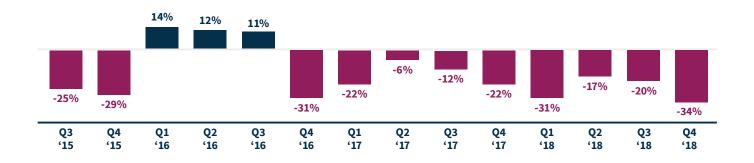


Lenders' Profit Margin Pessimism Extends to Ninth Consecutive Quarter

As part of our quarterly <u>Mortgage Lender Sentiment Survey</u>®, our economists surveyed senior executives of lending institutions to assess their views and outlooks across a variety of issues related to the mortgage market. Among their findings: Lenders continued to report that declining consumer demand contributed to their negative profit margin outlook.



Net increase percentage: the percent of lenders saying *increase* minus the percent of lenders saying *decrease*. If positive, more lenders than not are *optimistic* about future profit margins. If negative, more lenders than not are *pessimistic* about future profit margins.

We also asked lenders to tell us why they were pessimistic about their profit margin outlook. These were the top two reasons, unchanged from last quarter.

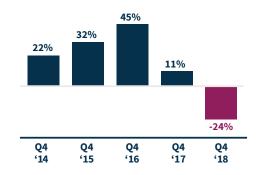




Consumer demand

GSE-Eligible Purchase Mortgage Demand At New Q4 Low

Net increase percentage (reported prior quarter demand):





Hear more from our research team, or read the full findings of our Survey.

Led by Senior Vice president and Chief Economist Doug Duncan, our Economic & Strategic Research (ESR) Group studies current data, analyzes historical and emerging trends, and conducts surveys of consumer and mortgage lender groups to provide forecasts and analyses on the economy, housing, and mortgage markets.