



American Economic Journal: Economic Policy

ISSN 1945-7731 (Print) | ISSN 1945-774X (Online)

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Financial Education versus Costly Counseling: How to Dissuade Borrowers from Choosing Risky Mortgages?

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AMERICAN ECONOMIC JOURNAL: ECONOMIC POLICY

VOL. 12, NO. 1, FEBRUARY 2020

(pp. 1–32)

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Article Information

Abstract

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mortgages did so, decreasing their propensity for high-risk contracts between 10 and 40 percent. In the event, one of the key goals of the legislation—curtailment of high-risk mortgage products—was only achieved among the population that was not counseled.

Citation

Agarwal, Sumit, Gene Amromin, Itzhak Ben-David, Souphala Chomsisengphet, and Douglas D. Evanoff. 2020. "Financial Education versus Costly Counseling: How to Dissuade Borrowers from Choosing Risky Mortgages?" *American Economic Journal: Economic Policy* 12 (1): 1–32.

DOI: 10.1257/pol.20150313

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JEL Classification

D14 Household Saving; Personal Finance

D18 Consumer Protection

G21 Banks; Depository Institutions; Micro Finance Institutions; Mortgages

R21 Urban, Rural, Regional, Real Estate, and Transportation Economics: Housing Demand

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