



## TD Bank US | Mortgage Index 2014

February 2014

[www.visioncritical.com/arp](http://www.visioncritical.com/arp)



# Introduction | Methodology

To guide press and marketing strategies TD Bank conducted the second annual Mortgage Index Survey. This survey focuses on understanding consumers' home buying experiences and their attitudes and experiences on obtaining their mortgages.

## Methodology

The total sample includes 2300 home owners who purchased their home in the last 10 years and have a mortgage. Specific segments of interest included in analysis are:

- National Sample: 1495
- New York City: 156
- Boston: 150
- Philadelphia: 150
- Florida: 160
- National Hispanic: 505
- Florida Hispanic: 150
- NYC Hispanic: 150

The National sample size of 1495 has a margin of error of +/- 2.5%. Fieldwork was completed between January 13<sup>th</sup> and 17<sup>th</sup>, 2014.

Data as been weighted by age, gender, region and ethnicity to reflect the population..

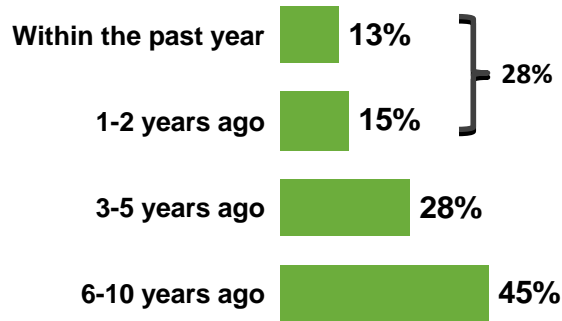
This report presents the findings in summary charts and tables. The statistical cross-tabulations are reported under separate cover. Significance is tested at 95% confidence interval and is represented by circles (significantly higher) or squares (significantly lower).

# Detailed Findings

# Home Purchases | Setting the Stage

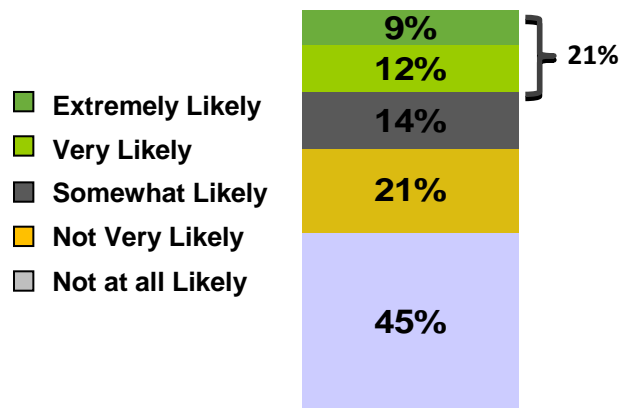
- Over one-quarter of past 10 year home purchases were in the past 2 years.
- Hispanic home owners, specifically in NYC are most active – 44% purchased a home in the past 2 years and 59% will consider buying a home in the coming year.

## Last Time You Purchased A Home?



Florida	NYC	Boston	Philly	National Hispanic	Hispanic Florida	Hispanic NYC	P2Y	Good Exp.
12%	12%	12%	11%	13%	10%	11%	46%	14%
9%	19%	23%	16%	21%	24%	33%	54%	17%
29%	22%	27%	23%	29%	33%	30%	--	28%
50%	46%	39%	50%	37%	33%	27%	--	40%

## Likelihood To Purchase New Home In The Next Year



	Florida	NYC	Boston	Philly	National Hispanic	Hispanic Florida	Hispanic NYC	P2Y	Good Exp.
Extremely Likely	7%	17%	13%	9%	13%	22%	22%	19%	12%
Very Likely	12%	16%	15%	11%	16%	28%	37%	13%	15%
Somewhat Likely	14%	15%	15%	8%	25%	24%	18%	11%	13%
Not Very Likely	22%	22%	26%	20%	19%	16%	7%	18%	19%
Not at all Likely	44%	30%	31%	52%	26%	11%	16%	39%	41%

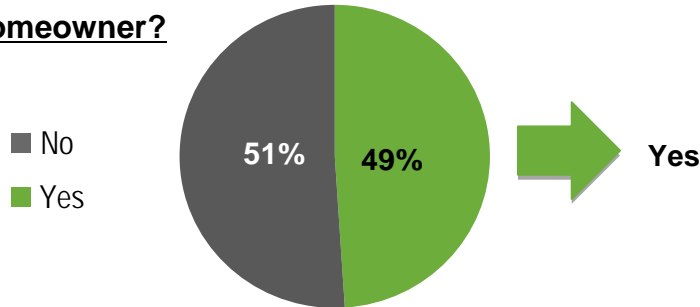
\*P2Y: Those who purchased a home in the past 2 years  
 \*Good Exp: Those whose had a positive mortgage experience.

1. When was the last time you purchased a home? 2. How likely are you to purchase a new home in the next year or so?

# Home Most Recently Purchased

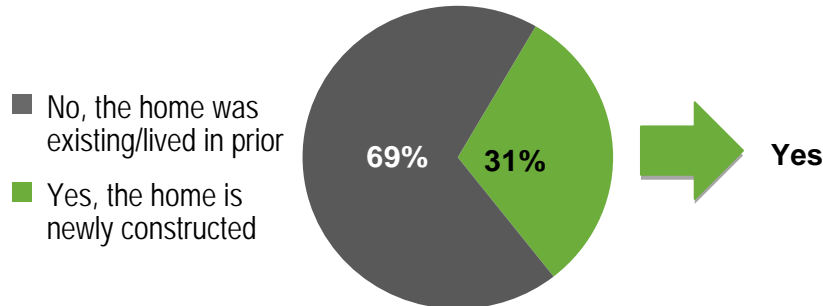
- One-half (49%) of recent homeowners are first time buyers; 59% of those who purchased in the past 2 years.
- Floridians are least likely to be first time homeowners, while Hispanics in NYC are most likely to be first time homeowners, as well as most likely to purchase a newly constructed home.

## First Time Homeowner?



Florida	NYC	Boston	Philly	National Hispanic	Hispanic Florida	Hispanic NYC	P2Y	Good Exp.
40%	56%	59%	49%	64%	61%	73%	59%	50%

## First Time Owner of Most Recent Home



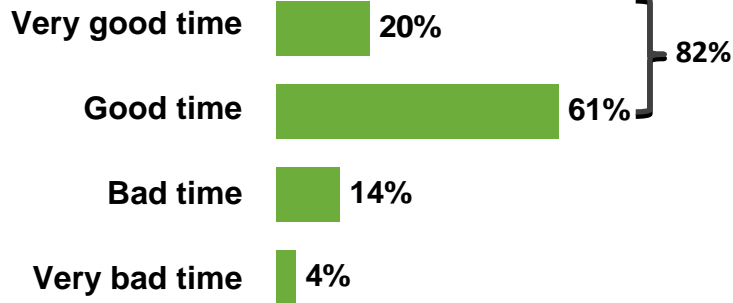
Florida	NYC	Boston	Philly	National Hispanic	Hispanic Florida	Hispanic NYC	P2Y	Good Exp.
34%	39%	20%	28%	34%	38%	49%	35%	37%

\*P2Y: Those who purchased a home in the past 2 years  
 \*Good Exp: Those whose had a positive mortgage experience.

# Housing Market Perceptions

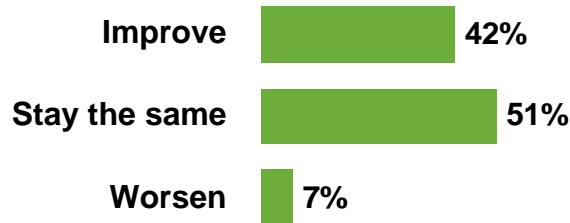
- The large majority of homeowners consider it a good time to buy a new home. Home owners in Philadelphia are the least optimistic.

## Good Time To Buy A New Home?



Florida	NYC	Boston	Philly	National Hispanic	Hispanic Florida	Hispanic NYC	P2Y	Good Exp.
22%	27%	25%	18%	26%	33%	33%	31%	28%
55%	59%	61%	62%	56%	51%	55%	60%	61%
18%	13%	12%	16%	14%	16%	11%	8%	9%
5%	1%	2%	4%	4%	0%	1%	1%	2%

## Housing Market Outlook (Next 6 Months)



Florida	NYC	Boston	Philly	National Hispanic	Hispanic Florida	Hispanic NYC	P2Y	Good Exp.
45%	42%	49%	36%	43%	47%	51%	49%	47%
49%	52%	45%	58%	49%	50%	45%	44%	47%
5%	6%	7%	6%	7%	3%	4%	6%	6%

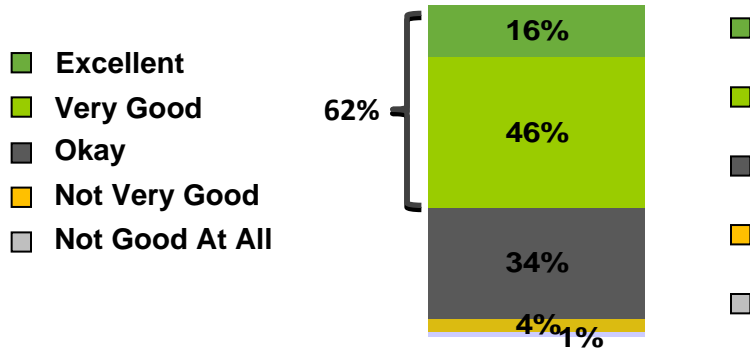
6. Considering everything you have experienced, seen or heard would you say that it is a good time or a bad time for someone like yourself to purchase a new home? 7. Looking ahead 6 months or so, do you feel the housing market will improve, stay the same or worsen?

\*P2Y: Those who purchased a home in the past 2 years  
 \*Good Exp: Those whose had a positive mortgage experience.

# The Home Buying Experience

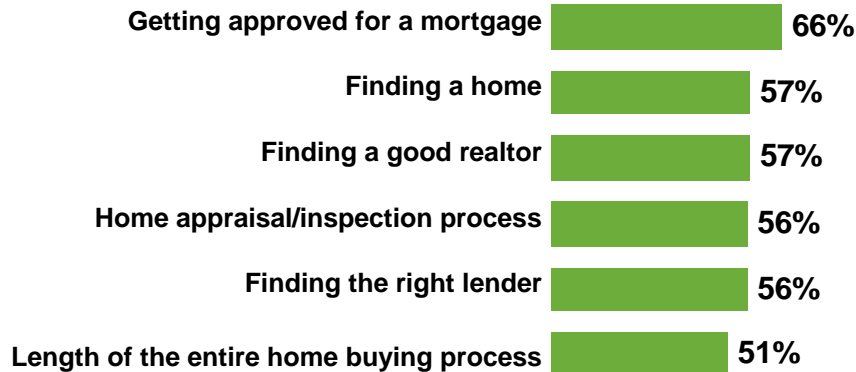
- The majority of homeowners had a very good experience buying their most recent home, most notably Hispanic homeowners. A positive mortgage approval process supports the overall experience.

## Rating Of Most Recent Home Buying Experience



Florida	NYC	Boston	Philly	National Hispanic	Hispanic Florida	Hispanic NYC	P2Y	Good Exp.
17%	17%	23%	15%	17%	20%	28%	22%	26%
39%	44%	38%	46%	51%	52%	39%	49%	74%
37%	31%	35%	35%	28%	25%	25%	25%	-
5%	6%	4%	3%	3%	3%	6%	3%	-
2%	2%	-	1%	1%	-	2%	0%	-

## Experience With Following Aspects of Buying A Home (Top2box –Excellent/Very good)



Florida	NYC	Boston	Philly	National Hispanic	Hispanic Florida	Hispanic NYC	P2Y	Good Exp.
60%	60%	68%	65%	57%	56%	53%	68%	79%
55%	59%	57%	62%	55%	52%	60%	60%	71%
52%	54%	57%	61%	56%	55%	60%	62%	70%
53%	61%	59%	46%	54%	53%	64%	62%	72%
45%	55%	56%	57%	49%	50%	47%	66%	72%
47%	51%	53%	54%	49%	49%	59%	52%	69%

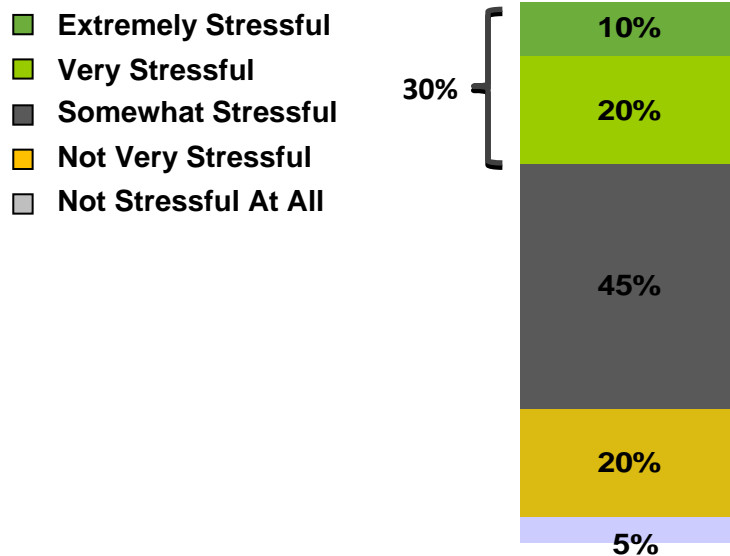
\*P2Y: Those who purchased a home in the past 2 years  
\*Good Exp: Those whose had a positive mortgage experience.

8. How would rate your most recent home buying experience? 9. How would you rate your experience with each of the following aspects of buying a home?

# The Home Buying Experience, Cont'd

- 3-in-10 homeowners (30%) felt stressed buying their most recent home. Hispanic homeowners in NYC cite the greatest level of stress (48%), along with those who purchased a home in the past two years (43%).
- Homebuyers who have a good buying experience cite significantly less stress – 24% compared to 30% overall.

## Stress Of Buying Most Recent Home



	Florida	NYC	Boston	Philly	National Hispanic	Hispanic Florida	Hispanic NYC	P2Y	Good Exp.
Extremely Stressful	13%	15%	12%	15%	6%	8%	18%	16%	7%
Very Stressful	17%	25%	19%	22%	28%	26%	30%	27%	17%
Somewhat Stressful	46%	37%	42%	40%	45%	43%	40%	40%	42%
Not Very Stressful	20%	16%	24%	20%	17%	17%	7%	15%	27%
Not Stressful At All	4%	7%	3%	3%	4%	5%	5%	3%	7%

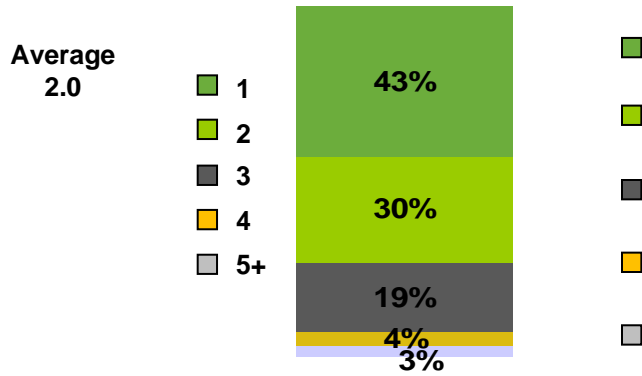
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# Considerations

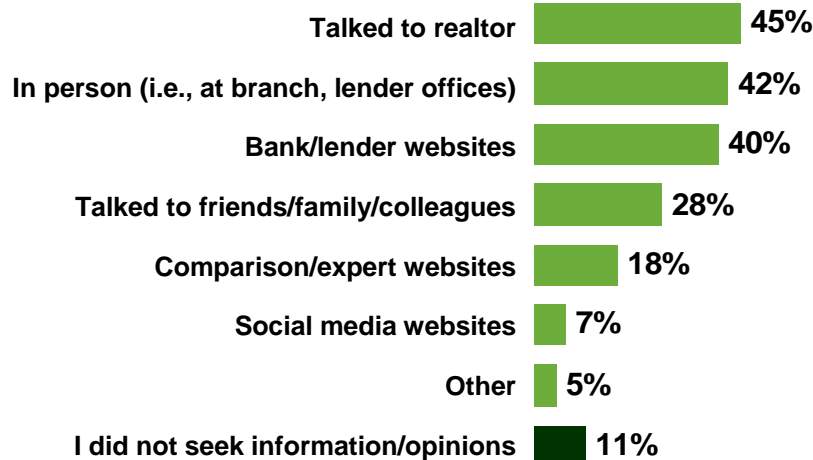
- On average, 2 banks/lenders are considered when thinking about applying for a mortgage. Hispanic homeowners in NYC are likely to consider more (2.8 on average). Buyers are most likely to seek one-on-one information from realtors and lenders

## Number Of Banks/Lenders You Considered



Florida	NYC	Boston	Philly	National Hispanic	Hispanic Florida	Hispanic NYC	P2Y	Good Exp.
42%	44%	38%	44%	33%	26%	19%	37%	44%
32%	25%	30%	23%	37%	41%	35%	37%	31%
18%	22%	21%	19%	18%	24%	28%	19%	19%
2%	5%	7%	7%	5%	2%	8%	5%	3%
6%	4%	4%	6%	6%	7%	9%	2%	3%

## Source Of Information/Opinions



Florida	NYC	Boston	Philly	National Hispanic	Hispanic Florida	Hispanic NYC	P2Y	Good Exp.
45%	35%	47%	53%	45%	39%	28%	41%	45%
47%	41%	47%	35%	42%	46%	60%	42%	44%
35%	49%	45%	38%	38%	40%	55%	50%	43%
19%	39%	36%	29%	24%	27%	38%	33%	29%
19%	26%	22%	20%	16%	27%	29%	23%	21%
4%	18%	12%	10%	9%	13%	27%	10%	9%
6%	3%	5%	4%	3%	3%	3%	4%	4%
11%	9%	4%	8%	6%	4%	2%	8%	10%

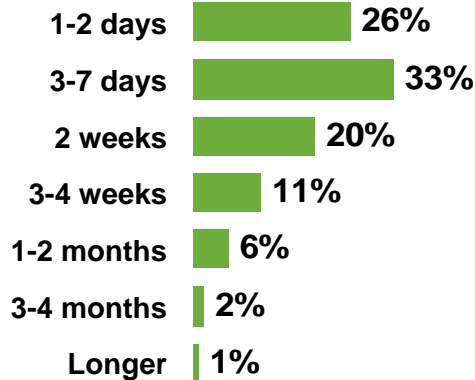
\*P2Y: Those who purchased a home in the past 2 years  
 \*Good Exp: Those who had a positive mortgage experience.

- How many banks/lenders did you consider when thinking about applying for your mortgage?
- Where did you go for information or opinions on the products and/or services offered by each bank/lender you considered?

# Length of Process

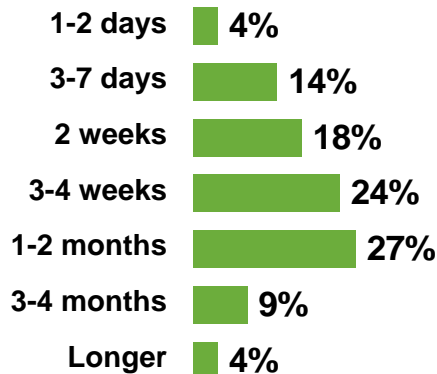
- Over one-half (59%) of home buyers receive preliminary approval from their lender within 7 days (12.3 days on average).
- Homeowners in Philadelphia tend to have the shortest wait time for preliminary approval (11.6 days on average), with Hispanic homeowners waiting longer (18.3 days on average). The entire mortgage process varies with most receiving final mortgage approval within a month (60%).

## Time For Preliminary Approval



Florida	NYC	Boston	Philly	National Hispanic	Hispanic Florida	Hispanic NYC	P2Y	Good Exp.
21%	20%	26%	38%	16%	12%	13%	28%	27%
33%	27%	34%	37%	30%	30%	32%	34%	35%
18%	25%	22%	10%	24%	27%	21%	19%	22%
12%	13%	8%	9%	18%	15%	17%	9%	9%
8%	8%	6%	2%	6%	10%	11%	8%	4%
3%	4%	2%	1%	4%	6%	4%	2%	1%
5%	3%	3%	2%	1%	1%	1%	1%	1%

## Length Of Mortgage (Application To Approval)



Florida	NYC	Boston	Philly	National Hispanic	Hispanic Florida	Hispanic NYC	P2Y	Good Exp.
4%	5%	2%	4%	4%	4%	4%	5%	4%
10%	11%	11%	17%	10%	10%	17%	14%	17%
12%	16%	23%	16%	21%	25%	19%	19%	21%
29%	22%	26%	17%	25%	23%	19%	17%	25%
28%	26%	26%	31%	26%	24%	20%	29%	23%
9%	14%	7%	9%	9%	10%	17%	11%	7%
8%	7%	4%	5%	5%	3%	3%	5%	3%

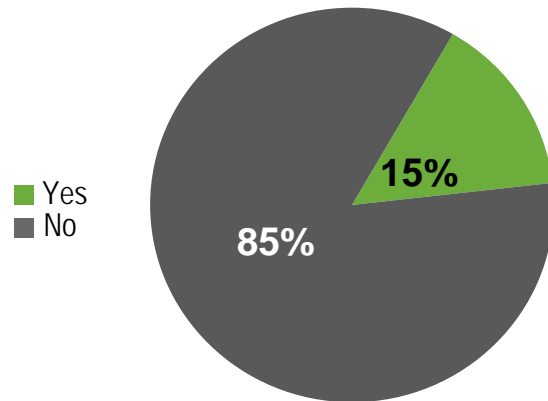
\*P2Y: Those who purchased a home in the past 2 years  
 \*Good Exp: Those whose had a positive mortgage experience.

13. Thinking back, how long did it take for you to receive a preliminary approval from your lender? 13A. And how long was the entire mortgage process, from applying for your mortgage to the time that you were approved for your mortgage and could close on your home?

# Length of Process, Cont'd.

- Hispanic homeowners in Florida and NYC are more likely to say the length of the mortgage process prevented them from closing on time. recent purchasers also feel the mortgage process delayed closing.

## Did Mortgage Process Prevent Closing On Time?



	Florida	NYC	Boston	Philly	National Hispanic	Hispanic Florida	Hispanic NYC	P2Y	Good Exp.
Yes	14%	27%	17%	18%	32%	46%	55%	29%	15%

\*P2Y: Those who purchased a home in the past 2 years  
 \*Good Exp: Those whose had a positive mortgage experience.

# Lender Experience

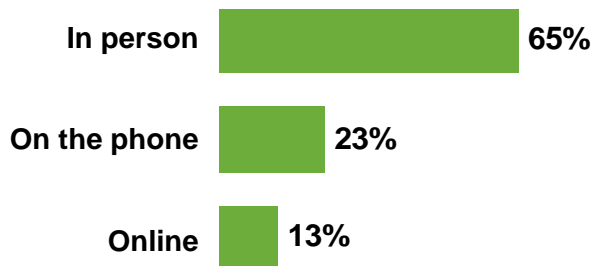
- Homeowners in Philadelphia are most likely to obtain their mortgage at an institution they don't have existing accounts at, while homeowners in NYC are least likely to say so. Most homeowners applied for their mortgage in person, especially those in NYC.

## At Which Bank Did You Obtain Mortgage?



Florida	NYC	Boston	Philly	National Hispanic	Hispanic Florida	Hispanic NYC	P2Y	Good Exp.
40%	34%	50%	57%	39%	39%	26%	36%	40%
44%	49%	36%	27%	39%	40%	51%	46%	43%
10%	14%	11%	11%	17%	17%	18%	14%	13%
6%	3%	2%	5%	4%	4%	5%	5%	5%

## How Did You Apply For Your Mortgage?



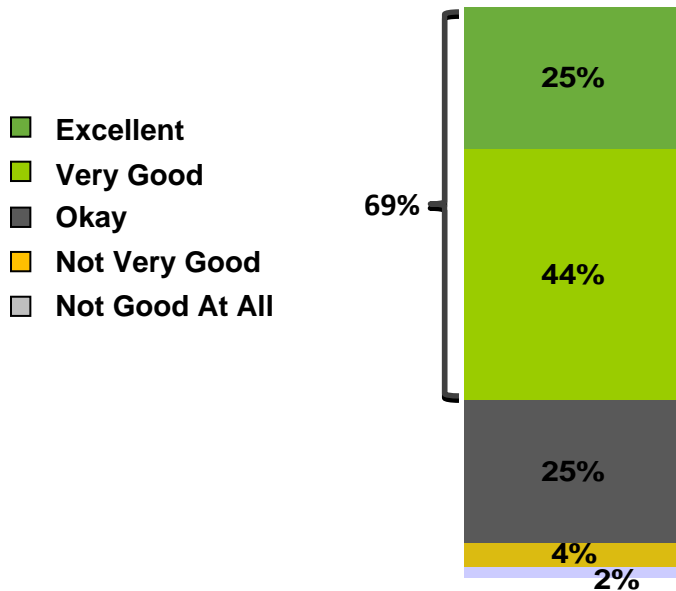
Florida	NYC	Boston	Philly	National Hispanic	Hispanic Florida	Hispanic NYC	P2Y	Good Exp.
59%	78%	62%	56%	75%	78%	75%	64%	65%
26%	16%	20%	29%	14%	11%	15%	20%	22%
15%	6%	18%	15%	12%	11%	10%	16%	13%

\*P2Y: Those who purchased a home in the past 2 years  
 \*Good Exp: Those whose had a positive mortgage experience.

# Lender Experience

- Most homeowners had a good experience with the bank/lender they obtained their mortgage from. Among home buyers who had a good home buying experience overall, 85% cite a very good lender experience.

## Experience With Bank/Lender You Obtained Mortgage From



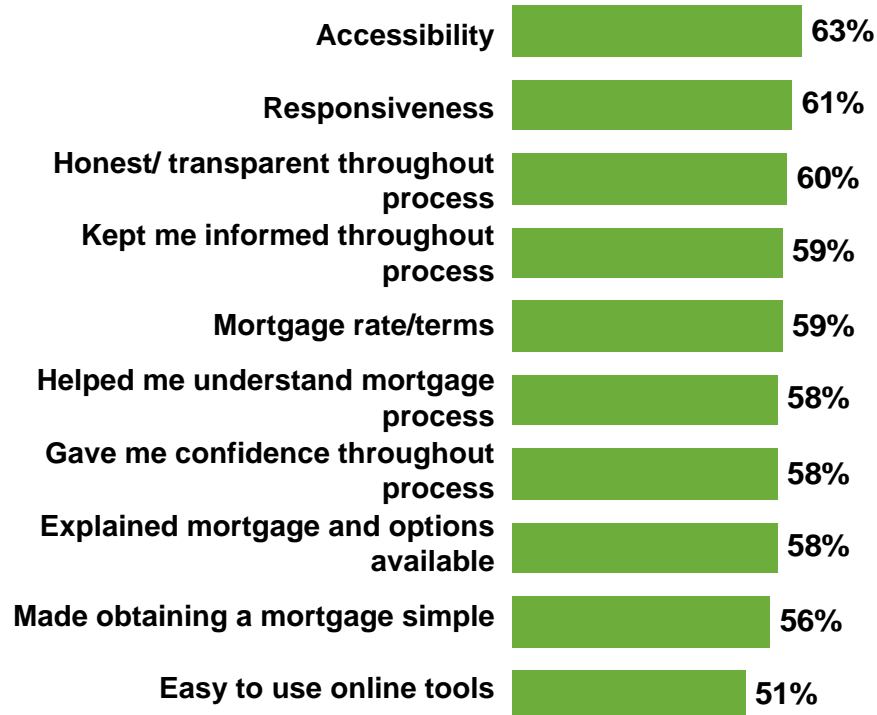
	Florida	NYC	Boston	Philly	National Hispanic	Hispanic Florida	Hispanic NYC	P2Y	Good Exp.
Excellent	21%	22%	24%	27%	20%	21%	31%	30%	34%
Very Good	42%	48%	40%	39%	45%	48%	40%	46%	51%
Okay	27%	24%	29%	24%	31%	27%	24%	19%	13%
Not Very Good	6%	3%	3%	8%	3%	4%	3%	3%	1%
Not Good At All	4%	2%	4%	2%	1%	-	2%	2%	1%

\*P2Y: Those who purchased a home in the past 2 years  
 \*Good Exp: Those whose had a positive mortgage experience.

# Lender Experience

- Those who had a very good home buying experience also had a better lender experience across all elements.
- Accessibility, responsiveness and transparency are the top rated aspects of the bank/lender experience.
- Importantly, recent purchasers are more likely to rate their bank/lender higher in terms of transparency and information/explanations.

## Rating Of Bank/Lender (Top2box –Excellent/Very good)



	Florida	NYC	Boston	Philly	National Hispanic	Hispanic Florida	Hispanic NYC	P2Y	Good Exp.
Accessibility	63%	58%	65%	56%	57%	59%	63%	68%	76%
Responsiveness	61%	57%	64%	57%	57%	54%	55%	70%	76%
Honest/ transparent throughout process	60%	55%	60%	52%	56%	57%	52%	70%	76%
Kept me informed throughout process	59%	53%	57%	52%	56%	54%	48%	70%	74%
Mortgage rate/terms	59%	52%	59%	51%	62%	50%	51%	70%	74%
Helped me understand mortgage process	58%	52%	60%	53%	60%	55%	59%	66%	73%
Gave me confidence throughout process	58%	49%	60%	53%	55%	59%	52%	66%	74%
Explained mortgage and options available	58%	52%	55%	51%	58%	55%	55%	69%	74%
Made obtaining a mortgage simple	56%	49%	56%	53%	55%	49%	45%	62%	72%
Easy to use online tools	51%	45%	54%	54%	50%	51%	54%	59%	64%

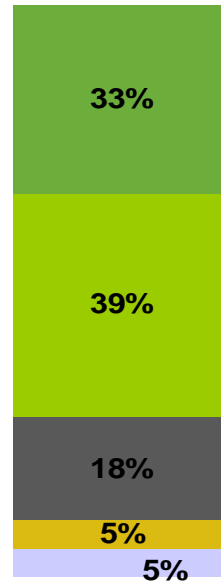
\*P2Y: Those who purchased a home in the past 2 years  
\*Good Exp: Those whose had a positive mortgage experience.

# Lender Experience

- The majority of homeowners only deal with one or two people during the mortgage process, with Hispanic homeowners in NYC dealing with slightly more.

## People Dealt With During Mortgage Process

Mean 2.2



	Florida	NYC	Boston	Philly	National Hispanic	Hispanic Florida	Hispanic NYC	P2Y	Good Exp.
1	33%	26%	32%	39%	23%	27%	10%	26%	34%
2	37%	39%	35%	35%	40%	37%	43%	38%	41%
3	23%	15%	18%	19%	22%	20%	26%	22%	16%
4	4%	11%	5%	4%	7%	7%	14%	7%	5%
5+	4%	8%	11%	3%	8%	10%	7%	7%	4%

\*P2Y: Those who purchased a home in the past 2 years  
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# Mortgage Expectations

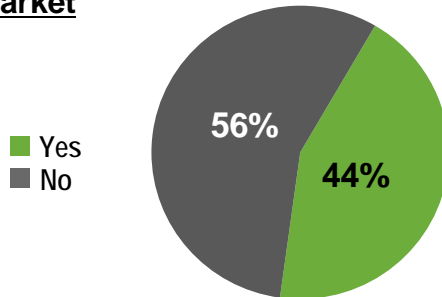
- For most, mortgage rates were about what they expected. 1-in-5 feel the rate they received was higher than what they expected. Hispanic homeowners overall are more likely to have mortgage rates that defy expectations, both positively and negatively.

## Expectation Of Mortgage Rate?



Florida	NYC	Boston	Philly	National Hispanic	Hispanic Florida	Hispanic NYC	P2Y	Good Exp.
68%	60%	55%	64%	45%	41%	40%	52%	61%
21%	25%	25%	19%	31%	31%	38%	27%	20%
11%	15%	19%	17%	24%	28%	22%	21%	19%

## Notified That Your Home Has Been Sold On The Secondary Market



Yes

Florida	NYC	Boston	Philly	National Hispanic	Hispanic Florida	Hispanic NYC	P2Y	Good Exp.
40%	48%	44%	53%	50%	47%	60%	47%	45%

\*P2Y: Those who purchased a home in the past 2 years  
 \*Good Exp: Those whose had a positive mortgage experience.

20. Was the rate you received on your mortgage higher, lower or about what you expected?  
 21. Since closing on your last mortgage, have you been notified that it has been sold on the secondary market?





**Angus Reid** Public Opinion

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