

# Perceptions of Down Payment Consumer Research

Market Insights, Corporate Communications & Marketing

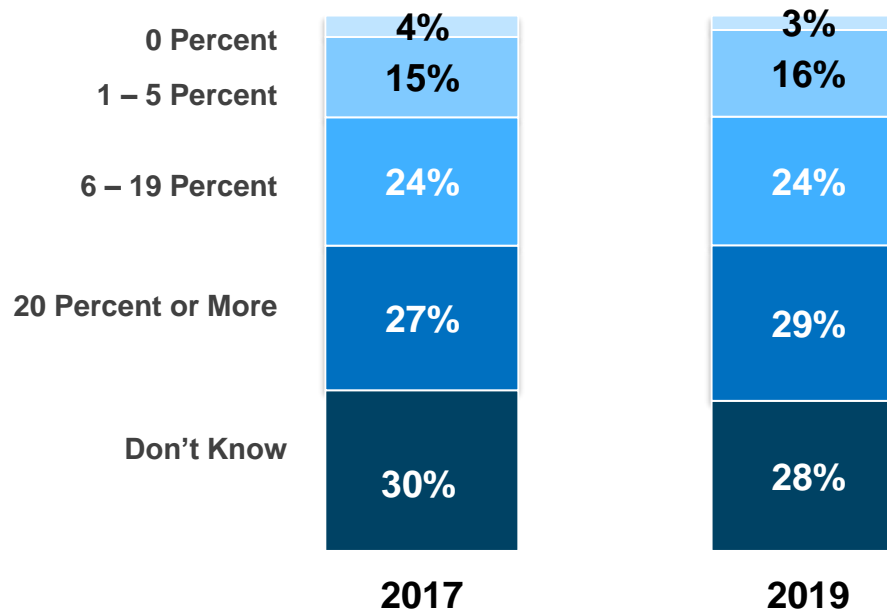
February 2019

- Ipsos, on behalf of Freddie Mac, conducted an online survey within the United States from February 18 – 21, 2019, among 1,121 U.S. adults aged 18 and older.
- The objective was to explore Americans' attitudes and beliefs towards mortgage down payments.
- Sample was provided by the KnowledgePanel®, which is projectable to the population it represents. Data were weighted to the U.S. population of adults, with a margin of sampling error of +/- 2.95 percentage points for the full sample. Sampling error is higher for subgroups.
- In addition, analysis was conducted to look for differences among Younger Millennials age 22 to 38 (n= 365), Gen X age 39 to 53 (n= 260), and Boomers age 54 and 72 (n= 345). Mature generation (age 73 or older) and Generation Z (age 18 – 21) were omitted in the report due to small sample size.
- Due to rounding, percentages may add up to 100% +/-1%.

# Perceptions on Down Payment Requirements Remains Consistent



**Q: To the best of your knowledge, what is the percentage of a home's sale price lenders require borrowers to pay as a down payment for a typical mortgage today?**

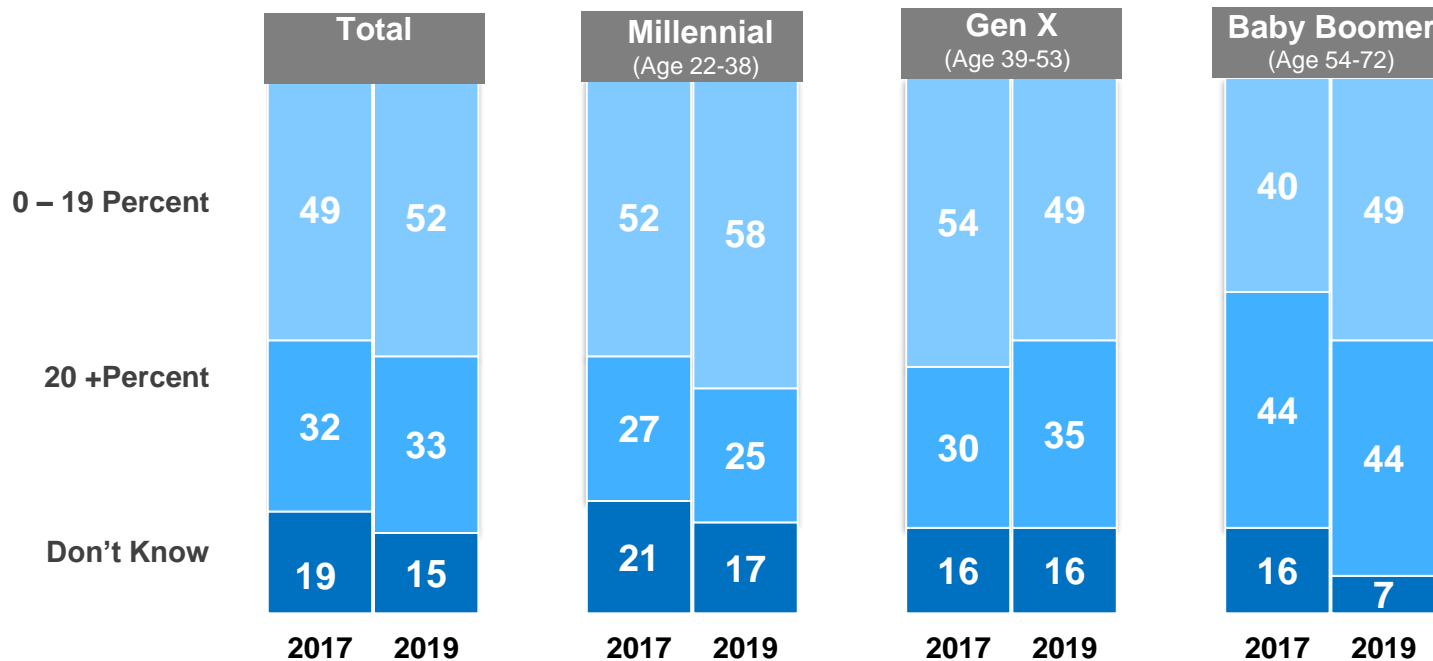


2017 Base = 3,985 respondents; 2019 Base = 1,121 respondents  
Results exclude "Refused" responses

# Knowledge of Down Payment Requirements Remains Consistent Across Generations



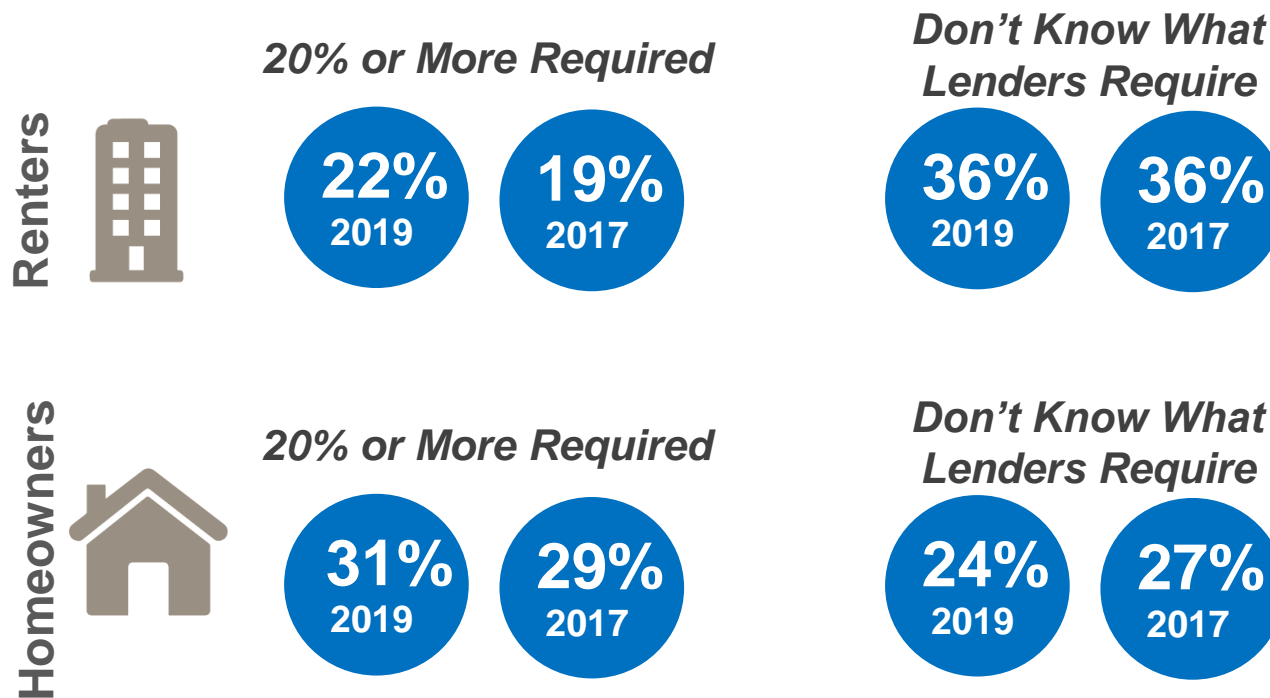
Q: To the best of your knowledge, what is the percentage of a home's sale price lenders **require** borrowers to pay as a down payment for a typical mortgage today?



Base who plan to purchase a home in the next 3 years 2017 = 944 respondents; 2019 Base = 226 respondents

# More Homeowners than Renters Believe 20%+ is Required

Q: To the best of your knowledge, what is the percentage of a home's sale price lenders require borrowers to pay as a down payment for a typical mortgage today?



Q: To the best of your knowledge, what is the percentage of a home's sale price lenders require borrowers to pay as a down payment for a typical mortgage today?

Base = Total Respondents, excluding "Refused" responses

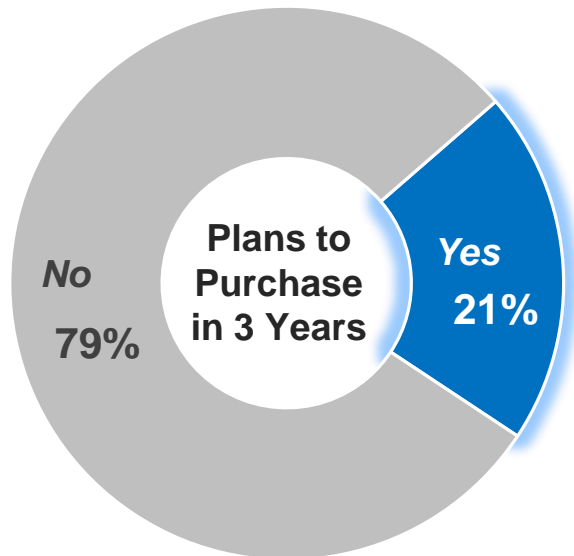
# Half of Consumers Planning to Purchase a Home Believe Lenders Require Less than 20% Down



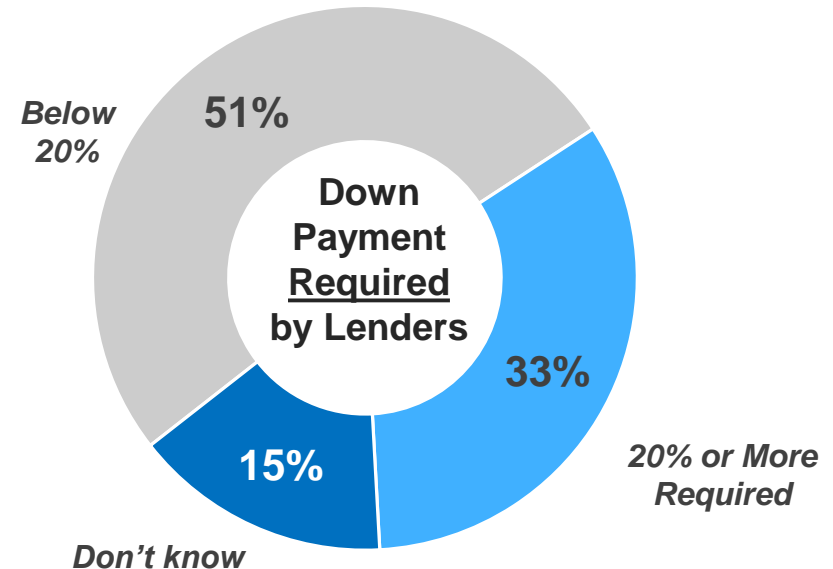
Q: Do you expect to buy a home in the next three years? We realize you may be unsure, but please provide your best assumptions.

Q: To the best of your knowledge, what is the percentage of a home's sale price lenders require borrowers to pay as a down payment for a typical mortgage today?

**Total Respondents**



**Plan to Purchase a Home in the Next 3 Years**



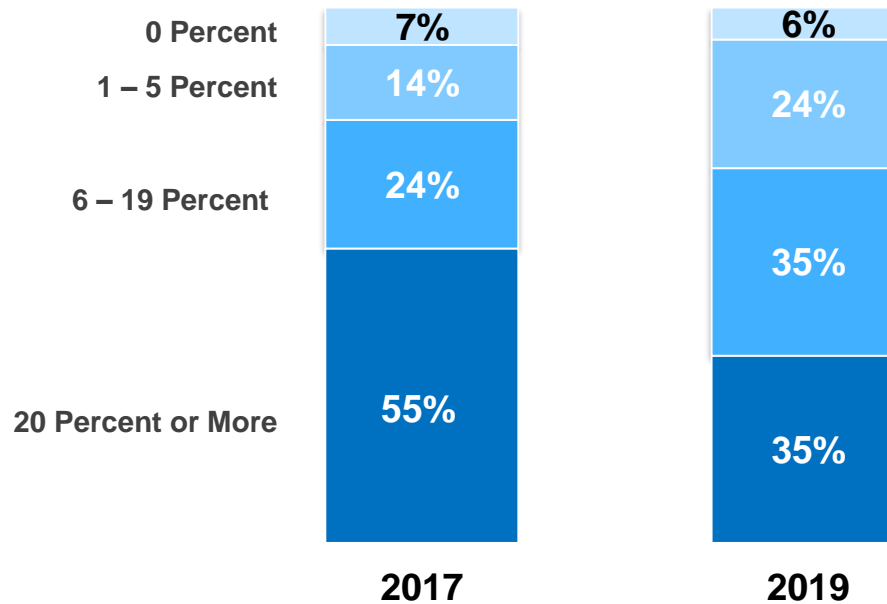
Q: To the best of your knowledge, what is the percentage of a home's sale price lenders require borrowers to pay as a down payment for a typical mortgage today?

2019 Base = 1,121 respondents, results exclude "Refused" response; 226 Respondents who plan to purchase a home in the next 3 years

# Fewer Consumers Prefer to Put Down 20% or More



**Q: Based on this information, what percentage of the home's sale price would you prefer to put as a down payment for the purchase of your next home?**

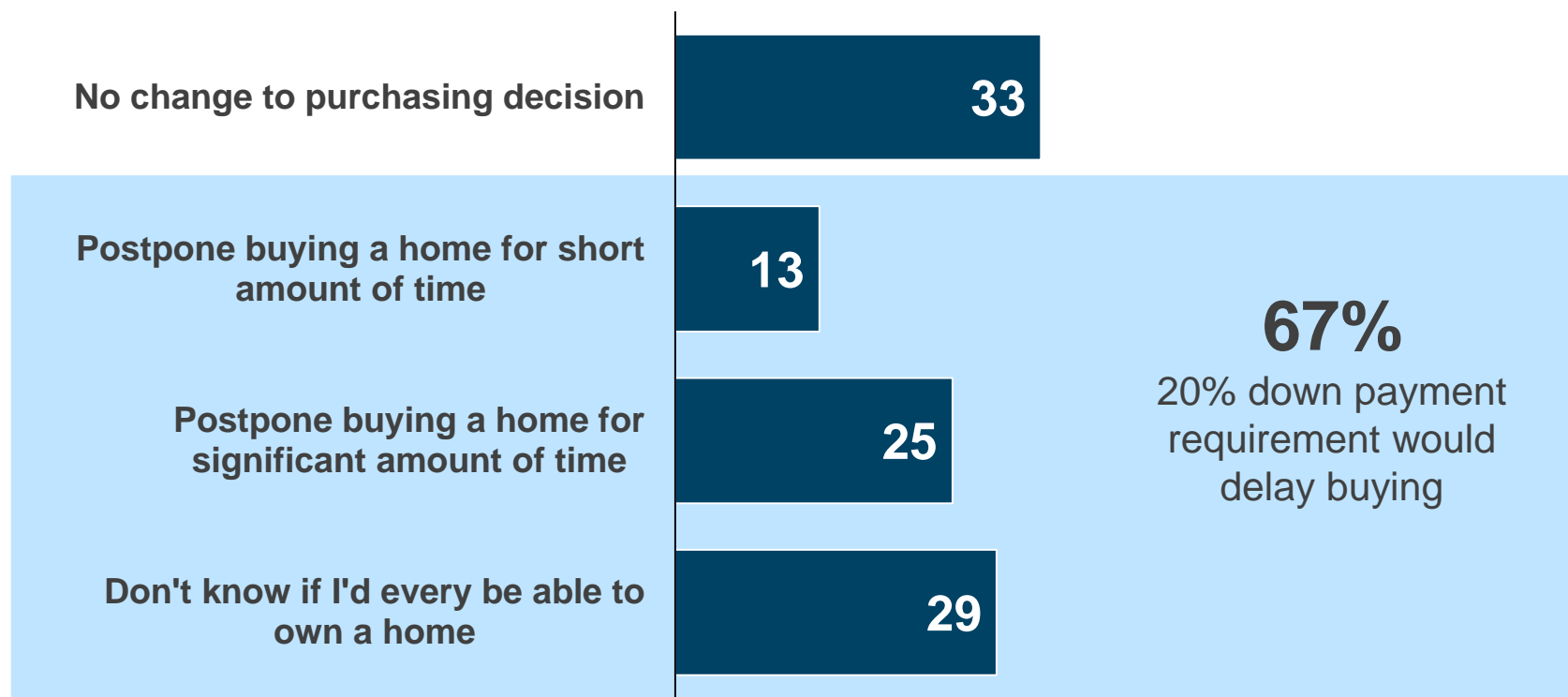


Base who plan to purchase a home in the next 3 years 2017 = 944 respondents; 2019 Base = 226 respondents

# Consumers Are Less Inclined to Buy a Home if 20%+ Down Were Required



Q: If lenders started requiring homebuyers to put 20% down on a home, how would that impact your perception of owning?

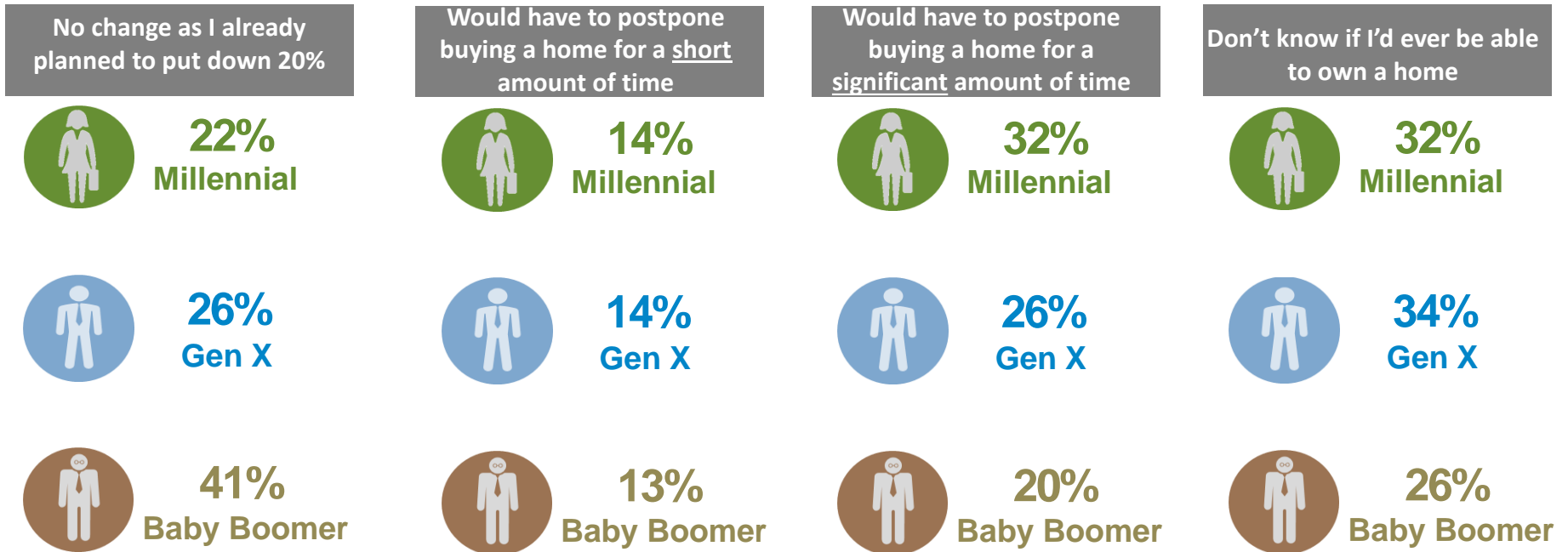


2019 Base = 1,121 respondents



# Millennials and Gen X Would Delay Home Buying If Lenders Required 20% Down

Q: If lenders started requiring homebuyers to put 20% down on a home, how would that impact your perception of owning?



Base = 365 Millennial age 22-38, 260 Gen X age 39-53 and 345 Baby Boomer age 54-72. Excludes Gen Z and "Mature" generations given extremely small sample size.

# Future Homebuyers Plan to Use Personal Savings as a Source of Down Payment Funds

Q: In thinking about the purchase of a future home, what resources are you likely to use as a source of funds towards down payment money?



**Personal Savings**



**Sale of Property**



**Personal Loan**



**Retirement/  
Investment**

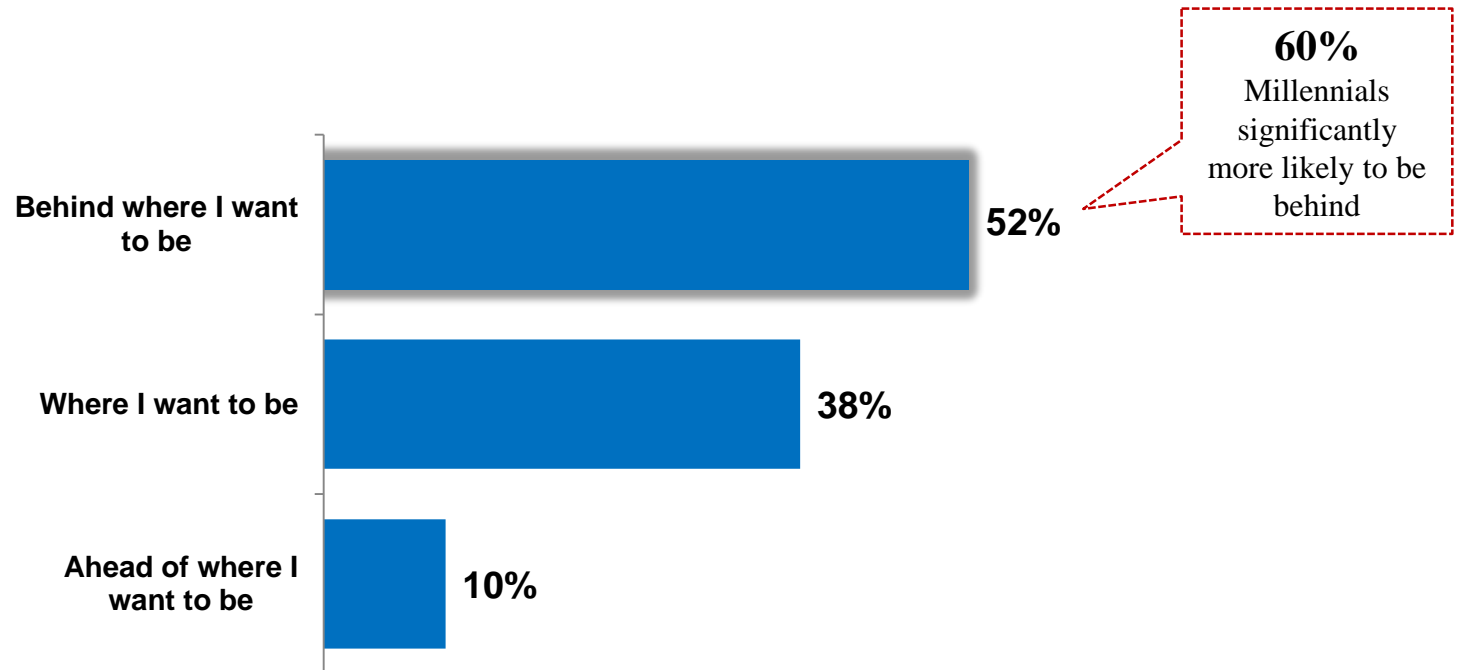


**Unsure**

Base = 226 Respondents who plan to purchase a home in the next 3 years

# Over Half of Prospective Homebuyers Are Behind on Saving Towards Down Payment

Q:How would you rate the progress you have made so far in saving for a down payment on a home?



Base = 226 Respondents who plan to purchase a home in the next 3 years;  
Base = 108 Millennial (age 22-38)  
Excluding "Refused" responses