BRITTANY ALMQUIST LEWIS

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RESEARCH FIELDS

Primary: Financial Intermediation, Real Estate, Household Finance
Secondary: Macroeconomics, Behavioral Economics

DOCTORAL STUDIES

Ph.D., Finance, Northwestern University Kellogg School of Management, Evanston, IL
Date of Completion: June 2020 (expected)

PREDOCTORAL STUDIES

M.S.: Finance, Northwestern University Kellogg School of Management, Evanston, IL, 2020 (expected)
B.A.: Finance, Boston College, Chestnut Hill, MA, 2010
B.A.: Information Systems, Boston College, Chestnut Hill, MA, 2010

RESEARCH APPOINTMENTS

Board of Governors of the Federal Reserve System, Dissertation Fellow	Jul. – Nov. 2018
Federal Reserve Bank of San Francisco Thomas J. Sargent, Dissertation Fellow	Jun. – Jul. 2018

GRANTS AND AWARDS

Kellogg School of Management Fellowship, Northwestern University	2014 – 2019
Kellogg Research Funding Grant	2019
MFS - 10th Macro Finance Society Workshop Ph.D. Award	2017
Henrietta Grigg-Lewis Foundation Scholarship	2006 – 2009
Boston College Advanced Study Grant	2007
Western New York Academic Scholarship	2006 – 2007

TEACHING EXPERIENCE

International Finance, MBA and Executive MBA
Teaching Assistant to Professor Sergio Rebelo, Kellogg School of Management
5 quarters between Fall 2015 – Fall 2017

Macroeconomic Policy and Global Capital Markets, MBA
Teaching Assistant to Professor Janice Eberly, Kellogg School of Management
4 quarters between Winter 2016 – Spring 2017

Computers in Management, Undergraduate
Teaching Assistant to Professor Gerald Kane, Boston College
2 semesters between Fall 2007 – Fall 2008

RESEARCH EXPERIENCE

Research Assistant to Professor Brian Weller, Kellogg School of Management — Jul. – Aug. 2015
Research Assistant to Professor Gerald C. Kane, Boston College — Mar. 2007 – May 2008

WORKING PAPERS

The Effect of Dealer Leverage on Mortgage Quality *(Job Market Paper)*

In this paper, I study how an increase in large securities dealers' ability to leverage themselves increases the riskiness of the assets in which they invest. I use a policy change in 2005 as a natural experiment that changed the accounting treatment of repurchase agreements ("repos"). This change enabled dealers to lower their reported leverage ratios and increase their levered positions unnoticed by regulatory standards. I construct a research design in which dealers are differentially affected by this change. I find that treated dealers differentially increase their lending to the mortgage companies that they fund. I trace this increase in dealer leverage to mortgage originations and defaults. In my preferred specification, I account for a 9% increase in mortgage originations in the "last gasp" of the housing boom. These mortgages make up 38% of the defaults among all mortgages originated during 2005-2006. To conduct this analysis, I use hand-collected data on credit lines linking dealers to the mortgage companies that they funded leading up to the Financial Crisis. Using an across dealer, within mortgage company difference-in-differences analysis, I find that in response to an increased ability to leverage, dealers increased their funding to mortgage companies. I also find evidence that dealers systematically relaxed restrictions on the mortgage products that they financed. Using a county level difference-in-differences analysis, I find that this increased supply of credit incentivized mortgage companies to increase the number of mortgages that they originated to riskier borrowers.

Real Effects of Capping Bank Leverage

In this paper, I study the effects of bank leverage ratio restrictions in a general equilibrium model of the macroeconomy where lenders can anticipate bank runs. This framework allows the analysis of the tradeoffs associated with bank capital requirements - while unlimited leverage allows capital to flow most freely to its most efficient users, limiting leverage through capital requirements reduces the probability of a bank run. This model enables me to study the general equilibrium effects of these tradeoffs on household welfare to understand characteristics of the optimal bank leverage ratio requirement. I find that the optimal leverage restriction will be time varying across the business cycle. When the household's marginal utility of consumption is highest, the leverage ratio requirement should be the least restrictive. Conversely, when the household's marginal utility approaches its steady state level, the optimal leverage ratio becomes more restrictive.

WORK IN PROGRESS

Mispricing Risk

In this paper, I study whether risk was mispriced following the passage of the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 (BAPCPA). BAPCPA increased large securities dealers' ability to re-use mortgage collateral in the sale and repurchase market (the "repo" market). To study the effect of this change on the stability of the economy, I use a general equilibrium model of the macroeconomy that features both bank runs and an endogenous fire sale price of assets. When the banks' operational advantage increases, I find that the price of the asset in the good state increases, but that the price of the asset in the fire sale state decreases. This decrease in the fire sale price of the asset increases the probability of a bank run. In the model, I find that when agents think that the bank run price of the asset is higher than it actually is, the return on the asset is artificially high, incentivizing banks to increase their leverage. Using the theory to inform the data, I study whether BAPCPA increased the probability of a bank run in the economy by studying whether the price response in the model matches the price response of mortgage-backed securities in the "last gasp" of the housing boom and in its bust.

PRESENTATIONS (* SCHEDULED)

Kellogg School of Management Strategy Department*	Dec. 2019
Northwestern Department of Economics*	Dec. 2019
Wisconsin School of Business at UW Madison	Oct. 2019
Kellogg School of Management Finance Department	Oct. 2019
Federal Reserve Board of Governors Division of Financial Stability	Oct. 2018
Federal Reserve Bank of San Francisco	Jul. 2018
Boston College Undergraduate Research Symposium, ***Awarded Best Presentation***	Feb. 2008

PROFESSIONAL EXPERIENCE

Analysis Group – Boston, MA — Aug. 2010 – Jun. 2014
- Senior Analyst: Securities; Financial Products & Institutions; Antitrust
- Summer Analyst Intern: Energy & Environment; Intellectual Property — May – Aug. 2008

Pioneer Investments – Singapore — Aug. – Sep. 2009
- Equity Research Summer Analyst

KPMG – New York City, NY — Jun. – Jul. 2009
- Information Technology (IT) Advisory Summer Analyst

PERSONAL INFORMATION

Citizenship: USA

SKILLS

Language: English (native), Spanish (advanced)
Computer: SAS, STATA, R, SQL, Matlab, Fortran, Python, Command Line Scripting, HTML, PHP, LiveCode, Socialtext Wiki, LaTeX, MS-Office Applications

REFERENCES

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