Mortgage Lender Sentiment Survey®

The Gig Economy and Mortgage Lending

Q1 2018 Topic Analysis – Published May 16 , 2018

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Lenders have difficulty using income from the growing number of gig economy workers* to approve loans due to concerns regarding income instability and unpredictability.

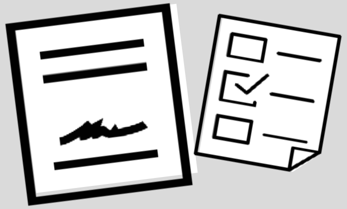
Gig Economy Income for Mortgage Credit

71% of lenders say that they have had customers who applied for a mortgage with **gig economy income** over the past year**.**

89% think the number of borrowers using gig economy income to qualify for mortgage loans will **increase in the next few years.**

Ease of Using Gig Economy Income for Mortgage Credit

But **95%** say it is **difficult** to use **gig economy income** to **approve borrowers' applications** with today's lending practices**.**



Concerns about Accepting Gig Economy Income

Lenders worry about the **instability** and **unpredictability** of gig economy income, **investor requirements**, and **underwriting process standardization**.

Opinion about Today's Self-Employment Underwriting Guidelines

69% of lenders believe that current underwriting guidelines for self-employment income verification are "**about right**."

* Gig-economy workers tend to have flexible work arrangements, working on single projects or tasks, commonly on demand. 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).

Business Context and Research Questions

Business Context

On-demand gig economy services such as transportation, rental, food/goods delivery, and personal task services are growing.[1] Our National Housing Survey® found that nearly one-fifth of American adults have provided a service through the gig economy.[2] Because of the on-demand nature, the income stream can be less stable. With the rise of the gig economy, Fannie Mae's Economic & Strategic Research (ESR) Group surveyed senior mortgage executives through its quarterly Mortgage Lender Sentiment Survey® to understand lenders' views about using gig economy income in mortgage lending.

Research Questions

1. Overall, how do lenders view the trend of the gig economy? To what extent have they seen mortgage applications with gig economy income over the past year? To what extent do they expect the gig economy to grow or decline in the coming years? To what extent do they see gig economy income helping consumers' access to mortgage credit?
2. How do lenders view the current lending practices for accepting gig economy income for mortgage qualification? What are the challenges, if any?
3. How do lenders view the current lending practices for using self-employment income for mortgage qualification? What are their top risk factors? What options do they prefer in improving self-employed workers' access to mortgage credit?

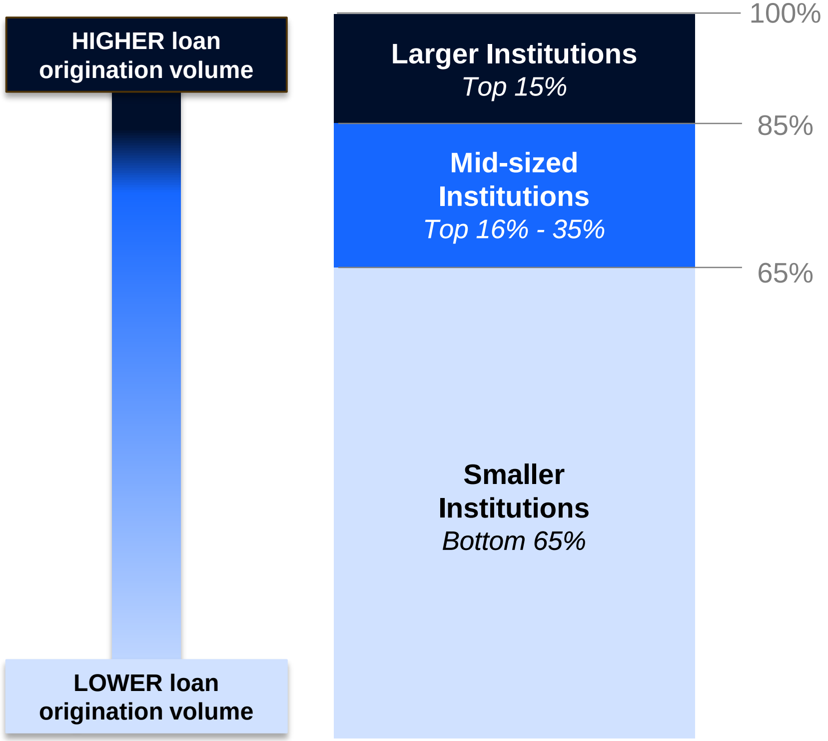
[1] Gig-economy workers tend to have flexible work arrangements, working on single projects or tasks, commonly on demand. Examples include transportation (e.g., Uber and Lyft), lodging rental (e.g., Airbnb and VRBO), food/goods delivery (e.g., Postmates), and personal task services (e.g., TaskRabbit). Fannie Mae does not endorse these companies. These examples do not represent the whole sector of gig economy. These are provided as examples to help illustrate what "gig economy" refers to.

[2.] "More People Work in the Gig Economy Than You Might Think" (December, 2017), National Housing Survey®, http://www.fanniemae.com/portal/research-insights/perspectives/gig-economy-homeownership-120517.html
Full research report "Gig Economy Workers and Homeownership" can be found at: http://www.fanniemae.com/resources/file/research/housingsurvey/pdf/dec2017-topic-analysis-presentation-gig-economy.pdf

Q1 2018 Respondent Sample and Groups

For Q1 2018, a total of 214 senior executives completed the survey during February 7-19, representing 196 lending institutions.*

Loan Origination Volume Groups**



Sample Q1 2018		Sample Size
Total Lending Institutions The "Total" data throughout this report is an average of the means of the three loan origination volume groups listed below.		196
Loan Origination Volume Groups	**Larger Institutions** Fannie Mae's customers whose 2016 total industry loan origination volume was in the top 15% (above $1.01 billion)	64
	Mid-sized Institutions Fannie Mae's customers whose 2016 total industry loan origination volume was in the next 20% (16%-35%) (between $248.3 million to $1.01 billion)	51
	Smaller Institutions Fannie Mae's customers whose 2016 total industry loan origination volume was in the bottom 65% (less than $248.3 million)	81
Institution Type***	**Mortgage Banks** (non-depository)	69
	Depository Institutions	63
	Credit Unions	56

* The results of the Mortgage Lender Sentiment Survey are reported at the lending institutional parent-company level. If more than one individual from the same institution completes the survey, their responses are averaged to represent their parent institution.
** The 2016 total loan volume per lender used here includes the best available annual origination information from Fannie Mae, Freddie Mac, and Marketrac.
*** Lenders that are not classified into mortgage banks or depository institutions or credit unions are mostly housing finance agencies.

Using Gig Economy Income for Mortgage Lending

Share of US Population Earning Income from Gig Economy

About one-fifth of Americans offer services through the gig economy, and a large majority of lenders believe that more consumers will earn income from the gig economy in coming years.

Q3 2017 National Housing Survey®:
Share of Adults Earning Income from Gig Economy

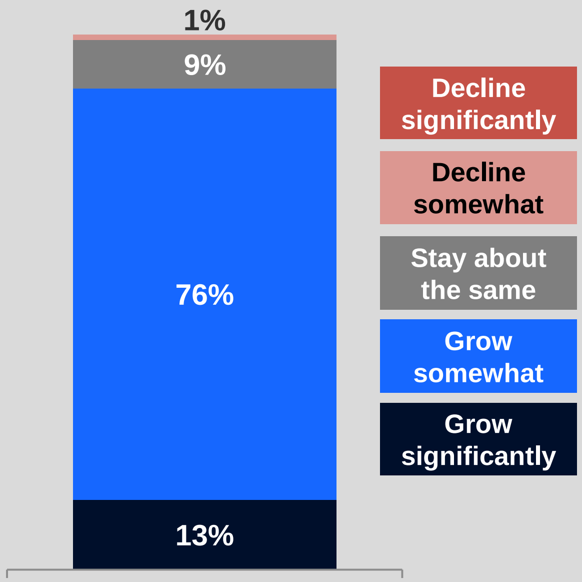
of Americans are gig economy workers*

*"Gig economy workers" have offered at least one service listed for the question **Q:** Have you ever offered this type of service (through a company or as part of a mobile app) in the past? *Ride Sharing (e.g., Uber, Lyft), Task Services such as a handyman, babysitter, care provider and mover (e.g., Handy.com, Care.com,TaskRabbit), Accommodation Sharing (e.g., Airbnb, VRBO), Food Delivery (InstaCart, Postmates), Car Sharing (e.g., Getaround)*

Expected Growth of Share of Adults Earning Income from Gig Economy over Next 3-5 Years

89%

of lenders expect the share of the U.S. population earning income from the gig economy to **grow in the next 3-5 years**



Q: Over the next 3-5 years, to what extent do you think the share of the U.S. adult population earning income from the gig economy will grow or decline?

Scope of Gig Economy Workers Applying for Mortgages

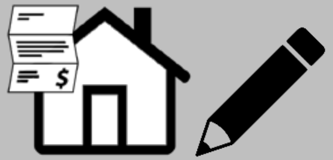
Most lenders say they have had customers attempt to apply for mortgages with gig economy income over the past year, and a large majority believe the number of people who will want to use gig economy income to qualify for mortgages will grow in coming years.

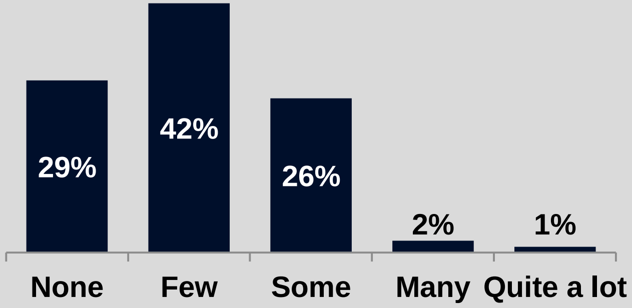
Number of Customers with Gig Economy Income Who Attempted to Apply for a Mortgage within Past Year

In the past year,

71%

of lenders have had customers apply with gig economy income



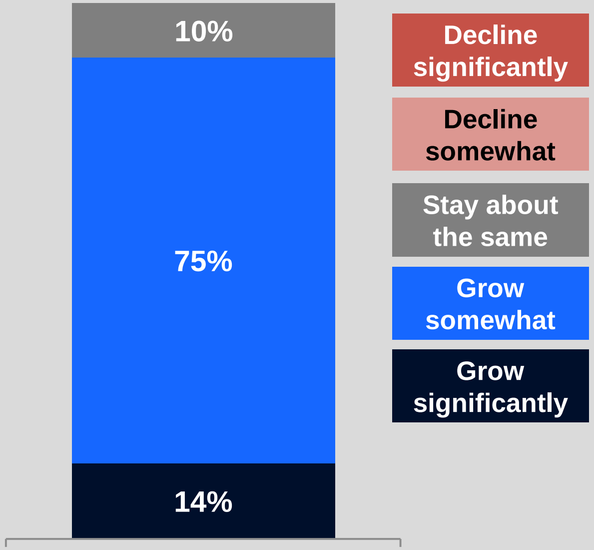


Expected Growth of Borrowers Using Gig Economy Income to Qualify for Mortgages over Next 3-5 Years

Over the next 3-5 Years…

89%

say the share using gig economy income for mortgage qualifications will grow

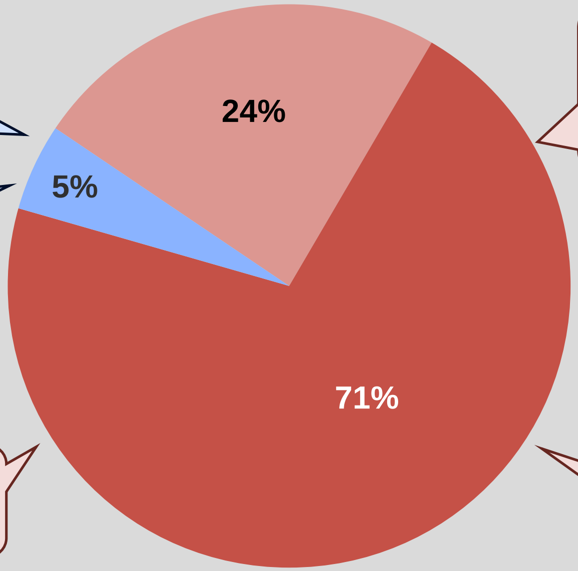


Q: Over the past year, how many consumers with income from the gig economy attempted to apply for a mortgage with your firm, regardless of the amount earned from the gig economy?
Q: Over the next 3-5 years, to what extent do you think the number of borrowers who want to use gig economy income to qualify for mortgages will grow or decline?

Ease of Using Gig Economy Income to Approve Mortgage Applications

Almost all lenders think it is difficult to use gig economy income to approve mortgage applications, citing inconsistencies and variability as risk factors. The few who think using gig economy income is easy note that reliable documentation is crucial.

Ease/Difficulty of Using Gig Economy Income to Approve Mortgage Applications



"Technology will work well with **a better qualified borrower**. First-time homebuyers with income, credit and asset challenges will need more face-to-face assistance." *– Smaller Institution*

"**Depends on the source**. When you can verify the income (e.g. Uber), it's easy but other options may not be as easy." *– Larger Institution*

"As long as it can be **documented** and it **has an established period of plus 2 years**." *– Mid-Sized Institution*

"Many **don't have a 2 year history** of such income and to use one year, they have not been in the same line of work two or more years." *– Larger Institution*

"**Job stability** and **income stability** are significant components of credit evaluation. Our industry is based on traditional employment models and does not serve these consumers well. We need flexibility to serve this growing employment group." *– Mid-Sized Institution*

"Because the **income is variable**, we don't always have the history required to **formulate a reliable average and document stability of income.**"*– Larger Institution*

"Self-employed **documentation requirements** and **stability of income**." *– Larger Institution*

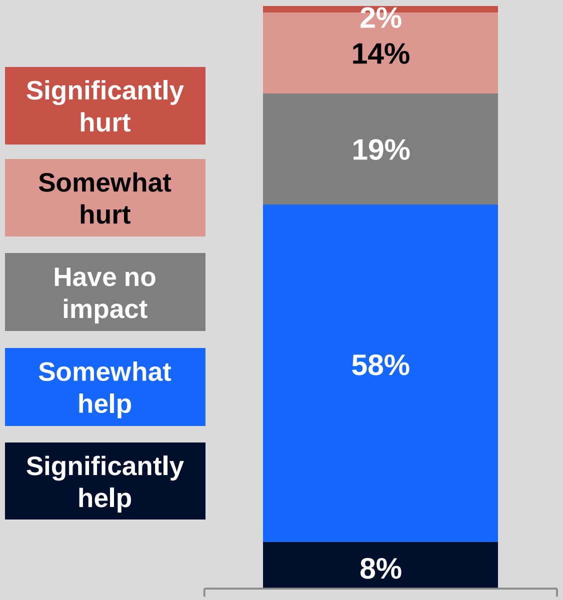
"[Gig economy workers] get **a lot of cash** so it can be hard to determine actual disclosed and taxed income." *– Larger Institution*

Q: 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:** Why do you find it [INSERT ANSWER] to use gig economy income to approve a borrower's mortgage application? Please share your thoughts. (Optional) *N=119*

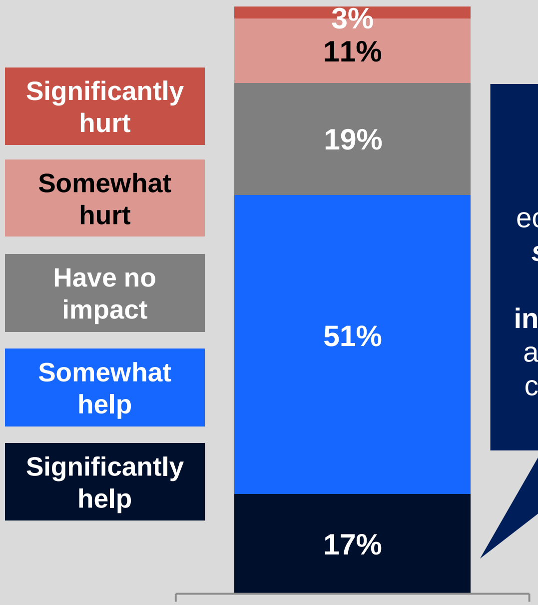
Impact of Acceptance of Gig Economy Income on Access to Mortgage Credit

Most lenders believe accepting gig economy income for mortgage applications will help consumers, especially low- and moderate-income consumers.

Impact of Accepting Gig Economy Income for Mortgage Applications on Consumers' Access to Mortgage Credit



Impact of Accepting Gig Economy Income on Low-/Moderate-Income Consumers' Access to Mortgage Credit



More lenders say accepting gig economy income will ***significantly help*** **low-/moderate-income consumers'** access to mortgage credit (17% vs. 8%)

Why will it hurt/have no impact/help?

Income is difficult to track and verify

No evidence of continuation of employment

Gig economy is a side job, not primary employment

Process for self-employed borrowers is the same, regardless of income documentation

Any additional income helps low- and moderate-income consumers and provides employment

Supplementary income pushes seasonal, part-time workers to a point where they can qualify

Q: Overall, how do you think accepting income earned in the gig economy for mortgage applications will impact consumers' access to mortgage credit?

Q: Now, talking about low- and moderate-income consumers, how do you think accepting income earned in the gig economy for mortgage applications will impact low- and moderate-income consumers' access to mortgage credit? / **Q:** Any thoughts you would like to share about how or why you think accepting gig economy income will [INSERT ANSWER] *low- and moderate-income* consumers' access to mortgage credit? (Optional) *N=67*

Concerns with Accepting Gig Economy Income for Mortgage Applications

Lenders worry about unpredictability and instability of gig economy income, investor requirements, and underwriting process standardization.

Concerns About Accepting Gig Economy Income for Mortgage Applications

Unpredictability and Instability

“Too much variation combined with instability of employment.” – *Smaller Institution*

“This income can ebb and flow and it is difficult to predict.” – *Larger Institution*

“In a gig economy, consistency isn't always prevalent. It is difficult to determine if the borrower will have stable cash flow for loan repayment.” – *Smaller Institution*

Acceptability to Investors

“Verification acceptable to the GSEs.” – *Mid-sized Institution*

“Investor and agency acceptance.” – *Larger Institution*

“Aligning with GSE requirements.” – *Larger Institution*

Need for Process Standardization

If it is established we would like to include it in the debt ratio equation. If it's not established and unverifiable we do not include the income in our underwriting of the loan.” – *Smaller Institution*

“This type of income is still relatively new. I am not sure that the agencies have enough loan performance history for these borrowers to tell us if they present added risk.” – *Smaller Institution*

“If we use it to qualify, our concern is that any files pulled for audit are not seen the same and causes an issue.” – *Smaller Institution*

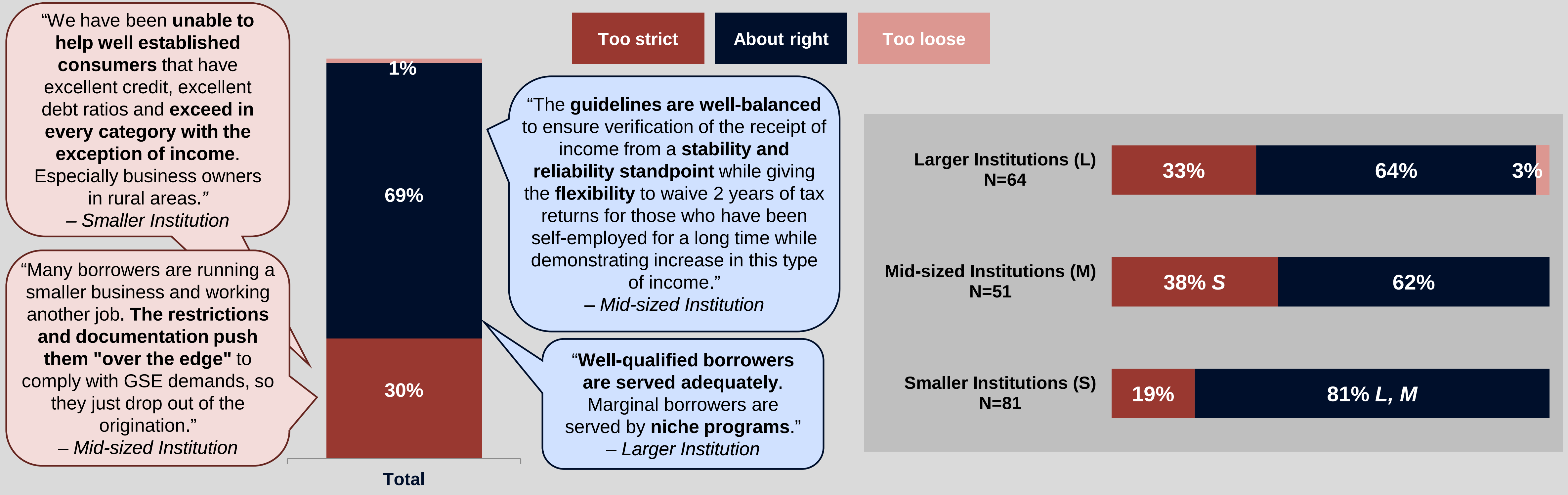
Q: What concerns, if any, does your firm have in accepting gig economy income for mortgage applications? Please share your thoughts. (Optional) *N=102*

Using Self-Employment Income for Mortgage Lending

Opinions on Current Underwriting Guidelines for Self-Employment Income

A majority of lenders say current underwriting guidelines for self-employment income verification are “about right,” though one-third believe they are “too strict.” Smaller institutions are significantly more likely than larger and mid-sized institutions to say the guidelines are about right.

Opinions on Current Underwriting Guidelines for Self-Employment



Q: Overall, do you think current underwriting guidelines for self-employment income verification are… / **Q:** Any thoughts you would like to share about how or why you think current underwriting guidelines for self-employment income verification are [INSERT ANSWER]? (Optional) *N=58*

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

Risk Factors Around Self-Employed Borrowers

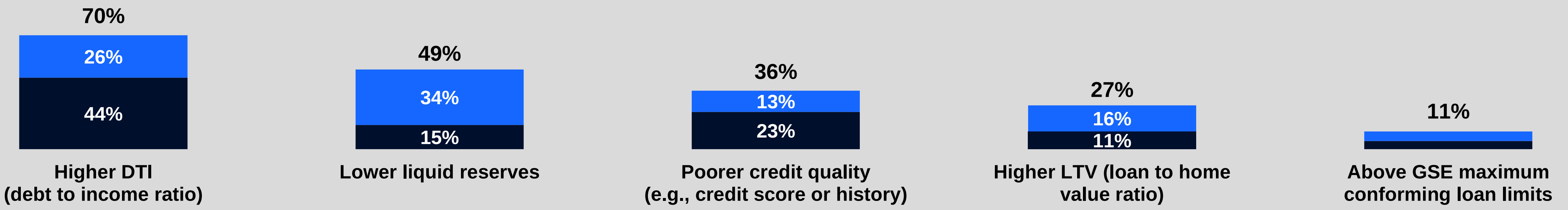
Relatively high debt-to-income ratios and low liquid reserves are top concerns among lenders, though about one-third say poor credit quality is a concern.

Risk Factors When Originating Mortgages for Self-Employed Borrowers

Top Risk Concern | **2nd Risk Concern**

70% say high **debt-to-income ratios** are risk concerns

49% say high **low liquid reserves** are risk concerns



Q: Listed below are different risk factors commonly used for mortgage qualifications. When originating mortgages for self-employed borrowers, which risks are your firm's top concerns? Please select up to two concerns and rank them in order of importance.

Options to Improve Access to Mortgage Credit for Self-Employed Individuals

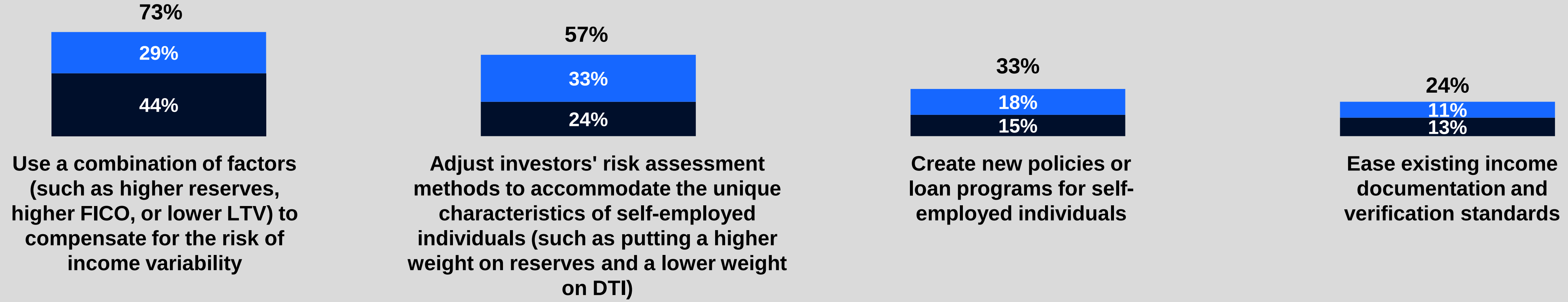
Over half of lenders say using a combination of factors to compensate for the risk of variable income and adjusting investors' risk assessment methods would most help improve self-employed workers' access to mortgage credit.

Improving Access to Mortgage Credit for Self-Employed Individuals

Most Important | **2nd Most Important**

73% say using a **combination of compensatory factors**

57% say **adjusting risk assessment methods to accommodate** the self-employed



Q: How could GSEs, Government, or non-GSE investors improve access to mortgage credit for self-employed individuals? Listed below are some ideas. Please select up to two ideas you think would work the best and rank them in order of importance.

Appendix

Research Objectives

- The survey is unique because it is used not only to track lenders' current impressions of the mortgage industry, but also their insights into the future.
- The *Mortgage Lender Sentiment Survey*®, which debuted in March 2014, is a quarterly online survey among senior executives in the mortgage industry, designed to:

Track insights and provide benchmarks into current and future mortgage lending activities and practices.

Quarterly Regular Questions

- **Consumer Mortgage Demand**
- **Credit Standards**
- **Profit Margin Outlook**

Featured Specific-Topic Analyses

- **Mortgage Data Initiatives**
- **Lenders' Customer Service Channel Strategies**
- **Lenders' Experiences with APIs and Chatbots**
- **Next-Gen Technology Service Providers (TSPs)**
- **Mortgage Technology Innovation**
- **Lenders' Experiences with TRID**

- A quarterly 10-15 minute online survey of senior executives, such as CEOs and CFOs, of Fannie Mae's lending institution customers.
- The results are reported at the lending institution parent-company level. If more than one individual from the same institution completes the survey, their responses are averaged to represent their parent company.

Mortgage Lender Sentiment Survey®

Survey Methodology

- A quarterly, 10- to 15-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 40-75 questions.

Sample Design

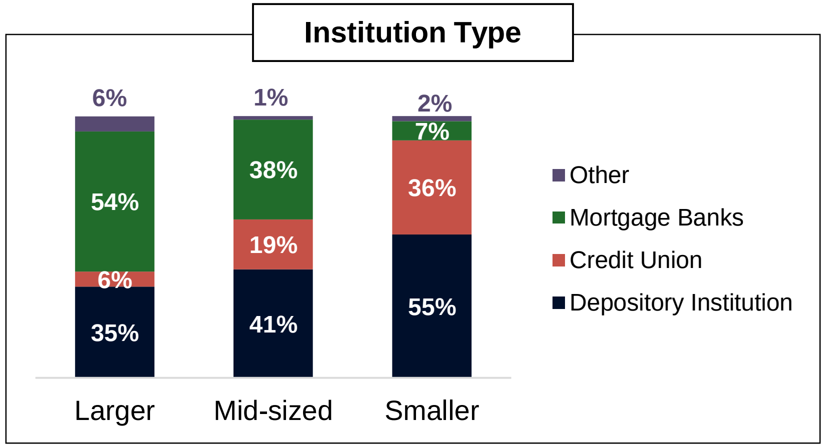
- Each quarter, a random selection of approximately 3,000 senior executives among Fannie Mae’s approved lenders are invited to participate in the study.

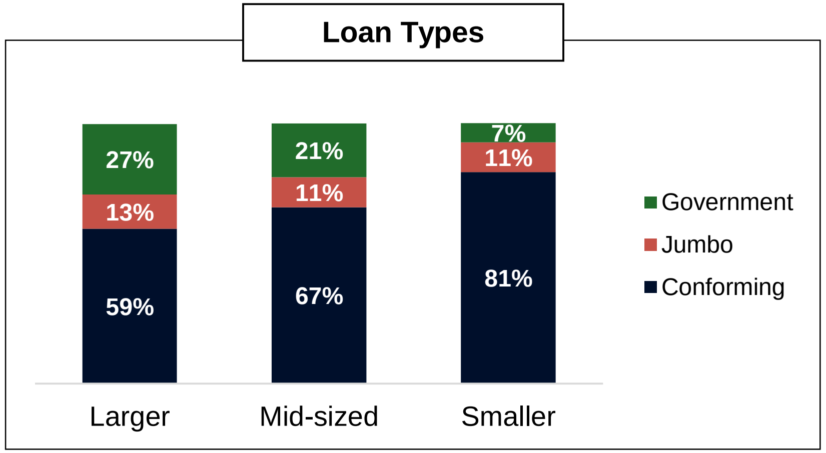
Data Weighting

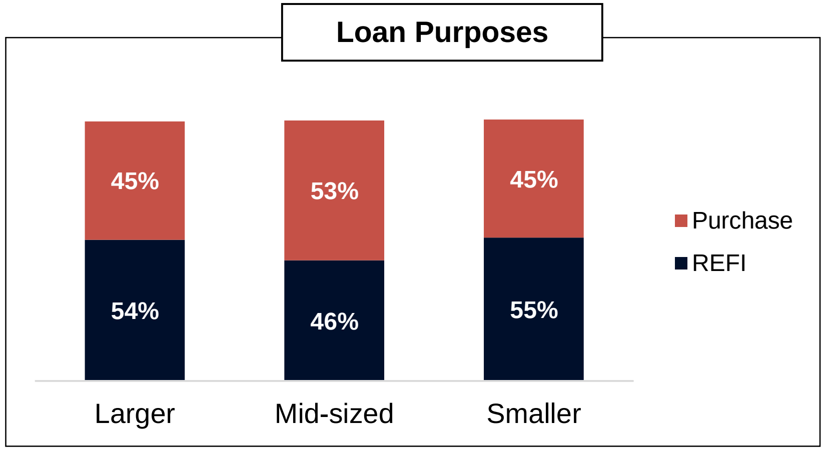
- The results of the Mortgage Lender Sentiment Survey are reported at the institutional parent-company level. If more than one individual from the same parent institution completes the survey, their responses are averaged to represent their parent institution.

Lending Institution Characteristics

Fannie Mae's customers invited to participate in the Mortgage Lender Sentiment Survey represent a broad base of different lending institutions that conducted business with Fannie Mae in 2016. Institutions were divided into three groups based on their 2016 total industry loan volume – Larger (top 15%), Mid-sized (top 16%-35%), and Smaller (bottom 65%). The data below further describe the compositions and loan characteristics of the three groups of institutions.







2018 Q1 Cross-Subgroup Sample Sizes

	Total	Larger Lenders	Mid-Sized Lenders	Smaller Lenders
Total	196	64	51	81
Mortgage Banks (non-depository)	69	43	20	6
Depository Institutions	63	15	14	34
Credit Unions	56	2	16	38

How to Read Significance Testing

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.

Example:

Listed below are some channels companies use to serve customers. Which channel(s) does your firm currently use to respond to customer service inquiries and provide customer service for your firm's mortgage business? Please select all that apply.

	Total	Larger Institutions (L)	Mid-sized Institutions (M)	Smaller Institutions (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
N=	196	64	51	81	69	63	56
Too strict	30%	33%S	38%S	19%	36%	25%	24%
About right	69%	64%	62%	81%L,M	61%	75%	76%
Too loose	1%	3%	0%	0%	3%	0%	0%

33% and 38% are significantly higher than 19% (smaller institutions)

81% is significantly higher than 64% (larger institutions) and 62% (mid-sized institutions)

Calculation of the "Total"

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 may add to under or over 100% due to rounding.

Example:

Over the past year, how many consumers with income from the gig economy attempted to apply for a mortgage with your firm, regardless of the amount earned from the gig economy?

	Total	Larger Institutions (L)	Mid-sized Institutions (M)	Smaller Institutions (S)
N=	196	64	51	81
None	29%	13%	23%	52%L
Only a few	42%	48%	45%	35%
Some	26%	37%S	28%	14%
Many	2%	1%	4%	0%
Quite a lot	1%	2%	0%	0%

"Total" of 29% is
(13% + 23% + 52%) / 3

Share of US Population Earning Income from Gig Economy

Over the next 3-5 years, to what extent do you think the share of the U.S. adult population earning income from the gig economy will grow or decline?

	Total	Larger Institutions (L)	Mid-sized Institutions (M)	Smaller Institutions (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
N=	196	64	51	81	69	63	56
Grow significantly	13%	16%	14%	10%	14%	13%	11%
Grow somewhat	76%	75%	81%	73%	78%	80%	71%
Stay about the same	9%	8%	5%	15%	9%	8%	14%
Decline somewhat	1%	0%	0%	2%	0%	0%	4%
Decline significantly	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

Scope of Gig Economy Workers Applying for Mortgages

Over the past year, how many consumers with income from the gig economy attempted to apply for a mortgage with your firm, regardless of the amount earned from the gig economy?

	Total	Larger Institutions (L)	Mid-sized Institutions (M)	Smaller Institutions (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
N=	196	64	51	81	69	63	56
None	29%	13%	23%	52%L	17%	37%M	43%M
Only a few	42%	48%	45%	35%	42%	43%	38%
Some	26%	37%S	28%	14%	39%D,C	19%	17%
Many	2%	1%	4%	0%	1%	1%	2%
Quite a lot	1%	2%	0%	0%	1%	0%	0%

Over the next 3-5 years, to what extent do you think the number of borrowers who want to use gig economy income to qualify for mortgages will grow or decline?

	Total	Larger Institutions (L)	Mid-sized Institutions (M)	Smaller Institutions (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
N=	196	64	51	81	69	63	56
Grow significantly	14%	19%S	18%	6%	17%	11%	10%
Grow somewhat	75%	74%	77%	74%	75%	76%	78%
Stay about the same	10%	6%	5%	19%L,M	8%	13%	11%
Decline somewhat	.%	0%	0%	1%	0%	0%	2%
Decline significantly	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

Ease of Using Gig Economy Income to Approve Mortgage Applications

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?

	Total	Larger Institutions (L)	Mid-sized Institutions (M)	Smaller Institutions (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
N=	196	64	51	81	69	63	56
Very difficult	24%	26%	19%	26%	24%	26%	21%
Somewhat difficult	71%	68%	77%	68%	71%	71%	72%
Somewhat easy	5%	6%	4%	6%	6%	2%	6%
Very easy	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

Impact of Acceptance of Gig Economy Income on Access to Mortgage Credit

Overall, how do you think accepting income earned in the gig economy for mortgage applications will impact consumers' access to mortgage credit?

	Total	Larger Institutions (L)	Mid-sized Institutions (M)	Smaller Institutions (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
N=	196	64	51	81	69	63	56
Significantly help	8%	6%	10%	7%	10%	8%	4%
Somewhat help	58%	64%	61%	49%	59%	58%	57%
Have no impact	19%	21%	20%	16%	23%	18%	11%
Somewhat hurt	14%	9%	10%	22%[L]	8%	14%	23%[M]
Significantly hurt	2%	0%	0%	5%	0%	2%	5%

Now, talking about low- and moderate-income consumers, how do you think accepting income earned in the gig economy for mortgage applications will impact low- and moderate-income consumers' access to mortgage credit?

	Total	Larger Institutions (L)	Mid-sized Institutions (M)	Smaller Institutions (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
N=	196	64	51	81	69	63	56
Significantly help	17%	21%	15%	16%	20%	15%	17%
Somewhat help	51%	54%	56%	42%	51%	57%	41%
Have no impact	19%	16%	21%	19%	19%	15%	16%
Somewhat hurt	11%	9%	5%	19%[M]	8%	11%	19%
Significantly hurt	3%	0%	4%	5%	1%	2%	7%

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

Underwriting Guidelines for Self-Employment

Overall, do you think current underwriting guidelines for self-employment income verification are…

	Total	Larger Institutions (L)	Mid-sized Institutions (M)	Smaller Institutions (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
N=	196	64	51	81	69	63	56
Too strict	30%	33%[S]	38%S	19%	36%	25%	24%
About right	69%	64%	62%	81%[L,M]	61%	75%	76%
Too loose	1%	3%	0%	0%	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

Risk Factors around Self-Employed Borrowers

Listed below are different risk factors commonly used for mortgage qualifications. When originating mortgages for self-employed borrowers, which risks are your firm's top concerns?
Please select up to two concerns and rank them in order of importance.
Showing % Top Risk Concern + 2nd Risk Concern

	Total	Larger Institutions (L)	Mid-sized Institutions (M)	Smaller Institutions (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
N=	196	64	51	81	69	63	56
Higher DTI (debt to income ratio)	70%	69%	66%	74%	72%	75%	62%
Lower liquid reserves	49%	45%	53%	48%	50%M	35%	63%M
Poorer credit quality (e.g., credit score or history)	36%	38%	32%	40%	39%	37%	38%
Higher LTV (loan to home value ratio)	27%	27%	32%	20%	26%	25%	29%
Above GSE maximum conforming loan limits	11%	14%	14%	7%	9%	14%	6%
Other	4%	3%	5%	4%	3%	6%	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

Improving Access to Mortgage Credit for Self-Employed Workers

How could GSEs, Government, or non-GSE investors improve access to mortgage credit for self-employed individuals? Listed below are some ideas. Please select up to two ideas you think would work the best and rank them in order of importance.
Showing % Most + 2nd Most Important

	Total	Larger Institutions (L)	Mid-sized Institutions (M)	Smaller Institutions (S)	Mortgage Banks (M)	Depository Institutions (D)	Credit Unions (C)
N=	196	64	51	81	69	63	56
Allow using a combination of factors such as higher reserves, higher FICO, or lower LTV to compensate for the risk of income variability	73%	66%	69%	84%	66%	79%	79%
Adjust investors' risk assessment methods to accommodate the unique characteristics of self-employed individuals such as putting a higher weight on reserves and a lower weight on DTI	57%	64%	56%	52%	62%	51%	64%
Create new policies or loan programs for self-employed individuals	33%	35%	32%	33%	37%	25%	32%
Ease existing income documentation and verification standards	24%	25%	26%	22%	20%	32%	20%
Other	3%	4%	4%	1%	3%	5%	0%
Don't know/not sure	3%	2%	6%	2%	5%	2%	2%

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

Question Text

qR241. Over the past year, how many consumers with income from the gig economy attempted to apply for a mortgage with your firm, regardless of the amount earned from the gig economy?

qR242. Over the next 3-5 years, to what extent do you think the share of the U.S. adult population earning income from the gig economy will grow or decline?

qR243. Over the next 3-5 years, to what extent do you think the number of borrowers who want to use gig economy income to qualify for mortgages will grow or decline?

qR244. 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?

qR245. Why do you find it [INSERT QR244] to use gig economy income to approve a borrower's mortgage application? Please share your thoughts. (Optional)

qR246. What concerns, if any, does your firm have in accepting gig economy income for mortgage applications? Please share your thoughts. (Optional)

qR247. Overall, how do you think accepting income earned in the gig economy for mortgage applications will impact consumers' access to mortgage credit?

qR248. Now, talking about low- and moderate-income consumers, how do you think accepting income earned in the gig economy for mortgage applications will impact low- and moderate-income consumers' access to mortgage credit?

qR249. Any thoughts you would like to share about how or why you think accepting gig economy income will [INSERT QR248] low- and moderate-income consumers' access to mortgage credit? (Optional)

qR250. Overall, do you think current underwriting guidelines for self-employment income verification are…

qR251. Any thoughts you would like to share about how or why you think current underwriting guidelines for self-employment income verification are /* [INSERT QR250] */? (Optional)

qR252a/b. Listed below are different risk factors commonly used for mortgage qualifications. When originating mortgages for self-employed borrowers, which risks are your firm's top concerns? Please select up to two concerns and rank them in order of importance.

qR253a/b. How could GSEs, Government, or non-GSE investors improve access to mortgage credit for self-employed individuals? Listed below are some ideas. Please select up to two ideas you think would work the best and rank them in order of importance.