Mortgage Lender Survey

This survey is being conducted by the Consumer Financial Protection Bureau (CFPB), a U.S. government agency. The purpose of the study is to support the CFPB's assessment of the ATR/QM rule. This research will provide the CFPB with information regarding the effectiveness of the ATR/QM rule in the marketplace.[1]

Participation in this study is voluntary. In any public documents that result from this study, your institution will not be identified and we will not disclose information in a manner allowing attribution to specific institutions or individuals except to the extent required by law. More generally, the Bureau's confidentiality rules protect confidential commercial information provided to the Bureau. Thus, the Bureau will not voluntarily disclose information in a manner attributable to your institution unless it is required by law. If the responses you provide are requested under the Freedom of Information Act, the Bureau will withhold such responses to the extent that it determines that they constitute trade secrets or confidential commercial information that you would not ordinarily make public. The Bureau will treat the responses consistent with its confidentiality rules, including 12 C.F.R. § 1070.20.

Anonymous participation is available to respondents. Although feedback provided by mortgage lenders within the context of their identity is often most useful, we understand that some mortgage lenders will prefer to remain anonymous and may choose not to participate otherwise. We appreciate and encourage all feedback, including anonymous feedback, to enhance our ability to understand the effectiveness of the ATR/QM rule in the marketplace.

This survey takes approximately 20 minutes. The full list of questions can be downloaded (as PDF) from this LINK. You may want to review the questions ahead of filling out the survey, in order to have the necessary information ready.

Thank you for your participation.

[1] For more information, see 82 FR 25246 available at https://www.federalregister.gov/documents/2017/06/01/2017-11218/request-for-information-regarding-ability-to-repayqualified-mortgage-rule-assessment

Contact information

(Optional) Please provide the following details about your institution.

Institution name: ____

Company NMLSR ID: ____

RSSDID (alternatively): ____

Contact information: ____

Permission to contact with follow-up questions: ☐ yes ☐ no

Alternatively, if you wish to remain anonymous, please describe the type of your institution as a mortgage lender.

General questions about your institution and mortgage lending activity

In this survey, the terms "mortgage" or "mortgage loan" refer to closed-end, 1-4 family residential consumer mortgage loans. Do not include open-end loans, commercial or investor loans, and chattel loans. All questions regarding the volume of lending activity involve *counts* of loans, rather than dollar volume.

1. Which of the following options best describes the type of your institution? Choose one.

- ☐ A bank with <$10 billion in total assets at the end of 2017
- ☐ A bank with ≥$10 billion in total assets at the end of 2017
- ☐ A credit union
- ☐ A non-depository mortgage lender – an affiliate of a bank or a credit union
- ☐ A non-depository mortgage lender – not an affiliate of a bank or a credit union

2. Which of the following options describe the ownership structure of your institution? Check all that apply.

- ☐ Our institution is a publicly traded company
- ☐ Our institution is owned by its members
- ☐ Our institution is owned by private individuals (other than members)

- ☐ Our institution is owned by a bank or a bank holding company
- ☐ Our institution is owned by a non-bank financial / insurance company

3. Consider your 2013 business model. What specifically changed as a direct result of the ATR/QM rule?

- ☐ Does not apply (Our 2013 business model did not change as a result of the ATR/QM rule)

4. How many mortgages did your institution directly originate in 2017? Please use count of loans.

0-299	300-499	500-999	1,000-1,999	2,000-4,999	5,000-9,999	10,000-19,999	≥20,000
☐	☐	☐	☐	☐	☐	☐	☐

5. Among mortgages your institution originated in 2017, what was the combined share eligible to be purchased, guaranteed or insured by a GSE, FHA, VA, or USDA/RHS?

Grid of values, 0 – 100%, endpoints included

6. Since 2013, did your share of mortgage loans eligible to be purchased, guaranteed or insured by a GSE, FHA, VA, or USDA/RHS:

- ☐ Increase by more than 5%
- ☐ Decrease by more than 5%
- ☐ Other

7. Did your institution provide services acting as a mortgage broker (i.e. helping originate the mortgage but not providing the funding) in any of the following years? Check every year in which you provided such services.

	2013	**2014**	**2015**	**2016**	**2017**
Provided services as a mortgage broker	☐	☐	☐	☐	☐

8. What share of your 2017 mortgage originations was made through mortgage brokers (i.e. mortgages where you provided the funding but relied on a mortgage broker to originate the loan)?

Grid of values, 0 – 100%

9. How many mortgages for home purchase did your institution acquire through the correspondent channel in 2017?

0-299	300-499	500-999	1,000-1,999	2,000-4,999	5,000-9,999	10,000-19,999	≥20,000
☐	☐	☐	☐	☐	☐	☐	☐

10. Please indicate the share of your 2017 mortgage originations that had the following outcomes. Check all that apply.

	>50%	**1-50%**	**<1%**
Sold to another financial institution shortly after origination	☐	☐	☐
Sold directly to GSEs / Ginnie Mae / VA / USDA / RHS shortly after origination (loans eligible to be purchased, guaranteed or insured by a GSE, FHA, VA, or USDA/RHS)	☐	☐	☐
Retained in portfolio (for at least 1 year after origination)	☐	☐	☐

Non-QM originations and related policies

11. What share of your 2017 originations is represented by non-QM loans? Choose one option.

- ☐ Did not originate non-QM loans
- ☐ <1%
- ☐ 1-5%
- ☐ >5%
- ☐ Don't know

12. If you have discontinued or materially modified mortgage product(s) for reasons related to the requirements of the ATR/QM rule, please describe the product(s) in the text box below. Be as specific as possible.

- ☐ We have not made material changes to our mortgage products due to the ATR/QM rule
- ☐ We have made the following changes described in the text box below:

13. Approximately, what percentage of your 2013 originations were generated by the discontinued product(s)? Please include all products discontinued for reasons related to the ATR/QM rule in your answer.

- ☐ <1%
- ☐ 1-5%
- ☐ 5-10%

☐ >10%

14. Among the non-QM loans that you originate, do at least some of them have the following features?

	Yes	**No**
A jumbo loan with DTI>43%	☐	☐
A non-jumbo loan with DTI>43% (Only consider mortgages *not* eligible to be purchased, guaranteed or insured by a GSE, FHA, VA, or USDA/RHS)	☐	☐
Borrower did not (could not) provide documentation required by Appendix Q (Only consider mortgages *not* eligible to be purchased, guaranteed or insured by a GSE, FHA, VA, or USDA/RHS)	☐	☐

15. In situations where DTI on a mortgage loan exceeds 43%, do you apply a pricing adjustment in addition to regular LLPA's? Only consider mortgages not eligible to be purchased, guaranteed or insured by a GSE, FHA, VA, or USDA/RHS.

☐ No such adjustment

☐ Yes, we apply an adjustment

16. For each year, please indicate whether you qualified for a status of a Small Creditor under the ATR/QM rule.

	2014	**2015**	**2016**	**2017**
Eligible for Small Creditor	☐	☐	☐	☐
Eligible for Small Creditor Operating in Rural/Underserved Area	☐	☐	☐	☐

17. Please check every year in which at least 10% of your mortgage originations were coming from rural areas.

	2013	**2014**	**2015**	**2016**	**2017**
Originated in rural areas	☐	☐	☐	☐	☐

18. Please check every year in which you have originated balloon loans.

	2013	**2014**	**2015**	**2016**	**2017**
Originated balloon loans	☐	☐	☐	☐	☐

19. Do you sell any of your non-QM loans to third parties? Choose one.

☐ No, we keep all or almost all such loans on portfolio

☐ Yes, we sell some of our non-QM loans

☐ Yes, we sell most or all of our non-QM loans

20. Over the next year, do you expect your institution's non-QM lending will:

- ☐ Increase
- ☐ Stay about the same
- ☐ Decrease

Questions regarding QM points and fees and related policies

21. Do you take the following actions when a loan application is being processed and there is an indication that the QM cap for points and fees could be exceeded?

	Yes	No
Waive certain fees to keep points and fees ratio under the limit, and increase interest rate	☐	☐
Waive certain fees to keep points and fees ratio under the limit, without increasing interest rate	☐	☐
Deny the loan application	☐	☐
Proceed without making any changes	☐	☐

22. How often does a loan application initially exceed the QM cap for points and fees? Please only consider applications for loans of less than $150,000. Choose one option, and use the text box below to provide additional detail.

- ☐ Rarely or never (<1% of originations)
- ☐ Sometimes (1-10% of originations)
- ☐ Often (>10% of originations)
- ☐ Don’t know

23. Do you include non-affiliated service provider fees into the QM points and fees calculation, as an overlay? Check all that apply.

- ☐ Yes, and the overlay is required by our institution
- ☐ Yes, and the overlay is required by investors
- ☐ No, we do not
- ☐ Does not apply (such scenarios do not arise in our practice)

Questions regarding Appendix Q and related policies

24. Describe any challenges you may have experienced in using Appendix Q for originating mortgages not eligible to be purchased, guaranteed or insured by a GSE, FHA, VA, or USDA/RHS. What types of borrowers are primarily affected? Please be as specific as possible.

- ☐ Does not apply (we do not originate such loans)

25. Did you make any adjustments to your institution's requirements for documentation of income for self-employed borrowers in 2013 or later in response to the ATR/QM rule? Restrict your responses to mortgages not eligible to be purchased, guaranteed or insured by a GSE, FHA, VA, or USDA/RHS. If yes, please provide additional details in the text box below.

- ☐ No, same requirements as before the rule
- ☐ Yes, made changes
- ☐ Does not apply (we do not originate such loans)

26. Do you apply Appendix Q requirements to GSE-eligible loans, as an overlay? Check all that apply.

- ☐ Yes, and the overlay is required by our institution
- ☐ Yes, and the overlay is required by investors
- ☐ No, we do not

27. Do you generally allow a borrower to use assets to supplement monthly income in order to qualify for a loan? Restrict your responses to mortgages not eligible to be purchased, guaranteed or insured by a GSE, FHA, VA, or USDA/RHS. Choose one.

- ☐ No, we do not allow the use of assets
- ☐ Yes (please briefly explain your approach in the text box below)

28. How often do you qualify borrowers based upon a residual income approach? Restrict your responses to mortgages not eligible to be purchased, guaranteed or insured by a GSE, FHA, VA, or USDA/RHS. Choose one.

- ☐ Rarely or never (<1% of originations)
- ☐ Sometimes (1-50% of originations)
- ☐ Often (>50% of originations)

Additional questions (only for structured interviews)

1. **Please describe your mortgage business operations in 2013.**
2. **Has your institution's post-ATR/QM mortgage operations changed as a result of the rule? If so, how?**
3. **As a result of the ATR/QM rule, have you changed your approach to meeting community reinvestment act obligations? If so, what specific changes have you made?**
4. **Compared to your 2013 mortgage operations, have you introduced any new products for reasons related to the requirements of the ATR/QM rule?**
5. **Operationally, what are the key steps that you take to determine that a loan is QM?**
6. **Among your GSE eligible loans, what percentage of them do you end up selling to GSE's, and what percentage do you keep on the portfolio? Would you say you've been doing this more or less after the rule?**
7. **Do you originate any non-QM loans? If so, what are the typical reasons for a loan to be non-QM in your practice?**
8. **Do you obtain non-QM loans or application for such loans from a broker or a correspondent lender?**
9. **Going back to January 2014, are there loan level pricing adjustments that would apply to non-QM loans? For example, do you charge extra for DTI>43% on loans that do not go to GSE's?**
10. **How would you compare the cost of originating a non-QM loan to the cost of QM loan?**
11. **Do you currently originate interest only loans?**
12. **What are the main barriers to growth of your non-QM segment?**

13. Do you operate in rural areas?

14. Do you use a residual income approach for loans other than VA loans? For what type of borrowers?

15. How do you treat cases where a borrower has significant assets that could be put as collateral? Or as a source of income?

16. When and how do you run the points and fees test?