

FHFA ASMB Survey

Cognitive Testing Guidance 02/09/16

Survey Objective

The objective of this survey is to learn from consumers who were delinquent or had trouble paying on their mortgage: 1) how the payment difficulties came about, 2) what steps the consumer took to address the difficulty 3) how servicers may have interacted with them. FHFA/CFPB also wants to learn about whether the borrower received credit or homeownership counseling.

Survey Sample and Questionnaire

This should be seen as a one-time survey. The survey sample will be a stratified sample of 10,000 mortgages and will oversample mortgages that were delinquent as of December 31, 2014. The survey questions include attitudinal data, trigger data (life events that take place), information about the mortgage and mortgaged property, attempts to refinance, and interactions with mortgage servicers.

Criteria for Recruiting Cognitive Testing Participants

Participants will have responded to a Craigslist add/email request. FHFA/CFPB want to focus on distressed borrowers (i.e. At any time in the last two years did you have difficulty paying your mortgage?)

Participants should be screened (whether with ad or in follow-up call) to fall into one of the three categories below:

- 1) They have had a hard time making mortgage payments
- 2) They have had late payments (How late were the payments? 30/60/90/120/more)
- 3) They have missed payments (How many did you miss?)

Additional screening may be:

- 1) When did you experience this difficulty? (Don't want people that lost their homes in 2011. Needs to be within past few years).
- 2) Did they refinance or modify their loan as a result of the difficulty in paying their mortgage?
- 3) Did they go into foreclosure?
- 4) Did you "cure" your mortgage without refinancing?

Probing for Questionnaire

General questions on the overall survey:

1. Do participants understand the difference between lender and servicer?
2. Is it clear throughout which mortgage participant should be responding for? We want participant to be talking about the active mortgage they had as of January 1, 2015 (first mortgage).
3. Are the skip patterns clear?

4. Do they understand “difficulty” as intended? (see three options).
5. We want to know what caused the distress and what the participant did about it.
6. Are any of the questions sensitive? Questions may be sensitive to the population FHFA/CFPB are targeting.
7. Any comments on the cover letter/survey look and feel?
8. Do participants understand the difference between credit counseling, home buying counseling or a home buying course? (This is also referred to as housing counseling or home education.) Note: The listed item in the table below (for Q41) may be sufficient.
9. If someone is selected that had multiple mortgages in January 2015, how did they decide which loan to refer to when answering the survey questions?

Specific questions to be aware of during the interview are listed below.

Question #		Question	Probe For....
Full qux	Cog qux		
1	1	Looking back to January 1, 2015 did you have at least one mortgage loan on a residence that was outstanding at that time (<i>could be your home or house lived in by others</i>)?	Clarity, understand which mortgage, if multiple mortgages a refinance or has refinanced since Jan 2015.
4	4	When did you take out this mortgage?	Understand we want the date of the mortgage sometime before Jan 1, 2015. If refinance we want the refinance date, not the original purchase date. Do we need to clarify here?
13	9	When did you buy or acquire this property? If you refinanced, the date you originally acquired the property.	Clarity. Understand the difference from Q4?
15	11	About how much do you think this property is worth today; that is, what could it sell for now?	Is there a difference between “worth” and “could sell it for”?
21	14	At any time did the loan servicer, the company where you send your monthly payments, of the loan you had in January 2015, change?	Is there any question about who the loan servicer is?
26	19	At any point during the past several years, did you face any difficulties making payments on the loan you had in January 2015?	Does participant understand difficulties i.e. hard time making payments, late payments or missed payments. (Hopefully everyone is a “YES”) – Don’t want a lot of people selecting NO.
36	29	What action, if any, was taken to address the payment difficulties? <i>Mark one answer.</i>	Are any statements in the responses confusing ?
41	34	What type of counseling or course did you participate in?	Does participant understand the differences between the options listed?
54/55	47/48	Did you refinance or modify this loan How did the terms of the new loan compare to the loan you had on Jan 1, 2015?	For the respondent that checks “refinanced or modified loan” in Q53 we want to know how they refer to the new loan or terms of the new loan.

Survey Instrument for Cognitive Testing

The Questionnaire will be shortened for Cognitive Testing. Questions deleted from the full questionnaire for the Cognitive Testing are:

- Questions 8-11 – the loan
- Questions 18-20 – The Neighborhood
- 65-90 except 67, 77 and 82 – Your Household