Amina Enkhbold

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Citizenship: Mongolian, Canadian Permanent Resident

Research Interests: Monetary Economics, Macro-finance, Banking

Education

Ph.D., Economics, University of Toronto — 2015-2021 (Expected)
Committee: Serdar Ozkan (advisor), Margarida Duarte
Michelle Alexopoulos

M.A., Economics (Doctoral Stream), University of Toronto — 2014-2015

B.A. (Specialized Honours), Economics, York University — 2012-2014
Summa cum laude

Research Projects

Monetary Policy Transmission, Bank Market Power and Wholesale Funding Reliance
(Job Market Paper)

US Mortgage Regulation and Market Structure

Cross-Country Monetary Policy Transmission

The Mortgage Credit Channel of Macroeconomic Transmission: Evidence from Shadow Banks

Awards and Grants

Ontario Graduate Scholarship	2020-2021
Graduate Student Conference Travel Grant	2019
University of Toronto Doctoral Fellowship	2014-2020
Faculty of Arts and Sciences Admission Awards	2014-2020

Professional Experience

Teaching Assistant, University of Toronto 2014 - present

- ECO419: International Macroeconomics
- ECO409: Topics in Money, Banking, and Finance
- ECO365: International Monetary Economics
- ECO230: International Economic Institutions and Policy
- ECO209: Macroeconomic Theory
- ECO202: Macroeconomic Theory and Policy
- ECO200: Microeconomic Theory

Seminar and Conference Presentations

2019 Annual Conference of the Canadian Economic Association (Banff), Ryerson University
2018 Bank of Canada: Graduate Student Paper Award
2017 Bank of Canada: Empirical Industrial Organization workshop, Canada Mortgage and Housing Corporation: Housing Finance Symposium

Languages

Mongolian (native), English (fluent), Russian (intermediate), Mandarin Chinese (beginner)

Programming: Stata, Python, MATLAB, Dynare

References

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Last Updated: November 2, 2020

Abstracts

Monetary Policy Transmission, Bank Market Power and Wholesale Funding Reliance

(Job Market Paper)

I study how bank's wholesale funding reliance and market concentration affect the transmission of monetary policy to mortgage rates. Using US bank- and loan-level data, I document that in response to a 100 basis points increase in monetary policy shock, banks at the 90th percentile of the wholesale funding reliance distribution in a *concentrated market* transmit 61 basis points, while banks in a *competitive market* transmit 116 basis points. To explain these facts, I develop a New Keynesian model with a monopolistically competitive banking sector that has costly access to wholesale funding. The banking sector in my model faces financial frictions, thus I use the model to quantify the importance of imperfect pass-through to mortgage rates on the aggregate economy. My model dampens the transmission of monetary policy on mortgage rates, consumption, and house prices. In response to a 100 basis points increase, mortgage rates rise by 22 basis points and house prices fall by 0.7%. Due to the partial rise in mortgage rate, fall in borrower's consumption is dampened by 0.8 percentage points. In a counterfactual analysis, I study the Basel III liquidity coverage ratio rule that limits excessive reliance on wholesale funding in the banking sector. High market power banks decrease their reliance on wholesale funding and increase borrowing from deposit and raise mortgage rates. My paper demonstrates that market concentration in banking sector and wholesale funding reliance matter for the transmission of monetary policy.

Cross-Country Monetary Policy Transmission: Evidence from Bank Market Power

Why are mortgage and deposit rates in euro area dispersed despite the fact that it operates within a monetary union? I analyze the cross-country monetary policy transmission on mortgage and deposit rates via bank market power channel. I study Europe as it provides an interesting study of heterogeneous countries within a monetary union where the central bank has implemented a broad range of monetary policies. My results show that in response to a contractionary monetary policy shock, banks with high market power charge 49 bps lower deposit rate and charge 20 bps higher mortgage rate relative to banks with low market power. The amount of deposits do not change. Lower deposit rate decreases bank funding which makes mortgage rates more expensive. Banks with high market power appear to be less resilient to monetary contractions as they are more constrained by lower profitability margin. As a consequence, monetary policy decisions are transmitted to mortgage and deposit rates mainly through banks with low market power. In periods of financial stress, monetary policy is ineffective in countries with highly concentrated banking.

The Mortgage Credit Channel of Macroeconomic Transmission: Evidence from Shadow Banks

This paper solves a model of household mortgage default and labor income risk by incorporating traditional and shadow banks. I study how the interaction between traditional and shadow banks affect the mortgage credit channel of macroeconomic transmission. Shadow banks have been increasingly gaining mortgage market share and has become one of the top 10 lenders in the mortgage market after the Great Recession. Shadow banks borrow warehouse lending from traditional banks and securitize mortgage loans to government securitized enterprises (GSE). Shadow banks do not face any regulation restrictions and are technologically advanced. They originate loans faster with lower defaults. Traditional banks are deposit takers, have market power over warehouse lending and face regulation

constraints. I quantify how macroeconomic shocks affect the loan refinancing and household defaults. I evaluate how oil shock and low monetary policy environment affect the shadow bank funding and loan refinancing.

US Mortgage Regulation and Market Structure

I study the impact of state anti-predatory lending (APL) laws on the expansion of riskier loans. Banks were supplying low quality mortgages to risky borrowers via predatory practices, such as refinancing with higher fees, lending without regard for the ability to repay and inflating property values above the market price. In response to predatory lending practices, states began implementing APL laws between 1999 to 2006. However, this legislation was partially offset when the Office of the Comptroller Currency (OCC) exempted national banks from APL laws in 2004. I use the 2004 federal preemption rule, as an exogenous shock to assess the causal impact of APL laws on the mortgage market via national banks. I find that after the federal preemption rule, higher growing national banks increase loan origination by 10% relative to state banks. National banks increase the private share by 1.8% and the growth in marginal GSE by 3% in states with tougher APL laws. State banks that face APL laws charge mortgage rate by 25 bps more relative to national banks. Based on these facts, I develop a structural model of the US banking sector. Borrowers choose between national and state banks. Banks compete for mortgage loans and state banks in APL states charge higher mortgage rate while national banks charge lower rate. I use the model to analyze how mortgage loan originations and the rates differ when (i) all banks face the APL laws (ii) only national banks face the APL laws and (iii) no banks face the APL laws.