



CONSUMER RESEARCH PANEL

Helping shape the future of real estate in Houston.

October 2018

Mortgage Education Survey

Provided by the Houston Association of REALTORS®



Survey Objective

Explore feasibility and interest in HAR.com offering a comprehensive Mortgage Learning Center to prepare consumers to make sound decisions about their mortgage for next purchase or refinance and in turn engage them sooner in the process.



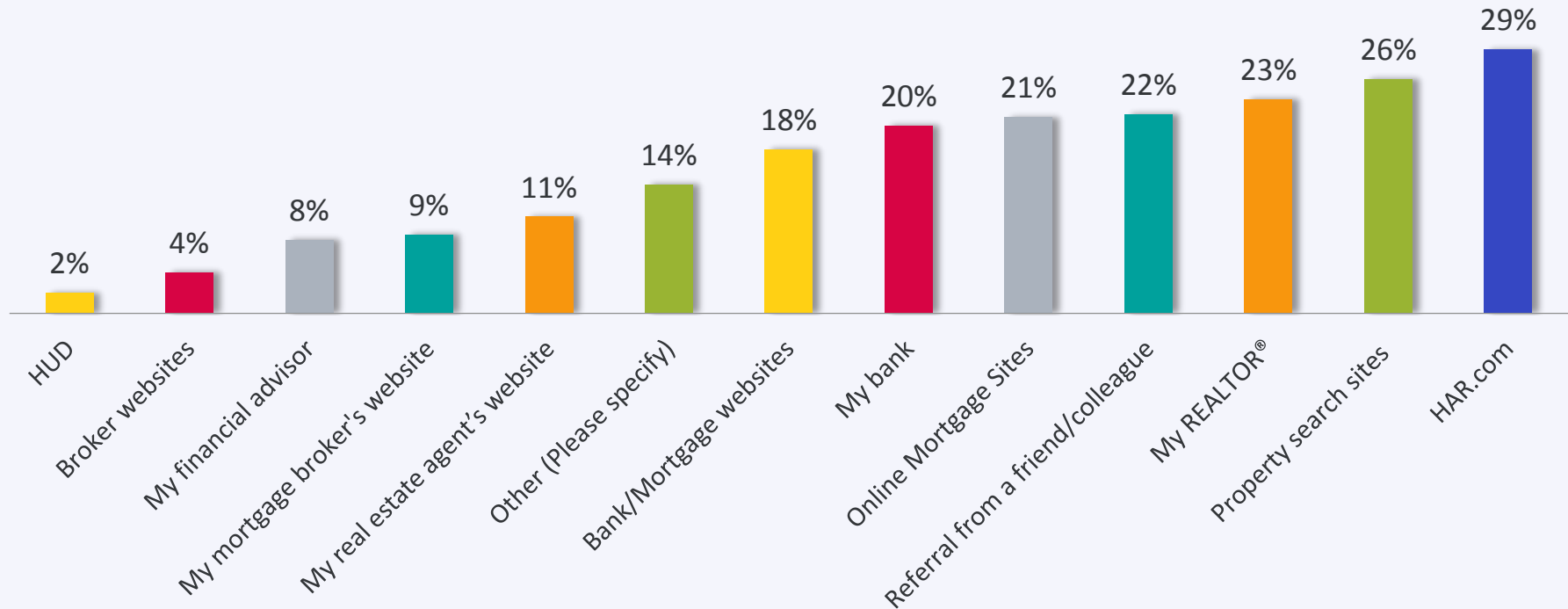
Methodology

- Consumer Panel Size - 8,056
- Number of Respondents - 1,235
- Response Rate – 15%



HAR.com is the top source to find mortgage information

Where did you look to find mortgage information?



HAR.com – 29%



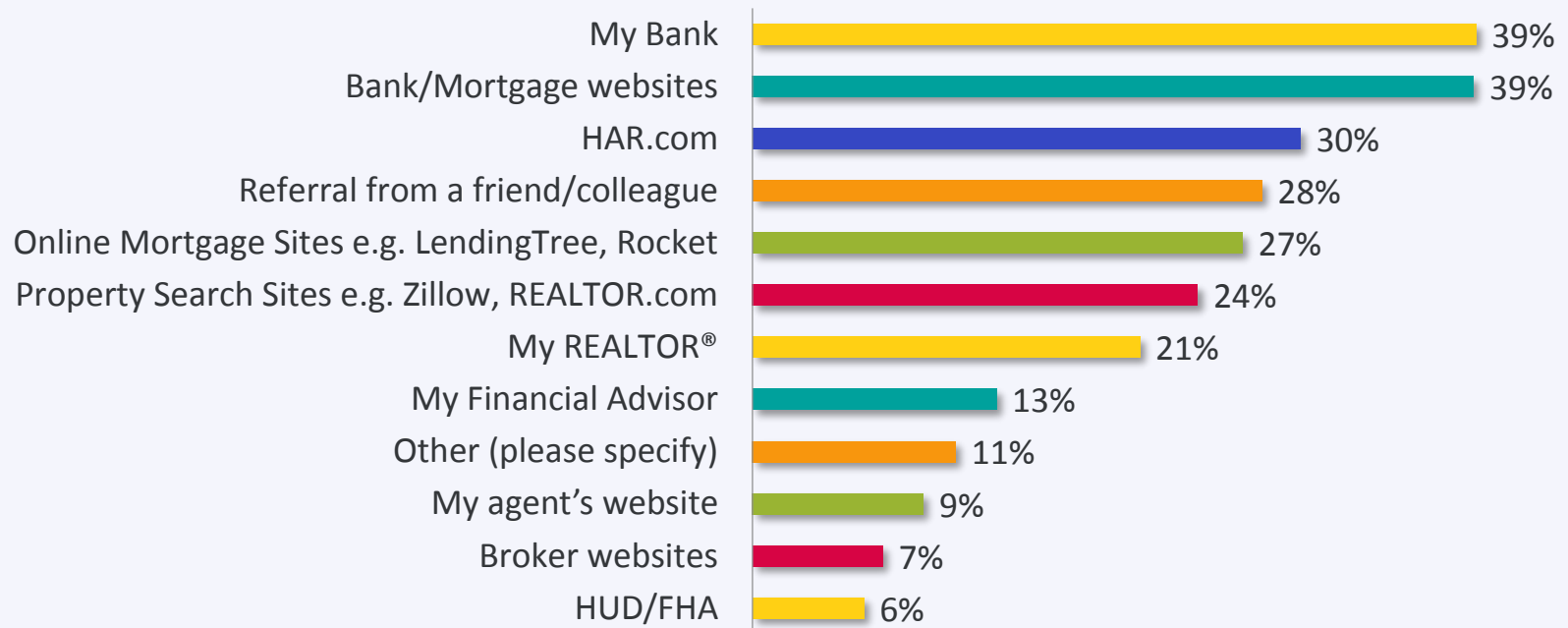
Property Search Sites – 26%



My REALTOR – 23%

30% believe that they will look at HAR.com to find mortgage information

Where do you believe you will look to find mortgage information? (Have not purchased yet)



Bank – 39%



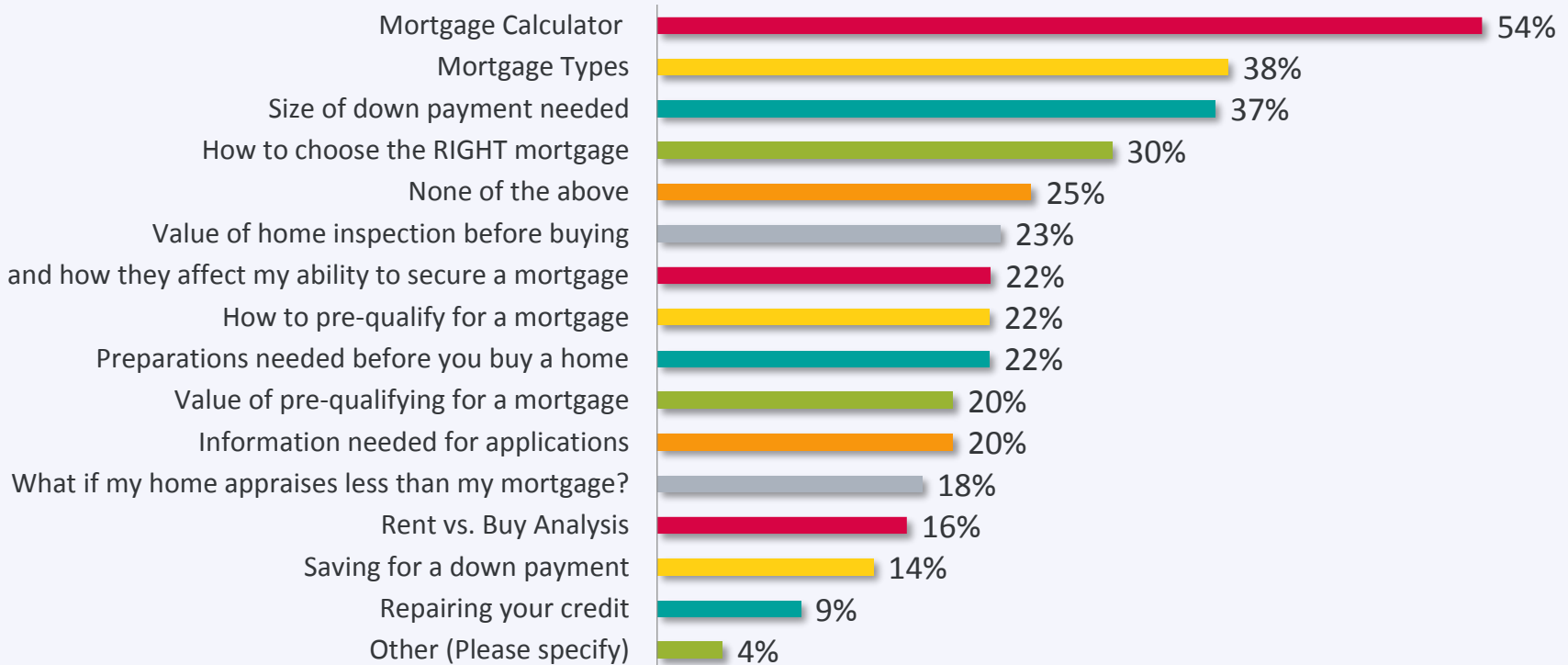
Bank/Mortgage Websites – 39%



HAR.com – 30%

54% are interested in mortgage calculator information

What type of mortgage information are you interested in?



Mortgage Calculator – 54%



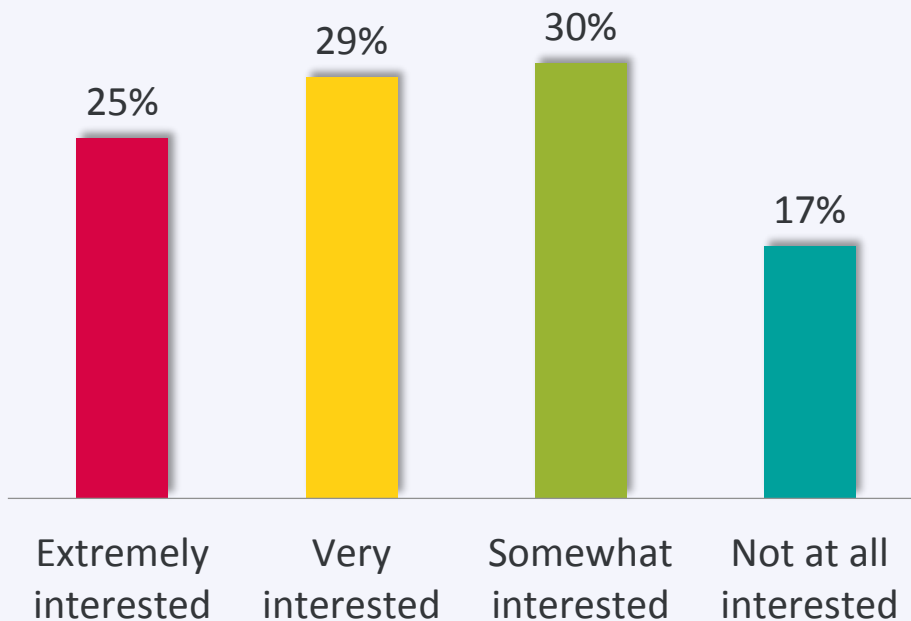
Mortgage Types – 38%



Size of down payment
needed – 37%

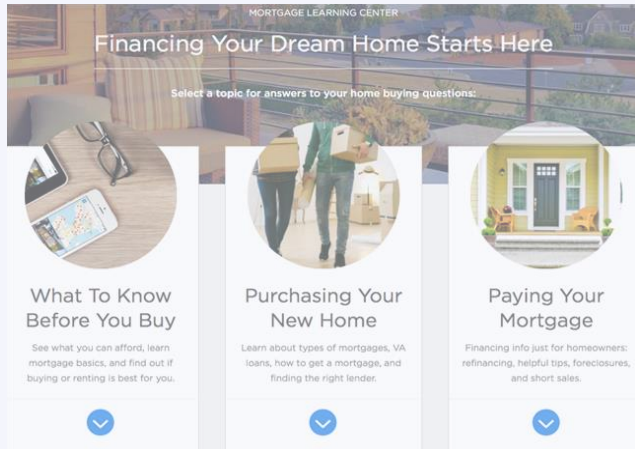
Extremely strong interest in HAR.com providing Mortgage Education

How interested would you be if HAR.com offered the types of information listed in the previous slide?



**Extremely + Very +
Somewhat interested =
84%**

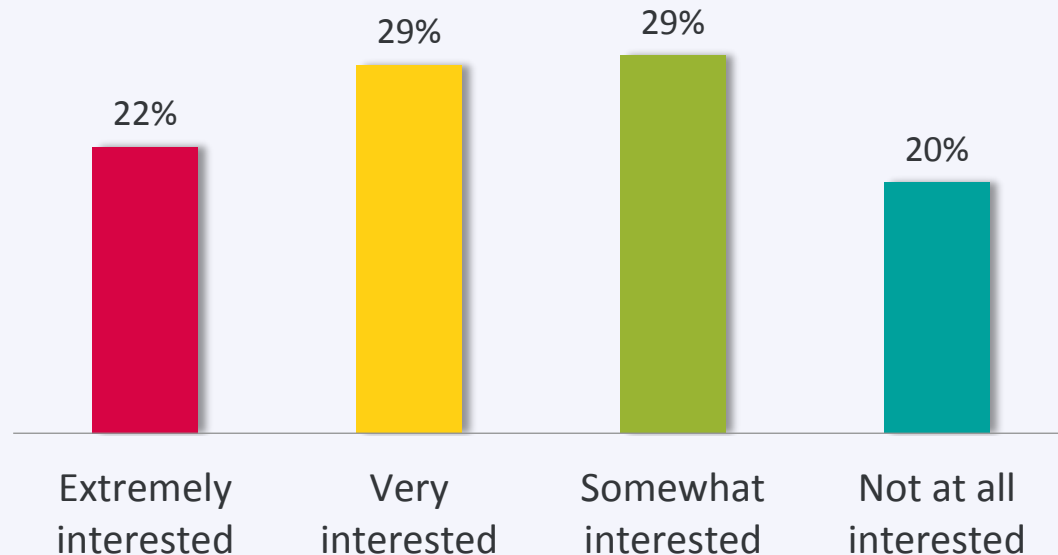
80% are interested in HAR offering a comprehensive Mortgage Learning Center



**Extremely + Very +
Somewhat interested =**

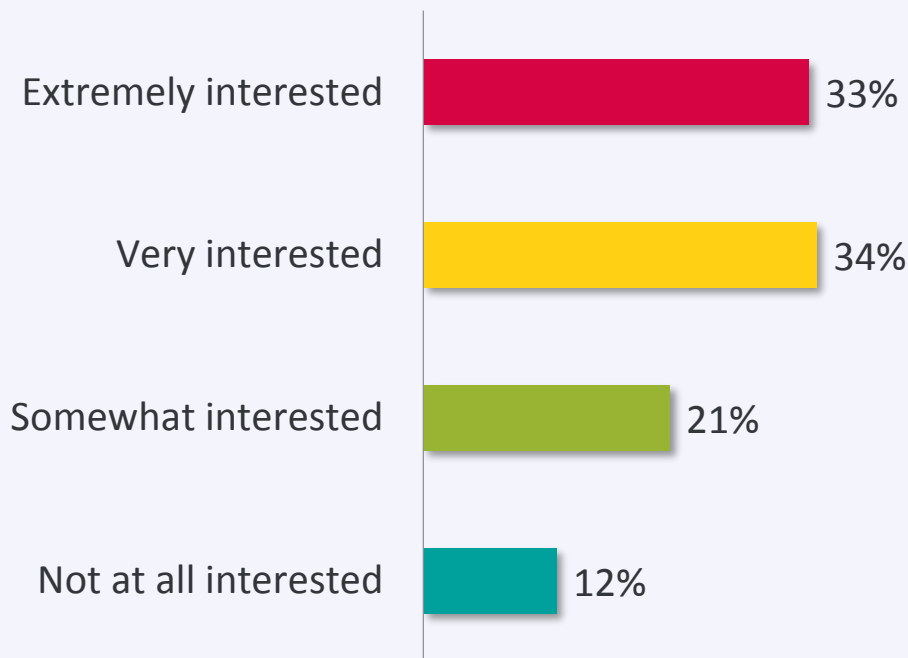
80%

How interested are you in HAR offering a comprehensive Mortgage Learning Center to prepare you to make sound decisions about your mortgage for your next purchase or refinance?



88% are interested in comparing mortgage types

How interested are you in being able to compare the benefits of each type of mortgage side by side like the image shown here?



Choosing the Best Mortgage for You

Home loans aren't one size fits all. Here's a look at some common mortgage types to see which one is right for you.

LOAN TYPE	INTEREST RATE	UNIQUE BENEFITS	MORTGAGE INSURANCE	BEST FOR
30-year fixed	Fixed rate for the life of a loan	Steady, predictable payments	PMI typically required if down payment is < 20%	Those who prefer a fixed rate and a lower monthly payment than a 15-year loan
15-year fixed	Fixed rate for the life of a loan	Lower interest rate & less interest paid than a 30-year loan	PMI typically required if down payment is < 20%	Those who want to pay off their loan faster & pay less interest
5/1 ARM	Fixed rate for 5 years, then may change every year thereafter	Lower interest rate for a set period of time	PMI typically required if down payment is < 20%	Those who will sell before 5 years, or are comfortable with payments that can change
7/1 ARM	Fixed rate for 7 years, then may change every year thereafter	Lower interest rate for a set period of time	PMI typically required if down payment is < 20%	Those who will sell before 7 years, or are comfortable with payments that can change
VA loan	Can be fixed or adjustable	\$0 down (in most cases), no PMI, competitive interest rates	Not required; but a VA funding fee is required	Qualifying veterans or active service members



Extremely + Very + Somewhat interested

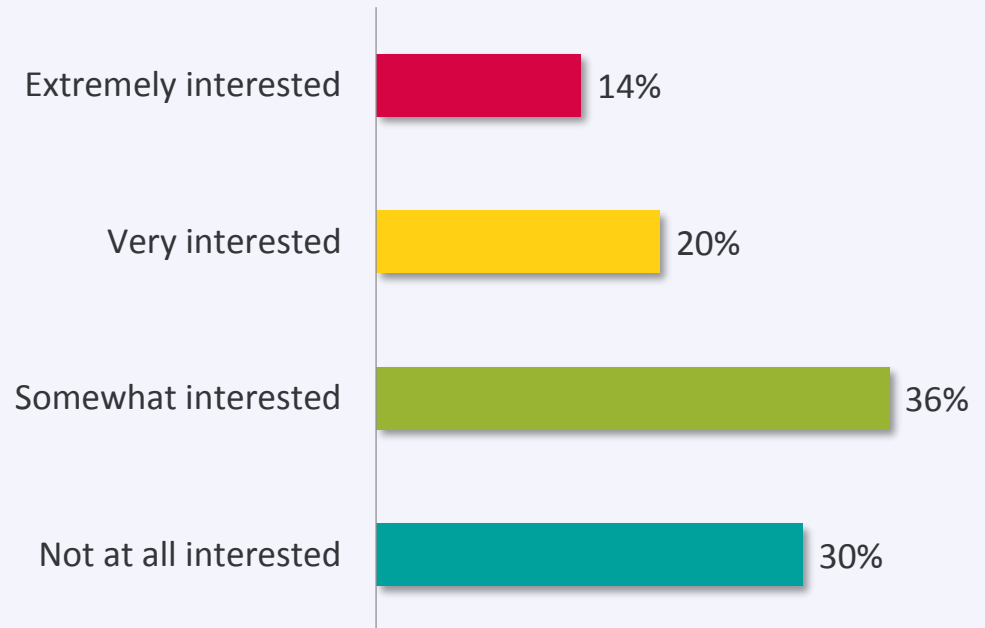
88%

70% are interested in HAR mortgage webinars



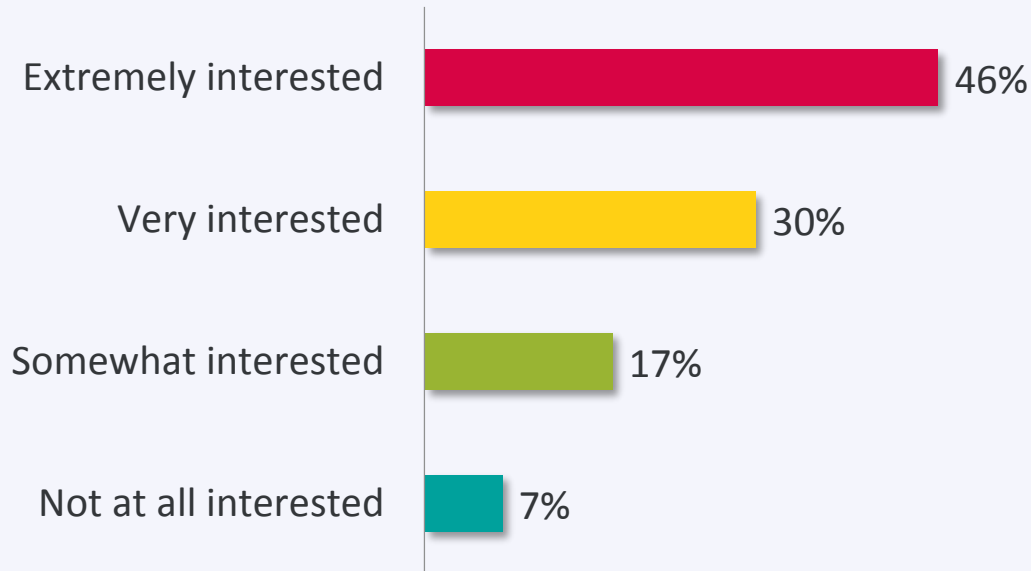
**Extremely + Very + Somewhat
interested =
70%**

**How interested would you be in
live/recorded webinars on HAR.com
providing overviews of mortgage
types, application process, etc.?**



93% are interested in True Lifestyle Cost Calculator

How interested are you in HAR.com providing a True Lifestyle Cost Calculator for each home that projects the costs of living in a home – maintenance, insurance, utilities, commuting costs, landscaping, fees, etc. to help you truly understand the cost of o



**Extremely + Very + Somewhat
interested =
93%**

11

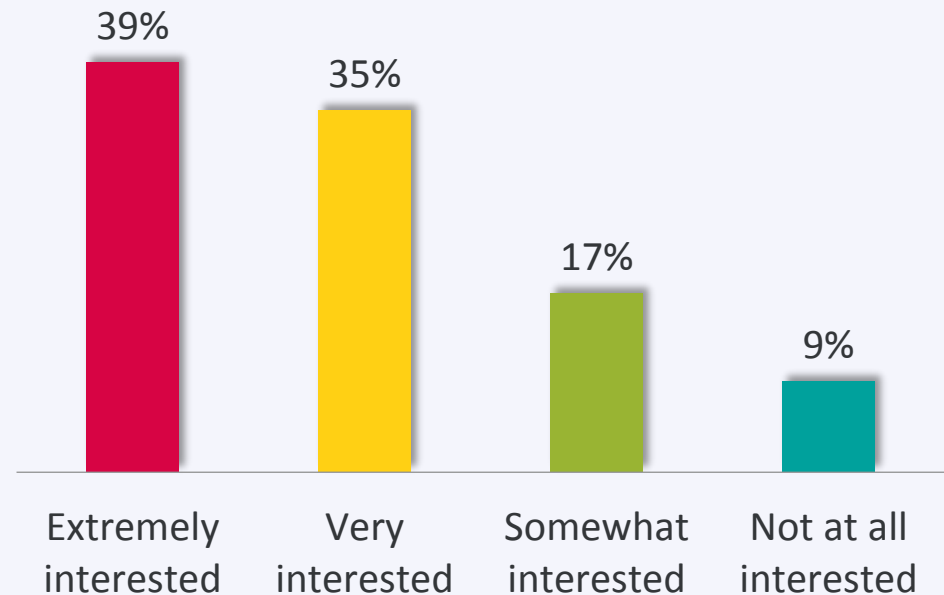
91% are interested in seeing the insurance cost



**Extremely + Very + Somewhat
interested =**

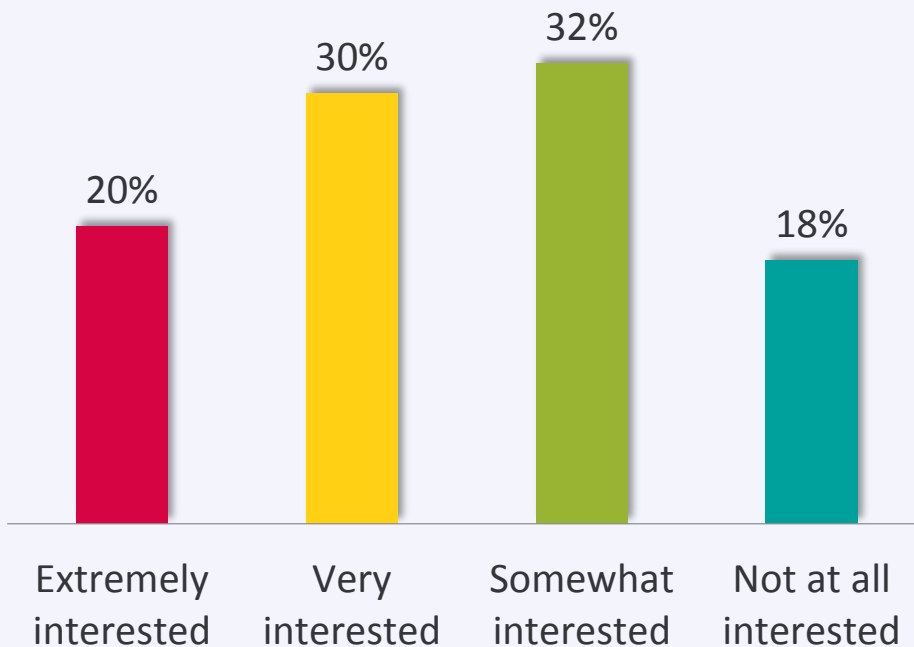
91%

**How interested are you in seeing
the average monthly homeowners
insurance cost of your prospective
home?**



62% are interested in a downloadable mortgage guide

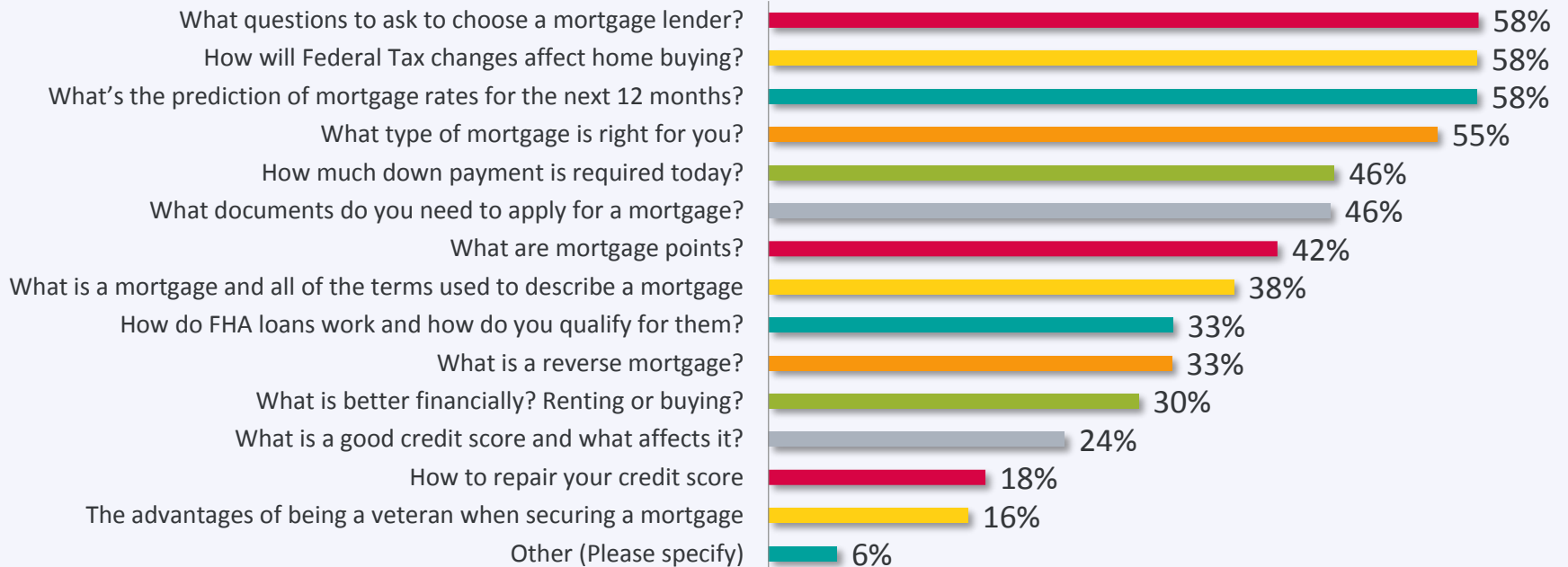
How interested are you in a downloadable guide providing an overview of the mortgage types, application process, etc.?



Extremely + Very + Somewhat
interested =
62%

Article topics – interested how to choose a mortgage lender / Federal Tax changes / next 12 months prediction

How interested would you be in HAR providing articles on the following topics?



What questions to ask to choose a mortgage lender?
- 58%



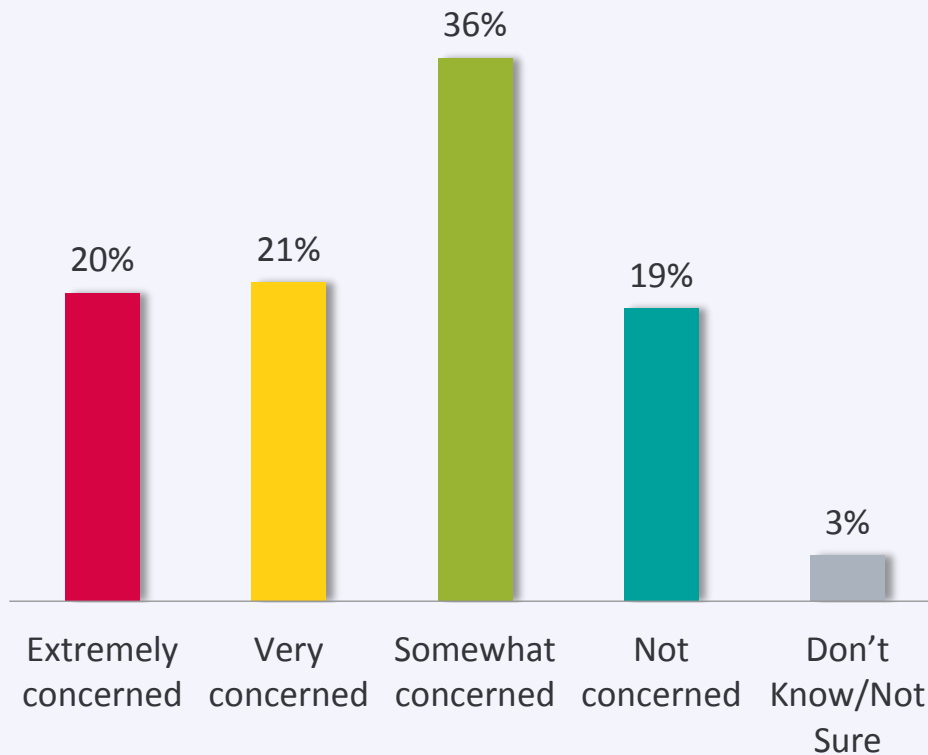
How will Federal Tax changes affect home buying? – 58%



What's the prediction of mortgage rates for the next 12 months? - 58%

77% are concerned about rising mortgage rates

How concerned are you about rising mortgage rates?



Extremely + Very + Somewhat
interested =
77%

Majority are unsure of what effects the Federal Tax code change will have



How much do you believe the changing federal tax code will affect your ability to purchase/refinance a home?



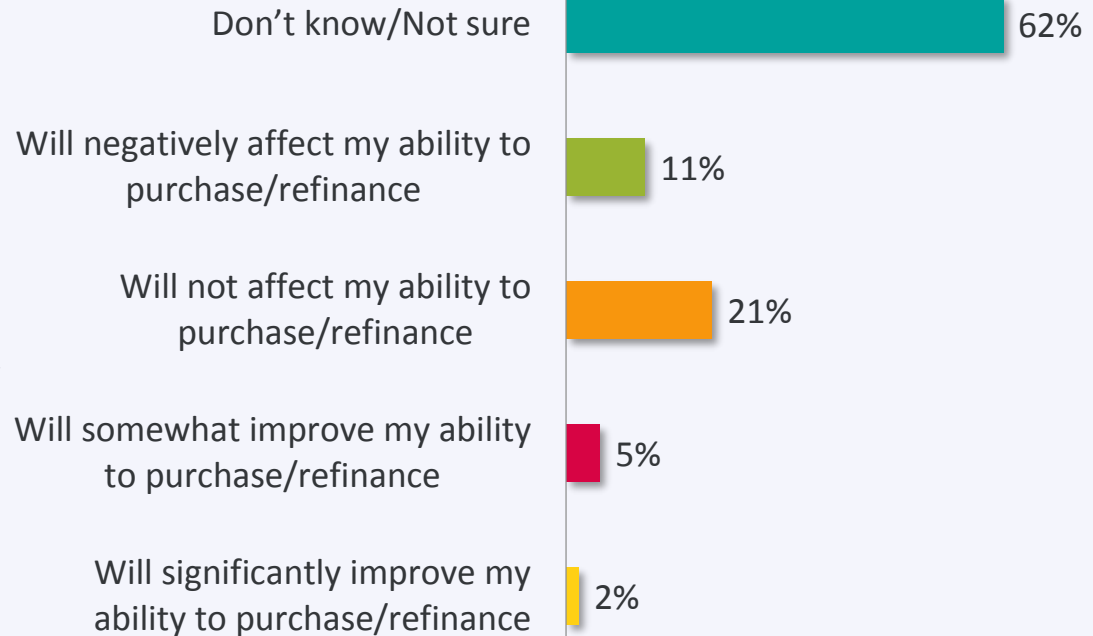
Don't know / Not sure – 62%



Will not affect my ability to purchase / refinance – 21%



Will negatively affect my ability to purchase / refinance – 11%



Respondents are interested in understanding rates, tax, loan types, and maintenance costs

Is there any additional information HAR.com can provide to help you better prepare for the mortgage process?



“Showing live rates, I have seen this on a REALTORS's page and it was very helpful.”



“Recommend creating and providing a tillable 3-year property tax calculator/estimator based on home's selling price/home value.”



“I think there needs to be more information about all the loan types and programs in one location. FHA, USDA and VA and the different programs in each.”



“I really liked one of the questions on this survey asking if a buyer would be interested in seeing more details provided for the cost of a home.”

Respondents Profile Data

- 49% are buyers, 15% are sellers
- 26% are currently working with a mortgage professional



Overall Observations

Extremely strong interest in HAR Mortgage Learning Center

Opportunity to further increase HAR.com engagement



Nearly 1/3
already think
HAR offers a
Mortgage
Learning
Center



Strong
interest in a
variety of
mortgage
education
tools

Recommendations

- ✓ Launch a True Lifestyle Cost Calculator including monthly property insurance costs
- ✓ Launch real-time Mortgage Rates with Side by Side Comparison of Mortgage Rates/Types
- ✓ Promote HAR.com as **THE** source of mortgage information via social media
- ✓ Provide educational content on implications of tax law changes and rising interest rates
- ✓ Offer mortgage educational content on The 5 minute Realtor
- ✓ Invite Brokers to include their mortgage offerings on site

Launch a Comprehensive Mortgage Learning Center

