



Finance Recruiting Seminar

Alberta School of Business
Department of Finance

Presents:

Amit Kumar

Hong Kong University of Science and Technology

Topic:

Know Thyself: Access to Own Credit Report and The
Retail Mortgage Market

Wednesday, January 19, 2022
2:30pm – 4:00pm

Zoom details located in the calendar invite.

If you are not a member of the Finance department and would like to attend,
please contact Beth Boison (boison@ualberta.ca)
for the Zoom meeting details.

ABSTRACT

Borrowers may misestimate their probability of mortgage approval in the absence of precise signals of creditworthiness. Credit reports, which contain such signals, became easily accessible for all U.S. consumers since 2005, while it was already the case in seven states. A difference-in-differences strategy exploiting this change shows that pool quality of mortgage applicants improved as a result—approvals increased and subsequent delinquencies decreased. These findings are consistent with a mechanism where under-estimators enter the applicant pool and over-estimators drop out, because easier access to credit reports reduces misestimation of one's own probability of mortgage approval. Additional findings rule out supply-driven explanations.