



## Majority of Homeowners Approved for a Mortgage Forbearance May Not Have Needed One, According to LendingTree Survey

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CHARLOTTE, N.C., May 20, 2020 /PRNewswire/ -- In the wake of the COVID-19 pandemic, many homeowners questioned whether they'd be able to pay their monthly mortgage payments. As a result, millions of people requested a mortgage forbearance agreement, which temporarily postpones or lowers a borrower's monthly mortgage payment. Though forbearance can be a boon for homeowners struggling to stay afloat, [a new LendingTree survey](#) conducted by Qualtrics suggests that most people who received a forbearance may not have necessarily needed one.



### Key findings

- **25% of homeowners surveyed applied for forbearance due to a coronavirus-related hardship.**
- **Of the 25% that applied, 80% were approved for a forbearance.**
- **While the majority of people who applied were approved, only 5% said they wouldn't have been able to pay their mortgage without forbearance.**
  - Another 26.2% of survey respondents said they could have paid their mortgages if they had not received a forbearance, but would have needed to skip other essential bills to do so.
- **72% of those who received forbearance reported feeling at least a little guilty about it.**

### Those who applied for forbearance differed along gender, generational and income divides

In general, women were less likely to apply for forbearance than men, with 10.2% of women and 37.8% of men surveyed applying because of the coronavirus pandemic. While men were far more likely to apply than women, approval rates between the genders were similar, with 75% of women and 81% of men being approved.

Younger homeowners were more likely to apply for a forbearance than older homeowners. About 36% of millennials and 35.1% of Gen Xers applied for forbearance. This is compared with just 3.5% of baby boomers. Of those who applied, 76% of millennials, 87.6% of Gen Xers and 76.9% of baby boomers were approved.

Homeowners in higher-income brackets were more likely to apply and be approved for forbearance. One explanation may be that lenders see higher-income earners as more likely to repay missed payments later down the line.

### Vast majority of respondents claimed they could have made payments without forbearance

Five percent of homeowners who were approved for forbearance said they would not have been able to make their mortgage payment without it. Furthermore, 26.2% of survey respondents said they could have paid their mortgages but would have needed to skip other essential bills. And almost 70% said they could have made their payments, but just wanted a break from their normal payments.

Of all the generations, millennials and Gen Xers were more likely to say that they wanted a break from payments. Notably, 71% of respondents from these age groups said they could have made their payment but just wanted a pause. An average of only 4.3% of millennials and Gen Xers said they would not have been able to pay their mortgages without forbearance.

While fewer baby boomers applied for forbearance, as older homeowners are more likely to own their homes outright or are closer to paying off their mortgages, those who did were in much greater need. In fact, 20% of baby boomers said they needed forbearance to avoid missing their monthly payment.

### Most who were granted forbearance felt some guilt about it

Of those surveyed, 33.2% felt "a lot" of guilt about receiving forbearance, while 38.3% felt "a little" guilty. Generally, women were more likely to feel "not at all" guilty compared with men (43.8% versus 25.2%), while 70% of baby boomers reported feeling no guilt, compared to 30% of millennials and 20.4% of Gen Xers.

For the full survey results and additional information, please visit: <https://www.lendingtree.com/home/mortgage/majority-of-homeowners->

## [approved-for-mortgage-forbearance-may-not-have-needed-one-study/](#)

### **Methodology**

LendingTree commissioned Qualtrics to conduct an online survey of 1,305 homeowners. The survey was fielded April 28-May 1, 2020. Generations are defined as the following age ranges in 2020:

- Millennials are aged 24 to 39
- Gen Xers are aged 40 to 54
- Baby boomers are aged 55 to 74

While LendingTree's survey included homeowners who identified themselves as being from Generation Z and the silent generation, the sample sizes for both groups were so small that findings related to each group were not included in this study.

### **About LendingTree**

LendingTree (NASDAQ: TREE) is the nation's leading online marketplace that connects consumers with the choices they need to be confident in their financial decisions. LendingTree empowers consumers to shop for financial services the same way they would shop for airline tickets or hotel stays, comparing multiple offers from a nationwide network of over 500 partners in one simple search, and can choose the option that best fits their financial needs. Services include mortgage loans, refinances, auto loans, personal loans, business loans, student refinances, credit cards and more. Through the My LendingTree platform, consumers receive free credit scores, credit monitoring, customized recommendations to improve credit health, and notification when there are opportunities to save money. In short, LendingTree's purpose is to help simplify financial decisions for life's meaningful moments through choice, education and support. LendingTree, LLC is a subsidiary of LendingTree, Inc. For more information, go to [www.lendingtree.com](http://www.lendingtree.com), dial 800-555-TREE, like our Facebook page and/or follow us on Twitter @LendingTree.

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