Dissertation

“Essays on Private Information and the Mortgage Market”

My dissertation studies the role of private information in the US mortgage market. I ask whether market participants possess private information about payoff-relevant loan attributes which can be leveraged when making decisions about origination, sale, and securitization. My work focuses primarily on the important but understudied wholesale market, where loan originators choose between (a) selling to third-party investors in the wholesale market, or (b) securitizing with the Government Sponsored Enterprises. I analyze this choice by developing a simple model in which originators make their decision based on a private signal about loan quality and information conveyed by wholesale investors’ price offers. Originators decide between the two channels by weighing the expected servicing cash flows received under securitization against the cost of servicing and the larger up-front price when selling to investors. I estimate my model on a novel linked dataset that includes wholesale price offers from a large loan trading platform and find that mortgage originators possess private information that allows them to engage strategically decide between selling and securitizing.

References

Kenneth Hendricks
University of Wisconsin - Madison, Department of Economics
(608) 263-3869
hendrick@ssc.wisc.edu

Jean-François Houde
University of Wisconsin - Madison, Department of Economics
(608) 262-7927
houde@wisc.edu

Dayin Zhang
University of Wisconsin - Madison, Department of Real Estate
(608) 262-9447
dayin.zhang@wisc.edu

Research Fields

Primary: Industrial Organization
Secondary: Real Estate Finance, Applied Econometrics
**Working Papers**


“Markets for Firearms” (with Elise Marifian), 2020.

“Simulation-Based Tests for Network Externalities in Large Networks: Applications to Patent Citation Networks,” 2020.

**Research Experience**

Research Assistant for Professor Kenneth Hendricks, UW-Madison, Fall 2020 – Present

Project Assistant for Professor Lorenzo Magnolfi, UW-Madison, Spring 2020, Summer 2021

Project Assistant for Professor Christopher Sullivan, UW-Madison, Summer 2019

Student Intern at Missouri Division of Energy, Spring 2017

Undergraduate Researcher for Professor Gavin King, University of Missouri, 2015 – 2017

**Teaching Experience**

Microeconomic Theory (PhD, Spring 2020, Profs. Lones Smith and Marzena Rostek)

Economic Approach to Current Issues (Undergraduate, Fall 2020, Prof. Chris Sullivan)

Game Theory and Economic Analysis (Undergraduate, Spring 2019, Prof. David Hansen)

Law and Economics (Undergraduate, Fall 2018, Professor Prof. Daniel Quint)

Principles of Microeconomics (Undergraduate, Fall 2017, Prof. David Johnson)

Money and Banking (Undergraduate, Spring 2017, Prof. Lloyd Thomas)

**Honors, Scholarships, and Fellowships**

Juli Plant Grainger Summer Research Fellowship, UW-Madison, 2020

— Joint with Elise A. Marifian

Juli Plant Grainger Teaching Assistant Scholarship, UW-Madison, 2020

Juli Plant Grainger Summer Research Fellowship, UW-Madison, 2019

Juli Plant Grainger Teaching Assistant Scholarship, UW-Madison, 2019

Newell S. Gingrich Scholarship, University of Missouri, 2015-2017

O.M. Stewart Undergraduate Research Scholarship, University of Missouri, 2015

Millard Maienthal Memorial Scholarship, University of Missouri, 2014-2015

**Service**

Technology Officer, Wisconsin Economics Graduate Organization, 2018 – 2021

**Technical Skills**

Python, Stata, Matlab, R