The Economics of Market-Based Deposit Insurance

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1 Introduction

Deposit insurance is arguably the most consequential banking regulation of modern times. Most countries around the world use some form of deposit insurance to promote financial stability (Demirgüç-Kunt et al., 2014). A rich theoretical literature in economics and finance has emphasized two principal trade-offs of this policy tool: while deposit insurance can improve financial stability by lowering the probability of bank runs, it can also lead to excessive risk-taking by insured banks (Bhattacharya et al., 1998; Diamond and Dybvig, 1983; Goldstein and Pauzner, 2005). Hence, the efficacy of deposit insurance depends on two central questions: (a) how does insurance coverage affect depositors' behavior, especially during episodes of banking sector distress? and (b) how does it impact banks' investment decisions? Despite the theoretical importance and policy relevance of these questions, causal empirical evidence regarding the effect of deposit insurance coverage on financial and real outcomes remains elusive. Even less is known about the implications of recent financial innovations that allow banks to increase coverage for their depositors without regulatory changes to the coverage limit. Our paper fills this gap in the literature.

The primary empirical challenge arises from the fact that there is practically no cross-sectional variation in access to deposit insurance coverage across banks within a country. Regulators such as the United States' Federal Deposit Insurance Corporation (FDIC) set nationwide coverage limits, providing depositors the exact same insurance benefits irrespective of their banking relationship. Depositors, as a result, have no preference for banks in terms of how much insurance coverage they can get. Lack of variation in deposit insurance coverage across banks renders a simple cross-sectional analysis empirically undesirable. Any attempt to relate the observed amount of a bank's insured deposits to depositor or bank behavior is fraught with identification challenges. While there are occasional changes in the coverage limit over time, comparing banks' and depositors' behavior across different time periods with varying levels of deposit insurance coverage is likely to be biased; these changes correlate with other economic attributes such as the strength of the economy and other regulations that can independently affect banks' and depositors' behavior. A similar critique applies to cross-country analyses since countries differ across a host of regulatory and economic factors that likely correlate with the structure of their deposit insurance programs.

We study a recent financial innovation in the U.S. banking sector – reciprocal deposits – to overcome this challenge and obtain cross-sectional variation in deposit insurance limits. Even though the insurance limit of $250,000 per depositor per bank remains the same for every bank in the U.S., banks on the reciprocal deposit network can obtain much larger insurance limits for their depositors. They are able to do so by breaking up their large deposits into smaller amounts, each within the insurance limit of $250,000, and placing them with other banks in a reciprocal, i.e., offsetting, manner. In other words, participating banks effectively insure a piece of one another's large deposits so that they stay within the FDIC's insurance limit. As a result, depositors of participating banks can obtain insurance coverage on the entirety of their deposits, irrespective of the amount deposited with their relationship bank.

This market-based solution for deposit insurance shares several features with the traditional system, but it also creates some new trade-offs. The key trade-off highlighted by the theoretical literature and discussed widely in policy debates remain the same: improved financial stability during the periods of stress versus increased risk-taking by the insured. In addition, such a system has the potential to change the industrial organization of the banking sector. Enhanced access can lower the attractiveness of implicit government guarantees. Uninsured depositors need not run to the largest banks if they can obtain explicit insurance at their relationship banks, regardless of their size. A market-based solution to deposit insurance can thus alter the relative competitiveness

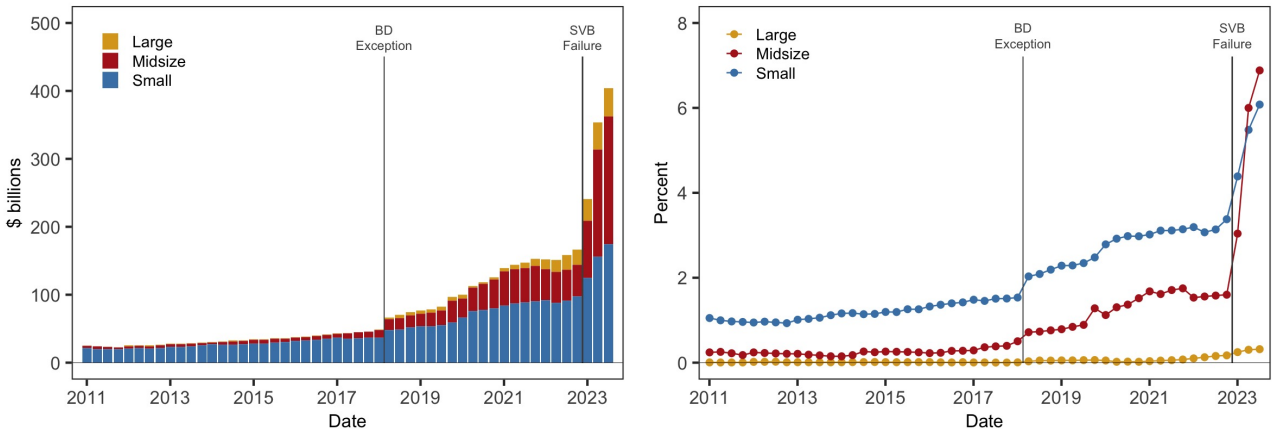
of large versus small banks in the economy. In this paper, we evaluate these implications by using access to the reciprocal deposit network as a source of variation in insurance coverage during the regional banking crisis of early 2023 (also referred to as the "SVB crisis" after the collapse of Silicon Valley Bank).

The regional banking crisis provides an attractive setting to study deposit insurance for several reasons. To start, concerns about uninsured deposits and bank runs were at the forefront of academic and policy discussions during the crisis (Chang et al., 2023). At the same time, we observe large differences in banks' presence on the reciprocal deposit network. These features allow us to examine the relationship between insurance coverage and depositor behavior during the immediate aftermath of the crisis. The setting also allows us to study the risk-taking behavior of banks; the key trigger of instability was exposure to interest rate risk (Jiang et al., 2023), which is relatively straightforward to measure at the time of investment unlike credit risk that is observed with a long lag. Finally, the regional banking crisis provides an ideal setting to study the effect of deposit insurance on the industrial organization of the banking sector, since uninsured depositors experienced a strong incentive to run to the biggest banks in the country due to their too-big-to-fail guarantee.

2 Reciprocal Deposit Market

We begin our analysis by providing some key statistics of this financial innovation for market-based deposit insurance. While reciprocal deposits have existed since the early 2000s, it came into prominence after a FDIC ruling in 2018 that exempted them from being classified as brokered deposits up to certain limits, either in dollar terms or as a percentage of the bank's liabilities. The ruling made reciprocal deposits an attractive form of financing by lowering its regulatory cost, most notably the insurance premium that a bank pays. About 21% of banks in our sample were on the network before 2018, which increased steadily to over 32% by 2022Q4. Commensurately, the amount of reciprocal deposits increased from $46 billion in 2017 to $167 billion in 2022Q4. The dollar amount of reciprocal deposits notably increased by over 44% to over $240 billion in just a quarter from 2022Q4 to 2023Q1, i.e., within a short period after the onset of the SVB crisis in early March of 2023. Interestingly, the number of banks on the network increased by a modest 7% over this time period, suggesting that most of the increase in reciprocal deposits came from banks that were already on the network in 2022Q4.

Figure 1: Reciprocal Deposits in the U.S. Banking System



The reciprocal deposit network allows participant banks to obtain significantly higher insurance coverage for their depositors by dividing their deposits into smaller packets and placing them with several other banks. In theory, such an arrangement can insure the entire deposit base of the banking sector. There are, however, considerable frictions in doing so because banks must find other banks to enter into the reciprocal arrangement with. As search and matching costs can be substantial, an intermediated solution has emerged: Networks operated by independent firms, such as IntraFi, work as a coordinating device across banks. While any bank can join the network, doing so entails considerable time and upfront costs. To start, banks need to set up their internal control

framework and integrate their system with the network provider in order to participate in this market. For example, the interest rate that a depositor obtains is determined by the relationship bank where they deposit their funds. The interest rate offered by the reciprocal bank to their depositors, however, may be different. Therefore, when two banks enter into a reciprocal deposit relationship, they need to regularly settle the difference in the interest amount paid to each others' depositors via an arrangement called the "rate bridge payment." The bank also needs to maintain a detailed record of reciprocal arrangements and report the key details to their customers on a regular basis. There are other setup costs such as training bank branch managers about the product, creating customer awareness, reporting costs and compliance issues such as KYC verification. The time to join the network can be as long as 2-3 months based on our conversation with industry experts.

3 Empirical Strategy

Motivated by these features of the market, we study the financial stability implications of deposit insurance using a bank's presence on the network prior to the crisis as an instrument for access to higher insurance coverage during the crisis.

The regional banking crisis of 2023 presents a valuable quasi-experiment for studying the effects of deposit insurance. We employ a bank's presence on the reciprocal deposit network in 2022Q4, i.e., a quarter before the onset of the SVB crisis, as an instrumental variable (IV) for access to higher insurance coverage via reciprocal deposits during the subsequent crisis.

We begin our estimation exercise by relating the network status to the growth in insured deposit of a bank around the regional banking crisis using the following cross-sectional regression model:

First Stage

$$\Delta ln(Ins.Dep)^{j}_{2023Q4,2022Q4} = \alpha + \beta 1_{Network,j,2022Q4} + X_j + \epsilon_j \tag{1}$$

Next we relate the predicted value of change in insured deposit to various outcome variables of the bank in the following second stage regression model:

Second Stage

$$\Delta Y^{j}_{2023Q4,2022Q4} = \alpha + \beta \Delta \widehat{ln(Ins.Dep)^{j}_{2023Q4,2022Q4}} + X_j + \epsilon_j \tag{2}$$

$\Delta ln(Ins.Dep)^{j}_{2023Q4,2022Q4}$ measures the log change in insured deposits for bank j from 2022Q4 to 2023Q4. Y indicates various dependent variables of interest such as total deposit growth, change in number of insured accounts, change in deposit rate, various measures of maturity and interest rate risk, and asset growth. $Network^{j}_{2022Q4}$ equals one if a bank is on the network on 2022Q4, zero otherwise. X_j is a vector of control variables such as bank's asset size, security holdings, and profitability.

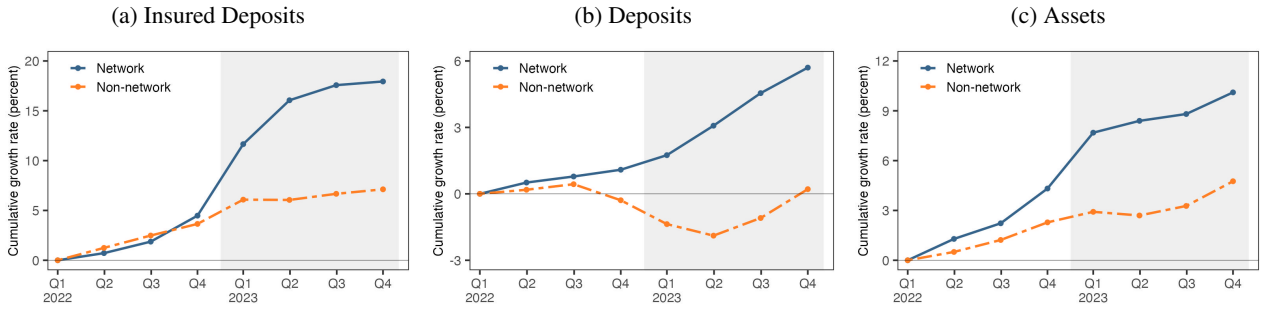
This empirical strategy depends on two key assumptions. The relevance assumption states that banks within the network could offer depositors enhanced insurance compared to those outside, directly influencing depositor and bank behavior during the crisis. The key exclusion assumption is that the decision to join the network by 2022Q4 is unlikely to be influenced by factors specifically affecting depositor behavior or bank risk-taking during the crisis. This variation allows us to identify the effect of deposit insurance coverage on outcomes such as depositor withdrawals, deposit interest rates, risk-taking decisions of the bank, and changes in the IO of the banking sector during the onset of the crisis. Our empirical design, in which we investigate the behavior of depositors and banks in the immediate aftermath of the crisis, along with the institutional features of the market (i.e., frictions in joining the network), make our work less susceptible to concerns such as endogenous selection of banks on the network. We control for observable differences across banks such as their size, measures of interest rate risk prior to the crisis, and the equity capitalization ratio to isolate the effects of these additional factors during the crisis.

4 Preliminary Findings

We begin by examining the dynamics of insured deposit growth, total deposit growth, and asset growth between network and non-network banks. Our findings suggest that depositors are less likely to withdraw their money from banks with access to reciprocal deposits. In fact, network banks grew their deposit base around the time of the SVB crisis, while non-network banks experienced deposit outflows. Network banks grew larger during this period, implying that the increased deposits were not necessarily used to substitute other sources of funding.

We propose that access to market-based deposit insurance has implications for both depositor behavior and bank behavior. On the depositor side, we hypothesize that depositors accept a slightly lower interest rate on CDs in exchange for the additional security provided by enhanced deposit insurance through reciprocal deposits. Consistent with this hypothesis, our preliminary results, using our IV design, indicate that banks with 1 percentage point higher insured deposit growth report 2 basis points lower interest rates on their 12-month CDs. Our estimates thus have important implications for deposit insurance pricing (Duffie et al., 2003). On the bank side, we hypothesize that these banks invested the additional funds in assets with higher interest rate risk. We consider two measures of interest rate risk for our study: the maturity of securities held by the banks and the one-year maturity gap of banks that captures the interest-rate mismatch in all the assets and liabilities (Purnanandam, 2007). Our preliminary results show that network banks increase both the average maturity of securities as well as the maturity gap during the crisis. This implies that banks with increased deposit insurance access take more interest rate risk as they receive inflows of new deposits. Documenting an increase in observable measures of risk is a critical first step towards detecting the moral hazard effects of insurance coverage. However, a limitation of our study is that it cannot estimate whether the increase in interest rate risk exposure was efficient or inefficient.

Figure 2: Deposit and Asset Growth by Network Status



In sum, we propose three key results in this project: (a) higher access to insurance allows banks to attract depositors at a lower rate of interest, (b) banks with insurance access grow bigger and the relative market power of too-big-to-fail banks diminishes, and (c) banks take more risk in response. While some of these predictions have been discussed widely in the literature, our paper provides one of the first empirical evidence regarding deposit insurance's effect on depositor and bank behavior.

Collectively, the results of this project will enhance our understanding of market-based provisioning of deposit insurance. While our preliminary findings suggest that market-based deposit insurance can be an effective tool for containing depositor runs, it may also have lasting consequences for risk-taking and the competitive structure of the banking industry. While we do not evaluate the overall welfare impact of these effects, our findings can inform future analyses and guide policy design for deposit insurance markets.

5 Next Steps

While the project is in its early stages, preliminary findings suggest a strong correlation between access to market-based deposit insurance and depositor behavior as well as bank risk-taking during crises. However, establishing a definitive causal relationship remains challenging, particularly due to the influence of unobserved bank-specific factors associated with network participation. To address this, we require additional funding for two key areas: database updates to track market changes and access to supplementary data sources to solidify causality.

Continued research support will allow us to explore other important questions through a combination of theoretical modeling and data analysis. These additional areas include: (I) the value of deposit insurance for bank shareholders, (II) reciprocal deposits' impact on the competitive advantage of large institutions, and (III) new developments in banks' client retention strategies (for example, higher offerings of information-sensitive loans).

6 Principal Investigators

6.1 Edward T. Kim

Edward T. Kim is an Assistant Professor of Finance at Michigan Ross. His research interests are in empirical corporate and household finance, with a focus on banking, fintech, and intangible capital. He received a PhD in Finance from UCLA Anderson, and a BS in Economics from the Massachusetts Institute of Technology.

6.2 Shohini Kundu

Shohini Kundu is an Assistant Professor of Finance at UCLA Anderson. Her research is centered on three main areas: (I) financial intermediation and macroeconomics, (II) security design and externalities of financial contracts, and (III) emerging market finance. She received a PhD in Finance and MBA from the University of Chicago Booth School of Business, and a BA in Economics with high honors and distinction from Cornell University.

6.3 Amiyatosh Purnanandam

Amiyatosh Purnanandam is a Professor of Finance at Michigan Ross. Amiyatosh's research covers a wide range of topics in banking, fintech, mortgages, corporate finance, and climate finance. His research has been published in leading journals such as Journal of Financial Economics, Journal of Finance, Review of Financial Studies, Review of Finance, and Journal of Monetary Economics. He has served on the editorial boards of several leading finance journals, including the Journal of Finance, the Review of Finance, the Review of Financial Studies, the Journal of Financial Intermediation, and the Journal of Banking and Finance. He currently serves as a director of the Financial Intermediation Research Society.

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Conflict of Interest Disclosure Statement

Edward T. Kim: I have nothing to disclose
Shohini Kundu: I have nothing to disclose
Amiyatosh Purnanandam: I have nothing to disclose

Policy Implications

The proposed research seeks to shed light on the implications of market-based deposit insurance schemes. Unlike traditional deposit insurance with its one-size-fits-all coverage limits set by regulators, reciprocal deposits offer banks greater flexibility in enhancing their clients' insurance protection. They enable banks to provide significantly larger coverage without requiring depositors to maintain multiple banking relationships. However, this innovation raises critical policy questions: does market-based deposit insurance schemes effectively deter bank runs during crises, or do they inadvertently incentivize riskier bank behavior? Can they level the competitive playing field by diminishing the "too-big-to-fail" advantage of large banks, or could they lead to unintended consequences for the industrial organization of the banking sector? This study aims to contribute to these debates by analyzing the real-world impact of reciprocal deposits within the context of the regional banking turmoil of 2023. The findings of this study can inform future policy design in deposit insurance markets, aiming to achieve a balance between promoting financial stability, mitigating moral hazard, and fostering a competitive banking sector.

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Employment

Stephen M. Ross School of Business, University of Michigan

Assistant Professor of Finance, 2023–present

Education

Ph.D. Finance, UCLA Anderson School of Management, 2023

B.S. Economics, Massachusetts Institute of Technology, 2015

Research Interests

Banking, Fintech, Intangible Capital, Real Estate

Working Papers

1. **The Economics of Market-Based Deposit Insurance**

   (with Shohini Kundu and Amiyatosh Purnanandam)

   We examine the financial stability implications of deposit insurance using a recent financial innovation: reciprocal deposits. Banks can significantly increase deposit insurance coverage through the reciprocal deposit network, where they break up large deposits and place them with other banks in an offsetting manner. With almost $450 billion in outstanding contracts under this arrangement, reciprocal deposits have become an important source of funding for the U.S. banking sector. Using network presence as an instrument, we show that enhanced insurance coverage allowed banks to retain deposits following the 2023 banking crisis. Network banks pay lower interest rates on their deposits, indicating depositors' willingness to accept lower rates for higher insurance access. Enhanced coverage also has implications for competition and bank risk-taking; we find evidence that network banks grow larger and increase their exposure to interest rate risk.

2. **The Digital Divide and Refinancing Inequality** (Job Market Paper)

   Low-income households derive significantly less savings from mortgage refinancing than their wealthy counterparts. I document that the rise of refinancing inequality in the United States can be partially explained by the gap in access to modern information and communications technology. Using granular spatial variation of a large-scale broadband subsidy program, I show that high-speed internet facilitates refinancing activity and reduces monthly mortgage payments. These effects are large and persistent, corresponding to a 5 percent increase in disposable income and up to $18,000 in total savings for low-income households. The growth of refinancing is pronounced in underserved areas with low access to bank branches and among populations that are likely to have low financial and digital literacy.

Publications

1. **Deposit Insurance Premiums and Bank Risk** (with Marcelo Rezende)

   Review of Corporate Finance Studies, 2023, 12(2): pp. 291-325

   Deposit insurance premiums impose costs on banks' balance sheets, narrowing profit margins and inducing banks to "search for yield." This paper estimates the effects of deposit insurance premiums on bank portfolio rebalancing using supervisory data and a kink in the insurance premium schedule. We show that deposit insurance premiums weaken banks' demand for reserves (a liquid asset with no credit

risk) and strengthen the supply of short-term interbank loans (a less liquid asset with credit risk). We discuss the implications of these findings for optimal deposit insurance pricing.

2. **Intangible Value** (with Andrea L. Eisfeldt and Dimitris Papanikolaou)

   Critical Finance Review, 2022, 11(2): pp. 299-332

   Intangible assets are absent from traditional measures of value despite their growing importance in firms' capital stocks. We propose a simple improvement to the classic Fama and French (1992, 1993) value factor that incorporates intangibles and addresses differences in accounting practices across industries. Our intangible value factor, HML^{INT}, prices assets as well as or better than the traditional value factor but yields substantially higher returns. This outperformance holds over the entire sample period, including in more recent decades during which value has underperformed. We show that the intangible value factor sorts more effectively within industries on productivity, profitability, financial soundness, and on other valuation ratios such as price-to-earnings.

3. **How Have Banks Been Managing the Composition of High-Quality Liquid Assets?**

   (with Jane Ihrig, Cindy M. Vojtech, and Gretchen C. Weinbach)

   Federal Reserve Bank of St. Louis Review, 2019, 101(3), pp. 177-201

   Banks' liquidity management practices are fundamental to understanding the implementation and transmission of monetary policy. Since the Global Financial Crisis of 2007-09, these practices have been shaped importantly by the liquidity coverage ratio requirement. Given the lack of public data on how banks have been meeting this requirement, we construct estimates of U.S. banks' high-quality liquid assets (HQLA) and examine how banks have managed these assets since the crisis. We find that banks have adopted a wide range of HQLA compositions and show that this empirical finding is consistent with a risk-return framework that hinges on banks' aversion to liquidity and interest rate risks. We discuss how various regulations and business model choices can drive HQLA compositions in general, and connect many of the specific compositions we see to banks' own public statements regarding their liquidity strategies. Finally, we highlight how banks' preferences for the share of HQLA met with reserves affect the Fed's monetary policy implementation framework.

Conferences & Seminar Presentations (including scheduled)

2024: SFS Cavalcade (discussant), FIRS, WFA (discussant), LBS Summer Finance Symposium

2023: UCLA Anderson, Michigan Ross, Virginia Tech Pamplin, Treasury OFR, Rochester Simon, USC Marshall, Notre Dame Mendoza, Federal Reserve Board, Indiana Kelley, Penn State Smeal, FDIC, UC Irvine Merage, FIRS (discussant), SIF (discussant)

2022: UCLA Anderson

2021: UCLA Anderson

2020: SFS Cavalcade, FIRS (cancelled)

2018: UCLA Anderson

2017: Federal Reserve Board

Teaching

Michigan Ross, Instructor

Financial Management (BBA)	2024

UCLA Anderson, Teaching Assistant

Fintech (MBA)	2021, 2023
Foundations of Finance (EMBA, MBA)	2019, 2020, 2021, 2022
COVID-19, Real Estate, and the Capital Markets (MBA)	2020
Credit Markets (MFE)	2019

Real Estate Capital Markets and Securitization (EMBA) 2019

Fudan University, Teaching Assistant

Corporate Finance and Valuation (MFin) 2020, 2021, 2022, 2023

Financial Risk Management (MFin) 2019

Honors, Grants & Fellowships

Michigan Ross Faculty DEI Research Award 2024

Mitsui Life Financial Research Center Faculty Research Grant 2024

UCLA Xavier Drèze Prize for Best Ph.D. Student Research Paper 2023

UCLA Ziman Center Gilbert Doctoral Student Fellow 2022 - 2023

UCLA Ziman Center Research Grant 2021

UCLA Anderson Fellowship 2017 - 2021

UCLA Anderson Fink Center PhD Research Grant 2020

Honorable Mention (Economics), NSF Graduate Research Fellowship Program 2017

Special Achievement Award, Federal Reserve Board 2016

2nd Place, MIT Undergraduate Economics Association Award for Excellence in Writing 2015

Professional Experience

Referee Service:

Real Estate Economics, Journal of Financial and Quantitative Analysis

Administrative:

Faculty Recruiting Committee, Michigan Ross 2023 - 2024

Coordinator, UCLA Anderson PhD Student Seminar Series 2019 - 2021

Academic:

Research Assistant (Andrea Eisfeldt, UCLA Anderson) 2017 - 2019

Full-time Research Assistant, Federal Reserve Board 2015 - 2017

Research Assistant (Antoinette Schoar, MIT Sloan) 2014 - 2015

Research Assistant (Dave Donaldson, MIT Economics) 2010 - 2012

Other:

Military Service, Republic of Korea Army 2012 - 2013

Additional Information

Citizenship:	United States, Republic of Korea
Software & Programming:	Stata, R, SAS, MATLAB, Python
Languages:	English (Fluent), Korean (Native), Chinese (Advanced)

Shohini Kundu

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Appointment

2021- **UCLA Anderson School of Management**, Los Angeles, CA
Assistant Professor

2023- **UCLA School of Law**, Los Angeles, CA
Assistant Professor (by courtesy)

Other Affiliations

2024- **Centre for Economic Policy Research (CEPR)**, London, UK
Research Affiliate: Banking and Corporate Finance; Asset Pricing

2022- **UCLA Center for India and South Asia**, Los Angeles, CA
Faculty Advisory Committee; renewed for a second term

2022- **California Center for Population Research**, Los Angeles, CA
Faculty Affiliate

2022- **Macro Finance Society**, Philadelphia, PA
Research Member

Education

2016-2021 **University of Chicago Booth School of Business**, Chicago, IL
PhD in Finance
MBA (2018-2020)

2013-2016 **Cornell University**, Ithaca, NY
BA in Economics with minors in Computer Science and Mathematics
Magna Cum Laude, Distinction in All Subjects, Dean's Merit List

Working Papers

1. The Economics of Market-Based Deposit Insurance (with Edward Kim and Amiyatosh Purnanandam)
2. Diverging Banking Sector: New Facts and Macro Implications (with Tyler Muir and Jinyuan Zhang)
3. Canary in the Coal Mine: Bank Liquidity Shortages and Local Economic Activity (with Rajkamal Iyer and Nikos Paltalidis)
4. Monitoring with Small Stakes (with Sheila Jiang and Douglas Xu)

5. The Geography of Bank Deposits and the Origins of Aggregate Fluctuations (with Seongjin Park and Nishant Vats)
6. Banking Networks and Economic Growth: From Idiosyncratic Shocks to Aggregate Fluctuations (with Nishant Vats) *[**R&R**, American Economics Journal: Macroeconomics]*
7. What Explains the Geographic Variation in Corporate Investment? (with Nishant Vats)
8. The Externalities of Fire Sales: Evidence from Collateralized Loan Obligations

Published Dissertation Chapters

1. Kundu, Shohini. "Financial Covenants and Fire Sales in Closed-End Funds." Management Science (2024).
2. Kundu, Shohini. "The Anatomy of Corporate Securitizations and Contract Design." Journal of Corporate Finance (2023).

Conference and Seminar Presentations

2024 University of Massachusetts Isenberg, Chapman University, Federal Reserve Board, European Central Bank, Frankfurt School of Finance & Management, UCLA Anderson (x3), UCLA Macro Finance, CEPR Endless Summer Conference on Financial Intermediation and Corporate Finance, Queensland Corporate Finance Conference, OCC Bank Research Symposium, HEC Paris Banking Conference: Banking in the Age of Challenges, Federal Reserve Board Conference on the Macroeconomic Seeds of Financial Imbalances, SFS Cavalcade, CEPR-WEFIDEV Workshop, IESE Workshop on Banking Turmoil and Regulatory Reform, Bank of Italy, Bocconi University and CEPR Conference on Financial Stability and Regulation, AFA Annual Meeting (x2), AFFECT Workshop, NBER Summer Institute Corporate Finance*, WFA Annual Meeting*, LBS Summer Finance Symposium*, European Banking Center Conference – Tilburg Finance Summit*, EFA Annual Meeting*, ABFER Annual Conference*, University of Kentucky Finance Conference*, Harvard Business School Junior Finance Conference*, MFA Annual Meeting*, China India Insights Conference*

2023 NYU Stern, UC Berkeley Haas, Johns Hopkins Carey, Carnegie Mellon Tepper, University of Pittsburgh Katz, Simon Fraser University Economics, Durham University Business School, UCLA Anderson (x2), UCLA Macro Finance, Office of Financial Research, Federal Reserve Bank of Richmond, Reserve Bank of India CAFRAL Annual Conference, Santiago Finance Workshop, FMA Annual Meeting, Wharton Conference on Liquidity and Financial Fragility, FDIC Bank Research Conference, Wharton-Harvard Insolvency & Restructuring Conference, UNSW Beachside Banking Chat, Deutsche Bundesbank-Center for Advanced Studies on the Foundations of Law and Finance-Center for European Transformation-CEPR Conference on Regulating Financial Markets, CEPR/Study Center Gerzensee European Summer Symposium in Financial Markets, IBEO Workshop, OCC Emerging Risks in the Banking System Symposium, Federal Reserve Short-Term Funding Markets Conference, OFR Rising Scholars Conference , Fink Center Panel on Banking Crisis, CEPR Women in Economics: Advancing Research in Economics, AFA Annual Meeting, Sydney Banking and Financial Stability Conference* (x2), Annual Boca-ECGI Corporate Finance and Governance Conference*, Australasian Finance and Banking Conference*, Chicago Booth Banking Workshop*, Imperial College Business*, Indian School of Business Summer Research Conference*, Banco de Portugal*, Temple University Fox*, European Economic Associa-

tion Annual Congress*, Annual Meeting of the Swiss Society for Financial Market Research*, Tehran Institute for Advanced Studies*, China International Conference in Finance*, Conference on Research on Economic Theory and Econometrics Conference*

2022 NBER Summer Institute, Cornell University, National University of Singapore, USC Marshall Macro-Finance Reading Group, Copenhagen Business School, UCLA Anderson, India Finance Conference, CLO/LL International Organization of Securities Commissions Virtual Roundtable, ECB Money Market Conference, Fixed Income and Financial Institutions Conference, Cornell Conference on 100 Years of Economic Development, IWH-FIN-FIRE Workshop on Challenges to Financial Stability, Bank of Finland Workshop on Banking and Institutions, Federal Reserve Board Summer Workshop in Money, Banking, Payments and Finance, MoFiR Workshop on Banking, Qatar Centre for Global Banking & Finance Conference, HEC-CEPR Macro-Finance Conference: Banking, Finance, Macroeconomics and the Real Economy, Columbia/BPI Conference on Bank Regulation and Supervision, ABFER Annual Conference, CBS Capital Four Credit Day, Banque de France Globalisation, Strategic Autonomy and Economic Resilience in Times of Crisis Conference, RiskLab/Bank of Finland/ESRB Conference on Systemic Risk Analytics, Advances in Macro-Finance Tepper-LAEF Conference, Swiss Winter Conference on Financial Intermediation ("The Lenzerheide Conference"), UCLA Center for India and South Asia, Corporate Restructuring & Insolvency Seminar, OCC Symposium on Systemic Risk & Stress Testing in Banking, SFS Cavalcade*, TADC*

2021 UCLA Macro Finance, UCLA Anderson, MIT Sloan, Harvard Business School, Imperial College Business, London Business School, Oxford Saïd, Boston College Carroll, University of Toronto Rotman, Bank for International Settlements, Federal Reserve Board, Federal Reserve Bank of New York, Federal Reserve Bank of Boston, Federal Reserve Bank of Atlanta, India Finance Conference, CEPR's Endless Summer Conference on Financial Intermediation and Corporate Finance, CLO/LL International Organization of Securities Commissions Virtual Roundtable, FDIC/JFSR Bank Research Conference, SFS Cavalcade, WFA Annual Meeting, Santiago Finance Workshop, MFA Annual Meeting*, UEA European Meeting*, Transatlantic Doctoral Conference*, Webinar in Finance and Development*, UT PhD Symposium*, Federal Reserve Board Interconnectedness of Financial Systems Conference*, Emerging Markets Conference*

2020 Stanford GSB Rising Scholars Conference, Macro Finance Society Workshop Poster Session, Young Economists Symposium, NSE-NYU Conference on Indian Capital Markets*, Office of Financial Research PhD Symposium on Financial Stability*, Empirics and Methods in Economics Conference*

2019 Transatlantic Doctoral Conference

*presented by coauthor

Honors and Awards

2024 **UCLA Council on Research Grant**

2023 **Sydney Banking and Financial Stability Conference Best Paper Award**

2023 **Briskin Research Grant Award**

2023 **Ziman Center Research Grant Award**

2023 **Hellman Fellowship Award**

2022 **Fink Center for Finance Faculty Grant Award**

2022 **Ziman Center Research Grant Award**
2021 **Emerald – India Finance Conference Best Paper Award**
2021 **Fink Center for Finance Faculty Grant Award**
2021 **ECB's Young Economists' Competition Finalist**
2021 **WFA PhD Candidate Award For Outstanding Research**
2021 **Eugene F. Fama PhD Fellowship**
2021 **Qatar Centre for Global Banking and Finance Young Economist Prize Runnner-Up**
2020 **BlackRock Applied Research Award Winner**
2020 **Stigler Center PhD Dissertation Award**
2020 **NSE-NYU Stern Initiative on the Study of Indian Financial Markets Research Grant**
2019 **Fama-Miller Research Grant**
2019 **LBS Wheeler Institute for Business and Development Research Grant**
2017 **Center for Research in Security Prices Summer Paper Award**
2017 **Stigler Center Research Grant on Regulatory Capture**
2016 **Tapan Mitra Economics Prize for International Finance**

Teaching Experience

Summer 2024 **Instructor**, *Advanced Financial Policy for Managers*.
Executive-MBA and Fully-Employed MBA; 1 section, UCLA Anderson

2022-2024 **Instructor**, *Corporate Finance*.
Full-Time MBA, Fully-Employed MBA, and Executive MBA; 10 sections, UCLA Anderson

Winter 2021/ Winter 2020 **Teaching Assistant for Prof. Raghuram Rajan**, *International Corporate Finance*.
6 sections, Chicago Booth

Winter 2020/ Spring 2019 **Teaching Assistant for Prof. Wenxin Du**, *Investments*.
4 sections, Chicago Booth

Fall 2019 **Teaching Assistant for Prof. George Constantinides**, *Financial Instruments*.
2 sections, Chicago Booth; 1 section, College

Spring 2019 **Teaching Assistant for Prof. Anil Kashyap**, *Analytics of Financial Crises*.
2 sections, Chicago Booth

Professional Activities

2024 **Conference Organizer**, *Fink Center Conference on Financial Markets*, UCLA Anderson.
2023 **Conference Organizer**, *Fink Center Conference on Financial Markets*, UCLA Anderson.
2022 **Conference Organizer**, *Fink Center Conference on Financial Markets*, UCLA Anderson.
2023-2024 **Organizer**, *UCLA PhD Seminar*, UCLA Anderson.
2022-2023 **Organizer**, *UCLA PhD Seminar*, UCLA Anderson.
2022-2023 **Organizer**, *UCLA Finance Seminar*, UCLA Anderson.
2021-2022 **Organizer**, *UCLA PhD Seminar*, UCLA Anderson.
2018-2020 **Organizer**, *Orientation for New PhD Admits*, Chicago Booth.

2018-2019 **Organizer**, *Chicago Booth Finance Brownbag Seminar*, Chicago Booth.
2024 **Program Committee Member**, *EFA Annual Meeting*, European Finance Association.
2024 **Program Committee Member**, *WFA Annual Meeting*, Western Finance Association.
2024 **Program Committee Member**, *MFA Annual Meeting*, Midwest Finance Association.
2024 **Program Committee Member**, *SFS Cavalcade*, SFS Society.
2023 **Program Committee Member**, *SFS Cavalcade*, SFS Society.
2022 **Program Committee Member**, *SFS Cavalcade*, SFS Society.
2022 **Session Facilitator**, *Rising Scholars Conference*, Chicago Booth.
2022 **Session Chair**, *Midwest Finance Association Annual Meeting*.

Other Employment

12/2017-07/2018 **Research Intern**, *Deutsche Bundesbank*, Frankfurt, Germany.
Research Centre

06/2016-08/2016 **Summer Analyst**, *Citigroup Quantitative Trading and Analysis*, New York, NY.
Commodities Research Team

05/2015-08/2015 **Summer Analyst**, *BlackRock Portfolio Analytics Group*, New York, NY.
Financial Markets Advisory

Personal

2024 **Forbes 30 Under 30**
2022 **Aspen Ideas Festival Fellow**
2021 **World Economic Forum Global Shaper**
2017-2021 **Board of Directors**, *Telluride Association*.
Served as a trustee for an educational non-profit with an endowment of >$50 million that offers educational opportunities and scholarships to high potential high school, undergraduate, and graduate students.
2013 **President's Volunteer Service Award** (Gold Level)
Languages *English, Bengali, Spanish, Hindi*
Citizenship *USA*

Amiyatosh Purnanandam

Contact Information

R5436, Ross School of Business
University of Michigan
701 Tappan Street
Ann Arbor, MI 48109 USA

Voice: (734) 764-6886
Fax: (734) 936-8716
E-mail: amiyatos@umich.edu
webpage
Google Scholar
twitter: @amiyatosh

Research Interests

Banking, FinTech, Mortgages, Corporate Finance, Credit Risk.

Education

Cornell University, Ithaca, New York USA

Ph.D. (Finance), 2005
M.S., 2003

Indian Institute of Management (IIM), Lucknow, India

PGDM (MBA), 1995

Indian Institute of Technology (IIT), Kharagpur, India

B.Tech., Electrical Engineering, 1993

Academic Experience

Ross School of Business, University of Michigan, Ann Arbor, Michigan

Michael Stark Professor of Finance	**2018 - present**
Professor	**2014 - 2018**
Michael R. and Mary Kay Hallman Fellow	**2012 - 2015**
Associate Professor	**2010 - 2014**
Assistant Professor	**2005 - 2010**
Lecturer	**2004 - 2005**

Anderson School of Management, University of California, Los Angeles, California

Visiting Professor of Finance	**2023 - 2024**

Affiliations & Editorial Positions

Journal of Finance, Associate Editor, September 2020 - Present
Financial Intermediation Research Society, Director, 2022 - 2025
Midwest Finance Association, Vice President (Elect), 2024
Review of Finance, Editor, 2017- 2020
Review of Finance, Associate Editor, Jan 2017- June 2017
Journal of Banking and Finance, Associate Editor, 2017 - 2019
Review of Financial Studies, Associate Editor, 2015 - 2018
Journal of Financial Intermediation, Associate Editor, 2013 - Present
International Review of Finance, Associate Editor, 2008 - Present

Publications

1. Did banks pay "fair" returns to taxpayers on TARP?, 2023, with Thomas Flanagan, forthcoming, Journal of Finance.
2. Disaster Lending: "Fair" Prices, "Unfair" Access, 2023, with Taylor Begley, Umit Gurun and Daniel Weagley, forthcoming, Management Science.
3. A High-dimensional Approach to Measure Connectivity in the Financial Sector, 2023, with Sumanta Basu, Sreyoshi Das and George Michailidis, forthcoming, Annals of Applied Statistics.
4. Color and credit: Race, Regulation, and the Quality of Financial Services, 2021, with Taylor Begley, Journal of Financial Economics, 141, 48-65.

5. Bank Risk Dynamics and Distance-to-Default, 2020, with Stefan Nagel, Review of Financial Studies, 33, 2421-2467.
6. Growth Option Exercise and Capital Structure, 2018, with Uday Rajan. Review of Finance, 22, 207-241.
7. Do short sellers trade on private information or false information?, 2018, with Nejat Seyhun. Journal of Financial & Quantitative Analysis, 53, 997-1023.
8. Shareholder Rights Do Affect the Cost of Bank Loans, 2018, with Sudheer Chava and Dmitry Livdan, Critical Finance Review, 7, 191-200.
9. Strategic Under-reporting of Bank Risk, 2017, with Taylor Begley and KC Zheng. Review of Financial Studies, 30, 3376-3415.
10. Design of Financial Securities: Empirical Evidence from Private-Label RMBS Deals, 2017, with Taylor Begley. Review of Financial Studies, 30, 120-161 .
11. Can Markets Discipline Government Agencies?: Evidence from the Weather Derivatives Market, 2016, with Daniel Weagley. Journal of Finance, 71, 303-334.
12. Seasoned equity offerings, corporate governance, and Investments, 2014, with Han Kim. Review of Finance, 18, 1023-1057.
13. Originate-to-distribute model and the subprime mortgage crisis, 2011. Review of Financial Studies, 24, 1881-1915.
14. The Effect of Banking-Crisis on Bank-Dependent Borrowers, 2011, with Sudheer Chava. Journal of Financial Economics, 99, 116-135.
15. CEOs vs. CFOs: Incentives and Corporate Policies, 2010, with Sudheer Chava. Journal of Financial Economics, 97, 263-278.
16. Is Default Risk Negatively Related to Stock Returns?, 2010, with Sudheer Chava. Review of Financial Studies, 23, 2523-2559.
17. Do Shareholder Rights Affect the Cost of Bank Loans?, with Sudheer Chava and Dmitri Livdan, 2009, Review of Financial Studies, 22, 2973-3004.
18. Financial Distress and Corporate Risk Management: Theory & Evidence 2008, Journal of Financial Economics, 87, 706-739.
19. Interest Rate Derivatives at Commercial Banks: An Empirical Investigation, 2007, Journal of Monetary Economics, 54, 1769-1808.
20. The valuation of a Firm's Investment Opportunities: A Reduced Form Credit Risk Perspective, with Robert Jarrow, 2007, Review of Derivatives Research, 10, 39-58.
21. Determinants of the floating-to-fixed rate debt structure of firms, with Sudheer Chava, 2007, Journal of Financial Economics, 85, 755-786.
22. A generalized coherent risk measure: The firm's perspective, with Robert Jarrow, 2005, Finance Research Letters, 2, 23-29.
23. Are IPOs Really Underpriced?, with B. Swaminathan, 2004, Review of Financial Studies, 17, 811-848.
24. Market Pricing of Deposit Insurance, with Darrell Duffie, Robert Jarrow and Wei Yang, 2003, Journal of Financial Services Research, 24, 93-119.

Working Papers

1. Judging Bank Risk by the Profits They Report, 2020, with Ben Meiselman and Stefan Nagel (R&R at the Journal of Finance)
2. United They Fall: Bank Risk after the Financial Crisis, 2022, with Priyank Gandhi. (R&R at the Review of Financial Studies)
3. The Economics of Market-Based Deposit Insurance, 2024, with Edward Kim and Shohini Kundu
4. Shadows on Main Street: Mapping America's Financial Architecture from the Yellow Pages of 20th Century, 2023, with Taylor Begley and Virginia Traweek
5. Can Cashless Payment Spur Economic Growth?, 2023, with Tamanna Singh Dubey.
6. Can credit rating affect credit risk? Causal evidence from an online lending marketplace, 2023, with Alex Wirth.
7. Carbon emissions and shareholder value: Causal evidence from the U.S. Power Utilities, 2022, with Mayank Kumar
8. Corporate Bond Purchases After COVID-19: Who Did the Fed Buy and How Did the Markets Respond?, 2020, with Thomas Flanagan
9. Why do banks hide losses?, 2020, with Thomas Flanagan

Permanent Working Papers

1. Risk-Taking by Banks: What Did We Know and When Did We Know It?, 2011, with Sugato Bhattacharyya.
2. Corporate hedging, investment and value, 2010 with Jose Borrespide and Uday Rajan.
3. Do stock prices under-react to SEO announcements? Evidence from SEO valuation, 2006, with Bhaskaran Swaminathan.
4. Underwriter Manipulation in IPOs, 2006, with Rajesh Aggarwal and Guojun Wu.

Teaching

Ph.D

- Empirical methods in Corporate Finance
- Core Corporate Finance

MBA

- Valuation
- Core class in Financial Management
- Corporate Financial Policies
- Finance and Society
- Online MBA (OMBA) class on Corporate Finance

Executive MBA

- Global Finance
- Corporate Financial Policies

BBA

- Core class in Financial Management

MOOC on edX

- Financial Institutions and Markets
- Corporate Financial Policy

Honors and Awards

School-wide teaching awards

- PhD Teaching Excellence Award, Ross School of Business, 2014.
- MBA Teaching Excellence Award Nomination, Ross School of Business, 2007, 2010, 2012, 2015-2019
- PhD Teaching Excellence Award Nomination, Ross School of Business, 2009, 2013, 2016.

University-wide teaching awards

- Golden Apple Teaching Award Nomination, University of Michigan, 2015, 2016, 2017.

Research/other awards

- Senior Faculty Research Award, Ross School of Business, 2024.
- Bradford-Osborne Research Award, 2nd place, 2022.
- Ross School of Business Core Award for contribution to research environment, 2020.
- Review of Financial Studies Referee of the Year Award, 2016.
- Research Fellow, FDIC's Center for Financial Research, 2004-05, 2009-10.
- Grant of $10,000 from FDIC for paper "Originate-to-distribute Model and the Subprime Mortgage Crisis".
- Bank One Assistant Professor, Ross School of Business, University of Michigan, 2008-09.
- NTT Research Fellowship 2006-07, Ross School of Business, University of Michigan.
- Grant of $10,000 from FDIC for paper "The Effect of Banking-Crisis on Bank-Dependent Borrowers".
- Grant of $10,000 from FDIC for paper "Interest Rate Risk Management at Commercial Banks: An Empirical Investigation".
- Lehman Brothers Ph.D. Dissertation Fellowship, 2003 First Prize Winner.
- WFA Ph.D. student travel scholarship for year 2003.
- AFA Ph.D. student travel grant for year 2002.
- Industry scholarship for academic performance at IIM, Lucknow

Seminars, including scheduled

University of Pittsburgh (2025), University of Miami (2025), Indiana University (2025), University of Washington (2024), Federal Reserve Bank, Philadelphia (2024), University of Illinois, Chicago (2024), University of Texas, San Antonio (2024), Institute of Economic Growth, New Delhi (2024), CEPR Webinar on Payment Systems (2024), University of Minnesota (2024), European Central Bank (2023), UCLA Anderson Brownbag (2023), UCLA Macro-Finance Brownbag (2023), University of Southern California Brown Bag (2023), University of Georgia (2023), Louisiana State University (2023), Norwegian School of Economics (2023), BI Norwegian Business School (2023), University of Nebraska (2023), Columbia University (2023), University of Texas at Dallas (2022), La Trobe University, Australia (2022), Office of Financial Research, Department of Treasury (2022), University of Miami (2022), Kent State University (2022), University of Cincinnati (2021), Office of the Comptroller of Currency (2021), Federal Reserve Board (2021), University of Virginia (2021), Bank of Portugal (2021), PUC, Chile (2021), University of Colorado (2021), Groningen University (2020), University of Delaware (2020), Securities and Exchange Commission (2019), Tilburg University (2019), Erasmus University Rotterdam (2019), Maastricht University (2019), University College, London (2019), Imperial College, London (2019), Oklahoma University (2019), University of California, San Diego (2018), Johns Hopkins University (2018), University of Iowa (2018), SUNY, Buffalo (2018), Office of the Comptroller of Currency (2018), Federal Reserve Bank, D.C. (2018), Bank of International Settlement, Basel (2018), Swiss Federal Institute of Finance, Lausanne (2018), Emory University (2018), Georgia Tech (2018), Rice University (2017), Southern Methodist University (2017), Wayne State University (2016), University of Miami (2016), University of Texas, Dallas (2016), George Mason University (2016), Georgia State University (2016), University of Florida (2015), Northeastern University (2015), University of Notre Dame (2015), Federal Reserve Bank of New York (2014), University of Houston (2014), Federal Reserve Bank of Cleveland (2014), Purdue University (2014), Federal Reserve Bank of Kansas City (2014), New York University (2014), Dartmouth College (2013), University of Southern California (2013), Michigan State University (2013), Duke University (2012), University of Virginia (2011), York University (2010), Loyola College, Chicago (2009), University of

Texas, Dallas (2009), Michigan State University (2009), University of Wisconsin, Madison (2009), Washington University (2009), FDIC (2009), New York University (2008), University of Illinois, Urbana-Champaign (2008), Federal Reserve Board (2008), University of Miami (2007), University of Maryland (2007), University of Minnesota (2007), FDIC (2006), Federal Reserve Bank of New York (2006), University of Texas, Austin (2006), Boston College (2004), Darden School of Business (2004), Emory University (2004), London Business School (2004), University of Notre Dame (2004), University of Michigan (2004), University of Rochester (2004), Lehman Brothers (2003), Syracuse University (2002).

Conference Presentations

ISB-NBER Conference (2023), IIMC-NYU Stern India Conference (2023), Consumer Behavior in Credit and Payments Markets conference, Johns Hopkins Carey Finance Conference (2023), Stanford Institute of Theoretical Economics, SITE (2023), American Finance Association (x2, 2024), NBER Summer Institute Meeting on Macro, Money, and Financial Frictions (2023), OCC Emerging Risks in the Banking System (2023), Columbia University Summit on Indian Economy (2023), Australasian Finance and Banking Conference (2022), University of South Carolina FIFI Conference (2022), University of Washington Tenure Project Conference (2022), University of Toronto Corporate Finance Conference (2021), University of Wisconsin Real Estate Conference (2021), NYU-IIMC Conference (2020), American Finance Association (2019), Wharton Liquidity Conference (2018), Vanderbilt University, Financial Markets Research Center Conference (2018), NBER Summer Institute, Corporate Finance (2018), American Finance Association (2018), NBER Summer Institute, Household Finance (2017), NBER Summer Institute, Risk of Financial Institution (2017), Banks, Systemic Risk, Measurement and Mitigation Conference at Sapienza University (2017), Michigan Finance-Economics Joint Conference (2017), Lancaster University Corporate Finance Conference (2016), American Finance Association (2016), Michigan State University FCU Conference (2014), Utah Winter Finance Conference (2014), Carefin-Bocconi (2013), NBER Summer Institute, Risk of Financial Institution (2013), SFS Cavalcade (2013) , American Finance Association (2013) , NBER Meetings on Economics of Commodities Market (2012), American Finance Association (2012), Financial Intermediation Research Society (2012), Annual Corporate Finance Symposium at HKUST (2011), Michigan Finance-Economics Joint Conference (2011), American Finance Association (x2, 2010), Financial Intermediation Research Society (2010), Texas Finance Festival (2009), Western Finance Association (2009), Bank of Portugal Conference on Financial Intermediation (2009), Utah Winter Finance Conference (2008), FDIC (2006), Financial Intermediation Research Society (x2, 2006), Federal Reserve Bank of Atlanta (2006), Federal Reserve Bank of Chicago (2006), Western Finance Association (2006), European Finance Association (2006), Western Finance Association (x2, 2005), FDIC-CFR conference (2004), FDIC-JFSR Conference on risk management and governance (2004), Western Finance Association (2003)

Keynotes, Policy Forums, Other Talks

- Keynote Address at CAFRAL Annual Conference, Reserve Bank of India (2024, scheduled)
- Kautilya Economic Conclave, Ministry of Finance, India (2023)
- Kautilya Economic Conclave, Ministry of Finance, India (2022)
- Federal Reserve Bank of Chicago Quantitative Congress (2019)
- Michigan Legislative Council, Lansing: Presentation on Financial Crisis (2008)

Discussions

IBEFA Meetings, ASSA (2024), SNB-FRB-BIS Conference on Global Risk, Uncertainty, and Volatility (2023), Western Finance Association (2023), Financial Intermediation Research Society (2023), Australasian Finance and Banking Conference (2022), SERI Workshop, Indian School of Business (2022), Washington University Corporate Finance Conference (2020), Fed Atlanta Conference (2020), FDIC Annual Conference (2019), Duke-UNC Corporate Finance Conference (2019), UT Austin Forum on Corporate Finance (2018), SFS Cavalcade (2018), Northeastern University Finance Conference (2018), Third Annual Young Scholars Finance Consortium, Texas A&M (2018), Finance, Organizations and Markets Conference, USC (2017), WFA-JFI Conference at Washington University (2017), Western Finance Association (2017), Texas Finance Festival (2017), Northeastern University Finance Conference (2017), Western Finance Association (2 x 2016), NYU-Fed NY

Conference (2016), American Finance Association (2016), SFS Cavalcade (2015), Financial Reform Panel, Michigan Law School (2014), SEC-Center for Financial Policy Conference (2014), Texas Finance Festival (2014), Michigan Econ-Finance Day Conference (2014), Carefin-Bocconi Conference (2013), Real Estate Symposium at WFA (2013), Western Finance Association (2013), SFS Cavalcade (2013), Utah Winter Finance Conference (2013), American Finance Association (2013), Michigan Econ-Finance Day Conference (2012), Red Rock Finance Conference (2012), Western Finance Association (2012), Texas Finance Festival (2012), Financial Intermediation Research Society (2012), American Finance Association (2011), Federal Reserve Day-Ahead Conference at ASSA (2011), Western Finance Association (2010), Financial Intermediation Research Society (2010), Western Finance Association (2009), Southwind Finance Conference (2009), Western Finance Association (2008), Mitsui Life Conference on Credit Risk at the University of Michigan (2008), NBER Asset Pricing Summer Institute (2006), European Finance Association (2006), Financial Economics and Accounting conference at UNC (2005), Financial Management Association meetings (2003).

PhD Advising (year, discipline, first placement)

Finance Department

- Tamanna Singh Dubey, Chair (Finance, in progress)
- Alexander Wirth, Chair (Finance, Cornerstone Research)
- Mayank Kumar, Chair (2024, Finance, Boston University)
- Thomas Flanagan, Chair (2023, Finance, Ohio State University)
- Virginia Traweek, Chair (2021, Finance, Texas Christian University)
- Kuncheng Zheng, Chair (2015, Finance, Northeastern University)
- Taylor Begley, Chair (2014, Finance, London Business School)
- Daniel Weagley, Co-Chair (2014, Finance, Georgia Institute of Technology)
- Joe Warburton, Chair (2009, Finance, Syracuse University)

- Hedieh Rashidi, Member (2023, Finance, Melbourne Business School)
- Emil Lakkis, Member (2023, Finance, Cornerstone Research)
- George Malikov, Member (2020, Finance, Western Ontario)
- Rahul Chhabra, Member (2018, Finance, Charles River Associates)
- Seungjoon Oh, Member (2014, Finance, Peking University)
- Seokwoo Lee, Member (2013, Finance, George Mason University)
- Shinwoo Kang, Member (2013,Finance, Hitotsubashi University, Tokyo)
- Min Zhou, Member (2011, Finance, World Bank)
- Mandy Tham, Member (2008, Finance, Nanyang Technological University)

Other departments

- John Aland, Member (2021, Accounting, Fairfield University)
- Andrea Down, Member (2020, Accounting, University of Toronto)
- Ruby Lee, Member (2019, Accounting, University of Florida)
- Jiahe Lin, Member (2018, Statistics, Goldman Sachs)
- Yue Fang, Co-chair (2018, Business Economics)
- Sreyashi Das, Member (2017, Economics, Cornell Post-Doc)
- Guodong Chen, Member (2016, Economics, NYU-Shanghai)
- Randall Hucks, Member (2015, Accounting, Eastern Michigan University)
- Tong Yob Nam, Member (2015, Economics, Office of the Comptroller of Currency)
- Ihsan Saracgil, Member (2015, Economics, Cornerstone Research)
- Aditya Alagangady, Member (2014, Economics, Fed Board)
- Xiaoyang Li, Member (2011, Business Economics, CKGSB, China)

Conference, Committees

Program Committee Member: Utah Winter Finance Conference, China International Conference in Finance, Western Finance Association, SFS Cavalcade, Financial Intermediation Research Society, European Finance Association, Corporate Finance Conference at Washington University, CUHK-RCFS Conference on Corporate Finance & Financial Intermediation, UC Denver Front Range

Finance Conference, The Financial Crisis Ten Years Later, Yale School of Management, SFS Cavalcade Asia-Pacific, NYU/FedNY Conference, Texas Finance Festival, Indian School of Business Summer Conference, NAPA Valley Finance Conference, Oklahoma Energy Finance Conference, Mitsui Life Conference, FMA meetings, Darden International Finance Conference, FMA Competitive Award Committee

Track Chair/Associate Program Chair: Western Finance Association (2020,2021,2022,2023), European Finance Association (2018), Midwest Finance Association (2016, 2019, 2020, 2024)

Session Chair: Midwest Finance Association Meetings (2023), China International Conference in Finance (2022), Financial Intermediation Research Society (2012,2014,2019,2022,2023), Western Finance Association Meetings (2017, 2018, 2021, 2022), American Finance Association Meetings (2018, 2021), Fed St. Louis Community Bank Conference (2020), FDIC Annual Conference (2019), Washington University Corporate Finance Conference (2018), Mitsui Life Finance Symposium (2009, 2013, 2015), Society for Financial Studies Cavalcade (2011)

Other Professional Services: AFA Nominating Committee Member, 2024

Referee Work

American Economic Review, European Economic Review, Finance Research Letters, Financial Management, Management Science, Journal of Banking and Finance, Journal of Corporate Finance, Journal of Empirical Finance, Journal of Finance, Journal of Financial Economics, Journal of Financial Intermediation, Journal of Financial Markets, Journal of Financial Services Research, Journal of Financial Stability, Journal of Financial and Quantitative Analysis, Journal of Monetary Economics, Journal of Money Credit and Banking, Journal of Risk, Review of Accounting Studies, Review of Asset Pricing Studies, Review of Corporate Financial Studies, Review of Economics and Statistics, Review of Economic Studies, Review of Finance, Review of Financial Studies

Service: Selected Assignments

University of Michigan

- Center for Research on Learning and Teaching (CRLT) Faculty Advisory Board, 2019-2021.

Ross School of Business

- Member: Diversity, Equity, and Inclusion Committee, 2022-23
- Finance Area Chair: 2019-2022
- Interim Director of the Mitsui Life Center, March-July, 2020, 2021-22
- Member: Diversity, Equity, and Inclusion Curriculum Committee, 2020-21
- Member: Teaching Evaluation Taskforce, 2017-18
- Member: Faculty Performance Evaluation Committee, 2016-17
- Chair: Teaching Advisory Committee, 2012-14
- Chair: Doctoral Program Committee: 2011-12
- Member: Communities Value Committee, 2010-11

Department Level at Ross School of Business

- PhD Program Coordinator, 2011-13.
- Member/Chair of several committees (Recruitment/Seminar/Research).

Outside

- External grant reviewer: Research Grant Council of Hong Kong.
- External grant reviewer: Social Sciences and Humanities Research Council of Canada
- External grant reviewer: Israel Science Foundation

Industry, Regulatory and Consulting Experience

Advisory Board

Forbes Advisor: Banking Advisory Board, 2024-.

Academic Consultant
Federal Reserve Bank of Cleveland, Summer 2014.

Consulting Assignments
Banking and financial services industry.

Executive Education
Banking, risk-management

ICICI Ltd, India
Assistant Vice President **1995 - 1999**
Project financing, deal structuring, lending and relationship banking.

Selected Policy Impact

Indian Economic Policy
Inputs for 2019-20 Economic Survey of the Ministry of Finance (Chapter 10).

Sample of Research Citations for U.S. Regulations
SEC: "Asset-Backed Securities Disclosure and Registration"
OCC/Fed/FDIC/SEC/HUD: "Credit Risk Retention Rule"
SEC:"Nationally Recognized Statistical Rating Organizations"

Media Appearance

Senior Contributor, Forbes
Read my Forbes Column

Commentary, analysis and coverage on topics related to banking, mortgage crisis, credit ratings, IPOs, and derivatives in media outlets such as:

U.S.*: NPR Planet Money, NPR Marketplace, Bloomberg, CNN, Reuters, Washington Post, WSJ, Voice of America, Michigan Radio, Detroit Free Press, Financial Times, WWJ News Radio, Ann Arbor News, National Mortgage News, CBS News, American Banker, Mortgage Orb, Business Insider.*

India*: Times of India, the Hindu, Indian Express, Livemint, CNN News18, Financial Express.*

Speaking Engagements & Panel Discussions

- Negative Interest Rates, Kemba Credit Union Board Meeting **2020**
- Fed's Response to the Pandemic, Ross Finance Lecture Series **2020**
- Ross Fintech Challenge **2019**
- Last Lecture to the Graduating Ross MBA Class of 2019 **2019**
- Investments and Entrepreneurship Panel Discussion Moderator: Michigan India Conference **2019**
- FinTech Conference co-hosted by the Office of Financial Research and University of Michigan: Panel Discussion Moderator **2017**
- Big Data in Finance Conference co-hosted by the Office of Financial Research and University of Michigan: Panel Discussion Moderator **2016**
- Financial Stability Conference co-hosted by the Office of Financial Research and University of Michigan: Panel Discussion Moderator **2015**
- Asia Business Conference, Ann Arbor: Panel Discussion Moderator **2012**
- Black Business Student Association (BBSA), Ann Arbor: Panel Discussion Moderator **2012**
- Ross School Visiting Committee: Talk on Financial Crisis **2010**
- Osher Lifelong Learning Center Lecture, Ann Arbor: Talk on Financial Crisis **2009**

Personal

Citizenship: U.S. Citizen, Overseas Citizen of India
Languages: English, Hindi, Maithili

Updated: April, 2024.