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Date and Place of Birth: May 17, 1955, Newport, Rhode Island

Education

1979-84 Massachusetts Institute of Technology, Ph.D., Economics
 Dissertation Title: Alternative Systems of Deposit Insurance
 Thesis Committee: Professors Stanley Fischer, Julio Rotemberg, and James Poterba
1973-77 Brown University, Sc.B., Magna Cum Laude, Applied Mathematics-Economics

Academic Positions Held

1997-present Professor of Finance, University of Illinois
1990-97 Associate Professor of Finance, University of Illinois
1993-present Co-Director, Office for Banking Research, University of Illinois
1994-96, 2009-2011 Visiting Professor, Università Bocconi, Milan, Italy
1994 Visiting Professor, Murdoch University, Perth, Australia
1984-90 Olympus Fund Assistant Professor of Finance, The Wharton School, University of Pennsylvania

Editorial Boards

2009-present Managing Editor, *Journal of Financial Intermediation*
2006-present Associate Editor, *Journal of Financial and Quantitative Analysis*
1999-present Associate Editor, *Journal of Financial Services Research*
2002-2008 Editor, *Journal of Financial Intermediation*
1996-2000 Co-editor, *Advances in Futures and Options Research*
1998-2007 Associate Editor, *Journal of Banking and Finance*
2000-2003 Associate Editor, *Journal of Finance*
1993-2002 Associate Editor, *Journal of Financial Intermediation*
1993-2011 Associate Editor, *Journal of Money, Credit, and Banking*
1998-2001 Associate Editor, *Management Science*
1998-2000 Associate Editor, *Review of Financial Studies*

Academic Honors and Grants

2012 GARP Risk Management Award, European Financial Management Association
2010 Investors in Business Education Professor of Finance, University of Illinois
2009 Shinhan Bank & KAFA Best Bank Management/Investment Bank Paper Prize

2006	Distinguished Lecturer, KAIST Graduate School of Management
2002	Nominating Committee, American Finance Association
2001	Federal Deposit Insurance Corporation Research Grant
1991,2,5,7,9,2000	University of Illinois Research Board Grant
1997	Pension Research Council Grant, University of Pennsylvania
1993	College of Commerce Bureau of Economic and Business Research Grant
1989	University of Pennsylvania Junior Faculty Research Fund Grant
1988,9	Geewax-Terker & Company Research Grant
1987	Prochnow Foundation Research Grant
1983	Sloan Foundation Research Fellowship
1979-82	National Science Foundation Graduate Fellowship
1977	Sigma Xi, Brown University

Membership in Academic Organizations

American Finance Association, Financial Intermediation Research Society, Sigma Xi Scientific Research Society, Western Finance Association.

Professional Employment / Consulting Experience

2004-Present	Program Coordinator for Deposit Insurance, Center for Financial Research, Federal Deposit Insurance Corporation
1995-96,	
98-Present	Research Associate, Federal Reserve Bank of Cleveland
2009-Present	Consultant, Centre for Applied Research in Finance, Bocconi University
2006	Consultant, State Farm Insurance Company
2000-2001	Consultant, Federal Deposit Insurance Corporation
1992-93, 98-01	Consultant, Office of Management and Budget, Executive Office of the President of the United States, Washington, D.C.
1998-00	Committee of Examiners, Graduate Record Exam in Economics, Educational Testing Service
1991, 96-98, 00	Consultant, The World Bank, Washington, D.C.
1994	Consultant, Bank of Finland
1993	Consultant, Kansallis Foundation for Financial Research, Helsinki, Finland
1992-94	Consultant, Federal Reserve Bank of Chicago
1992	Visiting Scholar, Board of Governors of the Federal Reserve System, Washington, D.C.
1989	Consultant, International Monetary Fund, Washington, D.C.
1989	Consultant, AKROS s.p.a., Milan, Italy
1986	Consultant, Central Bank of Turkey
1983	Intern, Board of Governors of the Federal Reserve System, Division of International Finance, Washington, D.C.
1979	Mathematician, U.S. Department of Agriculture, Washington, D.C.
1977-78	Manager, AT&T Long Lines, New Haven, CT.

Research Interests

Financial institutions, bond pricing, and valuing government guarantees.

Publications

Articles in Refereed Journals

- “Inflation Expectations, Real Rates, and Risk Premia: Evidence from Inflation Swaps,” (with Joseph Haubrich and Peter Ritchken), *Review of Financial Studies* 25, 2012.
- “Can a Stock Exchange Improve Corporate Behavior? Evidence from Firms’ Migration to Premium Listings in Brazil,” (with Antonio Gledson de Carvalho), *Journal of Corporate Finance* 18, 2012.
- “Portfolio Allocation for Public Pension Funds,” (with Madhi Rastad), *Journal of Pension Economics and Finance* 10, 2011.
- “Does Prior Performance Affect a Mutual Fund’s Choice of Risk? Theory and Further Empirical Evidence,” (with Hsiu-lang Chen), *Journal of Financial and Quantitative Analysis* 44, 2009.
- “Harming Depositors and Helping Borrowers: The Disparate Impact of Bank Consolidation,” (with Kwangwoo Park), *Review of Financial Studies* 22, 2009.
- “Deposit Insurance, Bank Regulation, and Financial System Risks,” *Journal of Monetary Economics* 53, 2006.
- “Risk-Based Capital Standards, Deposit Insurance, and Procyclicality,” *Journal of Financial Intermediation* 14, 2005.
- “Bank Consolidation and the Dynamics of Consumer Loan Interest Rates,” (with Charles Kahn and Ben Sopranzetti), *Journal of Business* 78 (1), 2005.
- “The Cost of Deposit Insurance for Privately Held Banks: A Market Comparable Approach,” (with Michael Falkenheim), *Journal of Financial Services Research* 24 (2/3), 2003.
- “The Effects of Setting Deposit Insurance Premiums to Target Insurance Fund Reserves,” *Journal of Financial Services Research* 16, No.2/3, September/December 1999, reprinted in Robert A. Eisenbeis, Fredrick T. Furlong, and Simon Kwan, eds. *Financial Modernization and Regulation*, Kluwer Academic Publishers, Norwell, MA, 2000.
- “Bank Deposit Rate Clustering: Theory and Empirical Evidence,” (with Charles Kahn and Ben Sopranzetti), *Journal of Finance* 54, No.6, December 1999.
- “Valuing Insurance for Defined-Benefit Pension Funds,” (with Christopher Lewis), *Advances in Futures and Options Research* 10, 1999.
- “The Value of Guarantees on Pension Fund Returns,” *Journal of Risk and Insurance* 66, No.2, June 1999.
- “Measuring Rents and Interest Rate Risk in Imperfect Financial Markets: The Case of Retail Bank Deposits,” (with David Hutchison), *Journal of Financial and Quantitative Analysis* 31, No.3, September 1996.
- “The Behavior of Interest Rates Implied by the Term Structure of Eurodollar Futures,” (with Narasimhan Jegadeesh), *Journal of Money, Credit and Banking* 28, No.3 Pt. 2, August 1996. Abstracted in *Contemporary Finance Digest* 1, No.2, Winter 1997.

- “Reducing the Cost of Government Debt: the Italian Experience and the Role of Indexed Bonds,” (with Silverio Foresi and Alessandro Penati), *Swedish Economic Policy Review* 3, No.1, Spring 1996.
- “On Pricing Kernels and Finite State Variable Heath Jarrow Morton Models,” (with Peter Ritchken and L. Sankarasubramanian), *Review of Derivatives Research* 1, No.1, June 1996.
- “Estimating the Likelihood of Mexican Default from the Market Prices of Brady Bonds,” (with Stijn Claessens), *Journal of Financial and Quantitative Analysis* 31, No.1, March 1996.
- “Banks and Loan Sales: Marketing Non-Marketable Assets,” (with Gary Gorton), *Journal of Monetary Economics* 35, No. 3, June 1995.
- “The Aggregate Cost of Deposit Insurance: A Multi-period Analysis,” (with F. Stevens Redburn and Richard L. Cooperstein), *Journal of Financial Intermediation* 4, No.3, 1995.
- “The Value of Pension Benefit Guaranty Corporation Insurance,” (with Christopher M. Lewis), *Journal of Money, Credit, and Banking* 26, No.3 Pt.2, August 1994.
- “Security Baskets and Index-Linked Securities,” (with Gary Gorton), *Journal of Business* 66, No.1, January 1993.
- “Identifying the Dynamics of Real Interest Rates and Inflation: Evidence Using Survey Data,” *Review of Financial Studies* 4, No.1, March 1991.
- “Valuation of Interest Payment Guarantees on Developing Country Debt,” (with Eduardo Borensztein), *International Monetary Fund Staff Papers* 37, No.4, December 1990.
- “Financial Intermediaries and Liquidity Creation,” (with Gary Gorton), *Journal of Finance* 45, No. 1, March 1990.
- “Optimal Portfolio Choice and the Collapse of a Fixed Exchange Rate Regime,” (with Alessandro Penati), *Journal of International Economics* 27, No.1/2, August 1989.
- “Loan Sales and the Cost of Bank Capital,” *Journal of Finance* 43, No. 2, June 1988. Reprinted in Christopher M. James and Clifford W. Smith, Jr., eds., *Studies in Financial Institutions: Commercial Banks*, McGraw-Hill Publishers, New York, 1994.
- “A Reexamination of the Over- (or Under-) Pricing of Deposit Insurance,” *Journal of Money, Credit and Banking* 19 No.3, August 1987, reprinted in Maximilian J.B. Hall, ed. *The Regulation and Supervision of Banks* 2, Edward Elgar Publishing, Cheltenham, U.K., July 2001.

“Alternative Forms of Deposit Insurance: Pricing and Bank Incentive Issues,” *Journal of Banking and Finance* 11, No. 2, 1987, reprinted in Maximilian J.B. Hall, ed. *The Regulation and Supervision of Banks 2*, Edward Elgar Publishing, Cheltenham, U.K., July 2001.

Articles in Non-Refereed Journals

“Narrow Banking,” *Annual Review of Financial Economics* 4, 2012.

“Are Loan Sales Really Off-Balance Sheet?” (with Gary Gorton), *Journal of Accounting, Auditing, and Finance* 4, No. 2, Spring 1989, reprinted in Joshua Ronen, Anthony Saunders, and Ashwinpaul C. Sondhi, eds. *Off-Balance Sheet Activities*, Quorum Books, New York, 1990.

Books

Theory of Asset Pricing, Pearson Addison Wesley, 2008.

Book Chapters and Essays

“Deposit Insurance Reform,” in Jeffrey Brown, ed, *Public Insurance and Private Markets*, AEI Press, Washington, D.C., 2010.

“Pension Guarantees: A Methodology for Assessing Fiscal Risk,” in H. Polackova-Brix and A. Schick, ed., *Government at Risk: Contingent Liabilities and Fiscal Risk*, The World Bank and Oxford University Press, 2002.

“Government Guarantees for Old Age Income,” in Olivia Mitchell, Robert J. Myers, and Howard Young, eds. *Prospects for Social Security Reform*, Pension Research Council and University of Pennsylvania Press, 1999.

“Indexed Bonds and the Cost of Debt,” (with Silverio Foresi and Alessandro Penati), in M. De Cecco, L. Pecchi, and G. Piga, eds., *Managing Public Debt: Index-Linked Bonds in Theory and Practice*, Edward Elgar Publishers, April 1997.

“Money Market Funds and Finance Companies: Are They the Banks of the Future?” (with Gary Gorton), in Michael Klausner and Lawrence J. White, eds., *Structural Change in Banking*, Irwin Publishing, Homewood, IL, 1993.

“Financial Innovation and the Provision of Liquidity Services,” (with Gary Gorton), in James R. Barth and R. Dan Brumbaugh, eds., *The Reform of Federal Deposit Insurance: Disciplining the Government and Protecting Taxpayers*, Harper Collins Publishers, 1992.

“The Opening of New Markets for Bank Assets,” (with Gary Gorton), in R. Alton Gilbert, ed., *The Changing Market in Financial Services*, Kluwer Academic Publishers, Boston, MA, 1992.

“Money Market Funds,” essay in *The New Palgrave Dictionary of Money and Finance*, Stockton Press, New York, 1992.

Edited Volumes and Published Proceedings

“Comment on Pricing Personal Account Benefit Guarantees: A Simplified Approach,” in Jeffrey Brown, Jeffrey Liebman, and David Wise, eds., *Social Security Policy in a Changing Environment*, University of Chicago Press, 2009.

“Special Issue on Pricing the Risks of Deposit Insurance,” (edited with Dilip Madan), *Journal of Financial Services Research* 24, (2/3) 2003.

“Comment on Market Discipline of Banks: the Asset Test,” *Journal of Financial Services Research* 20 Nos.2/3, October/December 2001.

“Comment on Incentives for Banking Megamergers: What Motives Might Central-Bank Economists Infer from Event-Study Evidence?” *Journal of Money, Credit and Banking* 32 No.3, August, Part 2, 2000.

“Comment on Intermediation and Vertical Integration,” *Journal of Money, Credit and Banking* 30 No.3, August, Part 2, 1998.

“The Creation of Liquidity in Financial Systems,” (in Turkish), *Proceedings of a Conference on the Deepening of Financial Markets*, Koc University and the Istanbul Stock Exchange, 1996.

“Banking Regulation and the Cost of Deposit Insurance: Lessons for Europe from the U.S.,” *Proceedings of a Conference on Deposit Insurance and the Management of Bank and Financial Crises: A European Perspective*, Bocconi University, 1995.

“Nonbanks and the Future of Banking,” *Proceedings of a Conference on Bank Structure and Competition*, Federal Reserve Bank of Chicago, 1992.

“Market Discipline, Information Disclosure, and Uninsured Deposits,” *Proceedings of a Conference on Bank Structure and Competition*, Federal Reserve Bank of Chicago, 1987.

Reports and Book Reviews

Review of *Restructuring Retirement Risks* edited by David Blitzstein, Olivia Mitchell, and Stephen Utkus, *Journal of Pension Economics and Finance* 7, No.3 November 2008.

“Advantages and Optimal Structuring of Bank Loan Sales,” *The Prochnow Reports*, The Prochnow Educational Foundation, Inc. of the Graduate School of Banking, Madison, Wisconsin, February 1989.

Review of *Contemporary Financial Intermediation* by Stuart I. Greenbaum and Anjan V. Thakor, *Journal of Finance* 50, No.5 December 1995.

Working Papers

“Corporate Taxes and Securitization,” (with Joongho Han and Kwangwoo Park), mimeo, April 2010.

“A Structural Model of Contingent Bank Capital,” Federal Reserve Bank of Cleveland Working Paper 10-04, revised June 2011.

“Bank Regulation, Credit Ratings, and Systematic Risk,” (with Giuliano Iannotta), mimeo, August 2011.

“Contingent Capital: The Case for COERCs,” (with Theo Vermaelen and Christian Wolff), INSEAD Working Paper 2010/55/FIN, revised August 2011.