

Consumer Information and the Mortgage Market

**Federal Trade Commission
Bureau of Economics Conference
May 29, 2008**

AGENDA

8:00 am Registration and Coffee

8:30 am Welcoming Remarks

*Michael Baye, Director, Bureau of Economics,
Federal Trade Commission*

8:40 am Session I: Economic Analysis of Mortgage Product Development, Market Structure, and Mortgage Outcomes

Real estate and mortgage market experts will explain how and why the mortgage market developed to include products with a wide variety of features offered to consumers with varying credit histories and assets. Panelists will provide an historical overview of the mortgage market, an understanding of developments of the non-prime mortgage market, and an analysis of mortgage features of concern to consumer policy analysts, including: pre-payment penalties, no down-payment loans, interest-only mortgages, and various adjustable interest rate products. They will also examine changes in mortgage retailing.

Session Participants:

Susan M. Wachter, University of Pennsylvania

Anthony Pennington-Cross, Marquette University

Souphala Chomsisengphet, Office of the Comptroller of the Currency

Christopher J. Mayer, Columbia University and Visiting Scholar, Federal Reserve Bank of New York

Morris Kleiner, University of Minnesota

Richard M. Todd, Federal Reserve Bank of Minneapolis

Paul Pautler, Federal Trade Commission (Chair and Discussion Leader)

10:10 am Break

10:25 am Session II: Economic Analysis of Consumer Information and Mortgage Choice

This panel will feature experts on information economics, consumer behavior, and consumer information research in the mortgage market. Panelists will provide an overview of the role of information on consumer choice from an economic perspective, and empirical research on consumer mortgage knowledge and consumer understanding of mortgage disclosures. The role of advertising in the mortgage market will also be examined.

Session Participants:

David Laibson, *Harvard University*
Jonathan Levin, *Stanford University*
Brent Ambrose, *Penn State University*
Karen Pence, *Federal Reserve Board of Governors*
James Lacko, *Federal Trade Commission*
Janis Pappalardo, *Federal Trade Commission*

Thomas Pahl, *Federal Trade Commission* (Chair and Discussion Leader)

11:55 pm Lunch Break

1:00 pm Welcoming Remarks for Afternoon Session

William Kovacic, *Chairman, Federal Trade Commission*

1:10 pm Session III: Roundtable Examining the Impact of Consumer Information on the Mortgage Market Crisis

Experts on housing markets, mortgage markets, consumer information and consumer behavior will be asked to consider how consumer information issues and changes in the mortgage market, discussed in the two prior sessions, may be related to recent problems in the mortgage market.

Primary Participants (with all previous speakers invited to participate):

Paul S. Willen, *Federal Reserve Bank of Boston*
John G. Lynch, Jr., *Duke University*
Alex Pollock, *American Enterprise Institute*
David Weil, *Boston University*

Pauline Ippolito, *Federal Trade Commission* (Chair and Discussion Leader)

2:40 pm **Break**

3:00 pm **Session IV: Developing Disclosures for Real Consumers to Help Prevent Deception, Delinquency, and Foreclosure – Where Should Policymakers Go From Here?**

This final panel will discuss how consumer information policies could be developed to help prevent deception and delinquencies in the mortgage market. The panel will include experts on information mortgage policy proposals, disclosure design, consumer behavior, and mortgage finance needs of consumers. Panelists will consider what information people need most, when they need the information, and the role of consumer research in designing and testing information that consumers will understand.

Session Participants:

Jeanne Hogarth, *Federal Reserve Board of Governors*
Vanessa Perry, *George Washington University*
Susan Kleimann, *Kleimann Communication Group*
Annamaria Lusardi, *Dartmouth College*
Sumit Agarwal, *Federal Reserve Bank of Chicago*
Susan Woodward, *Sand Hill Econometrics*

Jesse Leary, *Federal Trade Commission* (Chair and Discussion Leader)

4:30 pm **Closing Remarks**

Janis Pappalardo, *Federal Trade Commission*