



Chen Zheng

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Education

University of Wisconsin - Madison - PhD in Economics (*Expected* June 2021)
University of Wisconsin - Madison – Master of Science in Economics (2017)
University of Michigan – Ann Arbor – Bachelor of Science in Economics (2013)

Dissertation

“Essays on Industrial Organization of the U.S. Mortgage Market”

Abstract Summary: My thesis studies the industrial organization of the U.S. mortgage market, especially the role of financial intermediaries in affecting market outcome. The first chapter quantifies the welfare loss from a poor program design exploited by the mortgage lenders, suggesting policies whose implementation depends on intermediaries with incumbency advantage with respect to targeted agents should be straightforward for financial institutions to implement. The second chapter examines the determinants of servicing fees in the non-agency mortgage market and explore how the current compensation structure affects servicer behavior during default remediation. Despite the Dodd-Frank requirements on servicers, our paper suggests the existing compensation structure will continue to produce low levels of mortgage renegotiation. The third chapter studies if competition affects the discriminatory behavior of mortgage lenders by proposing a new definition of market and two alternative measures of market competitiveness to cope with the problem that the currently widely used measure of HHI does not fully capture the competitiveness of a market. My results produce opposite conclusion under the traditional market definition, suggesting a policymaker seeking to reduce discrimination in a market by reducing entry barriers for non-discriminating competing businesses may actually exacerbate it.

References:

Jean Francois Houde (Main Advisor)
University of Wisconsin-Madison
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Kenneth Hendricks
University of Wisconsin-Madison
608-263-3869
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Alan Sorensen
University of Wisconsin-Madison
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sorensen@ssc.wisc.edu

Research Fields

Industrial Organization, Finance, Public Economics

Working Papers

“*Unintended Consequences of Policy Interventions: Evidence from Home Affordable Refinance Program*”
(with Xiaoye Tian), Job Market Paper

“*Mortgage Servicing Fees and Servicer Behavior: A Close Examination of the Heterogeneity in Servicing Fees*”
(with Moussa Diop), Submitted

“*How Informed Were Non-Agency MBS Investors? Evidence from Mortgage Servicing Pricing*” (with Moussa Diop), In Submission



Work in Progress

“Foreclosure or Modification: A Dynamic Discrete Choice Problem of Mortgage Servicers” (with Moussa Diop and Xiaoye Tian)

Teaching Experience

Undergraduate Course:

Economics 101: Principle of Microeconomics (Fall 2015, 2016, 2017; Spring 2016)

Economics 102: Principle of Macroeconomics (Fall 2020)

Economics 301: Intermediate Microeconomics Theory (Spring 2018)

Economics 310: Statistics: Measurement in Economics (Fall 2019; Spring 2020)

Master Course:

Economics 704: Econometrics I (Fall 2018)

Economics 705: Econometrics II (Spring 2019)

Research Experience and Other Employment

Data Analyst for Professor Joseph Gyourko and Professor Fernando Ferreira, University of Pennsylvania, Aug 2013 – June 2015

Project Assistant for Professor Moussa Diop, University of Wisconsin - Madison, Jan 2017 – Dec 2017

Honors, Scholarships and Fellowships

Chinese Graduate Student Support Award, College of Letters and Science 2018

Juli Plant Grainger Outstanding TA Award, Department of Economics 2018

Nomination of Campus-Wide Early Excellence in Teaching Award, 2016

Conferences and Seminars

Western Economic Association International (Shanghai, China 2020), accepted but cancelled due to COVID
Industrial Organization Lunch Seminar (Madison, WI 2018-2020)

American Real Estate and Urban Economics Association National Conference (Washington DC, 2019)

American Real Estate Society National Conference, Ph.D. Session (Phoenix, AZ 2019)

Real Estate Brown Bag Seminar (Madison, WI 2018)

Technical Skills: STATA, Matlab, R, MS Office, Latex