



NEWS RELEASE

# ICE Mortgage Technology's Latest Borrower Insights Survey Shows COVID Transforms the Home Buying Market

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Borrowers Are on the Move for Work and More Space, and Think an Online Mortgage Experience is Easier

PLEASANTON, Calif.--(BUSINESS WIRE)-- **ICE Mortgage Technology™**, part of Intercontinental Exchange, Inc. (NYSE: ICE), a leading global provider of data, technology and market infrastructure, today announced the results of the 2022 Borrower Insights Survey. It shows that the COVID pandemic has transformed the home buying market – permanently and drastically changing the way borrowers use technology and what they expect from a lender. They are relocating to find more space and to work remotely. And after two years of video conferencing, nearly three-quarters think an online mortgage process is easier than an in-person process. Those are among the key findings in the **2022 Borrower Insights Survey**.

The findings of the December 2021 survey of 2,000 Americans – 1,000 borrowers and 1,000 renters – describe a changed society in which the pandemic has accelerated work and technology trends already underway. They also describe the impact of a new generation of home buyers. Of note to lenders, the findings indicate that, since adapting to a new way of life due to COVID and the rapid emergence of virtual experiences and remote working, borrowers expect the same digital experience when purchasing a home.

“What we’ve learned over the last two years is our lives will never go back to the way they were,” said Joe Tyrrell, President of ICE Mortgage Technology. “Borrowers are more accustomed to ordering everything online from groceries to appliances to automobiles. It’s no surprise that when asked, they prefer to go virtual with home buying as well. As an industry, we need to continue to deploy digital offerings – but not at the expense of relationships, which are still an important factor in choosing a lender.”



## New world of home buying

According to the survey, the nation is on the move as people seek work – and look for new kinds of employment and work-life balance.

Borrowers cited a number of reasons for buying a home. Among those who secured their mortgage during the past two years – that is, during the pandemic – a significant number (38%) cited the need for more space.

Another closely related pandemic phenomenon – the “great resignation” – seems to be driving the “great relocation.” Both borrowers and renters alike are willing to be on the move, looking for different or more rewarding work, or chasing work that’s available.

The pandemic and remote work are driving mobility. More than a quarter of borrowers who have gone through the mortgage process in the past two years say they are considering selling their home due to a job change or relocation (26%). Of those respondents, 60% say the ability to work remotely is the main reason for their job change and/or relocation.

The impact of the pandemic seems to be ongoing. For all homeowners surveyed in 2021, the numbers are similar, and seem to reflect a “new normal.” 28% of homeowners reported that their decision to sell was driven by a job change or relocation. And – again in this case – a major proportion (61%) of that group responded that the ability to work remotely was the main reason for changing their job and/or relocating.

## Pandemic drove an ecommerce boom

Renters and borrowers are enthusiastic about the idea of an online mortgage process. They think it would make home buying easier. And their enthusiasm has gone up in the course of the pandemic.

74% of “pandemic era” borrowers (those who have gone through the mortgage process in the past two years) think an online mortgage process makes, or would make, buying a home easier than an in-person process. By contrast, three or more years ago – in the pre-pandemic era – borrowers were less likely to use an online application (52% vs. 64% during the pandemic), an online portal for uploading documents (56% vs. 67% during the pandemic) and online portals for signing and notarizing documents (56% vs. 64% during the pandemic).

Three in five borrowers reported that they were influenced in their choice of lender by whether the institution offered online mortgage applications (60%), online portals for uploading documents (59%), and online portals for signing and notarizing documents (60%). While important, interest in mobile apps was not as strong – 46% reported

they were influenced by whether the lender offered a mobile app.

Of borrowers who secured a mortgage in the past two years, 60% report their choice of lender was influenced by the lender offering an online application. This was vastly different from borrowers' responses five years ago who did not seem to value speed and convenience as highly. Just 19% of homeowners surveyed in 2017 said the convenience of applying online and completing their loan application at their own pace/time was the most important factor to them when applying for a mortgage loan online.

After submitting their application, 72% of borrowers who secured a mortgage in the last two years claim they were contacted by their lender in less than 12 hours later. For borrowers overall, there were strong indications that lenders are becoming more responsive. The faster response time is a sign that lenders are taking note – and perhaps making more use of automated tools that help streamline and shorten the response process.

### **But not everything is changing. Borrowers still prefer traditional lenders, rather than online competitors. And relationships still matter**

Borrowers were much more likely to choose a bank (31%) or a mortgage broker (25%) as their lender, as opposed to an online mortgage entity (13%), a credit union (13%), a savings and loan (8%) or a community bank (7%).

And in spite of the appeal of an online experience, relationships still matter. 68% found their most recent mortgage lender through some form of personal relationship – spanning from referrals from their realtor or friends/family, or existing bank and lender contacts

### **New generation of home buyers is coming of age**

Millennials and Gen Z are rapidly becoming a major force in home buying. And they are bringing their preferences for a different kind of home buying experience. While an online mortgage process was popular overall, younger buyers and renters – Gen Z and Millennials – were the most likely to agree with this sentiment, at 69% and 68% respectively.

While 60% of borrowers overall were influenced in their choice of lender by online mortgage applications – and fewer, just 46%, were influenced by mobile apps – for younger borrowers, the numbers were different.

Millennial and Gen Z borrowers were most strongly influenced by digital offerings – online applications (68% and 64%, respectively), online portals for uploading documents (65% and 68%) and online portals for signing and notarizing documents (66% and 71%).

More notably, for Millennial and Gen Z borrowers, mobile apps were just as big an influence on the choice of a lender. 61% of Millennials and 65% of Gen Z borrowers said mobile apps influenced their choice – far higher than the 46% figure for borrowers overall.

These figures signal a generational shift. Baby boomers were least likely to say that online applications, document upload portals and portals for signing and notarizing documents influenced their lender choice (57% for each category). But they were most disdainful of mobile apps – 81% reported that the availability of a mobile app did not influence their decision on a lender.

To download the ICE Mortgage Technology Borrower Insights Survey eBook, and for more information, visit:

[https://engage.icemortgagetechnology.com/Borrower\\_Insights\\_eBook\\_470300](https://engage.icemortgagetechnology.com/Borrower_Insights_eBook_470300).

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## About the Survey

The 2022 Borrower Insights Survey polled 2,000 individuals age 18+ in the U.S. – 1,000 of whom have taken out a mortgage loan within the last five years and 1,000 of whom are currently renting. Borrowers were asked about the factors and the elements of the experience that are most important to borrowers during the loan process. Renters were asked about their perceptions of the home buying experience and their expectations about the requirements of homebuying. The survey was fielded using the Qualtrics Insight Platform and panel was sourced from Lucid. Fielding was executed in December 2021.

## About Intercontinental Exchange

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