

Discussion on

What are the drivers of Fintech lending? Evidence from the U.S.

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Summary

Research Question:

- Are Fintech lenders more successful in regions with certain ethnic affiliations?

Background:

- Fintech lender charge high interest rates. In spite of this fact, there're people borrowing money through this channel possibly to avoid being discriminated.

Objective:

- Find correlation between the success of Fintech lending and ethnic affiliations in a certain county

Method:

- Linear Regression

Results:

- No statistically significant effect of ethnic affiliations in a certain county on the success of Fintech lending
- Statistically significant effect of anonymity share in a certain county on the success of Fintech lending
- Statistically significant effect of black citizens in a certain county on the anonymity share
- A county's black minority has an impact on the success of Fintech lenders through the anonymity-channel

Suggestions

- The performance of non-Fintech lenders and the regional regulation intensity to the Fintech could be two omitted variables.
- Try to drop some independent variables in the final model Nr. 23 to avoid over-identification problem by using, minimizing information criteria with AIC/BIC.
- Alternative research idea: build correlation between the growth of Fintech and the increase of high-risk borrowers.

Minor Suggestions

- Could've dedicated a separate section for the data since a lot of variables are used
- Could've been made the variable register visually presentable by putting it in tabular form
- Could've explicitly stated the interaction terms in the foot notes for the reader to easily understand
- Could've mentioned what the subscripts mean
- Could've made the regression result tables more readable
- Could've distinguished the error terms for different regression equations
- Could've shown the adjusted R^2

Conclusion

- It is an interesting idea to build the correlation between success of Fintech and ethnicity in certain regions.
- Under all the strict assumptions in the paper, we can buy these results.
- Hope you find more interesting results in the future research.