



Chicago Financial Institutions Conference 2018

April 5

Sessions 1, 2, 3 (12:30pm to 5:30pm)

Federal Reserve Bank of Chicago
230 South La Salle Street, Chicago IL 60604

April 6

Sessions 4, 5, 6, 7 (8:15am to 5:30pm)

The University Club
76 E Monroe Street, Chicago IL 60603

Presented by the
Center for Financial Services at DePaul University



Chicago Financial Institutions Conference

April 5, 2018

Federal Reserve Bank of Chicago
230 S La Salle Street, Chicago IL 60603

Session 1

12:30 pm to 2:00 pm

[15 minute break]

Session 2

2:15 pm to 3:45 pm

[15 minute break]

Session 3

4:00 pm to 5:30 pm

For those who have pre-registered
Conference Dinner at the Berghoff Restaurant
6:00 pm to 9:00 pm
17 W. Adams St.

Dinner Keynote:
“A Review of Banking and Geography”
Steven Ongena (University of Zurich)



Session 1 (Thursday, 12:30 pm – 2:00 pm)

Session 1.A: Deposit markets

Location: *Illinois Room 1 & 2, Federal Reserve Bank of Chicago*

Chair: George Pennacchi (U Illinois)

Deposit Stability in Failing Banks

- Christopher Martin (FDIC), Manju Puri (Duke and FDIC), Alexander Ufier (FDIC)
- Discussant: James Wilcox (U California – Berkeley)

Information Acquisition by Institutional Depositors during Bank Panic

- Lucy Chernykh (Clemson U) and Sergey Mityakov (Clemson U)
- Discussant: Dong Choi (FRB New York)

Ultimate Ownership and Bank Competition

- Jose Azar (IESE), Sahil Raina (U Alberta), and Martin Schmalz (U Michigan)
- Discussant: Jennifer Dlugosz (Washington U in St. Louis)

Session 1.B: Peer-to-peer lending

Location: *Illinois Room 3 & 4, Federal Reserve Bank of Chicago*

Chair: Sudheer Chava (Georgia Tech)

Crowding out Banks: Credit Substitution by Peer-to-Peer Lending

- Brian Wolfe (U Buffalo) and Woongsun Yoo (Saginaw Valley State U)
- Discussant: Yuliya Demyanyk (FRB Cleveland)

Fintech Lending: Financial Inclusion, Risk Pricing, and Alternative Information

- Julapa Jagtiani (FRB Philadelphia) and Cathy Lemieux (FRB Chicago)
- Discussant: Elena Loutskina (U Virginia)

Stereotypes and Lending: Evidence from Person-to-Person Transactions

- Iftekhar Hasan (Fordham U), Qing He (Renmin U of China), and Haitian Lu (Hong Kong Polytechnic University)
- Discussant: Sean Hundtofte (FRB New York)



Session 2 (Thursday, 2:15 pm to 3:45 pm)

Session 2.A: Bank ownership

Location: *Illinois Room 1 & 2, Federal Reserve Bank of Chicago*

Chair: Richard Rosen (FRB Chicago)

Private Equity Investment in U.S. Banks

- Robert DeYoung (U Kansas), Michał Kowalik (FRB Kowalik), and Gokhan Torna (Stony Brook U)
- Discussant: Rustom Irani (U Illinois)

The Dark-Side of Banks' Nonbank Business: Internal Dividends in Bank Holding Companies

- Jonathan Pogach (FDIC) and Haluk Unal (U Maryland)
- Discussant: Rajdeep Sengupta (FRB Kansas City)

Winning Connections? Special Interests and the Sale of Failed Banks

- Deniz Igan (IMF), Thomas Lambert (Erasmus U), Wolf Wagner (Erasmus U), and Eden Zhang (Monash U)
- Discussant: Pat Akey (U Toronto)

Session 2.B: Fintech platforms

Location: *Illinois Room 3 & 4, Federal Reserve Bank of Chicago*

Chair: Sarit Markovich (Northwestern U)

FinTechs and the Market for Financial Analysis

- Jillian Grennan (Duke U) and Roni Michaely (Cornell U)
- Discussant: Andriy Bodnaruk (U Illinois – Chicago)

Up-Cascaded Wisdom of the Crowd

- Lin William Cong (U Chicago) and Yizhou Xiao (Chinese University of Hong Kong)
- Discussant: Mariana Khapko (U Toronto)

Initial Coin Offering and Platform Building

- Jiasun Li (George Mason U) and William Mann (UCLA)
- Discussant: Ioannis Floros (Iowa State U)



Session 3 (Thursday, 4:00 pm to 5:30 pm)

Session 3.A: Bank supervision and risk

Location: *Illinois Room 1 & 2, Federal Reserve Bank of Chicago*

Chair: Rajesh Narayanan (Louisiana State U)

Financial Restructuring and Resolution of Banks

- Jean-Edouard Colliard (HEC Paris) and Denis Gromb (HEC Paris)
- Discussant: Jessie Wang (Arizona State U)

Monitoring and Discipline provided by Bank Examiners and the Panic of 1893

- Charles Calomiris (Columbia U) and Mark Carlson (Federal Reserve Board)
- Discussant: David Wheelock (FRB St. Louis)

The Effect of Bank Supervision on Risk Taking: Evidence from a Natural Experiment

- John Kandrak (Federal Reserve Board) and Bernd Schlusche (Federal Reserve Board)
- Discussant: Asaf Manela (Washington U in St. Louis)

Session 3.B: Bank lending

Location: *Illinois Room 3 & 4, Federal Reserve Bank of Chicago*

Chair: Allen Berger (U South Carolina)

Stress Tests and Small Business Lending

- Kristle Cortes (U New South Wales), Yuliya Demyanyk (FRB Cleveland), Lei Li (U Kansas), Elena Loutskina (U Virginia), Philip Strahan (Boston College)
- Discussant: William Keeton (U Missouri – Kansas City)

Credit Guarantees and New Bank Relationships

- William Mullins (UC San Diego) and Patricio Toro (Central Bank of Chile)
- Discussant: John Hackney (U South Carolina)

Screening and Monitoring by Inattentive Corporate Loan Officers

- Janet Gao (Indiana U), Stephen Karolyi (Carnegie Mellon U), and Joseph Pacelli (Indiana U)
- Discussant: Xiaoling Pu (Kent State U)



April 6, 2018

The University Club

76 E Monroe Street, Chicago IL 60603

Session 4

8:15 am to 10:00 am

[15 minute break]

Session 5

10:15 am to 12:00 pm

Lunch

Keynote: “Finance and Regulation: Lessons Learned at the SEC”

Mark Flannery (University of Florida)

Cathedral Hall

Session 6

1:45 pm to 3:30 pm

[15 minute break]

Session 7

3:45 pm to 5:30 pm

Reception

8th Floor Library



Logistics for the University Club

Registration is on the **2nd floor** starting at **7:15am**.

Coffee, pastries, and fruit are available in session rooms.



There are two **parallel session rooms**:

“A” Sessions are in the **Michigan Room** on the **2nd floor**.

“B” Sessions are in the **Millennium Room** on the **6th floor**.
(Take elevators and follow signs to the left)



Lunch is in **Cathedral Hall** on the **9th floor**.



Reception is in the **Library** on the **8th floor**.

Other Useful Information

The wifi code is: 0123456789

Stairwells are available. Ask staff for directions.

Restrooms are on the ground floor and the 6th floor.

Rooms adjacent to the session rooms are available for meetings.



Session 4 (Friday, 8:15 am to 10:00 am)

Session 4.A: Bank business models

Location: *Michigan Room, University Club*

Chair: **Greg Udell** (Indiana U)

The Cross Section of Bank Value

- **Mark Egan** (Harvard Business School), **Stefan Lewellen** (London Business School), **Adi Sunderam** (Harvard Business School)
- Discussant: **Simon Kwan** (FRB San Francisco)

Unpacking the Dynamics of Scope Transformation in US Banks, 1992-2006

- **Nicola Cetorelli** (FRB New York), **Michael G. Jacobides** (London Business School), **Sam Stern** (U Michigan)
- Discussant: **Priyank Gandhi** (Notre Dame)

Does Uniqueness in Banking Matter?

- **Hong Liu** (University of Aberdeen), **Lars Norden** (Getulio Vargas Foundation), **Fabrizio Spargoli** (Erasmus U)
- Discussant: **Vladimir Kotomin** (Illinois State U)

Session 4.B: Syndicated lending

Location: *Millennium Room, University Club*

Chair: **Justin Murfin** (Yale U)

Loan Ownership and Liquidity in the Secondary Market

- **João Santos** (FRB New York) and **Pei Shao** (U Lethbridge)
- Discussant: **Yeejin Jang** (Purdue U)

Corporate Governance and Loan Syndicate Structure

- **Sreedhar Bharath** (Arizona State U), **Sandeep Dahiya** (Georgetown U), and **Issam Hallak** (European Commission)
- Discussant: **Teodora Paligorova** (Federal Reserve Board)

Concentration of Control Rights in Leveraged Loan Syndicates

- **Mitchell Berlin** (FRB Philadelphia), **Greg Nini** (Drexel U), and **Edison Yu** (FRB Philadelphia)
- Discussant: **Mehdi Beyhaghi** (U Texas – San Antonio)



Session 5 (Friday, 10:15 am to 12:00 pm)

Session 5.A: Information and lending

Location: *Michigan Room, University Club*

Chair: Jialan Wang (U Illinois)

Economics of Voluntary Information Sharing

- Jose Liberti (DePaul U), Jason Sturgess (Queen Mary U), Andrew Sutherland (MIT)
- Discussant: Raoul Minetti (Michigan State U)

Making Sense of Soft Information: Interpretation Bias and Ex-post Lending Outcomes

- Dennis Campbell (Harvard Business School), Maria Loumiotis (MIT), and Regina Wittenberg Moerman (U Southern California)
- Discussant: Kristoph Kleiner (Indiana U)

Sorry, We're Closed: Loan Conditions When Bank Branches Close and Firms Transfer to Another Bank

- Diana Bonfim (Bank of Portugal and Catolica Lisbon), Gil Nogueira (New York U), and Steven Ongena (U Zurich)
- Discussant: Michal Kowalik (FRB Boston)

Session 5.B: Debt markets

Location: *Millennium Room, University Club*

Chair: Joel Houston (U Florida)

Hidden in Plain Sight: Equity Price Discovery with Informed Private Debt

- Jawad Addoum (Cornell U) and Justin Murfin (Yale U)
- Discussant: Seung Lee (Federal Reserve Board)

Firm Value and the Costs of Rating-Contingent Regulation: Evidence from the Establishment of "Investment Grade"

- Asaf Bernstein (U Colorado - Boulder)
- Discussant: Chester Spatt (Carnegie Mellon U and MIT)

Claim Dilution in the Municipal Debt Market

- Ivan Ivanov (Federal Reserve Board) and Tom Zimmermann (QuantCo)
- Discussant: Edison Yu (FRB Philadelphia)



Session 6 (Friday, 1:45 pm to 3:30 pm)

Session 6.A: Financial shocks

Location: *Michigan Room, University Club*

Chair: **Sebastien Michenaud** (DePaul U)

Shock Propagation and Banking Structure

- **Mariassunta Giannetti** (Stockholm School of Economics) and **Farzad Saidi** (Stockholm School of Economics)
- Discussant: **Claire Celerier** (U Toronto)

On the Direct and Indirect Real Effects of Credit Supply Shocks

- **Laura Alfaro** (Harvard Business School), **Manuel Garcia-Santana** (UPF), and **Enrique Moral-Benito** (Bank of Spain)
- Discussant: **Joseph Haubrich** (FRB Cleveland)

The Cleansing Effect of Bank Crises

- **Reint Gropp** (IWH and U Magdeburg), **Joerg Rochell** (ESMT), and **Vahid Saadi** (IE Business School)
- Discussant: **Robert DeYoung** (U Kansas)

Session 6.B: Dealers and liquidity

Location: *Millennium Room, University Club*

Chair: **Matthew Ringgenberg** (U Utah)

Prime (Information) Brokerage

- **Nitish Kumar** (U Florida), **Kevin Mullally** (U Alabama), **Sugata Ray** (U Alabama), and **Yuehua Tang** (U Florida)
- Discussant: **Sumudu Watugala** (Cornell U)

Hedge Fund Liquidity Management

- **George Aragon** (Arizona State U), **A. Tolga Ergun** (SEC), **Mila Getmansky** (SEC and U Mass-Amherst), and **Giulio Girardi** (SEC)
- Discussant: **Marco Macchiavelli** (Federal Reserve Board)

What Makes Dealers Central? Evidence from Credit Interdealer Networks

- **Benjamin Munyan** (Vanderbilt U) and **Sumudu Watugala** (Cornell U)
- Discussant: **Stanislava (Stas) Nikolova** (U Nebraska)



Session 7 (Friday, 3:45 pm to 5:30 pm)

Session 7.A: Credit and collateral

Location: *Michigan Room, University Club*

Chair: **Andrea Presbitero (IMF)**

Collateral Channels and Banking Relationships

- Gareth Anderson (Bank of England/Oxford), Saleem Bahaj (Bank of England), Matthieu Chavaz (Bank of England), **Angus Foulis (Bank of England)**, and Gabor Pinter (Bank of England)
- Discussant: Hirofumi Uchida (Stanford U and Kobe U)

Creditor Rights and Allocative Distortions -- Evidence from India

- **Nirupama Kulkarni (CAFRAL Mumbai)**
- Discussant: Hanh Le (U Illinois – Chicago)

Labor Scarcity, Finance, and Innovation: Evidence from Antebellum America

- **Yifei Mao (Cornell U)** and Jessie Wang (Arizona State U)
- Discussant: Debarshi Nandy (Brandeis U)

Session 7.B: Mutual funds and ETFs

Location: *Millennium Room, University Club*

Chair: **Jeffrey Harris (SEC and American U)**

Can Disclosure Decrease Price Efficiency? Evidence from Mutual Fund Disclosures

- Todd Gormley (Washington U in St. Louis), **Zachary Kaplan (Washington U in St. Louis)**, Aadhaar Verma (Washington U in St. Louis)
- Discussant: Sonya Lim (DePaul U)

Do Buyside Institutions Supply Liquidity in Bond Markets? Evidence from Mutual Funds

- Amber Anand (Syracuse U), Chotibhak (Pab) Jotikasthira (Southern Methodist U), Kumar Venkataraman (Southern Methodist U)
- Discussant: Ryan Israelsen (Michigan State U)

ETF Short Interest and Failures-to-Deliver: Naked Short-selling or Operational Shorting?

- Richard Evans (U Virginia), Rabih Moussawi (Villanova U), and **Michael Pagano (Villanova U)**, and John Sedunov (Villanova U)
- Discussant: Shaun Davies (U Colorado – Boulder)



