



# KEY FINDINGS



## Key findings

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**MOST AMERICANS ARE PESSIMISTIC ABOUT THE ECONOMY BUT OPTIMISTIC ABOUT THEIR PERSONAL FINANCES. FOR INDIVIDUALS, THE ROLE OF THE HOME IN THEIR PERSONAL FINANCES SIGNIFICANTLY IMPACTS THEIR OPINION:** A majority (61%) believes the economy is on the wrong track, up significantly from 2003. Yet the vast majority expect their family's financial situation to remain the same (38%) or get better (44%). Renters, and homeowners who say housing prices will rise, are significantly more optimistic.

2

**1 IN 3 AMERICANS ARE STRESSED ABOUT THEIR ABILITY TO PAY THEIR DEBT AND A MINORITY BELIEVE THEY HAVE SUFFICIENT SAVINGS:** Delinquent borrowers report being particularly stressed (84%) as well as being devoid of sufficient savings (86%). A quarter of mortgage borrowers and 42% of delinquent borrowers give higher priority to bills other than their mortgage.

3

**80% BELIEVE HOMEOWNERSHIP IS IMPORTANT TO THE ECONOMY, BUT MOST THINK IT HAS BECOME MORE DIFFICULT TO BUY A HOME:** 2 in 3 Americans think it's a good time to buy a home (same as in 2003), but believe it is harder to finance a purchase than it was in their parents' generation. Over two thirds see homeownership being even more of a challenge for their children.

4

**NEARLY TWO-THIRDS THINK OWNING IS PREFERABLE TO RENTING. SAFETY AND HAVING A POSITIVE ENVIRONMENT FOR CHILDREN ARE CITED AS TOP REASONS TO OWN:** Most appear willing to make sacrifices to own, with over half saying they are doing so today. Fewer think real estate is a safe investment (70%) vs. 2003 (83%).

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**6 IN 10 AMERICANS SAY IT WOULD BE DIFFICULT TO GET A MORTGAGE LOAN TODAY. CREDIT HISTORY CITED AS THE BIGGEST IMPEDIMENT:** 9 in 10 delinquent borrowers say it would be difficult to get a new mortgage loan.

6

**NEARLY 8 IN 10 AMERICANS ARE CONFIDENT THEY WOULD GET THE NECESSARY INFORMATION IF THEY WERE BUYING A HOME TODAY:** However, confidence is especially low among Hispanics and renters. The generally high level of confidence survey respondents express is in contrast to research evidence which questions borrowers' level of understanding of the features of their mortgages.

7

**A MAJORITY OF MORTGAGE BORROWERS ARE SATISFIED WITH THE FEATURES OF THEIR CURRENT MORTGAGE:** Most have 30-year fixed-rate mortgages and more than 6 in 10 say they are very satisfied. Borrowers with 30-year fixed-rate mortgages are more satisfied than those with other types of mortgages. Delinquent borrowers are more likely to be in a non-30-year fixed-rate mortgage.

8

**BEING UNDERWATER HAS A SIGNIFICANT IMPACT ON THE ATTITUDES AND BEHAVIORS OF MORTGAGE BORROWERS:** 30% of mortgage borrowers see themselves as being currently underwater. Seriously underwater borrowers (where the mortgage balance exceeds the home value by over 20%) were more than twice as likely to be behind on their mortgage payments and were more than twice as likely to believe stopping payments was acceptable than borrowers who were not underwater.

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9

**NEARLY 9 IN 10 AMERICANS, AND MORE THAN 7 IN 10 DELINQUENT BORROWERS, BELIEVE IT IS NOT ACCEPTABLE TO STOP MAKING MORTGAGE PAYMENTS:** A majority blame households, not mortgage companies, for unaffordable home loans.

10

**A CONTAGION EFFECT WITHIN COMMUNITIES IS LEADING MORE BORROWERS TO CONSIDER DEFAULT AS AN ACCEPTABLE OPTION:** Delinquent borrowers who know someone who have defaulted are more than twice as likely to have seriously considered default.