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 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.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 Kandrac (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
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. 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.A: Credit and collateral
Location: Michigan Room, University Club
Chair: Andrea Presbitero (IMF)

Collateral Channels and Banking Relationships
- 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)