

LAURI V. KYTÖMAA

Nolan School of Hotel Administration
SC Johnson College of Business
Cornell University

lvk7@cornell.edu
laurikytomaa.com
github.com/kytola

ACADEMIC APPOINTMENTS

July 2023 - Present Assistant Professor of Applied Economics and Policy
SC Johnson College of Business, Cornell University

FIELDS OF INTEREST

Industrial Organization, Household Finance, Real Estate, Public Policy

EDUCATION

May 2023 Ph.D., Economics, University of Texas at Austin
Committee members: Daniel Akerberg, Eugenio Miravete, Samuel Kruger, Victoria Marone

May 2019 M.S., Economics, University of Texas at Austin

June 2014 M.Sc., Economics, London School of Economics and Political Science

June 2013 B.A., Economics, Queen's University at Kingston, with Distinction

WORKING PAPERS

“The Roles of Borrower Private Information and Mortgage Relief Design in Foreclosure Prevention” (Job Market Paper)

I study frictions that prevent banks and loan servicers from granting debt relief to struggling borrowers in the U.S. residential mortgage market. I contribute to a growing literature on selection markets in industrial organization by exploring how asymmetric information, transaction costs, and aid generosity associated with granting debt relief affect mortgage foreclosure outcomes. To disentangle these mechanisms, I introduce a structural model in which banks decide whether to offer debt relief to potentially distressed borrowers when processing relief is costly and borrowers hold private information about their financial well-being. Relative to full information, banks reduce the probability of granting relief to deter financially healthy borrowers from pretending to be distressed, leading to more foreclosures in equilibrium. I use my model to estimate the impact of the Federal Home Affordable Modification Program (HAMP) using the outcomes of mortgages that were originated before the 2008 financial crisis. I find that HAMP incentive payments offset bank costs enough to increase relief disbursement and to decrease realized foreclosures by 3%, or 200,000 properties nationally, over the decade from 2007 to 2016. Despite this, information frictions increased total foreclosures by 14%, or the equivalent of 1.1 million properties and \$110 billion of lost value over the same time period. Finally, I find that the level of borrower relief prescribed under HAMP was insufficient for preventing 86% of foreclosures, highlighting the extent of borrower distress arising during 2008. Beyond malpractice in mortgage origination, my findings illustrate how debt relief design and the financial intermediary behavior contributed to the widespread occurrence of foreclosure in the United States.

“Regulation and market structure: An investigation of Airbnb’s decline in San Francisco”

This paper explores the effects of municipal regulations of home-sharing websites on market structure and prices. I build on existing theoretical work on peer-to-peer markets to explain why entry regulation increases concentration and prices by disproportionately driving low capacity suppliers to exit. I then study the 2018 enforcement of regulations in San Francisco following the city's settlement with Airbnb using a difference-in-differences (DD) approach. I find that single-listing hosts are 19.7 percent less likely to list following regulation compared to a 7.8 percent decline for multi-listing hosts. I also find that nightly pre-tax prices increase by \$9.25 and cleaning fees rise by \$1.91.

WORK IN PROGRESS

“Targeting Aid During a Crisis: Speed, Selection, and Subsidy Design” with Jori Barash

“Mortgage servicing right transfers and the loss of information” with Advait Mani

“Borrower composition, servicing behavior and state-level regulation in the U.S. foreclosure crisis”

FELLOWSHIPS, GRANTS & AWARDS

The University of Texas at Austin

2022	Graduate School Continuing Fellowship
2021	Summer Collaborative Research Fellowship
2021, 2022	Outstanding Teaching Assistant Award
2020	Summer Teaching Fellowship
2019, 2020	Professional Development Awards
2017	Recruitment Fellowship

External Ph.D. scholarships

2019-20, 2022-23	Finlandia Foundation National Scholarship Award, Finlandia Foundation Spring
2022	Humane Studies Fellowship, Institute for Humane Studies
2020	Hayek Fund for Scholars Award, Institute for Humane Studies

Queen's University at Kingston

2010-13	Dean's Honour List with Distinction
2013	Economics Department Honourable Mention for GPA above 4.0
2010-11	Don Wood Undergraduate Scholarship in Economics
2011	Edith Whyte Memorial Scholarship in Economics
2011	Gordon & Myrtle Adams Scholarship
2010	M.C. Urquhart Book Prize in Economics 110
2010	Ontario University Association Academic All-Star

CONFERENCE PRESENTATIONS AND INVITED TALKS

2023	University of Toronto Rotman, Federal Reserve Bank of New York, Cornell AEP Area, Cornell Finance Area, Office of Financial Research, Federal Trade Commission (Bureau of Economics), Department of Justice (Economic Analysis Group), Charles River Associates, Workshop on Disclosure, Information Sharing, and Secrecy, Stanford Institute for Theoretical Economics, UEA North American Meeting
2022	Midwest Econometrics Group Conference, Texas Advanced Computing Center Symposium, NERA Economic Consulting, Cornerstone Research

RESEARCH EXPERIENCE AND OTHER EMPLOYMENT

2018 – 2019	The Internet Association, Internet Economy Research Fellow
2014 – 2017	Deloitte LLP (U.K.), Economic Consulting, Assistant Manager
2009 – 2013	The Queen's Journal, Sports Section, Assistant Editor & Staff Writer

CONSULTING PROJECTS

- “Google's Economic Impact: United Kingdom 2014”, Deloitte UK. 2015
- “Google's Economic Impact: United Kingdom 2014”, Deloitte UK. 2015
- “The Impact of Innovation in the UK Retail Banking Market”, Deloitte UK. 2015

TEACHING EXPERIENCE

Cornell University, Instructor

Spring 2024 Principles of Real Estate (Undergraduate)

The University of Texas at Austin, Teaching Assistant

Fall 2022 Empirical Public Economics (Undergraduate)

Spring 2019-22 Industrial Organization (Master's)

Summer 2020, 2022 Economic Statistics (Undergraduate)

Fall 2019 Introductory Game Theory (Undergraduate)

Fall 2018 Antitrust Law and Economics (Undergraduate)

Fall 2017,
Spring 2018 Money and Banking (Undergraduate)

PROFESSIONAL ACTIVITIES

Research seminar coordination

Fall 2023 – Present Industrial Organization Seminar Coordinator, Applied Economics and Policy,
Cornell SC Johnson College of Business

Fall 2020 –
Summer 2022 Economics PhD Student Seminar Coordinator, University of Texas at Austin

Discussion

2023 UEA North American Meeting

Advising and mentorship

Fall 2023 – Present Mentor and Research Coordinator, Cornell University

- Advait Mani, Fall 2023 & Spring 2024
- Askari Raza, Fall 2023 & Spring 2024
- Brittanie Chen, Fall 2023

Fall 2020 –
Summer 2022 BA and MA Mentor and Research Coordinator, University of Texas at Austin

- Rajan Topiwala, Spring 2023
- Xiaohan (Jessica) Wu, Spring 2021 & Summer 2022
- Nat Fernelius, Fall 2021 & Spring 2022
- Jacob Carrasco, Fall 2020 & Spring 2021

ADDITIONAL SKILLS

Software Python, R, Matlab, Stata, Bash, SQL, Git, Latex, Linux, Slurm Work Manager, Tableau

Languages English (native), Finnish (fluent)

CITIZENSHIP: USA & Finland

Last updated: January 2024