KHC EC 103: Housing Policy: An Economic Perspective
Prof. Adam Guren
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270 Bay State Road, Room 406
Office Hours: Tu 2-3:30, Th 9:30-10:45, and by appointment.
Please email ahead so I can stagger students.

Course Description:

What makes for effectively designed economic policy, and specifically housing policy? Why is housing so expensive, and what can be done about it? How can the government affordably provide quality housing and improve access to opportunity? How can the government help stabilize the housing market, especially in a housing bust such as the one experienced in the Great Recession?

This course introduces students to economic analysis through the study of housing policy. The first half of the course focuses on microeconomic issues such as housing supply, regulation, rent control, affordable housing, and policies designed to induce households to move to better neighborhoods. The second half of the course focuses on macroeconomic issues related to the large boom and bust in the 2000s that precipitated the Great Recession including, monetary policy, refinancing and mortgage modification, tax policy as it relates to the housing market, foreclosure policy, and macroprudential policies pursued to limit future housing bubbles and busts. This section will include an analysis of the housing finance system in the United States and the challenges involved in redesigning it. Throughout, the course will teach students economic principles and how use data to assess economic arguments.

What This Course is *NOT*:

A key focus of the course will be on the design of public policy. But this course is ***NOT*** about politics. Rather than determining the objectives of policy – which is largely a political question – the economic approach taken by this course focuses on how to *design* policy to best meet given objectives. For example, rather than discussing how much income should be redistributed in society, we will focus on how to redistribute best and most efficiently given a target amount of redistribution. As such, we will *not* be focusing on whether we should reduce rents, provide low-income housing support, support homeownership, etc. Instead, we will be focusing on how to best design policies to achieve those ends and understanding why some policies are ineffective at achieving their objectives or even backfire.

I realize it will be hard to put aside your personal politics. But I am going to ask you to so that the course does not evolve into a big political debate every day.

That being said, some of the readings will have clear political angle – it is unavoidable. I have tried my best to balance out the course, so it is as politically neutral as possible.

This course will address the following BU HUB Areas:

1. Social Inquiry II
2. Quantitative Reasoning II
3. Research and Information Literacy

Course Prerequisites:

There are no formal prerequisites, but students should feel very comfortable with algebra and pre-calculus to take this course. We will use simple algebra and the concept of a function and a system of equations quite regularly. Knowledge of differential calculus is useful but not required.

This course is not a substitute for EC101 and EC 102. I will not cover the full curriculum in the introduction to economics sequence. If you want to be an economics concentrator or take more advanced courses that require EC 101 and/or EC 102 as a prerequisite, this course will not replace these two courses.

Course Objectives:

The goal of this course is to provide students with the tools to critically evaluate public policies and their efficacy using theoretical and empirical economic analysis. In particular, students will:

1. **Learn the principles of economics**. Students will learn the basics of supply and demand, market equilibrium, and the analysis of economic policy interventions, taxes, and price controls, including welfare analysis and externalities.

2. **Understand causal inference and research designs used to establish causality in economics**. Correlation does not imply causation. Students will learn how economists statistically assess causality, with a focus on several core empirical designs that are repeatedly used in economics – including field experiments, natural or "quasi" experiments, differences-in-differences designs, and regression discontinuity designs – with an eye to critically evaluating these designs and research that uses these designs.

3. **Develop the tools to analyze the effectiveness of public policy**. Each week, we will focus on a different housing policy and discussing its effectiveness. Over the course of the semester, each student will write a paper that analyzes an existing or proposed housing policy using data.

4. **Understand the important questions and concerns in housing policy in the United States**. In learning about different housing policies, we will touch on the major issues with which policymakers grapple in formulating housing policy.

5. **Evaluate the uses and abuses of quantitative evidence in public discourse**. Students will read and analyze descriptions of economic analysis in the popular press and politics and discuss why such evidence is often misunderstood or misused.

6. **Communicate quantitative analysis**, through readings, course discussions, and their final paper.

7. **Understand the research process** including searching for information sources, formulating a topic, gathering and analyzing arguments, and communicating findings.

Course Format:

The course will meet twice a week. The first two weeks will provide a course introduction and an introduction to economic analysis and principles. Thereafter, most weeks will be focused on a housing policy (roughly: sometimes a policy will only fill one and a half classes and other times will cut across weeks). Generally, the first class will be a lecture where I will introduce the policy and teach some economics and/or statistical methods that will be used in the analysis of that week's policy. The second class will be a class discussion of the policy. In preparation for the discussion, you will be expected to read and think about several readings and for selected classes provide a half-page emailed reaction to the readings due the day before. I will provide discussion questions and indicate to you when a response reaction is due. Given the nature of the material, the second half of the semester will be more lecture based.

I want this course to be interactive. If you are confused, tell me! If you want to say something, raise your hand! I also want the discussions to be lively. I ask that every student speak at least once each class.

Course Materials:

In the first several weeks, we will be introducing the core economic concepts of supply and demand and how government policy interacts with supply and demand. For this, I will be using several chapters of N. Gregory Mankiw's *Principles of Economics*. Unfortunately, if you want to purchase this book it is extremely expensive. Given that we will be using only parts of the book for part of the class, I would suggest that you get an e-book rental for the semester for $50, which you can obtain at https://www.cengage.com/c/principles-of-economics-10e-mankiw/9780357722718/. The book is also on reserve at the library.

We will also use three other books which are available at bookstores or Amazon and on reserve at the library:
- *Evicted* by Matthew Desmond
- *High Risers* by Ben Austen
- *The Color of Law* by Richard Rothstein

For background, I have included optional readings from *Housing Policy in the United States, Third Edition* by Alex Schwartz, which is the standard primer on housing policy, and *Fixer Upper* by Jenny Schuetz, a recent book on housing policy in America. Schwartz provides all of the facts about the major housing policies in the U.S. and is an excellent overview, although sometimes it can feel a bit like a laundry-list of policies. I would use it if you want background, and I have indicated what chapter you should read when on the syllabus. Schuetz is more readable but less comprehensive. These two books and their bibliographies may be useful as you search for a paper topic. Both are available online through the BU library.

Otherwise, the course materials will be a mix of journal articles, summaries of economic research written by me and others, and articles from the popular press available on the course Blackboard website or through the BU Library. The end of the syllabus includes a detailed class-by-class reading list, and I will post reading guides for each class that list the readings and have some questions to think about as you do them. ***Please check the latest version of the syllabus online and the reading guide online before you start doing the week's readings as the required readings will likely change over the course of the semester.***

Many of the readings are URLs. Please let me know ASAP if you are having trouble with them. I go through regularly to check that the URLs work, but there is a chance that a URL has changed since I last checked. Also, sometimes multi-line URLs have a bad link from a PDF. Please try to copy the full URL rather than just clicking on the link, which sometimes does not work.

Some links may be behind paywalls. You should be able to search for the headline and authors in the BU library and access the articles through BU's subscription services. If you are having trouble accessing any articles, please email me.

A few of the readings may be technical. Do your best to try to understand the key ideas and findings. Read the introduction and do not feel like you need to understand absolutely everything for these technical readings.

Assignments:

Response Papers: Most weeks (apart from the first two), will focus on a particular housing policy. In general, the first class each week will be a "tools" class on economics related to that week's policy designed to teach you economic analysis and tools. The second class each week will be a class discussion of the policy based on a reading about the policy. Students will email the professor a ½ page (300-400 word) e-mailed response to the reading the **by 3pm the day before the discussion** summarizing in their view the successes and failures of the policy in question in light of the readings and discussion questions posted on the course website. The goal here is to make sure you are reading critically, thinking about the material, and ready to discuss the material in class. Classes with a response paper due are indicated with a * on the week-by-week agenda below. There are roughly ten response papers over the course of the semester.

These assignments will be graded as a check plus, check, check minus, or zero:
- **Check Plus (100%)**: Reflective of a particularly thoughtful and impressive effort to engage with the readings.
- **Check (90%)**: Reflective of strong engagement with the readings.
- **Check Minus (80%)**: Reflective of a limited attempt to engage with the readings.
- **Zero (0%)**: You did not turn anything in (do not do this).

Your lowest two assignments will be dropped (including any zeros).

Semester-Long Policy Memo Project: Over the course of the semester, you will write a policy memo on a housing policy of your choice. This assignment will be broken into stages, with feedback throughout the process.

I want to give you as much leeway as possible in choosing the policy that will be your focus, so the policy can be micro or macro, existing or proposed, U.S. or abroad. I am happy for it to be a broad policy (*e.g.*, "rent control") but I would like you to have a specific example (*e.g.*, "rent control as implemented by the City of San Francisco") because the devil is often in the details of how a particular policy is implemented.

The project has six stages:

1. (Weeks 2-3: September 10-20) Meet with the professor for 10 minutes. In advance, email professor one paragraph introducing yourself and your interest in the course and three one sentence ideas for the policy you will analyze for your major assignment. At your meeting, we will try to flesh out the policy that you will analyze this semester.

   For ideas on policies you might be interested look at:
   - Newspapers and magazines! There are lots of articles on housing policy.
   - The papers listed as "Background Reading" below.
   - The Department of Housing and Urban Development publishes an interdisciplinary journal "Cityscape" about housing policy where each issue is centered on a topic. This is a good resource to start your search. See https://www.huduser.gov/portal/periodicals/cityscpe/prev_iss/cspast.html.
   - I would also look at "CityLab" which has a lot of housing policy articles and search google or your favorite newspaper for stories on particular policies.
   - There are nonprofits and think tanks in most areas thinking about these issues and issuing proposed policies or analyses of policies which could be a good jumping off point for you.

   I typically see a few pitfalls:
   - Students are often not specific enough. Give me specific policies, not broad topics and areas.
   - Students pick something that does not have shades of grey. The best paper topics tend to be policies that are not obviously great or horrible, because there is not that much to critique or analyze or any room for improvement. An example of this is redlining: there is not much to analyze or think about how to improve it – it is just a bad and racist policy.
   - Students sometimes come to me with a particular conclusion or critique in mind. I would much rather you pick a policy, research it, and then decide what to say than come with a particular angle in mind.

2. (Week 6: October 8) 2-page description of your policy. What are its objectives? What are the design features? What is the history of the policy, and when was it implemented and/or changed (or when will it be implemented)?

The goal here is to familiarize yourself with the policy and its details and start researching the nuts and bolts of this policy.

3. (Week 9: October 29) 3-page literature review with citations. What has been written about your policy? What aspects of the policy are controversial? What are costs and benefits of the policy? What critiques have been made?

   The goal is to familiarize yourself with the types of arguments being made about your policy and what has been said about it in preparation for you making a policy recommendation. This will require finding primary and secondary sources about your policy.

   A successful literature review does not just list sources and summarize them but instead weaves citations into an analysis that synthesizes the literature's conclusions.

4. (Week 9: October 29) Each student will present their paper topic and background on literature to the class for 4 minutes. I encourage you to have 2-3 slides (maximum 3 not including title page) to aid in your presentation. Please email them to me the night before.

   The goal is for us all to learn about what members of our class are working on for their final policy memos and to help everyone with their memo by brainstorming things they might think about and explore in their memo as a group. It is my hope that this will help point you in the right direction for the final memo.

5. (Week 11: November 12) 1 page description of the data component of your final paper.

   Your final paper must include an analysis of data. This is left deliberately open ended. Most students will provide an analysis of an existing empirical study or data analysis by researchers or a local government. You may also conduct your own new analysis of data.

   In your data analysis, you should assess how convincing the data you have brought to bear is. What is the research design for causality and is it credible? What are the assumptions needed to evaluate the causal effects of the policy? Based on what you have learned this semester, what is good and what is not? Do you believe their results? I want you to not only presents data or an existing data analysis but analyze the data or the analysis.

   An important part of data analysis is communication and visualization of the data, so you should pay attention to how the data is communicated and presented to the reader, which we will discuss throughout the semester. Please do not drop in a very large data table because that is what another paper did. Instead think about what your reader needs to see and how to clearly convey this in a table and figure that selects and highlights what you think is important. I also want you to put thought into how you explain the data to the reader. Do not just say "Table 1 says housing is expensive." Instead, go through the axes or what is on each line, explaining and interpreting the table or figure for the reader and drawing their eye to key features.

At this point, you should have a sense if (1) what your data analysis will be and (2) if you are getting your own data, you should have it. You should discuss your data analysis with the professor, who can help you find what data to include.

The goal is to make sure you do not leave the data analysis component until the last minute.

6. (Week 15: December 10, last day of class) 10-15 page Policy Memo meant for the policy maker in charge of implementing your policy. Your memo should address whether the policy is the policy successful at meeting its objectives and how it might be improved. You should have a clear policy recommendation as part of your analysis.

   The memo should include:
   - 1 page introduction and summary of your main argument. Please note that the introduction should not just introduce the topic but introduce your entire paper and provide a roadmap of your argument and summary of your conclusions. After reading the introduction, the reader should know what the argument is and the 3-5 key takeaways from the memo including both the what and a brief version of the why. One common mistake is that students do not summarize their argument here and only introduce the topic and the reader does not get a sense of what the memo is all about from the introduction.
   - 3-4 page description of the policy, its objectives, and what has been written about the policy. This should make use of your 2-page description of the policy and 3-page literature review, but you must edit these down to present only those things that are important for your subsequent analysis.
   - 6-10 page analysis of the effectiveness of the policy, including the data analysis. This is the meat of the memo, and you will be graded primarily on the quality of your argument. It should be focused on the key points in your introduction and conclusion.
   - Brief conclusion. Emphasize your 3-5 key points for the reader.

   Do not feel like you need to go to the longer side. Brevity is encouraged! I do, however, want to give you enough room to make any presentation of data large enough (please, no tiny or giant tables or figures).

I realize this is an open-ended assignment. To give you guidance I have posted several sample memos that were highly successful from past years when I taught the course on the course website. I strongly urge you to look at them to get a sense of what I am looking for and what makes good analysis and a well-written memo. I am also happy to meet with you one-on-one to provide help and guidance, and we will discuss the memo quite a bit in class. Please do not hesitate to contact me if you have any questions.

Grading:

40% Class Participation and Response Papers
60% Final Project divided as follows:
  5% Preparation for initial meeting with professor.
  10% 2 Page Policy Description
  10% 3 Page Literature Analysis
  10% 5 Minute Presentation
  5% 1 Page Description of Data Analysis
  60% Final Policy Memo
  I will give grades and progress updates at each stage of the final project.

Course Policies:

Laptops and Cell Phones: I ask that students not use cellular phones, social media, or similar devices in class. I also ask that students not use laptops or tablets for reasons other than Zoom. This article explains why: https://www.nytimes.com/2017/11/22/business/laptops-not-during-lecture-or-meeting.html. If you need to use a laptop or tablet for educational/learning reasons, please come talk to me about it and I can exempt you from this policy.

Attendance and Participation: You are required to attend all classes unless you have a reason that you communicate to me ***prior to class***. If you miss more than one meeting, your course grade may be lowered by 1/3 of a letter grade per missed class. If you have a special obligation that will require you to miss several classes, please discuss with me at the beginning of a semester.

Participation in class is important, especially for the second class each week in which we discuss the week's housing policy. I expect every student to make a comment in every class discussion. Participation will count towards your grade.

Assignment Completion and Late Work: Weekly response papers that are more than an hour late will be docked one grade. Weekly response papers that are not turned in prior to class will be given a zero. Each stage of the semester-long project will be docked 1/3 of a letter grade for each day late. If you will not make a deadline or require an extension, please let me know in advance.

Plagiarism: Plagiarism will be taken very seriously and is not allowed. Plagiarism refers to both directly lifting language or paraphrasing an idea without attribution. I am not expecting you to have an entirely new idea in your memo; it is meant to synthesize a coherent policy argument. Given this, *there is no reason for you not to liberally cite sources that you use.* Doing so repeatedly and using quotations from sources that you attribute to them is perfectly fine, and I will not mark you down for doing so. The issue arises when you do not appropriately cite sources.

To that end, you must turn in your final memo through Turnitin. This online tool will check your paper for similarity to millions of sources and help me identify potential plagiarism. This can be done under the "policy memo" tab on the course website. You can submit, view your similarity report, and resubmit if you are concerned about the similarity report.

Use of Artificial Intelligence (Based on Kilachand Studio Course Policy): Generative Artificial Intelligence and Natural Language Models, like ChatGPT, will change the ways we write and research. AI has already shown promising application across a variety of fields, and it will likely play an increasing role in our everyday lives. However, the goal of your Kilachand Seminar is to develop your ability to think critically, analyze policy, and produce compelling written work on your own. The use of AI writing might produce a satisfactory essay, but such use prevents you from engaging in the difficult intellectual work of thinking through your ideas and finding the best way to communicate them and it prevents you from learning how to analyze a policy or produce a compelling argument. In other words, it prevents you from learning. Moreover, AI obscures the provenance of its information; given that this course fulfills the HUB obligations for research and information literacy–a crucial component of which is understanding the different pathways for finding information, verifying its credibility, and using information to create new knowledge–such a characteristic is antithetical to the kind of fact-checking and scholarly research skills Studio classes emphasize. Consequently, unless you are given explicit permission by your instructor, you should not use AI to produce or revise any of your writing for this class, in part or in whole. If given permission, all use of AI should be appropriately cited. If you have any questions, please reach out to me. Unauthorized use of AI is in violation of the Kilachand Honor Code.

I am, however, willing for you to use generative AI in two cases. First, to help you find a policy memo topic, you may want to use tools like Chat GPT to explore and learn about housing policies much like you would use a search engine (although Chat GPTs knowledge ends in 2022). Second, generative AI can be useful for producing code to analyze data, especially when you are unfamiliar with a programming language. If you are doing your own data analysis, you may use Chat GPT to assist you.

All other uses of AI is not allowed. This policy is particularly important for response papers: doing the reading and thinking critically about it is an important part of the course. Note that AI frequently makes mistakes or has hallucinations so it will be noticeable, particularly because I use the response papers to call on people in class.

Academic Conduct: No collaboration with other students is allowed on the weekly response papers or the semester-long project

Students must act in accordance with BU's Academic Conduct Code which is available at *https://www.bu.edu/academics/policies/academic-conduct-code/*.

Students must also adhere to Kilachand's Conduct Code: "All Kilachand Honors College students are expected to maintain high standards of academic honesty and integrity. Every Kilachand student must follow Boston University's Undergraduate Academic Conduct Code regarding "academic misconduct," which is "conduct by which a student misrepresents his or her academic accomplishments, or impedes other students' opportunities of being judged fairly for their academic work. Knowingly allowing others to represent your work as their own is as serious an offense as submitting another's work as your own." Furthermore, Kilachand students must meet all Kilachand Honors College Academic Standards. These policies and procedures should guide students in achieving their educational goals."

Accommodations, Resources and Support:

Students needing academic accommodations are encouraged to contact the Office for Disability Services (353-3658). If you require special accommodations, please notify me within the first two weeks of class so that I can make arrangements in a timely manner.

Office of Disability Services

19 Deerfield Street, 2nd Floor
(617) 353-3658 http://www.bu.edu/disability/

Educational Resource Center
One-on-one peer tutoring, study skills help, and writing assistance.

100 Bay State Road, 5th Floor
(617) 353-7077 www.bu.edu/erc

Writing Center
100 Bay State Road, 3rd Floor
(617) 358-1500 http://www.bu.edu/writingprogram/the-writing-center/

Library Resources:

The BU Library is a tremendous resource. The librarians are happy to help you find materials for the class and for your term paper. The library has a powerful search function at the front page www.bu.edu/library. You can find books, e-books, journal articles, and periodicals through this powerful tool. For instance, if you search for "Schwartz housing policy" the top result will be two versions of the Schwartz book. You can click on the third edition and find a link to the online e-book. The library also has a guide to economics research that contains several different resources specifically related to economics, which you can find at http://library.bu.edu/economics.

Feedback:

I care a lot about this course's success and want to make sure the course is interesting, rewarding, and that you understand the material. I also want to make sure that the readings are not overwhelming.

Consequently, I want to encourage you to give feedback to me about the course. If you do not fully understand something or something or something is not interesting, tell me. If a reading was too difficult or too long, let me know. You will *never* be penalized for giving me constructive feedback, and I will use your suggestions to improve the course as the semester proceeds. Please be candid. It can only help you by making the rest of the course better!

Office Hours:

This class is likely the smallest and most interactive class you will take this semester. Take advantage of the small group and come to office hours. I'm happy to discuss the class, work with you on your paper, and generally advise you about your first year. My office hours are Tu 2-3:30, Th 9:30-10:45 and by appointment. Please let me know if you via email if you are going to come so I can be sure to accommodate you and know whether I need to move office hours to a more spacious venue; my office hours may be busy for the first half of the semester when I am teaching two PhD courses in addition to this course. If these times do not work for you, email me and we will find a time that works. I may have to cancel and reschedule a few office hours over the course of the semester or move some office hours to Zoom and will email you if this happens. This is even more reason not to show up at my office without emailing ahead.

Day-By-Day Agenda
(Subject to Change)

Part 1: Introduction
September 3 (1): Intro: Why Care About Housing Policy? What is the Economic Approach?
September 5 (2): Why is Housing So Expensive? Supply, Demand, Zoning, and Regulation I
September 10 (3): Why is Housing So Expensive? Supply, Demand, Zoning, and Regulation II
Student Meetings With Instructor This Week to Discuss Topics for Policy Memo
September 12 (4): The Impact of Neighborhoods
September 17 (5): Matthew Desmond's *Evicted* * (Significant reading)

Part 2: Affordable Housing Policy
September 19 (6): How to Make Housing Affordable? Public Housing, Rent Subsidies, Building Subsidies, and Price Controls
September 24 (7): Public Housing and Hope VI * (Significant reading)
September 26 (8): Moving to Opportunity and Causality
October 1 (9): Moving to Opportunity II, Improving Vouchers
October 3(10): Subsidies for Rental Housing and the Low-Income Housing Tax Credit I *
October 8 (11): Subsidies for Rental Housing and the Low-Income Housing Tax Credit II
(Policy Description Due)
October 10 (12): Rent Control I
October 15: Monday Schedule, No Class
October 17 (13): Rent Control II, Inclusionary Zoning
October 22 (14): Affordable Housing Wrap Up *
October 29 (15): Student Presentations
(Memo Lit Review Due, Student Presentations on Final Memo Topics)

Part 3: Homeownership, Discrimination, and Policy in Practice
October 31 (16): Discrimination in the Housing and Mortgage Markets I * (Significant Reading)
November 5 (17): Discrimination in the Housing and Mortgage Markets II
November 6 Makeup Class (19): The Housing Finance System I
November 7 (18): Taxes and Housing: The Home Mortgage Interest Deduction *

Part 4: The Recent Boom and Bust and Policies to Ameliorate Housing Cycles
November 12 (20): Housing Finance System II / Boom and Bust I (Watch Big Short By Here)
(Policy Memo Data Component Description Due)
November 14 (21): Housing Policy in Practice (Guest Speaker: Sheila Dillon, City of Boston) *
November 19 (22): Understanding the Boom and Bust II
November 26 (23): Foreclosure Mitigation Policy I
November 28: Thanksgiving, No Class
December 3 (24): Foreclosure Mitigation Policy II, Regulation, and GSE Reform
December 5 (25): Monetary Policy and the Mortgage Market
December 10 (26): COVID-19 and Housing Policy, Conclusion
(Final Policy Memo Due Via Email and Turnitin)
No Class October 24 and November 21
* Denotes class with response paper due.

Detailed Course Outline and Readings

Note: This reading list will be updated and changed as we go through the semester. Please check the newest version and ***when in doubt trust the reading guide for each class*** *over the syllabus.*

Background reading (Completely optional, may be useful for finding a topic):

- Olsen, Edgar and Jeff Zabel (2015). "U.S. Housing Policy." *Handbook of Regional and Urban Economics*: 887-986.
- Collinson, Robert, Ingrid Gould Ellen, and Jens Ludwig (2016). "Low Income Housing Policy" in *Economics of Means-Tested Transfer Programs in the United States, Volume 2* ed. Robert Moffit. University of Chicago Press: 59-126.
- Desmond, Matthew and Monica Bell (2015). "Housing, Poverty, and the Law." *Annual Review of Law and Social Science* 11: 15-35.
- Schwartz, *Housing Policy in the United States*.
- Schuetz, *Fixer Upper*.

Part 1: Introduction

September 3 (1): Intro: Why Care About Housing Policy? What is the Economic Approach?

Key Concepts:
- Principles of Economics

Readings:
- Mankiw*, Principles of Economics*, Ch. 1-2.

Optional Readings:
- Schwartz*, Housing Policy in the United States*, Ch. 1.

September 5 (2): Why is housing so expensive? Supply, Demand, Zoning, and Regulation I

Key Concepts:
- Supply and Demand
- Market Equilibrium
- Elasticity

Readings:
- Mankiw, *Principles of Economics*, Ch. 4 and Ch. 5 introduction, 5-1abd, 5-2, 5-3b, Ch. 7.

September 10 (3): Why is Housing So Expensive? Supply, Demand, Zoning, and Regulation II

Key Concepts:
- Housing Supply
- Zoning and Regulation

Readings:
- Vox (2021). "How the US Made Affordable Homes Illegal." Youtube https://www.youtube.com/watch?v=0Flsg_mzG-M.

- Thompson, Derek (2022). "Why Your House Was So Expensive." *The Atlantic*. https://www.theatlantic.com/newsletters/archive/2022/07/building-house-expensive-market-inflation-nimby/670596.
- Glaeser, Ed (2017). "Reforming Land Use Regulations." Brookings. https://www.brookings.edu/research/reforming-land-use-regulations/.
- Badger, Emily (2018). "The Bipartisan Cry of 'Not on My Backyard'" *The New York Times*. Badger, Emily (2018). "The Bipartisan Cry of 'Not on My Backyard'" *The New York Times*. https://www.nytimes.com/2018/08/21/upshot/home-ownership-nimby-bipartisan.html
- Herriges, Daniel (2018). "Why Are Developers Only Building Luxury Housing?" *strongtowns.org*. https://www.strongtowns.org/journal/2018/7/25/why-are-developers-only-building-luxury-housing.
- Florida, Richard (2019). "'Build More Housing' Is No Match for Inequality." *CityLab*. https://www.citylab.com/equity/2019/05/housing-supply-home-prices-economic-inequality-cities/588997/
- Florida, Richard (2019). "How Housing Supply Became the Most Controversial Issue in Urbanism." *CityLab*. https://www.citylab.com/design/2019/05/residential-zoning-code-density-storper-rodriguez-pose-data/590050/

Discussed In Class (Not Assigned Reading):

- Badger, Emily and Quoctrung Bui (2019). "Cities Start to Question an American Ideal: A House With a Yard on Every Lot." *The New York Times*. https://www.nytimes.com/interactive/2019/06/18/upshot/cities-across-america-question-single-family-zoning.html
- Appelbaum, Binyamin and Andrew Faulk (2023). "The Big City Where Housing Is Still Affordable." The *New York Times*. https://www.nytimes.com/2023/09/11/opinion/editorials/tokyo-housing.html.

September 12 (5): The Impact of Neighborhoods

Key Concepts:

- Externalities
- The Importance of Neighborhoods and Neighborhoods Effects

Readings:

Note: Do not read the Chetty et al. papers just the NYT articles and summaries which complement each other.

- Mankiw, *Principles of Economics*, Ch. 10 introduction, 10-1 and 10-2.
- Chetty, Raj, Nathaniel Hendren, Pat Kline, and Emmanuel Saez (2014). "Where is the Land of Opportunity? The Geography of Intergenerational Mobility in the United States." *Quarterly Journal of Economics* 129(4): 1553-1623.
  - Non-Technical Summary: https://opportunityinsights.org/wp-content/uploads/2018/03/Geography-Executive-Summary-and-Memo-January-2014-1.pdf.
  - NYT Article: https://www.nytimes.com/2013/07/22/business/in-climbing-income-ladder-location-matters.html.

- Chetty, Raj and Nathaniel Hendren (2018). "The Effects of Neighborhoods on Intergenerational Mobility I: Childhood Exposure Effects." *Quarterly Journal of Economics* 133(3): 1107-1162.
  Chetty, Raj and Nathaniel Hendren (2018). "The Effects of Neighborhoods on Intergenerational Mobility II: County-Level Estimates." *Quarterly Journal of Economics* 133(3): 1163-1128.
  - Non-Technical Summary: https://opportunityinsights.org/wp-content/uploads/2018/03/nbhds_exec_summary-1.pdf
  - NYT Article: https://www.nytimes.com/2015/05/04/upshot/an-atlas-of-upward-mobility-shows-paths-out-of-poverty.html.
- Chetty, Raj, John Friedman, Nathaniel Hendren, Maggie R. Jones, and Sonya R. Porter. "The Opportunity Atlas: Mapping the Childhood Roots of Social Mobility.
  - Non-Technical Summary: https://opportunityinsights.org/wp-content/uploads/2018/10/atlas_summary.pdf
  - NYT Article: https://www.nytimes.com/2018/10/01/upshot/maps-neighborhoods-shape-child-poverty.html
  - Browse the atlas at: https://www.opportunityatlas.org/.

Discussed In Class (Not Assigned Readings):

- Mankiw, *Principles of Economics*, 10-3 and 10-4.
- Chetty, Raj, Nathaniel Hendren, Maggie R. Jones, and Sonya R. Porter (2019). "Race and Economic Opportunity in the United States: An Intergenerational Perspective." *Quarterly Journal of Economics*, Forthcoming.
  - Non-Technical Summary: http://www.equality-of-opportunity.org/assets/documents/race_summary.pdf.
  - NYT Article: https://www.nytimes.com/interactive/2018/03/19/upshot/race-class-white-and-black-men.html.

September 17 (4): Matthew Desmond's *Evicted*

Key Concepts:

- Eviction
- The Sociological Approach

Readings:

Note: The readings for this class are unusually long.

- Desmond, Mathew (2016). *Evicted: Poverty and Profit in the American City*.
  - Entire book through epilogue.

Discussed In Class (Not Assigned Readings):

- Cornec, Henry (2023). "Summary of 'Eviction and Poverty in American Cities'" Yale University. https://economics.yale.edu/research/eviction-and-poverty-american-cities.
- Badger, Emily and Quoctrung Bui (2018). "In 83 Million Eviction Records, A Sweeping and Intimate New Look at Housing in America." *The New York Times*. https://www.nytimes.com/interactive/2018/04/07/upshot/millions-of-eviction-records-a-sweeping-new-look-at-housing-in-america.html.

- Badger, Emily (2019). "Many Renters Who Face Eviction Owe Less than $600." *The New York Times*. https://www.nytimes.com/2019/12/12/upshot/eviction-prevention-solutions-government.html.

Part 2: Affordable Housing Policy

September 19 (6): How to Make Housing Affordable?
Public Housing, Rent Subsidies, Building Subsidies, and Price Controls

Key Concepts:

- Kinds of Government Intervention

Readings:

Note: The readings are light for this class because the next class has a lot of reading.

- Rosan, Chirstina (2014). "Policy Shift: How the U.S. Developed a Hybrid Model of Affordable Housing Provision." Wilson Center. On course website. Read Pages 1-17.
- Covert, Bryce (2018). "The Deep, Uniquely American Roots of Our Affordable-Housing Crisis." *The Nation*. https://www.thenation.com/article/give-us-shelter/.
- Demsas, Jerasalem (2021). "What We Talk about When We Talk About Gentrification." Vox. https://www.vox.com/22629826/gentrification-definition-housing-racism-segregation-cities.

September 24 (7): Public Housing and Hope VI

Key Concepts:

- Public Housing
- Hope VI

Readings:

Note: The readings for this class are unusually long.

- Austen, Ben (2018). *High Risers: Cabrini-Green and the Fate of American Public Housing*.
    - Entire book.
- Katz, Bruce and Henry Cisneros (2004). "Keep HOPE (VI) Alive." *Atlanta Journal-Constitution*. https://www.brookings.edu/opinions/keep-hope-vi-alive/.
- Mari, Francesca and Luca Locatelli (2023). "Lessons From a Renters' Utopia." *The New York Times*. https://www.nytimes.com/2023/05/23/magazine/vienna-social-housing.html. (Skim)

Discussed In Class (Not Assigned Reading):

- Rhyne, Brett (2021). "Employment Effects of Demolishing Distressed Public Housing." *NBER Digest*. https://www.nber.org/digest-202101/employment-effects-demolishing-distressed-public-housing.

September 26 (8): Housing Vouchers, Moving to Opportunity, and Causality

Key Concepts:

- Correlation vs. Causation
- Randomized Controlled Trials and Field Experiments vs. Natural Experiments
- Lessons from MTO
- Outcomes from giving households vouchers.

Readings:

- JPAL (2017). "Why Randomize?" https://www.youtube.com/watch?v=Uxqw2Pgm7s8.
- Shroder, Mark D. and Larry L. Orr (2012). "Moving to Opportunity: Why, How, and What Next?" *Cityscape* 14(2): 31-56. https://www.huduser.gov/portal/periodicals/cityscpe/vol14num2/Cityscape_July2012_moving_to_opportunity.pdf.
- NPR Planet Money Podcast (2019) "Episode 937: Moving to Opportunity?" https://www.npr.org/2019/08/30/756028025/episode-937-moving-to-opportunity.
- Chetty, Raj, Nathaniel Hendren, and Lawrence Katz (2016). "Executive Summary: The Effects of Exposure to Better Neighborhoods on Children: New Evidence from the Moving to Opportunity Experiment." https://opportunityinsights.org/wp-content/uploads/2018/03/mto_exec_summary.pdf.

October 1 (9): Improving Housing Vouchers

Key Concepts:

- Differences-in-Differences Design

Readings:

- Turner, Margery Austin (2003). "Strengths and Weaknesses of the Housing Voucher Program." Congressional Testimony. https://www.urban.org/sites/default/files/publication/64536/900635-Strengths-and-Weaknesses-of-the-Housing-Voucher-Program.pdf.
- Ellen, Ingrid Gould (2017). "What Do We Know About Housing Choice Vouchers?" NYU Working Paper. http://furmancenter.org/files/HousingChoiceVouchers_WorkingPaper_IngridGouldEllen_14AUG2017.pdf.
- Semuels, Alana (2015). "How Housing Policy Is Failing America's Poor." *The Atlantic*. https://www.theatlantic.com/business/archive/2015/06/section-8-is-failing/396650/.
- Applebaum, Binyamin (2015). "Vouchers Help Families Move Far from Public Housing." *The New York Times.* https://www.nytimes.com/2015/07/08/business/economy/housing-program-expansion-would-encourage-more-low-income-families-to-move-up.html.
- Description of Ganong and Collinson Paper and Differences-in-Differences Design on Course Website.

Discussed In Class (Not Assigned Reading):

- Bergman, Peter, Raj Chetty, Stephanie DeLuca, Nathaniel Hendren, Lawrence F. Katz, and Christopher Palmer. "Creating Moves to Opportunity: Experimental Evidence on Barriers to Neighborhood Choice Non-Technical Summary." https://opportunityinsights.org/wp-content/uploads/2019/08/cmto_summary.pdf.

October 3 (10): Subsidies for Rental Housing and the Low-Income Housing Tax Credit I

Key Concepts:

- Subsidies in Supply and Demand Model (revisited)

- Tax Expenditures
- LIHTC
- How Does LIHTC affect a neighborhood?
- LIHTC and segregation.

Readings:

- Scally, Corianne Payton, Amanda Gold, and Nicole DuBois (2018). "The Low Income Housing Tax Credit: How It Works and Who It Serves." Urban Institute Research Report. https://www.urban.org/sites/default/files/publication/98758/lithc_how_it_works_and_who_it_serves_final_2.pdf.
- NYU Furman Center (2017). "The Effects of the Low-Income Housing Tax Credit (LIHTC)" http://furmancenter.org/files/NYUFurmanCenter_LIHTC_May2017.pdf.
- Eligon, John, Yamiche Alicondor, and Augustin Armendariz (2017). "Program to Spur Low-Income Housing Is Keeping Cities Segregated." *New York Times*. https://www.nytimes.com/2017/07/02/us/federal-housing-assistance-urban-racial-divides.html.
- Hemel, Daniel (2017). "Is the Low-Income Housing Tax Credit 'Keeping Cities Segregated'?" *Medium*. https://medium.com/whatever-source-derived/is-the-low-income-housing-tax-credit-keeping-cities-segregated-9cbcc819e241.
- Description of Diamond and McQuade on Course Website.

Discussed In Class (Not Assigned Reading):

- NYU Furman Center (2012). "What Can We Learn About the Low-Income Housing Tax Credit Program by Looking at the Tenants?" http://furmancenter.org/files/publications/LIHTC_Final_Policy_Brief_v2.pdf.

October 8 (11): Subsidies for Rental Housing and the Low-Income Housing Tax Credit II

Key Concepts:

- Financing Affordable Housing and the Price of LIHTC.
- Policy Inter-Linkages and Unintended Consequences.
- Policy analysis.

Readings:

- Pristin, Terry (2008). "Affordable Housing Deals Are Stalling." *The New York Times.* https://www.nytimes.com/2008/11/12/realestate/commercial/12housing.html.
- Dougherty, Conor (2018). "Tax Overhaul Is A Blow to Affordable Housing Efforts." *The New York Times*. https://www.nytimes.com/2018/01/18/business/economy/tax-housing.html.
- McCaffrey, Orla (2018). "Rising Interest Rates Are Another Blow to Affordable Housing Market." *The Wall Street Journal*. https://www.wsj.com/articles/rising-interest-rates-are-another-blow-to-affordable-housing-market-1534244400
- Logan, Tim and Catherine Carlock (2023). "Many Forces Drive the Housing Crisis Hear, and The Sky-High Cost of Construction is One of the Most Powerful." *The Boston Globe*. https://apps.bostonglobe.com/2023/10/special-projects/spotlight-boston-housing/construction-costs/.

- Willen, Paul (2024). "Addressing Housing Shortages Through Tax Abatement." Federal Reserve Bank of Boston. https://www.bostonfed.org/publications/current-policy-perspectives/2024/addressing-housing-shortages-through-tax-abatement.aspx.

October 10 (12): Rent Control I

Key Concepts:

- Price Controls in Supply and Demand Model
- Arguments For and Against Rent Control

Readings:

- Mankiw, *Principles of Economics*, Ch. 6-1.
- Velsey, Kim (2018). "How Does Your Landlord Calculate Your Rent?" *New York Times*. https://www.nytimes.com/2018/01/05/realestate/small-landlord-calculate-rent.html.
- Ault, Richard W. (1981). "The Presumed Advantages and Disadvantages of Rent Control" in *Rent Control: Myths and Realities.* Available at http://www.walterblock.com/wp-content/uploads/publications/RentControlMythsRealities.pdf.
- Friedman, Milton and George J. Stigler (1981). "Roofs or Ceilings? The Current Housing Problem." in *Rent Control: Myths and Realities*. Available at http://www.walterblock.com/wp-content/uploads/publications/RentControlMythsRealities.pdf.
- (Skim) Greenberg, Michael (2017). "Tenants Under Siege: Inside New York City's Housing Crisis." *New York Review of Books*. http://www.nybooks.com/articles/2017/08/17/tenants-under-siege-inside-new-york-city-housing-crisis/.

October 17 (13): Rent Control II, Inclusionary Zoning

Key Concepts:

- Impacts of Rent Control
- Inclusionary Zoning

Readings:

- Diamond, Rebecca (2018). "What Does Economic Evidence Tell Us About the Effects of Rent Control?" https://www.brookings.edu/research/what-does-economic-evidence-tell-us-about-the-effects-of-rent-control/
- Preston, Dean and Shanti Singh (2018). "Rent Control Works: A Response to Business School Professors' Misguided Attacks." Medium. https://medium.com/@tenantstogether/rent-control-works-a-response-to-business-school-professors-misguided-attacks-1305d9770ff7.
- Smith, Noah (2017). "Yep, Rent Control Does More Harm Than Good." *Bloomberg*. https://www.bloomberg.com/view/articles/2018-01-18/yup-rent-control-does-more-harm-than-good.
- Demsas, Jerusalem (2021). "I Changed My Mind on Rent Control." *Vox*. https://www.vox.com/22789296/housing-crisis-rent-relief-control-supply.
- Ramakrishnan, Kriti, Mark Treskon, and Solomon Greene (2019). "Inclusionary Zoning: What Does the Research Tell Us About the Effectiveness of Local

Action?" The Urban Institute. https://www.urban.org/sites/default/files/publication/99647/inclusionary_zoning._what_does_the_research_tell_us_about_the_effectiveness_of_local_action_2.pdf.

- Harris, Connor (2021). "Affordable Housing and the Dubious promise of Inclusionary Zoning." https://www.governing.com/community/affordable-housing-and-the-dubious-promise-of-inclusionary-zoning.

Discussed In Class (Not Assigned Reading)

- Autor, David, Cristopher Palmer, and Parag Pathak (2014). "Housing Market Spillovers: Evidence from the End of Rent Control in Cambridge, Massachusetts." Cato Research Briefs in Economic Policy. https://www.cato.org/publications/research-briefs-economic-policy/housing-market-spillovers-evidence-end-rent-control.
- Teitell, Beth (2014). "Boston Housing Lottery Offers Luxury at Low Cost." *The Boston Globe*. https://www.bostonglobe.com/lifestyle/style/2014/12/15/boston-housing-lottery-offers-luxury-low-cost/aAPOGUm4FwbvHExq27mDUM/story.html.
- Furman Center for Real Estate and Urban Policy (2008). "The Effects of Inclusionary Zoning on Local Housing Markets." https://furmancenter.org/files/publications/IZPolicyBrief.pdf.
- Dougherty, Conor (2023). "This Is Public Housing. Just Don't Call It That." *The New York Times*. https://www.nytimes.com/2023/08/25/business/affordable-housing-montgomery-county.html.

October 22 (14): Affordable Housing Wrap-Up

Key Concepts:

- What Is the Best Combination of Affordable Housing Policies?

Reading: None

October 24: No Class

October 29 (15): Student Presentations (please by on time and ready to present)

Reading: None

October 31 (16): Discrimination in the Housing and Mortgage Markets I

Key Concepts:

- History of Segregation and Discrimination in U.S. Housing
- Persistence of Redlining

Readings:

Note: The readings for this class are unusually long.

- Rothstein, Richard. *The Color of Law: A Forgotten History of How Our Government Segregated America*.
    - Preface, Ch. 1-6

Discussed In Class (Not Assigned Reading)

- CNN's "dot map" of racial segregation at https://edition.cnn.com/interactive/2021/us/census-race-ethnicity-map/
- Redlining Maps at https://dsl.richmond.edu/panorama/redlining.

- Badger, Emily. (2017). “How Redlining’s Racist Effects Lasted for Decades.” https://www.nytimes.com/2017/08/24/upshot/how-redlinings-racist-effects-lasted-for-decades.html.
- Rothstein, Ch. 7-Epilogue

November 5 (17): Discrimination in the Housing and Mortgage Markets II

Key Concepts:

- Theories of Segregation
- Assessing Mortgage Discrimination Today

Readings:

- Glaeser, Edward and Jacob Vigdor (2012). “The End of the Segregated Century: Racial Separation in America’s Neighborhoods, 1890-2010.” Manhattan Institute Civic Report #66. https://www.manhattan-institute.org/pdf/cr_66.pdf.
- Badger, Emily, Quoctrung Bui, and Robert Gebeloff (2019). “All-White Neighborhoods are Dwindling as America Grows More Diverse.” *The New York Times*. https://www.nytimes.com/2019/05/01/upshot/all-white-neighborhoods-are-dwindling-as-america-grows-more-diverse.html
- Boustan, Leah Platt (2018). “Racial Residential Segregation in American Cities” in *Handbook of Urban Economics and Planning*, Eds Nancy Brooks, Kieran Donaghy, and Gerrit Knapp. Oxford University Press. https://scholar.princeton.edu/sites/default/files/lboustan/files/research13_handbook.pdf. Read only pages 322-327.
- Glantz, Aaron and Emmanuel Martinez (2018). “For People of Color, Banks Are Shutting the Door to Homeownership.” Reveal. https://www.revealnews.org/article/for-people-of-color-banks-are-shutting-the-door-to-homeownership/.
- Turner, Margery Austin and Felicity Skidmore. “Introduction, Summary, and Recommendations” in *Mortgage Lending Discrimination: A Review of Existing Evidence*. The Urban Institute. 1-22 (Read Pages 1-15). https://www.urban.org/sites/default/files/publication/66151/309090-Mortgage-Lending-Discrimination.PDF.

November 6 Make Up Class (19): The Housing Finance System I

Key Concepts:

- Mortgages
- The U.S. Housing Finance System in Historical Context

Readings:

- Investopedia (2017). “Understanding the Mortgage Payment Structure.” http://www.investopedia.com/articles/pf/05/022405.asp. Also see http://www.investopedia.com/video/play/what-mortgage/ and play around with the mortgage calculator at https://www.mortgagecalculator.org/.
- Casselman, Ben (2023). “A 30-Year Trap: The Problem With America’s Weird Mortgages.” *The New York Times*. https://www.nytimes.com/2023/11/19/business/economy/30-year-mortgage.html.

November 7 (18): Taxes and Housing: The Home Mortgage Interest Deduction

Key Concepts:

- Tax progressivity and regressively, equity-efficiency tradeoff.
- Homeownership
- Home Mortgage Interest Deduction

Readings:

- Mankiw, *Principles of* Economics, Ch. 12.
- Yun, Lawrence and Nadia Evangelou (2016). "Social Benefits of Homeownership and Stable Housing." National Association of Realtors. https://realtoru.edu/wp-content/uploads/2014/06/Homeownership-Stable-Housing.pdf.
- Desmond, Mathew (2017). "How Homeownership Became the Engine of American Inequality." *New York Times Magazine*, May 9 2017. https://www.nytimes.com/2017/05/09/magazine/how-homeownership-became-the-engine-of-american-inequality.html.
- Rubin, Richard (2017). "Mortgage Interest Tax Break Has 'No Effect' on Homeownership, Study Finds." *The Wall Street Journal*. https://blogs.wsj.com/economics/2017/07/24/mortgage-interest-tax-break-has-no-effect-on-homeownership-study-finds/.
  Note: This is a blog post and not in the BU Library databases. If you cannot find it do not worry you can skip it.
- Tankersly, Jim and Ben Casselman (2019). "As Mortgage-Interest Deduction Vanishes, Housing Market Offers a Shrug." *The New York Times*. https://www.nytimes.com/2019/08/04/business/economy/mortgage-interest-deduction-tax.html.

November 12 (20): The Housing Finance System II / Understanding the Boom and Bust I

Key Concepts:

- What happened in the boom and bust

Readings:

- Weiss, N. Eric and Katie Jones (2017). "An Overview of the Housing Finance System in the United States." Congressional Research Service Report #R42995. https://fas.org/sgp/crs/misc/R42995.pdf
  Note: This reading is a bit technical (but short). This is one case where it pays off to learn the jargon. Please look at the glossary at the and make sure you understand the terms.
- Demos, Telis (2021). "How the American Mortgage Machine Works." *The Wall Street Journal*. https://www.wsj.com/articles/how-american-mortgage-machine-works-11609675200.
- Ip, Greg (2015). "What the 'Big Short' Movie Gets Right – and Wrong – about the Financial Crisis." *The Wall Street Journal*. https://www.wsj.com/articles/what-the-big-short-movie-gets-rightand-wrongabout-the-financial-crisis-1449843231
- Wallison, Peter J. (2016). "The Big Short." AEI. https://www.aei.org/publication/the-big-short/

November 14 (21): Housing Policy in Practice (Guest Speaker: Sheila Dillon, City of Boston)

Key Concepts:

- The U.S. Housing Finance and Its Institutions: Banks, Non-Bank Lenders, and the GSEs
- The U.S. Housing Finance System Compared to Other Countries'

Readings:

- City of Boston (2024). "Boston Housing Strategy 2025". https://drive.google.com/file/d/17Qi8U79tQETnSgEeuBMSoZjK4ooP-yMm/view. Read executive summary, skim the rest.
- City of Boston (2018). "Boston 2030: Housing a Changing City, 2018 Update." https://www.boston.gov/finance/housing-changing-city-boston-2030. Read executive summary, skim rest.
- Logan, Tim (2022). "Wu Launches Push to Expand Affordable Housing, Study Rent Control Rules". *The Boston Globe*. https://www.bostonglobe.com/2021/12/21/business/wu-launches-push-expand-affordable-housing-study-rent-control-rules/.
- Platoff, Emma (2023). "Facing Early Pushback, Michelle Wu Says Her Rent Control Proposal Strikes Proper Balance. *The Boston Globe*. https://www.bostonglobe.com/2023/01/20/metro/facing-early-pushback-michelle-wu-says-her-rent-control-proposal-strikes-proper-balance/.
- Carlock, Catherine (2023). "Wu Plan To Hike Affordable Housing Requirements Gets Praise, Pushback Ahead of Key Hearing." *The Boston Globe*. https://www.bostonglobe.com/2023/05/28/business/wu-plan-hike-affordable-housing-requirements-gets-praise-pushback-ahead-key-hearing.
- Carlock, Catherine (2023). "Wu's Rezoning Effort Gets First BPDA Approval." *The Boston Globe*. https://www.bostonglobe.com/2024/03/15/business/wu-zoning-bpda/.

November 19 (22): Understanding the Boom and Bust II

Key Concepts:

- The causes of the boom and bust

Readings:

- Holt, Jeff (2009). "A Summary of the Primary Causes of the Housing Bubble and the Resulting Credit Crisis: A Non-Technical Paper." *Journal of Business Inquiry* 8(1): 120-129. https://journals.uvu.edu/index.php/jbi/article/view/211/183.
- Foote, Christopher L. and Paul S. Willen (2016). "The Subprime Mortgage Crisis. *The New Palgrave Dictionary of Economics*. https://link-springer-com.ezproxy.bu.edu/referenceworkentry/10.1057/978-1-349-95121-5_2998-1.

November 26 (23): Foreclosure Mitigation Policy I

Key Concepts:

- Understanding Default
- Foreclosure Mitigation Policy
- Moral Hazard

Readings:

- Semuels, Alana (2017). "The Never-Ending Foreclosure." *The Atlantic*. https://www.theatlantic.com/business/archive/2017/12/the-neverending-foreclosure/547181/
- Gerardi, Kristopher S., Kyle Herkenhoff, Lee Ohanian, and Paul S. Willen. "The Causes of Mortgage Default: Ability to Pay Versus Negative Equity." VoxEU. https://voxeu.org/article/causes-mortgage-default.
- Parrott, Jim, Laurie Goodman, Karan Kaul, and Jun Zhu (2017). "How HARP Saved Borrowers Billions and Improve the Housing Finance System." The Urban Institute. https://www.urban.org/urban-wire/how-harp-saved-borrowers-billions-and-improved-housing-finance-system.
- Piskorski, Tomasz and Amit Seru (2017). "Lessons Learned from HAMP." Housing Wire. Posted on course website.
- Timiraos, Nick (2012). "Is Mortgage-Debt Forgiveness Worth the 'Moral Hazard'?" *The Wall Street Journal*. https://blogs.wsj.com/developments/2012/04/02/is-mortgage-debt-forgiveness-worth-the-moral-hazard/.

December 3 (24): Foreclosure Mitigation Policy II, Macroprudential Housing Policy and Regulation, and GSE Reform

Key Concepts:

- Regression Discontinuity Design
- Macroprudential Policy
- LTV vs. PTI
- Dodd Frank and Ability to Pay

Readings:

- Summary of Ganong and Noel (2018) on Course Website
- The Economist (2014). "What Macroprudential Regulation Is and Why It Matters." https://www.economist.com/the-economist-explains/2014/08/04/what-macroprudential-regulation-is-and-why-it-matters.
- Rappeport, Alan and Emily Flitter (2018). "Congress Approves First Big Dodd-Frank Rollback." *The New York Times*. https://www.nytimes.com/2018/05/22/business/congress-passes-dodd-frank-rollback-for-smaller-banks.html.
- Solomon, Steven Davidoff (2017). "Decade After Crisis, No Resolution for Fannie and Freddie." *The New York Times*. https://www.nytimes.com/2017/02/07/business/dealbook/decade-after-crisis-no-resolution-for-fannie-and-freddie.html.
- Eisen, Ben and Andrew Ackerman (2019). "How Fannie and Freddie Have Changed Since The Crisis." *The Wall Street Journal*. https://www.wsj.com/articles/how-fannie-and-freddie-have-changed-since-the-crisis-11567953001.

Papers Discussed in Class:

- Ganong, Peter and Pascal Noel (2018). "Liquidity vs. Wealth in Household Debt Obligations: Evidence from Housing Policy in the Great Recession." WP.

December 5 (25): Monetary Policy, Inflation, and the Mortgage Market

Key Concepts:

- Monetary Policy and Interest Rates
- Quantitative Easing
- Impact of Monetary Policy on Mortgage Market.

Readings:

- Krugman, Paul (1998). "Babysitting the Economy." Slate. https://slate.com/business/1998/08/baby-sitting-the-economy.html.
- Smialek, Jeanna (2022). "Inflation Has Arrived. Here's What You Need to Know." *The New York Times*. https://www.nytimes.com/article/inflation-definition.html.
- Stewart, Emily (2022). "America's Inflation Problem Is Weirdly Hard to Fix." Vox. https://www.vox.com/the-goods/22994731/inflation-rate-russia-gas-prices-jerome-powell.
- Smialek, Jeanna (2022). "Fed Confronts Why It May Have Acted Too Slowly on Inflation" *The New York Times*. https://www.nytimes.com/2022/05/10/business/economy/federal-reserve-inflation.html.
- The Economist Staff (2024). "Has Team Transitory Really Won America's Inflation Debate?" *The Economist*. https://www.economist.com/finance-and-economics/2024/01/10/has-team-transitory-really-won-americas-inflation-debate.
- Smialek, Jeanna (2024). "Fed Chair Powell Says There's No Need to 'Hurry' Rate Cuts." *The New York Times*. https://www.nytimes.com/2024/11/14/business/economy/fed-jerome-powell-rate-cuts.html.

December 10 (26): COVID-19 and Housing Policy and Conclusion

Final paper due, no reading.