



Who Selected Adjustable-Rate Mortgages? Evidence from the 1989-2007 Surveys of Consumer Finances

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Abstract

We find evidence that households selecting adjustable-rate mortgages (ARMs) during the recent decade were disproportionately those who were less suspicious or who may have had difficulty understanding complicated ARM features that became commonplace prior to the financial crisis.

Keywords: Mortgages, Brokers, Adjustable-Rate Mortgages.

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A rapid increase in delinquency and default rates on mortgages was a central part of the global financial crisis that began in 2007. By the end of 2009, 15 percent of American home mortgages were either in foreclosure or delinquent, the highest rate since records have been kept.¹ Mortgage-related losses have destabilized many of the world's major financial institutions. Millions of households have experienced foreclosure, which is often a disruptive and painful process.

Adjustable-rate mortgages (ARMs) have been at the center of the recent financial crisis. Though ARMs are not new, the past decade saw rapid innovation in the features that are frequently combined with ARMs. Hybrid ARMs, which combine an initial fixed-rate period with a subsequent adjustable-rate period, interest-only ARMs, which allow the borrower to pay only interest during an initial period, and payment option ARMs became widespread. The period also saw the popularization of negative amortization ARMs, mortgages where the initial years see low payments and a growing principal balance.²

This expansion in alternatives for borrowers coincided with a period of rapid growth in homeownership. According to the triennial Surveys of Consumer Finances, the homeownership rate rose from 63.9 percent in 1992 to 69.0 percent in 2004 (see **Table 1**). Accompanying this increase was a rapid rise in mortgage-related indebtedness: during this period the share of households with mortgages rose from 38.4 percent to 45.0 percent. The expansion in alternatives was widely viewed as positive for borrowers. As Alan Greenspan noted in a 2004 speech to the National Credit Union Association,

¹ These are seasonally adjusted rates from the Mortgage Bankers Association.

² Interest-only and negative amortization features have occasionally been available in fixed-rate mortgage products as well, but they have been more common in the ARM submarket.

‘American consumers might benefit if lenders provided greater mortgage product alternatives to the traditional fixed-rate mortgage.’

In spite of this optimism, the delinquency and foreclosure experience with respect to ARMs since 2004 has been poor. **Figure 1** shows the share of mortgages that are seriously delinquent, by type of mortgage, over the period between 2003 and 2009. By the end of 2009, more than 40 percent of the subprime ARMs were seriously delinquent. Among prime ARMs, the delinquency rate rose from a low of 0.63 percent in 2005 to 18 percent at the end of 2009.

This poor performance has raised questions about whether a substantial portion of borrowers failed to understand the terms of the ARMs they were taking out. The National Association of Realtors, in a guide to ARMs and Fixed-Rate Mortgages (FRMs), highlights the potential concern: ‘ARMs are difficult to understand. Lenders have much more flexibility when determining margins, caps, adjustment indexes, and other things, so unsophisticated borrowers can easily get confused or trapped by shady mortgage companies.’³

This paper empirically investigates the characteristics of people who took out adjustable-rate mortgages. Is there legitimate cause for the concern expressed above? Did adjustable-rate mortgage borrowers fully understand the possible consequences of entering their mortgage contracts, or did some of them unknowingly take on mortgages that exposed them to a high likelihood of foreclosure?

We present evidence that a lack of financial sophistication may have made a subset of households more likely to take up inappropriately risky mortgage products. In

³ Accessed March 15, 2010 at <http://www.realtor.com/home-finance/mortgages/compare-fixed-and-adjustable-mortgage.aspx?source=hp>.

the 1992-2007 Surveys of Consumer Finances (SCF), interviewers rated both the ability of respondents to comprehend the financial questions in the survey and the degree to which respondents were suspicious of the interview. We use these two measures to identify households that might not understand a complex mortgage product and to identify households that are particularly skeptical in nature. We find that in the 2004-2007 period, mortgage borrowers who exhibited lower comprehension and less suspicion in the SCF interview were more likely to have adjustable-rate mortgages. The fact that these patterns are only present in 2004 and 2007 accords with the popular notion that the period immediately preceding the financial crisis witnessed an expansion of mortgage credit on terms that were not always fully understood by borrowers.

Our estimates indicate that during 2004 and 2007, a change in the comprehension rating from ‘Excellent’ to ‘Poor’ was associated with a 6.6 percentage point increase in the probability that a homeowner with a mortgage had an ARM.⁵ During this period, roughly 15 percent of mortgages reported by SCF respondents were ARMs; a 6.6 percentage point increase on that base is economically significant. For the years 2004 and 2007, the probability of having an ARM was 1.7 percentage points lower among households rated as somewhat suspicious relative to households rated as not suspicious, and the difference in probability for households rated by the interviewer as very suspicious was 6.9 percentage points.⁶

Much previous work on the origins of the mortgage crisis has studied the moral hazard inherent in the originate-to-distribute lending model (Jiang, Nelson, and Vytlačil,

⁵ See **Table 9A**: the coefficient on understanding is 0.0219. The comprehension variable scaling (following Survey of Consumer Finances coding) runs from 1 to 4.

⁶ See **Table 9A**: the coefficient on pre-interview suspicion is -0.0173. SCF scaling of the suspicion variable runs from 1 (not suspicious), to 2 (somewhat suspicious), to 5 (very suspicious).

2010; Keys et al., 2010; Demyanyk and Van Hemert, forthcoming). Taking as given the incentives of lenders and intermediaries that sell mortgages to be securitized, this paper focuses instead on borrowers and addresses the extent to which they were aware of the risks embedded in their mortgage contracts. The policy implications differ depending on whether borrowers who took on risky mortgages were making a deliberate bet on house price appreciation or were unwittingly assuming debt obligations they may have been unable to repay. Of course, these explanations are not mutually exclusive – there are certainly some borrowers who already owned primary residences but took out mortgages to purchase additional houses for investment purposes, and there are documented cases of mortgage originators fraudulently misrepresenting contract terms to borrowers.

The work most closely related to our analysis is a paper by Schwartz (2009), who finds evidence that the ARM market is split into two very different submarkets – a high income, wealthy segment and a low-income, credit-constrained segment. Our work expands on hers by exploring the cognitive and attitude-based characteristics of ARM borrowers, finding that an important segment of ARM borrowers may have had difficulty understanding the terms of the mortgages they were taking out.

In exploring the relationship between cognitive ability and mortgage choice, our research is related to the work of Bucks and Pence (2008), who find that comprehension of mortgage terms is low among borrowers who are exposed to potentially large changes in their mortgage payments; the work of Agarwal et al. (2009), who document that financial counseling for high-risk mortgage borrowers reduced both credit supply and credit demand; and the work of Gerardi, Goette, and Meier (2009), who survey subprime

borrowers in New England in 2008 and find that poor numerical ability is correlated with missed payments and default.

We do not view our findings on the cognitive and attitudinal correlates of ARM borrowing as inconsistent with work on the rational determinants of mortgage choice. Kojien, Van Hemert, and Van Nieuwerburgh (2009) show that aggregate ARM share follows movements in the aggregate bond risk premium in a way that is consistent with a rational household timing model. Even if some fraction of households behaves rationally, there may be other households, in particular those with cognitive limitations, that end up with inappropriate mortgages.

Our paper also relates to recent research on the importance of trust in capital markets. Guiso, Sapienza, and Zingales (2004), looking at Italy, find that the areas of the country with higher levels of social trust have higher stock market participation and greater access to credit. Our paper shows a potential dark side to trust, or rather a bright side to suspicion: during the recent period, less trusting households appear to have more frequently avoided the type of mortgage that has been at the epicenter of abuse and crisis.

Our empirical analysis examines take-up of ARMs, as opposed to using some other criteria for identifying risky mortgages, for several reasons. First, ARMs indeed exhibited higher rates of foreclosure than fixed-rate mortgages (FRMs), at least in the earlier stages of the mortgage crisis. At the end of 2007, ARMs represented 22 percent of mortgages outstanding but 62% of foreclosures started (Mortgage Bankers Association). This fact is not definitive evidence that an individual who switches from choosing a FRM to choosing an ARM has increased her risk of foreclosure, and some have argued that mortgage rate resets and other components of exotic ARMs were not directly responsible

for the 2007 surge in delinquencies and foreclosures (Gerardi, Shapiro, and Willen, 2007; Sherlund, 2008; Mayer, Pence, and Sherlund, 2009). Nonetheless, the high foreclosure rates for ARMs suggest that households who took out ARMs in the years leading up to 2007 were more likely to be choosing a risky mortgage. Our second reason for studying ARMs is that they were sufficiently prevalent to permit an analysis of the factors driving ARM choice using the moderate sample sizes in the SCF. Finally, even if the detailed contractual terms of an ARM are complex, it is relatively straight-forward for a household to report whether its mortgage contract specifies a fixed payment for its entire duration or features the possibility of changing payment amounts. Indeed, Bucks and Pence (2008) find that the distribution of self-reported mortgage type (ARM versus FRM) in the SCF matches the mortgage type distribution in lender data, suggesting that borrowers understand the basic features of their mortgages. This fact alleviates concerns that measurement error drives the relationship between ARM choice and difficulty understanding the SCF interview. It does not address concerns that measurement error is responsible for the correlation between ARM choice and suspicion of the SCF interview, but in this case it is less clear why more suspicious and less suspicious households would have differential propensities to systematically misreport their mortgage type.

Reverse causality is unlikely to drive our results. It is hard to imagine that having an ARM would impair a household's ability to comprehend financial questions or make a household less suspicious of the SCF interview – if anything, we might expect the opposite relationships to hold. However, despite our large set of controls for demographic characteristics and other variables that are linked to ARM choice, there may still be omitted factors that account for the observed correlations between ARM choice

and interviewer assessments of comprehension and suspicion. For these omitted factors to fully explain our results, the correlation structure must have changed over time such that the relationship between ARM choice and interviewer assessments is strongest in 2004 and 2007. While we acknowledge this possibility, the results are nonetheless strongly suggestive that low levels of borrower understanding and skepticism with regard to risky mortgage products played a role in the recent mortgage boom and bust.

1. Data

This paper uses data from the Surveys of Consumer Finances (SCF), a large-scale survey of household income and wealth administered by the Federal Reserve Board. The surveys ask a relatively comprehensive set of questions and have moderately large sample sizes. The survey is repeated on different respondents every three years, making the SCF a valuable resource for cross-period analysis. Each survey wave has combined an area probability sample with a high-income oversample, which allows the SCF to provide accurate information on broad population characteristics while also offering in-depth information on wealthy households. Our tabulations weight the various observations in the survey by their sampling weights so that our reported statistics should be representative of the U.S. population. For the OLS and probit regressions, we follow standard practice among SCF users and perform analysis on an unweighted basis.

2. Results

We first present summary statistics describing the evolution of homeownership and mortgage choice over the period 1989-2007. As shown in **Table 1**, the fraction of

U.S. households owning a home increased steadily over the period from 64 percent to 69 percent. The fraction of households holding a mortgage mirrored the increase in homeownership, rising from 37 percent to 45 percent over the same period. The prevalence of ARMs did not exhibit a strong trend over time, either as a fraction of households or as a fraction of mortgages. Approximately 15 percent of mortgages outstanding over this period were ARMs, although this figure for all mortgages masks a substantial increase in the prevalence of subprime ARMs over the final years of the sample.⁷ There was also a marked increase in the fraction of households holding an ARM originated by a broker, from 0.9 percent to 3.1 percent. This fact is important given the evidence that originators who quickly sold mortgages to be securitized were responsible for mortgages with particularly high default rates (Jiang, Nelson, and Vytlačil, 2010; Keys et al., 2010).

We investigate the relationship between mortgage choice and a variety of explanatory variables based on attitudinal measures and cognitive ability measures available in the Surveys of Consumer Finances. First among these variables is the household's self-reported taste for credit shopping, which is the answer to the question: *'When making major financial decisions about credit or borrowing, some people shop around for the very best terms while others don't. What number would (you/your family) be on the scale?'*

Table 2A shows the distribution of the responses to that question over each of the Surveys. The distribution is roughly stable over time, with about 20 percent of households reporting almost no shopping for credit and another 20 percent of households reporting a high taste for shopping around for the best terms when borrowing. **Table 2B**

⁷ The SCF does not allow us to distinguish prime and subprime mortgages.

shows the relationship between this variable and other household characteristics. Taste for credit shopping appears to peak in the next-to-highest quintile of income and the middle quintile of wealth. Nonwhite respondents appear to report a higher taste for credit-shopping. Perhaps reflecting a lower taste for debt overall, the more risk-averse households report a lower taste for credit-shopping. The Surveys ask a few questions designed to capture credit attitudes and experiences: one sequence of questions probes households regarding ‘suitable’ expenditures to borrow for. We construct an indicator variable capturing households who report that it is suitable to borrow to finance furs, jewelry, or a vacation – the correlation between this variable and the taste for credit shopping is negative. Households that report typically rolling over credit card balances also report higher tastes for credit shopping.

Table 3A and **Table 3B** explore the respondent’s level of suspicion of the interview, as reported by the survey taker. This measure of suspicion captures the household’s pre-interview suspicion, which could be viewed as reflecting its ambient level of financial distrust. This interviewer assessment variable and related interviewer assessment variables are not available for the 1989 SCF, so our analysis of these variables begins in 1992. Respondents were classified as being not suspicious, somewhat suspicious, and very suspicious, with the numerical scaling for these categories being 1, 2, and 5, respectively. Most households (53.89 percent in 2007) were not recorded by the interviewer as appearing suspicious. Approximately one third of households appeared somewhat suspicious, while almost ten percent appeared very suspicious of the interview process.

Interviewer-reported pre-interview suspicion was higher among the lowest-income households. Controlling for other characteristics, pre-interview suspicion was relatively low among the households that report having the lowest wealth. Reported suspicion appears higher among non-white households than among white households and among the old than among the young. Households that report being credit constrained appear less suspicious, but households that report being risk-averse appear more suspicious. Suspicion of the interview appears somewhat higher in 2007 than in other years.

The SCF interviewers also reported respondents' apparent level of distrust at the conclusion of the interview (**Table 4A** and **Table 4B**). Based on the interviewers' assessments, the level of distrust diminishes during the interview. The overall pattern of results for the post-interview suspicion variable is the same directionally as for the pre-interview suspicion variable, but the magnitudes are attenuated, reflecting the lower overall level of suspicion once the interview is completed.

The SCF interviewers also reported on the respondents' apparent comprehension of the interview questions. Comprehension was recorded as excellent, good, fair, or poor. The fraction of households with fair or poor understanding dropped from 12.1 percent to 8.6 percent over the 1992-2007 period, as reported in **Table 5A**. Fair or poor understanding was more concentrated among households headed by non-white respondents (**Table 5B**) and among lower-income households. Among the households with income in the top quintile, only 3 percent were reported by the interviewer to have fair or poor comprehension of the survey questions. Among the lowest income quintile, fair or poor comprehension was reported for almost 25 percent.

A final variable that the interviewer assesses is the household's level of interest in the interview. We use this variable to capture a 'taste' for thinking about financial topics, and we include it as an independent variable in the regressions studying mortgage choice. **Table 6A** and **Table 6B** explore this variable. The bulk of households are rated as having between 'average' and 'very high' interest in the Survey questions, with only a handful rated by the interviewer as having 'below average' or 'very low' interest. Higher interest is correlated with income and wealth, and nonwhite households are recorded as showing less interest in the survey. Households that self-report being credit constrained show a higher degree of interest in the survey, while risk-averse households and high school dropouts show less.

Optimism has also been found to correlate with financial and other household decisions. We follow Puri and Robinson (2007) and construct a measure of optimism using a household's reported life expectancy. We construct an indicator variable for optimism equal to one for households whose self-reported life expectancy exceeds the life expectancy derived from population mortality tables. **Table 7A** and **Table 7B** describe the distribution of this variable: roughly half of households, by this measure, are coded as optimists. Not surprisingly, wealthier and higher income households are more optimistic by the life-expectancy-based measure. Also more optimistic are households that expect rising income, high school graduates, and households with higher tolerance for risk.

Our main results are presented in **Tables 8-10**. **Table 8A** and **Table 8B** explore the determinants of having a mortgage among the households that live in homes that they own. The last column represents a pooled regression including all of the years. The

other columns represent separate regressions for different subperiods of the Survey. The results in **Table 8A** suggest that across all the years, higher income (holding wealth constant) is associated with a higher likelihood of having a mortgage. Higher wealth (holding income constant) is associated with a lower probability of having a mortgage, as is higher age. In the pooled regressions, and in the annual regressions starting in 1992, nonwhite households are more likely to have mortgages on their properties.

Additional independent variables include the previously described measures of the household's understanding and suspicion, the household's interest in the interview, the household's level of optimism, and the household's taste for shopping around for credit. The Surveys also asked respondent households about their views on the future path of interest rates. The results suggest that households that are more suspicious have generally been somewhat less likely to report having mortgages. Households that view interest rates as likely to rise are more likely to have mortgages on their homes.

Optimists and those who report more credit shopping are also more likely to report having mortgages on their homes. **Table 8B** reports the marginal effects from probit regressions with the same dependent and independent variables. As with our other specifications, the results are similar, and we only show linear models for **Table 9A**, **Table 9B**, and **Table 10**.

In **Table 9A** and **Table 9B**, we explore the decision to have an adjustable-rate versus a fixed-rate mortgage. The sample is somewhat smaller than the sample in **Table 8A** and **Table 8B**; only households with mortgages on their residences are included in the regressions. We add an independent variable capturing whether an 80 percent loan-to-value mortgage would have been within the GSE conforming limit in the year that the

mortgage was taken out.⁸ Mortgages within the conforming limit are empirically much more likely to be fixed-rate mortgages than adjustable-rate mortgages, reflecting the role of the housing GSEs in the mortgage market.

The regressions include the variables capturing the interviewer's perceptions regarding the household's understanding and suspicion of the Survey's questions. The interviewer-assessed understanding and suspicion variables are in bold font on the second page of the table, and the results for the pooled 1989-2001 and 2004-2007 periods are placed within a box. In the 2004-2007 period, households that appeared to understand the questions less thoroughly and households that seemed less suspicious were more likely to report having ARMs. The timing of these results is consistent with the view that adjustable-rate mortgages during the 2000s were often taken up by households that were less skeptical and had a poorer understanding of finance.

The coefficient estimate of 0.022 on the understanding variable indicates that during 2004 and 2007, a change in the comprehension rating from 'Excellent' to 'Poor' was associated with a 6.6 percentage point increase in the probability that a homeowner with a mortgage had an ARM. With respect to the suspicion variable, for the years 2004 and 2007, the probability of having an ARM was 1.7 percentage points lower among households rated as somewhat suspicious relative to households rated as not suspicious. Households rated by the interviewer as very suspicious were 6.9 percentage points less likely to have ARMs.

⁸ The indicator variable for being within the conforming limit takes a value of one if 80% of the home value at the time of purchase is less than the conforming limit in the year the mortgage was taken out. The variable is imperfect to the extent that the year of home purchase and the year of mortgage origination do not coincide.

Table 9B limits the sample to households that report taking out their mortgages in the past two years. The sample size is smaller in these regressions. The coefficient estimates for the understanding and suspicion variables are larger, as are the standard errors. On net, the t-statistics for these variables are similar across **Tables 9A** and **9B**.

Although they are small in number in the SCF, we also investigate broker-sold ARMs. Because of potential incentive problems between brokers and the banks to which they sell mortgages, broker-sold mortgages have been identified as a particular problem in the recent mortgage crisis. The results of this analysis are in **Table 10**. While **Table 9A** and **Table 9B** suggest that ARMs disproportionately went to the less-informed and less-skeptical, the results in **Table 10** are mostly not statistically significant. The coefficients on the key variables are directionally similar to those from **Table 9A** and **Table 9B**.

The regressions in **Tables 8A, 8B, 9A, 9B, and 10** include a wide range of control variables. We include demographic controls for age category (under 35, 35-44, 45-64, or over 65), race (white or nonwhite), income quintile, and net worth quintile. The pooled regressions include dummies for each year. We also include the household's self-assessed probability of remaining in the current house over the next two years (scaled from 0 to 100 percent); expectations about the future path of income (a dummy variable set to one for households that expect income growth to keep pace with or exceed price increases); and a dummy variable for self-reported credit constraints. The credit constraints variable is based on two questions in the Survey; the first asked whether the household had had a request for credit turned down, while the second asked whether the household had avoided asking for credit out of fear of being turned down. We code

households as ‘credit constrained’ if they answered yes to either question. We also have two additional variables: a measure of the household’s self-reported risk aversion (higher values correspond to greater aversion to risk) and a dummy variable for high school dropouts.

With these additional variables, there is some concern about reverse causation. For example, a household’s self-reported probability of having to move may be a function of the type of mortgage taken out. Nevertheless, the coefficients on the variables are interesting. In **Table 9A**, the results suggest that starting in 2001, ARMs were often used by households who reported a lower probability of staying in their current home. The magnitude of the effect is large: pooling all years, changing from a 0 percent to a 100 percent probability of moving implied an 8 percentage point ($0.0008 * 100$, from **Table 9A**) increase in the probability of having an ARM. In (only) the 2004 Survey, ARMs were disproportionately used by households that expected income to rise or at least stay the same.

The evidence in **Table 9A** suggests that as far back as 1995, there has been a correlation between ARM use and self-reported credit constraints, with ARMs being more common among the constrained. Finally, ARMs were in general less common among the more risk averse, although the strength of this effect varied from year to year.

3. Conclusion

Among households with mortgage debt, those who experienced little difficulty comprehending financial questions or who were suspicious of the SCF interview were less likely to have adjustable-rate mortgages, controlling for a wide range of other

factors. Furthermore, these relationships were strongest in the years immediately preceding the mortgage meltdown that began in 2007. These results suggest that an interaction between complicated financial products and household behavioral and cognitive characteristics played a role in the recent housing-based financial crisis.

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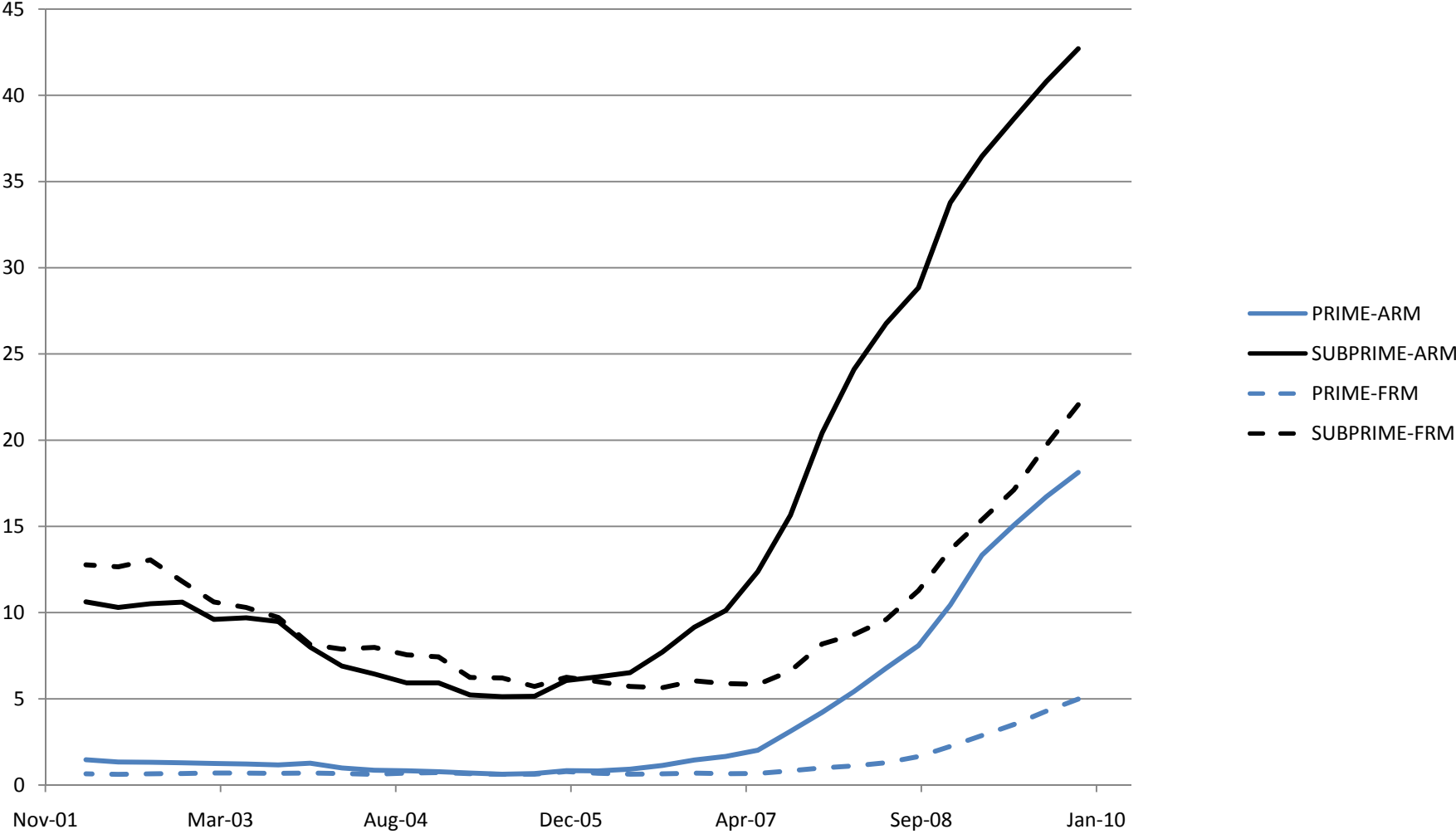
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Figure 1. Percent of Mortgages that are Seriously Delinquent, 2003-2009



Source: Mortgage Bankers' Association.

TABLE 1. HOMEOWNERSHIP AND MORTGAGE STATUS OF SCF HOUSEHOLDS

Table shows share of households in each Survey wave with given homeownership and mortgage characteristics. Observations are weighted using SCF analysis weights.

YEAR	HOME-OWNER	MORT-GAGE	ADJ. RATE MORT.	BROKER-SOLD ARM	NON-BROKER-SOLD ARM	FIXED RATE MORT.	BROKER-SOLD FRM	NON-BROKER-SOLD FRM	MORT. WITH BALLOON
1989	63.9%	37.3%	7.6%	0.9%	6.7%	29.8%	6.2%	23.6%	1.3%
1992	63.9%	38.4%	5.7%	0.6%	5.1%	32.7%	7.2%	25.5%	1.6%
1995	64.7%	39.5%	7.4%	0.7%	6.7%	32.1%	5.5%	26.6%	1.5%
1998	66.2%	41.2%	5.7%	0.4%	5.3%	35.5%	4.0%	31.4%	1.8%
2001	67.6%	42.2%	4.8%	1.8%	3.1%	37.4%	16.0%	21.5%	0.9%
2004	69.0%	45.0%	6.8%	2.7%	4.1%	38.2%	16.8%	21.4%	1.9%
2007	68.6%	45.4%	6.4%	3.1%	3.3%	39.0%	18.0%	20.9%	2.1%
ALL	66.4%	41.5%	6.3%	1.5%	4.8%	35.2%	10.9%	24.3%	1.6%

SOURCE. 1989-2007 SURVEYS OF CONSUMER FINANCES.

TABLE 2A. AMOUNT OF CREDIT SHOPPING REPORTED BY SCF HOUSEHOLDS, ALL HOUSEHOLDS

Table shows response to SCF question: 'When making major decisions about credit or borrowing, some people shop around for the very best terms while others don't. What number would (you/your family) be on the scale?' First column shows SCF-implied count of households. Observations are weighted using SCF analysis weights.

YEAR	SURVEY COUNT (WEIGHTED, MILLIONS OF HOUSEHOLDS)	1 (ALMOST NO SHOPPING)	2	3 (MODERATE SHOPPING)	4	5 (A GREAT DEAL OF SHOPPING)
1995	99.01	21.59	5.83	38.59	11.69	22.29
1998	102.55	21.79	6.34	38.16	12.04	21.68
2001	106.50	21.03	6.81	36.83	12.80	22.53
2004	112.11	18.91	6.46	35.59	15.12	23.92
2007	116.12	20.59	6.52	35.72	12.63	24.55
ALL	536.29	20.74	6.40	36.91	12.90	23.05

SOURCE. 1995-2007 SURVEYS OF CONSUMER FINANCES.

Table 2B. DETERMINANTS OF SELF-REPORTED CREDIT SHOPPING, 1995-2007 SCF.

Table shows coefficients and t-statistics from OLS regressions. Dependent variable is response to SCF question: 'When making major decisions about credit or borrowing, some people shop around for the very best terms while others don't. What number would (you/your family) be on the scale?' Higher values reflect more shopping. Observations are not weighted; only one imputation used per respondent.

Ind. var.	1995	1998	2001	2004	2007	All years
HH expects rising or flat income	0.083* (1.79)	0.013 (0.27)	0.001 (0.03)	0.073 (1.58)	-0.184*** (-4.03)	-0.005 (-0.24)
HH expects rising or flat interest rates	-0.007 (-0.10)	0.013 (0.16)	0.090 (1.14)	0.120 (0.97)	0.097 (1.24)	0.047 (1.28)
Income quintile 2	0.148* (1.83)	0.166** (2.17)	0.039 (0.51)	0.166** (2.19)	0.049 (0.62)	0.113*** (3.27)
Income quintile 3	0.197*** (2.42)	0.313*** (3.90)	0.215*** (2.68)	0.256*** (3.27)	0.175** (2.11)	0.232*** (6.44)
Income quintile 4	0.382*** (4.53)	0.284*** (3.35)	0.244*** (2.82)	0.449*** (5.34)	0.348*** (4.00)	0.345*** (9.06)
Income quintile 5	0.364*** (4.27)	0.307*** (3.53)	0.160* (1.75)	0.298*** (3.42)	0.122 (1.34)	0.256*** (6.50)
Wealth quintile 2	0.103 (1.29)	0.134* (1.75)	0.280*** (3.69)	0.135* (1.83)	0.282*** (3.59)	0.185*** (5.40)
Wealth quintile 3	0.272*** (3.19)	0.335*** (4.00)	0.479*** (5.71)	0.203*** (2.50)	0.461*** (5.29)	0.350*** (9.33)
Wealth quintile 4	0.211*** (2.35)	0.257*** (2.92)	0.547*** (6.13)	0.239*** (2.72)	0.411*** (4.45)	0.332*** (8.32)
Wealth quintile 5	-0.011 (-0.12)	0.200** (2.17)	0.390*** (4.00)	0.083 (0.88)	0.397*** (4.06)	0.201*** (4.76)
Age 35-44	-0.025 (-0.38)	-0.073 (-1.08)	-0.065 (-0.97)	-0.016 (-0.22)	-0.004 (-0.06)	-0.041 (-1.33)
Age 45-64	-0.173*** (-2.58)	-0.185*** (-2.79)	-0.116* (-1.79)	-0.158*** (-2.39)	-0.181*** (-2.64)	-0.161*** (-5.45)
Age > 64	-0.671*** (-8.67)	-0.576*** (-7.47)	-0.680*** (-8.87)	-0.660*** (-8.42)	-0.664*** (-8.37)	-0.649*** (-18.73)
Nonwhite	0.009 (0.16)	0.016 (0.28)	0.045 (0.80)	0.068 (1.28)	0.094* (1.70)	0.046* (1.85)
Self-reported credit constraint	0.082 (1.47)	0.052 (0.94)	0.072 (1.27)	-0.099* (-1.78)	-0.041 (-0.69)	0.012 (0.48)
Self-reported risk aversion	-0.076*** (-2.79)	-0.093*** (-3.54)	-0.104*** (-3.95)	-0.060** (-2.28)	-0.104*** (-3.80)	-0.088*** (-7.38)
HS dropout	-0.205*** (-3.09)	-0.186*** (-2.86)	-0.130** (-2.00)	-0.165*** (-2.42)	-0.217*** (-3.06)	-0.185*** (-6.18)
OK to borrow for fur coat, jewelry, vacation	0.038 (0.70)	-0.107* (-1.95)	-0.079 (-1.47)	-0.113** (-2.09)	-0.055 (-0.95)	-0.065*** (-2.65)
Usually roll credit card balance	0.005 (0.11)	0.132*** (2.63)	0.151*** (3.06)	0.088* (1.77)	0.226*** (4.44)	0.120*** (5.37)

Table 2B continued on next page.

Table 2B continued from previous page.

Ind. var.	1995	1998	2001	2004	2007	All years
SCF year 1998						-0.026 (-0.89)
SCF year 2001						0.015 (0.51)
SCF year 2004						0.118*** (4.06)
SCF year 2007						0.070*** (2.41)
Constant	3.116*** (21.68)	3.070*** (21.38)	2.982*** (20.85)	3.051*** (17.56)	3.193*** (20.97)	3.070*** (44.75)
Adjusted R2	0.0654	0.055	0.0718	0.0544	0.0704	0.0637
N	4299	4305	4442	4519	4418	21983

TABLE 3A. INTERVIEWER-RATED PRE-INTERVIEW SUSPICION OF SCF HOUSEHOLDS, ALL HOUSEHOLDS

Table shows response to SCF question of the interviewer: 'Was Respondent suspicious about the study before the interview?' First column shows SCF-implied count of households. Observations are weighted using SCF analysis weights.

YEAR	SURVEY COUNT (WEIGHTED, MILLIONS OF HOUSEHOLDS)	NOT SUSPICIOUS (PERCENT)	SOMEWHAT SUSPICIOUS (PERCENT)	VERY SUSPICIOUS (PERCENT)
1992	95.92	58.98	32.58	8.43
1995	99.01	59.47	32.31	8.22
1998	102.55	59.17	31.93	8.90
2001	106.50	60.55	31.84	7.61
2004	112.11	58.02	33.65	8.33
2007	116.12	53.89	33.82	12.29
ALL	632.20	58.25	32.72	9.03

SOURCE. 1992-2007 SURVEYS OF CONSUMER FINANCES.

Table 3B. DETERMINANTS OF PRE-INTERVIEW SUSPICION, 1992-2007 SCF.

Table shows coefficients and t-stats from OLS regressions. Dependent variable is response to SCF question: 'Was Respondent suspicious about the study before the interview?' Higher values reflect more suspicion.

Observations are not weighted; only one imputation used per respondent.

Ind. var.	1992	1995	1998	2001	2004	2007	All years
HH expects rising or flat interest rates	0.036 (0.62)	0.036 (0.63)	0.014 (0.22)	0.040 (0.66)	-0.058 (-0.59)	-0.114 (-1.61)	-0.006 (-0.20)
Income quintile 2	-0.035 (-0.54)	-0.035 (-0.55)	0.052 (0.86)	-0.109* (-1.82)	-0.026 (-0.43)	0.043 (0.60)	-0.020 (-0.75)
Income quintile 3	-0.148** (-2.30)	-0.149** (-2.32)	0.041 (0.63)	-0.102 (-1.63)	0.054 (0.86)	-0.057 (-0.75)	-0.039 (-1.46)
Income quintile 4	-0.308*** (-4.62)	-0.308*** (-4.62)	0.011 (0.17)	-0.080 (-1.20)	-0.002 (-0.03)	-0.085 (-1.08)	-0.102*** (-3.57)
Income quintile 5	-0.265*** (-3.94)	-0.262*** (-3.89)	-0.062 (-0.89)	-0.124* (-1.75)	-0.077 (-1.11)	-0.106 (-1.30)	-0.135*** (-4.59)
Wealth quintile 2	0.065 (1.02)	0.064 (1.01)	-0.002 (-0.04)	-0.090 (-1.53)	0.051 (0.86)	0.068 (0.96)	0.009 (0.37)
Wealth quintile 3	0.217*** (3.23)	0.217*** (3.23)	0.086 (1.28)	-0.042 (-0.65)	0.131** (2.04)	0.018 (0.22)	0.087*** (3.09)
Wealth quintile 4	0.166*** (2.35)	0.166*** (2.34)	0.020 (0.28)	-0.037 (-0.54)	0.000 (0.00)	0.119 (1.42)	0.059** (1.97)
Wealth quintile 5	0.200*** (2.76)	0.202*** (2.77)	-0.119 (-1.62)	-0.117 (-1.56)	0.057 (0.76)	0.142 (1.60)	0.052 (1.63)
Age 35-44	0.189*** (3.55)	0.183*** (3.42)	0.136*** (2.50)	0.171*** (3.26)	0.110** (1.99)	0.090 (1.35)	0.136*** (5.92)
Age 45-64	0.187*** (3.57)	0.181*** (3.43)	0.181*** (3.42)	0.201*** (4.02)	0.096* (1.83)	0.092 (1.48)	0.143*** (6.48)
Age > 64	0.199*** (3.28)	0.193*** (3.16)	0.272*** (4.40)	0.255*** (4.31)	0.158*** (2.53)	0.143** (1.99)	0.201*** (7.78)
Nonwhite	0.054 (1.16)	0.056 (1.21)	0.155*** (3.41)	0.207*** (4.77)	0.141*** (3.35)	0.103** (2.05)	0.136*** (7.28)
Self-reported credit constraint	-0.031 (-0.71)	-0.031 (-0.70)	-0.081* (-1.84)	-0.102** (-2.32)	-0.158*** (-3.58)	-0.193*** (-3.59)	-0.105*** (-5.62)
Self-reported risk aversion	0.039* (1.83)	0.038* (1.78)	0.077*** (3.67)	0.075*** (3.70)	0.074*** (3.54)	0.097*** (3.89)	0.070*** (7.89)
HS dropout	-0.001 (-0.01)	-0.002 (-0.03)	-0.037 (-0.70)	0.060 (1.19)	0.090* (1.66)	0.083 (1.29)	0.040* (1.78)
OK to borrow for fur coat, jewelry, vacation	-0.024 (-0.56)	-0.024 (-0.56)	0.020 (0.45)	0.002 (0.06)	-0.051 (-1.19)	-0.020 (-0.39)	-0.029 (-1.58)
Usually roll credit card balance	-0.029 (-0.74)	-0.030 (-0.75)	-0.066 (-1.64)	-0.021 (-0.54)	-0.022 (-0.56)	0.013 (0.29)	-0.028* (-1.65)
HH expects rising or flat income		-0.035 (-0.96)	-0.050 (-1.30)	-0.055 (-1.56)	-0.008 (-0.23)	-0.104*** (-2.52)	-0.051*** (-3.02)

Table 3B continued on next page.

Table 3B continued from previous page.

Ind. var.	1992	1995	1998	2001	2004	2007	All years
SCF year 1995							0.023 (0.86)
SCF year 1998							0.025 (0.92)
SCF year 2001							-0.011 (-0.40)
SCF year 2004							0.025 (0.92)
SCF year 2007							0.189*** (7.03)
Constant	1.374*** (12.61)	1.404*** (12.38)	1.322*** (11.50)	1.351*** (12.21)	1.368*** (9.89)	1.581*** (11.46)	1.352*** (26.25)
Adjusted R2	0.0145	0.0145	0.0221	0.0256	0.015	0.0135	0.02
N	4299	4299	4305	4442	4519	4418	25889

TABLE 4A. INTERVIEWER-RATED POST-INTERVIEW SUSPICION OF SCF HOUSEHOLDS, ALL HOUSEHOLDS

Table shows response to SCF question of the interviewer: 'Was Respondent suspicious about the study after the interview?' First column shows SCF-implied count of households. Observations are weighted using SCF analysis weights.

YEAR	SURVEY COUNT (WEIGHTED, MILLIONS OF HOUSEHOLDS)	NOT SUSPICIOUS (PERCENT)	SOMEWHAT SUSPICIOUS (PERCENT)	VERY SUSPICIOUS (PERCENT)
1992	95.92	76.83	20.11	3.06
1995	99.01	83.60	14.55	1.85
1998	102.55	82.61	15.34	2.05
2001	106.50	83.30	15.05	1.65
2004	112.11	87.23	11.36	1.41
2007	116.12	85.84	12.67	1.49
ALL	632.20	83.42	14.69	1.89

SOURCE. 1992-2007 SURVEYS OF CONSUMER FINANCES.

Table 4B. DETERMINANTS OF POST-INTERVIEW SUSPICION, 1992-2007 SCF.

Table shows coefficients and t-stats from OLS regressions. Dependent variable is response to SCF question: 'Was Respondent suspicious about the study after the interview?' Higher values reflect more suspicion.

Observations are not weighted; only one imputation used per respondent.

Ind. var.	1992	1995	1998	2001	2004	2007	All years
HH expects rising or flat interest rates	0.076 (1.38)	0.025 (0.74)	-0.019 (-0.47)	0.012 (0.33)	0.020 (0.36)	-0.055* (-1.69)	0.002 (0.10)
Income quintile 2	-0.034 (-0.70)	-0.056 (-1.47)	0.021 (0.54)	-0.087*** (-2.56)	-0.015 (-0.45)	0.052 (1.56)	-0.019 (-1.23)
Income quintile 3	-0.063 (-1.25)	-0.079** (-2.06)	0.036 (0.89)	-0.093*** (-2.63)	0.029 (0.85)	-0.016 (-0.47)	-0.031* (-1.96)
Income quintile 4	-0.051 (-0.97)	-0.183*** (-4.58)	0.008 (0.18)	-0.075** (-1.97)	0.010 (0.29)	-0.057 (-1.56)	-0.060*** (-3.59)
Income quintile 5	-0.077 (-1.45)	-0.144*** (-3.59)	0.014 (0.32)	-0.053 (-1.33)	0.057 (1.51)	-0.021 (-0.54)	-0.040** (-2.31)
Wealth quintile 2	0.008 (0.17)	0.048 (1.26)	-0.008 (-0.21)	-0.024 (-0.71)	-0.014 (-0.43)	-0.020 (-0.62)	-0.003 (-0.17)
Wealth quintile 3	0.075 (1.45)	0.125*** (3.11)	0.006 (0.14)	-0.028 (-0.77)	0.003 (0.08)	-0.041 (-1.12)	0.021 (1.25)
Wealth quintile 4	0.024 (0.43)	0.135*** (3.18)	0.027 (0.60)	-0.027 (-0.70)	-0.024 (-0.62)	-0.002 (-0.04)	0.022 (1.28)
Wealth quintile 5	0.089 (1.54)	0.202*** (4.64)	0.029 (0.63)	-0.069 (-1.61)	0.026 (0.64)	0.018 (0.43)	0.050*** (2.69)
Age 35-44	-0.040 (-0.98)	0.066** (2.06)	0.051 (1.49)	0.066** (2.22)	0.050* (1.66)	0.056* (1.81)	0.044*** (3.27)
Age 45-64	-0.009 (-0.23)	0.073** (2.30)	0.053 (1.60)	0.064** (2.25)	0.063** (2.21)	0.077*** (2.67)	0.058*** (4.48)
Age > 64	0.045 (0.97)	0.089*** (2.44)	0.096*** (2.49)	0.107*** (3.18)	0.056* (1.65)	0.051 (1.52)	0.077*** (5.08)
Nonwhite	0.114*** (3.35)	0.049* (1.75)	0.065** (2.26)	0.126*** (5.11)	0.156*** (6.79)	0.062*** (2.64)	0.098*** (8.99)
Self-reported credit constraint	-0.083*** (-2.55)	-0.047* (-1.78)	-0.038 (-1.39)	-0.057** (-2.30)	-0.046* (-1.92)	-0.047* (-1.88)	-0.053*** (-4.88)
Self-reported risk aversion	0.048*** (2.91)	0.017 (1.33)	0.038*** (2.85)	0.039*** (3.40)	0.053*** (4.63)	0.034*** (2.95)	0.039*** (7.39)
HS dropout	0.037 (0.95)	-0.018 (-0.58)	-0.003 (-0.10)	0.038 (1.34)	-0.023 (-0.79)	0.021 (0.71)	0.010 (0.77)
OK to borrow for fur coat, jewelry, vacation	-0.042 (-1.18)	-0.039 (-1.51)	-0.027 (-0.99)	0.019 (0.82)	-0.014 (-0.58)	-0.001 (-0.05)	-0.018* (-1.65)
Usually roll credit card balance	-0.078*** (-2.55)	-0.012 (-0.50)	-0.029 (-1.17)	-0.026 (-1.19)	-0.026 (-1.21)	-0.034 (-1.59)	-0.033*** (-3.34)
HH expects rising or flat income		-0.041* (-1.88)	-0.081*** (-3.34)	-0.044** (-2.18)	-0.025 (-1.26)	-0.036* (-1.87)	-0.044*** (-4.50)

Table 4B continued on next page.

Table 4B continued from previous page.

Ind. var.	1992	1995	1998	2001	2004	2007	All years
SCF year 1995							-0.065*** (-4.11)
SCF year 1998							-0.055*** (-3.40)
SCF year 2001							-0.091*** (-5.75)
SCF year 2004							-0.124*** (-7.83)
SCF year 2007							-0.123*** (-7.85)
Constant	1.139*** (12.78)	1.124*** (16.56)	1.139*** (15.81)	1.139*** (18.16)	0.929*** (12.34)	1.122*** (17.49)	1.179*** (39.17)
Adjusted R2	0.0136	0.0188	0.0083	0.0246	0.017	0.0101	0.019
N	3906	4299	4305	4442	4519	4418	25889

TABLE 5A. INTERVIEWER-RATED UNDERSTANDING OF SCF HOUSEHOLDS, ALL HOUSEHOLDS

Table shows response to SCF question of the interviewer: 'Respondent's understanding of the questions was...(Excellent, Good, Fair, Poor)' First column shows SCF-implied count of households. Observations are weighted using SCF analysis weights.

YEAR	SURVEY COUNT (WEIGHTED, MILLIONS OF HOUSEHOLDS)	EXCELLENT (PERCENT)	GOOD (PERCENT)	FAIR (PERCENT)	POOR (PERCENT)
1992	95.92	43.12	44.73	10.82	1.33
1995	99.01	45.35	42.83	10.51	1.31
1998	102.55	48.57	40.47	9.58	1.38
2001	106.50	50.17	39.06	9.35	1.42
2004	112.11	44.60	45.33	9.43	0.64
2007	116.12	47.88	43.54	7.92	0.66
ALL	632.20	46.68	42.68	9.54	1.11

SOURCE. 1992-2007 SURVEYS OF CONSUMER FINANCES.

Table 5B. DETERMINANTS OF INTERVIEW QUESTION COMPREHENSION, 1992-2007 SCF.

Table shows coefficients and t-stats from OLS regressions. Dependent variable is response to SCF question: 'Respondent's understanding of the questions was...(Excellent, Good, Fair, Poor)' Higher value reflects less comprehension. Observations are not weighted; only one imputation used per respondent.

Ind. var.	1992	1995	1998	2001	2004	2007	All years
HH expects rising or flat	-0.052	-0.009	-0.019	-0.114***	-0.045	-0.035	-0.045***
interest rates	(-1.20)	(-0.28)	(-0.50)	(-3.16)	(-0.82)	(-1.00)	(-2.91)
Income quintile 2	-0.086**	-0.180***	-0.133***	-0.187***	-0.094***	-0.053	-0.124***
	(-2.23)	(-4.91)	(-3.75)	(-5.34)	(-2.79)	(-1.51)	(-8.56)
Income quintile 3	-0.171***	-0.249***	-0.161***	-0.196***	-0.153***	-0.110***	-0.176***
	(-4.34)	(-6.75)	(-4.32)	(-5.38)	(-4.38)	(-3.00)	(-11.70)
Income quintile 4	-0.220***	-0.348***	-0.234***	-0.287***	-0.162***	-0.161***	-0.238***
	(-5.24)	(-9.08)	(-5.94)	(-7.30)	(-4.35)	(-4.16)	(-14.94)
Income quintile 5	-0.287***	-0.438***	-0.303***	-0.358***	-0.266***	-0.229***	-0.316***
	(-6.81)	(-11.34)	(-7.49)	(-8.66)	(-6.85)	(-5.70)	(-19.26)
Wealth quintile 2	-0.033	-0.086***	-0.028	-0.086***	-0.081***	0.035	-0.048***
	(-0.86)	(-2.36)	(-0.80)	(-2.50)	(-2.45)	(1.02)	(-3.34)
Wealth quintile 3	-0.073*	-0.097***	-0.106***	-0.122***	-0.159***	0.036	-0.089***
	(-1.79)	(-2.52)	(-2.73)	(-3.19)	(-4.39)	(0.94)	(-5.66)
Wealth quintile 4	-0.136***	-0.121***	-0.128***	-0.194***	-0.197***	-0.070*	-0.140***
	(-3.15)	(-2.99)	(-3.13)	(-4.79)	(-5.04)	(-1.71)	(-8.42)
Wealth quintile 5	-0.152***	-0.168***	-0.185***	-0.218***	-0.247***	-0.081*	-0.175***
	(-3.33)	(-4.03)	(-4.34)	(-4.92)	(-5.86)	(-1.86)	(-9.91)
Age 35-44	0.039	0.099***	0.033	-0.009	0.008	-0.001	0.028**
	(1.23)	(3.21)	(1.05)	(-0.29)	(0.25)	(-0.02)	(2.21)
Age 45-64	0.061*	0.112***	0.031	0.021	0.029	0.048	0.051***
	(1.90)	(3.71)	(1.00)	(0.72)	(0.99)	(1.57)	(4.15)
Age > 64	0.109***	0.108***	0.115***	0.050	0.086***	0.057	0.089***
	(3.01)	(3.09)	(3.20)	(1.44)	(2.47)	(1.62)	(6.20)
Nonwhite	0.265***	0.163***	0.237***	0.191***	0.160***	0.139***	0.193***
	(9.85)	(6.09)	(8.98)	(7.50)	(6.81)	(5.64)	(18.51)
Self-reported credit constraint	0.048*	0.038	-0.004	0.033	0.002	0.048*	0.024**
	(1.84)	(1.51)	(-0.17)	(1.28)	(0.08)	(1.84)	(2.29)
Self-reported risk aversion	0.056***	0.063***	0.085***	0.072***	0.042***	0.061***	0.063***
	(4.35)	(5.18)	(6.91)	(6.00)	(3.56)	(5.04)	(12.68)
HS dropout	0.244***	0.270***	0.273***	0.268***	0.317***	0.155***	0.258***
	(7.84)	(9.02)	(9.01)	(9.02)	(10.43)	(4.91)	(20.80)
OK to borrow for fur coat, jewelry, vacation	0.039	-0.017	0.023	-0.019	-0.010	0.056**	0.010
	(1.39)	(-0.69)	(0.89)	(-0.76)	(-0.41)	(2.19)	(1.00)
Usually roll credit card balance	0.020	0.001	-0.039*	-0.028	-0.006	0.033	-0.004
	(0.85)	(0.04)	(-1.67)	(-1.25)	(-0.29)	(1.44)	(-0.37)
HH expects rising or flat income		-0.032	-0.032	-0.059***	-0.017	0.039*	-0.020**
		(-1.55)	(-1.42)	(-2.83)	(-0.82)	(1.94)	(-2.17)

Table 5B continued on next page.

Table 5B continued from previous page.

Ind. var.	1992	1995	1998	2001	2004	2007	All years
SCF year 1995							-0.007 (-0.43)
SCF year 1998							-0.025 (-1.63)
SCF year 2001							-0.042*** (-2.81)
SCF year 2004							-0.005 (-0.36)
SCF year 2007							-0.025* (-1.67)
Constant	1.587*** (22.59)	1.652*** (25.36)	1.530*** (22.95)	1.766*** (27.18)	1.726*** (22.32)	1.433*** (21.22)	1.634*** (56.89)
Adjusted R2	0.1669	0.1775	0.1906	0.209	0.1726	0.0996	0.1681
N	3906	4299	4305	4442	4519	4418	25889

Table 6B. DETERMINANTS OF INTERVIEWER-RATED INTEREST IN INTERVIEW, 1992-2007 SCF.

Table shows coefficients and t-stats from OLS regressions. Dependent variable is response to SCF question: 'Overall, how great was Respondent's interest in the interview?' Scale runs from highest (1) to lowest (5). Observations are not weighted; only one imputation used per respondent.

Ind. var.	1992	1995	1998	2001	2004	2007	All years
HH expects rising or flat interest rates	0.027 (0.43)	0.002 (0.04)	-0.011 (-0.21)	0.015 (0.30)	-0.102 (-1.27)	-0.015 (-0.31)	-0.009 (-0.39)
Income quintile 2	-0.101* (-1.82)	-0.165*** (-3.10)	-0.173*** (-3.37)	-0.148*** (-3.04)	-0.149*** (-3.04)	-0.047 (-0.95)	-0.134*** (-6.42)
Income quintile 3	-0.132** (-2.31)	-0.231*** (-4.32)	-0.234*** (-4.31)	-0.139*** (-2.74)	-0.105** (-2.06)	-0.096* (-1.85)	-0.161*** (-7.46)
Income quintile 4	-0.160*** (-2.64)	-0.335*** (-6.04)	-0.216*** (-3.77)	-0.145*** (-2.64)	-0.172*** (-3.15)	-0.127** (-2.32)	-0.199*** (-8.72)
Income quintile 5	-0.243*** (-3.99)	-0.367*** (-6.57)	-0.297*** (-5.06)	-0.280*** (-4.86)	-0.178*** (-3.14)	-0.146*** (-2.57)	-0.260*** (-11.07)
Wealth quintile 2	-0.012 (-0.22)	-0.013 (-0.24)	0.052 (1.01)	-0.124*** (-2.59)	-0.108** (-2.24)	0.038 (0.76)	-0.030 (-1.44)
Wealth quintile 3	-0.002 (-0.03)	-0.002 (-0.04)	-0.024 (-0.43)	-0.223*** (-4.19)	-0.172*** (-3.27)	0.021 (0.38)	-0.071*** (-3.14)
Wealth quintile 4	-0.065 (-1.04)	-0.064 (-1.09)	-0.054 (-0.91)	-0.256*** (-4.52)	-0.258*** (-4.51)	-0.040 (-0.69)	-0.123*** (-5.16)
Wealth quintile 5	-0.133** (-2.03)	-0.040 (-0.66)	-0.143** (-2.31)	-0.446*** (-7.21)	-0.247*** (-4.02)	-0.124** (-2.02)	-0.187*** (-7.41)
Age 35-44	0.022 (0.49)	0.023 (0.52)	-0.021 (-0.45)	0.040 (0.93)	-0.054 (-1.20)	-0.019 (-0.42)	-0.001 (-0.06)
Age 45-64	-0.005 (-0.12)	0.052 (1.19)	-0.037 (-0.82)	0.044 (1.06)	-0.054 (-1.27)	-0.076* (-1.77)	-0.009 (-0.49)
Age > 64	0.012 (0.23)	0.008 (0.16)	-0.010 (-0.20)	0.028 (0.58)	-0.048 (-0.94)	-0.089* (-1.79)	-0.013 (-0.62)
Nonwhite	0.170*** (4.39)	0.200*** (5.16)	0.219*** (5.72)	0.172*** (4.85)	0.150*** (4.38)	0.104*** (2.98)	0.171*** (11.48)
Self-reported credit constraint	-0.055 (-1.47)	-0.015 (-0.40)	-0.039 (-1.05)	-0.067* (-1.86)	-0.025 (-0.70)	-0.071* (-1.91)	-0.045*** (-3.03)
Self-reported risk aversion	0.069*** (3.66)	0.072*** (4.03)	0.117*** (6.56)	0.103*** (6.18)	0.073*** (4.27)	0.124*** (7.23)	0.094*** (13.12)
HS dropout	0.126*** (2.81)	0.163*** (3.76)	0.195*** (4.44)	0.095** (2.29)	0.132*** (2.97)	0.104*** (2.33)	0.137*** (7.71)
OK to borrow for fur coat, jewelry, vacation	-0.057 (-1.41)	-0.049 (-1.37)	0.015 (0.41)	-0.006 (-0.17)	-0.037 (-1.07)	0.030 (0.83)	-0.015 (-1.04)
Usually roll credit card balance	-0.029 (-0.82)	-0.031 (-0.94)	-0.020 (-0.59)	-0.043 (-1.38)	0.025 (0.77)	0.023 (0.72)	-0.012 (-0.90)
HH expects rising or flat income		-0.011 (-0.37)	-0.086*** (-2.65)	-0.011 (-0.38)	-0.020 (-0.67)	-0.024 (-0.82)	-0.028** (-2.06)

Table 6B continued on next page.

Table 6B continued from previous page.

Ind. var.	1992	1995	1998	2001	2004	2007	All years
SCF year 1995							-0.055*** (-2.54)
SCF year 1998							-0.119*** (-5.42)
SCF year 2001							-0.097*** (-4.47)
SCF year 2004							-0.183*** (-8.44)
SCF year 2007							-0.120*** (-5.61)
Constant	2.392*** (23.55)	2.361*** (25.04)	2.249*** (23.23)	2.386*** (26.32)	2.432*** (21.56)	2.115*** (22.12)	2.409*** (58.47)
Adjusted R2	0.0496	0.0565	0.0934	0.1229	0.0604	0.056	0.0758
N	3906	4299	4305	4442	4519	4418	25889

TABLE 7A. OPTIMISM OF SCF HOUSEHOLDS, ALL HOUSEHOLDS

Optimism index is based on response to Survey question asking respondent how long he or she expects to live. This is compared with 2003 life tables for the appropriate gender, age, and race. 'Optimists' are those whose reported anticipated life span exceeds the expected life span from the 2003 life tables. First column shows SCF-implied count of households. Observations are weighted using SCF analysis weights.

YEAR	SURVEY COUNT		
	(WEIGHTED, MILLIONS OF HOUSEHOLDS)		
	NOT OPTIMIST (PERCENT)	OPTIMIST (PERCENT)	
1995	95.91	52.87	47.13
1998	99.13	50.69	49.31
2001	102.10	48.03	51.97
2004	107.81	45.48	54.52
2007	111.78	45.75	54.25
ALL	516.73	48.41	51.59

SOURCE. 1995-2007 SURVEYS OF CONSUMER FINANCES.

Table 7B. DETERMINANTS OF OPTIMISM, 1995-2007 SCF.

Table shows coefficients and t-stats from OLS regressions. Dependent variable is optimism indicator described in Table 7A. Observations are not weighted; only one imputation used per respondent.

Ind. var.	1995	1998	2001	2004	2007	All years
HH expects rising or flat income	0.041*** (2.42)	0.054*** (2.97)	0.051*** (3.00)	0.079*** (4.75)	0.045*** (2.78)	0.055*** (7.26)
HH expects rising or flat interest rates	-0.039 (-1.43)	-0.055* (-1.88)	0.043 (1.47)	-0.085* (-1.90)	-0.038 (-1.36)	-0.028** (-2.05)
Income quintile 2	0.052* (1.74)	-0.003 (-0.12)	0.042 (1.47)	0.001 (0.05)	-0.015 (-0.55)	0.014 (1.12)
Income quintile 3	0.068** (2.28)	0.004 (0.14)	0.051* (1.74)	0.041 (1.45)	-0.011 (-0.38)	0.031*** (2.39)
Income quintile 4	0.084*** (2.71)	0.047 (1.49)	0.051 (1.59)	0.061** (2.02)	0.042 (1.37)	0.058*** (4.17)
Income quintile 5	0.126*** (4.04)	0.120*** (3.69)	0.110*** (3.27)	0.137*** (4.33)	0.121*** (3.74)	0.124*** (8.63)
Wealth quintile 2	-0.029 (-0.98)	-0.031 (-1.11)	0.018 (0.66)	0.089*** (3.34)	0.036 (1.30)	0.019 (1.54)
Wealth quintile 3	0.030 (0.96)	-0.030 (-0.98)	0.030 (0.97)	0.056* (1.92)	0.022 (0.72)	0.023* (1.71)
Wealth quintile 4	0.030 (0.90)	0.003 (0.08)	0.059* (1.78)	0.086*** (2.69)	0.013 (0.39)	0.041*** (2.81)
Wealth quintile 5	0.046 (1.36)	0.041 (1.21)	0.102*** (2.84)	0.129*** (3.76)	0.104*** (2.99)	0.087*** (5.66)
Age 35-44	-0.060*** (-2.43)	-0.056** (-2.22)	-0.036 (-1.47)	-0.075*** (-3.00)	-0.045* (-1.76)	-0.058*** (-5.19)
Age 45-64	-0.085*** (-3.47)	-0.079*** (-3.23)	-0.088*** (-3.68)	-0.106*** (-4.48)	-0.098*** (-4.06)	-0.094*** (-8.74)
Age > 64	-0.108*** (-3.77)	-0.091*** (-3.20)	-0.136*** (-4.82)	-0.118*** (-4.17)	-0.159*** (-5.65)	-0.126*** (-10.00)
Nonwhite	0.091*** (4.16)	0.115*** (5.45)	0.096*** (4.65)	0.095*** (4.99)	0.107*** (5.45)	0.100*** (10.97)
Self-reported credit constraint	0.011 (0.54)	-0.008 (-0.40)	-0.027 (-1.30)	-0.022 (-1.11)	-0.033 (-1.57)	-0.017* (-1.82)
Self-reported risk aversion	-0.019* (-1.92)	-0.018* (-1.85)	-0.027*** (-2.74)	-0.021** (-2.22)	-0.032*** (-3.32)	-0.023*** (-5.35)
HS dropout	-0.039 (-1.59)	-0.072*** (-2.97)	-0.093*** (-3.88)	-0.114*** (-4.62)	-0.063*** (-2.48)	-0.073*** (-6.70)
OK to borrow for fur coat, jewelry, vacation	0.044** (2.17)	0.014 (0.69)	0.017 (0.86)	-0.005 (-0.26)	0.003 (0.13)	0.015 (1.63)
Usually roll credit card balance	-0.010 (-0.53)	-0.001 (-0.03)	-0.037** (-2.05)	-0.005 (-0.26)	0.015 (0.82)	-0.008 (-0.96)

Table 7B continued on next page.

Table 7B continued from previous page.

Ind. var.	1995	1998	2001	2004	2007	All years
SCF year 1998						0.043*** (4.00)
SCF year 2001						0.069*** (6.45)
SCF year 2004						0.090*** (8.50)
SCF year 2007						0.096*** (8.99)
Constant	0.504*** (9.53)	0.591*** (11.12)	0.523*** (9.94)	0.604*** (9.61)	0.660*** (12.19)	0.509*** (20.34)
Adjusted R2	0.0246	0.0371	0.0474	0.0572	0.0607	0.0493
N	4130	4155	4242	4323	4242	21092

Table 8A. OLS REGRESSIONS OF MORTGAGE STATUS, 1989-2007 SCF.

Table shows coefficients and t-stats from OLS regressions. Dependent variable is a dummy variable indicating whether or not the household has a mortgage on its primary residence. Observations are not weighted; only one imputation used per respondent.

Ind. var.	1989	1992	1995	1998	2001	2004	2007	89-01	04-07	All
HH expects rising or flat	0.018	0.016	0.050*	0.004	0.047	0.057	0.003	0.026**	0.012	0.021*
interest rates	(0.72)	(0.43)	(1.96)	(0.13)	(1.57)	(1.04)	(0.12)	(2.00)	(0.48)	(1.89)
Income quintile 2	0.147***	0.005	0.145***	0.042	0.060	0.024	0.030	0.083***	0.028	0.067***
	(3.81)	(0.12)	(4.06)	(1.11)	(1.63)	(0.68)	(0.85)	(5.00)	(1.12)	(4.82)
Income quintile 3	0.127***	0.128***	0.217***	0.152***	0.181***	0.130***	0.159***	0.167***	0.146***	0.162***
	(3.12)	(3.47)	(6.28)	(4.10)	(4.93)	(3.80)	(4.61)	(10.15)	(6.03)	(11.91)
Income quintile 4	0.252***	0.181***	0.302***	0.261***	0.258***	0.161***	0.254***	0.256***	0.207***	0.242***
	(6.19)	(4.84)	(8.95)	(7.02)	(6.96)	(4.60)	(7.36)	(15.51)	(8.46)	(17.68)
Income quintile 5	0.326***	0.212***	0.333***	0.252***	0.331***	0.168***	0.245***	0.295***	0.208***	0.268***
	(7.82)	(5.79)	(9.95)	(6.79)	(8.73)	(4.79)	(7.10)	(17.83)	(8.45)	(19.57)
Wealth quintile 2	0.006	0.014	-0.030	0.033	-0.105*	-0.103*	0.077	-0.021	-0.015	-0.018
	(0.07)	(0.20)	(-0.54)	(0.57)	(-1.83)	(-1.85)	(1.36)	(-0.75)	(-0.38)	(-0.80)
Wealth quintile 3	-0.025	-0.024	-0.054	0.032	-0.124**	-0.090*	0.061	-0.043	-0.015	-0.034
	(-0.33)	(-0.35)	(-0.99)	(0.56)	(-2.17)	(-1.66)	(1.10)	(-1.56)	(-0.39)	(-1.51)
Wealth quintile 4	-0.079	-0.017	-0.122**	-0.025	-0.168***	-0.109**	0.002	-0.085***	-0.055	-0.075***
	(-1.02)	(-0.25)	(-2.20)	(-0.44)	(-2.90)	(-1.99)	(0.04)	(-3.11)	(-1.39)	(-3.34)
Wealth quintile 5	-0.126	-0.117*	-0.203***	-0.107*	-0.293***	-0.255***	-0.109*	-0.172***	-0.184***	-0.175***
	(-1.60)	(-1.71)	(-3.65)	(-1.83)	(-4.86)	(-4.50)	(-1.89)	(-6.16)	(-4.57)	(-7.66)
Age 35-44	-0.039	0.029	-0.036	0.052*	-0.015	-0.007	0.002	-0.004	-0.002	-0.002
	(-1.17)	(0.96)	(-1.26)	(1.66)	(-0.49)	(-0.21)	(0.05)	(-0.27)	(-0.08)	(-0.15)
Age 45-64	-0.212***	-0.126***	-0.140***	-0.091***	-0.173***	-0.167***	-0.132***	-0.150***	-0.150***	-0.150***
	(-6.63)	(-4.34)	(-5.09)	(-2.97)	(-5.80)	(-5.67)	(-4.47)	(-11.41)	(-7.18)	(-13.45)
Age > 64	-0.510***	-0.488***	-0.474***	-0.405***	-0.449***	-0.471***	-0.425***	-0.468***	-0.447***	-0.461***
	(-14.21)	(-15.35)	(-15.41)	(-11.87)	(-13.35)	(-14.29)	(-12.96)	(-31.84)	(-19.27)	(-37.14)
Nonwhite	-0.021	0.021	0.053**	0.032	0.060***	0.069***	0.055***	0.030***	0.060***	0.041***
	(-0.77)	(0.86)	(2.27)	(1.27)	(2.44)	(3.15)	(2.46)	(2.73)	(3.88)	(4.54)
Self-reported credit constraint	0.091***	0.006	0.031	0.088***	0.051**	0.041*	0.027	0.053***	0.035**	0.048***
	(3.39)	(0.25)	(1.41)	(3.76)	(2.00)	(1.73)	(1.12)	(4.95)	(2.06)	(5.30)
OK to borrow for fur coat, jewelry, vacation	0.067***	0.061***	0.025	0.040*	0.072***	0.035*	0.032	0.051***	0.033**	0.045***
	(2.76)	(2.70)	(1.26)	(1.90)	(3.47)	(1.75)	(1.56)	(5.34)	(2.31)	(5.67)
Usually roll credit card balance	0.175***	0.186***	0.138***	0.136***	0.102***	0.153***	0.162***	0.145***	0.158***	0.149***
	(8.28)	(9.50)	(7.47)	(7.01)	(5.12)	(8.25)	(8.77)	(16.56)	(12.10)	(20.54)
Self-reported risk aversion	-0.011	-0.023**	-0.037***	-0.001	-0.016	-0.026***	-0.029***	-0.018***	-0.028***	-0.021***
	(-0.98)	(-2.20)	(-3.72)	(-0.14)	(-1.63)	(-2.68)	(-3.01)	(-3.85)	(-4.03)	(-5.43)

Table 8A continued on next page

Table 8A continued from previous page

Ind. var.	1989	1992	1995	1998	2001	2004	2007	89-01	04-07	All
HS dropout	-0.072*** (-2.74)	-0.091*** (-3.41)	-0.002 (-0.08)	-0.079*** (-2.79)	0.000 (0.00)	-0.132*** (-4.62)	-0.048 (-1.64)	-0.051*** (-4.25)	-0.090*** (-4.37)	-0.063*** (-6.14)
Interviewer-assessed understanding (1=excellent, 4=poor)		-0.001 (-0.08)	0.017 (1.22)	0.002 (0.16)	-0.009 (-0.61)	0.003 (0.20)	-0.007 (-0.53)	0.005 (0.65)	-0.003 (-0.36)	0.002 (0.33)
Interviewer-assessed pre-interview suspicion (1=none, 5=high)		-0.015* (-1.75)	0.009 (1.14)	-0.003 (-0.35)	-0.011 (-1.28)	-0.004 (-0.56)	-0.002 (-0.28)	-0.004 (-1.03)	-0.003 (-0.53)	-0.004 (-1.18)
Interviewer-assessed post-interview suspicion (1=none, 5=high)		-0.002 (-0.14)	-0.004 (-0.34)	-0.001 (-0.09)	-0.016 (-0.98)	-0.014 (-1.04)	-0.002 (-0.15)	-0.006 (-0.91)	-0.008 (-0.84)	-0.007 (-1.32)
Interviewer-assessed interest in interview (1=very high, 5=very low)		-0.001 (-0.13)	-0.013 (-1.37)	-0.020** (-2.07)	0.011 (1.11)	-0.005 (-0.59)	-0.002 (-0.20)	-0.005 (-1.12)	-0.004 (-0.54)	-0.005 (-1.24)
Optimist dummy			0.027* (1.80)	0.050*** (3.21)	0.024 (1.56)	0.011 (0.74)	0.017 (1.15)	0.031*** (3.53)	0.014 (1.36)	0.023*** (3.34)
Taste for credit shopping (1=low, 5=high)			0.031*** (5.61)	0.033*** (5.74)	0.037*** (6.61)	0.039*** (7.31)	0.038*** (7.08)	0.032*** (10.09)	0.039*** (10.28)	0.035*** (14.49)
HH expects rising or flat income			-0.014 (-0.85)	0.027 (1.50)	0.036** (2.09)	0.037** (2.23)	-0.008 (-0.52)	0.015 (1.51)	0.014 (1.25)	0.011 (1.51)
Probability of staying in house			0.000 (1.35)	0.000 (-0.26)	0.000 (0.68)	0.000 (0.73)	0.000 (0.06)	0.000 (1.15)	0.000 (0.63)	0.000 (1.32)
SCF year 1992								0.037** (2.12)		0.041*** (2.60)
SCF year 1995								-0.104*** (-4.19)		-0.103*** (-4.90)
SCF year 1998								-0.098*** (-3.91)		-0.095*** (-4.55)
SCF year 2001								-0.112*** (-4.46)		-0.110*** (-5.24)
SCF year 2004									-0.023** (-2.25)	-0.096*** (-4.50)
SCF year 2007										-0.072*** (-3.39)
Constant	0.597*** (6.23)	0.699*** (7.57)	0.524*** (6.41)	0.431*** (5.16)	0.549*** (6.43)	0.665*** (6.93)	0.553*** (6.72)	0.617*** (17.07)	0.639*** (10.65)	0.645*** (21.14)
Adjusted R2	0.3135	0.3167	0.3091	0.2864	0.2749	0.2934	0.2806	0.2968	0.287	0.2934
N	2360	2771	3134	3009	3161	3278	3292	14435	6570	21005

Table 8B. PROBIT REGRESSIONS OF MORTGAGE STATUS, 1989-2007 SCF.

Table shows estimated marginal effects and t-stats from probit regressions. Dependent variable is a dummy variable indicating whether or not the household has a mortgage on its primary residence. Observations are not weighted; only one imputation used per respondent.

Ind. var.	1989	1992	1995	1998	2001	2004	2007	89-01	04-07	All
HH expects rising or flat	0.045	0.066	0.169*	0.004	0.165	0.213	0.020	0.086*	0.047	0.072*
interest rates	(0.54)	(0.49)	(1.93)	(0.04)	(1.59)	(1.12)	(0.21)	(1.96)	(0.56)	(1.86)
Income quintile 2	0.531***	0.016	0.510***	0.144	0.200	0.056	0.057	0.284***	0.057	0.214***
	(3.75)	(0.12)	(3.94)	(1.09)	(1.58)	(0.45)	(0.47)	(4.86)	(0.67)	(4.45)
Income quintile 3	0.456***	0.435***	0.769***	0.518***	0.623***	0.475***	0.516***	0.573***	0.498***	0.549***
	(3.12)	(3.33)	(6.09)	(4.01)	(4.88)	(3.95)	(4.38)	(9.89)	(5.96)	(11.59)
Income quintile 4	0.906***	0.663***	1.109***	0.949***	0.926***	0.610***	0.944***	0.917***	0.775***	0.870***
	(6.19)	(4.96)	(8.87)	(7.19)	(7.13)	(4.94)	(7.76)	(15.66)	(9.01)	(18.06)
Income quintile 5	1.149***	0.780***	1.207***	0.904***	1.165***	0.631***	0.885***	1.043***	0.761***	0.952***
	(7.73)	(6.01)	(9.76)	(6.93)	(8.82)	(5.16)	(7.42)	(17.87)	(8.96)	(19.89)
Wealth quintile 2	-0.039	0.136	-0.174	0.126	-0.473**	-0.507**	0.299	-0.097	-0.076	-0.091
	(-0.13)	(0.54)	(-0.79)	(0.58)	(-2.11)	(-2.07)	(1.39)	(-0.93)	(-0.48)	(-1.05)
Wealth quintile 3	-0.158	-0.042	-0.296	0.087	-0.541***	-0.505**	0.263	-0.200*	-0.094	-0.170**
	(-0.53)	(-0.17)	(-1.36)	(0.41)	(-2.41)	(-2.10)	(1.23)	(-1.96)	(-0.60)	(-2.00)
Wealth quintile 4	-0.357	-0.041	-0.552***	-0.129	-0.735***	-0.586***	-0.017	-0.371***	-0.269*	-0.340***
	(-1.18)	(-0.17)	(-2.54)	(-0.61)	(-3.23)	(-2.42)	(-0.08)	(-3.61)	(-1.71)	(-3.96)
Wealth quintile 5	-0.532*	-0.418*	-0.821***	-0.417*	-1.156***	-1.102***	-0.443**	-0.672***	-0.747***	-0.695***
	(-1.75)	(-1.68)	(-3.76)	(-1.96)	(-4.97)	(-4.48)	(-2.03)	(-6.47)	(-4.67)	(-8.00)
Age 35-44	-0.162	0.117	-0.168	0.199*	-0.106	-0.099	-0.049	-0.028	-0.072	-0.031
	(-1.26)	(1.02)	(-1.52)	(1.71)	(-0.88)	(-0.74)	(-0.37)	(-0.54)	(-0.78)	(-0.69)
Age 45-64	-0.705***	-0.407***	-0.503***	-0.291***	-0.625***	-0.686***	-0.558***	-0.506***	-0.619***	-0.527***
	(-5.90)	(-3.83)	(-4.84)	(-2.68)	(-5.56)	(-5.60)	(-4.66)	(-10.48)	(-7.28)	(-12.64)
Age > 64	-1.579***	-1.432***	-1.457***	-1.161***	-1.390***	-1.523***	-1.347***	-1.397***	-1.422***	-1.386***
	(-11.93)	(-12.43)	(-12.75)	(-9.74)	(-11.31)	(-11.64)	(-10.62)	(-26.40)	(-15.71)	(-30.60)
Nonwhite	-0.098	0.068	0.203***	0.108	0.221***	0.244***	0.193***	0.103***	0.213***	0.139***
	(-1.04)	(0.82)	(2.41)	(1.24)	(2.59)	(3.05)	(2.40)	(2.71)	(3.78)	(4.43)
Self-reported credit constraint	0.343***	0.010	0.111	0.315***	0.165*	0.128	0.100	0.182***	0.116*	0.165***
	(3.52)	(0.12)	(1.37)	(3.73)	(1.86)	(1.44)	(1.09)	(4.83)	(1.83)	(5.09)
OK to borrow for fur coat, jewelry, vacation	0.237***	0.238***	0.095	0.146**	0.253***	0.117	0.129*	0.187***	0.122***	0.164***
	(2.74)	(2.89)	(1.34)	(2.01)	(3.51)	(1.63)	(1.76)	(5.55)	(2.38)	(5.85)
Usually roll credit card balance	0.624***	0.700***	0.484***	0.482***	0.359***	0.590***	0.597***	0.514***	0.591***	0.536***
	(8.20)	(9.52)	(7.24)	(7.01)	(5.22)	(8.45)	(8.72)	(16.49)	(12.16)	(20.48)
Self-reported risk aversion	-0.040	-0.084***	-0.122***	-0.009	-0.064*	-0.100***	-0.116***	-0.063***	-0.109***	-0.076***
	(-0.99)	(-2.36)	(-3.54)	(-0.26)	(-1.91)	(-2.92)	(-3.38)	(-4.03)	(-4.51)	(-5.80)

Table 8B continued on next page

Table 8B continued from previous page

Ind. var.	1989	1992	1995	1998	2001	2004	2007	89-01	04-07	All
HS dropout	-0.253*** (-2.74)	-0.343*** (-3.56)	-0.033 (-0.37)	-0.279*** (-2.84)	-0.008 (-0.09)	-0.491*** (-4.86)	-0.191* (-1.88)	-0.185*** (-4.47)	-0.332*** (-4.67)	-0.229*** (-6.44)
Interviewer-assessed understanding (1=excellent, 4=poor)		-0.010 (-0.20)	0.051 (1.07)	0.004 (0.08)	-0.038 (-0.78)	0.011 (0.23)	-0.033 (-0.70)	0.009 (0.36)	-0.015 (-0.46)	0.001 (0.03)
Interviewer-assessed pre-interview suspicion (1=none, 5=high)		-0.047 (-1.60)	0.029 (1.09)	-0.006 (-0.19)	-0.038 (-1.29)	-0.014 (-0.53)	-0.001 (-0.07)	-0.013 (-0.89)	-0.006 (-0.36)	-0.011 (-1.00)
Interviewer-assessed post-interview suspicion (1=none, 5=high)		-0.009 (-0.22)	-0.006 (-0.14)	-0.002 (-0.05)	-0.045 (-0.82)	-0.049 (-1.07)	-0.005 (-0.11)	-0.017 (-0.75)	-0.026 (-0.80)	-0.022 (-1.20)
Interviewer-assessed interest in interview (1=very high, 5=very low)		-0.004 (-0.13)	-0.044 (-1.37)	-0.068** (-2.03)	0.032 (0.95)	-0.024 (-0.75)	-0.013 (-0.39)	-0.020 (-1.23)	-0.017 (-0.75)	-0.019 (-1.40)
Optimist dummy			0.080 (1.54)	0.161*** (3.04)	0.087* (1.68)	0.054 (1.03)	0.063 (1.21)	0.101*** (3.38)	0.058 (1.59)	0.078*** (3.36)
Taste for credit shopping (1=low, 5=high)			0.099*** (5.29)	0.106*** (5.44)	0.123*** (6.63)	0.128*** (6.95)	0.120*** (6.64)	0.106*** (9.75)	0.124*** (9.69)	0.115*** (13.88)
HH expects rising or flat income			-0.041 (-0.73)	0.086 (1.40)	0.125** (2.21)	0.120** (2.09)	-0.023 (-0.41)	0.059* (1.77)	0.049 (1.23)	0.042* (1.66)
Probability of staying in house			0.001 (1.46)	0.000 (-0.33)	0.001 (0.76)	0.001 (0.80)	0.000 (0.04)	0.001 (1.16)	0.000 (0.63)	0.001 (1.28)
SCF year 1992								0.134** (2.24)		0.149*** (2.74)
SCF year 1995								-0.342*** (-3.98)		-0.327*** (-4.54)
SCF year 1998								-0.327*** (-3.83)		-0.312*** (-4.34)
SCF year 2001								-0.374*** (-4.35)		-0.360*** (-5.00)
SCF year 2004									-0.079** (-2.18)	-0.300*** (-4.12)
SCF year 2007										-0.221*** (-3.04)
Constant	0.329 (0.92)	0.543* (1.65)	0.084 (0.28)	-0.288 (-0.99)	0.281 (0.91)	0.808** (2.18)	0.279 (0.93)	0.373*** (2.87)	0.618*** (2.75)	0.505*** (4.55)
N	2360	2771	3134	3009	3161	3278	3292	14435	6570	21005

Table 9A. OLS REGRESSIONS OF MORTGAGE TYPE, 1989-2007 SCF.

Table shows coefficients and t-stats from OLS regressions. Dependent variable is a dummy variable indicating whether or not the household has an adjustable-rate mortgage (ARM) on its primary residence. Observations are not weighted; only one imputation used per respondent. Sample only includes households with mortgages.

Ind. var.	1989	1992	1995	1998	2001	2004	2007	89-01	04-07	All
HH expects rising or flat	-0.085*	-0.043	0.009	0.005	0.030	-0.022	-0.011	-0.011	-0.017	-0.012
interest rates	(-1.74)	(-0.68)	(0.22)	(0.14)	(0.84)	(-0.30)	(-0.36)	(-0.57)	(-0.60)	(-0.75)
Income quintile 2	-0.153	-0.044	-0.205***	0.030	-0.045	-0.021	-0.014	-0.074***	-0.017	-0.052**
	(-1.26)	(-0.58)	(-3.08)	(0.50)	(-0.86)	(-0.41)	(-0.28)	(-2.43)	(-0.49)	(-2.25)
Income quintile 3	-0.222*	0.033	-0.125**	-0.012	-0.082	-0.036	-0.005	-0.062**	-0.022	-0.046**
	(-1.85)	(0.47)	(-1.99)	(-0.22)	(-1.64)	(-0.77)	(-0.10)	(-2.16)	(-0.68)	(-2.15)
Income quintile 4	-0.189	0.015	-0.114*	-0.047	-0.100**	-0.040	-0.004	-0.070***	-0.022	-0.051***
	(-1.63)	(0.22)	(-1.89)	(-0.86)	(-1.99)	(-0.87)	(-0.10)	(-2.50)	(-0.70)	(-2.40)
Income quintile 5	-0.203*	-0.025	-0.160***	-0.034	-0.133***	-0.021	-0.038	-0.094***	-0.029	-0.068***
	(-1.73)	(-0.38)	(-2.65)	(-0.62)	(-2.61)	(-0.44)	(-0.84)	(-3.33)	(-0.89)	(-3.19)
Wealth quintile 2	-0.227**	-0.055	-0.118*	-0.023	0.006	-0.091	0.049	-0.074***	-0.023	-0.060***
	(-2.03)	(-0.66)	(-1.75)	(-0.37)	(0.11)	(-1.63)	(0.85)	(-2.41)	(-0.57)	(-2.47)
Wealth quintile 3	-0.058	0.017	-0.146**	-0.014	0.013	-0.092*	0.052	-0.048	-0.024	-0.044*
	(-0.54)	(0.20)	(-2.23)	(-0.24)	(0.24)	(-1.69)	(0.93)	(-1.59)	(-0.62)	(-1.84)
Wealth quintile 4	-0.015	0.051	-0.069	-0.001	0.037	-0.031	0.028	-0.012	-0.004	-0.014
	(-0.13)	(0.62)	(-1.04)	(-0.01)	(0.69)	(-0.55)	(0.49)	(-0.38)	(-0.09)	(-0.58)
Wealth quintile 5	-0.013	0.079	-0.069	0.061	0.058	-0.026	0.070	0.012	0.019	0.010
	(-0.11)	(0.94)	(-1.04)	(0.99)	(1.04)	(-0.44)	(1.20)	(0.39)	(0.46)	(0.39)
Age 35-44	0.020	-0.023	-0.016	-0.020	-0.045*	-0.042	-0.044	-0.016	-0.043**	-0.024**
	(0.46)	(-0.68)	(-0.51)	(-0.64)	(-1.65)	(-1.36)	(-1.47)	(-1.13)	(-2.01)	(-2.01)
Age 45-64	-0.031	0.025	0.005	0.000	-0.046*	-0.029	-0.057**	-0.003	-0.043**	-0.016
	(-0.65)	(0.71)	(0.14)	(0.01)	(-1.69)	(-0.97)	(-1.99)	(-0.22)	(-2.08)	(-1.34)
Age > 64	-0.084	0.010	0.142***	0.028	-0.058	-0.055	-0.015	0.028	-0.032	0.006
	(-1.01)	(0.18)	(2.92)	(0.64)	(-1.51)	(-1.36)	(-0.41)	(1.26)	(-1.16)	(0.33)
Nonwhite	0.032	0.046	0.019	-0.048*	0.031	-0.026	0.022	0.011	-0.002	0.007
	(0.62)	(1.36)	(0.61)	(-1.72)	(1.29)	(-1.09)	(0.96)	(0.79)	(-0.12)	(0.67)
Self-reported credit	0.043	0.021	0.050*	0.020	0.052**	0.070***	0.045*	0.038***	0.057***	0.045***
constraint	(1.03)	(0.73)	(1.81)	(0.82)	(2.19)	(2.86)	(1.85)	(3.09)	(3.33)	(4.50)
OK to borrow for fur coat,	0.061	-0.036	-0.016	0.005	0.037*	0.018	0.009	0.006	0.015	0.009
jewelry, vacation	(1.45)	(-1.21)	(-0.61)	(0.24)	(1.77)	(0.79)	(0.42)	(0.49)	(0.95)	(0.96)
Usually roll credit card	0.015	0.033	0.024	0.084***	0.015	-0.017	0.010	0.035***	-0.004	0.021***
balance	(0.40)	(1.27)	(1.05)	(4.08)	(0.78)	(-0.84)	(0.54)	(3.35)	(-0.28)	(2.48)
Self-reported risk aversion	-0.012	-0.020	-0.010	-0.012	-0.017	-0.009	-0.025**	-0.014***	-0.016**	-0.015***
	(-0.59)	(-1.34)	(-0.73)	(-1.00)	(-1.60)	(-0.76)	(-2.27)	(-2.33)	(-2.08)	(-3.20)

Table 9A continued on next page

Table 9A continued from previous page

Ind. var.	1989	1992	1995	1998	2001	2004	2007	89-01	04-07	All
Mortgage within GSE	-0.114***	-0.163***	-0.172***	-0.094***	-0.120***	-0.163***	-0.167***	-0.132***	-0.163***	-0.144***
conforming limit	(-2.51)	(-5.03)	(-5.62)	(-3.71)	(-5.18)	(-6.50)	(-7.19)	(-10.06)	(-9.57)	(-13.81)
HS dropout	0.003	-0.010	0.020	0.025	0.007	0.024	0.021	0.017	0.025	0.021
	(0.05)	(-0.20)	(0.49)	(0.62)	(0.21)	(0.61)	(0.57)	(0.91)	(0.93)	(1.34)
Understanding		-0.011	0.020	-0.019	0.001	0.028*	0.017	-0.002	0.022**	0.007
(1=excellent, 4=poor)		(-0.52)	(1.01)	(-1.09)	(0.06)	(1.77)	(1.15)	(-0.22)	(2.00)	(1.00)
Pre-interview suspicion		-0.010	0.006	0.001	-0.003	-0.010	-0.020***	-0.002	-0.017***	-0.009**
(1=none, 5=high)		(-0.77)	(0.57)	(0.09)	(-0.28)	(-1.07)	(-2.64)	(-0.38)	(-2.97)	(-2.21)
Post-interview suspicion		-0.002	-0.016	0.011	-0.006	-0.005	0.010	-0.003	0.005	0.001
(1=none, 5=high)		(-0.10)	(-0.80)	(0.64)	(-0.34)	(-0.28)	(0.61)	(-0.32)	(0.42)	(0.14)
Interest in interview		0.028**	-0.003	0.018	-0.001	-0.001	0.002	0.011*	0.002	0.008
(1=very high, 5=very low)		(1.97)	(-0.21)	(1.53)	(-0.06)	(-0.05)	(0.16)	(1.78)	(0.20)	(1.64)
Optimist dummy			0.056***	0.000	0.005	-0.002	0.009	0.016	0.003	0.010
			(2.64)	(0.01)	(0.28)	(-0.14)	(0.51)	(1.40)	(0.24)	(1.24)
Taste for credit shopping			-0.011	0.000	-0.008	0.003	-0.012*	-0.007	-0.003	-0.005*
(1=low, 5=high)			(-1.29)	(0.02)	(-1.18)	(0.44)	(-1.75)	(-1.51)	(-0.70)	(-1.66)
HH expects rising or flat			-0.027	0.030	-0.004	0.043**	-0.010	-0.002	0.015	0.007
income			(-1.15)	(1.33)	(-0.21)	(2.13)	(-0.57)	(-0.17)	(1.13)	(0.75)
Probability of staying in			0.000	0.000	-0.001***	-0.001**	-0.002***	-0.001***	-0.001***	-0.001***
house			(-0.93)	(-1.28)	(-2.81)	(-2.04)	(-4.89)	(-2.78)	(-4.85)	(-5.20)
SCF year 1992								-0.113***		-0.111***
								(-4.52)		(-4.99)
SCF year 1995								-0.022		-0.009
								(-0.65)		(-0.33)
SCF year 1998								-0.103***		-0.090***
								(-3.03)		(-3.25)
SCF year 2001								-0.132***		-0.119***
								(-3.85)		(-4.25)
SCF year 2004									0.016	-0.066***
									(1.36)	(-2.35)
SCF year 2007										-0.085***
										(-3.02)
Constant	0.723***	0.356***	0.645***	0.227**	0.440***	0.451***	0.530***	0.538***	0.483***	0.540***
	(4.19)	(2.68)	(5.51)	(2.19)	(4.71)	(3.89)	(5.62)	(11.16)	(6.98)	(13.76)
Adjusted R2	0.0272	0.0372	0.0386	0.0229	0.0248	0.0475	0.048	0.0458	0.0462	0.0464
N	796	1240	1632	1700	1787	1945	2009	7155	3954	11109

Table 9B. OLS REGRESSIONS OF MORTGAGE TYPE, 1989-2007 SCF.

Table shows coefficients and t-stats from OLS regressions. Dependent variable is a dummy variable indicating whether or not the household has an adjustable-rate mortgage (ARM) on its primary residence. Observations are not weighted; only one imputation used per respondent. Sample only includes households with mortgages that they report having taken out in the past 2 years.

Ind. var.	1989	1992	1995	1998	2001	2004	2007	89-01	04-07	All
HH expects rising or flat	-0.069	-0.028	-0.001	-0.055	-0.005	0.012	-0.025	-0.028	-0.021	-0.026
interest rates	(-0.97)	(-0.33)	(-0.02)	(-0.90)	(-0.09)	(0.13)	(-0.50)	(-0.99)	(-0.51)	(-1.13)
Income quintile 2	-0.131	0.027	-0.161*	-0.008	-0.143	-0.036	0.064	-0.093**	-0.003	-0.055
	(-0.60)	(0.27)	(-1.76)	(-0.07)	(-1.55)	(-0.53)	(0.76)	(-1.99)	(-0.06)	(-1.60)
Income quintile 3	-0.200	0.057	-0.107	-0.051	-0.098	-0.068	0.021	-0.063	-0.037	-0.051
	(-0.93)	(0.60)	(-1.25)	(-0.55)	(-1.12)	(-1.10)	(0.28)	(-1.43)	(-0.79)	(-1.58)
Income quintile 4	-0.140	0.068	-0.044	-0.071	-0.187**	-0.070	0.057	-0.059	-0.023	-0.043
	(-0.67)	(0.74)	(-0.54)	(-0.77)	(-2.15)	(-1.15)	(0.77)	(-1.39)	(-0.49)	(-1.36)
Income quintile 5	-0.201	0.020	-0.082	-0.058	-0.226***	-0.044	-0.007	-0.084*	-0.031	-0.059*
	(-0.97)	(0.22)	(-1.00)	(-0.63)	(-2.56)	(-0.72)	(-0.09)	(-1.96)	(-0.67)	(-1.88)
Wealth quintile 2	-0.467***	0.056	-0.092	-0.013	0.001	-0.100	0.080	-0.088**	-0.016	-0.065**
	(-2.80)	(0.39)	(-1.14)	(-0.16)	(0.01)	(-1.48)	(1.00)	(-2.10)	(-0.32)	(-2.00)
Wealth quintile 3	-0.126	0.138	-0.093	-0.035	0.004	-0.093	0.089	-0.041	-0.013	-0.034
	(-0.77)	(0.95)	(-1.18)	(-0.42)	(0.05)	(-1.42)	(1.11)	(-0.99)	(-0.26)	(-1.06)
Wealth quintile 4	-0.014	0.203	-0.054	-0.069	0.069	-0.047	0.065	-0.001	0.005	-0.004
	(-0.08)	(1.42)	(-0.67)	(-0.81)	(0.85)	(-0.70)	(0.78)	(-0.03)	(0.09)	(-0.11)
Wealth quintile 5	0.011	0.214	-0.022	0.044	0.128	-0.028	0.131	0.040	0.042	0.037
	(0.06)	(1.46)	(-0.27)	(0.51)	(1.47)	(-0.40)	(1.51)	(0.92)	(0.78)	(1.11)
Age 35-44	-0.050	-0.040	-0.065	0.012	-0.082*	-0.083***	-0.012	-0.046**	-0.054*	-0.049***
	(-0.78)	(-0.91)	(-1.53)	(0.26)	(-1.96)	(-2.33)	(-0.27)	(-2.25)	(-1.96)	(-3.02)
Age 45-64	-0.031	0.001	-0.024	0.039	-0.092**	-0.054	-0.046	-0.021	-0.047*	-0.032*
	(-0.45)	(0.03)	(-0.56)	(0.85)	(-2.11)	(-1.59)	(-1.07)	(-1.01)	(-1.76)	(-1.96)
Age > 64	-0.279**	0.019	0.142**	0.012	-0.135*	-0.110**	-0.018	0.010	-0.071*	-0.029
	(-1.98)	(0.25)	(2.18)	(0.17)	(-1.93)	(-2.24)	(-0.28)	(0.30)	(-1.84)	(-1.12)
Nonwhite	0.168**	0.043	0.025	-0.061	0.023	-0.015	0.053	0.022	0.016	0.020
	(2.21)	(0.93)	(0.56)	(-1.37)	(0.54)	(-0.48)	(1.40)	(1.02)	(0.66)	(1.28)
Self-reported credit constraint	0.062	0.023	0.021	-0.005	0.011	0.047	0.035	0.024	0.041*	0.033**
	(0.99)	(0.59)	(0.56)	(-0.13)	(0.29)	(1.56)	(0.92)	(1.31)	(1.77)	(2.29)
OK to borrow for fur coat, jewelry, vacation	0.024	-0.008	-0.046	0.027	0.066*	0.010	-0.005	0.003	0.005	0.004
	(0.38)	(-0.19)	(-1.30)	(0.75)	(1.70)	(0.38)	(-0.14)	(0.16)	(0.23)	(0.29)
Usually roll credit card balance	0.027	0.076**	0.077***	0.085***	0.016	-0.016	0.044	0.058***	0.006	0.035***
	(0.50)	(2.12)	(2.37)	(2.61)	(0.46)	(-0.65)	(1.35)	(3.61)	(0.29)	(2.84)
Self-reported risk aversion	-0.026	-0.019	0.005	-0.011	-0.019	-0.016	-0.024	-0.010	-0.019*	-0.013*
	(-0.86)	(-0.98)	(0.29)	(-0.61)	(-1.05)	(-1.13)	(-1.29)	(-1.11)	(-1.72)	(-1.92)

Table 9B continued on next page

Table 9B continued from previous page

Ind. var.	1989	1992	1995	1998	2001	2004	2007	89-01	04-07	All
Mortgage within GSE conforming limit	-0.060 (-0.90)	-0.123*** (-2.89)	-0.154*** (-3.80)	-0.064 (-1.57)	-0.127*** (-3.13)	-0.165*** (-5.67)	-0.165*** (-3.97)	-0.111*** (-5.69)	-0.163*** (-6.84)	-0.131*** (-8.69)
HS dropout	-0.033 (-0.36)	0.073 (0.97)	0.053 (0.87)	0.069 (1.11)	0.002 (0.03)	0.066 (1.22)	0.070 (1.16)	0.045 (1.53)	0.068* (1.71)	0.051** (2.15)
Understanding (1=excellent, 4=poor)		-0.034 (-1.11)	0.036 (1.27)	-0.014 (-0.52)	0.029 (1.09)	0.034* (1.76)	0.032 (1.20)	0.007 (0.47)	0.031** (2.01)	0.016 (1.52)
Pre-interview suspicion (1=none, 5=high)		-0.003 (-0.14)	0.000 (-0.02)	0.011 (0.65)	0.012 (0.70)	-0.013 (-1.10)	-0.027** (-1.98)	0.002 (0.27)	-0.021*** (-2.43)	-0.008 (-1.36)
Post-interview suspicion (1=none, 5=high)		-0.002 (-0.09)	-0.026 (-0.96)	0.002 (0.07)	0.000 (0.00)	-0.008 (-0.38)	0.041 (1.24)	-0.009 (-0.67)	0.008 (0.46)	-0.001 (-0.10)
Interest in interview (1=very high, 5=very low)		0.029 (1.47)	-0.010 (-0.51)	0.006 (0.33)	-0.025 (-1.26)	-0.004 (-0.32)	-0.012 (-0.65)	0.002 (0.15)	-0.004 (-0.35)	0.000 (-0.03)
Optimist dummy			0.070*** (2.47)	0.005 (0.15)	0.040 (1.36)	0.008 (0.39)	0.018 (0.59)	0.037** (2.18)	0.013 (0.73)	0.025** (2.03)
Taste for credit shopping (1=low, 5=high)			0.006 (0.49)	0.022* (1.81)	-0.006 (-0.52)	0.005 (0.60)	-0.006 (-0.53)	0.005 (0.70)	0.001 (0.14)	0.003 (0.60)
HH expects rising or flat income			-0.010 (-0.33)	0.040 (1.11)	-0.018 (-0.52)	0.024 (0.99)	-0.017 (-0.52)	0.003 (0.13)	0.009 (0.47)	0.008 (0.58)
Probability of staying in house			0.000 (-0.78)	-0.001 (-1.07)	-0.001 (-0.93)	-0.001** (-2.22)	-0.002*** (-4.39)	-0.001 (-1.59)	-0.002*** (-4.75)	-0.001*** (-4.52)
SCF year 1992								-0.200*** (-5.41)		-0.201*** (-6.16)
SCF year 1995								-0.142*** (-2.75)		-0.089** (-2.16)
SCF year 1998								-0.213*** (-4.12)		-0.163*** (-3.92)
SCF year 2001								-0.215*** (-4.12)		-0.166*** (-3.95)
SCF year 2004									-0.028 (-1.57)	-0.138*** (-3.35)
SCF year 2007										-0.110*** (-2.63)
Constant	0.795*** (2.81)	0.102 (0.55)	0.444*** (2.89)	0.216 (1.36)	0.518*** (3.33)	0.519*** (3.49)	0.493*** (3.20)	0.572*** (8.18)	0.545*** (5.63)	0.583*** (10.39)
Adjusted R2	0.0542	0.0157	0.0311	0.0106	0.0278	0.0532	0.0411	0.0518	0.0496	0.0503
N	381	597	880	691	682	1327	827	3231	2154	5385

Table 10. OLS REGRESSIONS OF MORTGAGE TYPE, 1989-2007 SCF.

Table shows coefficients and t-stats from OLS regressions. Dependent variable is a dummy variable indicating whether or not the household has a broker-sold adjustable-rate mortgage (ARM) on its primary residence. Observations are not weighted; only one imputation used per respondent. Sample only includes households with mortgages.

Ind. var.	1989	1992	1995	1998	2001	2004	2007	89-01	04-07	All
HH expects rising or flat	0.008	-0.027	-0.011	0.012	-0.011	0.001	0.012	-0.002	0.008	0.001
interest rates	(0.40)	(-1.09)	(-0.79)	(1.07)	(-0.52)	(0.01)	(0.57)	(-0.28)	(0.45)	(0.10)
Income quintile 2	0.006	-0.013	0.008	-0.016	-0.097***	0.010	-0.003	-0.029***	0.002	-0.015
	(0.12)	(-0.43)	(0.35)	(-0.95)	(-3.21)	(0.31)	(-0.09)	(-2.38)	(0.10)	(-1.30)
Income quintile 3	0.030	-0.006	-0.026	-0.003	-0.094***	0.017	0.002	-0.030***	0.006	-0.014
	(0.65)	(-0.23)	(-1.14)	(-0.16)	(-3.24)	(0.60)	(0.07)	(-2.61)	(0.30)	(-1.34)
Income quintile 4	0.021	0.004	-0.005	-0.010	-0.108***	0.020	0.010	-0.029***	0.013	-0.011
	(0.47)	(0.16)	(-0.22)	(-0.62)	(-3.74)	(0.68)	(0.33)	(-2.53)	(0.64)	(-1.01)
Income quintile 5	0.034	0.014	-0.001	-0.006	-0.116***	0.023	-0.018	-0.025**	0.001	-0.012
	(0.76)	(0.55)	(-0.04)	(-0.39)	(-3.92)	(0.78)	(-0.60)	(-2.19)	(0.04)	(-1.17)
Wealth quintile 2	-0.022	0.010	-0.021	-0.017	0.001	-0.066*	0.010	-0.013	-0.024	-0.018
	(-0.50)	(0.31)	(-0.86)	(-0.97)	(0.03)	(-1.87)	(0.26)	(-1.04)	(-0.93)	(-1.46)
Wealth quintile 3	-0.015	0.032	-0.019	-0.030*	0.006	-0.056	-0.013	-0.010	-0.030	-0.019
	(-0.36)	(1.00)	(-0.81)	(-1.83)	(0.19)	(-1.64)	(-0.34)	(-0.84)	(-1.19)	(-1.60)
Wealth quintile 4	-0.004	0.010	-0.031	-0.028*	-0.016	-0.026	-0.016	-0.022*	-0.017	-0.022*
	(-0.09)	(0.29)	(-1.27)	(-1.65)	(-0.51)	(-0.75)	(-0.42)	(-1.77)	(-0.67)	(-1.80)
Wealth quintile 5	-0.012	0.004	-0.018	-0.018	0.002	-0.042	-0.013	-0.014	-0.025	-0.019
	(-0.29)	(0.11)	(-0.75)	(-1.08)	(0.05)	(-1.14)	(-0.34)	(-1.08)	(-0.93)	(-1.55)
Age 35-44	-0.018	-0.001	-0.003	-0.020**	-0.003	-0.066***	0.002	-0.008	-0.032***	-0.015***
	(-1.08)	(-0.10)	(-0.25)	(-2.32)	(-0.18)	(-3.43)	(0.09)	(-1.43)	(-2.34)	(-2.56)
Age 45-64	-0.023	0.006	-0.002	-0.016*	-0.001	-0.046***	-0.019	-0.007	-0.032***	-0.015***
	(-1.26)	(0.48)	(-0.14)	(-1.86)	(-0.06)	(-2.48)	(-0.97)	(-1.14)	(-2.40)	(-2.49)
Age > 64	-0.015	0.003	0.001	-0.015	-0.002	-0.051**	0.007	-0.005	-0.021	-0.010
	(-0.46)	(0.13)	(0.07)	(-1.20)	(-0.08)	(-2.00)	(0.27)	(-0.59)	(-1.19)	(-1.19)
Nonwhite	-0.002	-0.014	-0.008	-0.012	0.025*	0.033**	0.023	-0.001	0.027***	0.011**
	(-0.11)	(-1.08)	(-0.73)	(-1.60)	(1.76)	(2.23)	(1.51)	(-0.09)	(2.53)	(2.02)
Self-reported credit	0.006	0.021*	0.019*	-0.003	0.037***	0.043***	0.045***	0.017***	0.045***	0.026***
constraint	(0.38)	(1.87)	(1.92)	(-0.40)	(2.74)	(2.82)	(2.72)	(3.34)	(4.01)	(5.16)
OK to borrow for fur coat,	-0.002	-0.003	0.002	0.008	0.002	0.022	0.023	0.002	0.023**	0.009*
jewelry, vacation	(-0.13)	(-0.28)	(0.22)	(1.26)	(0.20)	(1.52)	(1.52)	(0.49)	(2.21)	(1.94)
Usually roll credit card	0.016	-0.003	0.004	0.014***	0.009	-0.008	0.010	0.008*	0.000	0.005
balance	(1.13)	(-0.26)	(0.47)	(2.52)	(0.80)	(-0.62)	(0.79)	(1.88)	(0.05)	(1.15)
Self-reported risk aversion	-0.001	0.000	-0.003	-0.002	-0.004	-0.009	-0.001	-0.002	-0.004	-0.003
	(-0.16)	(0.00)	(-0.51)	(-0.71)	(-0.69)	(-1.16)	(-0.10)	(-0.90)	(-0.79)	(-1.32)

Table 10 continued on next page

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Ind. var.	1989	1992	1995	1998	2001	2004	2007	89-01	04-07	All
Mortgage within GSE conforming limit	-0.013 (-0.74)	-0.038*** (-3.01)	0.011 (0.96)	-0.002 (-0.25)	-0.025* (-1.88)	-0.022 (-1.38)	-0.059*** (-3.75)	-0.011** (-2.10)	-0.040*** (-3.56)	-0.021*** (-4.08)
HS dropout	0.026 (1.11)	-0.013 (-0.67)	0.002 (0.13)	0.004 (0.38)	-0.013 (-0.67)	-0.015 (-0.59)	-0.003 (-0.13)	0.000 (-0.02)	-0.009 (-0.51)	-0.002 (-0.31)
Understanding (1=excellent, 4=poor)		-0.005 (-0.59)	0.001 (0.13)	-0.009* (-1.84)	-0.005 (-0.53)	0.009 (0.94)	0.009 (0.84)	-0.004 (-1.10)	0.009 (1.30)	0.001 (0.33)
Pre-interview suspicion (1=none, 5=high)		-0.001 (-0.20)	0.004 (0.88)	-0.001 (-0.17)	-0.004 (-0.72)	-0.005 (-0.94)	-0.003 (-0.53)	0.000 (-0.12)	-0.004 (-1.15)	-0.002 (-1.07)
Post-interview suspicion (1=none, 5=high)		0.017*** (2.45)	0.001 (0.08)	-0.001 (-0.22)	-0.009 (-0.82)	-0.008 (-0.75)	-0.017 (-1.51)	0.003 (0.90)	-0.011 (-1.47)	-0.002 (-0.42)
Interest in interview (1=very high, 5=very low)		-0.001 (-0.25)	-0.006 (-1.15)	0.005 (1.41)	-0.001 (-0.19)	-0.014** (-2.08)	0.001 (0.15)	-0.001 (-0.31)	-0.006 (-1.27)	-0.003 (-1.11)
Optimist dummy			-0.008 (-0.98)	0.004 (0.84)	0.007 (0.75)	0.005 (0.41)	0.007 (0.57)	0.001 (0.27)	0.005 (0.59)	0.002 (0.53)
Taste for credit shopping (1=low, 5=high)			0.003 (0.96)	-0.001 (-0.30)	-0.003 (-0.75)	0.001 (0.33)	0.003 (0.70)	0.000 (-0.22)	0.003 (1.09)	0.001 (0.70)
HH expects rising or flat income			-0.002 (-0.24)	0.001 (0.23)	0.004 (0.37)	0.027** (2.17)	0.006 (0.47)	0.001 (0.19)	0.015* (1.77)	0.007 (1.59)
Probability of staying in house			0.000 (0.05)	0.000 (0.60)	0.000 (-1.42)	0.000 (0.65)	-0.001*** (-4.17)	0.000 (-0.91)	0.000*** (-2.56)	0.000*** (-2.61)
SCF year 1992								-0.001 (-0.13)		0.005 (0.49)
SCF year 1995								0.003 (0.19)		0.009 (0.61)
SCF year 1998								-0.010 (-0.75)		-0.005 (-0.35)
SCF year 2001								0.021 (1.52)		0.026* (1.88)
SCF year 2004									-0.009 (-1.10)	0.046*** (3.27)
SCF year 2007										0.053*** (3.79)
Constant	0.029 (0.43)	0.052 (1.00)	0.053 (1.26)	0.046 (1.60)	0.227*** (4.19)	0.150** (2.07)	0.175*** (2.76)	0.087*** (4.46)	0.159*** (3.53)	0.088*** (4.47)
Adjusted R2	-0.0156	0.0086	-0.0055	0.0045	0.0126	0.0155	0.0196	0.0068	0.0138	0.0163
N	796	1240	1632	1700	1787	1945	2009	7155	3954	11109