

ROSALIND L. BENNETT, Ph.D.

Federal Deposit Insurance Corporation

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PROFILE

- Eighteen years of professional, progressively responsible experience as an economist.
- Experience supervising professional economists, research associates and student interns.
- Experience conducting independent, large-scale research projects.
- Experience as a quantitative expert in over 40 onsite bank examinations at institutions over \$30 billion. Led quantitative experts at 11 bank examinations and sole quantitative expert at 29 bank examinations.
- Experience serving as FDIC representative on interagency and international groups developing bank capital standards and stress testing.
- Experience developing risk measurement models.

PROFESSIONAL WORK EXPERIENCE

Chief, Banking Research Section

May 2014-Present

Federal Deposit Insurance Corporation

Grade: CM-02

Supervisor: Jack Reidhill (202)898-7371

Manage a group of eight Ph.D. economist and one economic assistant. Plan, direct, and carry out specialized research projects in the field of banking and finance.

Senior Economist

July 1997-May 2014

Federal Deposit Insurance Corporation

Starting Grade: 12

Ending Grade: 15 (from 2003-2014)

Supervisor: Jack Reidhill (202)898-7371

Conduct research and perform analysis of economic and financial issues that affect the FDIC. Participate in examination of risk measurement models at FDIC supervised financial institutions. Prepare written and oral reports for both technical and non-technical audiences. Continuously review economic, financial, and banking issues and developments. Plan, direct, and carry out specialized research projects in the field of banking and finance.

Significant Accomplishments:

- Participated over 40 onsite examinations as a quantitative expert. Reviewed market risk models, credit risk models, economic capital models, and interest rate risk models. Met with senior management and risk management professionals at the bank and wrote written recommendations for the examiners.
- Developed scorecard for the Large Insured Depository Institutions (LIDI) program. Participated in development of a large bank pricing scorecard.
- Participated as onsite quantitative expert in all of the regulatory stress testing exercises to date—SCAP, CCAR and DFAST dry run. Served as an FDIC representative on the interagency Commercial Loan and Commercial Real Estate group for the Stressed Capital (SCAP) exercise conducted in March 2009.
- Provided training on Model Governance at the Insured Depository Institution (IDI) Stress Testing training in July of 2013.
- Participated in three Basel working groups: the Validation Subgroup of the Research Task Force, the Loss-Given-Default Working Group which is a subgroup of the Capital Task Force and the Accord Implementation Group, and the Vendor Models Subgroup of the Research Task Force. Participated in policy discussions and co-authored written reports. Briefed senior management at the FDIC.
- Participated in development of a credit risk modeling approach to measuring risk to the deposit insurance fund. Co-authored a paper which was presented at the FDIC conference Financing and Banking: New Perspectives in December 2003. Presented the model to senior management from the Division of Finance and the Division of Resolutions and Receiverships.
- Acted as Section Chief for Banking Research Section, September 2013 to January 2014. Prepared activities reports, provided input into performance review process, assisted with projects, reviewed written work for eight professional economists and one economic assistant. Participated in disciplinary action process associated with a staff member.
- Developed a statistical model that predicts losses to the FDIC from a bank failure. This model is an important component of the Least Cost Test used to select the least costly resolution of a failed bank. This model was also adopted by the Financial Risk Committee in 2003 to determine reserves for potential bank failures.
- Acted as Section Chief for the Banking Research Section, October 2004 to February 2005 and September 2013 to January 2014. Prepared activities reports, wrote award nominations, and reviewed written work for eight professional economists.
- Acted as Section Chief for the Fund Analysis Section, February and March 2003. Coordinated staff to produce briefing materials for two meetings of the Financial Risk Committee.

EDUCATION AND AWARDS

- Ph.D. Economics, University of California, Los Angeles, Fall 1997
M.A. Economics, University of California, Los Angeles, Winter 1993
M.Sc. Applied Economics, University of California, Santa Cruz, June 1988
B.A. Economics, University of California, Santa Cruz, June 1987
Highest Honors and Crown College Honors

PUBLICATIONS AND PAPERS

- “Understanding the Components of Bank Failure Resolution Costs” with Haluk Unal.
Financial Markets, Institutions & Instruments 24: 349-414 (December 2015).
- “Inside Debt, Bank Default Risk, and Performance during the Crisis” with Haluk Unal
and Levent Guntay. *Journal of Financial Intermediation* 24: 487-513 (October 2015).
- “Market Discipline by Bank Creditors during the 2008-2010 Crisis” with Vivian Hwa and
Myron Kwast. *Journal of Financial Stability*.20: 51-69 (October 2015).
- “The Cost Effectiveness of the Private-Sector Reorganization of Failed Banks” with
Haluk Unal. *Journal of Financial Stability* 15: 18-31 (December 2014).
- “Evidence of Improved Monitoring and Insolvency Resolution under FDICIA” with
Edward J. Kane and Robert Oshinsky. NBER Working Paper no. w14576.
- “A Loss Default Simulation Model of the Federal Bank Deposit Insurance Funds” with
Robert A. Jarrow, Daniel A. Nuxoll, Michael C. Fu and Huiju Zhang.
Proceedings of the 2005 Winter Simulation Conference pp. 1835–1843 (2005).
- “A General Martingale Approach to Measuring and Valuing Risk to the Deposit
Insurance Funds” with Robert A. Jarrow, Michael C. Fu, Daniel A. Nuxoll and
Huiju Zhang. Unpublished manuscript, FDIC.
- “Should the FDIC Worry About the FHLB? The Impact of Federal Home Loan Bank
Advances on the Bank Insurance Fund” with Mark D. Vaughan and Timothy J.
Yeager. FDIC Center for Financial Research Working Paper 2005-10.
- “Validation of Loss Given Default in Advanced Internal Ratings Based Models for Bank
Capital” with Eva Catarineu and Gregorio Moral published as part of “Studies on
the Validation of Internal Ratings Systems” Basel Committee on Banking
Supervision, Working Paper no. 14. February 2005.
- “Large Bank Regulatory Issues: Supervision, Market Discipline and Capital Standards”
with Daniel A. Nuxoll. Unpublished manuscript, FDIC.

- “Evaluating the Adequacy of the Deposit Insurance Fund: A Credit Risk Modeling Approach” FDIC Working Paper, 2001-02.
- “Bank Failure Resolution and Asset Liquidation Policies: Results from an International Survey” *FDIC Banking Review*, Vol. 14, No. 1, 2001.
- “The Thrift IPO as the First State of Its Subsequent Sale” with Conrad S. Ciccotello and Laura Cesares Field. *Financial Markets, Institutions & Instruments*, Vol. 10, No. 1, February 2001.
- “Indeterminacy with Non-Separable Utility” with Roger E.A. Farmer. *Journal of Economic Theory*, Vol. 93, Issue 1, 2000.
- “The Consequences of National Depositor Preference” with James A. Marino. *FDIC Banking Review*, Vol. 12, No. 2 (1999).
- “Essays on Indeterminacy, Beliefs, Risk Aversion, and Monetary Policy” Ph.D. Dissertation, UCLA (1997).

SELECTED ACADEMIC PRESENTATIONS

- “Inside Debt, Bank Default Risk, and Performance during the Crisis” with Haluk Unal and Levent Guntay. FDIC Internal Seminar, August 2010 and April 2012. Financial Management Association, October 2012. FDIC Banking Research Conference, October 2013.
- “Bank Failures During the Crisis: Who Was Expected to Lose and What Does This Mean for Market Discipline?” with Myron Kwast and Vivian Hwa. FDIC Internal seminar, May 2011.
- “The Cost Effectiveness of Private Sector Reorganization on Failed Banks Assets” with Haluk Unal. FDIC Internal Seminar, July 2009. Federal Reserve Board of Governors, lunchtime seminar, March 2010. Federal Reserve Bank of San Francisco, January 2011. Invited to present at the Southern Economics Association meeting in November 2014.
- “Evidence of Improved Monitoring and Insolvency Resolution under FDICIA” with Edward J. Kane. 62nd International Atlantic Economic Conference. October 2006. Southern Financial Association Meetings, November 2007. INFINITI Conference on International Finance, June 2009.
- “Understanding the Components of Bank Failure Resolution Costs” with Haluk Unal, FDIC Internal Seminar, January 2009.

“Should the FDIC Worry about the FHLB?: The Impact of FHLB Advances on the Deposit Insurance Fund”. Federal Reserve Bank of Richmond, December 2004, Western Economics Association International, July 2005. Financial Management Association, October 2005, Federal Reserve System Committee on Financial Structure and Regulation, November 2005.

“A General Martingale Approach to Measuring and Valuing Risk to the FDIC Deposit Insurance Funds” at FDIC Conference entitled “Finance and Banking: New Perspectives”, December 2003. Washington Area Finance Association, April 2004.

“Large Bank Supervisory Issues: Examination, Market Discipline and Capital Standards”. FDIC Internal Seminar, December 2003.

SELECTED PROFESSIONAL PRESENTATIONS

Briefed Vice Chairman Hoenig and Director Norton on the Yale Institute on Financial Stability. August 2014.

“Inside Debt, Bank Default Risk, and Performance during the Crisis” with Levent Guntay. FDIC Vice Chairman Thomas Hoenig, November 2013. FDIC Director Jeremy Norton, February 2014.

“Least Cost Test” with Lynn Shibut. World Bank, 2010.

“Executive Compensation, Performance and Risk Taking: A Summary of the Literature for Banks” FDIC Chairman Sheila Bair, May 2010.

Briefed the Chairman of the FDIC on the activities of the Basel Research Task Force. December 2006.

“Specific Risk” with Wenying Jiangli. Market Risk Conference. April 2006.

“Basel II Capital Standards”, North Carolina State University, 8th Annual College of Management Graduate Symposium. October 2005.

Briefed Director of Supervision and senior staff on downturn LGD for Basel. February to July 2005.

“Loss Distribution Model” DIR Management and FDIC Chief Operating Officer, John Bovenzi, 2004

REFEREE AND CONFERENCE SERVICE

Served as referee for *Journal of Financial Services Research*, *Journal of Money, Credit and Banking*, *Journal of Financial Economics*, *Journal of Economics and Business*.

Participated as the FDIC representative in the Yale Institute for Financial Stability. July 2014.

Discussed “Are Banks Internal Risk Parameters Consistent? Evidence from Syndicated Loans” by Simon Firestone and Marcelo Rezende. Risk Quantification Forum. December 2012.

Program committee, Financial Management Association Meetings, October 2005

Reviewed and rated papers for the Southern Finance Association Meetings, 2007.

Organized session entitled “Issues in Financial Risk Management” for the Southern Finance Association Meetings, 2007.

Chair session entitled “Risk Management with Time Varying Volatility”, Financial Management Association Meetings, October 2005.

Discussion of three papers on Loss Given Default at OCC Conference entitled “Credit Rating and Scoring Models”, May 2004

ONSITE BANK EXAMINATION EXPERIENCE

- One review of Stress Testing Capital Adequacy Plan (SCAP) at one bank. 2009.
- Three reviews of stress test modeling at one bank. 2010 to 2011.
- Two Comprehensive Capital Adequacy Review (CCAR) at two banks. 2012 to 2013.
- Three offsite and three onsite reviews of Dodd Frank Act Stress Test (DFAST) credit loss modeling at three banks. 2013 to 2015.
- Thirteen reviews of market risk at five banks. 2002 to 2010.
- Eleven reviews of Allowance for Loan and Lease Losses (ALLL) at four banks. 2008 to 2015.
- Two reviews of retail origination and behavior scorecards at one bank. 2013.
- Two reviews of wholesale credit risk quantification and scorecards at one bank. 2007 to 2012.
- Three reviews of economic capital at two banks. 2007 to 2010.
- Four reviews of interest rate risk modeling at two banks. 2008 to 2014.
- Two reviews of Basel wholesale risk quantification at one bank, joint with Federal Reserve and OCC. 2013.

- Two review of model governance at two banks, joint with Federal Reserve. 2010 to 2014.

REFERENCES

Jack Reidhill

Acting, Associate Director, Research Branch, Division of Insurance and Research and
Director of the Center for Financial Research
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Haluk Unal

Professor of Finance
University of Maryland
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