Real Estate Professionals Influence Clients' Mortgage Lender Choice: Freddie Mac Survey

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MCLEAN, VA--(Marketwired - Nov 4, 2016) - Most real estate professionals refer clients to a select group of lenders and they choose those companies based on the ease of doing business with them, their reputations, and the strength of those relationships, according to a survey commissioned by Freddie Mac (OTCQB: FMCC).

Eighty-four percent of real estate professionals have a select group of lenders to which they generally refer their clients. Of these, 73 percent have 1-3 lenders in their network and 24 percent work with 4-6 lenders. More than three-quarters (76 percent) say their clients always or often use their recommended lender referrals. This figure climbs to 87 percent among those who sell more than 20 properties per year.

In advance of the National Association of REALTORS® annual conference taking place in Orlando, FL, Freddie Mac commissioned a survey of licensed U.S. real estate professionals about a variety of topics including the challenges of growing their business and their views on the role they play in the homebuying process.

More than 80 percent of real estate professionals said their clients trust their knowledge of the area, their ability to help them find a home and their ability to show them the right homes for their needs. Seventy-eight percent see themselves as an advisor capable of assisting clients with their navigation of the homebuying process.

At the same time, 35 percent said they feel challenged by clients' lack of understanding of the homebuying process.

Only 38 percent of real estate professionals said their clients would find them to be a trusted advisor who could help refer them for housing counseling if they need or want more education on the process.

Real estate professionals are somewhat less confident when it comes to educating buyers on the mortgage process (50 percent) and down payment assistance program options (30 percent).

When asked to identify the challenges they were experiencing in their jobs, here were real estate professionals' top 5 responses*:	
Attracting potential buyers	55 percent
Attracting potential sellers	55 percent
Selling within the length of time planned	32 percent
Establishing the right listing price	28 percent
Helping potential buyers navigate the home buying process	25 percent

When asked to identify the challenges they were experiencing with potential homebuyers, here were their top 5 responses*:	
Not enough homes available for buyers in their price range	55 percent
Clients having unrealistic expectations of what they can afford	52 percent
Clients not having enough money for a down payment	42 percent
Potential homebuyers not qualifying for a mortgage due to a poor credit history	38 percent
Clients' lack of understanding of the home buying process	35 percent

*Responses do not add up to 100 because survey participants were allowed to select multiple responses.

"The survey reaffirms just how important real estate professionals are to families throughout the homebuying process," said Jeffrey S. Markowitz, Freddie Mac's Vice President of Government and Industry Relations. "We want to help them clear the path to the closing table by providing information that may allow them to provide even more options to their clients and grow their business."

The Freddie Mac Real Estate Professionals Resource Center provides information to help individuals boost referrals, including customizable marketing templates, and educational materials about the homebuying process in English and Spanish. It offers descriptions of available mortgage products for a variety of client needs as well as an overview of down payment assistance programs by state. For those interested in expanding their businesses, the site also provides information on how to sell or list a foreclosed property.

For more information, conference attendees are invited to visit Freddie Mac at booth #1285 at the Orange County Convention Center.

GfK conducted an online survey on behalf of Freddie Mac Sept. 6-20, 2016, resulting in 502 online interviews completed by U.S. real estate professionals who were focused on the residential real estate market (or residential and commercial markets equally) and who were at least somewhat knowledgeable about the mortgage process. The survey results discussed above are based, in part, on conclusions reached by GfK through analysis of the consolidated responses.

Freddie Mac was established by Congress in 1970 to provide liquidity, stability and affordability to the nation's residential mortgage markets. Freddie Mac supports communities across the nation by providing mortgage capital to lenders. Today Freddie Mac is making home possible for approximately

one in four home borrowers and is the largest source of financing for multifamily housing. Additional information is available at FreddieMac.com, Twitter @FreddieMac and Freddie Mac's blog.

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