

Home Loan Fundamentals Still a Mystery to Most Americans, According to New Survey

The Mortgage Playbook by Ally Home® Gets Homebuyers Up-to-Speed in the Span of the "Big Game's" Half-Time Show

SANDY, Utah, Jan. 23, 2018 -- In the time it takes to watch the "Big Game's" half-time show, consumers could learn the basics of applying for a home loan with *The Mortgage Playbook* from Ally Home, Ally Bank's direct-to-consumer mortgage business. And based on new survey findings, perusing the Playbook could prove more beneficial for many Americans than dancing along with this year's half-time performance (although the Playbook's so easy to read it's possible to peruse while dancing, too).

Underscoring the tremendous need for information-packed and quick-to-absorb resources like the Playbook, a recent survey of more than 2,000 U.S. adults found most people did not know how much house they could afford. It also found most consumers were confused on the topic of "rates" versus "points" and only a third had a general sense of what the average closing costs might be.

"When it comes to major financial investments, such as a home, it's critical consumers have a solid grasp of the basics," said Diane Morais, president, Consumer and Commercial Banking Products. "It can seem overwhelming at first, but by mastering just a few of the fundamentals, homebuyers can put themselves in a much better position to win and secure the mortgage that's right for them. The Playbook is designed to help them do just that."

The Mortgage Playbook is a free resource that uses a sports theme and familiar sports jargon to clearly outline the information consumers need to know to better understand the mortgage application process. It was developed by Ally Bank's Home Teamsm of loan experts and provides tips such as how to improve your financial fitness prior to applying, how to evaluate rate and points options and how mortgage rates are determined, among other advice.

Specific findings of the mortgage survey include:

- When thinking about the mortgage they can afford, most people do not know what their debt-to-income ratio should be. Only 8% were aware that the maximum debt-to-income ratio is typically 43%; most thought it was significantly lower or were unable to hazard a guess.
 - The question of the right debt-to-income ratio was particularly difficult for Millennials (18-34) and Baby Boomers (55-65+).
- Nearly two in five US adults (39%) believe mortgage applicants who plan to stay in a home short-term should look for *low points* to have the lowest mortgage payment, while more than half (55%) say *low rates* are what applicants should look for if they plan to stay long-term.
- About one-third (32%) of US adults know the average home mortgage closing costs are in the 1-5% range of the home's total purchase price. Most thought higher or just didn't know at all.

You can download a free copy of The Mortgage Playbook [here](#).

About Ally Financial Inc.

Ally Financial Inc. (NYSE: ALLY) is a leading digital financial services company and a top 25 U.S. financial holding company offering financial products for consumers, businesses, automotive dealers and corporate clients. Ally's legacy dates back to 1919, and the company was redesigned in 2009 with a distinctive brand, innovative approach and relentless focus on its customers. Ally has an award-winning online bank (Ally Bank Member FDIC, Equal Housing Lender) offering deposits, credit card and home loan products, one of the largest full service auto finance operations in the country, a complementary auto-focused insurance business, a growing wealth management and online brokerage platform, and a trusted corporate finance business offering capital for equity sponsors and middle-market companies.

The company had approximately \$164.0 billion in assets as of September 30, 2017. For more information, visit the Ally press room at <http://media.ally.com> or follow Ally on Twitter: @AllyFinancial.

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