

# Kandarp Srinivasan

---

Assistant Professor of Finance  
D'Amore-McKim School of Business  
Northeastern University,  
360 Huntington Ave, Boston, MA 02115  
Email: k.srinivasan@northeastern.edu  
Website: <https://sites.google.com/site/kandarpsrinivasan/>

---

## EDUCATION

---

<b>Olin Business School, Washington University in St. Louis</b> PhD in Finance	2012 - 2017
<b>Barcelona School of Economics, Universitat Pompeu Fabra, Spain</b> M.S in Finance	2011-2012
<b>Indian Institute of Management (IIM) Bangalore, India</b> MBA (Post Graduate Diploma in Management)	2007-2009
<b>National Institute of Technology Calicut, India</b> Bachelors (Engineering)	2000-2004

## INDUSTRY EXPERIENCE

---

<b>Royal Bank of Scotland Hong Kong</b> M&A Investment Banker, Corporate Finance Division	2009 - 2011
<b>Oracle Corporation</b> Senior Applications Engineer, Project Accounting	2004 - 2007

## RESEARCH INTERESTS

---

Banking, Financial Crises, Securitization, Nonbanks, Mortgages, Bankruptcy

## PUBLICATIONS

---

1. Begley, Taylor A., and Kandarp Srinivasan. "Small bank lending in the era of fintech and shadow banks: a sideshow?." *The Review of Financial Studies* 35.11 (2022): 4948-4984.
2. Gopalan, Radhakrishnan, Xiumin Martin, and Kandarp Srinivasan. "Regulatory Protection and Opportunistic Bankruptcy." *Contemporary Accounting Research* 40.1 (2023): 544-576.

## WORKING PAPERS

---

### 1. [“The Securitization Flash Flood”](#)

If securitization represents risk transfer, why did banks continue to hold opaque securitizations on their books? This paper argues such holdings were used as collateral for the creation of money-like claims, providing evidence consistent with the view of banks as producers of debt. Using a natural experiment and hand-collected data on over 4,700 repurchase contracts, the paper establishes a connection between the rise of securitization holdings and the use of collateral in short-term debt markets. In the backdrop of the financial crisis, the paper's finding highlights a trade-off between creating bank money and financial stability.

### 2. [“Competition, Innovation and Financial Crises: Evidence from 18mn securitized loans”](#) (with Anjan Thakor and Peter Haslag) (*R&R at Journal of Financial Economics*)

RMBS sponsors contributed to the rise of innovative features in securitized mortgages prior to the GFC. Using a regulatory shock to sponsor competition, we show securitization influences the design of mortgage contracts, empirically demonstrating a unique, feedback loop of financial innovation from the derived security (MBS) to the underlying asset (loans). Our results link loan-level evidence on complexity to innovation at the security-level, connecting two different streams of literature. Sponsor-induced innovation resulted in ex-post riskier mortgages being packaged into low-yield Prime deals, consistent with obfuscation motives. Over \$190bn of Prime innovative collateral subsequently became delinquent.

### 3. [“Risk in the Shadows: Leverage and Liquidity in Nonbanks”](#) (with Taylor Begley)

Nonbank mortgage companies (NMCs) use high levels of short-term leverage, a fact that has led to concerns about their individual fragility and systemic risk. We find that NMCs also hold very risky assets, with revenue growth ranging from -26% to +128% at the 10th-90th percentile. Surprisingly, we also observe extremely low bankruptcy rates. We address this puzzle by examining the dynamics of NMCs' costs following negative shocks. Our findings show that NMCs have the flexibility to quickly and substantially reduce both their operating expenses and financing costs (interest expense and debt levels). These dynamics lower their credit risk compared to what static measures of leverage and asset risk suggest. Our results provide support for recent dynamic capital structure theory emphasizing the key role of collateral as a commitment device.

## WORK-IN-PROGRESS

---

### 1. “Sovereign Exposures in the Euro Zone” (with Dmitry Khametshin)

### 2. “Climate Risk in Insurance Portfolios” (with Weiling Liu and Saptarshi Mukherjee)

## CONFERENCES

---

**2023**      22<sup>nd</sup> Annual Bank Research Conference, Federal Deposit Insurance Corporation, (Scheduled, September 2023)

**2022**      Midwest Finance Association (MFA), 11th Fixed Income and Financial Institutions Conference, University of South Carolina (Nov 2022), Financial Innovation: A threat to financial stability, Center for Financial Innovation and Stability, Federal Reserve Bank of Atlanta (Oct 2022)

- 2021** Financial Intermediation Research Society (FIRS) 2021
- 2020** American Finance Association (AFA) 2020, Invited Seminar - Federal Deposit Insurance Corporation, Center for Financial Research (FDIC CFR, August 4<sup>th</sup> 2020)
- 2019** 7<sup>th</sup> Annual Community Banking Conference, St. Louis, Oct 2019, Association of Indian Economic and Financial Studies (AIEFS), ASSA 2019
- 2018** International Banking, Economics and Finance Association (IBEFA), ASSA 2018
- 2017** Conference on Financial Economics and Accounting (CFEA), November 2017, Western Finance Association (WFA), June 2017, Midwest Finance Association (AFA) 2017 Annual Meeting, March 2017, American Finance Association (AFA) PhD Poster Session, January 2017
- 2016** Midwest Finance PhD Symposium, Southern Illinois University, September 2016, 15<sup>th</sup> London Business School Accounting Symposium, June 2016
- 2015** Moody's-ICRA-New York University conference on "Developing India's Fixed Income Markets for Sustainable Growth", December 2015

## HONORS & AWARDS

---

**Summer Research Award**, Northeastern University, June 2023

**Cubist Systematic Strategies Award for Outstanding Research**, Western Finance Association, June 2016

**Moog Scholar Award** for Outstanding Performance during the PhD Program, Olin Business School, Washington University in St. Louis, 2015

**American Finance Association (AFA) Travel Grant**, 2015

## TEACHING

---

Corporate Finance (FINA 3301), Financial Management (FINA 2201)

## PROFESSIONAL SERVICE

---

Financial Intermediation Research Society Conference 2022 (FIRS) – Invited Reviewer

Northeastern Finance Seminar Series – co-organizer (2019-present)

Northeastern Finance Conference – paper selection committee (2017-present)

Recruiting Committee Member - 2019

Reviewer – Review of Finance, Journal of Banking and Finance, International Review of Economics and Finance, Economic Modelling, Journal of Multinational Financial Management, Contemporary Accounting Research, Journal of International Financial Markets, Institutions & Money

Paper selection committee - Eastern Finance Association Conference

Discussant – Midwestern Finance Association (MFA), Financial Intermediation Research Society (FIRS)