



Fintech: The Impact on Consumers, Banking, and Regulatory Policy
Federal Reserve Bank of Philadelphia
September 28-29, 2017

This conference provides a platform for experts from academic institutions, regulatory agencies, and the financial industry to come together to discuss the various issues related to fintech and its impact on consumer choice, shadow banking and regulatory arbitrage, cost/benefits and efficiencies, macroprudential supervision, and stability and resiliency in the financial system.

Fintech has changed the financial landscape and has been quite disruptive.

On the supply side, nonbank fintech servicers have grown rapidly in response to more stringent and complex financial regulations following the recent crisis. Some have argued that with its technology platforms and ability to use alternative information sources for credit decisions and unconventional underwriting techniques, the fintech shadow banking sector has been able to offer faster, better, and cheaper services to its customers in processing times, automatic applications, minimal demands for financial documents, and funding as early as the same day. On the demand side, as more millennials make up the pool of small business owners, they may be more comfortable with technology and may prefer dealing with an online lender versus an in-person loan officer. Given the speed of innovation to date, there is likely to be continued advancements in this space.

In addition, blockchain technology, which was initially used for Bitcoin transactions, also has the potential to create a major disruption in the financial landscape. Moreover, many countries (including Sweden, Korea, and China) have explored their own digital currencies. It remains unclear whether this sector will continue to grow (since it has not yet gone through the entire economic cycle) and what impact it will have on monetary policy and financial stability overall.

Conference Organizers and Journal Guest Editors

Julapa Jagtiani (Managing Editor) — Federal Reserve Bank of Philadelphia

Robert M. Hunt — Federal Reserve Bank of Philadelphia

Kose John — Stern School of Business, New York University

Ken Kopecky — *Journal of Economics and Business*



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Thursday, September 28

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| 12:00 noon–12:40 p.m. | Registration and Refreshments |
| 12:40 p.m.–12:50 p.m. | <p>Welcome and Opening Remarks
 William G. Spaniel (Senior Vice President, FRB Philadelphia)</p> |
| 12:50 p.m.–1:15 p.m. | <p>Industry Keynote Speech</p> <ul style="list-style-type: none"> • Robert Nichols (President and Chief Executive Officer, American Bankers Association) |
| 1:15 p.m.–2:10 p.m. | <p>Topic Keynote — Fintech Lending and Roles of Alternative Information
 Moderator: Samuel Taussig (Head of Global Policy, Kabbage, Inc.)</p> <ul style="list-style-type: none"> • Tracy Basinger (Executive Vice President, FRB San Francisco) • Spencer Robinson (Head of Strategy, Kabbage) |
| 2:10 p.m.–3:55 p.m. | <p>Research — Fintech Lending and Roles of Alternative Information
 Moderator: Kose John (New York University)</p> |
| Paper 1: | <p>“FinTechs and the Market for Financial Analysis”
 Roni Michaely (Cornell University) and Jillian Grennan (Duke University)
 Discussant: Itay Goldstein (The Wharton School of the University of Pennsylvania)</p> |
| Paper 2: | <p>“Fintech Lending: Financial Inclusion, Risk Pricing, and Alternative Information”
 Julapa Jagtiani (FRB Philadelphia) and Catharine Lemieux (FRB Chicago)
 Discussant: Christine Cumming (Columbia University School of International and Public Affairs)</p> |

- Paper 3: “Fintech, Regulatory Arbitrage, and the Rise of Shadow Banks”
Greg Buchak (University of Chicago), Gregor Matvos (University of Texas at Austin), **Tomasz Piskorski** (Columbia University), and Amit Seru (Stanford University)
Discussant: **John Sedunov** (Villanova University)
- 3:55 p.m.–4:10 p.m. Coffee Break
- 4:10 p.m.–4:50 p.m. **A Fintech Conversation with OCC Comptroller**
Keith A. Noreika (Acting Comptroller of the Currency, OCC)
Introduced by: **Julapa Jagtiani** (FRB Philadelphia)
Moderator: **Richard Herring** (The Wharton School of the University of Pennsylvania)
- 4:50 p.m.–6:10 p.m. **Research — Bitcoin, Blockchain, Digital Currency, and Machine Learning**
Moderator: **Robert M. Hunt** (Senior Vice President, FRB Philadelphia)
- Paper 1: “The Law of One Bitcoin Price?”
Alexander Kroeger and **Asani Sarkar** (FRB New York)
- Paper 2: “Blockchain Disruption and Smart Contracts”
Lin William Cong and Zhiguo He (University of Chicago)
- Paper 3: “The Price of a Digital Currency”
Arash Aloosh (NEOMA Business School)
- Paper 4: “The Economics of Distributed Ledger Technology for Securities Settlement”
Evangelos Benos (Bank of England), Rod Garratt (University of California, Santa Barbara), and Pedro Gurrola-Perez (Bank of England)
- 6:10 p.m.–7:30 p.m. Cocktail Reception
- 7:30 p.m.–9:00 p.m. Speaker Dinner
- Friday, September 29**
- 7:45 a.m.–8:45 a.m. Continental Breakfast
- 8:45 a.m.–9:55 a.m. **Research — Fintech and the New Financial Landscapes**
Moderator: **Ken Kopecky** (*Journal of Economics and Business*)

- Paper 1: “Competition in the Financial Advisory Market: Robo versus Traditional Advisors”
Antje Berndt, Sevin Yeltekin, and Honglin Yu (Australian National University)
- Paper 2: “Does FinTech Affect Household Saving Behavior?”
Gregor Becker (Goethe University)
- Paper 3: “Integrating the Troublemakers: A Taxonomy for Cooperation between Banks and Fintechs”
Benedict Drasch, **André Schweizer**, and Nils Urbach (University of Bayreuth)
- 9:55 a.m.–10:45 a.m. **Topic Keynote – Fintech and the New Financial Landscapes**
Moderator: **Richard Neiman** (Head of Regulatory and Government Affairs, LendingClub)
 - **Siddhartha Jajodia** (Chief Investment Officer, LendingClub)
 - **Usman Ahmed** (Head of Global Public Policy, PayPal, Inc.)
- 10:45 a.m.–11:00 a.m. Coffee Break
- 11:00 a.m.–11:45 a.m. **A Conversation with Patrick T. Harker**
Patrick T. Harker (President and Chief Executive Officer, FRB Philadelphia)
Introduced by: **Richard Herring** (The Wharton School of the University of Pennsylvania)
Moderator: **Mukul Pandya** (Knowledge@Wharton)
- 11:45 a.m.–12:30 p.m. **Topic Keynote — Bitcoin, Blockchain, and Cryptocurrencies**
Moderator: **William W. Lang** (Managing Director, Promontory Financial)
 - **William Nelson** (Executive Managing Director, The Clearing House)
 - **Jim Cunha** (Senior Vice President, FRB Boston)
- 12:30 p.m.–1:45 p.m. Lunch
- 1:45 p.m.–3:00 p.m. **Research — Machine Learning and Artificial Intelligence**
Moderator: **Robin A. Prager** (Federal Reserve Board)
- Paper 1: “Some Financial Regulatory Implications of Artificial Intelligence”
Larry Wall (FRB Atlanta)
- Paper 2: “Market Design with Blockchain Technology”
Katya Malinova and **Andreas Park** (University of Toronto)

- Paper 3: “Between the Lines: Decipher the Firms’ Fundamentals with Artificial Intelligence”
Yanzhen Chen, Huaxia Rui, and Andrew B. Whinston (University of Texas at Austin)
- 3:00 p.m.–3:15 p.m. Coffee Break
- 3:15 p.m.–4:30 p.m. **Research — Marketplace Lending and Crowdfunding**
Moderator: **Paul Calem** (FRB Philadelphia)
- Paper 1: “Law, Trust, and the Development of Crowdfunding”
P. Raghavendra Rau (University of Cambridge)
- Paper 2: “Profit Sharing: A Contracting Solution to Harness the Wisdom of the Crowd”
Jiasun Li (George Mason University)
- Paper 3: “Financing Efficiency of Securities-Based Crowdfunding”
David C. Brown (University of Arizona) and Shaun William Davies (University of Colorado)
- 4:30 p.m.–5:15 p.m. **Topic Keynote — Machine Learning and Artificial Intelligence**
Moderator: **Christine A. Parlour** (University of California, Berkeley)
- **John Schindler** (Federal Reserve Board)
 - **Gurvinder Ahluwalia** (Founder of Digital Twin Labs, LLC; previously CTO Technical Solutioning and Blockchain, IBM)
- 5:15 p.m.–5:25 p.m. **Closing Remarks**
James D. Narron (First Vice President and Chief Operating Officer, FRB Philadelphia)