

Discussion of “Writing Quality and Soft Information in the GenAI Age: Evidence from Online Credit Markets” (Cong, Guo, Zhao, Zhou)

Byoung-Hyoun Hwang (NTU)

May, 2026

What does this paper argue and find?

GenAI turns writing into a weaker signal

“I am a good candidate for this loan because I am preparing for a future business so it is imperative that I get reed of these high intrest debts and stop making the credit card companies rich...”

ChatGPT
rewrite

“I present myself as an ideal candidate for this loan, as my unwavering commitment to fiscal responsibility is evident. With the vigor of an entrepreneur striving to secure a prosperous future, I am determined to eliminate these burdensome debts...”

Immediate effect: applications look better

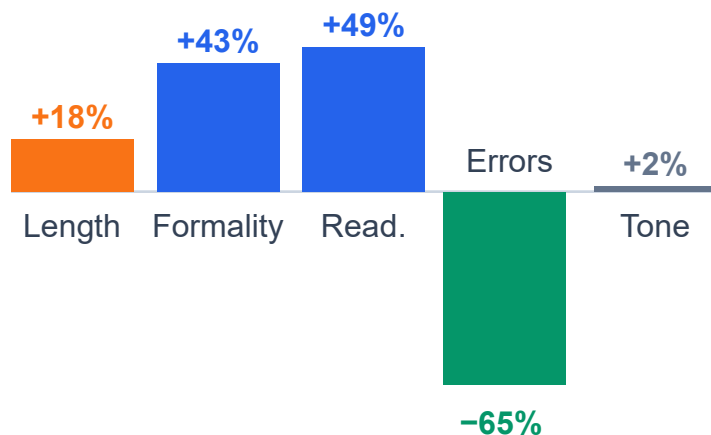
+2.34

human-rated
writing quality
(1–10 scale)

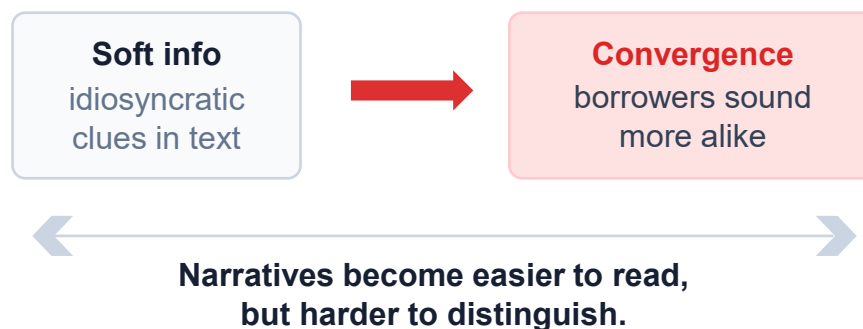
+1.45

human willingness
to lend
(1–10 scale)

How the text changes



Why this creates a problem



What does this paper argue and find?

Lenders can adapt, but not fully undo the damage

ROI using
hard data only

Benchmark

Hard data only

14.4% ROI

credit grade, debt-to-income,
delinquencies, loan amount,
etc.

No text is used here

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“Soft information value”

=

ROI using
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“Good old times”

Hard + text

23.9%

+9.5 pp

incremental ROI
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Text adds large value

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Text adds large value

Blind to AI adoption

Hard + text

14.5%

+0.1 pp

incremental ROI
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Text no longer adds value.

What does this paper argue and find?

Lenders can adapt, but not fully undo the damage

$$\text{“Soft information value”} = \text{ROI using hard data + text} - \text{ROI using hard data only}$$

Benchmark

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credit grade, debt-to-income, delinquencies, loan amount, etc.

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Text no longer adds value.

Accounting for AI adoption

Hard + text

20.6%

+6.2 pp

incremental ROI from text

Retrained model recovers residual text value

Text useful again after retraining.

Overall impression

- Greatly enjoyed reading it
- Highly recommend people take a look at the paper

Very Topical Question

- What will happen in a world where writing is commoditized?
- Usefulness of writing:
 - Transmit information
 - Signal hidden traits through flow, elegance, readability



ChatGPT

“Here are my facts.
Please choose the most
persuasive story for this
lender/admissions
officer/investor.”

AI does not merely polish
prose. It also optimizes
content selection.

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- ~~College application essays~~ → SAT, 수능 ?

Very Topical Question

RESEARCH AND
ADVANCES

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By [Di Cooke](#), [Abigail Edwards](#), [Sophia Barkoff](#), and [Kathryn Kelly](#)

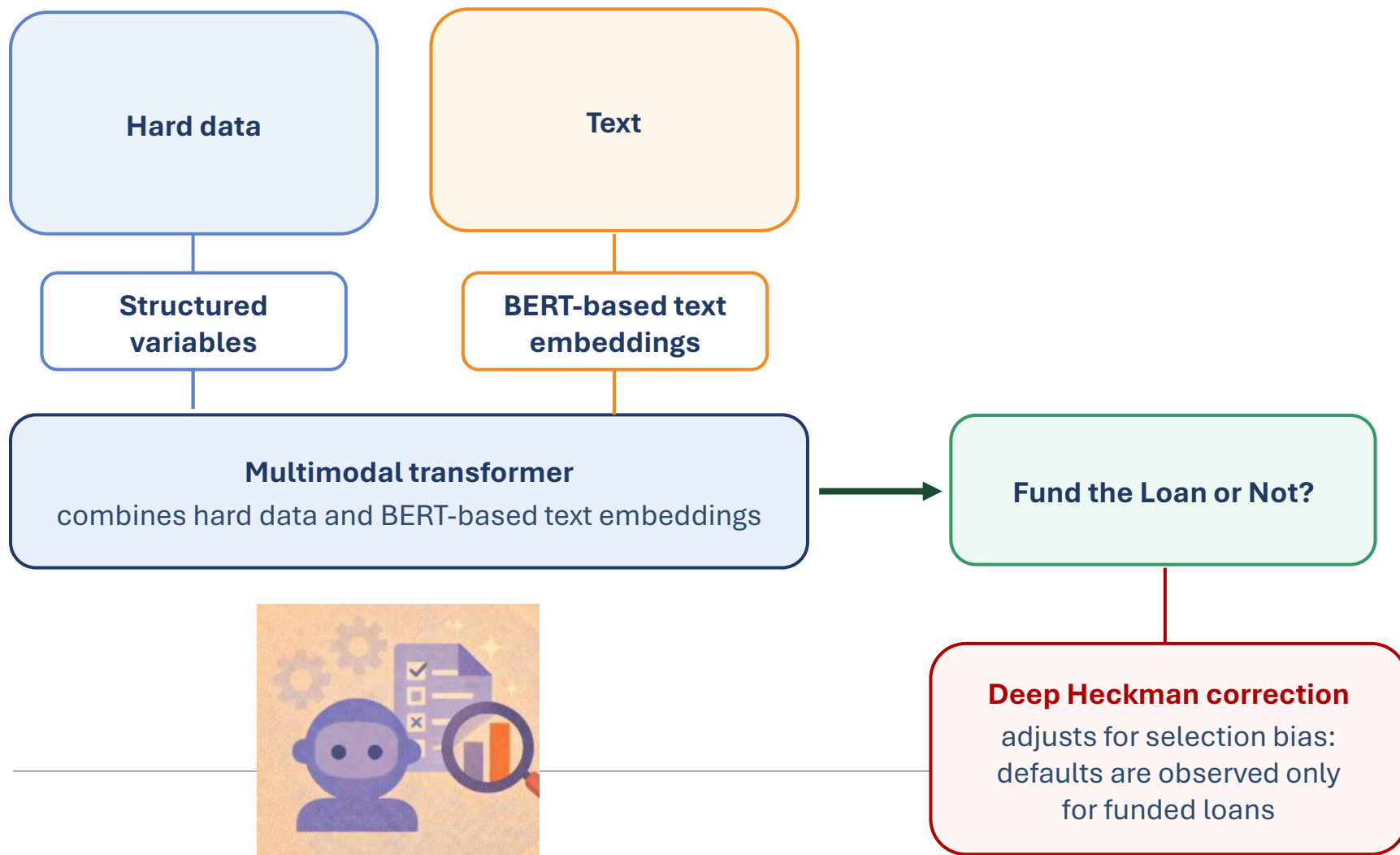
Posted Sep 22 2025



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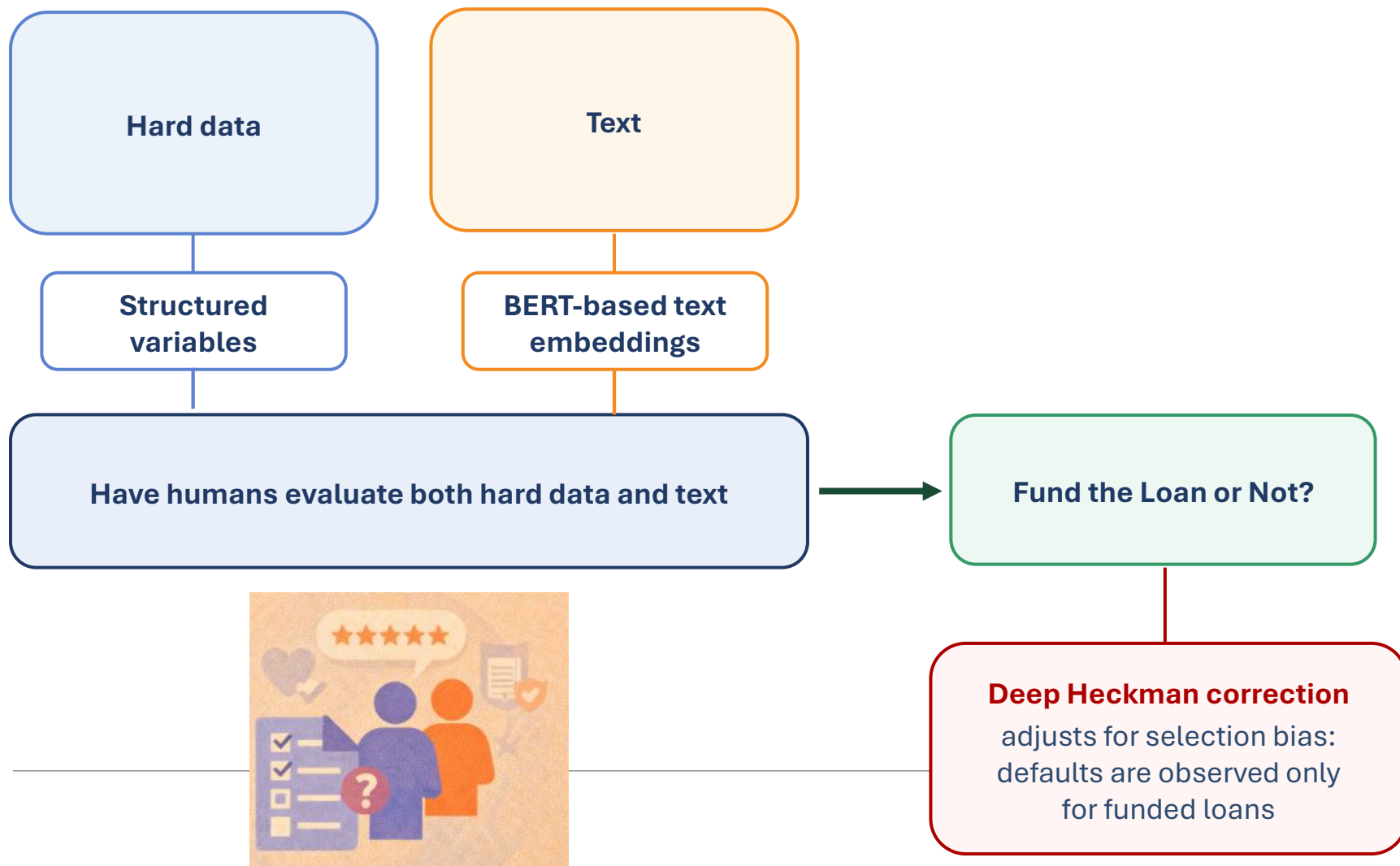
One Bigger Thought and Suggestion

To gauge the consequences of GPT rewrites, paper currently relies on ML



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One Bigger Thought and Suggestion

Why?

Not all people will use GPT.

When people read GPT-written text without being told it is AI-written, they often rate it better than human-written text

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Why?

Not all people will use GPT.

When people read GPT-written text without being told it is AI-written, they often rate it better than human-written text

BUT they become aware/suspect possible AI involvement, evaluations usually shift against the text on trust, authenticity, empathy, or credibility.

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One Bigger Thought and Suggestion

We care about humans' perceptions and decisions.

It is unclear to me, currently, there is a clear mapping from multimodal transformer to humans.

Minor Suggestion

Accountants have looked at related questions

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CHICAGO

Generative AI in Capital Markets: Information Production, Dissemination, and Processing

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GUANG MA ,[†] AND SURAJ SRINIVASAN [‡]

