

*Marketing to Refinancers versus Home Buyers*  
*Research Executive Summary*



*The Ohio State University's*  
*Consumer Finance Monthly Survey*

**Business Problem:** You are thinking of revamping your financial institution's mortgage marketing materials or mortgage web site and need to know the information potential home buyers and mortgage refinancers want.

**Solution:** Read this research to better understand the marketing information needed.

**Research Details:** This research paper analyzes responses from a set of questions commissioned by the Federal Reserve and fielded to over 1,000 families via a telephone survey. These questions show that refinancers want more information than home buyers. For example, 78% of the refinancers wanted to know the loan's APR compared to 68% of the home buyers; 70% of refinancers wanted to know a loan's points or origination fees compared to just 62% of home buyers; and 76% of refinancers wanted to know the monthly payment amount compared to 64% of home buyers.

Refinancers are also more actively engaged in finding their mortgage than home buyers. Just 15% of refinancers stated they did almost no searching for their loan compared to 23% of home buyers. Not only are refinancers more active, they also do more comparison shopping since one-fourth (26%) of home buyers reported not comparing any loan terms as opposed to just 15% of refinancers.

While items like the loan's interest rate and the application fee attract the most interest among potential customers, marketing materials should not downplay less crucial aspects of the loan. One-quarter of all borrowers were interested in the terms of optional credit life insurance and one-quarter were interested in other fees such as late payment charges.

Finally, marketing material devoted to refinancers needs to be more memorable than material devoted to new home buyers. It needs to be more memorable because only one in seven (14%) of refinancers contacted only a single lender compared to one-fourth (23%) of home buyers. Given that refinancers check multiple lenders, your material must stand out.

**Research Title:** *Consumer Information For Home Mortgages: Who, What, How Much, and What Else?*

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