MANASA GOPAL

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Contact Information

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Education

Leonard N. Stern School of Business, New York University, NY, USA

Ph.D. in Finance, May 2020
Dissertation Title: "Essays in Business Lending"

Birla Institute of Technology & Science, Pilani, India

MSc.(Hons.), Economics, May 2014

- *Distinction*

B.E.(Hons.), Electrical and Electronics Engineering, May 2014

- *Specialization:* Microelectronic Circuits
- *Distinction*

Research Interests

Financial Intermediation, Corporate Finance

Working Papers

1. **How Collateral Affects Small Business Lending: The Role of Lender Specialization,** *Job Market Paper.*

   I study the role of collateral on small business credit access in the aftermath of the 2008 financial crisis. I construct a novel, loan-level dataset covering all collateralized small business lending in Texas from 2002-2016 and link it to the U.S. Census of Establishments. Using textual analysis, I quantify whether a lender is specialized in a borrower's collateral by comparing the collateral pledged by the borrower to the lender's collateral portfolio. I show that, post 2008, lenders reduced credit supply by focusing on borrowers that pledged collateral in which the lender specialized. This result holds when comparing lending to the *same* borrower from different lenders, and when comparing lending by the *same* lender to different borrowers. A 10% higher specialization in borrower collateral increases lending to the same firm by 1.2%. Abstracting from general equilibrium effects, if firms switched to lenders with the highest specialization in their collateral, aggregate lending would increase by 14.8%. Furthermore, firms borrowing from lenders with greater specialization in the borrower's collateral see a larger growth in employment after 2008. I identify the lender's informational advantage in the posted collateral to be the mechanism driving lender specialization. Finally, I show that firms with collateral more frequently accepted by lenders in the economy find it easier to switch lenders. In sum, my paper shows that borrowing from specialized lenders increases access to credit and employment during a financial crisis.

2. **The Rise of Finance Companies and FinTech Lenders in Small Business Lending**, *(with Philipp Schnabl).*

   We document that finance companies and FinTech Lenders increased lending to small businesses after the 2008 financial crisis. We show that most of the increase substituted for a reduction in lending by banks. In counties where banks had a larger market share before the crisis, finance companies and FinTech lenders increased their lending more. By 2016, the increase in finance company and FinTech lending almost perfectly offset the decrease in bank lending. We control for firms' credit demand by examining lending by different lenders to the same firm, by comparing firms within the same narrow industry, and by comparing firms pledging the same collateral. Consistent with the substitution of bank lending with finance company and FinTech lending, we find limited long-term effects on employment, wages, new business creation, and business expansion. Our results show that finance companies and FinTech lenders are major suppliers of credit to small businesses and played an important role in the recovery from the 2008 financial crisis.

3. **The Impact of Mark-to-Market Accounting On Credit Supply**, *(with Germán Gutiérrez)*

   We document the impact of mark-to-market accounting for originations in the syndicated lending market. Institutions with mark-to-market accounting increase originations to capture fees and make capital gains during booms. When secondary market prices fall sufficiently below par, as observed in the Great Recession and late 2015, new originations as well as existing loans face mark-to-market losses. Banks that syndicate more often with mark-to-market lenders respond by cutting originations and increasing loan spreads even in markets with low dependence on mark-to-market lenders, i.e., there is a spillover across markets. By contrast, banks with limited mark-to-market dependence maintain originations through the cycle. A one standard deviation increase in mark-to-market dependence accompanied by a drop in secondary market price of 10bp reduces aggregate bank originations by an extra 15%. We establish that this relationship is causal and independent of bank health.

Awards and Fellowships

- Best Student Paper, Young Scholars Finance Consortium, 2020
- Lawrence G. Goldberg Prize in Financial Intermediation for the Best Dissertation in Financial Intermediation at NYU Stern, 2020
- Summer Dissertation Internship, Federal Reserve Bank of New York, 2019
- American Finance Association, Travel Grant, 2019
- Marcus Nadler Fellowship, NYU Stern, 2018-2019
- NYU Stern Teaching Commendation, 2017
- NYU Stern Doctoral Fellowship, NYU Stern, 2014-2018

Other Information

- Special Sworn Status: U.S. Census Bureau, 2018 -
- Invited Workshop : Princeton Initiative - Macro, Money, and Finance, 2016

Teaching Experience

INSTRUCTOR

Corporate Finance — Summer 2017

Undergraduate Level, NYU Stern
Instructor Rating: 6.3/7.0

TEACHING ASSISTANT

Risk Management in Financial Institutions — Spring 2018, 2019

Instructor: Prof.Anthony Saunders
Undergraduate Level, NYU Stern

Corporate Finance — Fall 2018, 2019

Instructor: Prof. Philipp Schnabl
Langone MBA, NYU Stern

Corporate Finance — Spring 2017

Instructor: Prof. Andre de Souza
Undergraduate Level, NYU Stern

Foundations of Finance Summer 2016
Instructor: Prof. Andre de Souza
Undergraduate Level, NYU Stern

Credit Risk Winter 2016
Instructor: Prof. Viral Acharya
Langone MBA, NYU Stern

Prior Research Experience

Research Assistant Aug 2013 - Dec 2013
Bharti Institute of Public Policy,
Indian School of Business, Mohali
Supervisor: Dr. Rajesh Chakrabarti

Research Assistant May 2013 - July 2013
Indian Institute of Management, Bangalore
Supervisor: Dr. Chetan Subramanian

Research Assistant June 2012 - July 2012
Friedrich-Schiller-University, Jena
Supervisor: PD Dr. Markus Pasche

Skills

Programming Languages
- C, C++, Visual Basic, Python, Perl, PHP

Tools
- STATA, SAS, LaTeX, Matlab, MySQL

Other Information

Citizenship: Indian
Languages: English, Tamil, Hindi, Kannada

References

Philipp Schnabl (Chair)
Martin J. Gruber Professor in Asset Management
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Anthony Saunders
John M. Schiff Professorship in Finance
Department of Finance
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Viral Acharya
C.V. Starr Professor of Economics
Department of Finance
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