Research Updates

New paper accepted for publication

12 December 2014 · Rubén Hernández-Murillo ·

Our paper, (Ghent, Hernández-Murillo, and Owyang 2015), was just accepted for publication in *Real Estate Economics*.

References

1. *2015*
   "Did Affordable Housing Legislation Contribute To the Subprime Securities Boom?" Ghent, Andra C., Rubén Hernández-Murillo, and Michael T. Owyang. 2015. *Real Estate Economics* 43 (4): 820–54. doi:10.1111/1540-6229.12110.

Abstract:

In this paper, we use a regression discontinuity approach and present new institutional evidence to investigate whether affordable housing policies influenced the market for securitized subprime mortgages. We use merged loan-level data on non-prime mortgages with individual- and neighborhood- level data for California and Florida. We find no evidence that lenders increased subprime originations or altered pricing around the discrete eligibility cutoffs for the Government Sponsored Enterprises' (GSEs) affordable housing goals or the Community Reinvestment Act. Although we find evidence that the GSEs bought significant quantities of subprime securities, our results indicate that these purchases were not directly related to their affordable housing mandates.

BibTeX entry:

```
1.  @article{ree2015,
2.    title = {Did Affordable Housing Legislation Contribute to the Subprime Securities Boom?},
3.    author = {Ghent, Andra C. and Hern{\'a}ndez-Murillo, Rub{\'e}n and Owyang, Michael T.},
4.    journal = {Real Estate Economics},
5.    year = {2015},
6.    month = {Winter},
7.    pages = {820--854},
8.    volume = {43},
9.    doi = {10.1111/1540-6229.12110},
10.   issue = {4},
11.   pubtype = {Journal},
12.   selectpub = {Yes},
13.   url = {http://research.stlouisfed.org/wp/2012/2012-005.pdf}
14.  }
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Links to file:

- journal website (doi) (http://dx.doi.org/10.1111/1540-6229.12110)
- working paper (pdf) (http://research.stlouisfed.org/wp/2012/2012-005.pdf)

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