to have difficulties in making their mortgage payments in the next couple of years. Respondents with very low credit scores (30 percent), high school education or less (23 percent), or household income less than $50,000 a year (28 percent) were more likely to believe they will have difficulties than other respondents. Conversely, respondents with very high credit scores (13 percent), postgraduate degrees (11 percent), or household income $175,000 or more (seven percent) were less likely to believe they will have difficulties in paying their mortgage in the next couple of years.

Nearly one out of five respondents indicated that it is likely they might experience a layoff, unemployment, or forced reduction in hours over the next couple of years. This fraction was generally similar across groups, although respondents with a high school education at most (21 percent), borrowers with low credit scores (24 percent), and those earning $50,000 or less (22 percent) were somewhat more likely to believe they are at risk than were other respondents.

Twenty-two percent of all respondents indicated that it was likely that they would face some other personal financial crisis in the next couple of years. Respondents with household income of less than $50,000 (33 percent), respondents with credit scores below 620 (35 percent), respondents older that 65 (25 percent), and respondents with only a high school education (27 percent) felt that they were most at risk of a personal financial crisis.

Nearly 85 percent of respondents indicated they had the ability to pay their bills for the next three months without borrowing (Table 28). Respondents with household income $175,000 or more (94 percent) and respondents with loans more than $300,000 (91 percent) were more likely than other respondents to indicate they had the ability to weather an adverse financial shock. Respondents with household income less than $50,000 (76 percent) and respondents with only a high school education (76 percent) report that they were less able to weather a financial shock.

Table 27. Expectations About Future Financial Situation, by Loan and Demographic Characteristics
(Percent Very or Somewhat Likely to Face Each Situation in the Next Couple of Years)

Characteristics	Retirement	Difficulties Making Mortgage Payments	Unemployment, Layoff, or Forced Hour Reduction	Some Other Personal Financial Crisis
Loan Type				
Purchase [1]	*15.2*	*10.9*	*15.8*	*17.7*
First-Time Homeowner[2]	3.3	10.4	16.5	14.9
Repeat Homeowner	16.5	12.0	15.9	19.0
Non-Occupant Owner	33.6	4.3	13.4	14.5
Refinance [1]	*27.7*	*17.4*	*20.6*	*24.6*
Homeowner Cashout[3]	27.5	19.3	20.4	25.6
Homeowner Regular	27.4	16.5	20.8	24.6
Non-Occupant Owner	31.4	18.2	19.6	21.7
Loan Size				
$50,000 or Less	27.5	12.8	12.8	22.5
$50,001 to $150,000	23.9	17.7	19.6	24.9
$150,001 to $300,000	21.7	13.4	18.9	21.0
More than $300,000	22.3	12.4	17.7	17.2
Credit Score [2]				
Lower than 620	18.7	29.6	23.9	34.6
620 to 679	17.2	18.9	20.2	24.9
680 to 719	22.1	17.0	17.7	22.6
720 or Higher	24.5	12.6	18.3	20.3
Respondent Age				
35 Years or Younger	2.6	10.5	15.1	15.2
36 to 45	6.0	14.7	20.3	20.5
46 to 55	19.7	15.4	23.8	24.0
56 to 65	56.6	18.4	19.7	27.1
Older than 65	45.6	16.6	9.8	24.7
Race/Ethnicity				
Non-Hispanic White	23.8	14.2	18.3	21.4
Hispanic and Non-White	20.3	16.8	19.9	23.4
Respondent Education				
High School or Less	24.4	23.0	21.4	26.8
Some College	26.5	16.0	19.2	24.0
College Degree	19.2	14.5	18.7	20.8
Postgraduate	23.7	11.1	17.3	19.6
Household Income				
Less than $50,000	22.4	27.9	22.4	33.3
$50,000 to $99,999	23.0	16.5	20.0	24.6
$100,000 to $174,999	20.9	9.4	17.7	16.1
$175,000 or More	26.6	6.5	13.8	13.5
Household Type				
Couple	23.3	14.1	19.1	21.2
Single	21.4	17.7	17.6	24.4
All Respondents	**22.9**	**14.9**	**18.8**	**21.9**

Source: National Survey of Mortgage Originations, 2013

Notes: 1. Mortgages to purchase a property are classified as the "purchase" loan type and all other mortgages are clasified as the "refinance" type.
2. Credit score and first-time homebuyer status are assembled from the National Mortgage Database. Credit score from Vantage ranges from 300 to 850. A homebuyer is classified as first-time if neither the respondent nor the spouse is older than 54 years in age and there is no evidence of a prior
3. If a refinance mortgage amount is higher than the previous mortgage or a if mortgage is for a previously mortgage-free property, it is classified as a cashout refinance.

Table 28. Ability to Weather an Adverse Financial Shock, by Loan and Demographic Characteristics
(Percent Very or Somewhat Likely to Perform Each Action in the Next Couple of Years)

Characteristics	Pay Bills for the Next Three Months Without Borrowing	Get Significant Financial Help from Family or Friends	Borrow Enough Money from a Bank or Credit Union	Increase Income Significantly
Loan Type				
Purchase [1]	*86.2*	*62.0*	*69.4*	*57.0*
First-Time Homeowner[2]	80.4	75.2	71.7	63.0
Repeat Homeowner	86.9	59.4	68.1	55.6
Non-Occupant Owner	94.2	49.9	73.5	52.7
Refinance [1]	*83.6*	*49.9*	*66.7*	*45.5*
Homeowner Cashout[3]	82.1	49.3	66.4	42.0
Homeowner Regular	83.6	50.8	66.9	46.5
Non-Occupant Owner	89.2	45.2	66.6	50.3
Loan Size				
$50,000 or Less	86.5	45.6	63.4	42.9
$50,001 to $150,000	81.3	52.7	65.4	46.6
$150,001 to $300,000	84.6	56.9	69.0	51.7
More than $300,000	91.3	55.6	71.1	54.8
Credit Score [2]				
Lower than 620	71.6	45.3	51.6	44.8
620 to 679	72.6	54.6	62.1	51.4
680 to 719	78.9	54.1	66.3	48.1
720 or Higher	89.3	55.4	70.4	50.4
Respondent Age				
35 Years or Younger	84.2	74.9	73.5	63.7
36 to 45	81.8	63.4	70.4	53.7
46 to 55	84.3	51.2	67.9	50.3
56 to 65	86.1	39.0	62.0	41.5
Older than 65	89.1	30.8	60.7	28.7
Race/Ethnicity				
Non-Hispanic White	85.0	55.0	69.3	48.9
Hispanic and Non-White	83.6	53.6	63.6	52.9
Respondent Education				
High School or Less	75.6	46.1	59.3	44.0
Some College	82.0	50.4	62.8	44.1
College Degree	85.6	58.5	69.5	53.8
Postgraduate	89.1	57.0	73.1	52.5
Household Income				
Less than $50,000	75.8	51.2	55.1	42.2
$50,000 to $99,999	80.7	54.8	68.1	49.1
$100,000 to $174,999	89.8	56.9	71.7	51.8
$175,000 or More	94.0	53.8	73.6	57.2
Household Type				
Couple	85.3	54.8	68.7	50.9
Single	82.1	54.0	64.4	46.5
All Respondents	**84.6**	**54.6**	**67.8**	**50.0**

Source: National Survey of Mortgage Originations, 2013
Notes: 1. Mortgages to purchase a property are classified as the "purchase" loan type and all other mortgages are clasified as the "refinance" type.
2. Credit score and first-time homebuyer status are assembled from the National Mortgage Database. Credit score from Vantage ranges from 300 to 850. A homebuyer is classified as first-time if neither the respondent nor the spouse is older than 54 years in age and there is no evidence of a prior
3. If a refinance mortgage amount is higher than the previous mortgage or a if mortgage is for a previously mortgage-free property, it is classified as a cashout refinance.

Fifty-five percent of respondents indicated that they could get significant financial help from family or friends if they suffered an adverse financial shock. Respondents aged 56 to 65 (39 percent) and respondents 65 years and older (31 percent) were the least likely to feel that they could get significant help from family or friends. Respondents aged 35 years or younger (75 percent) were most likely to feel that they could get financial help from their family or friends.

Fifty percent of respondents felt that they could significantly increase their income if they experienced a financial shock. First-time homebuyers (63 percent), respondents 35 years or younger (64 percent), and respondents with incomes of $175,000 or more (57 percent) were more likely to indicate they could significantly increase their income. Older respondents were less likely to indicate they could significantly increase their income. Respondents aged 56 to 65 years old (42 percent) and respondents older than 65 years (29 percent) reported they could not significantly increase their income if they experienced a financial shock.

13.0   Summary and Further Work

This technical paper draws on the nationally representative data in the NSMO to provide a broad-brush picture of the mortgage-related experiences, choices, and outcomes of borrowers who took out a mortgage in 2013. Originations in 2013 were influenced by favorable interest rates that led to many refinancing transactions. New rules for mortgages were issued in 2013 that took effect in early 2014. The next report on mortgage originations from the NSMO will provide data that will enable a comparison of 2013 and 2014 mortgage originations.

Appendix

The National Mortgage Database is a multi-year project being jointly undertaken by the Federal Housing Finance Agency (FHFA) and the Consumer Financial Protection Bureau (CFPB). The project is designed to provide comprehensive information about the U.S. mortgage market based on a five percent sample of residential mortgages. The project has two primary components: (1) the NMDB[4] and (2) the quarterly NSMO.[5]

The NMDB project will enable FHFA to meet the statutory requirements of section 1324(c) of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as amended by the Housing and Economic Recovery Act of 2008, to conduct a monthly mortgage market survey. Specifically, FHFA must, through a survey of the mortgage market, collect data on the characteristics of individual mortgages, including subprime and nontraditional mortgages, and information on the creditworthiness of borrowers, including a determination of whether subprime and nontraditional borrowers would have qualified for prime lending.

For CFPB, the NMDB project will support policymaking and research efforts and help identify and understand emerging mortgage and housing market trends. The CFPB expects to use the NMDB, among other purposes, in support of the market monitoring called for by the Dodd-Frank Wall Street Reform and Consumer Protection Act, including understanding how mortgage debt affects consumers.

FHFA and CFPB have examined existing databases, and determined that none fully meets the criteria necessary to achieve the above objectives. The NMDB, when fully complete, will be a de- identified loan-level database of closed-end first-lien residential mortgages. It will (1) be representative of the market as a whole; (2) contain comprehensive information on the terms and performance of mortgages, as well as characteristics of the associated borrowers and property; (3) be continually updated; (4) have an historical component dating back before the financial crisis of 2008; and (5) provide a sampling frame for the NSMO.

The core data in the NMDB are drawn from a random 1-in-20 sample of all closed-end first-lien mortgage files outstanding at any time between January 1998 and June 2012 and maintained by Experian, one of the three national credit repositories. A random 1-in-20 sample of mortgages newly reported to Experian is added each quarter. Mortgages are followed in the NMDB database until they terminate through prepayment (including refinancing), foreclosure, or maturity. Information from credit repository files on each borrower associated with the mortgages in the NMDB sample is collected from at least one year prior to origination to one

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[4] See National Mortgage Database Technical Report 15-01 (August 27, 2015), http://www.fhfa.gov/PolicyProgramsResearch/Programs/Documents/NMDB_Technical_Report_15-01_082715.pdf for more details.
[5] See National Survey of Mortgage Borrowers Technical Report 15-02 (August 27, 2015), http://www.fhfa.gov/PolicyProgramsResearch/Programs/Documents/NSMO_Technical_Report_15-02-082715.pdf for more details.

year after termination of the mortgage. The information on borrowers and loans available to the FHFA, CFPB, or any other potential user of the NMDB data is de-identified and does not include directly-identifiable information, such as borrower name, address, or Social Security number.

The NSMO is a component of the NMDB project. The survey is designed to complement the NMDB by providing information, particularly related to mortgage shopping, which is not available in the database. The survey is completely voluntary and its target universe is newly originated closed-end first-lien residential mortgages and their associated borrowers. To achieve this objective, the NSMO draws its sample from mortgages that are part of the NMDB, which samples from the same target universe.

The NSMO is administered by Westat under a subcontract with Experian. Fair Credit Reporting Act (FCRA) rules dictate that the survey process, because it utilizes borrower names and addresses drawn from credit repository records, must be administered through Experian in order to maintain consumer privacy.

Each quarter, the NSMO sample is selected from the mortgage loans newly added to the NMDB sample that quarter. Starting with the loans originated in 2013, a "simple random sample" of about 6,000 loans was drawn each quarter. At present, this represents a sampling rate of 1-in-13 from the NMDB sample. This rate is equivalent to a 1-in-260 sampling rate of the overall population since the NMDB is a 1-in-20 sample of the closed-end first-lien mortgage loans in the Experian data.

After the sample is selected, Experian eliminates any potential respondents who have opted out of previous surveys or are deemed not to have legitimate addresses or names. Industry guidance (Metro 2® Industry Standards for Credit Reporting) requires that servicers must supply a billing address for each borrower on a trade line (including mortgages). Experian generally uses these borrower billing addresses as the survey mailing address. Sometimes, however, there are multiple addresses and borrowers associated with a survey sample loan. In these cases, Table A-1 presents the rules for selecting the borrower(s) and address to which the survey is mailed. The survey is sent to two borrowers at most who share a common address.

Table A-1. Rule for Best Address

Number of borrowers	Same or different address	Resulting survey recipient
1	n/a	One borrower with Experian's associated best address
2	Same	Two borrower names with one common best address
2	Different	The one borrower and associated best address with the lowest number of open mortgages.
>2	Same	Two borrowers with one common best address that has the highest number of trade lines reported
>2	Different	The one borrower and associated best address with the lowest number of open mortgages

FHFA and CFPB never receive the names or addresses that are chosen for the survey. Only Experian and Westat, as Experian's subcontractor, have access to this information.

The survey implementation strategy comprises four respondent contacts over a seven-week period:

Week 1   Printed questionnaire, cover letter, and cash incentive (entire survey sample population)

Week 2   1st reminder letter (entire survey sample population)

Week 5   2nd reminder letter, printed questionnaire, and additional cash incentive (sampled borrowers who have not responded by Week 4)

Week 7   3rd reminder letter, which includes the due date for returning the questionnaire, to close the communication loop (sampled borrowers who have not responded by Week 6)

Participation in the survey is completely voluntary and respondents are assured of confidentiality in their responses. The first and the third contacts contain a printed survey questionnaire and a five dollar cash incentive, which the respondent is free to keep whether they return the questionnaire or not. The mailings and printed questionnaires detail how respondents can also complete the survey online in either English or Spanish (there is no printed Spanish questionnaire) using instructions and a unique "survey PIN number" provided in the questionnaire packet. About one quarter of survey responses are completed online.

Mail surveys are processed for four weeks after the third reminder letter, so the field period comprises 11 weeks in total. It takes between five and six weeks to draw the new NMDB sample, identify and combine duplicative records, draw the NSMO sample, process it at

Experian, and print the survey materials. Thus, the survey cycle typically begins six weeks after the end of a quarter and extends about four weeks into the next quarter.

All returned questionnaires and any non-delivered mail are sent directly to Westat and not to FHFA, CFPB, or Experian. All survey responses received by Westat are purged of any information related to the name of the borrower, address of the borrower, or name of any financial institution. This is done to maintain the de-identified confidential nature of the data and to ensure that the survey responses cannot be connected to a name or address.

During the first eight weeks of each cycle, Experian maintains a NSMO call center to address any questions by respondents. This call center also allows respondents to "opt out" of the survey and future surveys. Both FHFA and CFPB describe the survey on their websites so that respondents can independently validate the legitimacy of the survey. The agency officials signing the cover letter (Sandra Thompson at FHFA and David Silberman at CFPB) are identifiable on the websites as senior employees of their respective agencies.

Once the active phase of a survey cycle ends, it takes about 25 days for Westat to scan and edit returned questionnaires, combine them with on-line responses and create an electronic data file. This file is delivered to the NMDB development staff, through Experian. It takes a further eight weeks to complete additional cleaning and editing of survey responses, to create preliminary sample weights, and to assemble a preliminary user data file.

Since it takes between 90 and 150 days for the typical mortgage loan to be reported by the servicer to the credit repositories after origination, the first preliminary user data file will generally reflect mortgage originations of approximately one year earlier. Consider the fourth wave of 2014 as an example. The survey sample is drawn from the September 2014 archive and captures loans reported to Experian between June and September 2014, with most originated between March and June 2014. The fourth wave was put into the field in early November and closed at the beginning of February 2015. The electronic data file was delivered to the NMDB development staff in late February, and it took until the end of April 2015 to create a preliminary version of the survey data base.

The timeline just described applies to each quarterly wave data release. Because some loans can take longer than six months to be reported to the repositories, a usable data file fully representative of a calendar year will not generally be available until December of the following year.