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2018 Survey of Consumers' Comprehension of Home Equity Lines of Credit

Methodological Report

Prepared for Financial Consumer Agency of Canada

Registration number: POR 004-18

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Mike Colledge
President
Ipsos Public Affairs

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July 2018

This public opinion research report presents the results of an online survey conducted by Ipsos Public Affairs on behalf of Financial Consumer Agency of Canada. The research study was conducted with 4,792 Canadians aged 25 and over, including 3,642 homeowners between June 5th and June 28th, 2018.

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Executive Summary

1. Background

1.1 Summary Statement

The research consisted of a quantitative online survey with a national sample of Canadians aged 25 years and older, which includes a sub-target of homeowners. To reach homeowners, the survey invitations were targeted towards respondents who indicated that they own a house, condo, or co-op. In total, n=4,792 online surveys were completed, including n=3,642 homeowners. The survey was conducted in English and French taking place between June 5th and June 28th, 2018.

For this survey, rim weighting¹ was employed to balance demographics by three variables (Gender, Age and Region) to ensure that the survey sample's composition reflects that of the adult population according to 2016 Census data and to provide results intended to approximate the sample universe.

Ipsos programmed, hosted and provided sample management services only, while the Financial Consumer Agency of Canada provided the online survey. Ipsos was responsible for data collection and data storage in Canada, data processing, and data weighting. The survey was registered with the National Survey Registration System (20180531-442P). The total contract value of this research was \$48,324.00 including HST.

The online survey will help to establish a benchmark of awareness and opinions of Canadians regarding the key terms, conditions, fees, and risks associated with home equity lines of credit (HELOCs), and readvanceable mortgages. It will help identify the types of financial knowledge, and financial behaviours of Canadians with regards to these complex financial products.

Respondents for this survey were selected from among those who have volunteered to participate in online surveys. Because the sample is based on those who initially self-selected to participate, no estimates of sampling error can be calculated. The results of such surveys cannot be described as statistically projectable to the target population.

2. Purpose of the Research

2.1 Research Objectives

The purpose of this research is to assess Canadian consumers' level of awareness of HELOCs and more complex readvanceable mortgage products, as well as identify product features and risks that are not adequately understood.

Specific research objectives include collecting information on:

¹ Rim (Random Iterative Method) weighting is used to adjust the sample to ensure it is representative of the target population on two or more characteristics at the same time (i.e. gender, age and region).

Financial Consumer Agency of Canada Survey of Consumers' Comprehension of Home Equity Lines of Credit (2018) – Executive Summary

- Canadians' awareness of HELOCs and readvanceable mortgages;
- Canadians' knowledge and opinions about HELOCs in general;
- Canadian's opinions about the lenders businesses practices; and
- Financial behaviours related to HELOCs and more complex readvanceable mortgage products.