MANASA GOPAL

October 2019

Contact Information

44 W 4th Street,
Suite 9-197I
New York, NY -10012

646-684-0214
mgopal@stern.nyu.edu
manasagopal.com

Education

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

Ph.D. Candidate, Finance, *Since:* 2014

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 lender specialization in collateral on the distribution of credit to borrowers in a downturn. I construct a novel dataset on loan-level, secured small business lending in the U.S. and link it to the U.S. Census of Establishments. Using textual analysis, I quantify the level of matching between borrowers and lenders by comparing the borrower's collateral to the collateral specialization of the lender. I show that, after the start of the financial crisis, lenders rationed credit by specializing in collateral. Firms that were weakly matched to their lenders on collateral received fewer loans. I show that this effect holds within-firms, and within-lenders. I identify the channel affecting lender behavior to be driven by the lender's informational advantage in collateral. I further show that firms with generalized collateral found it easier to substitute credit from new lenders, directly affecting employment outcomes. This paper documents a novel channel for the allocation of credit to borrowers in a downturn.

2. **The Rise of Finance Companies in U.S. Small Business Lending**, *(with Philipp Schnabl).*

   Using novel data on all secured, non-real estate U.S. business loans from 2006 to 2016, we find that banks reduced their lending by 27% after the 2008 financial crisis. Starting in 2010, finance companies substituted for the decline in bank lending and, by 2016, finance companies provided 57% of all new business loans. The substitution is larger in areas with a larger pre-crisis bank presence and holds within industry and within firms. Consistent with substitution from banks to finance companies, we find that the reduction in bank lending had no long-term real effects on employment, new business creation, and business expansion. Our results suggest that finance companies are a major supplier of credit to U.S. firms and played an important role in the recovery from the financial crisis.

3. **Mark-to-Market and Lending Cyclicality**, *(with Germán Gutiérrez)*

   We study the implications of mark-to-market accounting for originations in the syndicated lending market. Banks with higher MTM dependence 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 MTM losses. High MTM banks respond by cutting originations even in markets with low dependence on MTM, i.e., there is a spillover across markets. By contrast, banks with limited MTM dependence maintain originations through the cycle, and increase their lead shares at the height of the crisis. We establish that this relationship is causal and independent of bank health.

Awards and Fellowships

- 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
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 (Native), Hindi, Kannada

References

Philipp Schnabl (Chair)
Martin J. Gruber Professor
in Asset Management
Department of Finance
NYU Stern
E-mail: pschnabl@stern.nyu.edu

Anthony Saunders
John M. Schiff Professorship in Finance

Department of Finance
NYU Stern
E-mail: asaunder@stern.nyu.edu

Viral Acharya
C.V. Starr Professor of Economics
Department of Finance
NYU Stern
E-mail: vacharya@stern.nyu.edu