

Wall Street and the Housing Bubble

Appendix B Supplemental Analysis

Ing-Haw Cheng, Sahil Raina, and Wei Xiong*

January 2014

* Cheng: Tuck School of Business, Dartmouth College, Hanover, NH 03755, email: ing-haw.cheng@tuck.dartmouth.edu, <http://www.dartmouth.edu/~icheng>; Raina: Ross School of Business, University of Michigan, Ann Arbor, MI 48109-1234, email: sraina@umich.edu, <http://webuser.bus.umich.edu/sraina>; Xiong: Department of Economics and Bendheim Center for Finance, Princeton University, Princeton, NJ 08540, e-mail: wxiong@princeton.edu, <http://www.princeton.edu/~wxiong>.

This appendix contains details and supplemental analyses discussed in the paper. Section B1 provides more descriptive statistics about our sample. Section B2 reports our main results using a logit model instead of OLS. Section B3 reports results for first home purchases. Section B4 analyzes details of second home purchases. Section B5 provides additional analyses regarding refinances. Section B6 examines divestitures and job losses. Section B7 describes the performance index in more detail. Section B8 describes the computation of portfolio value-to-income ratios. Section B9 describes whether securitization agents “lived happily ever after” in homes purchased during the 2004-2006 period.

B1. Descriptive statistics

Table B1 provides more details about the companies who employ our securitization agent sample, as well as the distribution of reported titles. Table B2 presents the geographical distribution of properties by census region as well as select metropolitan areas. The properties in our sample are plotted on a map in Figure B1.

Table B3 summarizes transaction prices each year. On an unconditional basis, average purchase prices are \$760K for securitization agents, \$1.032M for equity analysts, and \$485K for lawyers. Purchases tend to be most frequent in the 2004-2005 period for securitization agents and equity analysts.

However, examining annual purchase and sale activity is reduced form in that it masks the underlying choices of homeowners and non-homeowners. Table B4 breaks down purchases and sales by transaction type over the entire period 2000-2010. The number of purchase transactions exceeds the number of sale transactions, since a number of people may be still living in homes they purchased. The most common purchase type observed is buying a first home. Buying a second home and swapping a home for a more expensive one are the next most common purchases. Among sales, a sale involved in any type of swap is the most common transaction.¹

Table B5 reports the number of people contributing variation to the computation of transaction intensities each year, as noted in Section 4.1 of the paper.

B2. Non-linear models

¹ The total number of swap sales and swap purchases over 2000-2010 may not exactly match as there may be corresponding swap legs six months before and after this period.

Table B6 re-estimates equation (1) and the results in Table 4, where we substitute an indicator for whether or not a person divests a property instead of the number of divestitures as the left-hand side variable and use a logit model to estimate the conditional expectation function. We control for the same set of variables as in Table 4. We report both year-specific coefficients for the securitization group along with average marginal effects (the differential probability of a securitization agent divesting a house each year relative to an equity analyst or lawyer). Standard errors for average marginal effects are computed using the delta method. Table B7 analogously re-estimates the results in Table 5 of the paper.

B3. First home purchases

Table B8 presents regression-adjusted differences following the same specification as in equation (1) in the paper, replacing the left-hand side variable with the number of first home purchases, conditioning the panel each year to non-homeowners, and omitting the $MultiHO_{it}$ term as it does not apply to non-homeowners. Evidence of $\beta_t < 0$ during the 2004-2006 period would suggest cautiousness in these regressions. If anything, there are more first home purchases for securitization agents than equity analysts, particularly in 2006. Raw intensities are plotted in Figure B2.

B4. Second home purchases/swap-ups

Table B9 re-computes the annual intensity of buying a second home or swapping into more expensive homes, with intensities pooled across two-year intervals. Specifically, it estimates via OLS:

$$E[\#BuySecondOrSwapUp_{it} | HO_{it-1} = 1] \tag{B1}$$

$$= \alpha_{s(t)} + \beta_{s(t)} \times Securitization_i + \sum_{j=1}^7 \delta_j Age_j(i, t) + \lambda MultiHO_{it-1}.$$

The regression-adjusted differences are the $\beta_{s(t)}$ coefficients. Consistent with the results in the paper, we see stronger intensities for securitization analysts in the 2002-2003, 2004-2005, and 2006-2007 periods.

Table B10 examines whether second home purchases and swap-ups were more likely to occur in non-recourse states for securitization agents when compared to equity analysts. In this analysis, we condition on whether they already own a home in a non-recourse state in order to examine whether

agents consciously buy homes in a state with recourse status other than the one of their current state. This is to rule out any heterogeneity that may arise between the average initial recourse status of securitization agents and equity analysts. Specifically, if we let j index properties, we estimate the following equation using OLS among the sample of homes that were purchased as second homes:

$$\begin{aligned}
 E[NR_j | SecondHome_j = 1] & & (B2) \\
 &= \alpha_{s(Purchaseyear_j)} + \beta_{s(Purchaseyear_j)} \times SecuritizationOwner_j \\
 &+ \gamma OwnerHasNRProperty_{purchaseyear_j-1},
 \end{aligned}$$

where NR_j is an indicator for whether home j is in a non-recourse state, $SecuritizationOwner_j$ is whether the buyer is in the securitization sample, $purchaseyear_j$ is the year the property was purchased, and $OwnerHasNRProperty_{purchaseyear_j-1}$ is an indicator for whether the purchaser had existing property in a non-recourse state in the year prior to the purchase of the second home. We allow for time-varying coefficients in α and β , where $s(t)$ maps years t into bi-year groupings (2000-2001, 2002-2003, and so forth). The results indicate that securitization agents are no more likely to purchase homes in non-recourse states than recourse states.

Table B11 examines whether second home purchases were more likely to be condominiums for securitization agents relative to equity analysts. We first estimate the intensity of second-home condominium purchases, analogous to equation 1 in the text:

$$\begin{aligned}
 E[\#BuySecondHomeThatIsCondo_{it} | HO_{it-1} = 1] & & (B3) \\
 &= \alpha_{s(t)} + \beta_{s(t)} \times Securitization_i + \sum_{j=1}^7 \delta_j Age_j(i, t) + \lambda MultiHO_{it-1}.
 \end{aligned}$$

Panel A reports these intensities pooled across bi-year intervals and shows that the intensity was higher among securitization agents in the 2004-2005 period. By Bayes' rule, we would also expect the probability that a second home purchase is a condominium to be higher for securitization agents than equity analysts. We compute this differential probability by estimating the following using OLS:

$$\begin{aligned}
E[IsCondo_j | SecondHome_j = 1] & \qquad \qquad \qquad (B4) \\
& = \alpha_{s(Purchaseyear_j)} + \beta_{s(Purchaseyear_j)} \times SecuritizationOwner_j,
\end{aligned}$$

where j indexes properties, $IsCondo_j$ is an indicator for whether a property is a condominium as indicated on the deed, and $SecuritizationOwner_j$ is whether the buyer is in the securitization sample. The results in Panel B indicate that, conditional on a home being purchased as a second home in 2004-2005, the probability that it is a condominium is higher if the purchaser was a securitization agent.

Table B11 also examines the average distance to the property purchased as a second home and whether the distance was larger for securitization agents than equity analysts. We re-estimate equation (B4) but replace the left-hand side variable with the median distance to any existing property the buyer owns contemporaneously. The results show no significant difference in distance between securitization agents and equity analysts.

B5. Refinances

In this section, we investigate the loan amount for each refinance that we observe and compute the change in debt over the previous home loan. Depending on the type of refinance, this change in debt is either the difference between the loan amount of the refinance and the remaining debt in the existing mortgage, as in the case of a pure refinance of the primary mortgage, or the face value of the new debt, as in the case of add-on loans such as home equity loans, second mortgages, and home equity lines of credit.² If agents drew down their equity during the bubble period, debt should have increased.

The remaining debt on the existing mortgage is the present value of remaining payments discounted by the interest rate at issuance. However, we do not observe the interest rate for all homes. Out of the 2,304 financings between 2000 and 2010 for our sampled groups (1,836 purchase and refinances of primary mortgages and 468 add-on loans), we observe interest rate data for 264 finances. As a result, out of the 1,007 primary refinances between 2000 and 2010, we observe interest rate data on the *previous* loan for only 107 refinances. Instead, we use the benchmark interest rate that was prevailing when the previous loan was issued as a proxy for that loan's interest rate. Our benchmark rate for loans issued in

² To bias the results in favor of finding equity draw downs, we assume that the change in debt for a home equity line of credit equals the maximum credit limit. That is, we assume that agents draw down their entire credit line immediately.

1998 or later is the weekly national average 30-year jumbo rate, as reported in the BankRate surveys provided by Bloomberg from 1998 onwards. For mortgages issued prior to 1998, our benchmark rate is the average of the national 30-year conforming rate reported by lenders monthly to Freddie Mac for their Primary Mortgage Market Survey. We combine this information with the loan amount and time elapsed since the previous financing to calculate the present value of the payments remaining on the previous loan at the time of refinancing.

For each person who refinanced, we compute the total change in debt each year by summing the change in debt over all refinances occurring during that calendar year. Figure B3 plots the total change in debt each year for the average securitization agent and the average equity analyst who refinanced. Before 2005, the annual change is generally near zero for both groups, suggesting that both securitization agents and equity analysts maintain the same principal while taking advantage of falling interest rates. In 2005, the change in debt among equity analysts who refinanced remains near zero whereas that of securitization agents is somewhat positive. However, this difference between the two groups is not statistically significant.

B6. Job losses

By Bayes' rule, the expected number of divestitures in any year for homeowners securitization agents or equity analysts can be decomposed as:

$$E[\#Dvst_{it}] = E[\#Dvst_{it}|JL_{it} = 0] + (E[\#Dvst_{it}|JL_{it} = 1] - E[\#Dvst_{it}|JL_{it} = 0]) \times \Pr[JL_{it} = 1], \quad (B5)$$

where $\#Dvst_{it}$ is the number of divestitures for person i in year t , and JL_{it} is an indicator for whether a job loss was experienced for person i in year t . Each one of these expectations and probabilities is also conditioned to the subsample of homeowners, i.e., $HO_{it-1} = 1$, which we have omitted in notation for brevity. This equation makes clear that the divestiture intensity for any group is the sum of a baseline divestiture intensity among non-job-losers ($JL_{it} = 0$) and the difference in conditional expected divestitures between job-losers ($JL_{it} = 1$) and non-job-losers, where the latter is weighted by the probability of losing a job, $\Pr[JL_{it} = 1]$.

In order to operationalize this decomposition, we need to restrict our attention to the sub-sample of people for whom we can assess job outcomes using LinkedIn. Among people in LinkedIn, we code whether a person changed jobs every year to give us an estimate of $\Pr[JL_{it} = 1]$ for every year. These are plotted in Figure B4, while Table B12 reports the pooled job loss intensity over 2007 and 2008. Equity analysts actually experienced a higher average annual rate of job loss than securitization analysts, 25% versus 20%, during these two years. This is a marked increase over previous years for both groups.

The regression-adjusted difference reported in Table 4 in the paper represents the difference in the divestiture intensity between securitization agents and equity analysts; that is, it represents the left-hand side of equation (B5) for securitization agents minus the same for equity analysts. Within the LinkedIn sub-sample, the average annual intensity pooled across 2007 and 2008 for each group, as well as the difference between the two intensities, is reported in Table B12. We pool intensities in this way due to the small absolute number of divestitures observed in 2007 and 2008. Consistent with Table 4, this intensity is slightly higher for securitization agents than equity analysts.

We decompose this difference in intensities using equation (B5). Specifically, we can compute the right-hand side of equation (B5) for securitization agents and equity analysts, and then subtract two in order to decompose the difference. Specifically, we estimate the following equation via OLS within the annual panel of homeownership securitization agents and equity analysts in 2007-2008 for whom we have LinkedIn data:

$$E[\#Dvst_{it}] = \alpha + \beta JL_{it} + \gamma S_i + \delta (JL_{it} \times S_i),$$

where S_i is an indicator for whether person i is a securitization agent. Standard errors are clustered at the person-level. Estimates from this equation may be combined to give the decomposition in equation (B5) for each group. Specifically:

$$\begin{aligned} E[\#Dvst_{it} | JL_{it} = 0, S_i = 0] &= \alpha, \\ E[\#Dvst_{it} | JL_{it} = 0, S_i = 1] &= \alpha + \gamma, \\ E[\#Dvst_{it} | JL_{it} = 1, S_i = 0] &= \alpha + \beta, \\ E[\#Dvst_{it} | JL_{it} = 1, S_i = 1] &= \alpha + \beta + \gamma + \delta. \end{aligned}$$

The difference between these two groups can also be decomposed using these coefficients. Specifically:

$$\begin{aligned}
\gamma &= E[\#Dvst_{it}|JL_{it} = 0, S_i = 1] - E[\#Dvst_{it}|JL_{it} = 0, S_i = 0], \\
\gamma + \delta &= E[\#Dvst_{it}|JL_{it} = 1, S_i = 1] - E[\#Dvst_{it}|JL_{it} = 1, S_i = 0], \\
\delta &= (E[\#Dvst_{it}|JL_{it} = 1, S_i = 1] - E[\#Dvst_{it}|JL_{it} = 0, S_i = 1]) \\
&\quad - (E[\#Dvst_{it}|JL_{it} = 1, S_i = 0] - E[\#Dvst_{it}|JL_{it} = 0, S_i = 0]).
\end{aligned}$$

As in equation (B5), each one of these expectations is also conditioned on $HO_{it-1} = 1$, which we have omitted in notation for brevity.

Table B12 reports the results of this decomposition. Qualitatively, within job-losers, the intensity of divestiture among securitization agents minus the intensity for equity analysts is 0.051, while the same difference in intensities within non-job-losers was 0.013. Statistical significance is difficult to tease out due to the small absolute number of divestitures during this period. We check our results using total sales and find more statistically and economically significant results. In particular, the difference in sale intensity between securitization agent and equity analyst non-job-losers is 0.012, but is 0.115 within job-losers (and is statistically significant at the 5% level). The lack of difference among non-job-losers suggests that selling during this period was not related to market timing. Indeed, the significant difference between job-losers suggests that securitization job-losers were overextended relative to equity analyst job-losers.

The difference-in-difference is 0.104 and statistically significant at the 10% level. This indicates that the difference in selling intensity among securitization agent job-losers with that of equity analyst job-losers is statistically larger than the difference in selling intensity among securitization agent non-job-losers and equity analyst non-job-losers. This reinforces the idea that the difference in the overall divestiture and sale intensities between the two groups is related to a higher intensity of divestitures among job losers within the securitization agent group. This holds even though securitization agents lost slightly fewer jobs during this period.

B7. Performance Index

We begin by assuming time flows quarterly, and we mark the value of each house up or down every quarter from its actual observed purchase price and date in accordance with quarterly zip-code level home price indices from Case-Shiller. For houses that fall outside areas followed by Case-Shiller zip-

code indices, we use Case-Shiller county-level home price indices if available, followed by FHFA CBSA home price indices, followed by the national home price index as a last resort. This last case only arises for 51 houses out of 1,887 in our sample. If no purchase price is available, or if the purchase date falls before the first date that we have an available index value, we mark the value of each house in every quarter up or down from the sale price on the sale date, if the house has been sold. Failing this, we try to assign the value based on the purchase price and the first available home price index. When all else fails, we assign the initial value of the house as the median initial value of all houses within each group during the purchase quarter computed under the above method. As a robustness check, we also evaluate performance where we assign the value of each house in the initial quarter to be \$1, and results are similar, as reported in Tables B13 and B14.

Second, agents have access to a cash account which earns the risk-free rate. Specifically, cash is invested at the end of each quarter in a 3-month Treasury bill with yield equal to the observed 3-month T-bill yield, which we obtain from the Federal Reserve Board H.15 series.

Third, we endow each agent with enough cash to finance the entirety of their future purchases and thus abstract away from differences in leverage. We endow each agent with enough initial cash to cover all future transactions in the following way. We first compute the maximum amount of debt that each agent would incur over the entire period to finance their positions if each agent began with no cash. We then endow the agent with this amount of cash in a “second pass” from which we compute their trading performance. We endow agents who do not ever trade (and thus would issue zero debt) with the mean cash level of agents in their sample who do trade houses over this period.³ This approach essentially fully collateralizes all future trades and assumes that agents who do not trade earn the risk-free rate. We can easily assume that agents follow a given leverage policy into our framework although it only magnifies differences.

We then compute the value-weighted average dollar performance for each group by taking the weighted average of the performance index across individuals, weighting by the initial value of each individual’s portfolio. We test for value-weighted differences in performance by projecting the

³ For the within-securitization sub-sample analyses (Tables 8 and B14), we do not re-compute the initial cash levels for non-traders within each sub-sample to keep results strictly comparable to the results for the securitization group as a whole. The same comment applies to our assignment of initial purchase prices when they are missing. Re-computing the initial cash level for non-traders based on sub-sample averages and also re-computing purchase prices based on sub-sample averages during the period of purchase yield nearly equivalent results and are available from the authors.

performance index onto an indicator for the securitization group and indicators for the age categorizations using ordinary least squares in the cross-section of individuals, with sampling weights equal to their initial wealth and heteroskedasticity-robust standard errors. Due to the skewed nature of the distribution of initial wealth, we have experimented with winsorizing the distribution of initial wealth, as well as weighting by non-linear transformations such as the square root of wealth. Both exercises yield statistically and economically similar results. Not weighting at all and computing the average per-person performance yields qualitatively similar results although the differences are smaller. This suggests that, while per-person differences in performance were smaller between the two groups, dollar differences were larger.

The absolute magnitude of the performance index and portfolio returns may appear small relative to house price decreases experienced across the country (for example, those in Figure 1). For example, Table 7 reports a -7% portfolio return between 2006q4 and 2010q4 for securitization agents. It is important to note that this is a total portfolio return, and is thus not comparable to the housing returns reported in Figure 1, since the observed portfolios are not fully invested in housing. Giving each agent access to a cash account that earns the risk-free rate allows the agent to move cash in and out of housing investments and for us to compute the self-financing return to the entire portfolio. The relatively low -7% magnitude of the portfolio return reflects our conservative choice of endowing each person with enough cash to fully finance all future purchases at the initial starting date, which not only eliminates leverage in their houses, but implies that a substantial portion of their portfolio is earning the risk-free rate. For example, for the exercise in Table 7, the portfolio weight on housing in 2000q1 is only 25%.

In order to more realistically demonstrate the magnitude of potential portfolio returns, Table B15 re-calculates the portfolio evaluation exercise but only gives each agent half of what the exercise in Table 7 gives them. The gross return from 2006q4 through 2010q4 for the securitization agent group is now -17.5% instead of -7.5%. The performance index differential between securitization agents and equity analysts doubles from negative 2.74% to negative 5.48%. Note that, by construction, the statistical inference is identical, as the cash will act as a multiplier on the return differential.

B8. Portfolio value-to-income

The value-to-income ratios reported in Table 9 are computed by dividing the value of the purchased home by the income reported on the mortgage application. Another proxy for agents' expectations of

the persistence of their income is the portfolio value-to-income (PVTI) ratio at purchase, which divides the total value of all homes in a person's portfolio by their income. The idea is that a person's income must support the entire portfolio of homes owned rather than the only home that is being purchased.

To compute the PVTI ratio at each purchase, we mark the value of each house up or down from observed transaction prices as described in Section B7. We then compute the PVTI ratio for each purchase by totaling the marked value of all houses in a person's portfolio at the time of purchase and dividing it by the income reported on the mortgage application for the purchase. Table B16 reports the results and finds results consistent with those in Table 9 of the paper.

B9. 2004-2006 Purchasers

Table B17, Panel A reports the number of properties purchased during 2004-2006 and the number of purchasers for each group. Panel B reports the percentage of properties purchased in 2004-2006 remaining after each year starting in 2007 as well as the percentage of properties sold in each year. We find that, in the prime crisis years (2007 and 2008), securitization agents seem to sell off larger proportions of the initial stock of 2004-2006 purchases than either lawyers or equity analysts, as can be seen in Figure B5, which plots the percentage of properties bought during 2004-2006 still remaining each year. Panel C confirms this by showing that the intensity of sales of homes purchased during 2004-2006 was higher for the securitization group than for equity analysts and lawyers during the bust.

Figure B1: Property Locations

This figure displays the locations of properties collected in our sample.

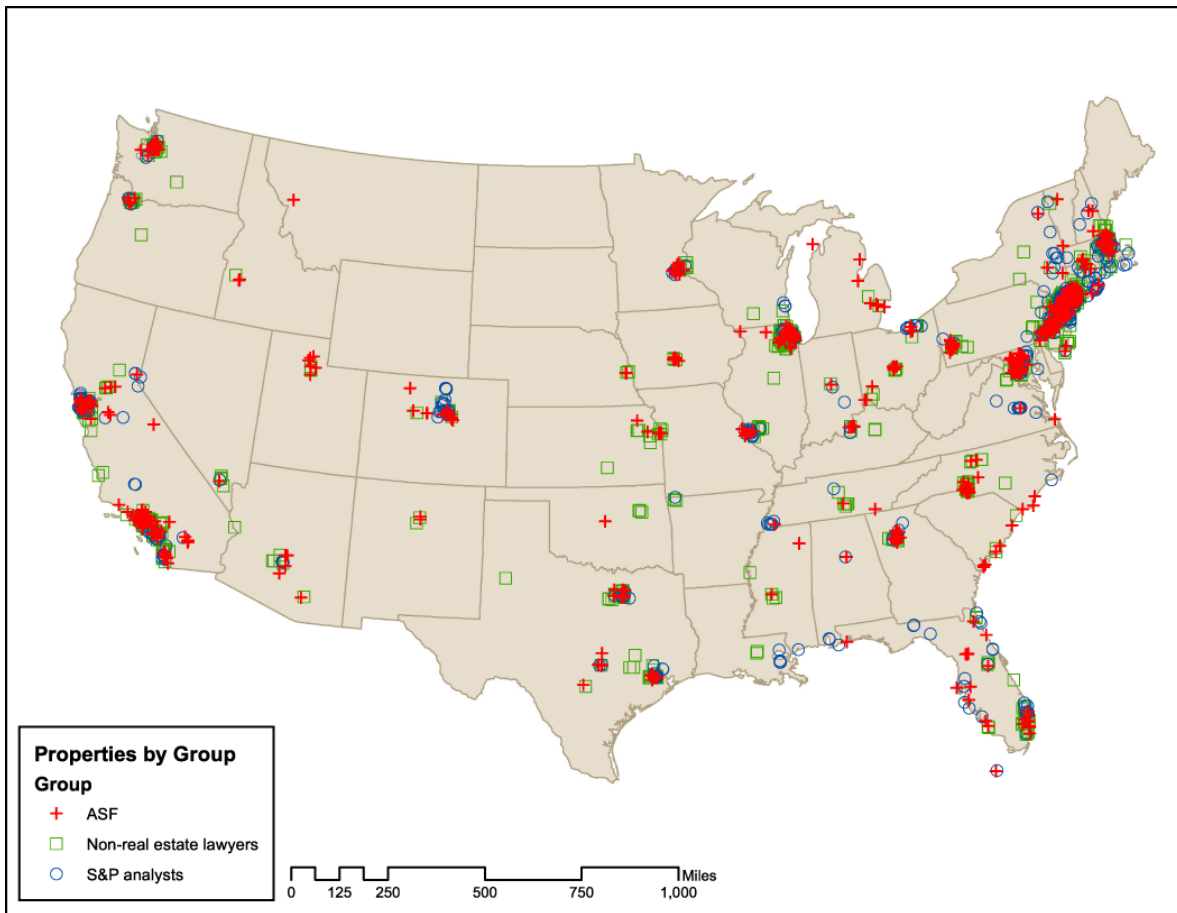


Figure B2: First Home Purchases

This figure plots the intensity of first home purchases, defined as the number of first home purchases per adjusted non-homeowner.

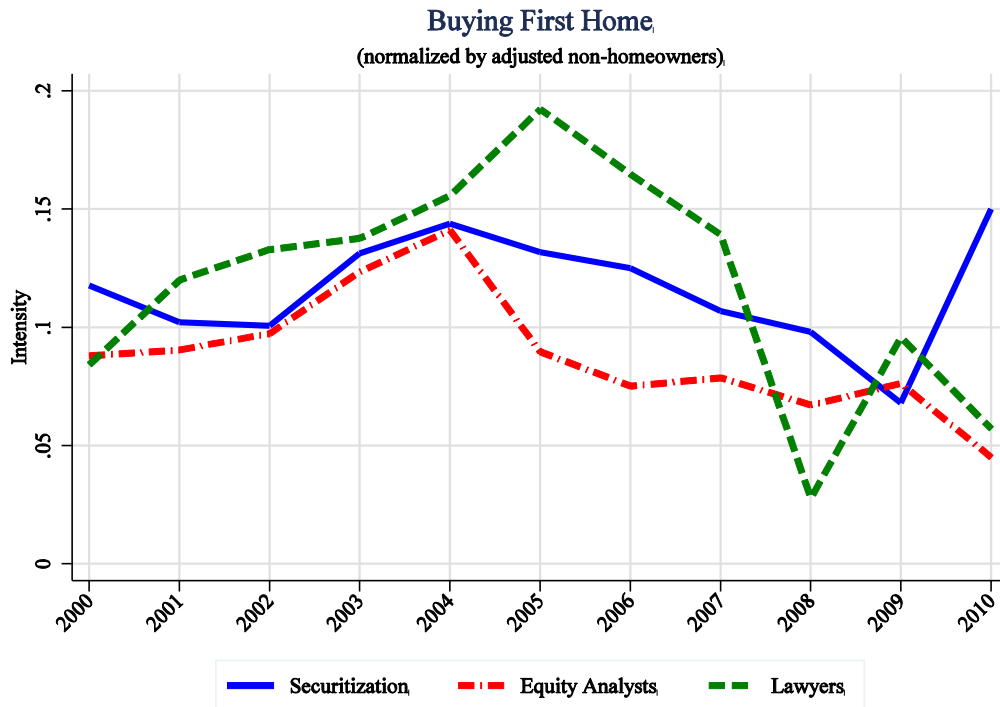


Figure B3: Change in Debt

This figure plots the change in debt for the average securitization agent and equity analyst who refinanced in a given year and the annual average national benchmark 30-year jumbo interest rate from BankRate through time.

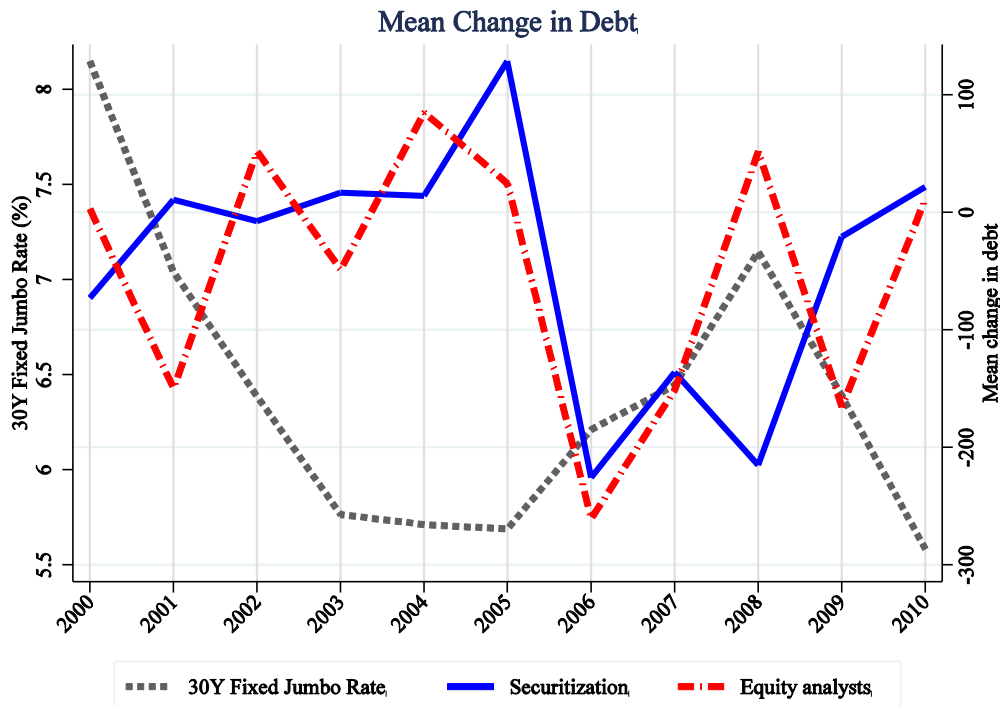


Figure B4: Job Loss Intensity

This figure plots the percentage of people in our LinkedIn sample every year who lose employment.

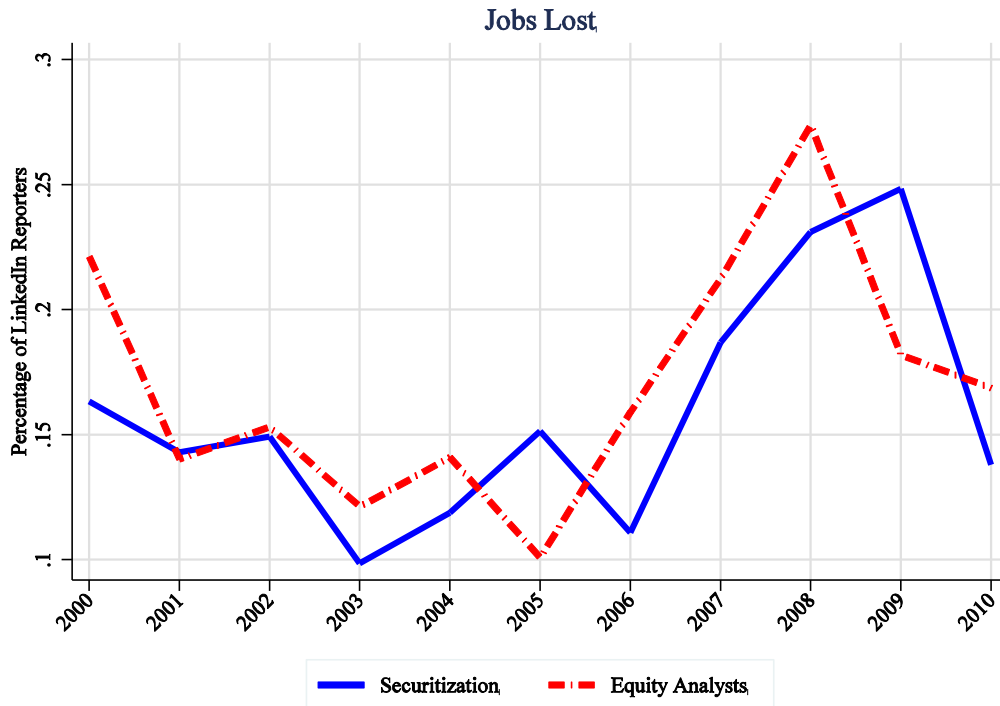


Figure B5: Properties Still Owned

This figure plots the percentage of properties purchased in 2004-2006 still owned at the end of each year. Note that a house bought in 2004 may be sold before 2006, hence the proportion is not 1 at the end of 2006.

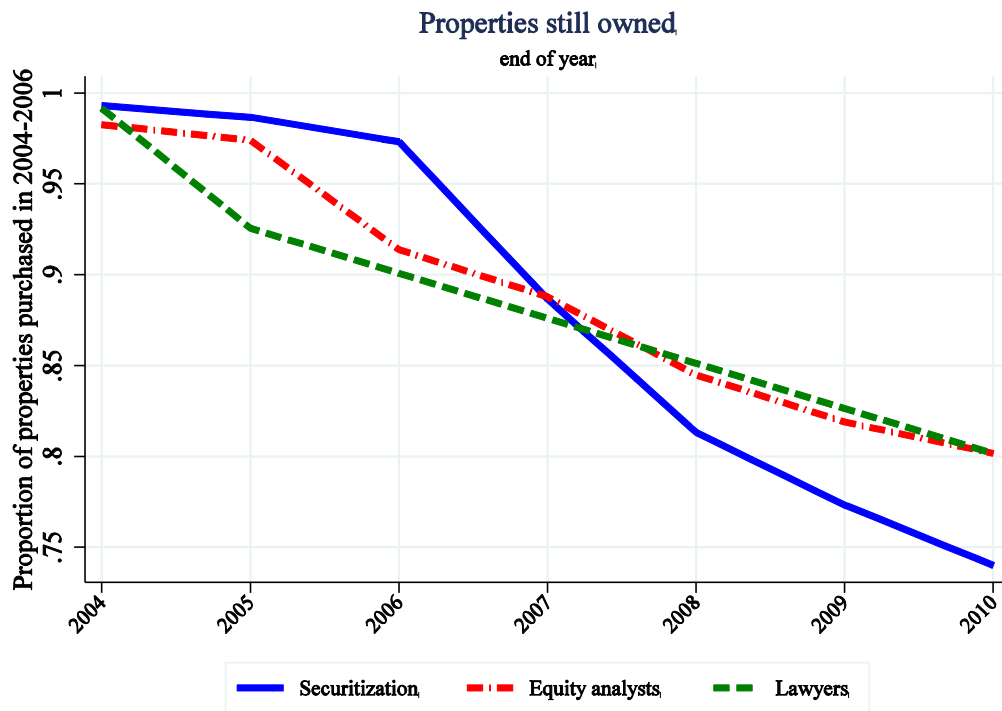


Table B1: Securitization Sample in Detail

Panel A lists the companies with the most number of people in-sample for the securitization group. Panel B lists the most common job titles broken down by whether they worked at a firm that was either a systemically-important financial institution (SIFI) or a firm otherwise important to the crisis. For our purposes, these firms are AIG, Bank of America, Bear Stearns, Citigroup, Countrywide, JP Morgan Chase, Lehman Brothers, Merrill Lynch, Morgan Stanley, Washington Mutual, Wachovia, Barclays, Deutsche Bank, HSBC, UBS, Credit Suisse, and Mellon Bank.

Panel A: Companies with Most People In-Sample

| Rank | Company | People | Rank | Company | People |
|-------------------|-------------------|--------|-----------------------------|-----------------|--------|
| 1 | Wells Fargo | 27 | 6 | Lehman Brothers | 9 |
| 2 | Washington Mutual | 23 | 7 | Merrill Lynch | 9 |
| 3 | Citigroup | 16 | 8 | Deutsche Bank | 9 |
| 4 | JP Morgan Chase | 14 | 9 | Countrywide | 9 |
| 5 | AIG | 12 | 10 | UBS | 9 |
| Distinct firms | | 176 | Total people at SIFI+ firms | | 183 |
| matched with CRSP | | 65 | | | |

Panel B: Most Common Positions In-Sample

| Title | People | |
|-----------------------|-------------|-------------|
| | SIFI+ Firms | Other Firms |
| Vice President | 49 | 38 |
| Senior Vice President | 27 | 31 |
| Managing Director | 20 | 19 |
| Director | 14 | 22 |
| Portfolio Manager | 11 | 18 |

Table B2: Geographical Distribution of Properties

This table provides summary statistics for properties owned anytime over 2000-2010. Panel A presents the distribution of addresses associated with people in our sample. Panel B presents the distribution of properties across select metropolitan areas. New York is the New York-Newark Bridgeport, NY-NJ-CT-PA combined statistical area (CSA). Southern California is a combination of Los Angeles-Long Beach-Riverside, CA CSA and San Diego-Carlsbad-San Marcos, CA Metropolitan Statistical Area. Chicago is the Chicago-Naperville-Michigan City, IL-IN-WI CSA. Boston is the Boston-Worcester-Manchester, MA-RI-NH CSA. Philadelphia is the Philadelphia-Camden-Vineland, PA-NJ-DE-MD CSA. CSA definitions follow the 2009 definitions issued by the Office of Management and Budget (OMB).

Panel A: Regional Distribution of Properties Owned, 2000-2010

| Region | Securitization | Equity Analysts | Lawyers |
|--------------------|----------------|-----------------|---------|
| Pacific | 20.77% | 14.74% | 18.88% |
| Mountain | 4.60% | 4.47% | 4.27% |
| West North Central | 5.49% | 4.30% | 3.45% |
| East North Central | 11.42% | 7.62% | 13.46% |
| West South Central | 4.01% | 4.80% | 6.57% |
| East South Central | 2.23% | 2.32% | 2.13% |
| South Atlantic | 17.51% | 14.40% | 13.96% |
| Middle Atlantic | 24.33% | 34.60% | 24.96% |
| New England | 9.64% | 12.75% | 12.32% |
| N | 674 | 604 | 609 |

Panel B: Geographical Distribution Over Select Metro Areas

| Region | Securitization | Equity Analysts | Lawyers |
|---------------------|----------------|-----------------|---------|
| New York | 22.10% | 35.90% | 22.30% |
| Southern California | 10.20% | 4.60% | 9.50% |
| Chicago | 7.90% | 4.80% | 8.50% |
| Boston | 4.50% | 5.00% | 7.60% |
| Philadelphia | 3.30% | 1.70% | 3.40% |

Table B3: Purchase and Sale Prices

Panel A tabulates the mean purchase price for each group, by year. Panel B tabulates sale prices. The price is reported in December 2006 CPI-adjusted thousands. For non-securitization groups, t-statistics associated with a t-test of the null hypothesis that the securitization minus other group purchase price equals zero are reported in brackets. The N is the number of transactions that year for which price data are recorded. */**/** represent significant at the 10%, 5% and 1% level, respectively.

Panel A: Purchases, 2000-2010

| | Securitization | | Equity Analysts | | | Lawyers | | |
|-------|----------------|-----|-----------------|------------|-----|---------------|-----------|-----|
| | Average Price | N | Average Price | t-test | N | Average Price | t-test | N |
| 2000 | 608.452 | 37 | 754.516 | [-0.18] | 28 | 474.104 | [2.33]** | 42 |
| 2001 | 729.292 | 35 | 726.526 | [-0.87] | 37 | 450.314 | [2.70]*** | 31 |
| 2002 | 596.727 | 44 | 1170.028 | [-2.02]** | 35 | 539.254 | [2.98]*** | 41 |
| 2003 | 726.655 | 43 | 1107.795 | [-1.16] | 36 | 604.740 | [1.92]* | 32 |
| 2004 | 884.875 | 48 | 1040.285 | [-1.12] | 37 | 389.941 | [2.82]*** | 25 |
| 2005 | 832.367 | 50 | 900.978 | [-0.39] | 33 | 620.050 | [1.21] | 11 |
| 2006 | 839.914 | 35 | 1219.286 | [-2.74]*** | 28 | 481.322 | [1.24] | 19 |
| 2007 | 710.430 | 38 | 1462.951 | [-1.14] | 28 | 581.926 | [0.65] | 12 |
| 2008 | 1058.662 | 24 | 982.886 | [-0.84] | 20 | 434.139 | [-0.12] | 24 |
| 2009 | 765.496 | 17 | 1368.498 | [-2.94]*** | 19 | 419.357 | [0.35] | 32 |
| 2010 | 672.762 | 21 | 420.699 | [1.26] | 17 | 452.179 | [-0.40] | 37 |
| Total | 761.671 | 392 | 1032.381 | [-4.44]*** | 318 | 485.620 | [6.34]*** | 306 |

Panel B: Sales, 2000-2010

| | Securitization | | Equity Analysts | | | Lawyers | | |
|-------|----------------|-----|-----------------|------------|-----|---------------|-----------|-----|
| | Average Price | N | Average Price | t-test | N | Average Price | t-test | N |
| 2000 | 461.745 | 18 | 562.526 | [0.38] | 13 | 442.264 | [-0.99] | 18 |
| 2001 | 621.176 | 21 | 593.738 | [-2.27]** | 22 | 457.431 | [2.04]** | 11 |
| 2002 | 349.436 | 24 | 761.172 | [-3.36]*** | 18 | 640.984 | [-0.55] | 25 |
| 2003 | 373.989 | 23 | 1117.023 | [-0.89] | 18 | 560.362 | [1.04] | 13 |
| 2004 | 930.717 | 28 | 912.672 | [-1.75]* | 20 | 281.496 | [2.83]*** | 13 |
| 2005 | 511.399 | 25 | 552.369 | [1.19] | 18 | 521.604 | [1.08] | 12 |
| 2006 | 869.612 | 20 | 819.162 | [-1.43] | 18 | 331.857 | [1.94]* | 8 |
| 2007 | 545.398 | 27 | 1563.257 | [-1.70]* | 11 | 344.658 | [1.70] | 8 |
| 2008 | 765.359 | 26 | 612.594 | [1.03] | 11 | 291.972 | [0.88] | 8 |
| 2009 | 834.771 | 15 | 1014.542 | [-0.56] | 14 | 390.387 | [-0.58] | 10 |
| 2010 | 827.492 | 11 | 405.211 | [0.40] | 9 | 360.582 | [1.14] | 19 |
| Total | 633.742 | 238 | 794.762 | [-2.28]** | 172 | 446.368 | [3.08]*** | 145 |

Table B4: Transaction Types

We tabulate the number of purchases (Panel A) and sale transactions (Panel B) across all samples over the period 2000-2010, with transaction types defined in the text.

Panel A: Purchase Transactions, 2000-2010

| | Securitization | | Equity Analysts | | Lawyers | |
|------------------------------|----------------|----------|-----------------|----------|---------|----------|
| | Count | Fraction | Count | Fraction | Count | Fraction |
| Buy a First Home | 176 | 40.27% | 158 | 42.93% | 155 | 43.66% |
| Buy a Second Home | 117 | 26.77% | 121 | 32.88% | 121 | 34.08% |
| Swap Up Purchases | 101 | 23.11% | 58 | 15.76% | 63 | 17.75% |
| Swap Down Purchases | 19 | 4.35% | 12 | 3.26% | 8 | 2.25% |
| Swap Purchase- Missing Price | 24 | 5.49% | 19 | 5.16% | 8 | 2.25% |
| Total | 437 | | 368 | | 355 | |

Panel B: Sale Transactions, 2000-2010

| | Securitization | | Equity Analysts | | Lawyers | |
|--------------------------|----------------|----------|-----------------|----------|---------|----------|
| | Count | Fraction | Count | Fraction | Count | Fraction |
| Divest Last Home | 59 | 13.50% | 44 | 11.96% | 32 | 9.01% |
| Divest Second Home | 66 | 15.10% | 72 | 19.57% | 60 | 16.90% |
| Swap Up Sale | 100 | 22.88% | 59 | 16.03% | 62 | 17.46% |
| Swap Down Sale | 19 | 4.35% | 13 | 3.53% | 9 | 2.54% |
| Swap Sell- Missing Price | 22 | 5.03% | 19 | 5.16% | 8 | 2.25% |
| Total | 266 | | 207 | | 171 | |

Table B5: Number of Homeowners and Non-Homeowners

We tabulate the number of homeowners (HO), adjusted homeowners, adjusted non-homeowners and adjusted multiple-homeowners for the different samples. Adjusted homeowners are people eligible to buy a second home or swap a home during the year. Adjusted non-homeowners are people eligible to purchase a first home during the year. Adjusted multiple homeowners are people eligible to divest a second home during the year. Note that the number of adjusted homeowners plus adjusted non-homeowners may be greater than the number of people in the sample. Panel A includes all people in-sample. Panel B includes people with age information.

Panel A: Full Sample

| Year | Securitization | | | | Equity Analysts | | | | Lawyers | | | |
|-----------------|----------------|-------------|---------------|------------------|-----------------|-------------|---------------|------------------|---------|-------------|---------------|------------------|
| | Adj. HO | Adj. Non-HO | Adj. Multi-HO | Fraction Adj. HO | Adj. HO | Adj. Non-HO | Adj. Multi-HO | Fraction Adj. HO | Adj. HO | Adj. Non-HO | Adj. Multi-HO | Fraction Adj. HO |
| | 2000 | 222 | 204 | 47 | 0.555 | 199 | 227 | 53 | 0.498 | 227 | 190 | 45 |
| 2001 | 236 | 186 | 46 | 0.590 | 210 | 210 | 64 | 0.525 | 246 | 175 | 55 | 0.615 |
| 2002 | 248 | 169 | 52 | 0.620 | 227 | 195 | 71 | 0.568 | 265 | 158 | 66 | 0.663 |
| 2003 | 264 | 160 | 56 | 0.660 | 242 | 178 | 73 | 0.605 | 281 | 138 | 71 | 0.703 |
| 2004 | 277 | 146 | 71 | 0.693 | 260 | 163 | 82 | 0.650 | 298 | 122 | 68 | 0.745 |
| 2005 | 290 | 129 | 78 | 0.725 | 270 | 145 | 89 | 0.675 | 316 | 104 | 80 | 0.790 |
| 2006 | 302 | 112 | 78 | 0.755 | 278 | 133 | 89 | 0.695 | 324 | 91 | 77 | 0.810 |
| 2007 | 312 | 103 | 83 | 0.780 | 286 | 127 | 91 | 0.715 | 332 | 79 | 79 | 0.830 |
| 2008 | 313 | 102 | 82 | 0.783 | 290 | 119 | 91 | 0.725 | 332 | 72 | 78 | 0.830 |
| 2009 | 308 | 103 | 77 | 0.770 | 295 | 118 | 92 | 0.738 | 335 | 73 | 83 | 0.838 |
| 2010 | 315 | 100 | 79 | 0.788 | 296 | 111 | 91 | 0.740 | 337 | 70 | 85 | 0.843 |
| Distinct people | 336 | 235 | 171 | 0.840 | 313 | 242 | 162 | 0.783 | 355 | 208 | 156 | 0.888 |
| with age | 328 | 216 | 169 | 0.820 | 305 | 227 | 161 | 0.763 | 347 | 200 | 153 | 0.868 |

Table B5, Continued

Panel B: Sample with Age Information

| Year | Securitization | | | | Equity Analysts | | | | Lawyers | | | |
|-----------------|----------------|--------|----------|----------|-----------------|--------|----------|----------|---------|--------|----------|----------|
| | Adj. | Adj. | Adj. | Fraction | Adj. | Adj. | Adj. | Fraction | Adj. | Adj. | Adj. | Fraction |
| | HO | Non-HO | Multi-HO | Adj. HO | HO | Non-HO | Multi-HO | Adj. HO | HO | Non-HO | Multi-HO | Adj. HO |
| 2000 | 220 | 185 | 47 | 0.550 | 195 | 212 | 53 | 0.488 | 223 | 183 | 45 | 0.558 |
| 2001 | 234 | 167 | 46 | 0.585 | 205 | 195 | 64 | 0.513 | 241 | 169 | 54 | 0.603 |
| 2002 | 245 | 150 | 52 | 0.613 | 221 | 180 | 70 | 0.553 | 259 | 152 | 65 | 0.648 |
| 2003 | 260 | 141 | 56 | 0.650 | 236 | 161 | 71 | 0.590 | 275 | 132 | 70 | 0.688 |
| 2004 | 271 | 126 | 69 | 0.678 | 253 | 146 | 80 | 0.633 | 290 | 115 | 67 | 0.725 |
| 2005 | 284 | 109 | 77 | 0.710 | 262 | 129 | 87 | 0.655 | 305 | 97 | 76 | 0.763 |
| 2006 | 294 | 92 | 77 | 0.735 | 265 | 117 | 86 | 0.663 | 308 | 82 | 74 | 0.770 |
| 2007 | 301 | 83 | 82 | 0.753 | 271 | 111 | 86 | 0.678 | 313 | 71 | 74 | 0.783 |
| 2008 | 301 | 84 | 80 | 0.753 | 274 | 103 | 86 | 0.685 | 312 | 65 | 72 | 0.780 |
| 2009 | 294 | 84 | 73 | 0.735 | 279 | 102 | 86 | 0.698 | 312 | 66 | 76 | 0.780 |
| 2010 | 294 | 80 | 75 | 0.735 | 280 | 95 | 86 | 0.700 | 313 | 64 | 77 | 0.783 |
| Distinct people | 328 | 216 | 169 | 0.820 | 305 | 227 | 161 | 0.763 | 347 | 200 | 153 | 0.868 |

Table B6: Divesting Houses, Logit Model

We report the coefficients and average marginal effects of the securitization group indicator from estimating equation (1) using a logit model instead of OLS, substituting an indicator for whether or not an individual divested a house as the left-hand side variable instead of the number of divestitures per person. The first two columns use the equity analyst group as a control group, while the second set of columns use the lawyers. We control for the eight age groups defined in Table 1 as well as an indicator for whether someone is a multi-homeowner at the start of the year, and the sample period is 2000-2010. The number of people in-sample each year is the number of homeowners at the beginning of each year for the two groups that are compared. T-statistics computed from person-clustered standard errors are reported in brackets below each coefficient. Standard errors for average marginal effects are computed using the delta method. */**/** represents statistically significant at the 10%, 5%, and 1% levels, respectively.

| Year | Securitization Minus: | | | |
|--------------|-----------------------|----------------------|---------------------|----------------------|
| | Equity Analysts | | Lawyers | |
| | Coefficients | Avg Marginal Effects | Coefficients | Avg Marginal Effects |
| 2000 | -0.123 [-0.27] | -0.006 [-0.27] | 0.930 [1.54] | 0.026 [1.60] |
| 2001 | 0.061 [0.13] | 0.002 [0.13] | 0.675 [1.18] | 0.018 [1.19] |
| 2002 | -0.025 [-0.05] | -0.001 [-0.05] | 0.349 [0.71] | 0.012 [0.71] |
| 2003 | -0.041 [-0.10] | -0.002 [-0.10] | 0.440 [0.92] | 0.015 [0.91] |
| 2004 | -0.143 [-0.34] | -0.006 [-0.34] | 0.092 [0.20] | 0.003 [0.20] |
| 2005 | -0.360 [-0.72] | -0.011 [-0.72] | -0.716 [-1.51] | -0.023 [-1.54] |
| 2006 | -0.129 [-0.28] | -0.004 [-0.28] | 0.431 [0.80] | 0.010 [0.81] |
| 2007 | 0.609 [1.34] | 0.022 [1.38] | 0.773 [1.64] | 0.025 [1.68]* |
| 2008 | 0.590 [1.44] | 0.026 [1.46] | 0.602 [1.46] | 0.025 [1.47] |
| 2009 | 0.910 [1.81]* | 0.029 [1.88]* | 1.380 [2.39]** | 0.035 [2.52]** |
| 2010 | 0.171 [0.30] | 0.004 [0.30] | -0.206 [-0.41] | -0.005 [-0.41] |
| Multi-HO? | 1.327 [9.66]*** | | 1.525 [10.48]*** | |
| Age Effects? | Y | | Y | |
| N | 5739 | | 6149 | |
| Pseudo R2 | 0.059 | | 0.076 | |
| People | 633 | | 675 | |

Table B7: Buying a Second Home or Swapping Up, Logit Model

We report the coefficients and average marginal effects of the securitization group indicator from estimating equation (1) using a logit model instead of OLS, substituting an indicator for whether or not bought a second home or swapped into a more expensive house as the left-hand side variable instead of the number per person. The first two columns use the equity analyst group as a control group, while the second set of columns use the lawyers. We control for the eight age groups defined in Table 1 as well as an indicator for whether someone is a multi-homeowner at the start of the year, and the sample period is 2000-2010. The number of people in-sample each year is the number of homeowners at the beginning of each year for the two groups that are compared. T-statistics computed from person-clustered standard errors are reported in brackets below each coefficient. Standard errors for average marginal effects are computed using the delta method. */**/** represents statistically significant at the 10%, 5%, and 1% levels, respectively.

| Year | Securitization Minus: | | | |
|--------------|-----------------------|----------------------|---------------------|----------------------|
| | Equity Analysts | | Lawyers | |
| | Coefficients | Avg Marginal Effects | Coefficients | Avg Marginal Effects |
| 2000 | 0.419 [0.84] | 0.017 [0.84] | -0.288 [-0.61] | -0.012 [-0.61] |
| 2001 | 0.306 [0.72] | 0.016 [0.71] | 0.323 [0.71] | 0.013 [0.70] |
| 2002 | 1.335 [3.33]*** | 0.079 [3.44]*** | 0.884 [2.23]** | 0.049 [2.25]** |
| 2003 | 0.433 [1.08] | 0.023 [1.08] | -0.217 [-0.57] | -0.011 [-0.58] |
| 2004 | 0.616 [1.71]* | 0.037 [1.70]* | 0.816 [2.02]** | 0.039 [2.08]** |
| 2005 | 1.001 [2.89]*** | 0.063 [2.98]*** | 0.467 [1.39] | 0.028 [1.40] |
| 2006 | 0.530 [1.41] | 0.027 [1.41] | 0.048 [0.13] | 0.002 [0.13] |
| 2007 | 0.476 [1.33] | 0.026 [1.34] | 0.510 [1.34] | 0.023 [1.36] |
| 2008 | 0.259 [0.60] | 0.010 [0.60] | 0.578 [1.15] | 0.016 [1.17] |
| 2009 | -0.091 [-0.19] | -0.003 [-0.19] | -0.595 [-1.25] | -0.018 [-1.28] |
| 2010 | -0.203 [-0.44] | -0.007 [-0.44] | 0.036 [0.07] | 0.001 [0.07] |
| Multi-HO? | 5.204 [15.09]*** | | 5.666 [14.46]*** | |
| Age Effects? | Y | | Y | |
| N | 5739 | | 6149 | |
| Pseudo R2 | 0.379 | | 0.421 | |
| People | 633 | | 675 | |

Table B8: Buying a First Home

The first three columns tabulate the number of first home purchases per non-homeowner for each group, by year. T-statistics from a two-sample test of differences in means with the securitization sample are reported each group-year for the two control groups. The next two columns report regression-adjusted differences in the number of first home purchases per person each year, where we control for the eight age groups defined in Table 1. The number of people in-sample each year is the number of non-homeowners at the beginning of each year for the two groups that are compared, and the sample period is 2000-2010. T-statistics computed from person-clustered standard errors are reported in brackets below each difference. */**/** represents statistically significant at the 10%, 5%, and 1% levels, respectively.

| Year | First home purchases per person | | | Regression-Adjusted Difference | |
|------|---------------------------------|--------------------|------------------|--------------------------------|-------------------|
| | Securitization | Equity Analysts | Lawyers | Setzn. minus: | |
| | | | | Equity Analysts | Lawyers |
| 2000 | 0.118 | 0.088 [1.01] | 0.084 [1.10] | 0.036 [1.16] | 0.048 [1.49] |
| 2001 | 0.102 | 0.090 [0.39] | 0.120 [-0.54] | 0.022 [0.68] | -0.010 [-0.29] |
| 2002 | 0.101 | 0.097 [0.10] | 0.133 [-0.91] | 0.004 [0.13] | -0.031 [-0.82] |
| 2003 | 0.131 | 0.118 [0.36] | 0.138 [-0.16] | 0.016 [0.38] | 0.003 [0.07] |
| 2004 | 0.144 | 0.141 [0.07] | 0.156 [-0.27] | 0.012 [0.26] | -0.004 [-0.08] |
| 2005 | 0.132 | 0.090 [1.11] | 0.192 [-1.26] | 0.065 [1.46] | -0.045 [-0.83] |
| 2006 | 0.125 | 0.075 [1.31] | 0.165 [-0.80] | 0.077 [1.75]* | -0.013 [-0.25] |
| 2007 | 0.107 | 0.079 [0.73] | 0.139 [-0.66] | 0.030 [0.68] | -0.029 [-0.55] |
| 2008 | 0.098 | 0.067 [0.83] | 0.028 [1.81]* | 0.062 [1.43] | 0.083 [2.01]** |
| 2009 | 0.068 | 0.076 [-0.24] | 0.096 [-0.67] | 0.008 [0.19] | -0.013 [-0.27] |
| 2010 | 0.150 | 0.045 [2.63]*** | 0.057 [1.90]* | 0.132 [2.76]*** | 0.109 [2.11]** |
| | | | Age Indicators? | Y | Y |
| | | | N | 2852 | 2497 |
| | | | R-Squared | 0.019 | 0.021 |
| | | | People | 443 | 416 |

Table B9: Buying a Second Home or Swapping Up, Pooled Intensities

The first three columns tabulate the number of second home/swap up purchases per homeowner for each group, where intensities have been pooled into two-year groupings. T-statistics from a two-sample test of differences in means with the securitization sample are reported each group-year other than the securitization group. The next two columns report regression-adjusted differences estimated in equation B1 in the number of second home/swap up purchases per person each year, where we control for the eight age groups defined in Table 1 as well as an indicator for whether someone is a multi-homeowner at the start of the year. The number of people in-sample each year is the number of homeowners at the beginning of each year for the two groups that are compared, and the sample period is 2000-2010. T-statistics computed from person-clustered standard errors are reported in brackets below each difference. */**/** represents statistically significant at the 10%, 5%, and 1% levels, respectively.

| Year | Second home/swap up purchases per person | | | Regression-Adjusted Difference | |
|-----------|--|------------------|----------|--------------------------------|------------|
| | Securitization | Equity Analysts | Lawyers | Equity Analysts | Lawyers |
| 2000-2001 | 0.059 | 0.071 | 0.057 | 0.010 | 0.001 |
| | | [-0.69] | [0.12] | [0.64] | [0.09] |
| 2002-2003 | 0.096 | 0.077 | 0.082 | 0.044 | 0.019 |
| | | [1.00] | [0.73] | [2.56]** | [1.17] |
| 2004-2005 | 0.109 | 0.075 | 0.068 | 0.052 | 0.036 |
| | | [1.85]* | [2.30]** | [3.26]*** | [2.24]** |
| 2006-2007 | 0.080 | 0.066 | 0.055 | 0.033 | 0.017 |
| | | [0.88] | [1.66]* | [2.07]** | [1.13] |
| 2008-2009 | 0.035 | 0.041 | 0.036 | 0.012 | -0.005 |
| | | [-0.51] | [-0.05] | [0.95] | [-0.41] |
| 2010 | 0.029 | 0.044 | 0.030 | -0.002 | -0.002 |
| | | [-1.02] | [-0.08] | [-0.10] | [-0.14] |
| | | Multi-homeowner? | | 0.246 | 0.262 |
| | | | | [19.84]*** | [18.06]*** |
| | | Age Indicators? | | Y | Y |
| | | N | | 5739 | 6149 |
| | | R-Squared | | 0.182 | 0.201 |
| | | People | | 633 | 675 |

Table B10: Purchases in Non-Recourse States

This table reports coefficients from a transaction-level regression of an indicator of whether a purchase was in a non-recourse state as the left-hand side variable on time-specific indicators for whether the purchase was made by a securitization agent as well as whether the purchaser already owned property in a non-recourse state, as in equation B2, where the control group is purchases made by equity analysts. T-statistics computed from person-clustered standard errors are reported in brackets below each coefficient. */**/** represents statistically significant at the 10%, 5%, and 1% levels, respectively.

| | Second home and swap-ups | | Second home only | |
|------------|--------------------------|-------------------|---------------------|-------------------|
| Purch. Yr. | $\alpha(s(t))$ | $\beta(s(t))$ | $\alpha(s(t))$ | $\beta(s(t))$ |
| 2000-2001 | N/A | 0.136 [1.45] | N/A | 0.071 [0.88] |
| 2002-2003 | 0.025 [0.38] | 0.078 [1.16] | 0.025 [0.27] | 0.161 [1.73]* |
| 2004-2005 | 0.063 [0.81] | 0.080 [1.01] | 0.070 [0.67] | 0.031 [0.32] |
| 2006-2007 | 0.060 [1.09] | 0.016 [0.22] | 0.065 [0.87] | 0.017 [0.23] |
| 2008-2009 | 0.155 [1.94]* | -0.046 [-0.53] | 0.193 [1.81]* | -0.094 [-0.81] |
| 2010 | -0.064 [-0.67] | 0.126 [1.36] | -0.045 [-0.39] | 0.125 [1.17] |
| γ | 0.671 [11.88]*** | | 0.700 [10.04]*** | |
| Constant | 0.011 [0.22] | | -0.005 [-0.07] | |
| Purchases | 397 | | 238 | |
| R-squared | 0.466 | | 0.503 | |
| People | 274 | | 180 | |

Table B11: Second Homes and Condominiums

Panel A reports the intensity of second home purchases that are condominiums and the regression-adjusted difference in intensity across securitization and equity analyst groups using equation B3. Panel B reports estimates of the difference in the conditional probability that a purchase is a condominium, conditional on the purchase being a second-home purchase, across purchases made by securitization and equity analyst groups, by estimating equation B4, as well as the expected distance in miles to the second home. For both panels, t-statistics computed from person-clustered standard errors are reported in brackets below each coefficient. */**/** represents statistically significant at the 10%, 5%, and 1% levels, respectively.

Panel A: Intensity of Second-Home Condo Purchase

| | Sctzn. Minus Equity Analyst |
|------------------|-----------------------------|
| Year | $\beta(s(t))$ |
| 2000-2001 | -0.005 [-1.03] |
| 2002-2003 | 0.006 [1.17] |
| 2004-2005 | 0.012 [2.36]** |
| 2006-2007 | -0.003 [-0.58] |
| 2008-2009 | -0.002 [-0.93] |
| 2010 | 0.004 [0.73] |
| Multi-homeowner? | 0.020 [5.47]*** |
| Age Indicators? | Y |
| N | 5739 |
| R-Squared | 0.017 |
| People | 633 |

Table B11, Continued

Panel B: Conditional Expectations

| Purch. Yr. | E[IsCondo SecondHome=1] | | E[Distance SecondHome=1] | |
|------------|---------------------------|-------------------|----------------------------|---------------------|
| | $\alpha(s(t))$ | $\beta(s(t))$ | $\alpha(s(t))$ | $\beta(s(t))$ |
| 2000-2001 | N/A | -0.071 [-0.51] | N/A | -294.021 [-1.49] |
| 2002-2003 | -0.102 [-0.99] | 0.110 [1.04] | -140.948 [-0.70] | -63.629 [-0.42] |
| 2004-2005 | -0.147 [-1.59] | 0.184 [2.27]** | -261.352 [-1.32] | 57.714 [0.46] |
| 2006-2007 | 0.018 [0.14] | -0.135 [-1.23] | -289.930 [-1.64] | 101.527 [0.93] |
| 2008-2009 | -0.064 [-0.55] | -0.118 [-1.47] | -250.883 [-1.19] | 91.210 [0.45] |
| 2010 | -0.057 [-0.39] | 0.125 [0.63] | -472.694 [-2.84]*** | 269.116 [1.47] |
| Constant | 0.182 [2.11]** | | 507.003 [3.06]*** | |
| Purchases | 238 | | 238 | |
| R-squared | 0.051 | | 0.035 | |
| People | 180 | | 180 | |

Table B12: Job Losses

Panel A decomposes the annual intensity of divestiture in the 2007-2008 period into divestitures related and unrelated to job losses. Panel B decomposes the intensity for sales. The sample is composed of people who report information in LinkedIn, and the data is structured into a panel of homeowners in 2007 and 2008. Estimates are computed by combining OLS coefficients from equation B5. T-statistics are clustered at the person level. */**/** denotes significant at the 10%, 5%, and 1% levels, respectively.

| Panel A: Divestitures | | | | | | |
|------------------------------|----------|----------|---------------|---------------|------------|---------------|
| | E[#Dvst] | Pr[JL=1] | E[#Dvst JL=0] | E[#Dvst JL=1] | Difference | N |
| Securitization | 0.053 | 0.203 | 0.041 | 0.098 | 0.057 | 449 |
| Equity Analyst | 0.033 | 0.255 | 0.028 | 0.047 | 0.019 | 330 |
| Difference | 0.020 | -0.052 | 0.013 | 0.051 | 0.038 | Total People: |
| | [1.40] | [-1.77]* | [0.90] | [1.31] | [0.90] | 399 |
| Panel B: Sales | | | | | | |
| | E[#Sale] | Pr[JL=1] | E[#Sale JL=0] | E[#Sale JL=1] | Difference | N |
| Securitization | 0.096 | 0.203 | 0.073 | 0.187 | 0.114 | 449 |
| Equity Analyst | 0.064 | 0.255 | 0.061 | 0.071 | 0.010 | 330 |
| Difference | 0.032 | -0.052 | 0.012 | 0.115 | 0.104 | Total People: |
| | [1.71]* | [-1.77]* | [0.57] | [2.33]** | [1.91]* | 399 |

Table B13: Performance Index, Equally-Weighted Initial Prices

Panel A presents summary statistics for the performance index where the initial value per home is \$1. Averages per person are reported while standard deviations are reported below in parentheses. Panel B reports average performance and regression-adjusted differences in performance weighted by the initial portfolio value. Regression-adjusted differences are the coefficient on an indicator for the securitization group in a person-level cross-sectional regression of the dependent variable indicated in first column of the row on a securitization group indicator and indicators for age controls, with samplings weights equal to the initial portfolio value and robust standard errors reported in brackets. ***/*** denotes statistically significant at the 10%, 5% and 1% levels, respectively.

Panel A: Summary Statistics

| | Securitization | | Equity Analysts | | Lawyers | |
|---------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2000q1 | 2010q4 | 2000q1 | 2010q4 | 2000q1 | 2010q4 |
| Number of properties per person | 0.603 (0.693) | 1.020 (0.766) | 0.590 (0.799) | 0.993 (0.809) | 0.652 (0.727) | 1.095 (0.817) |
| Value of properties | 0.603 (0.693) | 1.550 (1.230) | 0.590 (0.799) | 1.572 (1.321) | 0.652 (0.727) | 1.668 (1.305) |
| Cash account | 1.653 (1.195) | 1.437 (1.163) | 1.744 (1.094) | 1.611 (1.173) | 1.505 (1.227) | 1.214 (1.121) |
| Portfolio value | 2.256 (1.186) | 2.987 (1.492) | 2.334 (1.028) | 3.183 (1.439) | 2.157 (1.235) | 2.882 (1.628) |
| Housing portfolio weight | 0.303 (0.341) | 0.538 (0.311) | 0.275 (0.340) | 0.498 (0.331) | 0.348 (0.356) | 0.595 (0.291) |
| Number of people | 400 | | 400 | | 400 | |

Panel B: Performance, 2000q1-2010q4

| | Means and Std. Devs. | | | Reg.Adj. Differences | |
|--------------------------|----------------------|---------------------|--------------------|----------------------|-------------------|
| | Sctzn. | Equity | | Sctzn. minus: | |
| | | Analysts | Lawyers | Equity Analysts | Lawyers |
| Return | 0.324 (0.184) | 0.364 (0.186) | 0.336 (0.209) | -0.048 [-3.34]*** | -0.007 [-0.44] |
| Buy-and-hold return | 0.364 (0.125) | 0.379 (0.131) | 0.369 (0.136) | -0.023 [-2.47]** | -0.000 [-0.05] |
| Performance index | -0.0395 (0.142) | -0.0154 (0.131) | -0.0334 (0.144) | -0.025 [-2.25]** | -0.007 [-0.52] |
| Return, 2006q4-2010q4 | -0.0733 (0.114) | -0.0514 (0.0998) | -0.0872 (0.123) | -0.019 [-2.34]** | 0.009 [0.92] |
| N | 400 | 400 | 400 | 766 | 770 |
| R-squared on perf. index | | | | 0.022 | 0.018 |

Table B14: Within-Securitization Performance Index, Equally-Weight Initial Prices

This table reports average performance and regression-adjusted differences in performance within subgroups of the securitization sample weighted by the initial portfolio value, and where the initial home value is assigned to be \$1. Regression-adjusted differences are the coefficient on an indicator for the securitization group in a person-level cross-sectional regression of the dependent variable indicated in first column of the row on a securitization group indicator and indicators for age controls, with samplings weights equal to the initial portfolio value and robust standard errors reported in brackets. ***/*** denotes statistically significant at the 10%, 5% and 1% levels, respectively.

Panel A: Sell-side vs. Buy-side

| | Means and SDs | | Reg.Adj Diff. |
|--------------------------|--------------------|--------------------|---------------------|
| | Sell-side | Buy-side | Sell-Buy |
| Return | 0.300 (0.191) | 0.341 (0.178) | -0.044 [-2.00]** |
| Buy-and-hold return | 0.351 (0.128) | 0.373 (0.123) | -0.026 [-1.97]** |
| Performance index | -0.0508 (0.165) | -0.0316 (0.124) | -0.018 [-0.95] |
| Return, 2006q4-2010q4 | -0.0911 (0.124) | -0.0609 (0.105) | -0.024 [-1.90]* |
| N | 161 | 239 | 379 |
| R-squared on perf. index | | | 0.016 |

Panel B: Worst and Best Performing Firms

| | Means and Std. Devs. | | Reg.Adj Diff. |
|--------------------------|----------------------|--------------------|---------------------|
| | Worst | Best | Worst-Best |
| Return | 0.292 (0.192) | 0.338 (0.167) | -0.030 [-0.99] |
| Buy-and-hold return | 0.356 (0.141) | 0.351 (0.110) | 0.018 [0.83] |
| Performance index | -0.0639 (0.171) | -0.0128 (0.120) | -0.048 [-1.76]* |
| Return, 2006q4-2010q4 | -0.0890 (0.100) | -0.0541 (0.105) | -0.039 [-2.54]** |
| N | 103 | 77 | 174 |
| R-squared on perf. index | | | 0.048 |

Table B15: Performance Index with 50% Initial Cash

Panel A presents summary statistics for the performance index exercise where we give each person 50% of the baseline amount of cash described in the text. Averages per person are reported while standard deviations are reported below in parentheses. Dollar amounts are in nominal thousands. Panel B reports average performance and regression-adjusted differences in performance weighted by the initial portfolio value. Regression-adjusted differences are the coefficient on an indicator for the securitization group in a person-level cross-sectional regression of the dependent variable indicated in first column of the row on a securitization group indicator and indicators for age controls, with samplings weights equal to the initial portfolio value and robust standard errors reported in brackets. */**/** denotes statistically significant at the 10%, 5% and 1% levels, respectively.

Panel A: Summary Statistics

| | Securitization | | Equity Analysts | | Lawyers | |
|---------------------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|
| | 2000q1 | 2010q4 | 2000q1 | 2010q4 | 2000q1 | 2010q4 |
| Number of properties per person | 0.603 (0.693) | 1.020 (0.766) | 0.590 (0.799) | 0.993 (0.809) | 0.652 (0.727) | 1.095 (0.817) |
| Value of properties | 236.8 (390.2) | 751.2 (893.8) | 308.2 (568.7) | 992.2 (1210.1) | 191.1 (282.0) | 522.6 (522.4) |
| Cash account | 305.6 (436.4) | -20.08 (583.1) | 425.8 (622.8) | 28.23 (769.2) | 139.6 (266.7) | -57.36 (369.7) |
| Portfolio value | 542.4 (518.0) | 731.1 (942.2) | 733.9 (607.0) | 1020.4 (897.0) | 330.7 (274.5) | 465.2 (489.8) |
| Housing portfolio weight | 0.512 (0.631) | 1.109 (0.660) | 0.490 (0.654) | 1.005 (0.684) | 0.643 (0.690) | 1.232 (0.656) |
| Number of people | 400 | | 400 | | 400 | |

Panel B: Performance, 2000q1-2010q4

| | Means and Std. Devs. | | | Reg.Adj. Differences | |
|--------------------------|----------------------|--------------------|--------------------|----------------------|-------------------|
| | Sctzn. | Equity Analysts | Lawyers | Sctzn. minus: | |
| | | | | Equity Analysts | Lawyers |
| Return | 0.348 (0.395) | 0.390 (0.339) | 0.407 (0.443) | -0.089 [-2.63]*** | -0.053 [-1.08] |
| Buy-and-hold return | 0.423 (0.240) | 0.430 (0.232) | 0.447 (0.279) | -0.034 [-1.72]* | -0.017 [-0.75] |
| Performance index | -0.0755 (0.293) | -0.0397 (0.227) | -0.0396 (0.291) | -0.055 [-2.19]** | -0.036 [-1.02] |
| Return, 2006q4-2010q4 | -0.175 (0.181) | -0.127 (0.156) | -0.182 (0.186) | -0.042 [-3.01]*** | 0.001 [0.08] |
| N | 400 | 400 | 400 | 766 | 770 |
| R-squared on perf. index | | | | 0.033 | 0.034 |

Table B16: Portfolio Value-to-Income

This table presents average portfolio value-to-income (PVTI) at purchase in three periods for each group. We first average PVTI from purchases observed within each person-period before averaging across people to obtain an average PVTI per purchaser for each period. Row A tests whether the boom minus pre-boom difference in averages was positive by projecting person-level income onto an indicator for the boom period in a two-period panel of person-level income. Row B tests whether the difference in difference is significant across groups. Standard errors are clustered at the person level. */**/** denotes significant at the 10%, 5%, and 1% levels, respectively.

| | | PVTI | | |
|--|------------|-------------|-----------------|---------|
| | | Sctzn. | Equity Analysts | Lawyers |
| Pre-Boom period (2000-2003) | Mean | 3.9 | 3.7 | 3.7 |
| | Median | 3.5 | 3.3 | 3.3 |
| | SD | 2.1 | 2.4 | 1.7 |
| | People | 67 | 62 | 50 |
| Boom period (2004-2006) | Mean | 4.8 | 4.6 | 4.4 |
| | Median | 4.2 | 3.8 | 3.8 |
| | SD | 2.7 | 3.2 | 2.8 |
| | People | 80 | 52 | 50 |
| Bust period (2007-2010) | Mean | 3.9 | 4.9 | 4.6 |
| | Median | 3.4 | 3.6 | 3.7 |
| | SD | 2.5 | 3.6 | 2.9 |
| | People | 63 | 54 | 44 |
| A) Boom-PreBoom | Point Est. | 0.884 | 0.925 | 0.649 |
| | t-stat | [2.23]** | [1.72]* | [1.45] |
| | N | 147 | 114 | 100 |
| | R2 | 0.032 | 0.027 | 0.020 |
| B) DID Sctzn. minus Control | Point Est. | | -0.0407 | 0.235 |
| | t-stat | | [-0.061] | [0.39] |
| | N | | 261 | 247 |
| | R2 | | 0.032 | 0.032 |

Table B17: 2004-2006 Purchasers

This table provides details on the differences between groups in the sales of properties purchased in the years 2004 through 2006. Panel A provides the number of properties purchased by each group in 2004-2006 and the number of people that purchased properties in 2004-2006. Panel B provides a year-by-year breakdown of what percentage of the properties purchased in 2004-2006 by each group were sold and what percentage are remaining. Panel C tabulates the intensities of sales by each group during the crisis period. For non-securitization groups, t-statistics associated with a t-test of the null hypothesis that the difference in sale intensity with the securitization group equals zero are reported in brackets. */**/** represent significant at the 10%, 5% and 1% level, respectively.

Panel A: Sample sizes

| Sample | Securitization | Equity Analysts | Lawyers |
|---|----------------|-----------------|---------|
| Number of properties purchased in 2004-2006 | 150 | 116 | 121 |
| Number of people who purchased in 2004-2006 | 134 | 105 | 109 |

Panel B: Percent of properties purchased in 2004-2006 sold, by year

| Year | Securitization | | Equity Analysts | | Lawyers | |
|------|----------------|-------------|-----------------|-------------|---------|-------------|
| | % sold | % remaining | % sold | % remaining | % sold | % remaining |
| 2007 | 8.67% | 88.67% | 2.59% | 88.79% | 2.48% | 87.60% |
| 2008 | 7.33% | 81.33% | 4.31% | 84.48% | 2.48% | 85.12% |
| 2009 | 4.00% | 77.33% | 2.59% | 81.90% | 2.48% | 82.64% |
| 2010 | 3.33% | 74.00% | 1.72% | 80.17% | 2.48% | 80.17% |

Panel C: Sale intensity during the bust (2007-2009)

| Statistic | Securitization | Equity Analysts | Lawyers |
|---|----------------|--------------------|---------------------|
| Sales of 2004-2006 properties per purchaser | 0.2239 | 0.1048 [2.37]** | 0.0826 [2.85]*** |