LEE SELTZER

Curriculum Vitae *(Updated November 2024)*
Federal Reserve Bank of New York, 33 Liberty St, New York, NY 10045
Lee.Seltzer@ny.frb.org

EMPLOYMENT

Federal Reserve Bank of New York *August 2021 - Present*
Financial Economist

EDUCATION

The University of Texas at Austin *2015 - May 2021*
Ph.D. in Finance

Rutgers University *2009 - 2013*
B.A. in Economics (Highest Honors), History
Minor in Mathematics
Summa Cum Laude

RESEARCH AREAS

Real Estate, Corporate Finance, Climate Finance

PUBLICATIONS

Effects of Financing Constraints on Maintenance Investments in Rent-Stabilized Apartments
Journal of Financial Intermediation, July 2024

This paper studies whether financing constraints adversely affect renters by reducing maintenance. Consistent with a sensitivity of maintenance to financial resources, housing code violations increased after a change in the law that effectively decreased cash flows available to maintain some rent-stabilized buildings in New York City. The effect is most severe when financing constraints are present. Moreover, results of panel regressions using a dataset of 45 cities obtained with Freedom of Information Act (FOIA) requests are consistent with a hypothesis that buildings with higher LTV ratio mortgages have more code violations. Together, the results provide evidence that financing constraints reduce maintenance, an outcome that exacerbates the unintended consequences of rent control.

WORKING PAPERS

Climate Regulatory Risks and Corporate Bonds
with Laura Starks and Qifei Zhu
Revise and Resubmit, Journal of Financial Economics

Investor and policymaker concerns about climate risks suggest these risks should affect the risk assessment and pricing of corporate securities, particularly for firms facing stricter regulatory enforcement. Using corporate bonds, we find support for this hypothesis. Employing a shock to expected climate regulations, we show climate regulatory risks causally affect bond credit ratings and spreads. A structural credit model indicates the increased spreads for high carbon issuers, especially those located in stricter regulatory environments, are driven by changes in firms' asset volatilities rather than asset values, highlighting that regulatory uncertainty affects security pricing. The results have important implications for policy-making.

U.S. Banks' Exposures to Climate Transition Risks
with Hyeyoon Jung and Joao Santos

We build on the estimated sectoral effects of climate transition policies from the general equilibrium models of Jorgenson et al. (2018), Goulder and Hafstead (2018), and NGFS (2022a) to investigate U.S. banks' exposures to transition risks. Our results show that while banks' exposures are meaningful, they are manageable. Exposures vary by model and policy scenario with the largest estimates coming from the NGFS (2022a) disorderly transition scenario, where the average bank exposure reaches 9 percent as of 2022. Banks' exposures increase with the stringency of a carbon tax policy but tend to benefit from a corporate or capital tax cut redistribution policy relative to a lump sum dividend. Also, banks' exposures increase, although not dramatically in stress scenarios. For example, according to Jorgenson et al. (2018), banks' exposures range from 0.5—3.5 percent as of 2022. Assuming that loans to industries in the top two deciles most affected by the transition policy lose their entire value, banks' exposures would increase to 12—14 percent. Finally, there is a downward trend in banks' exposures to the riskiest industries, which appears to be at least in part due to banks gradually reducing funding to these industries.

Clustering in Natural Disaster Losses
with Jacob Kim-Sherman

In contrast with findings in climate science, economists often treat losses from natural disasters as statistically independent of one another. To better incorporate scientific insights into economic research, we introduce a methodology to identify spatial and temporal clusters in datasets on losses from natural disasters. We find that expected damage increases non-linearly with relative cluster size. Additionally, county-level damage is correlated with the damage experienced by other counties in the same cluster. Our findings suggest that accounting for clustering allows for a more complete understanding of the economic consequences of natural disasters.

SELECTED WORKS-IN-PROGRESS

Household Spending and Credit Under Usury Limits
with Rajashri Chakrabarti, Dan Garcia, Don Morgan and Sarah Zebar

OTHER

Is Your Apartment Breaking Because Your Landlord is Broke?
New York Fed Liberty Street Economics

How Exposed Are U.S. Banks' Loan Portfolios to Climate Transition Risks?
with Hyeyoon Jung and Joao Santos
New York Fed Liberty Street Economics

Flood Risk and Firm Location Decisions in the Fed's Second District
with Oliver Hannaoui, Hyeyoon Jung and Joao Santos
New York Fed Liberty Street Economics

PRESENTATIONS

2019:
Conferences: UNPRI Academic Network Conference*
Seminars: University of Texas at Austin

2020:
Conferences: McCombs PhD Student Symposium, ABFC, ABFC PhD Forum
Seminars: University of Texas at Austin

2021:
Conferences: AFA, AFA PhD Poster Session, ASSA-AREUEA PhD Poster Session, Conference on Financial Market Regulation*, UEA
Seminars: Stevens Institute of Technology, AREUEA Virtual Seminar Series, Copenhagen Business School, FRB-Chicago, FRB-New York, FRB-Philadelphia, University of Oxford, Cal State Fullerton, Washington State University, OCC

2022:
Conferences: SFS Cavalcade
Seminars: ESSEC-Amundi Chair Webinar

2023:
Conferences: AREUEA-ASSA, IE University-Banco de Espana-St. Louis Fed Conference, OCC Symposium on Emerging Risks in the Banking System, Fed System Climate Meeting*, IFABS Oxford, Stanford Institute for Theoretical Economics (SITE) 2023* NY-Fed/Columbia Conference on Environmental Economics
Seminars: Cleveland Fed, Baruch

2024:
Conferences: IBEFA-ASSA*, Fed System Equitable Growth Conference*, Banca d'Italia Embedding Sustainability in Credit Risk Assessment Conference*, Addressing Climate Change Data Needs: The Global Debate and Central Banks' Contribution, Western Economic Association International*, American Bank Conference in Development Economics†, NYC Metro Real Estate Conference†, INFORMS Annual Meeting†, EFA Annual Meeting, Fed System Regional Growth Conference, CEAR-RSI Household Finance Conference†

2025:
Conferences: AREUEA-ASSA†,*

* is presented by coauthor, † is scheduled

SELECTED FELLOWSHIPS AND AWARDS

The N. S. and Dorothy H. Marrow Scholarship, University of Texas at Austin	*2018-2019*
Dolley's Award, University of Texas at Austin	*2017*
DSG Tuition Scholarship, University of Texas at Austin	*2016-2017*
Graduate School Recruiting Fellowship, University of Texas at Austin	*2015*
Henry Rutgers Award for Outstanding Undergraduate Thesis, Rutgers University	*2013*

TEACHING EXPERIENCE

Instructor for Business Finance,	*Summer 2018*
Investment Management – TA for Sam Kruger,	*Fall 2017 - 2020*
ESG Investment – TA for Laura Starks,	*Spring 2019 - 2021*
Introduction to Philanthropy – TA for Laura Starks,	*Spring 2019 - 2020*
PhD Empirical Asset Pricing – TA for John Griffin,	*Fall 2017*
Valuation – TA for Robert Parrino,	*Spring 2015 - 2016*

Money and Capital Markets – TA for Tim Landvoigt, *Fall 2015 - 2016*
Guest Lecture, Credit Risk, Viral Acharya, NYU Shanghai, *January 2023*
Guest Lecture, Credit Risk and Bankruptcy, Viral Acharya, NYU, *Spring 2023*

PROFESSIONAL SERVICE

Conference Program Committee: PRI Academic Network Conference 2024 Program Committee

Conference Session Chair: UEA 2021 Session Chair

Referee: *Journal of Financial Intermediation*, *Journal of Empirical Finance*, *Review of Corporate Finance Studies*, *Review of Asset Pricing Studies*, *Financial Analysts Journal*, *SIAM Journal of Financial Mathematics*, *Journal of Corporate Finance*, *Journal of Banking & Finance*, *Nature Climate Change*, *Journal of Financial Research*, *Finance Research Letters*, and *Journal of International Financial Markets, Institutions & Money*

Discussant: 2023 CEBRA, New York Fed/ECB NBFI Workshop, 2023 SFS Cavalcade, 2022 Fed System Committee on Regional Analysis Meeting, OCC Symposium on Climate Risk in Banking & Finance, UEA 2021, ABFC 2020

Other: National Science Foundation (NSF) Grant Proposal Reviewer

OTHER WORK EXPERIENCE

Mack-Cali Realty Corporation, Finance Analyst *2013-2015*

VOLUNTEER WORK

Infinity Tomorrow, Treasurer *2018-present*
Financial Literacy Coalition of Central Texas, Instructor *2017-2018*