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March 2016



# Overview

To guide press and marketing strategies TD Bank conducted its fourth annual Mortgage Service Index. This survey focuses on understanding consumers' home buying experience and their attitudes and experiences on obtaining a mortgages.

## Methodology

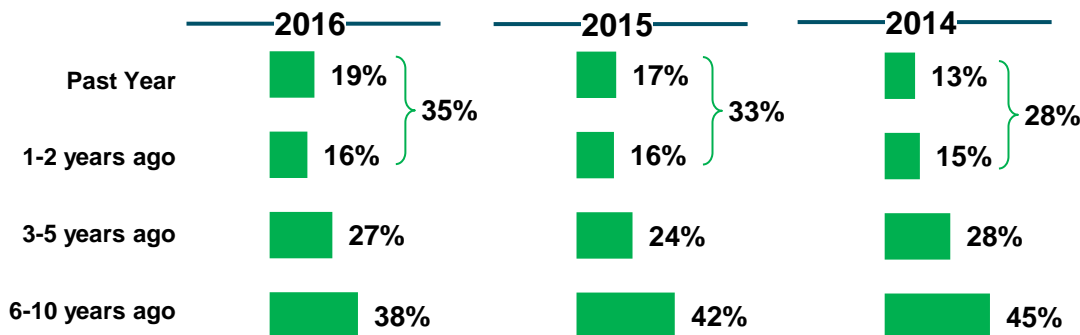
The total sample includes 1805 home owners who purchased a home in the last 10 years and have a mortgage. Specific segments of interest included in analysis are:

- National Sample: 1305
- New York City: 144
- Boston: 104
- Philadelphia: 139
- Florida: 137
- Hispanic: 500

- The National sample size of 1305 has a margin of error of +/- 2.7%.
- Data has been weighted by age, gender and region to reflect the populations. Fielded March 23<sup>rd</sup> – April 1<sup>st</sup> 2016.
- This report presents the findings in summary charts and tables. The statistical cross-tabulations are reported under separate cover.
- Significance is tested at 95% confidence interval and is represented by circles: significantly higher  significantly lower 

## Last Time You Purchased A Home?

- Past 2 year home purchases is steady over 2015..

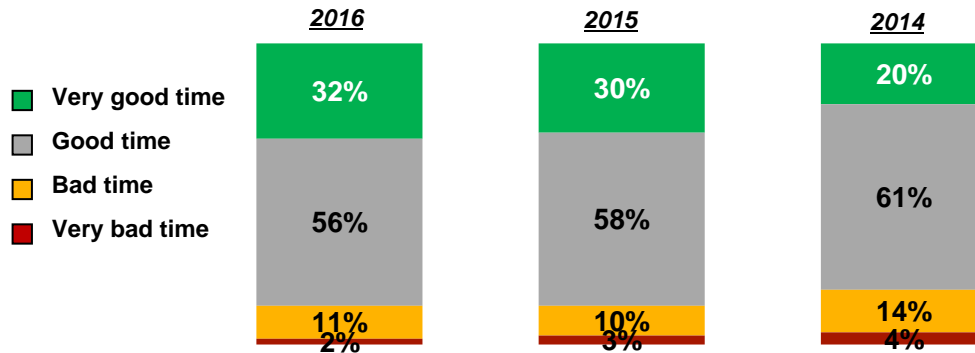


	Florida	NYC	Boston	Philly	Hispanic
Past Year	7%	23%	12%	14%	18%
1-2 years ago	21%	27%	16%	17%	13%
3-5 years ago	25%	28%	29%	29%	36%
6-10 years ago	47%	22%	43%	40%	33%

# Market Perceptions

## Is it a Good Time to Buy A Home ?

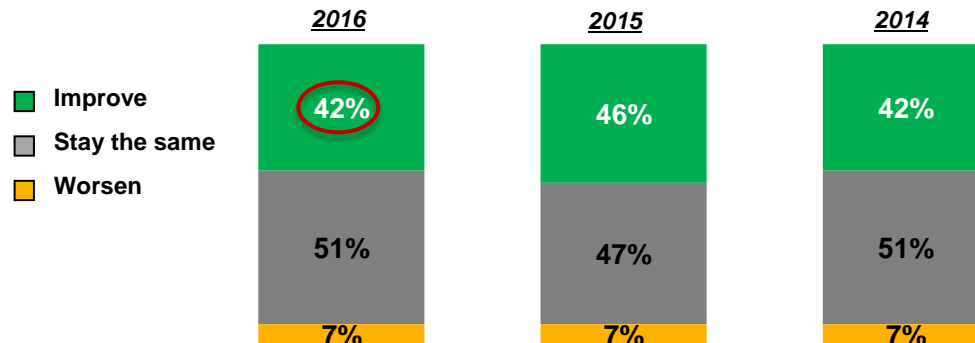
- Home buying sentiment holds with one-third feeling it's a very good time to buy a home.



	Florida	NYC	Boston	Philly	Hispanic
Very good time	29%	43%	19%	29%	42%
Good time	61%	50%	69%	59%	50%
Bad time	7%	7%	12%	11%	5%
Very bad time	3%	0%	0%	2%	2%

## Housing Market in the Next 6 Months

- Slightly down from 2015, 42% feel that the housing market will improve over the next six months.

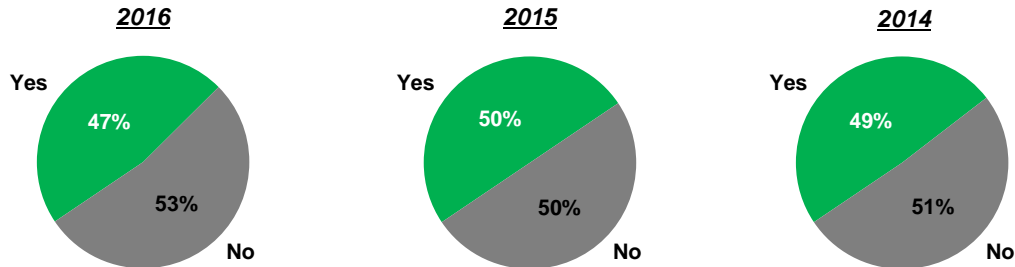


	Florida	NYC	Boston	Philly	Hispanic
Improve	38%	56%	38%	36%	57%
Stay the same	56%	41%	54%	56%	37%
Worsen	6%	3%	8%	8%	6%

# Home Purchase Behavior

## First Time Home Buyers

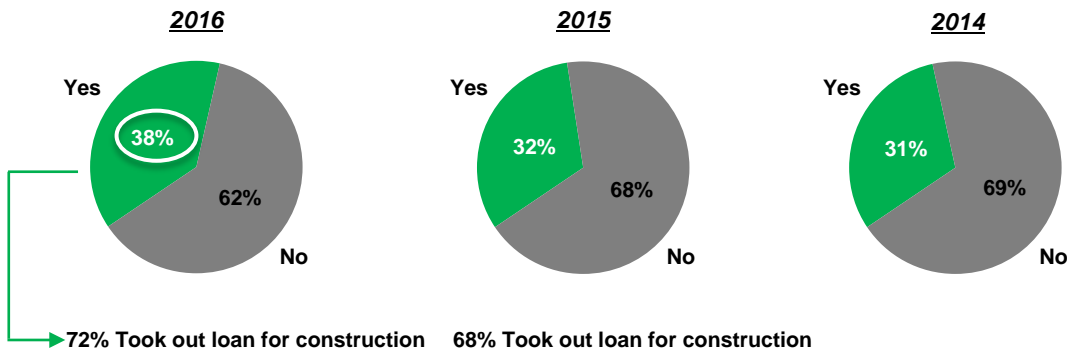
- Consistent with last year, about one-half of recent home buyers are first time home owners.



Florida	NYC	Boston	Philly	Hispanic
42%	66%	54%	48%	66%
58%	34%	46%	52%	34%

## Purchased Newly Constructed Home (First Owner)

- Up from last year, 38% of most recent home purchases were newly constructed homes. Bostonians remain least likely to be buying a newly constructed home.

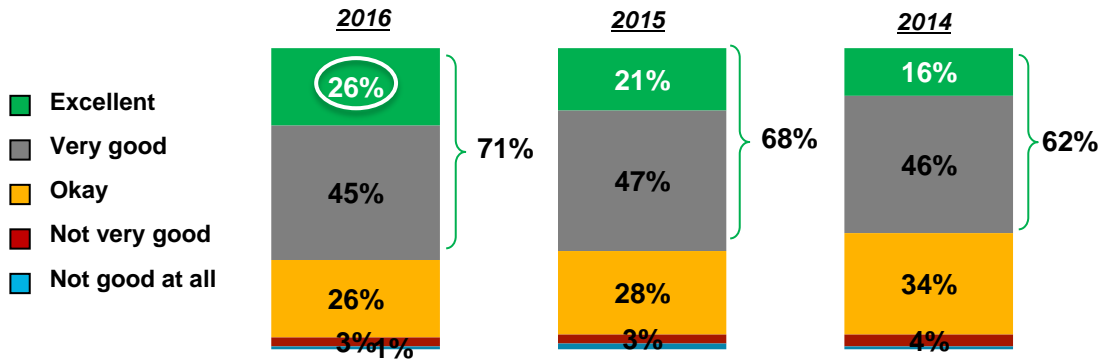


	Florida	NYC	Boston	Philly	Hispanic
Yes	35%	61%	23%	27%	47%
No	65%	39%	77%	73%	53%
	65%	84%	70%	64%	87%

# The Home Buying Experience

## Rating of Most Recent Buying Experience

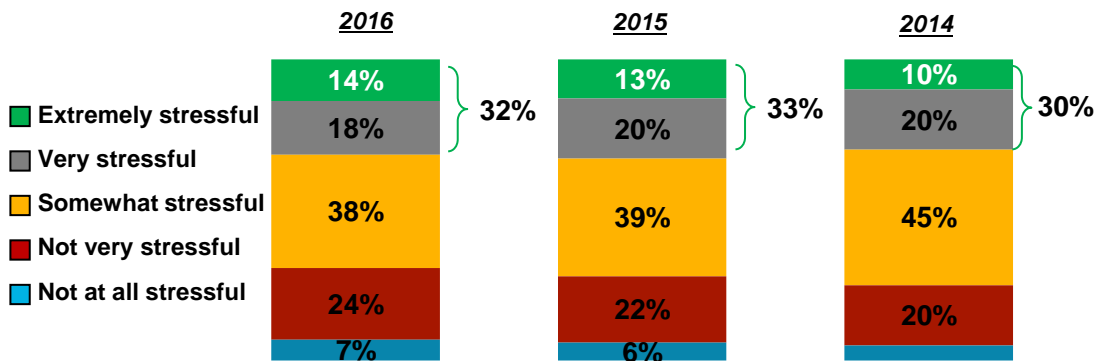
- The home buying experience continues to improve. 71% feel their most recent home buying experience was very/extremely good.



	Florida	NYC	Boston	Philly	Hispanic
Excellent	28%	33%	20%	23%	37%
Very good	42%	47%	53%	39%	40%
Okay	26%	16%	25%	30%	19%
Not very good	4%	4%	2%	7%	3%
Not good at all	0%	0%	0%	1%	0%

## Stress of Most Recent Buying Experience

- Overall, stress levels remain consistent. Those in Florida felt the least stress when buying their most recent home – Hispanics and New Yorkers feel it the most (41% and 50% respectively).

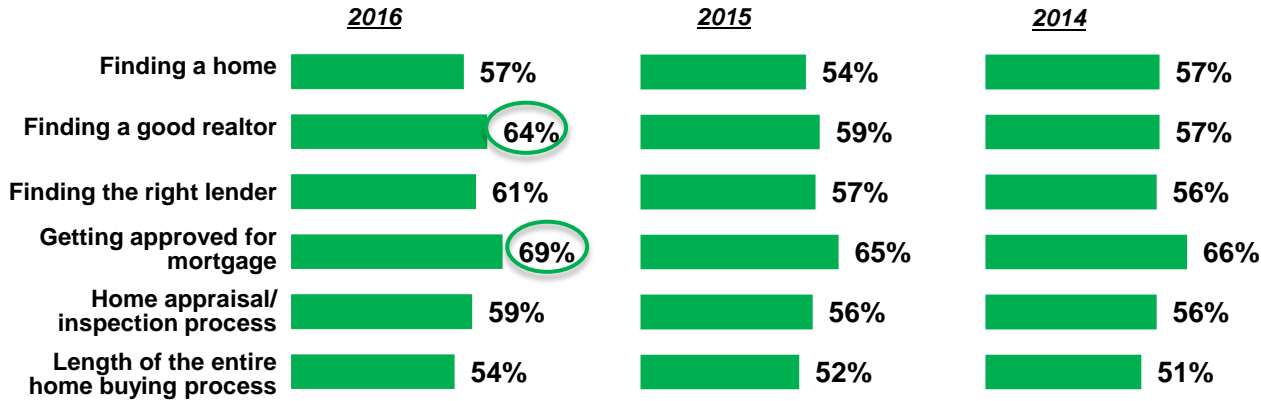


	Florida	NYC	Boston	Philly	Hispanic
Extremely stressful	9%	28%	10%	12%	24%
Very stressful	16%	22%	24%	12%	17%
Somewhat stressful	37%	31%	50%	47%	40%
Not very stressful	25%	16%	14%	21%	14%
Not at all stressful	14%	2%	2%	7%	5%

# The Home Buying Experience

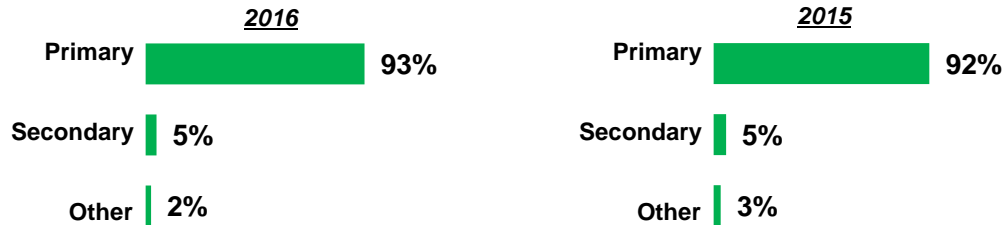
**Experience with Specific Buying Aspects:** • Experience with specific elements remains relatively consistent

*Top2Box – Excellent/Very Good*



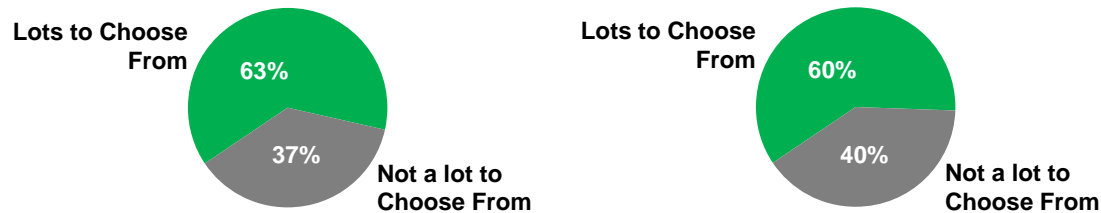
Florida	NYC	Boston	Philly	Hispanic
57%	56%	55%	49%	60%
65%	66%	66%	53%	72%
61%	63%	54%	54%	67%
72%	66%	69%	62%	69%
65%	60%	53%	49%	65%
57%	56%	39%	45%	53%

## Most Recent Home Purchased:



Florida	NYC	Boston	Philly	Hispanic
94%	87%	89%	93%	93%
3%	10%	6%	4%	6%
4%	3%	5%	3%	1%

## Home Availability in Price Range

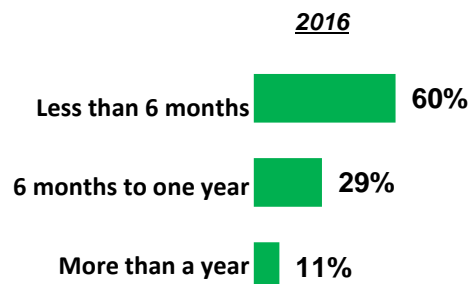


71%	81%	46%	64%	77%
29%	19%	54%	36%	23%

# The Home Buying Experience

## Time Spent Searching for Home

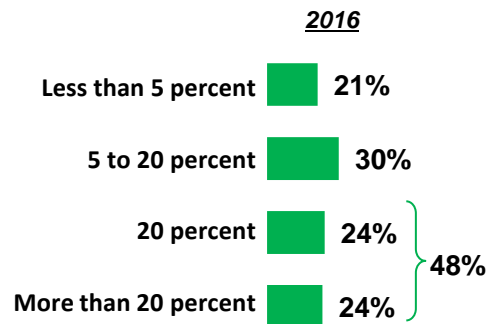
- Overall 60% of buyers spent 6 months or less looking for their most recent home.



	Florida	NYC	Boston	Philly	Hispanic
Less than 6 months	67%	60%	54%	57%	52%
6 months to one year	25%	35%	33%	35%	37%
More than a year	9%	5%	13%	8%	11%

## Percentage of Home's Value Put Down

- About one-half put at least 20% of the home's value down.

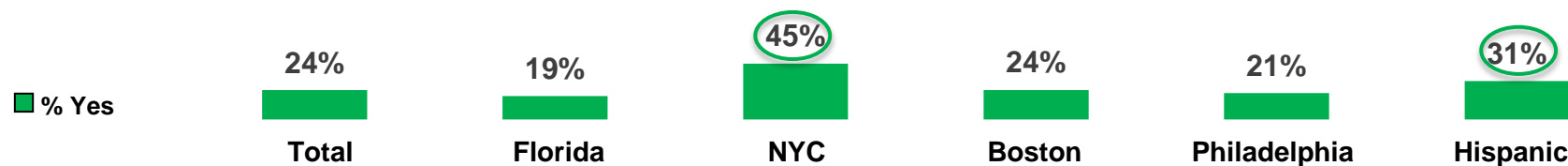


	Florida	NYC	Boston	Philly	Hispanic
Less than 5 percent	28%	16%	15%	13%	28%
5 to 20 percent	26%	46%	32%	35%	41%
20 percent	27%	21%	34%	24%	24%
More than 20 percent	19%	18%	18%	28%	8%

# The Home Buying Experience

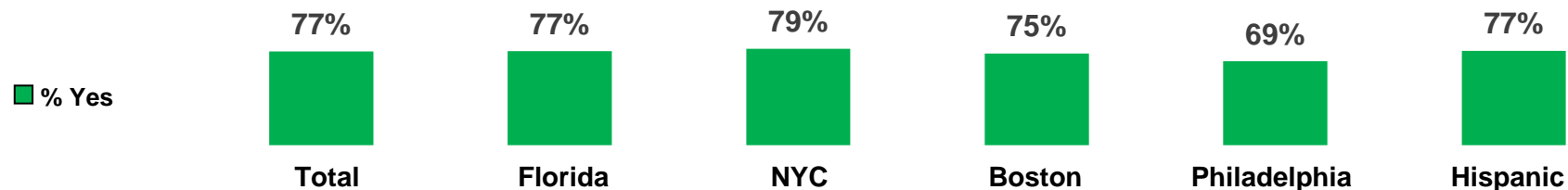
## Currently Sharing a Mortgage with Someone other than Spouse

- Hispanic home owners and those in NYC are more likely to have purchased their most recent home with someone other than their spouse.

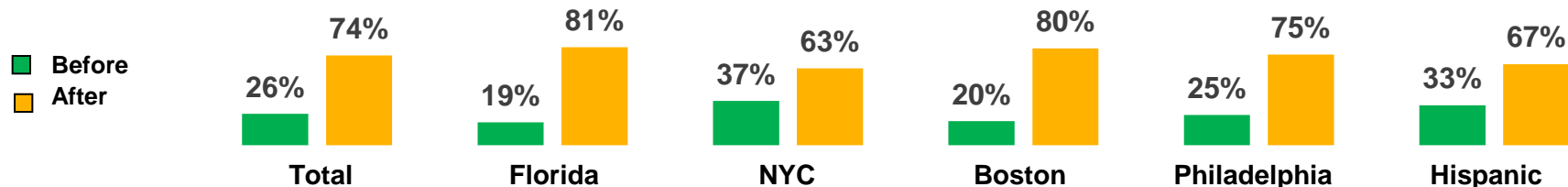


## Those Purchasing a Home with Spouse

- The majority purchased the home with their spouse and did so after they were married.



## Purchased Home with Spouse Before or After Married

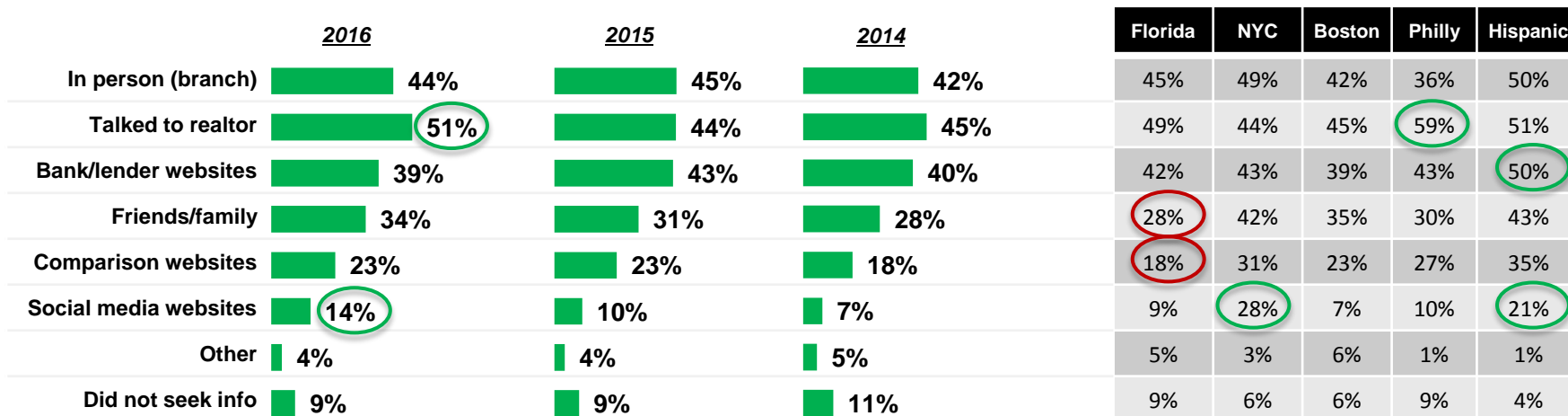




# Resources & Information Sources Used

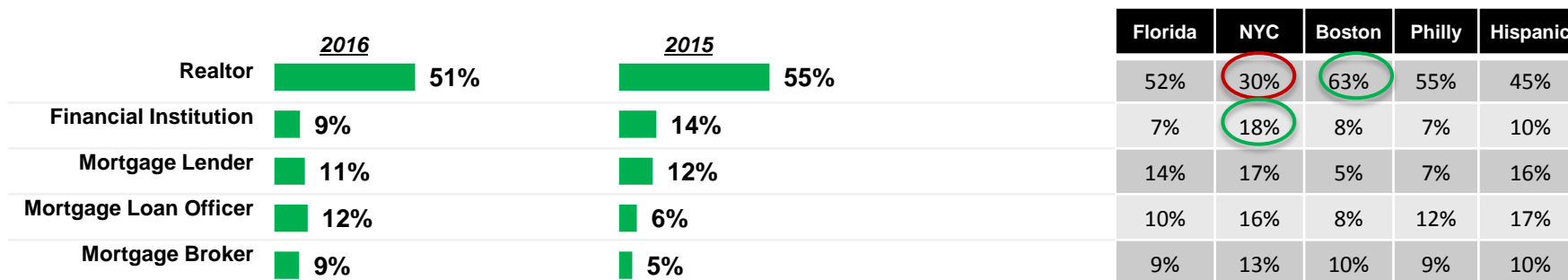
## Sources of Information/Opinions about Products/Services

- Home Buyers remain most likely to seek one-on-one information from realtors and lenders. Use of social media as increased over the past two years.



## Most Valuable Resource During the Process

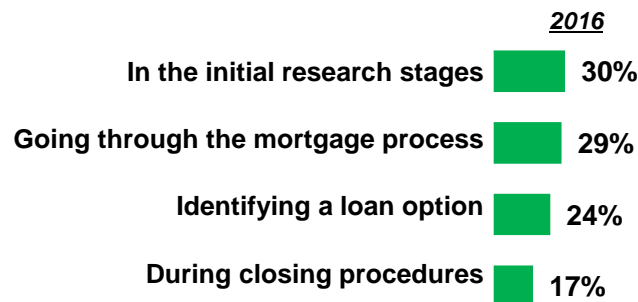
- Realtors are the most valuable resources during the process.



# Resources & Information Sources Used

## Point in Process Requiring the Most Information

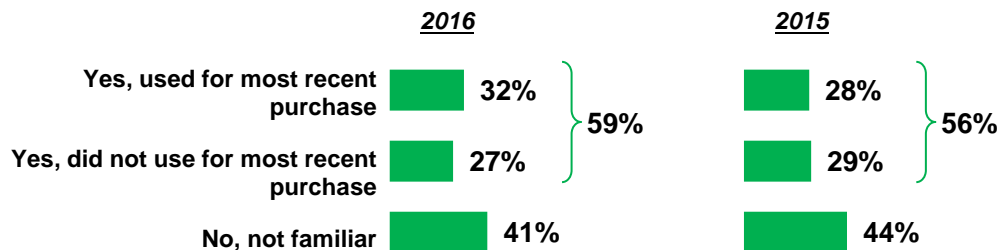
- While the need for guidance skews to the early stages, education and guidance is needed throughout the home buying process.



Florida	NYC	Boston	Philly	Hispanic
32%	39%	23%	24%	40%
30%	14%	29%	30%	27%
18%	36%	37%	21%	23%
20%	12%	12%	26%	10%

## Familiarity with Mortgage Affordability Programs

- Familiarity and use of Mortgage Affordability Programs remains consistent.

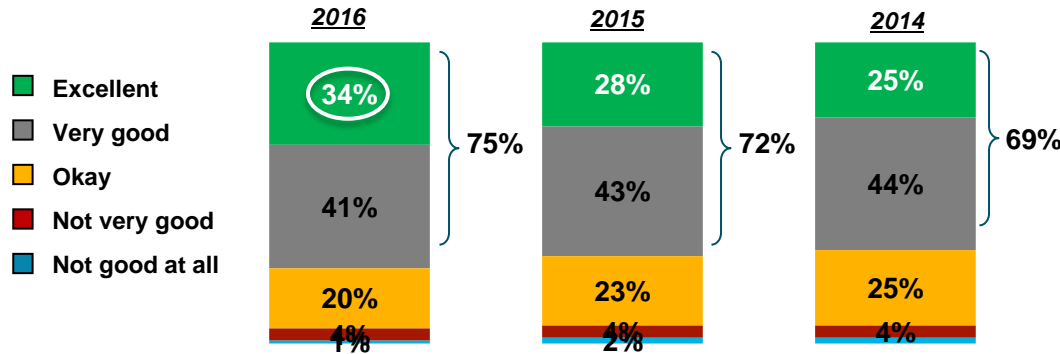


Florida	NYC	Boston	Philly	Hispanic
28%	51%	23%	26%	52%
30%	28%	33%	27%	23%
42%	21%	44%	47%	25%

# The Bank/Lender Experience

## Rating of Bank/Lender Experience

- Having an excellent experience with a bank/lender has improved over 2015. Buyers feel their bank has improved in areas of rates, responsiveness, help and communication.



	Florida	NYC	Boston	Philly	Hispanic
Excellent	40%	33%	25%	27%	39%
Very good	29%	48%	49%	41%	43%
Okay	25%	15%	22%	26%	13%
Not very good	5%	3%	2%	4%	4%
Not good at all	1%	1%	2%	2%	0%

## Experience with Process:

### Top2Box – Excellent/Very Good

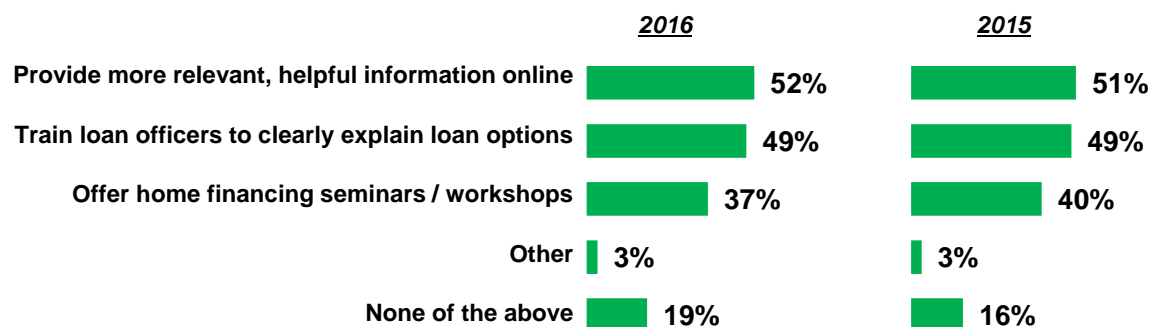
	2016	2015	2014	Florida	NYC	Boston	Philly	Hispanic
Responsiveness	69%	64%	61%	65%	66%	66%	65%	74%
Accessibility	70%	67%	63%	73%	73%	67%	63%	78%
Mortgage rate/terms	68%	62%	59%	71%	64%	58%	58%	66%
Easy to use online tools	56%	52%	51%	58%	66%	52%	50%	68%
Gave me confidence	66%	63%	58%	62%	67%	66%	58%	74%
Made it simple	65%	60%	56%	65%	64%	62%	59%	67%
Helped me understand	68%	61%	58%	71%	75%	67%	62%	72%
Kept me informed	68%	62%	59%	63%	67%	65%	64%	73%
Explained options available	65%	60%	58%	65%	74%	58%	59%	73%
Was honest and transparent	70%	64%	60%	69%	73%	69%	65%	73%

17. Overall, how would you rate your experience with the bank/lender from which you obtained your mortgage?  
 18. How would you rate your bank/lender on each of the following?

# The Bank/Lender Experience

## How Banks/Lenders Can Better Educate on the Mortgage Process

- While the majority of buyers feel that they have enough resources, banks /lenders could offer more online information and front line training.



Florida	NYC	Boston	Philly	National Hispanic
48%	64%	54%	46%	66%
48%	37%	46%	43%	47%
25%	54%	36%	37%	44%
6%	1%	5%	3%	4%
21%	11%	11%	22%	9%

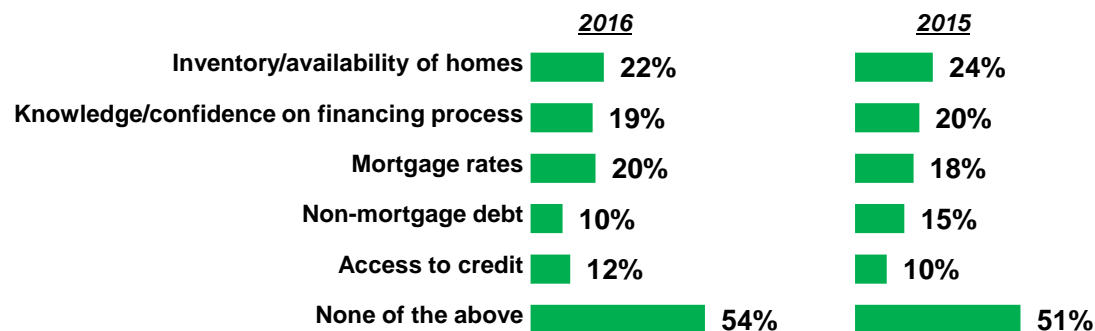
90% "Yes" - enough resources to educate them on the process →

86% →

91%	90%	94%	83%	86%
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## Negative Events Impacting Most Recent Home Decision

- Inventory, rates and confidence are the top negative events that impact a home buying decision.

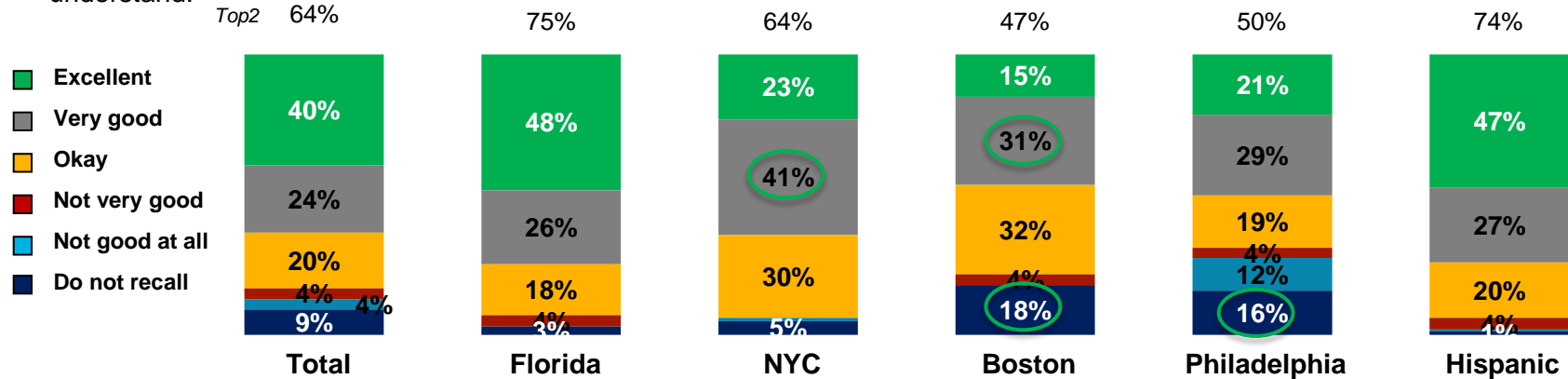


Florida	NYC	Boston	Philly	National Hispanic
17%	24%	22%	17%	32%
9%	23%	13%	14%	24%
21%	29%	18%	14%	27%
6%	14%	6%	14%	18%
12%	18%	10%	14%	21%
60%	36%	48%	59%	34%

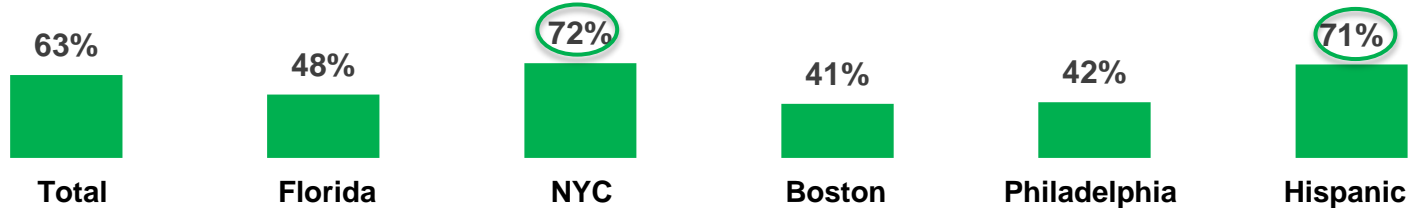
# Loan Estimate and Closing Disclosure Forms

## Experience with the New Loan Estimate and Closing Disclosure Forms

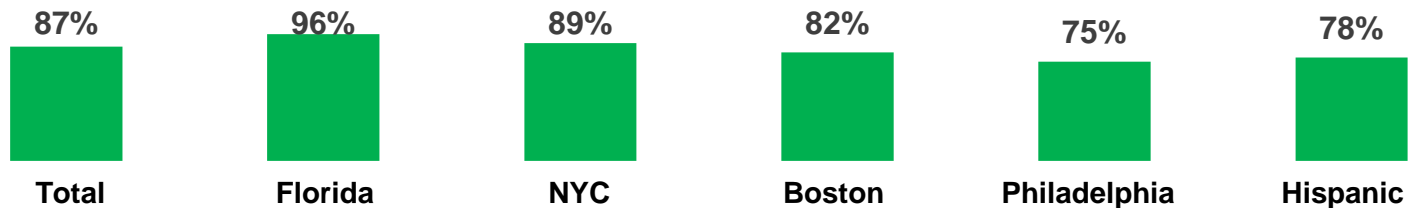
- Overall experience with the new loan estimate and closing disclosure forms is very good. The majority feel the forms are easy to understand.



## Did Experience Prevent You From Closing Home Within Desired Time (% YES)



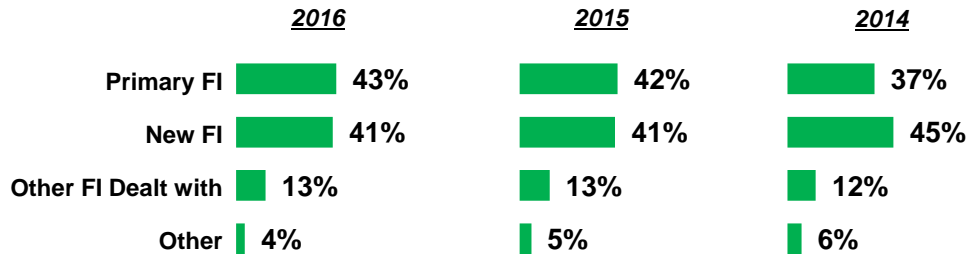
## Are the Forms Easy to Understand (% YES)



# The Mortgage Process

## Where Mortgage Was Obtained

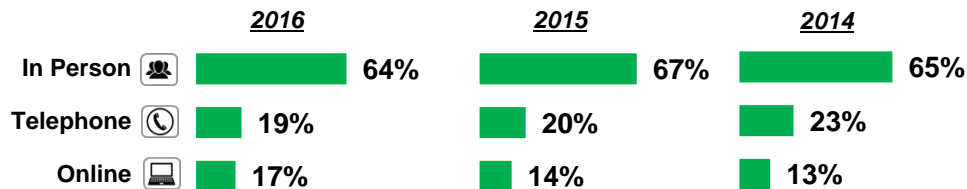
- Buyers are split between their primary banking institution and a new FI.



	Florida	NYC	Boston	Philly	Hispanic
Primary FI	43%	60%	37%	30%	60%
New FI	41%	20%	42%	49%	31%
Other FI Dealt with	12%	18%	17%	13%	9%
Other	5%	1%	4%	8%	0%

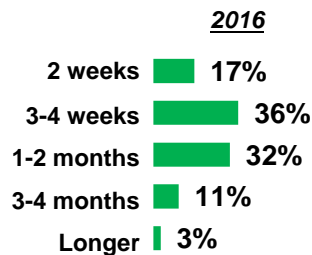
## Method of Application

- Method of mortgage application remains consistent year over year.



	Florida	NYC	Boston	Philly	Hispanic
In Person	61%	79%	63%	58%	75%
Telephone	22%	11%	21%	23%	13%
Online	17%	10%	16%	19%	13%

## Length of Mortgage Process



	Florida	NYC	Boston	Philly	Hispanic
2 weeks	16%	24%	11%	20%	15%
3-4 weeks	33%	36%	39%	29%	34%
1-2 months	35%	24%	37%	35%	30%
3-4 months	11%	12%	11%	15%	17%
Longer	4%	4%	2%	1%	3%

## Unexpected Charges During Buying Process

62% <\$2k  
31% \$2k – \$5k  
8% \$5k +

	Florida	NYC	Boston	Philly	Hispanic
<\$2k	68%	41%	66%	61%	43%
\$2k – \$5k	23%	54%	30%	29%	46%
\$5k +	10%	6%	4%	11%	11%

27% Feel the length of process prevented them from closing on time