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COLUMBIA BUSINESS SCHOOL

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Professional Appointments

Associate Professor (untenured)**,** Columbia Business School, 2020-
Visiting Associate Professor, Chicago Booth School of Business, 2021-2022
Assistant Professor**,** Columbia Business School, 2016-2020
CEPR Research Affiliate, 2021-

Education

Ph.D. in Economics, Princeton University, 2016
M1, Economics, Toulouse School of Economics, 2010
B.Sc., Econometrics and Mathematical Economics
London School of Economics, 2009

Fields of Interest

Credit Markets, Monetary Policy, Information Economics

Publications

"Bank Liquidity Provision Across the Firm Size Distribution" (with Gabriel Chodorow-Reich, Stephan Luck and Matthew Plosser)

Journal of Financial Economics, 2022

Using supervisory loan-level data, we document that small firms obtain shorter maturity credit lines than large firms; have less active maturity management; post more collateral; have higher utilization rates; and pay higher spreads. We rationalize these facts as the equilibrium outcome of a trade-off between lender commitment and discretion. Using the COVID recession, we test the prediction that small firms with discretionary loan terms cannot draw credit in bad times. We show that only large firms drew on credit lines and provide evidence that differences in demand for liquidity cannot explain differences in drawdowns, but that PPP alleviated the shortfall.

“Learning about Competitors: Evidence from SME Lending” (with Andrew Sutherland)
Review of Financial Studies, 2021

We study how SME lenders react to information about their competitors' contracting decisions. To isolate this learning from lenders' common reaction to unobserved shocks to fundamentals, we exploit the staggered entry of lenders into an information sharing platform. Upon entering, lenders adjust their contract terms toward what others offer. This reaction is mediated by the distribution of market shares: lenders with higher shares or operating in concentrated markets react less. Thus, contract terms are shaped not only by borrower or lender fundamentals, but also by the interaction between information availability and competition.

"Informational Frictions and the Credit Crunch"
Journal of Finance, 2020
Brattle Group Prize, distinguished paper in corporate finance

This paper estimates the magnitude of an informational friction limiting credit reallocation to firms during the 2007-2009 financial crisis. Because lenders rely on private information when deciding which relationship to end, borrowers looking for a new lender are adversely selected. I show how to identify private information separately from information common to all lenders but unobservable to the econometrician by using bank shocks within a discrete choice model of relationships. Quantitatively, these informational frictions seem too small to explain the credit crunch in the U.S. syndicated corporate loan market.

"The Effects of Quantitative Easing on Bank Lending Behavior" (with Alexander Rodnyansky)
Review of Financial Studies, 2017

Banks' exposure to large-scale asset purchases, as measured by the relative prevalence of mortgage-backed securities on their books, affects lending following unconventional monetary policy shocks. Using a difference-in-differences identification strategy, this paper finds strong effects of the first and third round of quantitative easing (QE1 and QE3) on credit. Highly affected commercial banks increase lending by 3% relative to their counterparts. QE2 had no significant impact, consistent with its exclusive focus on Treasuries sparsely held by banks. Overall, banks respond heterogeneously and the type of asset being targeted is central to QE.

Working Papers

"Bond Market Stimulus: Firm-Level Evidence from 2020-21" (with Kerry Yang Siani)

Using micro-data on corporate balance sheets, we study firm behavior after the unprecedented policy support to corporate bond markets in 2020. As bond yields fell, firms issued bonds to accumulate large and persistent amounts of liquid assets instead of investing. Conceptually, this could nevertheless be beneficial, as long as bond issuers valued this liquidity highly. However, these firms generally had access to bank liquidity that they chose not to use: many issuers left their credit lines untouched, while others used bond proceeds to repay existing loans. Moreover, equity payouts remained high: over 40% of issuers repurchased shares in Spring 2020.

"The Bond Lending Channel of Monetary Policy" (with Oliver Geisecke and Alexander Rodnyansky)

Corporate bond markets are a growing source of funding for companies throughout the world. How does a firm's debt composition affect the transmission of monetary policy? When frictions in bond financing are large, a bond lending channel can potentially dominate the conventional bank lending channel. We present high-frequency evidence consistent with this mechanism in the euro area: firms with more bonds are more affected by surprise monetary actions than their counterparts. This finding stands in contrast to the bank lending channel, suggesting that the role of bond financing in monetary transmission is more complex than previously thought.

"The Rise of Bond Financing in Europe" (with Melina Papoutsi)

Using large panel data of public and private firms, this paper dissects the growth of bond financing in the Euro Area through the lens of the cross-section of issuers. In recent years, the composition of bond issuers has shifted, with the entry of many smaller and riskier issuers. New issuers invest and grow, instead of simply repaying bank loans. Moreover, holdings of `buy-and-hold' bond investors are large in aggregate but small for weaker issuers. Nevertheless, the bond investors' sell-off after March 2020 was largely directed at bonds of larger, safer issuers. This micro-evidence can shed light on the implications of corporate bonds market development for smaller firms and financial stability.

"The Savings of Corporate Giants" (with Lira Mota) Data available at fanfrepo.com

We construct a novel panel dataset to provide new evidence on how the largest nonfinancial firms manage their financial assets. Our granular data shows that, over the past decade, bond portfolios have grown to be at least as large as cash-like instruments, driven by the meteoric rise of corporate bond holdings. To shed light on the drivers of this growth, we conduct a pair of event studies around the 2017 tax reform and the 2020 liquidity crisis. Our new data suggests that the financial portfolios of corporate giants are primarily driven by cross-border tax incentives rather than liquidity motives.

Other publications

Corporate Bond Issuance and Bank Lending in the United States (with Kerry Siani), *European Economy: Banks, Regulation, and the Real Sector - Banking and Covid, 2021*

Horizon Effects and Adverse Selection in Health Insurance Markets (with Dan Zeltzer) *Canadian Journal of Economics, forthcoming*

Presentations

2022	Chicago Booth, Michigan Ross, IMF, McGill, Chicago Fed, Georgetown, UNC, Bank of Spain, Toulouse School of Economics, Nova Business School, CEPR Lenzerheide, AFA (x2)
2021	Notre Dame, MIT Sloan, University of Zurich, Northwestern Kellogg, Federal Reserve Board, Federal Reserve Bank of Philadelphia, Bank of Portugal, NBER Summer Institute (x2), Texas Finance Festival, Boston College, University of Wisconsin-Madison, University of Maryland, Bocconi, Lugano, University of Bonn, Durham, Federal Reserve Bank of Boston, AFA, ECB-RFS Macro-Finance Conference, CEPR Lenzerheide, Barcelona Summer Forum, NYU-NY Fed Financial Intermediation Conference, SFS Cavalcade, CEPR ESSIM, MoFir Workshop in Banking, MFA (x3), FIRS, SWFA, Easter Finance Association, Bundesbank Conference
2020	MFA, FIRS, SFS Cavalcade, ECB, EFA, Econometric Society, World Finance Conference, CEPR Bank of Finland Conference
2019	MFA, Stockholm School of Economics, New York Fed, WFA, Yale SOM, NYU Five Star Conference
2018	Cologne, University of Bonn, MFA, Tilburg, EIEF Rome, Philadelphia Fed, NYU Stern, Bank of England
2017	Copenhagen Business School, New York Fed, WFA, World Congress of IHA, BYU
2016	Princeton, BlackRock, Kellogg School of Management, NYU Stern, UC Berkeley Haas, UCLA Anderson, Wharton, UT Austin, Columbia, Yale SOM, Harvard Business School, University of Maryland, FDIC, Toulouse School of Economics, HEC Paris
2014	Econometric Society North American Meeting

Honors, Scholarships, and Fellowships

2021	Brattle Prize, Distinguished Paper in Corporate Finance, published in Journal of Finance
2016	AQR Top Finance Graduate Award (declined)
2015	BlackRock Applied Research Award, Finalist
2010 – 2016	Princeton University Graduate Scholarship
2009	LSE Department of Economics Prize

Refereeing Activity

American Economic Review, Econometrica, International Journal of Central Banking, Journal of Banking and Finance, Journal of Finance, Journal of Financial Economics, Journal of Financial Intermediation, JFQA, Journal of

Financial Services Research, Journal of Monetary Economics, Journal of Money, Credit and Banking, Journal of Political Economy, Management Science, Quarterly Journal of Economics, Review of Finance, Review of Financial Studies

PhD Student Advising

2022	Kerry Siani (MIT), Felipe Netto (Bank of England)
2021	Lira Mota (MIT)
2020	Poorya Kabir (NUS), Yifeng Guo (AQR), Yahui Wang (Dimensional), Danqing Mei (CKGSB)
2018	Melina Papoutsi (ECB), Cynthia Balloch (LSE)
2017	Ye Li (OSU), Pablo Slusky (Maryland)

Outside Activities

None