

Mortgage Journey

Ethnography's Contributions to Housing Research

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Research Background

- Fannie Mae has conducted extensive research with various groups of consumers (e.g., renters, young adults, delinquent borrowers, homeowners, refinancers, etc.) via its National Housing Survey™¹ and custom research to address various housing topics.
- Similarly, Fannie Mae has conducted several survey research projects to examine how consumers shop for mortgages.
- This research focuses on lower-income first-time homebuyers and is Fannie Mae's first ethnographic research project, with a goal to provide insights into these consumers' personal finances, barriers to homeownership, and experiences with mortgage search.

1. For details of National Housing Survey and other consumer research, please see <http://fanniemae.com/portal/research-and-analysis/consumer-research-analysis.html>

Benefits of an Ethnographic Approach

❑ Limitations of Surveys

- Recall Bias
- Social Desirability Bias: people tend to project an image of themselves as a “rational” consumer when responding to survey questions²

❑ Benefits of Ethnographic Approach

- An in-depth understanding of a lower-income first-time homebuyer’s journey as it intersects with other life goals, circumstances, and values.
- Rapport with homebuyers, so they share detailed information about their current and past experiences that affect home purchase (e.g., prior denials of credit, family emergencies).
- Understanding how people feel about the process in real time and how that changes over time (e.g., job loss, marriage, getting help from family).
- Seeing ups and downs that are not evident from one-time data collection or baseline and follow-up interviews.

2. Zaller, J. (1992). The Nature and Origins of Mass Opinion. New York: Cambridge University Press.

Phillips, D. & Clancy, K. (1972). Some Effects of Social Desirability in Survey Studies. American Journal of Sociology, 77 (5), 921-40.

Research Design: Overview

- Ethnographic approach with multimedia data collection
 - Ethnography gathers data over a prolonged period of time to develop a holistic understanding of an issue. Recruitment started in November, 2014 and data collection was wrapped up in September, 2015.
 - Data are analyzed iteratively, so we can tailor data questions to get the most complete picture of a participant's experience.
 - Our participants were involved in the study consistently for 4-9 months, depending on their stage in homebuying.
 - Multiple data sources triangulate information: three in-depth one-on-one interviews (10+/- hours), video diaries (up to weekly), and weekly short surveys.

	Greater Boston	East Tennessee
Sample	10	4
Income Range (AMI)	\$24,000-95,000 (\$90,000)	\$15,600-\$58,000 (\$60,000)
Single	3	3
Study drop-outs/no-shows (not included above)	2/2	0/3

Key Successes

- ❑ See evidence of how participants prepared themselves for homeownership
- ❑ Capture participants' emotions in real-time when they are stronger and more authentic – frustration, anxiety, overwhelmed, joy, pride, etc.
- ❑ Reveal that home purchase is a prolonged and non-linear process for most of our participants
- ❑ Reveal the role mortgages play over the course of homebuying – lack of mortgage focus and mortgage shopping
- ❑ Suggest possible inconsistencies and contradictions about participants' personal financial behaviors

Key Challenges with Video Diaries

- ❑ Hesitation/Barriers to Turning On the Camera
 - The pace of life often made it hard to turn on the video camera in the midst of daily life.
 - Hesitation to be in front of the camera.
- ❑ Difficulty Going Beyond the Familiar
 - Some participants kept repeating what they had already mentioned in earlier interviews or found it hard to elaborate in ways that addressed the kinds of probe questions an interviewer would ask.
- ❑ Poor Quality Video
- ❑ Poor or Lack of Internet Access

Discussion

❑ Key Take-Aways

- The home purchase process was an emotional and non-linear process for many of our participants.
- A general “lack of mortgage focus” was observed among study participants. During their homebuying journey, they were focused on the details of the home search, not the type of “mortgage research” expected by industry participants.

❑ Q&A

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