KELING ZHENG

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EDUCATION

University of British Columbia, Ph.D. in Finance — Expected 2025

University of British Columbia, MSc in Business Administration — 2019

Nanjing University, BEng in Industrial Engineering — 2016
Minor in Financial Engineering

RESEARCH INTERESTS

Financial Intermediation, Household Finance, Real Estate

WORKING PAPERS

1. Unraveling mortgage market structure: mortgage aggregation and credit supply
Solo-authored
Abstract: I construct a novel dataset on aggregator-correspondent lender network unraveling mortgage aggregation activities, e.g. Wells Fargo buying mortgages from smaller originators and reselling to Fannie Mae. I study the impact of mortgage aggregation on credit supply using this novel merged dataset. Following a regulatory change that unexpectedly reduces aggregation volume, lenders tied to aggregators reduce their origination, impacting low income borrowers more. Imperfect substitution between funding sources amplifies origination reductions. My results quantify the role of mortgage aggregation in easing securitization frictions and highlight its role in ensuring credit access of low income borrowers.

2. Lending by Servicing: How Shadow Banks Dampen Monetary Policy Transmission
with Isha Agarwal, Malin Hu and Raluca A. Roman, **R&R at the Review of Financial Studies**
Abstract: Despite the growing share of shadow banks in the U.S. mortgage market, the interaction between their origination and servicing business and its implications for monetary policy transmission are not well understood. We propose and test a novel channel of monetary policy transmission through shadow banks in the mortgage market, the mortgage servicing channel. We document that, during periods of monetary tightening, mortgage servicing rights (MSRs) act as a hedge and weaken the transmission of monetary policy to mortgage lending by shadow banks. Higher interest rates reduce prepayment risk, increasing the collateral value of MSRs and allowing shadow banks to receive more funding to originate mortgages. This effect is stronger for shadow banks with ex ante low liquidity and capital ratios and riskier portfolios.

3. How Nonbank Mortgage Lenders Shape Small Business Lending
with Ellen Xiyue Li and Dongliang Lu
Abstract: This paper studies how banks react to the expansion of nonbank mortgage lenders. The expansion of shadow banks forces banks to specialize in the market segment of small business lending. We provide empirical evidence by exploiting a regulatory shock for shadow bank expansion. We find banks extend more small business credit in counties with more shadow bank expansion. The effect is stronger for banks conduct both small business lending and mortgage lending, with less geographical diversification and are less financially constrained. With the comparative advantage in small business lending, banks reallocate funding from mortgage to small business loans, which fosters local business entry and tradable sector employment.

4. Profiting from Real Estate: So Easy a Congressman Can Do It
with Markus Baldauf, Jack Favilukis and Lorenzo Garlappi
We provide the first analysis of U.S. Congress members' real estate activity by combining their financial disclosures with property-level transactions. Active Congress members outperform average homeowners by 3.24% annually; they

also outperform former members, financial professionals, and doctors. National-level market timing explains 30% of the outperformance, neighborhood-level explains 50%, and hyper-local or property-specific factors explain the remainder. A "buy-sell" index of Congress members' transactions forecasts returns on the U.S. housing index. These findings suggest that superior information drives most of the outperformance. We fail to detect side-payments or bribery, however Federal transfers are higher to places where Congress members own.

WORK-IN-PROGRESS

1. Foreign Buyer Tax Impacts on Submarkets: Evidence from Canada, *with Thomas Davidoff*

CONFERENCE/SEMINAR PRESENTATIONS

(* indicates by coauthors; including scheduled.)
2024: AFA, AREUEA

2023: UEA, AREUEA International, MFA*, AEA*, Federal Reserve Day Ahead Conference on Financial Markets and Institutions*

2022: 8th Emerging Scholars in Banking and Finance, CEPR-BIS Conference*, I-85 Macro Brown Bag*, Midwest Macro*, SEA Annual Meeting*, International Finance and Banking Society Naples*, NSEF Naples

2021: Canadian Urban and Real Estate Summer Symposium 2022*, University of Colorado, Boulder*, University of North Carolina, Chapel Hill*, University of Wisconsin*

DISCUSSIONS

2023: UEA, AREUEA
2022: FMA, NSEF Naples

REFEREE

2023: Journal of Banking and Finance
2022: Journal of Housing Economics

TEACHING AND TEACHING SUPPORT

Instructor, Applied Financial Markets, Undergraduate, 2021

Teaching Assistant for Lorenzo Garlappi, Risk Management and Financial Engineering, Undergraduate, 2019-2022

Teaching Assistant for Markus Baldauf, Fintech, 2022-2023

Teaching Assistant for Jack Favilukis, Applied Financial Markets, 2019-2023

Teaching Assistant for Adlai Fisher, Investment Strategy, Undergraduate & MBA, 2019-2022

AWARDS

AREUEA PhD Travel Grant	2024
AFA PhD Travel Grant	2023
UBC Centre for Urban Economics and Real Estate Research Grant (CUERE)	2022
Dean Earle D MacPhee Memorial Fellowship in Commerce and Business Administration	2019 - 2023
Sauder School of Business Graduate Award	2020

President's Academic Excellence Initiative PhD Award	2020 - 2023
Lusztig Fellowship	2019
International Tuition Award	2016 - 2024
Michael A. Goldberg Award in Finance and Real Estate	2016

PERSONAL INFORMATION

- Citizenship: China

- Gender: Female

- Languages: English (fluent), Mandarin (native)

- Programming: Python, Julia, R, Stata, Matlab, SAS, C, Fortran, LaTeX