

TIM (TENG) ZHANG

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EMPLOYMENT

University of Wyoming

Assistant Professor in Finance

Aug 2018 - present

EDUCATION

Georgia Institute of Technology

Ph.D. in Finance
Minor in Economics

May 2018

University of North Carolina at Chapel Hill

M.S. in Statistics

May 2012

Shandong University

B.S. in Mathematics

Jun 2010

Loughborough University (U.K.) Exchange Student

Sep 2009 - Jun 2010

RESEARCH INTERESTS

Corporate Finance, Banking, Corporate Governance, Real Estate, International Finance

WORKING PAPERS

Uniform Mortgage Regulation and Distortion in Capital Allocation (*Job Market Paper*)

-*Best Paper Award Semifinalist, Financial Management Association (FMA) Annual Meeting, Oct 2018*

-*Midwest Finance Association (MFA) Annual Meetings, San Antonio, Mar 2018*

-*American Finance Association (AFA) Poster Session, Jan 2018*

-*Georgia Institute of Technology, Sep 2017*

The U.S. economy is largely influenced by local features, but some federal policies are spatially uniform across regions. I study the unintended consequences of the uniformity of the national conforming loan limit (CLL) before 2008 on local jumbo mortgage lending. When the national CLL increased, the jumbo share of residential mortgages in low-income counties was significantly reduced relative to high-income counties. I find that banks responded to the national shock by significantly raising jumbo approval rates in low-income counties, consistent with the competition mechanism in which lenders expand jumbo credit to defend market share. The economic magnitude is significant: a county with a \$10,000 lower median income is associated with, on average, a 6 percentage-point (or 11.77%) higher jumbo approval rate. The results are not driven by lender-specific changes, borrower quality changes, home price anticipation, or the demand channel. I find that banks in low-income counties lower jumbo mortgage rates and later suffer from worse mortgage performance. Furthermore, smaller and less informed banks expand jumbo credit more aggressively, and riskier borrowers receive more credit. Overall, my results highlight the negative consequences of the uniformity of federal policy in mortgage markets by showing how it can lead to distorted bank lending and reduce the efficiency of capital allocation across regions.

A Clash of Cultures: The Governance and Valuation Effects of Multiple Corporate Cultures - with Stephen Ferris and Narayanan Jayaraman (*Under Review*)

-*American Finance Association (AFA) Annual Meeting, Jan 2017*

-*Financial Management Association (FMA) Annual Meeting, Oct 2017*

-*Best Paper Award Semifinalist, Financial Management Association (FMA) Annual Meeting, Oct 2017*

This study introduces the concept of intra-firm cultural distance between the CEO and corporate directors to explain CEO turnover, compensation sensitivity, and firm value. We find that greater cultural distances are associated with a higher sensitivity of turnover and pay to performance as well as increased firm value. Our results are driven by the cultural distance between the CEO and independent directors. To establish causality, we use the sudden exit of directors as a source of exogenous change in cultural distance. We argue that cultural distance causes the board to rely on “hard” information to evaluate CEO performance.

House Price Co-movement and Economic Convergence - with Cheol Eun and Lingling Wang

We find that the increasing house price co-movement in recent decades has contributed significantly to the convergence of output, wage, and employment growth across U.S. states. The effect is stronger for states with similar banking development. States whose house prices co-move more also converge in their utilization of HELOC and real estate secured loans. These results support the collateral channel as a key transmission mechanism through which house price co-movement contributes to economic convergence. Besides, the convergence of consumption in nondurable goods and services lends support to the direct wealth channel. To establish causality, we adopt a Bartik-type instrument to identify exogenous variations in house price co-movement that are not related to local economic conditions. Our findings are robust to controls for banking integration and geographic proximity and are not driven by the performance of the real estate industry per se. Results hold at the MSA level as well.

The Political Economy of Mortgage Lending - with Yongqiang Chu

We examine whether banks use mortgage lending as a tool for political influence seeking. We find that the approval rates for mortgage applications from the home state of the Senate Banking Committee chair are higher than other states, which amounts to about \$37-\$38 million dollars of extra mortgage credit extended to the home state of the Senate Banking Committee Chair. We use the geographic regression discontinuity design by comparing census tract close to the state borders to ensure that the results are not driven by demand-side factors. We find the effect is more pronounced when the incumbent banking chair is up for re-election. We do not find a similar effect for other power committee chairs. We also do not find the effect for non-bank lenders.

Global Diversification with Local Stocks: A Road Less Traveled - with Cheol Eun, Soohun Kim and Fengrong Wei

-*Presented at Georgia Tech 2015, KAIST 2017, Seoul National University 2017, Waseda University 2017*

Utilizing approximately 51,000 sample firms from developed markets over 1995-2014, we document a stark heterogeneity in global integration at the firm-level and study its implications for diversification. Specifically, the adjusted R^2 , our integration measure, is widely distributed across firms, within and across sample markets. A firm’s integration is significantly affected by its style, country, and industry attributes. Systematically identifying and holding “local stocks” that are minimally driven by the common global factors, investors can significantly benefit from diversification within developed markets. Thus, the diversification gains solely inferred from market indices greatly understate the potential ben-

efits that world markets can provide.

PUBLICATIONS

The Young and the Restless: A Study of Age and Acquisition Propensity of CEOs of U.K. Firms - with Stephen Ferris, Narayanan Jayaraman and Sanjiv Sabherwal. *Journal of Business Finance & Accounting* 43 (9-10) (2016), 1385-1419.

-Midwest Finance Association (MFA) Annual Conference, Mar 2016

-Financial Management Association (FMA) Annual Meeting, Oct 2015

-Financial Management Association (FMA) European Conference, Jun 2015

-India Finance Conference (Indian Institute of Management, Bangalore), Dec 2014

TEACHING EXPERIENCE

Instructorship

MBAM 5403/5800 FIN 4400 Empirical Finance	Fall 2018
MGT 3076 Investments (4.8/5.0)	Summer 2017
MGT 4070 International Finance (4.6/5.0)	Fall 2016
MGT 4070 International Finance (5.0/5.0)	Fall 2015
MGT 4070 International Finance (4.3/5.0)	Fall 2014

Teaching Assistantship

IMBA 6071 Financial Management (<i>Executive MBA - Head TA</i>)	Spring 2017
IMBA 6086 Entrepreneurial Finance & Private Equity	Summer 2016
IMBA 6071 Financial Management (<i>Executive MBA</i>)	Spring 2015
IMBA 6250 International Finance (<i>Executive MBA</i>)	Summer 2014

CONFERENCE PARTICIPATION

Presentations (*indicates presentation by co-author, **scheduled)

-Financial Management Association (FMA) Annual Meeting	Oct 2018
-Midwest Finance Association (MFA) Annual Meeting	Mar 2018
-American Finance Association (AFA) Poster Session	Jan 2018
-Financial Management Association (FMA) Annual Meeting*	Oct 2017
-American Finance Association (AFA) Annual Meeting*	Jan 2017
-Midwest Finance Association (MFA) Annual Meeting	Mar 2016
-Financial Management Association (FMA) Annual Meeting	Oct 2015

Discussions

-Financial Management Association (FMA) Annual Meeting	Oct 2016
-Midwest Finance Association (MFA) Annual Meeting	Mar 2016
-Financial Management Association (FMA) Annual Meeting	Oct 2015
-Financial Management Association (FMA) Annual Meeting	Oct 2014

AWARDS AND HONORS

-Best Paper Award Semifinalist, FMA Annual Meeting	Oct 2018
-Midwest Finance Association (MFA) Student Travel Grant	Mar 2018
-Best Paper Award Semifinalist, FMA Annual Meeting	Oct 2017
-American Finance Association (AFA) Travel Grant	Jan 2015
-Scheller College of Business Dean's Fellowship	Aug 2012-Present
-Outstanding Student of University Scholarship	Sep 2007-Jun 2009

TECHNICAL STRENGTHS

SAS, Stata, Matlab, R