



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



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 Mityakh (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 Offerings (ICO) and Securities Regulation

- **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 Schusche (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



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)**

Investor Diversity and Loan Market Liquidity

- **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 Loumioti (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)**

Credit Supply Shocks, Network Effects, and the Real Economy

- **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 (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)**

