

Is Competition a Cure for Confusion? Evidence from the Residential Mortgage Market

Malliaris, S., Rettl, D. & Ruchi, S.

Discussant: Moussa Diop

March 5, 2020

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 - * Competition does not substitute for mortgage market sophistication or information acquisition
4. Advice as a remedy for lack of sophistication?
 - * Except for agent use, so significant relation between informational source and mortgage rate

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 - * Use a broad measure of sophistication like an index that aggregates borrower familiarity with mortgage products

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 - * Impact of the expansion of Fintec industry: Quicken Loans is the largest mortgage originator
 - o Can we still talk about a local mortgage market competition?

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- * Best experiment design?

* Study Sample:

- ★ NSMO sample from 2013 to 2016
- ★ GSE-guaranteed mortgages? Any jumbos?
- ★ LTVs ranging from 2 to 125 are a bit surprising for the period
 - LTVs used for non-first liens when generating LTV fixed effects?
- ★ How many below 700 credit score loans? How common was this during the studied period?
- ★ For clarity, define closed-end mortgages

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- * Convincing results!