

**Seminar in Financial Institutions
Spring 2026**

**Professor Linda Allen
Mondays 10:00-12:00 PM**

OBJECTIVES and GRADING

This seminar provides an exposure to an array of recent papers in the area of financial intermediation. The course is designed to develop and refine skills a scholar requires in order to make contributions to the academic body of scholarship in any field.

Cutting edge research builds on a foundation of early work. To make a contribution to the literature in any field, the researcher must be able to synthesize and connect new research to earlier studies. At times, this will require the researcher to refute conventional wisdom. Alternatively, new work may confirm earlier studies or may offer novel perspectives and nuances that expand knowledge. Therefore, a fundamental skill required to make an academic contribution (in any field) is the ability to connect different papers by identifying critical points of reference in terms of: assumptions, methodologies, databases, empirical results and inferences.

In order to foster this expertise, the class presentations will stress interconnections across the assigned papers. Each student (registered and auditing) will be assigned a week to present the papers from the perspective of the above-mentioned synthesis. Presentation slides (to be submitted before the class meeting) must describe each assigned paper AND ALSO LINK THE PAPERS USING THE ABOVE CRITICAL POINTS OF REFERENCE. The presenter must defend a position about whether aspects of the papers are complementary or contradictory. Invariably, both elements will be present. Class participation should focus on a debate about the nature of the links across papers, as well as a critique of each paper's analytical design.

Final grades will depend on the quality of **weekly class participation**, as well as on the individual **paper presentation**. In addition, a **paper** containing original analysis must be completed and submitted by **May 22, 2026**. Topics must be approved by me before **March 30, 2026**.

January 26: Organization and Assignments: Introduction

February 2: Loan Supply Shocks: Econometric Issues Hyun Jun Yoo

1. Bergman, Casado, Iyer and Saporta-Ecksten, "Estimating the Impact of Loan Supply Shocks," October 2025.
2. Khwaja and Mian, "Tracing the Impact of Bank Liquidity Shocks: Evidence from an Emerging Market," *American Economic Review*, Sept. 2008, pp. 1413-1442.
3. Amiti and Weinstein, "How Much Do Idiosyncratic Bank Shocks Affect Investment? Evidence from Matched Bank-Firm Loan Data," *Journal of Political Economy*, April 2018, pp. 525-587.

February 9: Bank Franchise Value

1. DeMarzo, Krishnamurthy and Nagel, “Interest Rate Risk in Banking,” Dec. 2024.
2. Gupta, Arun, “A Natural, Yet Imperfect Hedge for Interest Rate Risk: Estimating the Value of the Deposit Franchise,” June 2025

February 16: College Closed

February 23: The Value of Deposits

1. Argyle, et al. “Sticky Deposits, Not Depositors,” April 2025.
2. Lu, Song and Zheng, “Tracing the Impact of Payment Convenience on Deposits: Evidence from Depositor Activeness,” Sept 2025

March 2: Monopoly Rents in Banking

1. Dreschler, Jung, Peng, Supera and Zhou, “Credit Card Banking,” Oct. 2025
2. Fleckenstein and Longstaff, “Financial Sophistication and Bank Market Power,” Oct. 2024.

March 9: Credit Sources: Bank and Nonbank

1. Haque, Mayer and Stefanescu, “Private Debt Versus Bank Debt in Corporate Borrowing,” July 2025
2. Acharya, Gopel, Jagger and Steffen, “Shadow Always Touches the Feet: Implications of Bank Credit Lines to Non-Bank Financial Intermediaries,” Oct. 2025.

March 16: Private Credit

1. Jang and Kim, “Valuation Discipline in Private Credit,” June 2025
2. Chernenko, Ialenti and Scharfstein, “Bank Capital and the Growth of Private Credit,” March 2025

March 23: Connecting Different Lending Platforms

1. Alok, Ghosh, Kulkarni and Puri, “Breaking Barriers to Financial Access: Cross-Platform Digital Payments and Credit Markets,” Dec 2025
2. Davydiuk, Erel, Jiang and Marchuk, “Common Investors Across the Capital Structure: Private Debt Funds as Dual Holders,” Oct. 2025

CLASS ON ZOOM 781-265-3744 (no password):

March 30: Central Bank Digital Currency (CBDC)

1. Chanda, “Depositor-Banker Relationship and Central Bank Digital Currency (CBDC), April 2025
2. Berg, Keil, Martini and Puri, “CBDCs, Payment Firms and Geopolitics,” Aug 2025
3. Duffie, et al. “Comment on the Implementation of the GENIUS Act Implementation of US Stablecoins,” Nov. 1 2025.

April 13: The Economic Effects of Fintech Activity

1. Cong, Feng, Liu and Lu, “Crypto ATMs: Material Effects of Cryptocurrency,” Oct. 17 2025
2. Appel, Grennan, White, and Wilkoff, “Holding the Bag: Depositor Reactions to a Crypto Shadow Bank Collapse,” 2025

April 20: Connecting Banking to Other Financial Institutions

1. Li, Ma, Mendicino and Supera, “Bank to Nonbank Lending and the Reallocation of Credit,” Nov. 9, 2025
2. Almazan, Swem, Titman and Weitzner, “Access to Capital and the IPO Decision: An Analysis of US Private Firms,” Oct 2025

April 27: Bank Liquidity Provision

1. Bai, Bostrom, Infante and Ivashina “Liquidity Flows to Bank-Affiliated Broker Dealers: Insights from Volumes and Prices,” June 2025
2. Li, Ma and Zhao, “The Passthrough of Treasury Supply to Bank Deposit Funding,” Aug 2025

May 4: Financial Crises

1. Gorton and Zhang, “Why Financial Crises Recur?” July 2025.
2. Hinzen, Severino and Nieuwerburgh, “Too Many to Ignore: Regional Banks and CRE Risk,” Oct. 2025.
3. Gelman, Goldstein and MacKinlay, “Monetary Policy in the Age of Universal Banking,” Oct 21 2025

May 11: Central Bank Monetary Policy

1. Acharya, Rajan and Shu, “When is Less More? Bank Arrangements for Liquidity vs. Central Bank Support,” Aug 2025.
2. Basten and Juelsrud, “Monetary Policy Transmission Through Cross-Selling Banks,” 2025