

Shifting Lending Search Trends

Understanding &
Responding to the
Changing Customer
Needs in the US

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Part of iQuanti's research series:
"Responding to COVID-19: Tactics for Financial Marketers"

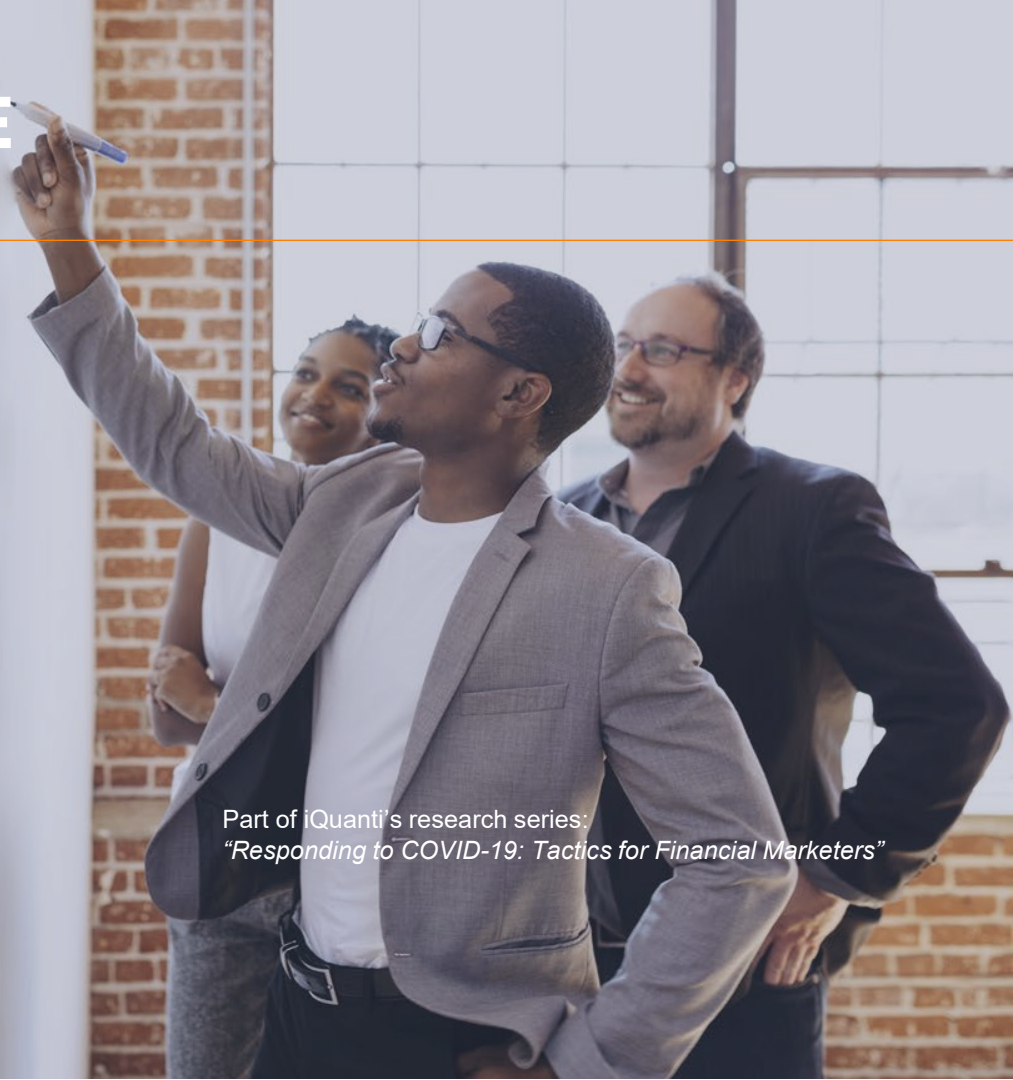




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Key Takeaways

Key Takeaways

- With the uncertainty around the pandemic, new stimulus packages / relief programs by the government, and overall dynamic rate environment, the current environment is very volatile. This is driving the search behavior with consumers searching for stimulus packages for different loans, as well as inquiring about the rates for different lending products.
- With people's behavior shifting from spending to saving, and the stimulus checks providing some relief, **the need for borrowing has not increased sharply during the pandemic**. However, we are beginning to see a slight uptick in May.
- Overall, the pandemic has not massively shifted any of the markets yet. The college enrollments remain stable right now. The home buying demand is also coming back to normal levels after a brief slump. Demand for home improvement has been trending up. However, **the rising unemployment and uncertainty around the US economy could have a significant and sustained impact on consumers' financial needs and behaviors in the coming months**.

Key Takeaways

- **Personal Loans**

- After a temporary spike in March due to 'rates' related searches, the search demand for personal loans has been lower than pre-COVID-19 levels. This is due to a lower demand for debt consolidation. However, **we are beginning to see an uptick from the beginning of May 2020.**

- **Student Loans**

- There was a big spike in 'stimulus', 'rates' and 'refinance' related searches in March; **the demand has gone back to pre-COVID-19 levels since then.** There wasn't a corresponding spike for most of the lender searches in March.

- **Business Loans**

- Business loans demand **saw some huge spikes in March 2020** around the CARES Act bill. The demand continues to be significantly higher than pre-COVID-19 levels as the business are struggling with cash flows. Business owners are using new terms in their searches - 'coronavirus business loans', 'covid business loans', 'cares act business loans', 'ppp business loans', etc.

Key Takeaways

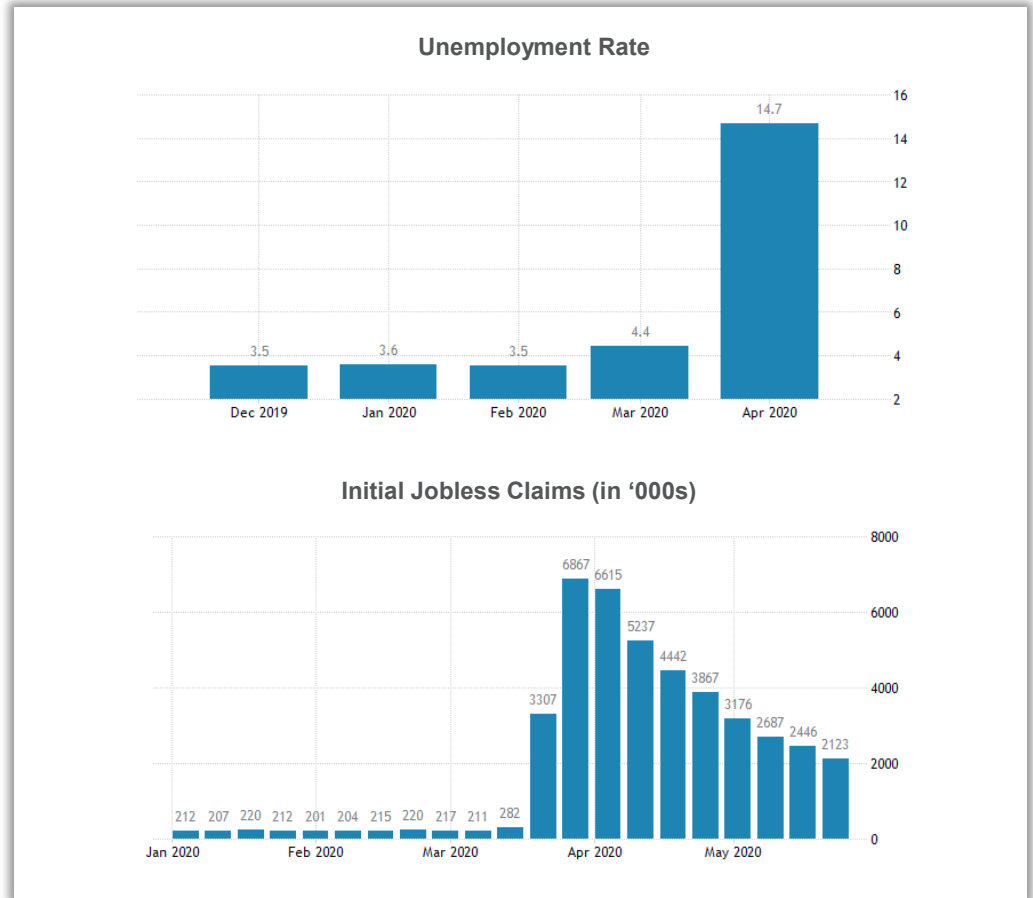
- **Mortgage**

- We are seeing **two spikes in March across most mortgage categories** – one driven by historic low rates and other driven by the Fed announcement of slashing rates.
- **Home purchase demand is rising again** after a slight slump in March and April.
- **'Refinance' related searches remain high** in the low rate environment. 'Cash out refinance' demand has been rising in the past few weeks.
- The **demand for home equity loan and second mortgage keywords is also seeing a rise** over the past few weeks, in-line with the increasing demand for 'home improvement', as the lockdown eases.

Macroeconomic Trends

Employment Trends

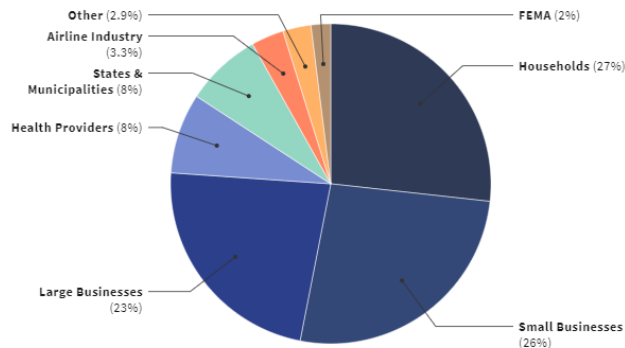
- The coronavirus has had an unprecedented impact on the unemployment rates. The unemployment rate in April was at 14.7%, the highest since the Great Depression.
- The initial jobless claims have been steadily declining since the peak in April. However, the numbers remain much higher than pre-COVID-19 levels.



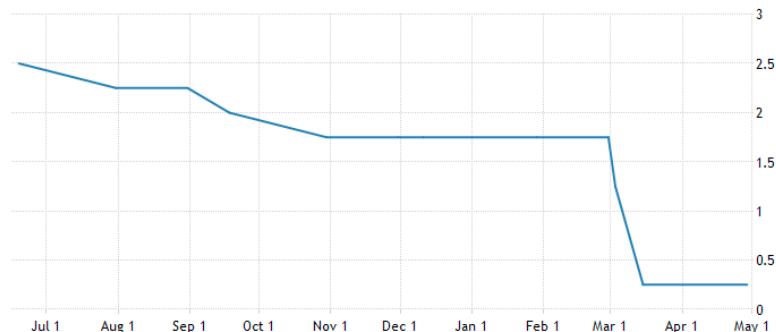
Government Stimulus & Rates Trends

- In March, the government passed the CARES Act (stimulus package). This included a loan program for small businesses, expansion of unemployment benefits to furloughed, gig workers, freelancers and direct payments to middle- and low-income families among other provisions.
- The US Fed lowered the rates in March, due to the uncertainty and risk brought to the economy by the pandemic. The Fed plans to keep the interest rates at near-zero till a recovery is firmly in place. These rates will have an influence on the short-term rates on consumer loans and credit cards as well as Deposits rates.

CARES Act (Recipients of \$2.3 Trillion Funding)



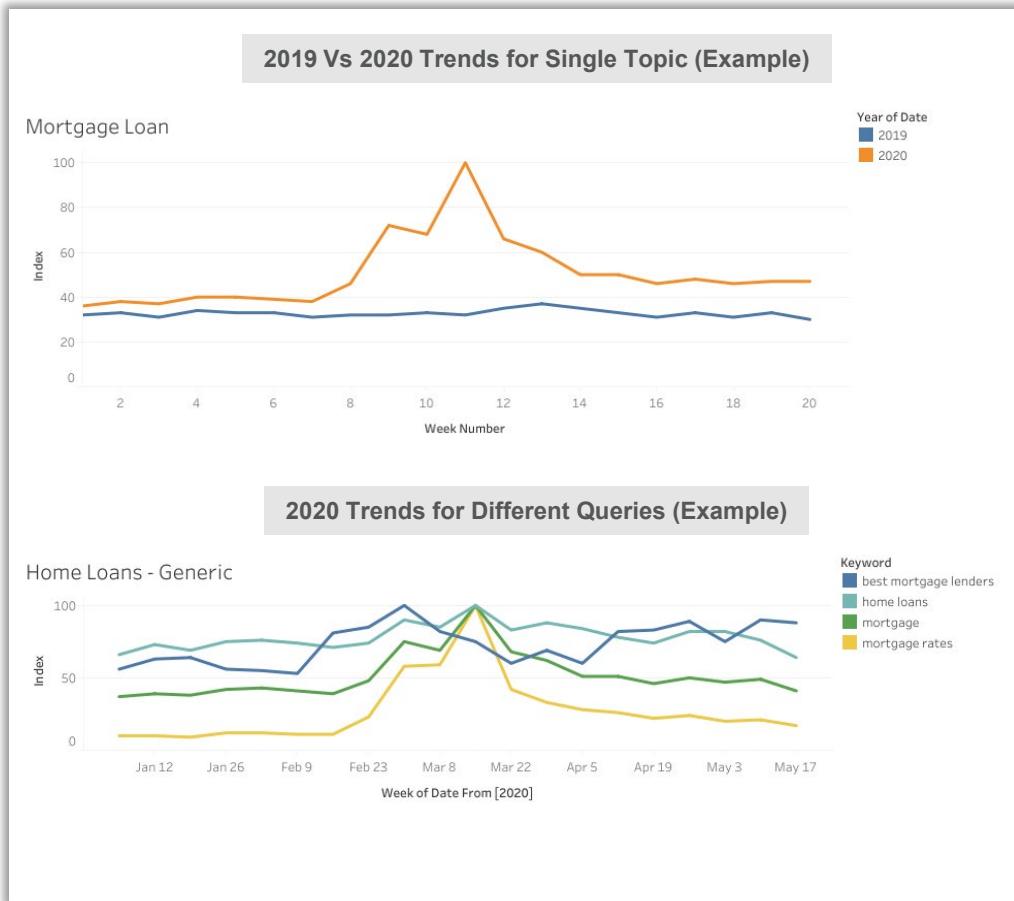
US Fed Funds Rate



How to read the Search Index data in this report

The data in this report is Search Index data from **Google Trends**. You will see two types of charts in this report:

- **2019 Vs 2020 Trends for Single Topic**
 - These charts show the trends for the same Topic as defined in Google Trends.
- **2020 Trends Across Different Queries**
 - These charts show trends for different keyword queries. We looked at the individual indices for different keywords but are plotting them on the same chart to identify trends within the same theme. They are not indicative of search volume relative to one another. The bottom chart on the right, for instance, only shows the demand of 'best mortgage lenders' relative to its peak in Feb.

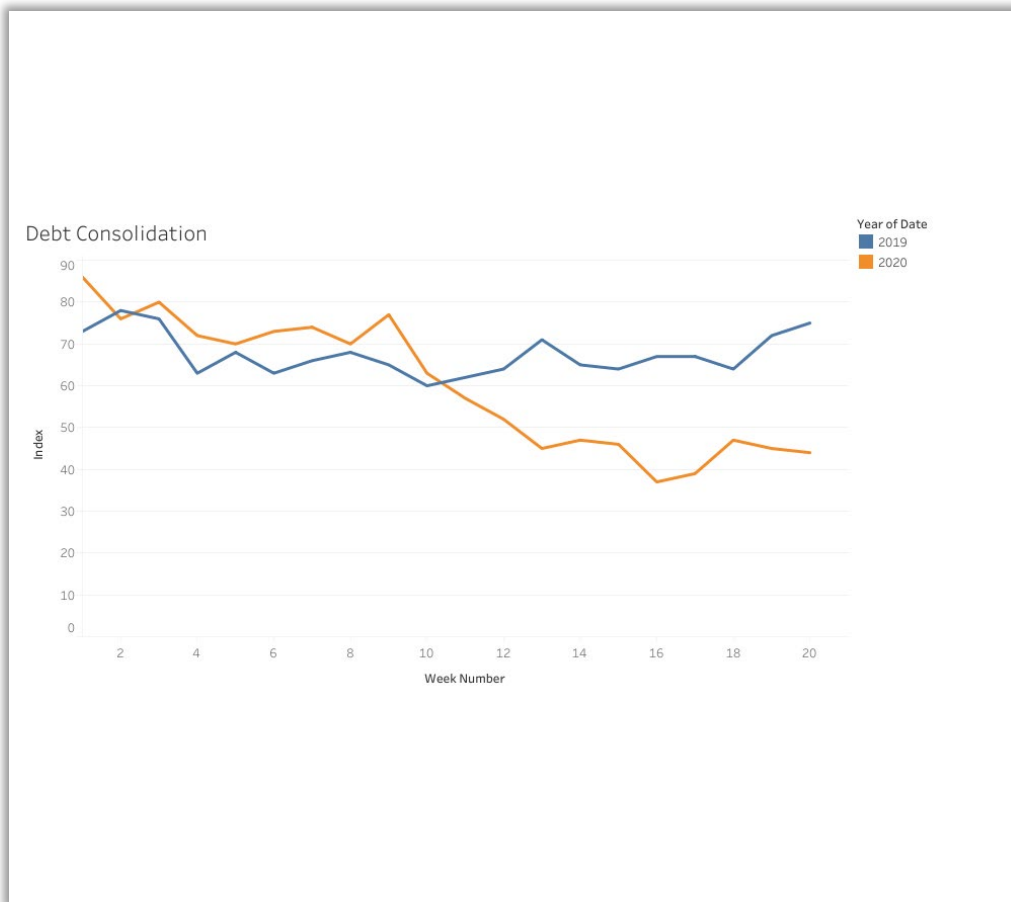


Search Trends: Loan Needs

2019 Vs 2020

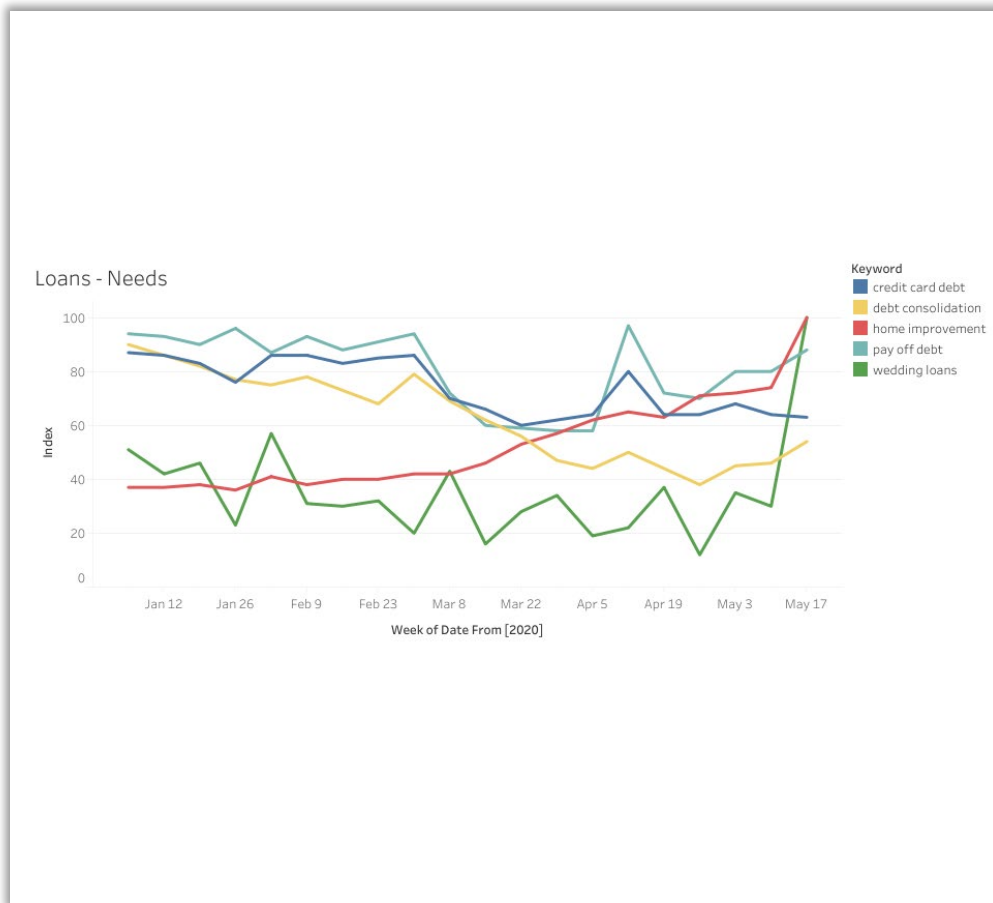
Trends for Debt Consolidation

- According to a [NY Fed Report](#) (based on 2008 / 2009 data), during recession, the consumer behavior shifts from spending to saving.
- US [credit card debt](#) suddenly reversed course in March 2020 and fell by the largest percentage in more than 30 years.
- As a result, there is a subsequent drop in the 'debt consolidation' demand.



2020 Trends for Loan Needs Queries

- Demand for all the debt-related queries has been declining since March. However, we are starting to see an uptick for some of those keywords in May.
- Home improvement demand has been rising since mid-March as the lockdown restrictions eased starting April in several parts.
- Wedding loans are also seeing a huge spike in May, this is likely driven by seasonality and easing of lockdown restrictions.

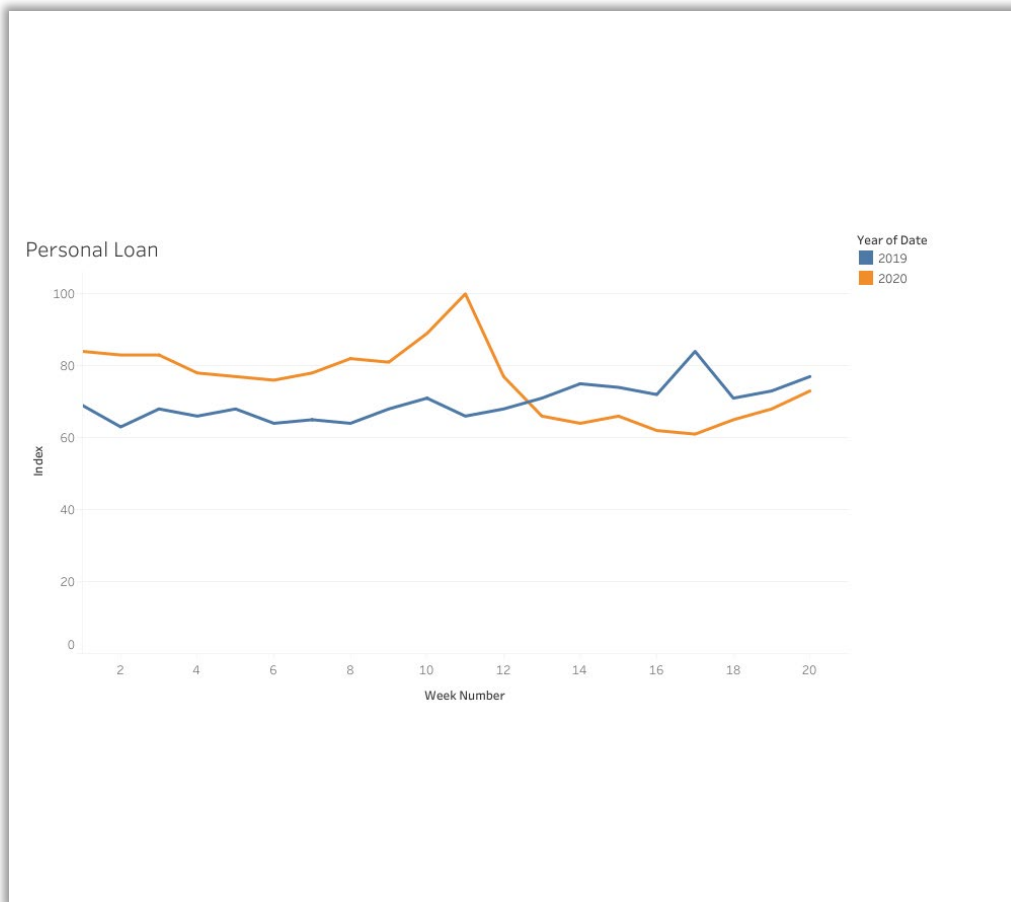


Search Trends: Personal Loans

2019 Vs 2020

Trends for Personal Loans

- As debt consolidation is one of the major reasons for users taking out a personal loan, there is a corresponding drop observed in the demand for 'personal loan'.
- The big spike in the middle of March 2020 is driven by the fed announcement on rates. This resulted in a lot of users inquiring about the rates.
- The IRS started cutting [stimulus checks](#) in mid-April 2020 and it has already gotten money to nearly 130 million people, which might have provided temporary relief to many families.
- We are now beginning to see a slight uptick in May, which corresponds to the seasonality in 2019. We will monitor to see if this trend continues.



2020 Trends for Personal Loans Queries

- The search demand for generic keyword 'personal loans' did not see this spike. Also, the spike for branded keyword searches such as 'Discover personal loans', 'Wells Fargo personal loans' is also not nearly as sharp as for 'personal loan rates'.
- This indicated that the spike is more driven by consideration intent than purchase intent.



Rising Personal Loans Queries in Past 90 Days

- You can see there has been a lot of interest for 'rate' related searches in the past 90 days, driven by the Fed announcement.

| Keyword | Rising |
|------------------------------------|----------|
| personal loan interest rates today | Breakout |
| personal loan rates today | 650% |
| discover personal loan rates | 130% |
| i need a personal loan | 120% |
| applying for a personal loan | 110% |
| mortgage calculator | 100% |
| personal loan eligibility | 90% |
| personal loan rates | 90% |
| personal loan interest rates | 90% |
| american express personal loan | 80% |
| online personal loan lenders | 70% |
| interest rates | 70% |
| line of credit vs personal loan | 40% |

'Breakout' indicates the search term grew by more than 5000%.

Search Trends: Student Loans

Macro Trends Impacting Student Loans Market

- **Enrollment Trends**

- In terms of college enrollments, [current enrollment numbers](#) remain largely unchanged – but a remote fall semester could change things dramatically. In case of a remote fall semester, 48% of students are likely to defer enrollment or look for a different school.
- The flow of international students will most likely decrease in fall because of the uncertainty caused by the pandemic with respect to admissions, travel, visas, etc.

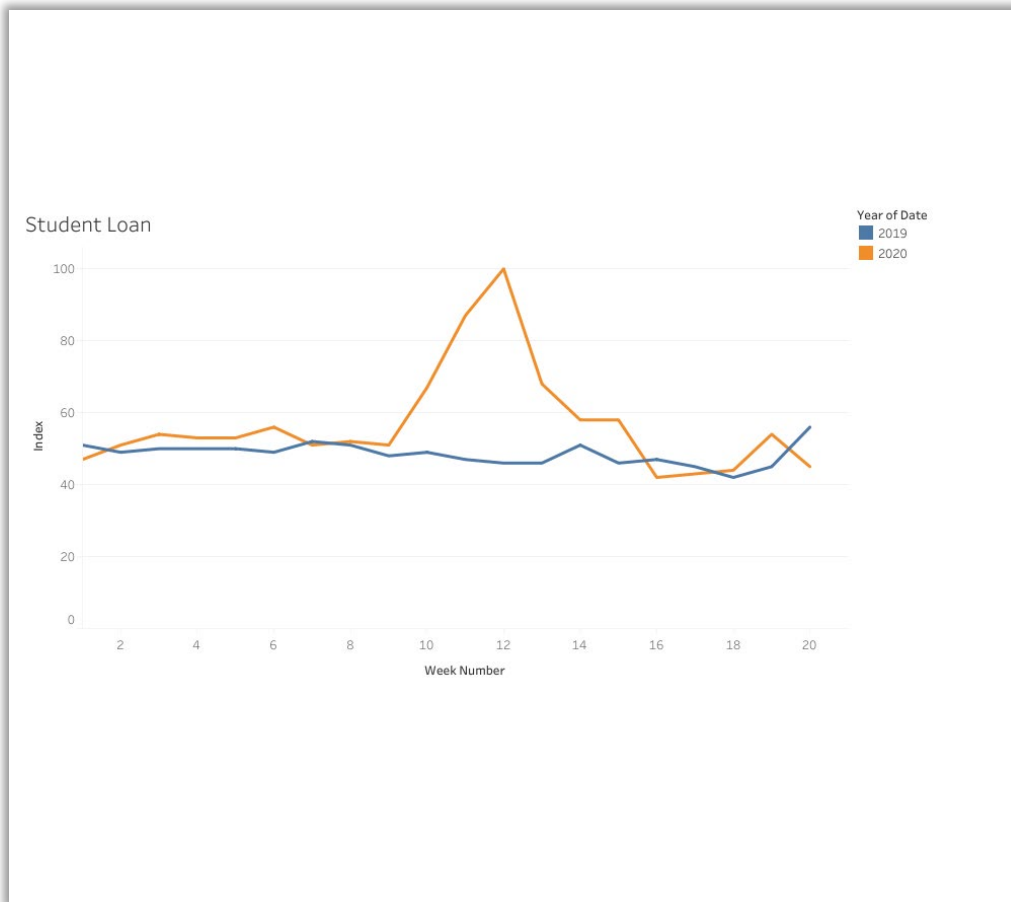
- **Rates Trends**

- [Interest rate](#) for federal student loans dropped to their lowest ever. Undergraduate student loan will be 2.75%, down from 4.53% last year. The new rates will be effective between July 2020 and June 2021. Although, these rates do not apply to private student loans, private student loans rates are also at a historical low.

2019 Vs 2020

Trends for **Student Loans** Topic

- Student loan also saw a big spike in middle of March 2020 corresponding with the Fed announcement of slashing rates.
- Since then, the demand has flattened out again to pre-March levels.



2020 Trends for Student Loans Queries

- This spike was driven mostly by upper funnel and rate-specific terms such as 'student loans', 'student loan rates', 'student loan refinance'. Students and parents were primarily interested in seeing if there were any changes in student loan rates and if they could potentially lower their rates.
- There wasn't a corresponding spike for many of the lenders' brand keywords except for Sofi.



Rising Student Loan Queries in Past 90 Days

- There has been a sharp increase in 'stimulus' related searches as the government is considering several programs / stimulus packages to reduce the burden on student loan owners.

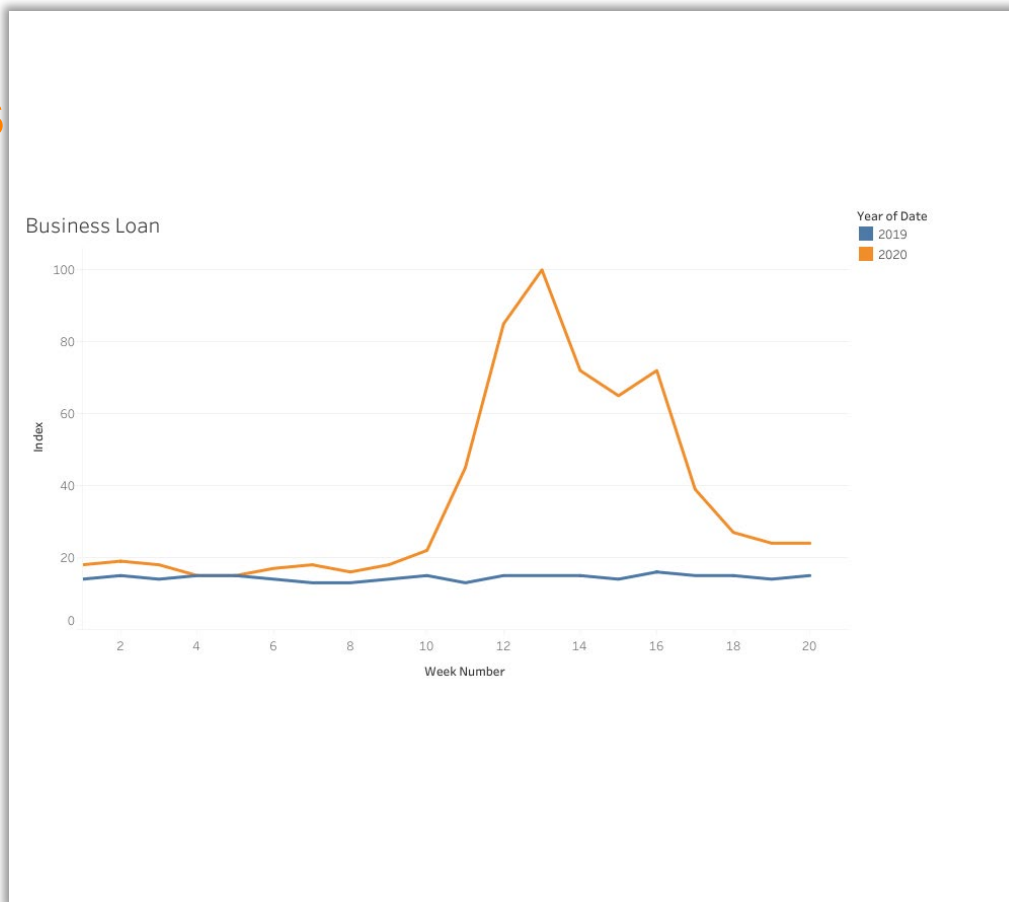
| Keyword | Rising |
|------------------------------------|----------|
| stimulus | Breakout |
| stimulus student loans | Breakout |
| student loan stimulus | Breakout |
| student loan covid | Breakout |
| covid student loans | Breakout |
| stimulus package | Breakout |
| cares act | Breakout |
| stimulus package student loans | Breakout |
| covid 19 student loans | Breakout |
| covid student loan forgiveness | Breakout |
| cares act student loan | Breakout |
| student loan forgiveness stimulus | Breakout |
| cares act student loans | Breakout |
| covid 19 student loan forgiveness | Breakout |
| stimulus bill | Breakout |
| student loan payments suspended | Breakout |
| heroes act | Breakout |
| coronavirus and student loans | Breakout |
| stimulus bill student loans | Breakout |
| student loan interest waived | Breakout |
| federal student loans suspended | Breakout |
| student loan interest suspended | Breakout |
| stimulus package 2020 | Breakout |
| cares act student loan forgiveness | Breakout |
| coronavirus student loan relief | Breakout |

Search Trends: Business Loans

2019 Vs 2020

Trends for Business Loan Topic

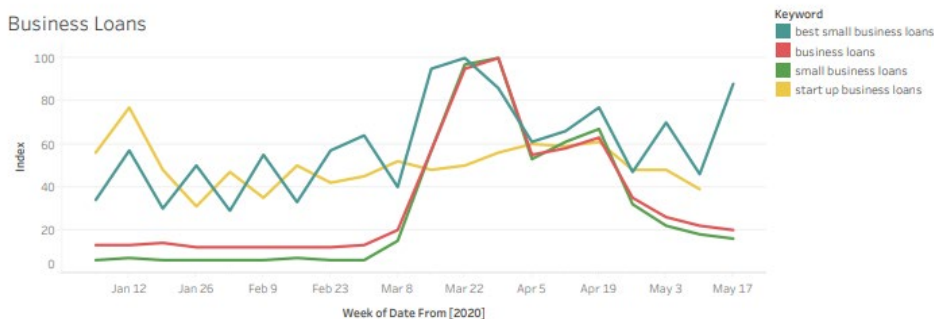
- The CARES act bill was introduced and was signed into a bill towards the end of March 2020. Given that the major component of this act was a stimulus package for small businesses, there was a huge spike in searches for 'business loan' related keywords in March.
- Although the huge spike has passed, the demand continues to be higher than before-March.



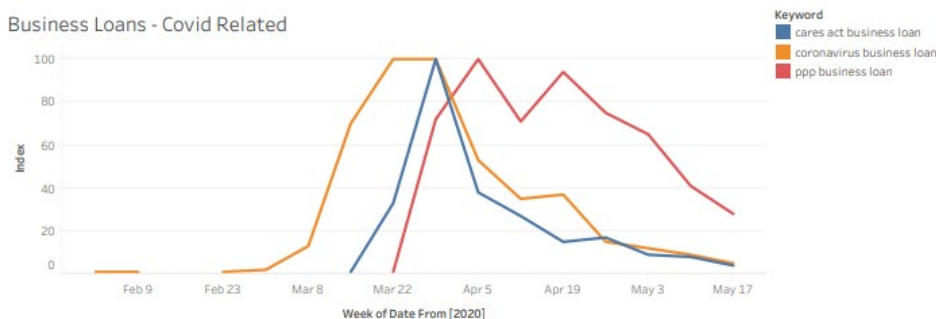
2020 Trends for Business Loans Queries

- The CARES Act program has resulted in a huge spike in many keyword searches that were non-existent before - 'coronavirus business loan', 'cares act business loan', 'ppp business loan', etc.

Business Loans



Business Loans - Covid Related



Rising Business Loan Queries in Past 90 Days

- There has been lot of interest around the business loan stimulus package. People are searching using variety of keyword terms – ‘stimulus’, ‘coronavirus’, ‘cares act’, ‘ppp’ etc.
- Business owners searching for ‘ppp’ related keywords are likely to be more informed about the loan, thus, likely stronger intent, compared to business owners searching for ‘stimulus’ or ‘coronavirus’ related terms.

| Keyword | Rising |
|---------------------------------------|----------|
| coronavirus business loans | Breakout |
| small business loans coronavirus | Breakout |
| small business loan covid | Breakout |
| stimulus business loan | Breakout |
| covid 19 business loan | Breakout |
| small business loan stimulus | Breakout |
| small business loan covid 19 | Breakout |
| covid business loans | Breakout |
| small business loan forgiveness | Breakout |
| ppp business loan | Breakout |
| ppp loan | Breakout |
| cares act | Breakout |
| covid 19 business loans | Breakout |
| ppp small business loan | Breakout |
| small business loan for coronavirus | Breakout |
| small business loan corona | Breakout |
| small business stimulus package | Breakout |
| cares small business loan | Breakout |
| small business loan cares act | Breakout |
| sba disaster loan | Breakout |
| paycheck protection program | Breakout |
| small business loans stimulus package | Breakout |
| corona virus small business loan | Breakout |
| small business disaster loans | Breakout |
| disaster business loan application | Breakout |

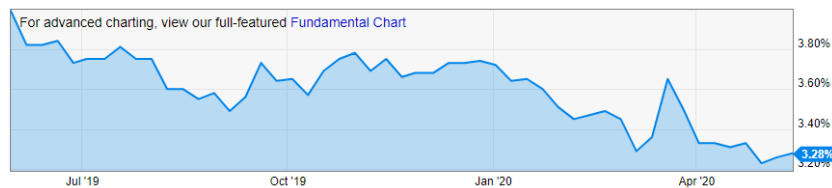
Breakout indicates the search term grew by more than 5000%.

Search Trends: Mortgage

Macro Trends Impacting Mortgage Market

- 30-Year mortgage rates are at their lowest they have been in a year, reaching its lowest on April 30, 2020.
- Home searches saw a drop in March but have started rising gradually since the beginning of April, as indicated by demand index for 'Zillow'.
- [Home-buying demand](#) has come roaring back. For the seven days ending 10 May 2020, the demand was 5.5% higher than it was before the pandemic, on a seasonally-adjusted basis. See bottom chart on the right.
- [Supply of new homes](#) saw a massive slide in April; however, new listings have started to increase in May.

30 Year Mortgage Rate

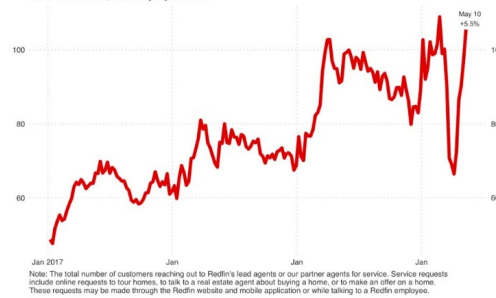


Google Trends Index – 'Zillow'



Seasonally-Adjusted Homebuyer Demand Index

100 = Jan-Feb 2020; Seasonally-adjusted index



2019 Vs 2020

Trends for Mortgage Topics

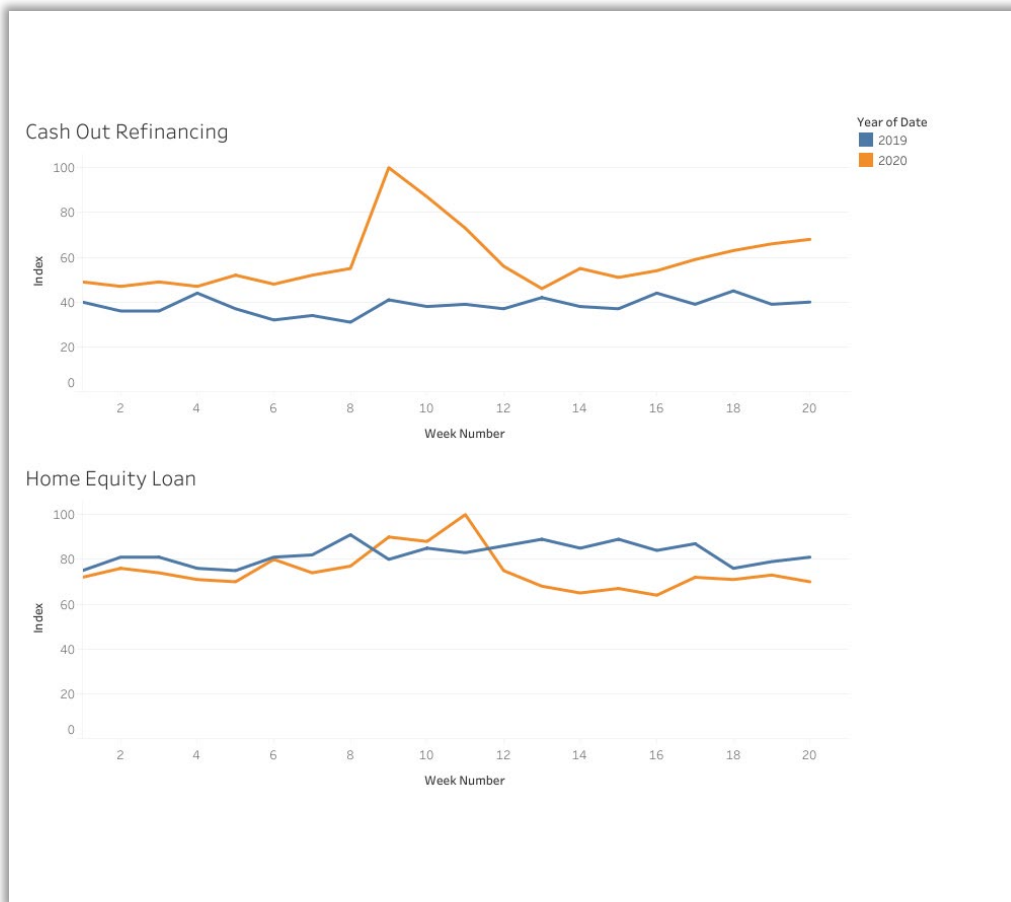
- For most mortgage themes, we are seeing 2 peaks - beginning of March and mid-March. The peak at the beginning of March is driven by the mortgage rates being historically low, and mid-March peak is driven by the Fed announcement about slashing rates.
- The searches have flattened out since then; however, it remains higher than pre-March levels.
- Many home-owners would be trying to capitalize on the historic low mortgage rates by refinancing to lower their rates.



2019 Vs 2020

Trends for Mortgage Topics

- Also, as COVID-19 is having an impact on household incomes, many would be trying to refinance and lower their monthly payments, and many would be looking to borrow cash, which can be seen via the rising demand in 'cash out refinancing' searches.
- The demand for 'home equity loan' is lower than 2019 levels. It also dropped below the pre-COVID-19 levels in April. However, we are beginning to see a slight uptick in demand, likely driven by rise in home improvement demand as well as people looking to borrow cash.



2020 Trends for Mortgage Queries

- The dual spikes are seen across most keywords. However, 'fha loan' keyword was not subject to this trend and its demand continues to rise.
- Demand for most of the mortgage lenders also followed a similar trend. However, the demand for online lender Loan Depot has not dropped since the peak unlike its other bank counterparts.



Rising Mortgage Queries in Past 90 Days

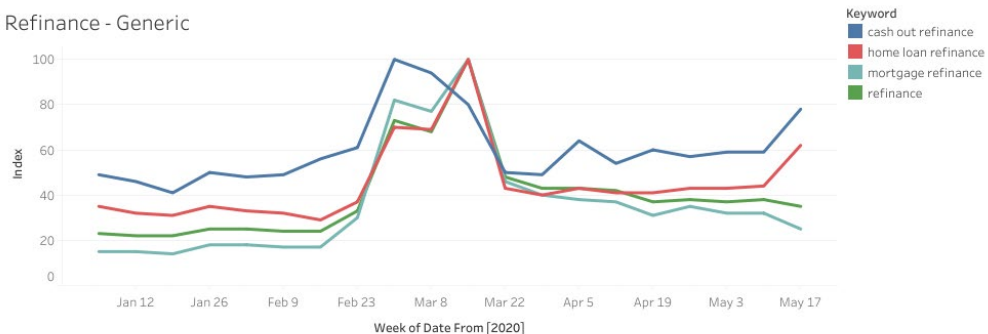
- There are a couple of themes of queries that have been trending – one is around mortgage relief and the second is around mortgage rates driven by the Fed's announcement on rates and historically low mortgage rates.

| Keyword | Rising |
|---|----------|
| coronavirus mortgage relief | Breakout |
| rent and mortgage cancellation act | Breakout |
| should i refinance my mortgage now | 4250% |
| cares act mortgage forbearance | 3950% |
| mortgage forgiveness coronavirus | 3600% |
| forbearance | 3450% |
| mortgage forbearance | 2950% |
| mortgage deferment | 2500% |
| wells fargo mortgage relief | 1700% |
| mortgage coronavirus | 1450% |
| federal reserve interest rate | 750% |
| mortgage relief refinance program of 2020 | 400% |
| 15 year mortgage rates today | 400% |
| what are mortgage rates today | 400% |
| trump stimulus mortgage | 350% |
| keybank mortgage rates | 300% |
| what is the mortgage rate today | 300% |
| 30 year mortgage rates today | 300% |
| interest rates today mortgage | 300% |
| will mortgage rates go down | 300% |
| interest rates today | 300% |
| mortgage refinance rates today | 300% |
| mortgage relief | 250% |
| mortgage interest rate today | 250% |
| are mortgage rates going down | 200% |

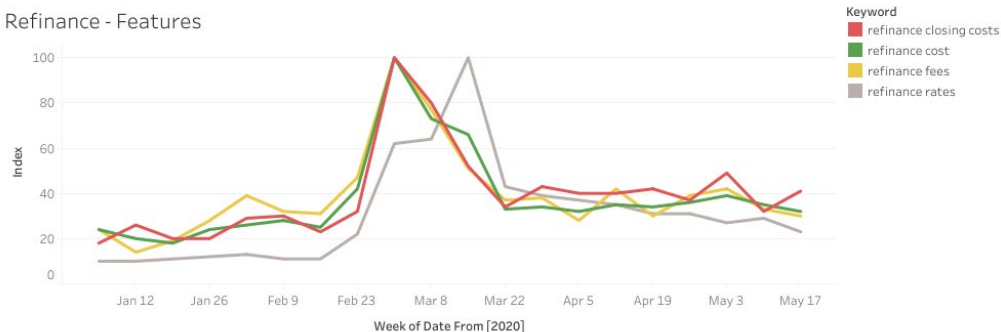
2020 Trends for Refinance Queries

- Most of the refinance keywords are following the same pattern.
- There seems to be an uptick in May for a couple of refinance terms including 'cash out refinance' and 'home loan refinance'. This is driven by the reasons that we discussed in the earlier slides.

Refinance - Generic



Refinance - Features



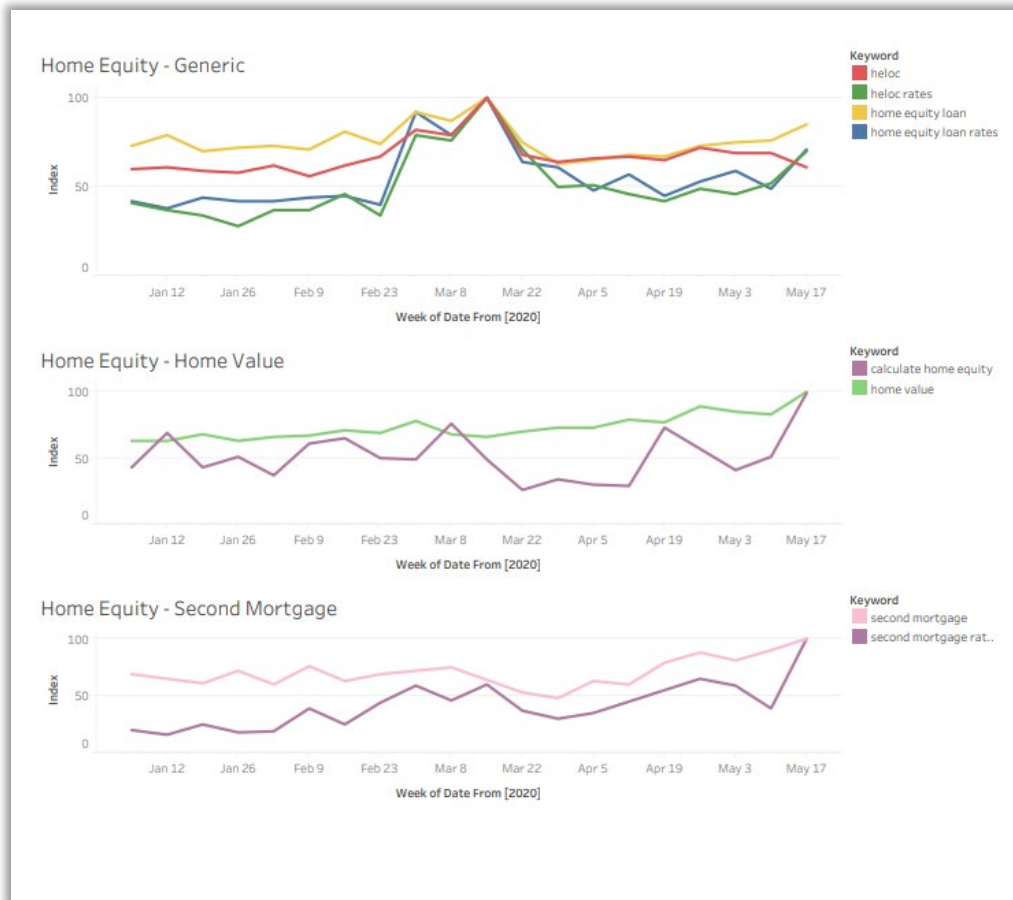
Rising Refinance Queries in Past 90 Days

- There is a sharp rise in upper funnel queries such as ‘is now a good time to refinance my mortgage’. Home-owners are trying to get a complete picture with historically low rates and the uncertainty driven by the pandemic.
- Also, as expected, there is a sharp rise in refinance rates related queries due to the dynamic rate environment.
- Among all lenders, demand for Chase seems to have picked up considerably.

| Keyword | Rising |
|---|----------|
| is now a good time to refinance my mortgage | Breakout |
| is it a good time to refinance | 700% |
| should i refinance now | 650% |
| is now a good time to refinance | 450% |
| 15 year refinance rates today | 450% |
| what are refinance rates today | 350% |
| should i refinance my mortgage now | 300% |
| 15 year mortgage rates today | 250% |
| chase bank refinance rates | 250% |
| best refinance rates today | 200% |
| wells fargo refinance rates today | 200% |
| navy federal refinance rates | 190% |
| third federal refinance rates | 190% |
| 20 year refinance rates | 180% |
| pennymac refinance | 170% |
| chase mortgage rates | 170% |
| lowest refinance rates today | 160% |
| refinance interest rates today | 150% |
| chase mortgage refinance | 150% |
| current refinance rates 30 year fixed | 150% |
| suntrust refinance rates | 140% |
| refinance mortgage rates today | 140% |
| chase refinance mortgage rates | 140% |
| va refinance rates today | 140% |
| chase refinance rates | 130% |

2020 Trends for Home Equity Loan Queries

- The main reasons to take out home equity loans are home improvement and debt consolidation.
- While debt consolidation demand has gone down, we have seen a steady rise in demand for home improvement since the end of March, with a sharp rise in May. This is being reflected in some of the terms, especially 'second mortgage' keywords.
- Also, there has been an increase in searches around 'home value' and 'calculate home equity', likely driven by homeowners curious about impact of pandemic on their home value, as well as homeowners who might be considering to refinance or take out home equity loans.



Rising Home Equity Loan Queries in Past 90 Days

- The same trend of rise in rate related queries can be seen with home equity loan as well.
- We can also see an increase in some of the upper funnel queries such as 'how to calculate home equity loan' as more homeowners who are beginning to consider home equity loan as an option.

| Keyword | Rising |
|--|----------|
| Home equity loan rates | Breakout |
| current mortgage rates | 350% |
| how to calculate home equity loan | 200% |
| refinance rates | 200% |
| current home equity loan rates | 170% |
| home equity loan interest rates | 150% |
| difference between heloc and home equity loan | 140% |
| mortgage rates | 130% |
| home equity loan rates today | 120% |
| what is an equity loan | 120% |
| usaa home equity loan | 90% |
| home.equity loan | 90% |
| home equity loans rates | 80% |
| us bank home equity loan rates | 80% |
| can you refinance a home equity loan | 80% |
| pnc home equity loan | 70% |
| home equity loan rates | 60% |
| td bank home equity loan | 60% |
| home equity loan fixed rates | 60% |
| heloc loan rates | 60% |
| home equity loan rate | 50% |
| bank of america home equity loan | 50% |
| equity loan rates | 50% |
| home equity loan near me | 40% |
| can you get a home equity loan with bad credit | 40% |

Breakout indicates the search term grew by more than 5000%.

HAVE QUESTIONS?

Reach out to our Digital Solutions team for a conversation today!

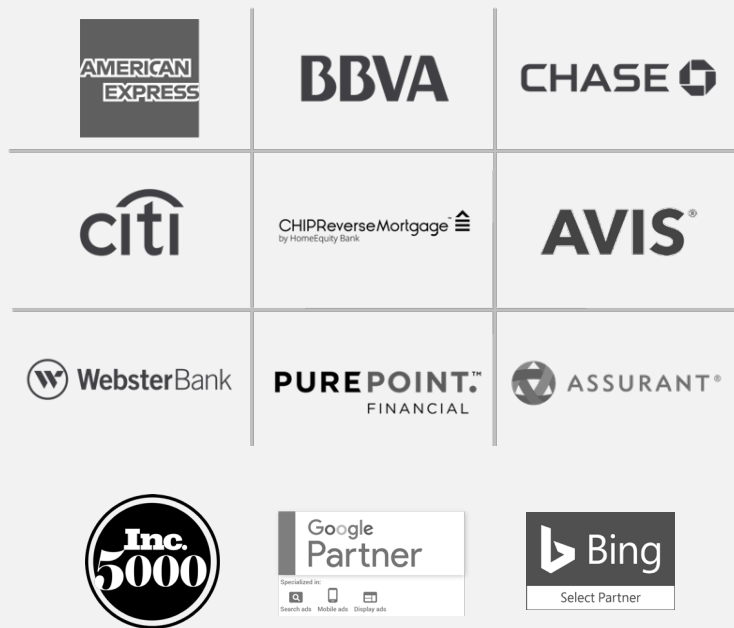
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iQuanti offers a unique blend of channel management services, strategic consulting expertise and proprietary product offerings to empower brands to exceed their customer acquisition, engagement, and conversion goals.

iQuanti's award-winning & patented enterprise SEO platform ALPS™ uses proprietary data science and machine learning to build predictive enterprise level SEO roadmaps that deliver stronger ROI.

Founded in 2008, iQuanti now has 200+ employees across New York, Chicago, Dallas and San Francisco, as well as Bangalore, London, Mexico City and Toronto. iQuanti joined the elite Inc 5000 Hall of Fame in 2019, its fifth time being featured in the list of fastest growing private companies in the U.S.





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