

Yilan Xu

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EDUCATION

Ph.D. in Economics, University of Pittsburgh, Pittsburgh, PA, 2012 (expected)

Dissertation: "U.S. Home Mortgage Lending: Regulation and Practices"

Committee Chair: Professor Daniel Berkowitz

B.A. in Economics with Honors, Zhejiang University, Hangzhou, China, 2006

Selected Member of Chu Kochen Honors College

RESEARCH AND TEACHING FIELDS

Primary: Applied Microeconomics, Financial Economics, Urban and Regional Economics,
Law and Economics

Secondary: Banking and Financial Institutions, Real Estate Finance, Financial Regulation

WORKING PAPERS

"Does Mortgage Deregulation Increase Foreclosures? Evidence from Cleveland"
(*Job Market Paper*)

"Strategic Responses to Price-Triggered Mortgage Regulations"

"Nonlocal Mortgage Lending and Secondary Market Involvement", with Jipeng Zhang, *Under Review*

WORK IN PROGRESS

"Race to the Top: Credit Rating Bias from Competition", with Yun Wang

"CRA Lending: Blessed or Cursed? Evidence from Cuyahoga County"

TEACHING EXPERIENCE

Instructor, University of Pittsburgh, PA

Designed syllabus, homework and examines; lectured classes; held office hours.

- Intro to Microeconomic Theory, Fall 2011 (261 students), Spring 2012
- Intro to Macroeconomic Theory, Summer 2011, Fall 2011

Teaching Assistant, University of Pittsburgh, PA

Taught weekly recitations, held office hours, graded homework.

- Advanced Econometrics (graduate level), Spring 2008

Taught weekly recitations; designed quizzes; held office hours; graded exams.

- Intro to Microeconomic Theory, Summer&Fall 2008, Summer 2009, Fall 2010, Spring 2011
- Intro to Macroeconomic Theory, Fall 2007, Spring&Fall 2009, Spring&Summer 2010

Teaching Assistant (in college), Zhejiang University, China

Led discussion sections; graded book reviews; held office hours.

- New Institutional Economics (English teaching materials), Spring 2005

SEMINAR AND CONFERENCE PRESENTATIONS

Urban Affairs Association 42nd Conference, *Pittsburgh, PA, Apr. 2012 (scheduled)*
Seminar, *University Center for Social and Urban Research, Univ. of Pittsburgh, Nov. 2011*
Asian Meeting of the Econometric Society, *Seoul, South Korea, Aug. 2011*
Federal Reserve Bank of Cleveland Applied Research Seminar, *Cleveland, OH, Jul. 2011*
North American Summer Meeting of the Econometric Society, *St. Louis, MO, Jun. 2011*
American Law and Economics Association Annual Meeting, *New York City, NY, May 2011*
Meeting on Housing Market Recovery, *Federal Reserve Bank of Cleveland, OH, Apr. 2011*
Applied Micro Seminar, *Department of Economics, Univ. of Pittsburgh, 2010, 2011*
Grad Expo, *School of Arts and Science, Univ. of Pittsburgh, Mar. 2010, Mar. 2011*
Midwest Finance Association Annual Meeting, *Chicago, Illinois, Mar. 2011*
Eastern Economic Association Annual Conference, *New York City, NY, Feb. 2011*
Midwest Econometrics Group Annual Meeting, *St. Louis, MO, Oct. 2010*
European Economics and Finance Society Annual Meeting, *Athens, Greece, Jun. 2010*

HONORS, FELLOWSHIPS AND GRANTS

Robert W. Meyer Award, Univ. of Pittsburgh, Jun. & Aug. 2011
Outstanding Paper Award, Arts and Science Grad Expo, Univ. of Pittsburgh, 2010, 2011
Student Travel Grant, The Econometric Society and the Fukuzawa Lecture Fund, 2011
Travel Fellowship, PBC and Alumni Grant, Univ. of Pittsburgh, 2010, 2011
Travel Grant, Arts and Science GSO, Univ. of Pittsburgh, 2010
Travel Award, GPSA, Univ. of Pittsburgh, Jun. & Oct. 2010
Summer Fellowship, School of Arts and Science, Univ. of Pittsburgh, 2009, 2010
Teaching Fellowship, School of Arts and Science, Univ. of Pittsburgh, 2007-2011
Fellowship, School of Arts and Science, Univ. of Pittsburgh, 2006
Excellent Undergraduate Thesis, Zhejiang University, 2006
Excellent Summer Research Award, Zhejiang University, 2005

PROFESSIONAL ACTIVITIES AND MEMBERSHIPS

Moderator, Federal Reserve Bank of Cleveland Policy Summit, Jun. 2011
Treasurer, Economics Graduate Student Organization, Univ. of Pittsburgh, 2008, 2010
Secretary-general, Student Economics Association, Zhejiang University, 2004-2005
Member, AEA, AFA, ALEA, EEA, MFA

ADDITIONAL INFORMATION

Languages: **Mandarin** (Native), **Taiwanese** (Native), **English** (Fluent)
Citizenship: **China (F-1 Visa)** Date of Birth: **December, 1983** Gender: **Female**
Computer skills: **Stata, \LaTeX , ArcGIS, Mathematica**

PLACEMENT OFFICERS

Director **Prof. Daniele Coen-Pirani** Tel: +1 (412) 648-1749 Email: coen@pitt.edu
Assistant **Lauree Graham** Tel: +1 (412) 648-8745 Email: lauree@pitt.edu

REFERENCES

Professor Daniel Berkowitz (Chair)
Professor of Economics
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Professor Randall Walsh (Advisor)
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Professor Mark Hoekstra (Advisor)
Associate Professor of Economics
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Dr. Shirley Cassing (Teaching Supervisor)
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PAPER ABSTRACTS

“Does Mortgage Deregulation Increase Foreclosures? Evidence from Cleveland” (*Job Market Paper*)

The financial crisis of 2007 has re-ignited a debate about the impact of regulating consumer mortgage markets. This paper examines how a court-mandated repeal of a home mortgage regulation in Cleveland affected home foreclosures. To distinguish the effect of deregulation from confounding factors, I use a difference-in-difference research design that compares loan outcomes within and outside the city limits of Cleveland before and after the repeal of the law. Results indicate that deregulation caused a 49 percent increase in early foreclosures while it did not increase total loan volume, implying that bad loans as a share of overall loans increased substantially. Deregulation also increased the number of high-interest loans by 30 percent, increased loans made by subprime lenders by 40 percent. These results are robust to the window of time examined before and after deregulation, as well as to examining only areas on the boundary of the city limits. Moreover, placebo tests reveal there was no divergence in loan quality prior to the Cleveland repeal, and that there was no evidence of a similar divergence in Pittsburgh at the time of repeal in Cleveland. (JEL: D12; D18; G21; G28; K13; K35; R31; R38)

“Strategic Responses to Price-Triggered Mortgage Regulations”

This paper investigates lenders' and borrowers' responses to price-triggered mortgage regulations using a natural experiment in Cleveland, OH, where mortgage lending restrictions imposed on loans with interest rates exceeding certain threshold were removed due to a court-mandated repeal. Empirical evidence shows that although removal of price-triggered lending restrictions does not affect the composition of borrowers, it increases the likelihood of getting an interest rate above the trigger point and the likelihood of having an early foreclosure, given observable characteristics of borrowers and loans. Following the removal of the lending restrictions, subprime lenders are more likely to approve loans, while borrowers are more selective with the loan offers. It suggests that borrowers are aware of the higher exposure to lending terms that used to be prohibited by law. (JEL: G01; G21; G28; K39; R31; R38.)

“Nonlocal Mortgage Lending and Secondary Market Involvement”, *co-authored with Jipeng Zhang*

This paper examines why home mortgage loans made by out-of-state banks without local branch offices are more likely to be subprime loans and are sold more to the secondary market than other types of mortgages. Using the Home Mortgage Disclosure Act data between 2005 and 2008, we find that the demand for nonlocal mortgages is larger in the neighborhood where the lending standard of local banks is higher, suggesting that the borrowers of nonlocal mortgages are less creditworthy. Furthermore, banks make more nonlocal mortgages to out-of-state borrowers if they are able to sell more mortgages to the secondary market. (JEL classification codes: G01; G21; R31; R32.)

“Race to the Top: Credit Rating Bias from Competition”, *co-authored with Yun Wang* (in process)

Empirical studies provide evidence that competition among credit rating agencies deteriorates the quality of credit ratings. We build a model in which a bond issuer can request more than one ratings at relatively low costs and only publish the highest rating at additional costs. As a result, the rating agencies compete to give the highest rating so that their information costs can be compensated by the additional payment. However, the incentive to overrate a bond is offset by the reputation loss, which arises when the investors observe the discrepancy between the rating and the actual bond quality at maturity. The purpose of this paper is to investigate how the credit rating bias and the optional publication payment varies with the degree of competition among rating agencies and the complexity of the underlying asset; and whether unsolicited ratings can mitigate the rating bias.

“CRA Lending: Blessed or Cursed? Evidence from Cuyahoga County” (in process)

The Community Reinvestment Act (CRA) of 1977 aims to encourage federally insured banks and thrifts to meet the credit needs of low- and moderate-income (LMI) borrowers and communities. However, empirical studies show little or no impact of CRA on the supply of home mortgage loans to LMI borrowers and communities. Using a unique home mortgage and foreclosure data set from Cuyahoga County, OH, I examine the impact of CRA on loan quality measured by foreclosures. To identify this effect, I use a regression discontinuity design that exploits arbitrary cutoffs used to determine CRA-qualified loans.