Mortgage Lender Sentiment Survey®
Special Topics Report

Fluctuating Income Sources for Mortgage Lending

January 2025

Fannie Mae®

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Executive Summary

The majority of lenders expect the number of borrowers who would use fluctuating income sources, such as digital gig economy income and variable income, to grow in the near future. However, most lenders say these income sources are difficult to use for mortgage qualification, primarily because of challenges with income history and stability requirements, as well as income calculation. Nearly two-thirds of lenders say that accepting digital gig economy and variable income will improve consumer access to credit; however, many say the current underwriting guidelines for using these income sources are "not detailed enough."

Usage of Fluctuating Income

Digital Gig Economy Income

43% say usage of **digital gig economy** income **has grown** in the past 1-2 years.

67% expect usage of **digital gig economy** income to **grow** in the next 1-2 years.

Variable Income

48% say usage of **variable** income **has grown** in the past 1-2 years.

61% say they expect usage of **variable** income to **grow** in the next 1-2 years.

(Combined the "grow significantly" and "grow somewhat" %)

Challenges/Concerns

% saying it's "difficult" to use the income for Mortgage Qualification

(Combined the "very difficult" and "somewhat difficult" %)

83% for **digital gig economy** income

71% for **variable** income

Biggest Concerns

1. **Income history & stability requirements**
2. **Income calculation**

Access to Mortgage Credit

67% say accepting **digital gig economy** income and **variable** income, separately, **will help improve** consumers' access to mortgage credit.

Underwriting Guidelines* are *"not detailed enough"*

(% of lenders who say guidelines are "not detailed enough (need to be more prescriptive))

46% for **digital gig economy** income

32% for **variable** income

**Underwriting guidelines from GSEs, Government, or non-GSE investors

Business Context

Business Context and Research Questions

Business Context

Mortgage lenders pay close attention to borrowers' income streams to ensure they have the ability to repay their mortgage loans and achieve sustainable homeownership. More consumers, particularly post-pandemic, are earning variable income (i.e., income from hourly workers with fluctuating hours, or income that includes commissions, bonuses, or overtime) or digital gig economy income (i.e., income by performing tasks or services through a digital platform, such as Uber, DoorDash, and TaskRabbit*).

In late September and early October 2024, we surveyed nearly 200 senior mortgage executives via the Mortgage Lender Sentiment Survey®, to gather lenders' views and experiences with using digital gig economy income and variable income for mortgage lending.

Research Questions

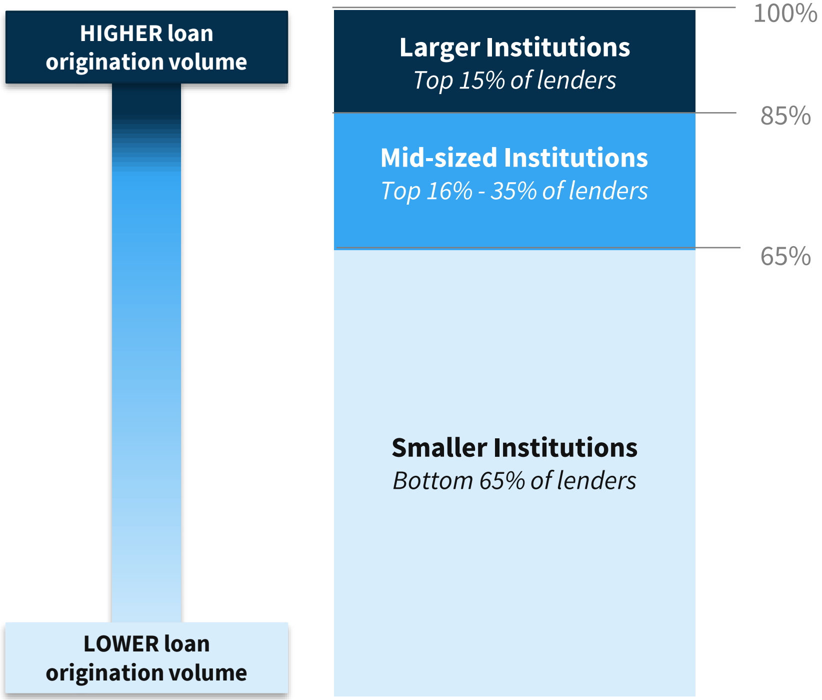
1. Overall, how do lenders view the trend of using digital gig economy income and variable income, separately, for mortgage lending?
   - How have they seen mortgage applications with digital gig economy income and variable income, separately, over the past 1-2 years grow or decline?
   - To what extent do they expect mortgage applications with digital gig economy income and variable income, separately, to grow or decline over the coming years?
2. To what extent do they believe accepting digital gig economy income and variable income, separately, helps consumers' access to mortgage credit?
3. How do lenders view the current lending practices for accepting digital gig economy income and variable income, separately, for mortgage lending? (too difficult, about right, too easy?)
4. How do lenders view the current investors' guidelines for using digital gig economy income and variable income, separately, for mortgage lending? (too detailed, about right, not detailed enough?)
5. What concerns might lenders have with using digital gig economy income and variable income, separately, for mortgage lending?

* Fannie Mae does not endorse these companies. These are provided as examples to help illustrate what "digital gig economy" is referred to for the current study. These examples do not represent the whole sector of digital gig economy.

Respondent Sample and Groups

For the current study, a total of 186 senior executives* completed the survey between September 23 and October 4, 2024, representing 176 lending institutions.

Lender Size Groups**



Sample Q2 2024		Sample Size
Total Lending Institutions The "Total" data throughout this report is an average of the means of the three lender-size groups listed below.		176
Lender Size Groups	**Larger Institutions** Lenders in the Fannie Mae database who were in the top 15% of lending institutions based on their GSE 2023 loan origination volume (above $245.69 million)	37
	Mid-sized Institutions Lenders in the Fannie Mae database who were in the next 20% (16%-35%) of lending institutions based on their GSE 2023 loan origination volume (between $45.727 million and $245.69 million)	30
	Smaller Institutions Lenders in the Fannie Mae database who were in the bottom 65% of lending institutions based on their GSE 2023 loan origination volume (less than $45.727 million)	109
Institution Type***	**Mortgage Banks** (non-depository)	66
	Depository Institutions (excluding credit unions)	68
	Credit Unions	33

* The Mortgage Lender Sentiment Survey results are reported at the lending institutional parent-company level. If more than one individual from the same institution completes the survey, their responses are weighted to represent their parent institution.
** Lenders' 2023 loan volume originated by GSEs used here includes the best available annual origination information from Fannie Mae and Freddie Mac. Lenders in the Fannie Mae database are sorted by their firm's total 2023 GSE loan origination volume and then assigned into the size groups, with the top 15% of lenders being the "larger" group, the next 20% of lenders being the "mid-sized" group and the rest being the "small" group.
*** Lenders that are not classified into mortgage banks or depository institutions or credit unions are mostly housing finance agencies or investment banks.

Fluctuating Income Source Definitions Used in the Survey

The current study focuses on two types of fluctuating income sources that borrowers could use when applying for a mortgage: *digital gig economy income* and *variable income*. Here are the definitions used in the survey:

Digital Gig Economy Income

Borrowers earn income by performing tasks or services through a digital platform (e.g., Uber, DoorDash, & TaskRabbit).

This type of income is typically reported on IRS Form 1099 and borrowers file tax returns indicating they are self-employed (Schedule C).

Variable Income

Borrowers earn income by working as an employee for an employer, but the amount of income earned varies.

It typically includes hourly pay with fluctuating hours, commissions, bonuses, and overtime pay. This income is reported on IRS Form W-2.

The results in this study are based on lenders who self-reported that they directly interact with borrowers/consumers on mortgage inquiry, loan application, or underwriting.

Note: These income type descriptions were shown to survey participants in the current wave of the survey (Q4 2024). In Q1 2018, different wordings were used to define "gig economy income" – *"We would like to gather your views about the so-called "gig economy" or "on-demand economy." Examples include transportation (e.g., Uber and Lyft), lodging rental (e.g., Airbnb and VRBO), food/goods delivery (e.g., Postmates), and personal task services (e.g., TaskRabbit). Gig workers often have flexible work arrangements, working on single projects or tasks, commonly on demand. As a result, the income stream from their gig work tends to be less stable and the amount earned tends to be variable. Because of flexible work arrangements, gig workers could choose to offer their services for just a few hours a month or as a full-time self-employed job, or choose to pursue their gig work in addition to a full-time regular job."*

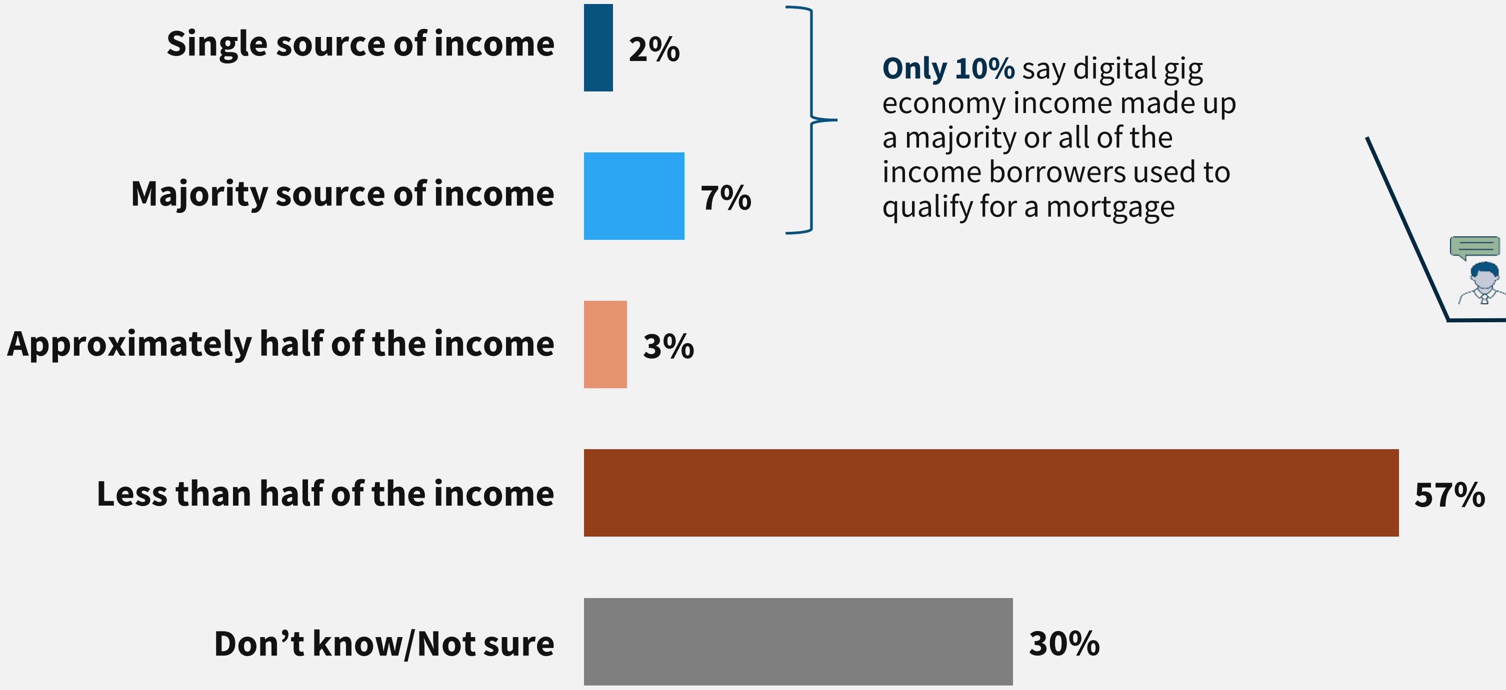
Research Findings

Digital Gig Economy Income as Primary or Supplemental Income for Mortgage Qualification

Nearly 3 in 5 lenders reported that digital gig economy income most often made up less than half of the income that borrowers used for mortgage qualification over the past year.

Most Common Usage of Digital Gig Economy Income by Borrowers for Mortgage Qualification

Asked among lenders whose firm directly interacts with consumers in the mortgage process; n=170



Only 10% say digital gig economy income made up a majority or all of the income borrowers used to qualify for a mortgage

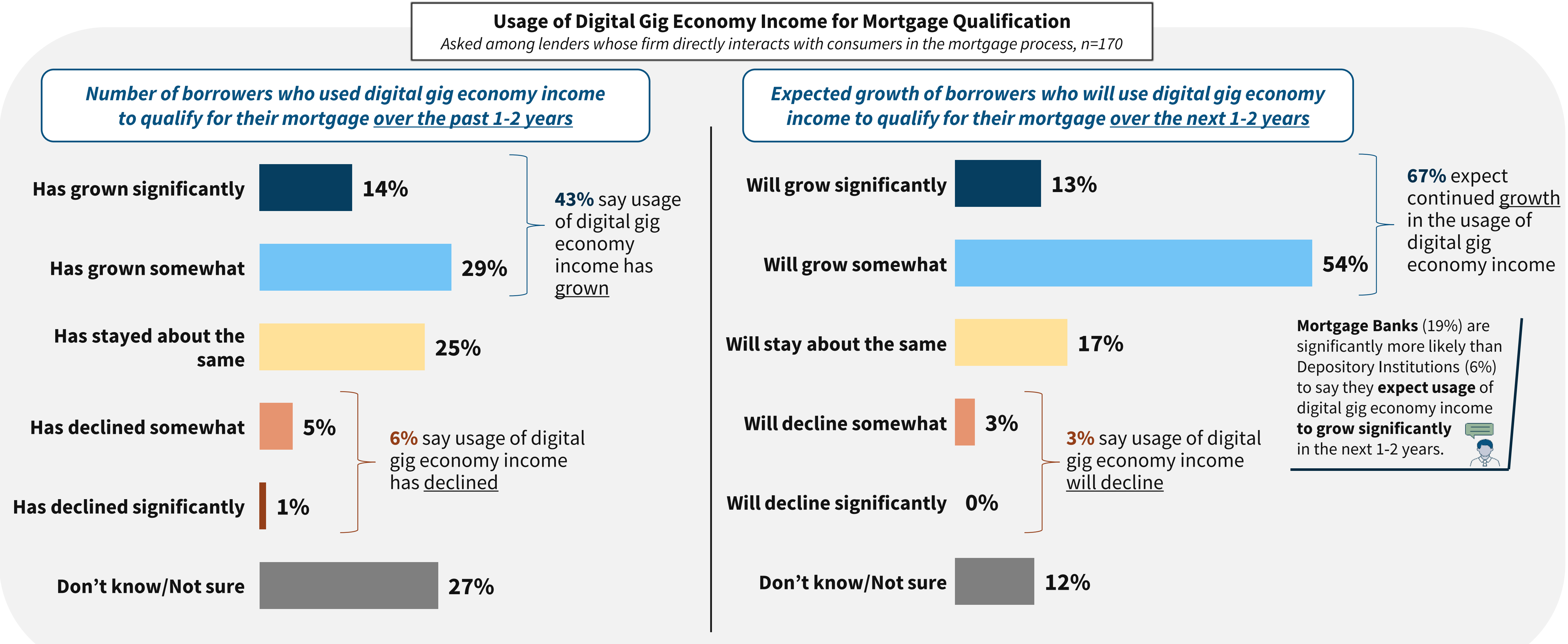
Mortgage Banks (14%) are significantly more likely than Depository Institutions (4%) to say that digital gig economy income made up **at least a majority** (single source and/or the majority) of the income.

Percentages may not sum to 100% due to rounding.

Q: *Which of the following best represents the most common usage (primary vs. supplementary) of* ***digital gig economy income*** *that borrowers used for mortgages originated by your firm over the past 12 months?*

Usage of Digital Gig Economy Income for Mortgage Qualification

Nearly half of lenders say the number of borrowers who used digital gig economy income to qualify for a mortgage has grown in recent years, and more than two-thirds expect its usage to grow in the near future.



Percentages may not sum to 100% due to rounding.

Q: *Over the **past** 1-2 years, based on your firm's experience, how has the number of borrowers who used **digital gig economy income** to qualify for mortgages changed?*
Q: *Over the **next** 1-2 years, to what extent do you think the number of borrowers who want to use **digital gig economy income** to qualify for mortgages will grow or decline?*

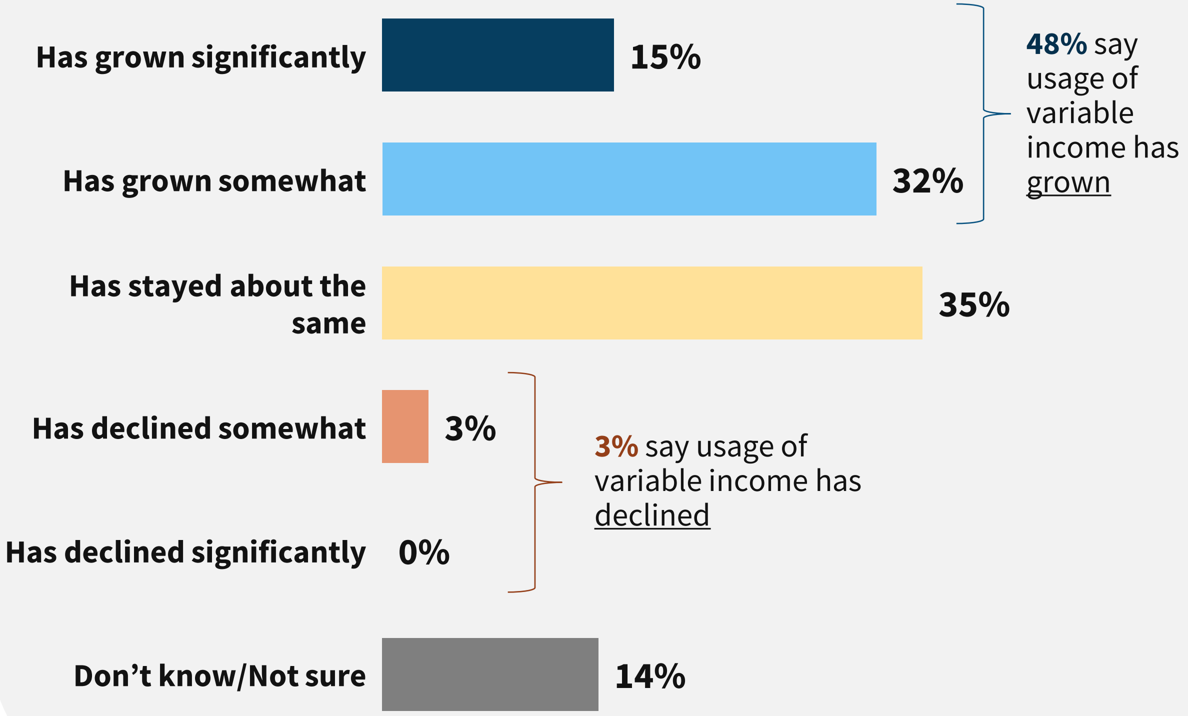
Usage of Variable Income for Mortgage Qualification

Nearly half of lenders say the number of borrowers who used variable income to qualify for a mortgage has grown in recent years, and more than 3 in 5 lenders expect this growth to continue in the near future.

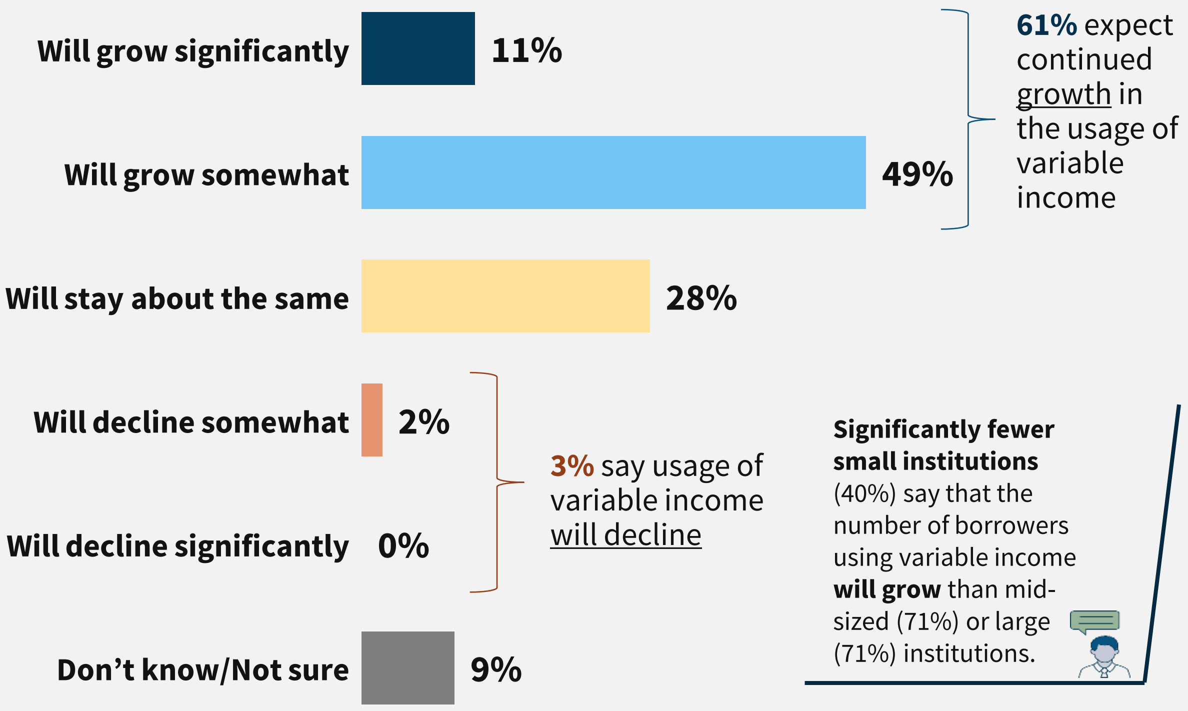
Usage of Variable Income for Mortgage Qualification

Asked among lenders whose firm directly interacts with consumers in the mortgage process, n=170

Number of borrowers who used variable income to qualify for their mortgage over the past 1-2 years



Expected growth of borrowers who will use variable income to qualify for their mortgage over the next 1-2 years



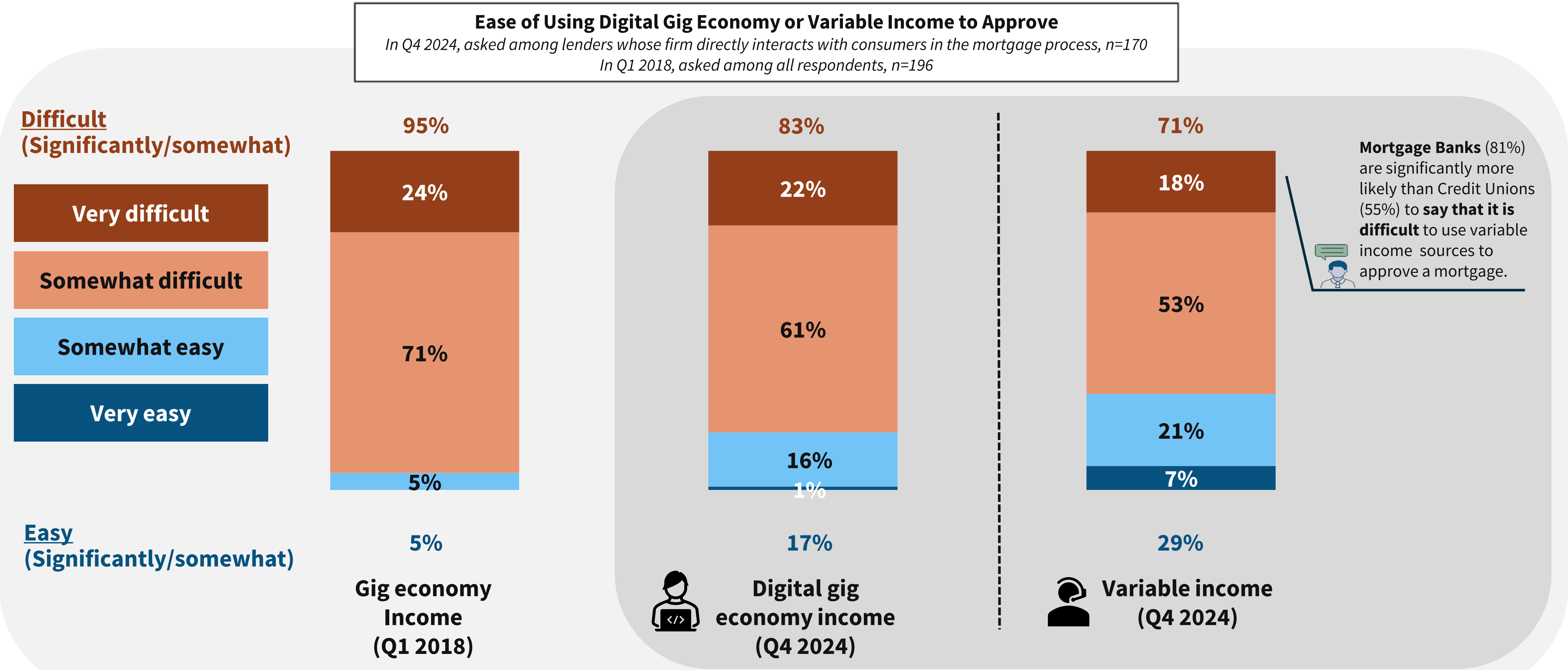
Significantly fewer small institutions (40%) say that the number of borrowers using variable income **will grow** than mid-sized (71%) or large (71%) institutions.

Percentages may not sum to 100% due to rounding.

Q: *Over the **past** 1-2 years, based on your firm's experience, how has the number of borrowers who used **variable income** to qualify for mortgages changed?*
Q: *Over the **next** 1-2 years, to what extent do you think the number of borrowers who want to use **variable income** to qualify for mortgages will grow or decline?*

Ease of Using Digital Gig Economy or Variable Income for Mortgage Applications

Most lenders say it is difficult to use digital gig economy income and variable income to approve mortgage applications; however, these difficulties appear to have eased somewhat in comparison to 2018.



Percentages may not sum to 100% due to rounding.

Q (Q1 2018): *With today's lending practices, in your view, how easy or difficult is it to use gig-economy income to approve a borrower's mortgage application?*

Q (Q4 2024): *With today's lending practices, in your view, how easy or difficult is it to use **digital gig economy income** and **variable income**, separately, to approve a borrower's mortgage application? Please provide a response for each row.*

Key Reasons for Difficulty of Using Digital Gig Economy or Variable Income for Mortgage Applications

Lenders pointed to difficulties with confirming income history and consistency and gathering required documentation.

Reasons for Difficulty

Asked among lenders who say it is somewhat or very difficult to use digital gig economy or variable income for mortgage applications, n=84

DIFFICULTIES WITH CONFIRMING INCOME CONSISTENCY

*"The income is sometimes **inconsistent** making it **harder to determine reliability**." – Mid-sized Institution*

*"These borrowers normally don't have **a 2-year track record** to show a consistent income.." – Small Institution*

*"The income is **not as consistent** and thereby can be more likely to lead to **defaults**." – Large Institution*

*"If the **income varies** significantly from month to month or year to year, **it is hard to know** what income amount will be fairly consistent for a borrower." – Mid-sized Institution*

*"Underwriters are looking for **2-year consistent history** on the tax return to use it. Experience suggests it varies year to year.." – Small Institution*

DIFFICULTIES WITH GATHERING REQUIRED DOCUMENTATION

*"**Documenting enough of a history** to justify use of an average income." – Small Institution*

*"**Continuity is difficult to document.**" – Small Institution*

*"Many employers using a VOE service will **not make any extra comments** or provide LOX's anymore." – Large Institution*

*"Lots of **documentary requirements**. Analysis must be thorough to qualify the income, which can be **labor intensive**." – Small Institution*

*"The **documentation** available to prove this income is **difficult to reliably obtain** and to be valid." – Small Institution*

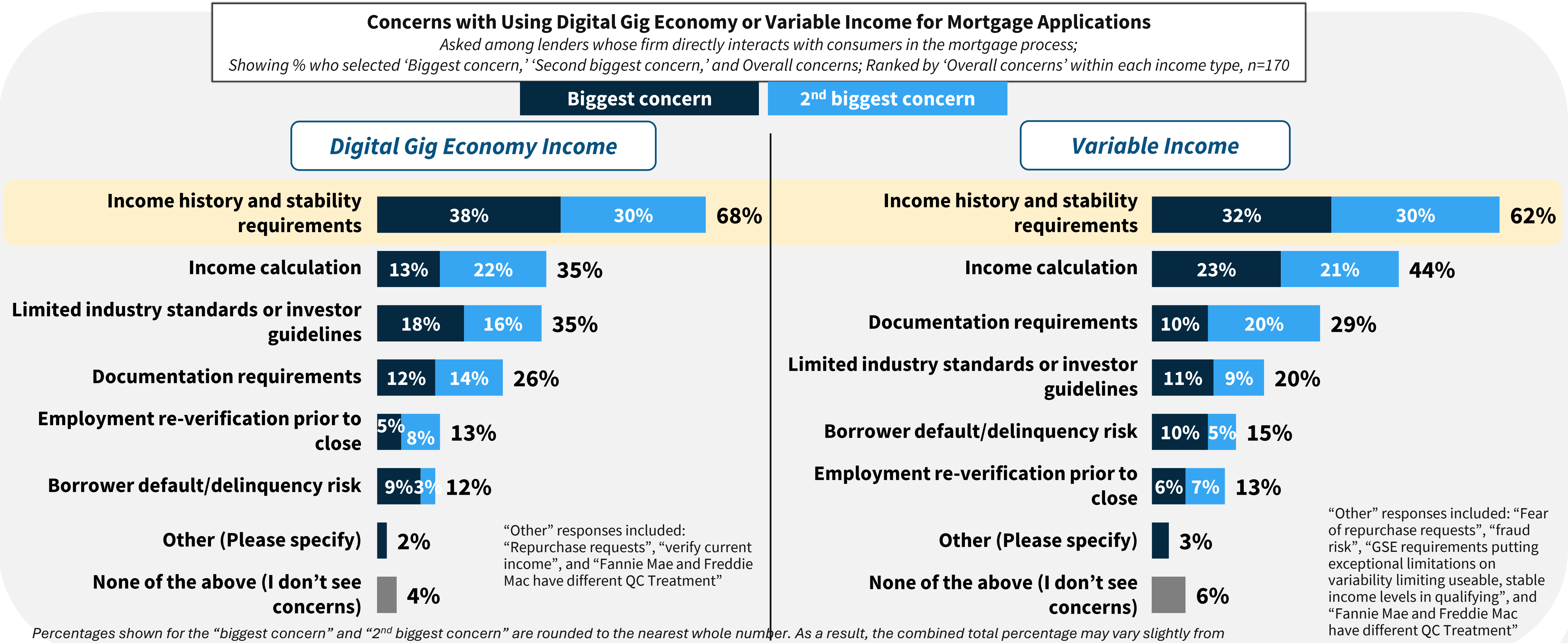
*"There is **not clear definition of documentation**, history, or stability from the secondary market on what is acceptable." – Large Institution*

Note: n-sizes are based on unweighted number of respondents who answered the question

Q: *You mentioned you find it difficult when using **digital gig-economy** income and/or **variable** income to approve a borrower's mortgage application. Please share your thoughts on why usage of these income sources makes it difficult to approve the borrower's mortgage application. (Optional)*

Concerns with Using Digital Gig Economy or Variable Income for Mortgage Applications

"Income history and stability requirements" was cited by lenders as the biggest concern when using digital gig economy income or variable income for borrowers' mortgage applications, followed by income calculation, documentation requirements, and limited investor guidelines.



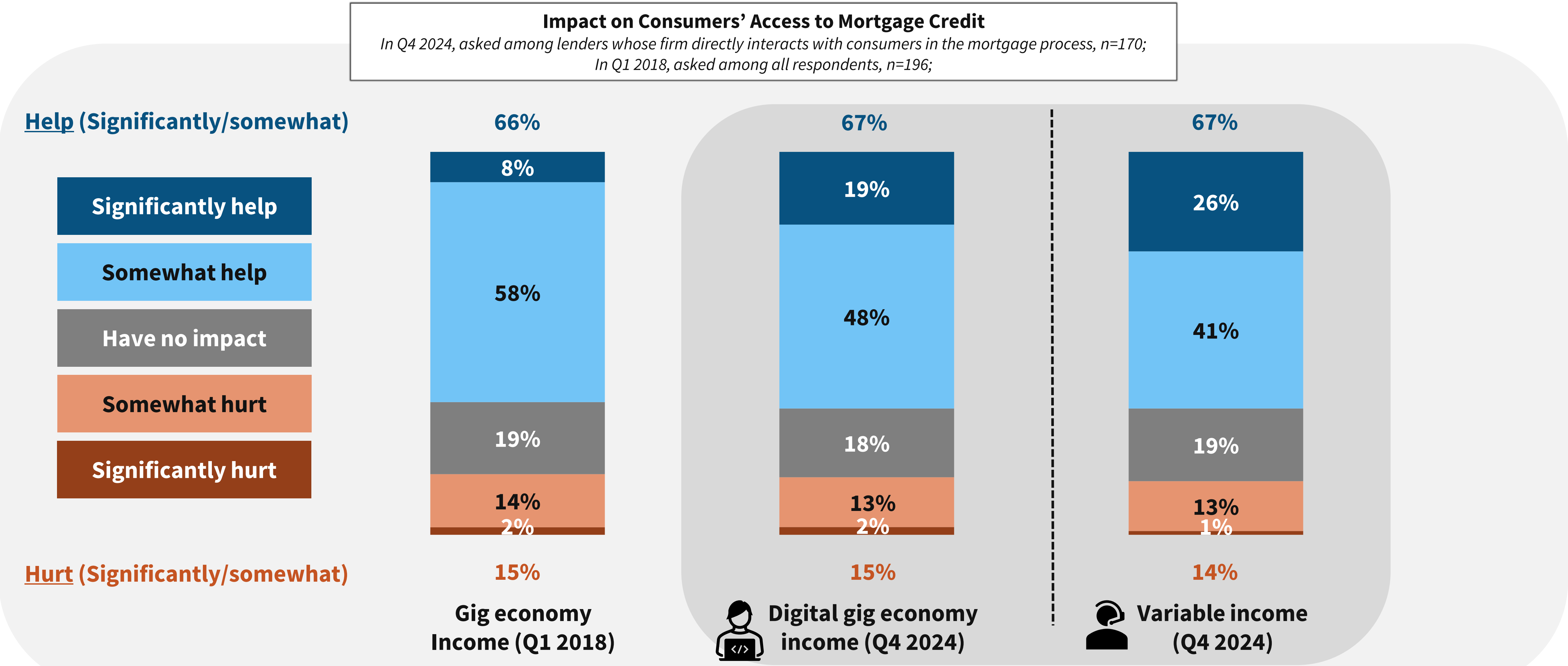
Percentages shown for the "biggest concern" and "2nd biggest concern" are rounded to the nearest whole number. As a result, the combined total percentage may vary slightly from the sum of the individual percentages.

Q: *Listed below are some possible concerns lenders might have when using **digital gig economy** income for borrowers' mortgage applications. Based on your firm's experience, please select up to two of the biggest concerns.*

Q: *Listed below are some possible concerns lenders might have when using **variable** income for borrowers' mortgage applications. Based on your firm's experience, please select up to two of the biggest concerns.*

Impact on Consumers' Access to Mortgage Credit

A majority of lenders believe that accepting digital gig economy income and variable income sources would help improve consumer access to mortgage credit.



Percentages may not sum to 100% due to rounding.

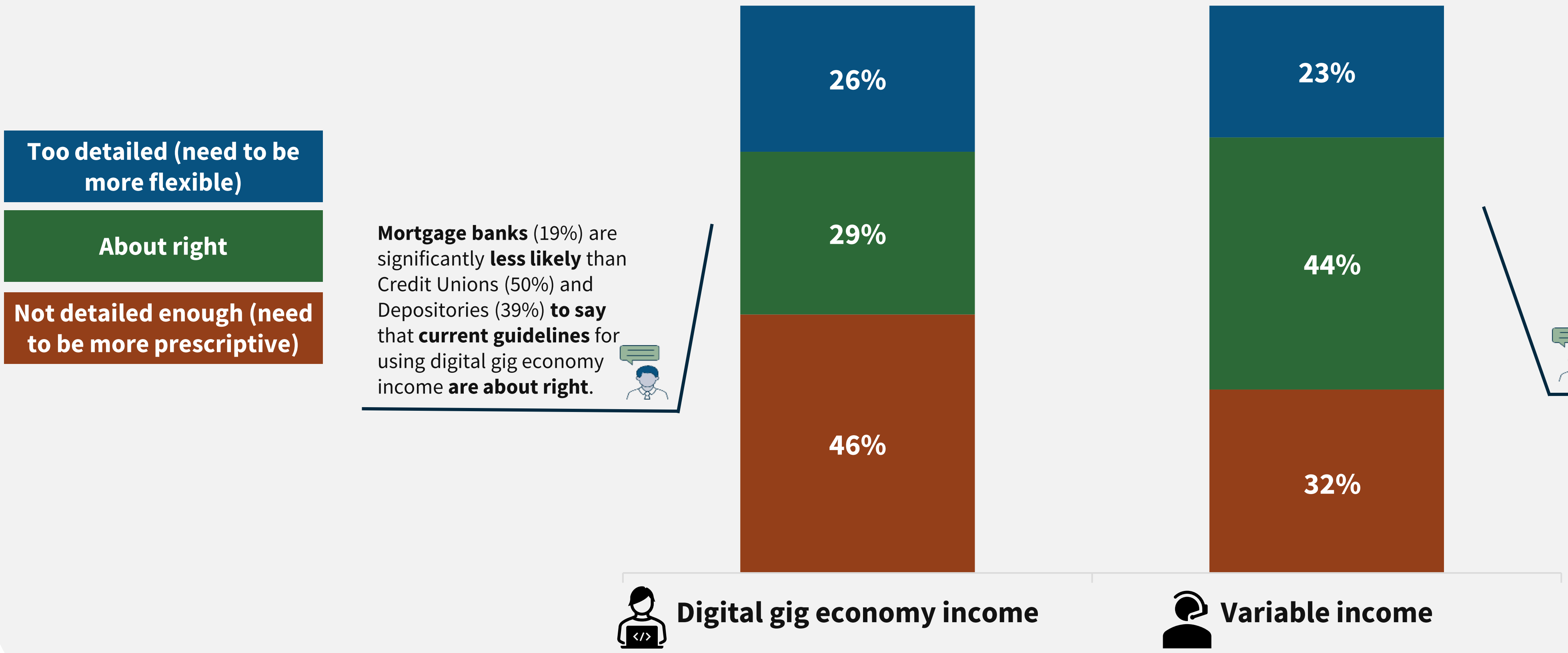
Q (Q1 2018): *Overall, how do you think accepting income earned in the gig economy for mortgage applications will impact consumers' access to mortgage credit?*
Q (Q4 2024): *Overall, how do you think accepting* ***digital gig economy income*** *and* ***variable income****, separately, for mortgage applications impacts consumers' access to mortgage credit? Please provide a response for each row.*

Lender Views on Current Underwriting Guidelines for using Digital Gig Economy or Variable Income

Nearly half of lenders want more-detailed underwriting guidelines for using digital gig economy income. When it comes to using variable income, lenders' views are more mixed, with nearly half of lenders saying the guidelines are "about right" and nearly one-third saying they are "not detailed enough (need to be more prescriptive)."

Current Underwriting Guidelines from Investors

Asked among lenders whose firm directly interacts with consumers in the mortgage process; n=170



Mortgage banks (19%) are significantly **less likely** than Credit Unions (50%) and Depositories (39%) **to say** that **current guidelines** for using digital gig economy income **are about right**.

Mortgage banks (32%) are significantly **less likely** than Credit Unions (66%) and Depository Institutions (54%) **to say** that **current guidelines** for using variable income **are about right**.

Percentages may not sum to 100% due to rounding.

Q: *Overall, do you find current underwriting guidelines from GSEs, Government, or non-GSE investors for using* ***digital gig economy*** *income and* ***variable*** *income, separately, for mortgage lending are too detailed, about right, or not detailed enough?*

Thoughts on How to Improve Consumer Access to Mortgage Credit with Fluctuating Income Sources

To improve access to mortgage credit for borrowers with fluctuating income sources, lenders suggest clarifying guidelines, loosening employment length requirements, and allowing alternative income calculations.

Improving Consumer Access to Mortgage Credit

Asked among lenders whose firm directly interacts with consumers in the mortgage process, n=31

CLARIFYING GUIDELINES

*"Fannie Mae and Freddie Mac could **align their guidelines**." – Large Institution*

*"**Detailed guidelines** allow us to ensure compliance and the ability to qualify borrowers **quickly and efficiently**." – Small Institution*

*"**Easier to understand** guidelines. Maybe include some **examples**." – Small Institution*

*"**Clearly defining** if a borrower is paid hourly, what percentage variance between pay-periods would be considered variable." – Mid-sized Institution*

LOOSENING EMPLOYMENT LENGTH REQUIREMENTS

*"Maybe **loosen up** on the length of employment." – Small Institution*

*"We **don't need a history** of this being used with past GSE loans. We already trust bank statements today straight from the data source. **Open it up**!" – Large Institution*

*"Update underwriting requirements for income to be **allowable under 1 year** at current job with **history of stable income**." – Large Institution*

*"…we should **not penalize them for not having a '2-year history'** in the new job, but instead consider that they have had this type of income for the full number of years." – Small Institution*

ALTERNATIVE INCOME CALCULATIONS

*"For individuals just starting to receive a 1099, consider accepting 1099 income or maybe **a standard %** of it to help individuals qualify if they have a **previous history of earning income** in the same position/industry." – Mid-sized Institution*

*"More **flexibility** in UW income **calculations** to include a more representative **actual income**." – Large Institution*

*"Allow for **alternate calculations** based on acceptable compensating factors or tighter credit/[LTV] guidelines." – Mid-sized Institution*

*"These alternative types of income should be **evaluated based on cashflow** as opposed to taxable income. Similar to NQM cash flow income verification. This would give a more accurate view of ATR." – Mid-sized Institution*

Note: n-sizes are based on unweighted number of respondents who answered the question

Q: *Please share your thoughts on how GSEs, Government, or non-GSE investors could improve access to mortgage credit for individuals with **digital gig economy** income or **variable** income. (Optional)*

Appendix

Appendix

Economic and Housing Sentiment

U.S. Economy Overall

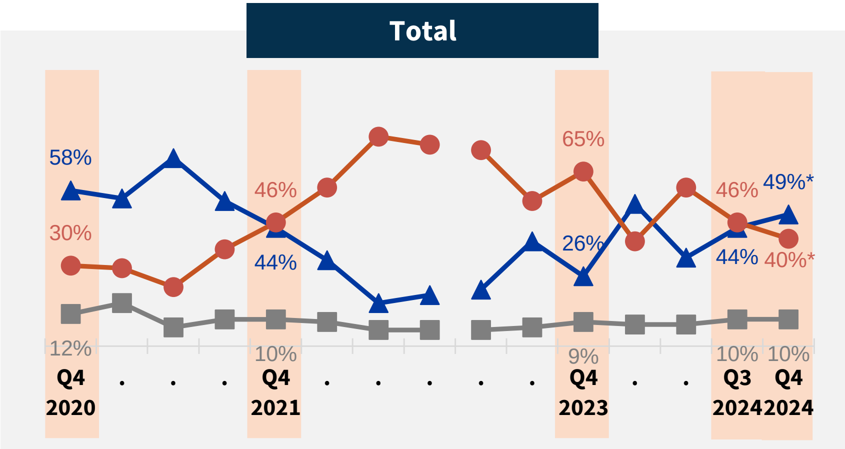
Lenders have gradually grown more optimistic in their outlook of the U.S. economy. This quarter, more lenders believe the economy is on the right track than on the wrong track. In contrast, consumer sentiment remains relatively flat.

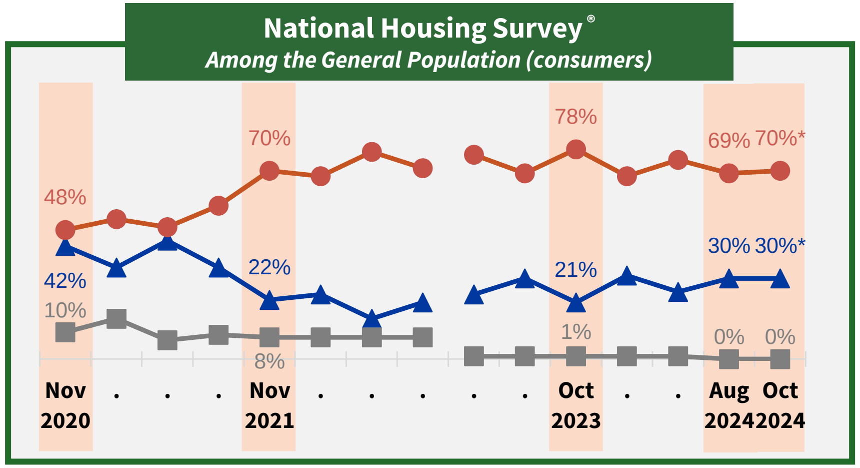
In general, do you, as a senior mortgage executive, think the U.S. economy overall is on the right track or the wrong track?

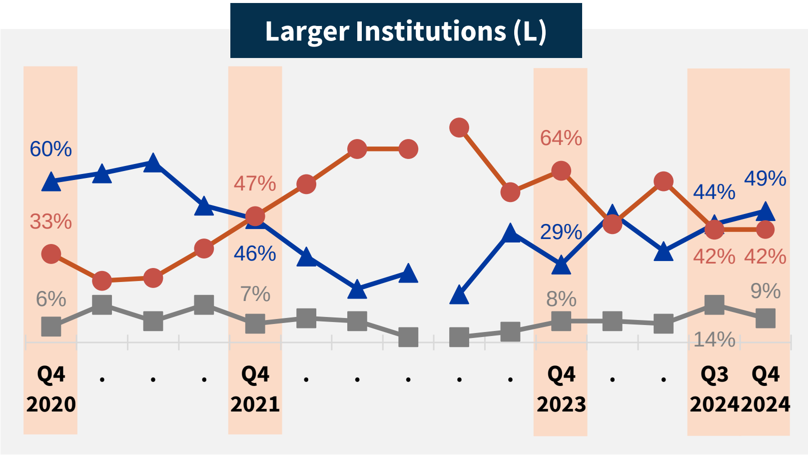
Right Track

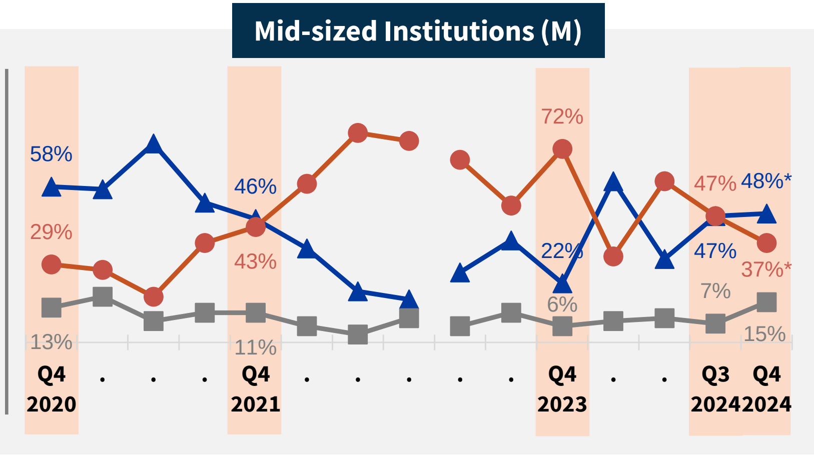
Don't know

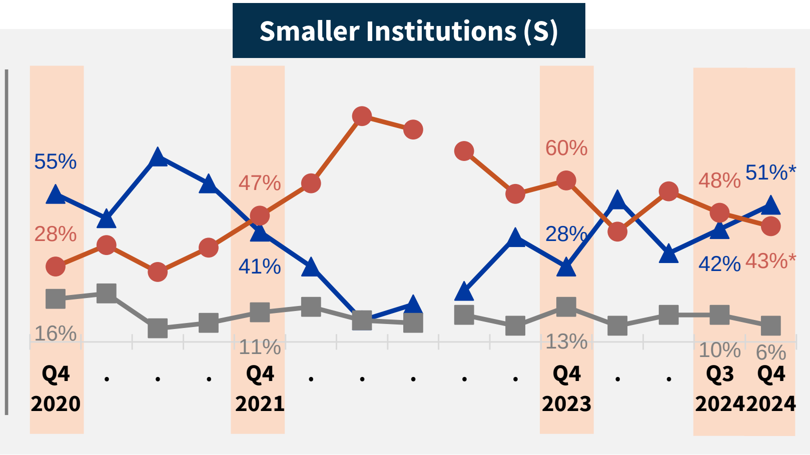
Wrong Track











L/M/S - Denote a Q4 2024 % is significantly higher than the annual loan origination volume group that the letter represents at the 95% confidence level
** Denotes a statistically significant change comparing Q4 2024 (or October 2024 for NHS) with Q4 2023 (or October 2023 for NHS)*

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

Note: Due to earlier fielding period in Q4 2024, October was used for comparison to the National Housing Survey. For accurate year-over-year comparison, October data was also used for Q4 2023 comparison to the National Housing Survey.

Note: Due to rounding, minor differences in calculated data (summarized results, net calculations, etc.) of up to 1 percentage point may occur

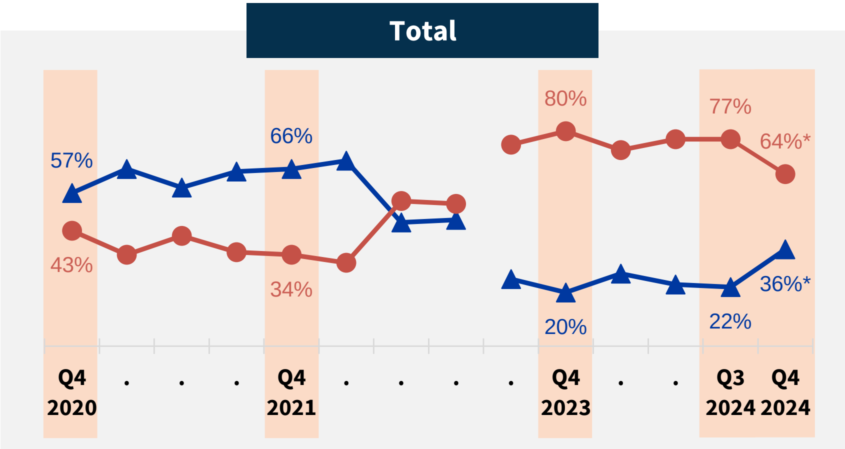
Difficulty of Getting a Mortgage

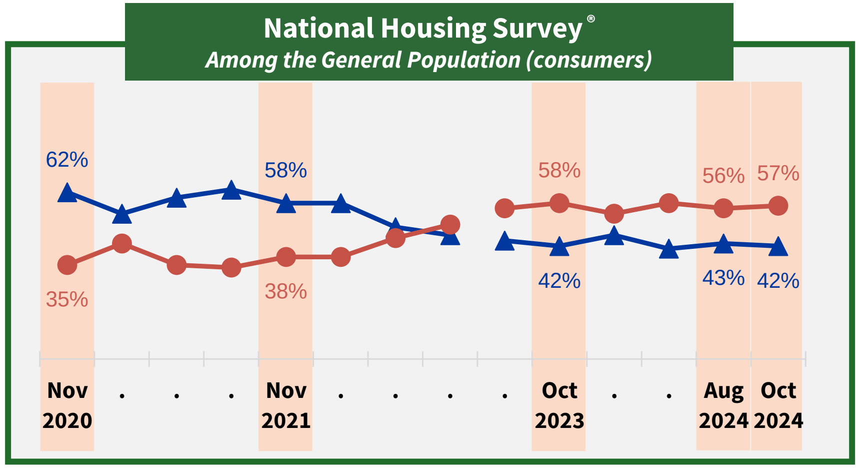
Although a majority of lenders still believe it would be difficult for consumers to get a mortgage today, the share of lenders who believe so declined significantly from one year ago. Consumer sentiment, however, has not changed significantly compared to last year.

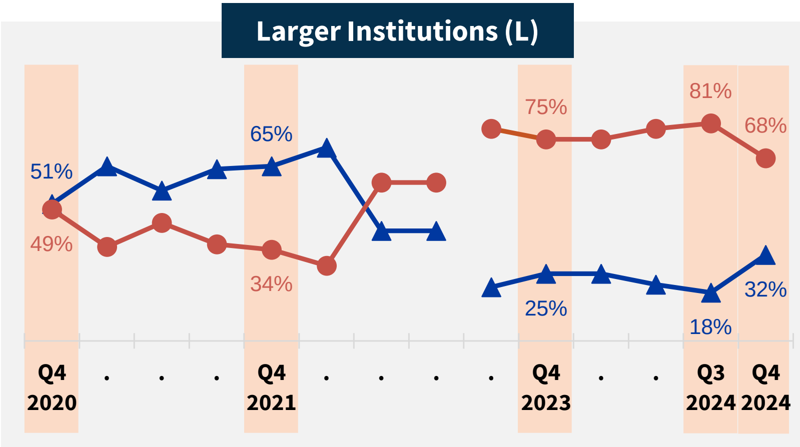
Do you think it is very difficult, somewhat difficult, somewhat easy, or very easy for consumers to get a home mortgage today?

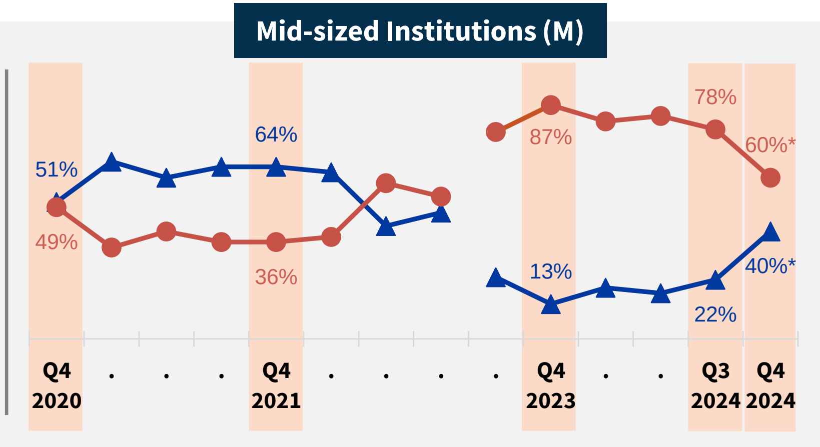
Easy (Very/Somewhat)

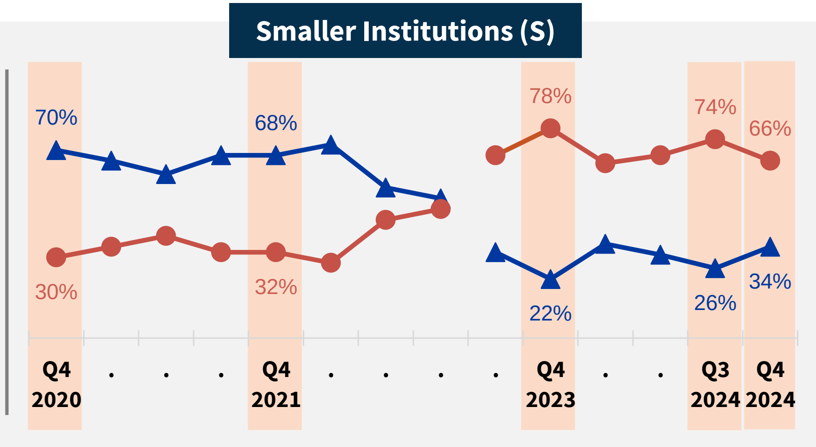
Difficult (Very/Somewhat)











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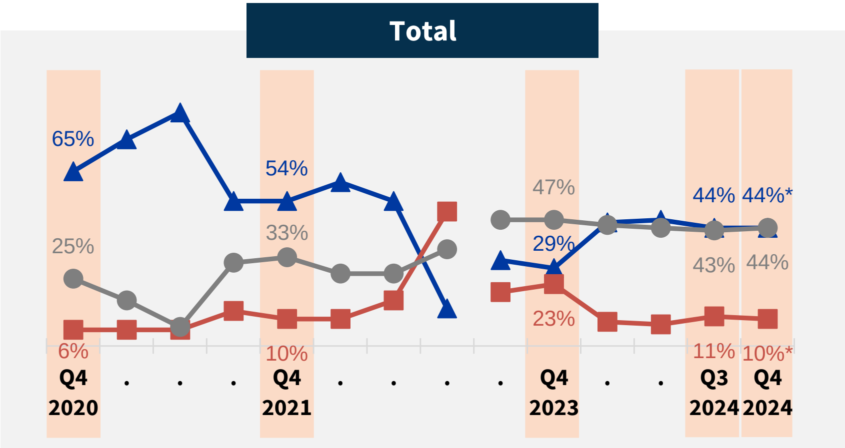
National Housing Survey: http://www.fanniemae.com/portal/research-and-analysis/housing-survey.html

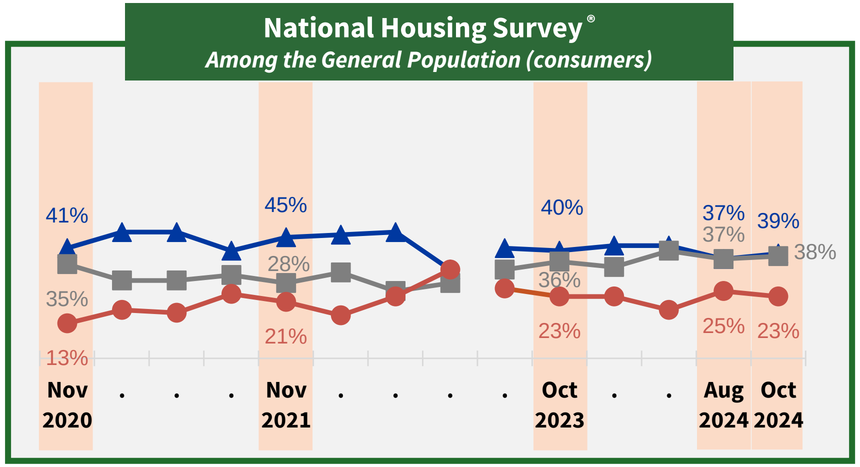
U.S. Home Prices – Next 12 Months

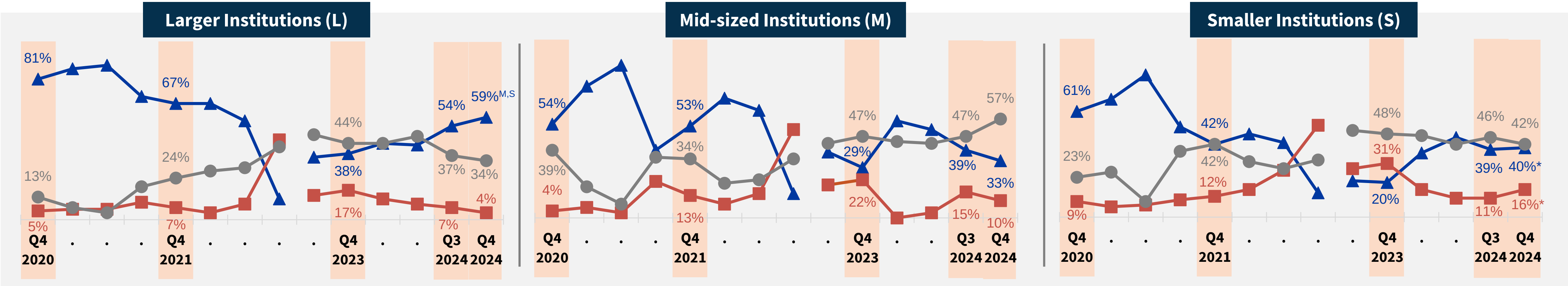
The share of lenders who expect home prices to go up or go down in the next 12 months continue to plateau this quarter. Similarly, consumer expectations of home prices remained stable.

Nationally, during the next 12 months, do you, as a senior mortgage executive, think home prices in general will go up, go down, or stay the same as where they are now?

- Go up
- Go down
- Stay the same







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Appendix

Appendix

Survey Background and Sample

Mortgage Lender Sentiment Survey®

The Mortgage Lender Sentiment Survey® (MLSS), which debuted in March 2014, is an online survey among senior executives, such as CEOs and CFOs, of Fannie Mae's lending institution customers.

Each study focuses on a key topic to best highlight the specific opportunities and challenges facing the mortgage industry.

Examples of Past Studies

- **Lenders' Perspectives on Closing Costs**
- **Mortgage Technology Competitiveness and Value**
- **Condominium Mortgage Lending**
- **Artificial Intelligence and Mortgage Lending**
- **Costs and Impact of Digitization Efforts on Cost Efficiency**
- **Appraisal Modernization**
- **Blockchain**
- **Closing Homeownership Gaps**
- **Remote Working**

The results are reported at the lending institution parent-company level. If more than one individual from the same institution responses are averaged to represent their parent company.

Methodology of Mortgage Lender Sentiment Survey®

Survey Methodology

- A 5-minute online survey among senior executives, such as CEOs and CFOs, of Fannie Mae's lending institution partners.
- To ensure that the survey results represent the behavior and output of organizations rather than individuals, the Fannie Mae Mortgage Lender Sentiment Survey is structured and conducted as an establishment survey.
- Each respondent is asked about ~10 questions.

Sample Design

- A random selection of approximately 3,000 senior executives among Fannie Mae's approved lenders are invited to participate in the study.

Data Weighting

- The results of the Mortgage Lender Sentiment Survey are reported at the institutional parent-company level. If more than one individual from the same parent institution completes the survey, their responses are averaged to represent their parent institution.

Cross-Subgroup Sample Sizes

	Total	Larger Lenders	Mid-Sized Lenders	Smaller Lenders
Total	176	37	30	109
Mortgage Banks (non-depository)	66	27	11	28
Depository Institutions	68	9	12	47
Credit Unions	33	1	4	28

Appendix

Appendix

Charts and Data Tables

How to Read Significance Testing & Calculation of "Total"

On slides where significant differences between three groups are shown:

- Each group is assigned a letter (L/M/S, M/D/C).
- If a group has a significantly higher % than another group at the 95% confidence level, a letter will be shown next to the % for that metric. The letter denotes which group the % is significantly higher than.

The "Total" data presented in this report is an average of the means of the three loan origination volume groups (see an illustrated example below). Please note that percentages are based on the number of financial institutions that gave responses other than "Not Applicable." Percentages below may add not sum to 100% due to rounding.

Example: Nationally, during the next 12 months, do you, as a senior mortgage executive, think home prices in general will go up, go down, or stay the same as where they are now?

	Total	LOAN VOLUME			INSTITUTION TYPE		
		Larger (L)	Mid-sized (M)	Smaller (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
n=	176	37	30	109	66	68	33
Go up	44%	59% M,S	33%	40%	53% D	33%	38%
Go down	10%	4%	10%	16%	13%	11%	18%
Stay the same	44%	34%	57%	42%	33%	54% M	44%
Don't know	2%	3%	0%	2%	2%	1%	0%

"Total" of 44% is
(59% + 33% + 40%) / 3

59% is significantly higher than 33% (mid-sized institutions) and 40% (smaller institutions)

54% is significantly higher than 33% (mortgage banks)

Economic Sentiment

In general, do you, as a senior mortgage executive, think the U.S. economy overall is on the right track or the wrong track?

	Total	LOAN VOLUME			INSTITUTION TYPE		
		Larger (L)	Mid-sized (M)	Smaller (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
n=	**176**	**37**	**30**	**109**	**66**	**68**	**33**
Right track	49%	49%	48%	51%	52%	49%	56%
Wrong track	40%	42%	37%	43%	37%	44%	41%
Don't know	10%	9%	15%	6%	11%	7%	3%

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

Ease of Getting a Home Mortgage

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

	Total	LOAN VOLUME			INSTITUTION TYPE		
		Larger (L)	Mid-sized (M)	Smaller (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
n=	**176**	**37**	**30**	**109**	**66**	**68**	**33**
Very difficult	6%	4%	7%	9%	7%	8%	6%
Somewhat difficult	58%	64%	53%	57%	64%	54%	48%
Somewhat easy	29%	26%	33%	29%	22%	33%	39%
Very easy	6%	7%	7%	6%	7%	4%	6%
Don’t know	0%	0%	0%	0%	0%	0%	0%

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

Home Price Expectations

Nationally, during the next 12 months, do you, as a senior mortgage executive, think home prices in general will go up, go down, or stay the same as where they are now?

	Total	LOAN VOLUME			INSTITUTION TYPE		
		Larger (L)	Mid-sized (M)	Smaller (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
n=	**176**	**37**	**30**	**109**	**66**	**68**	**33**
Go up	44%	59%[M,S]	33%	40%	53%[D]	33%	38%
Go down	10%	4%	10%	16%	13%	11%	18%
Stay the same	44%	34%	57%	42%	33%	54%[M]	44%
Don’t know	2%	3%	0%	2%	2%	1%	0%

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

Home Price Expectations (Percent Increase)

By about what percent do you, as a senior mortgage executive, think home prices nationally will go up on average over the next 12 months?
Asked among those who expect home prices to go up over the next 12 months, showing summary statistics

	Total	LOAN VOLUME			INSTITUTION TYPE		
		Larger (L)	Mid-sized (M)	Smaller (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
n=	**74**	**22**	**9**	**43**	**34**	**22**	**12**
Mean	4.42	4.43	4.00	4.73	4.31	4.44	4.56
Median	4.46	5.00	4.00	5.00	4.50	4.00	5.00
Minimum	1.00	2.00	2.00	1.00	1.00	2.00	2.00
Maximum	10.00	7.00	7.00	10.00	10.00	10.00	10.00
Standard Deviation	1.74	1.40	1.50	2.31	1.82	1.95	1.77

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

Home Price Expectations (Percent Decrease)

By about what percent do you, as a senior mortgage executive, think home prices nationally will go down on average over the next 12 months?
Asked among those who expect home prices to go down over the next 12 months, showing summary statistics

	Total	LOAN VOLUME			INSTITUTION TYPE		
		Larger (L)	Mid-sized (M)	Smaller (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
n=	**20**	**2**	**2**	**17**	**8**	**7**	**6**
Mean	4.89	5.00	4.00	5.24	4.73	6.00	4.50
Median	5.00	5.00	4.00	5.00	5.00	5.00	5.00
Minimum	1.00	5.00	3.00	1.00	2.00	1.00	3.00
Maximum	10.00	5.00	5.00	10.00	10.00	10.00	6.00
Standard Deviation	2.44	0.00	1.41	3.01	2.53	3.92	1.22

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

Firm's Direct Interaction with Borrowers/Consumers

Does your firm directly interact with borrowers/consumers on mortgage inquiry, loan application, or underwriting?

	Total	LOAN VOLUME			INSTITUTION TYPE		
		Larger (L)	Mid-sized (M)	Smaller (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
n=	**176**	**37**	**30**	**109**	**66**	**68**	**33**
Yes	95%	95%	93%	98%	95%	100%	97%
No	5%	5%	7%	2%	5%	0%	3%

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

Digital Gig Economy Income Usage

Which of the following best represents the <u>most common usage</u> (primary vs. supplementary) of digital gig economy income that borrowers used for mortgages originated by your firm over the past 12 months?
Asked among those whose firm interacts directly with borrowers/consumers on mortgage inquiry, loan application, or underwriting

	Total	LOAN VOLUME			INSTITUTION TYPE		
		Larger (L)	Mid-sized (M)	Smaller (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
n=	170	35	28	107	63	68	32
Digital gig economy income made up the single source of income to qualify for the mortgage.	2%	0%	4%	4%	2%	1%	6%
Digital gig economy income made up the majority source of income to qualify for the mortgage.	7%	9%	7%	7%	13%D	3%	6%
Digital gig economy income made up approximately half of the income source used to qualify for the mortgage.	3%	3%	4%	3%	3%	4%	0%
Digital gig economy income made up less than half of the income source used to qualify for the mortgage.	57%	54%	59%	57%	51%	63%	53%
Don't know/Not sure	30%	34%	27%	29%	32%	28%	34%

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

Change in Use of Digital Gig Economy Income Over Past 2 Years

Over the past 1-2 years, based on your firm's experience, how has the number of borrowers who used digital gig economy income to qualify for mortgages changed?
Asked among those whose firm interacts directly with borrowers/consumers on mortgage inquiry, loan application, or underwriting

	Total	LOAN VOLUME			INSTITUTION TYPE		
		Larger (L)	Mid-sized (M)	Smaller (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
n=	**170**	**35**	**28**	**107**	**63**	**68**	**32**
Has grown significantly	14%	14%[S]	25%[S]	3%	17%[D,C]	6%	0%
Has grown somewhat	29%	30%	25%	31%	29%	26%	38%
Has stayed about the same	25%	27%	18%	29%	21%	29%	31%
Has declined somewhat	5%	3%	7%	4%	3%	7%	0%
Has declined significantly	1%	0%	0%	3%	2%	1%	0%
Don't know/Not sure	27%	26%	25%	31%	27%	31%	31%

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

Expected Change in Use of Digital Gig Economy Income Over Next 1-2 Years

Over the next 1-2 years, to what extent do you think the number of borrowers who want to use digital gig economy income to qualify for mortgages will grow or decline?
Asked among those whose firm interacts directly with borrowers/consumers on mortgage inquiry, loan application, or underwriting

	Total	LOAN VOLUME			INSTITUTION TYPE		
		Larger (L)	Mid-sized (M)	Smaller (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
n=	**170**	**35**	**28**	**107**	**63**	**68**	**32**
Will grow significantly	13%	17%	14%	8%	19%D	6%	9%
Will grow somewhat	54%	61%	48%	52%	52%	55%	55%
Will stay about the same	17%	9%	23%	20%	8%	23%M	28%M
Will decline somewhat	3%	0%	4%	7%	6%	3%	0%
Will decline significantly	0%	0%	0%	0%	0%	0%	0%
Don't know/Not sure	12%	13%	11%	14%	15%	13%	8%

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

Change in Use of Variable Income Over Past 2 Years

Over the past 1-2 years, based on your firm's experience, how has the number of borrowers who used variable income to qualify for mortgages changed?
Asked among those whose firm interacts directly with borrowers/consumers on mortgage inquiry, loan application, or underwriting

	Total	LOAN VOLUME			INSTITUTION TYPE		
		Larger (L)	Mid-sized (M)	Smaller (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
n=	**170**	**35**	**28**	**107**	**63**	**68**	**32**
Has grown significantly	15%	20%S	21%S	5%	19%C	9%	0%
Has grown somewhat	32%	33%	34%	30%	37%	22%	41%
Has stayed about the same	35%	27%	25%	53%L,M	25%	56%M	48%M
Has declined somewhat	3%	0%	4%	5%	5%	3%	3%
Has declined significantly	0%	0%	0%	0%	0%	0%	0%
Don't know/Not sure	14%	20%	16%	7%	14%	10%	8%

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

Expected Change in Use of Variable Income Over Next 1-2 Years

Over the next 1-2 years, to what extent do you think the number of borrowers who want to use variable income to qualify for mortgages will grow or decline?
Asked among those whose firm interacts directly with borrowers/consumers on mortgage inquiry, loan application, or underwriting

	Total	LOAN VOLUME			INSTITUTION TYPE		
		Larger (L)	Mid-sized (M)	Smaller (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
n=	**170**	**35**	**28**	**107**	**63**	**68**	**32**
Will grow significantly	11%	16%[S]	14%	5%	10%	9%	3%
Will grow somewhat	49%	56%[S]	57%[S]	35%	53%[D]	30%	50%
Will stay about the same	28%	14%	18%	50%[L,M]	19%	53%[M]	38%
Will decline somewhat	2%	0%	4%	3%	3%	1%	5%
Will decline significantly	.%	0%	0%	1%	2%	0%	0%
Don’t know/Not sure	9%	14%	7%	7%	13%	7%	5%

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

Ease/Difficulty of Using Digital Gig Economy Income

Digital gig economy income : With today's lending practices, in your view, how easy or difficult is it to use digital gig economy income and variable income, separately, to approve a borrower's mortgage application? Please provide a response for each row.
Asked among those whose firm interacts directly with borrowers/consumers on mortgage inquiry, loan application, or underwriting

	Total	LOAN VOLUME			INSTITUTION TYPE		
		Larger (L)	Mid-sized (M)	Smaller (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
n=	**170**	**35**	**28**	**107**	**63**	**68**	**32**
Very difficult	22%	20%	25%	20%	22%	24%	11%
Somewhat difficult	61%	73%[M]	43%	68%[M]	64%	63%	70%
Somewhat easy	16%	7%	29%[L,S]	11%	10%	13%	19%
Very easy	1%	0%	4%	1%	3%	0%	0%

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

Ease/Difficulty of Using Variable Income

Variable income : With today's lending practices, in your view, how easy or difficult is it to use digital gig economy income and variable income, separately, to approve a borrower's mortgage application? Please provide a response for each row.
Asked among those whose firm interacts directly with borrowers/consumers on mortgage inquiry, loan application, or underwriting

	Total	LOAN VOLUME			INSTITUTION TYPE		
		Larger (L)	Mid-sized (M)	Smaller (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
n=	**170**	**35**	**28**	**107**	**63**	**68**	**32**
Very difficult	18%	23%[S]	25%[S]	7%	16%	15%	9%
Somewhat difficult	53%	51%	46%	61%	65%	52%	45%
Somewhat easy	21%	20%	21%	22%	14%	20%	42%[M,D]
Very easy	7%	6%	7%	9%	5%	13%	3%

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

Impact of Accepting Digital Gig Economy Income

Digital gig economy income : Overall, how do you think accepting digital gig economy income and variable income, separately, for mortgage applications impacts consumers' access to mortgage credit? Please provide a response for each row.
Asked among those whose firm interacts directly with borrowers/consumers on mortgage inquiry, loan application, or underwriting

	Total	LOAN VOLUME			INSTITUTION TYPE		
		Larger (L)	Mid-sized (M)	Smaller (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
n=	**170**	**35**	**28**	**107**	**63**	**68**	**32**
Significantly help	19%	23%[S]	25%[S]	9%	24%[D]	10%	9%
Somewhat help	48%	41%	57%	47%	45%	46%	58%
Have no impact	18%	17%	11%	25%	16%	28%[C]	9%
Somewhat hurt	13%	14%	7%	18%	13%	14%	23%
Significantly hurt	2%	4%	0%	1%	2%	1%	0%

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

Impact of Accepting Variable Income

Variable income : Overall, how do you think accepting digital gig economy income and variable income, separately, for mortgage applications impacts consumers' access to mortgage credit? Please provide a response for each row.
Asked among those whose firm interacts directly with borrowers/consumers on mortgage inquiry, loan application, or underwriting

	Total	LOAN VOLUME			INSTITUTION TYPE		
		Larger (L)	Mid-sized (M)	Smaller (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
n=	**170**	**35**	**28**	**107**	**63**	**68**	**32**
Significantly help	26%	27%	29%	23%	31%	20%	22%
Somewhat help	41%	34%	50%	38%	37%	43%	47%
Have no impact	19%	17%	14%	26%	16%	25%	17%
Somewhat hurt	13%	21%^{M}	4%	13%	17%	11%	14%
Significantly hurt	1%	0%	4%	0%	0%	1%	0%

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

Concerns of Using Digital Gig Economy Income

Listed below are some possible concerns lenders might have when using digital gig economy income for borrowers' mortgage applications. Based on your firm's experience, please select up to two of the biggest concerns.
Asked among those whose firm interacts directly with borrowers/consumers on mortgage inquiry, loan application, or underwriting
Showing "Biggest concern" + "Second biggest concern"

	Total	LOAN VOLUME			INSTITUTION TYPE		
		Larger (L)	Mid-sized (M)	Smaller (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
n=	170	35	28	107	63	68	32
Income history and stability requirements	68%	79%	61%	64%	66%	65%	70%
Income calculation	35%	23%	52%[L,S]	31%	32%	32%	34%
Limited industry standards or investor guidelines	35%	40%	38%	28%	30%	37%	31%
Documentation requirements	26%	23%	18%	36%	27%	34%	25%
Employment re-verification prior to close	13%	11%	7%	21%	16%	15%	22%
Borrower default/delinquency risk	12%	7%	18%	10%	12%	7%	17%
Other (Please specify)	2%	4%	0%	1%	2%	0%	0%
None of the above (I don't see concerns)	4%	4%	4%	4%	6%	4%	0%

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

Concerns of Using Variable Income

Listed below are some possible concerns lenders might have when using variable income for borrowers' mortgage applications. Based on your firm's experience, please select up to two of the biggest concerns.
Asked among those whose firm interacts directly with borrowers/consumers on mortgage inquiry, loan application, or underwriting
Showing "Biggest concern" + "Second biggest concern"

	Total	LOAN VOLUME			INSTITUTION TYPE		
		Larger (L)	Mid-sized (M)	Smaller (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
n=	170	35	28	107	63	68	32
Income history and stability requirements	62%	54%	73%	59%	56%	64%	62%
Income calculation	44%	50%	46%	36%	48%	35%	34%
Documentation requirements	29%	19%	29%	41%[L]	25%	38%	44%
Limited industry standards or investor guidelines	20%	20%	23%	16%	19%	21%	12%
Borrower default/delinquency risk	15%	14%	18%	12%	14%	10%	20%
Employment re-verification prior to close	13%	11%	11%	16%	13%	18%	11%
Other (Please specify)	3%	7%	0%	2%	4%	1%	3%
None of the above (I don't see concerns)	6%	10%	0%	7%	7%	6%	6%

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

Level of Detail for Current Digital Gig Economy Income Underwriting Guidelines

Digital gig economy income : Overall, do you find current underwriting guidelines from GSEs, Government, or non-GSE investors for using digital gig economy income and variable income, separately, for mortgage lending are too detailed, about right, or not detailed enough?
Asked among those whose firm interacts directly with borrowers/consumers on mortgage inquiry, loan application, or underwriting

	Total	LOAN VOLUME			INSTITUTION TYPE		
		Larger (L)	Mid-sized (M)	Smaller (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
n=	**170**	**35**	**28**	**107**	**63**	**68**	**32**
Too detailed (need to be more flexible)	26%	27%	23%	27%	34%	24%	16%
About right	29%	14%	29%	43%^{L}	19%	39%^{M}	50%^{M}
Not detailed enough (need to be more prescriptive)	46%	59%^{S}	48%	31%	47%	38%	34%

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

Level of Detail for Current Variable Income Underwriting Guidelines

Variable income : Overall, do you find current underwriting guidelines from GSEs, Government, or non-GSE investors for using digital gig economy income and variable income, separately, for mortgage lending are too detailed, about right, or not detailed enough?
Asked among those whose firm interacts directly with borrowers/consumers on mortgage inquiry, loan application, or underwriting

	Total	LOAN VOLUME			INSTITUTION TYPE		
		Larger (L)	Mid-sized (M)	Smaller (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
n=	**170**	**35**	**28**	**107**	**63**	**68**	**32**
Too detailed (need to be more flexible)	23%	26%	20%	25%	32%C	24%	12%
About right	44%	34%	43%	56%L	32%	54%M	66%M
Not detailed enough (need to be more prescriptive)	32%	40%S	38%S	20%	37%	23%	22%

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

Appendix

Appendix

Special Topics Question Text

QR443: Does your firm directly interact with borrowers/consumers on mortgage inquiry, loan application, or underwriting?

QR529: Which of the following best represents the <u>most common usage</u> (primary vs. supplementary) of **digital gig economy income** that borrowers used for mortgages originated by your firm over the past 12 months?

QR530: Over the **past** 1-2 years, based on your firm's experience, how has the number of borrowers who used **digital gig economy income** to qualify for mortgages changed?

QR243R: Over the **next** 1-2 years, to what extent do you think the number of borrowers who want to use **digital gig economy income** to qualify for mortgages will grow or decline?

QR531: Over the **past** 1-2 years, based on your firm's experience, how has the number of borrowers who used **variable income** to qualify for mortgages changed?

QR532: Over the **next** 1-2 years, to what extent do you think the number of borrowers who want to use **variable income** to qualify for mortgages will grow or decline?

QR244R: With today's lending practices, in your view, how easy or difficult is it to use **digital gig economy income** and **variable income**, separately, to approve a borrower's mortgage application? Please provide a response for each row.

QR533: You mentioned you find it difficult when using **digital gig-economy income** and/or **variable income** to approve a borrower's mortgage application. Please share your thoughts on why usage of these income sources makes it difficult to approve the borrower's mortgage application. (Optional)

QR247R: Overall, how do you think accepting **digital gig economy income** and **variable income**, separately, for mortgage applications impacts consumers' access to mortgage credit? Please provide a response for each row.

QR534: Listed below are some possible concerns lenders might have when using **digital gig economy** income for borrowers' mortgage applications. Based on your firm's experience, please select <u>up to two</u> of the biggest concerns.

QR535: Listed below are some possible concerns lenders might have when using **variable** income for borrowers' mortgage applications. Based on your firm's experience, please select <u>up to two</u> of the biggest concerns.

QR536: Overall, do you find current underwriting guidelines from GSEs, Government, or non-GSE investors for using **digital gig economy** income and **variable** income, separately, for mortgage lending are too detailed, about right, or not detailed enough?

QR537: Please share your thoughts on how GSEs, Government, or non-GSE investors could improve access to mortgage credit for individuals with **digital gig economy** income or **variable** income. (Optional).

Note: All questions above (with the exception of question #QR443), were asked among lenders whose firm directly interacts with borrowers/consumers on mortgage inquiry, loan application, or underwriting (QR443 =C1 "Yes")