

Consumer Default of Delinquent Adjustable-Rate Mortgage Loans

ROBERT O. WEAGLEY

First published: Summer 1988

<https://doi.org/10.1111/j.1745-6606.1988.tb00211.x>

The author would like to acknowledge and thank W. Keith Bryant, Peter Zorn, Robert Paysour, and others who assisted in this project. Any mistakes are the sole responsibility of the author. Missouri Agricultural Experiment Station Journal Series Number 10065.



PDF

Abstract

An examination of the default behavior of delinquent Canadian rollover mortgage borrowers suggests that borrower ability-to-pay considerations are relevant to the default decision. They are, however, secondary to housing equity considerations. Results from both ratio and linear-additive specifications suggest that a ratio specification conceals the independent effect of income and wealth variables.

REFERENCES

Boehm, Thomas P. and Joseph A. McKenzie (1981), "The Affordability of Alternative Mortgage Instruments: A Household Analysis," *Housing Finance Review*, Volume 19 (December): 1483-1563.

[Google Scholar](#)

Crawford, Peggy J. and Charles P. Harper (1982), "Further Evidence on the Default Risk of AML's," *Housing Finance Review*, Volume 1 (No. 4; December): 377-386.

[Google Scholar](#)

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. [Privacy Policy](#)

Manage Preferences

Accept All

Reject Non-Essential

Field, Al and Henry J. Cassidy (1977), "Simulation Analysis of Alternative Mortgage Instruments," *Journal of the American Real Estate and Urban Economic Association*, 5: 411-433.

[Google Scholar](#) 

Herzog, John P. and James S. Earley (1970), *Home Mortgage Foreclosure and Delinquency*, New York : National Bureau of Economic Research.

[Google Scholar](#) 

Jackson, Jerry R. and David L. Kaserman (1980), "Default Risk on Home Mortgage Loans: A Test of Competing Hypotheses," *Journal of Risk and Insurance*, Volume 47 (No. 4; September): 678-690.

[Web of Science®](#)  | [Google Scholar](#) 

Judge, George G., William E. Griffiths, A. Carter Hill, and Tsoung-Chao Lee (1980), *The Theory and Practice of Econometrics*, New York : John Wiley and Sons, Inc.

[Google Scholar](#) 

McFadden, Daniel (1974), " Conditional Logit Analysis of Qualitative Choice Behavior," *Frontiers in Econometrics*, Paul Zarembra (ed.), New York : Academic Press, Inc.

[Google Scholar](#) 

Royal Trust (1973-1982), *Royal Trust Survey of Canadian House Prices*, April 1973-October 1982.

[Google Scholar](#) 

Statistics Canada (1972-1982), *Consumer Prices and Price Indexes*, Catalog 62-101, Minister of Supply and Service, Volumes 4-8, Ottawa, Ontario, Canada.

[Google Scholar](#) 

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. [Privacy Policy](#)

Manage Preferences

Accept All

Reject Non-Essential

Varian, Hal R. (1978), *Microeconomic Analysis*, New York : W. W. Norton and Company, Inc.

[Google Scholar](#) 

Vandell, Kerry D. (1978a), "Distributional Consequences of Alternative Mortgage Instruments," *The Journal of the American Real Estate and Urban Economics Association*, **Volume 6**: 129-152.

[Google Scholar](#) 

Vandell, Kerry D. (1978b), "Default Risk Under Alternative Mortgage Instruments," *The Journal of Finance*, **Volume 33** (No. 5; December): 1279-1296.

[Web of Science®](#)  | [Google Scholar](#) 

Von Furstenberg, George M. (1971), " *Technical Studies of Mortgage Default Risk: An Analysis of the Experience with FHA and VA Home Loans During the Decade 1955-1966*," Ithaca , New York : Cornell University.

[Google Scholar](#) 


Weagley, Robert O. (1985), " Mortgage Default in a Variable Rate Mortgage Market," unpublished Ph.D. dissertation, Cornell University.

[Google Scholar](#) 

Webb, Bruce G. (1982), "Borrower Risk Under Alternative Mortgage Instruments," *The Journal of Finance*, **Volume 37** (No. 1; March): 169-183.

[Web of Science®](#)  | [Google Scholar](#) 

Citing Literature

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. [Privacy Policy](#) 

Manage Preferences

Accept All

Reject Non-Essential

About Cookies

Manage Cookies

Accessibility

Wiley Research DE&I Statement and Publishing Policies

HELP & SUPPORT

Contact Us

Training and Support

DMCA & Reporting Piracy

Sitemap

OPPORTUNITIES

Subscription Agents

Advertisers & Corporate Partners

CONNECT WITH WILEY

The Wiley Network

Wiley Press Room

Copyright © 1999-2026 John Wiley & Sons, Inc or related companies. All rights reserved, including rights for text and data mining and training of artificial intelligence technologies or similar technologies.

WILEY

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. [Privacy Policy](#)



Manage Preferences

Accept All

Reject Non-Essential