

Responses to Questions Provided by OMB on August 26, 2010

OMB Question/Comment	Response
<p>1. Section B of the foreclosure mitigation does not contain a question that would allow HUD to determine if they have received some sort of loan principal forgiveness or unpaid principal balance write-down/write off. This might be useful information.</p>	<p>A question asking about the principal forgiveness option has been added to the survey in Section B (see Section B, Q5).</p>
<p>2. What is the utility of the two mental health questions (#44, #45) in the foreclosure mitigation survey?</p>	<p>We opted to drop both mental health questions, as well as the question on physical health (#43). Information on health was not collected in the baseline survey and health outcomes are not central to the study's research questions.</p>
<p>3. I have concerns with the methodology behind most of question #31 of the foreclosure mitigation survey and #56 of the pre-purchase survey. I think that this format is OK for questions involving a one-time or unexpected shock to a respondent's income or obligations such as a medical emergency or job loss. However, this may not be the appropriate format for questions asking if their monthly or periodic obligations and liabilities (mortgage payments, insurance, property taxes, etc.) were too high and thus contributed to their falling behind on their mortgage. If they have not experienced an unexpected shock and are not strategic defaulters, then they necessarily have insufficient income to cover obligations and the answer to each of these questions should be "yes, my expenses are too high." This does not seem useful. Instead, they might ask how much the respondent was paying in mortgage payments, car payments, insurance, taxes, etc. They could then use that data, in combination with their reported income, to determine how they were stretching their resources. Perhaps they could break these questions out and ask them separately.</p>	<p>Question #31 of the foreclosure mitigation survey has been revised to address these concerns. The modified question can be found in Section D, Q10.</p>
<p>4. Why do you expect the foreclosure mitigation survey to have a lower response rate?</p>	<p>As explained in Section B2.1 of the supporting package, we estimate a 60 percent response rate for the foreclosure mitigation sample. This reflects the expectation that some of foreclosure counseling clients may continue to be under considerable financial strain or may have experienced a foreclosure, making them less willing to want to participate in a survey.</p>