FDIC News

The Federal Deposit Insurance Corporation Employee Newsletter

FEBRUARY 2021

10th Annual Consumer Research Symposium Addresses Recent Research on Diverse Policy Topics

The virtual conference received a record number of submissions.

By NICK FRAZIER, RYAN GOODSTEIN, AND JEFFREY TRACZYNSKI
Center for Financial Research,
Division of Insurance and Research

The 10th Annual Consumer Research Symposium, organized by the FDIC's Center for Financial Research, was held on October 16th. In light of public health concerns, the conference took place in a virtual format for the first time in its history.

During the one-day conference, more than 130 researchers from academic institutions, government agencies, central banks, private-sector organizations, and other groups around the world convened to discuss recent research in consumer finance. Ten papers were presented across five sessions on a wide range of topics, including why consumers hold liquid assets and debt at the same time, ways to help consumers save more and avoid fees, the consequences of public record and bankruptcy law changes, how income changes and credit availability influence savings and consumption, and consumer housing wealth and mortgage refinancing decisions. These papers were selected from more than 170 submissions, the largest number ever for the Symposium.

Chairman McWilliams opened the conference by discussing how the Symposium's growth over time reflected the growing importance of consumer finance research more broadly – in particular, its importance to the FDIC mission. Chairman McWilliams also described findings from the 2019 FDIC report "How America Banks" and noted that, while the survey was fielded before the current pandemic, it reported positive trends for consumers and provided a recent baseline against which changes could be measured. She indicated that future surveys would capture how households responded to the pandemic.

The first panel consisted of two pa-

see **Symposium**, *page 2, column 1*

The ***FDIC News*** is published monthly by the Office of Communications of the Federal Deposit Insurance Corporation, 550 17th Street N.W., Room 7102 Washington, DC 20429
Jelena McWilliams, Chairman, FDIC
David Barr, Deputy Director, Office of Communication
LaJuan Williams-Young, Writer, OCOM
Heather Woods and Aileen Wu, Graphic Design and Printing Unit,
FDIC Division of Administration

Symposium, *from page 1*

pers focused on "co-holding," the practice of households having both high cost debt and liquid assets at the same time. In the first paper, *The Co-Holding Puzzle: New Evidence from Transaction-Level Data*, academics from the U.K. and Denmark used data on daily financial transactions in Iceland to show that co-holding is not as common as previous research had indicated. When co-holding does occur, the paper found that behavioral factors, such as mental accounting, may be the primary cause of co-holding. The second paper, *Untangling the Credit Card Debt Puzzle*, a Finnish academic used monthly customer financial data from a large Finnish bank and found that co-holding is more common for households than individuals, suggesting that dynamics among family members may be an important explanation for co-holding. This paper found that co-holding is persistent for households over time, but that the costs of co-holding are small for consumers.

The second session featured papers on the influence of mechanisms designed to alter consumer retirement savings and financial account management. In the first paper, *How do Behavioral Approaches to Increase Savings Compare? Evidence from Multiple Interventions in the U.S. Army*, academics from the College of William and Mary and United States Military Academy at West Point used administrative data from the Department of Defense to provide a cost-benefit analysis of various methods suggested in prior research to encourage workers to participate in a retirement savings plan. Direct employee engagement and automatic enrollment yielded greater increases in retirement savings than informational campaigns. In the second paper, *Using AI and Behavioral Finance to Cope with Limited Attention and Reduce Overdraft Fees*, academics from the Hebrew University of Jerusalem conducted field experiments with users of a financial management tool to assess the effectiveness of several possible actions to reduce the chances of a consumer incurring overdraft charges. The authors found that simple reminders emphasizing avoiding fees produced overdraft charge reductions of approximately $75 per year, more than the reduction for consumers receiving detailed reminders or reminders emphasizing saving on charges.

The third panel examined the impacts of public record reporting and bankruptcy laws on consumer outcomes. The first paper, *The Equilibrium Effect of Information in Consumer Credit Markets: Public Records and Credit Redistribution*, researchers from the Consumer Financial Protection Bureau studied a 2017 purge of non-bankruptcy public records, such as civil judgements or tax liens, from credit bureau reports and found mixed impacts on consumer credit. While consumers who had public records removed were more likely to have credit cards, auto loans, and higher debt balances after the purge, consumers who did not have public records prior to the purge, but appeared otherwise similar to those who did, experienced reductions in credit availability. In the second paper, *Running Up the Tab: Personal Bankruptcy, Moral Hazard, and Shadow Debt*, academics from Brigham Young University and the Massachusetts Institute of Technology teamed up to explore how individuals manage debts shortly before a bankruptcy filing. The authors found that when bankruptcy protections are more generous, consumers delay filing longer and accumulate more debt that is not reported to credit bureaus, such as utility bills.

The fourth session highlighted how households with different socioeconomic characteristics have different abilities to weather income shocks and obtain credit. In the first paper, *Wealth, Race, and Consumption Smoothing of Typical Income Shocks*, academics from the University of Chicago partnered with researchers from the JPMorgan Chase Institute to used detailed account-level data from a large bank and voter registration records to determine how households with different racial backgrounds respond to changes in income. White households showed a greater ability to smooth spending through income shocks than Black or Hispanic households. The second paper, *Consumption, Credit, and the Missing Young*, studied the impact of the Credit Card Accountability Responsibility and Disclosure Act of 2009-10 on the ability of young adults to obtain credit and the resulting impact on the economy. The authors – from the Federal Reserve Bank of Boston and the University of Delaware – found that, in states where more young adults lacked credit scores after the Act, the state economy experienced slower consumption growth, and that the Act produced greater reductions in credit for individuals from disadvantaged backgrounds.

The fifth and final panel focused on the mortgage market. In the first paper, *Mortgage Amortization and Wealth Accumulation*, academics from the University of Colorado at Boulder and Stanford University studied how a mortgage reform in the Netherlands that switched consumers from interest-only to fully amortizing mortgages affected household wealth building. The authors found that this policy change had no effect on other forms of savings, leading to a large increase in average household net worth. The second paper, *Financial Media as a Money Doctor: Evidence from Refinancing Decisions*, showed how television discussions of mortgage refinancing provide low-cost financial education to broad populations, increasing the likelihood of households choosing to refinance their mortgages when interest rates fall and the gains from refinancing are larger. The authors – academics from Arizona State University and Australian National University – found that these effects are largest for minority and low-income homeowners.

The full agenda, including hyperlinks to most of the papers and presentations, can be found here. Please visit the Symposium website at https://www.fdic.gov/consumersymposium for additional information, including the archived webcast of the event and a link to sign up for announcements about future symposia.

Accounting and Auditing Conference

Accounting and Auditing Conference Planning Committee INNOVATE, INTEGRATE, and MOTIVATE to Execute Fully Virtual Event

By Yolanda Thomas, and Melissa Purnell

When the COVID-19 pandemic emerged, so did a "new normal" that impacted all areas of life, including personal and professional communication, daily operations, and planning throughout the organization. Its impact was certainly felt by the Planning Committee for the FDIC's 14th Annual Accounting and Auditing Conference.

Safety protocols, wearing of masks, and maintaining 6 feet of social distancing drove the decision to host the event, held November 23, 2020, fully online. DOA's experienced team of conference professionals, as well as DOF's and CU's co-sponsorship and leadership, collaborated to ensure the success of the agency's first virtual Accounting and Auditing Conference.

The purpose of the conference was to provide attendees the opportunity to increase their knowledge and comprehension of trends, challenges, and practices in the areas of leadership and resilience in the face of change; maintain the motivation necessary to meet new challenges; manage innovation to leverage new technologies, tools, and processes; and stay abreast of emerging economic trends.

The 2020 theme of ***Innovate, Integrate, Motivate*** could not have been more appropriate or timely. COVID-19 pushed our action plans in a different direction, demanding almost immediate changes and adjustments to include: selecting an online platform, preparing speakers for the online environment, monitoring participation, aligning slides with speaker notes, accounting for continuing professional education (CPE) credit requirements, and more.

As we worked tirelessly behind the scenes to give all participants a seamless experience, we were inspired by a quote from Apple co-founder Steve Jobs: "The only way to do great work is to love what you do."

This sentiment was reflected in the conference theme and the diversity of speakers, which included a great mix of FDIC and non-FDIC, public and private sector, those with past military experience, as well as the attendees themselves, who comprised a broader audience than we have been able to reach in the past due to physical constraints. In fact, we had a record 308 attendees! Our program even included a 5-minute yoga break that rejuvenated us in the afternoon and offered practical tips for stress relief and relaxation while sitting in our home office chairs.

Can we also add that this was all done at NO COST to participants for CPEs?!?!

Planning has already begun for the 15th Annual Accounting and Auditing Conference, building on lessons learned from the 2020 event and looking for even better things for 2021! We hope to see you there!

In the meantime, we encourage you to review the 2020 conference materials, which are available on the 2020 Accounting and Auditing Conference website.

Moving On

Name: Maggie Thompson

Most recent position: Assistant Director, Resolution Strategy Branch Monitoring & Risk Analysis

Division: DRR

Location: Dallas, TX

When and where joined the FDIC: Houston, Texas 1985.

Career highlights: Participating in hundreds of bank closings with jobs ranging from Facilities team to Receiver in Charge; Representing the FDIC in Russia, Brussels, and Guatemala; Working with so many great people over 35 plus years, learning from everyone along the way, and passing along my knowledge to others as well; and Starting my career as a Grade 5, Liquidation Assistant and finishing as an Assistant Director.

Retirement Date: February 27, 2021

Plans for retirement: I plan to play a lot of golf, travel the world (when it is safe to do so), spend time with my extended family and hopefully never wake up to an alarm clock again.

Comments and thoughts: The FDIC was an amazing place to have a career. I did not know I wanted a career when I first began, but over time my expectations of myself and the FDIC grew into this career where I began as a Liquidation Assistant and worked my way through the organization to a team leader, RAVEN expert, Senior Executive Assistant, and finally Assistant Director. My advice to new or less experienced FDIC employees would be to not limit yourselves to your comfort zone. Instead, participate in as many opportunities as you can, learn other areas besides your own, be willing to move if necessary, ask questions of your peers, mentors, supervisors, learn, grow, and succeed.

Maggie Thompson

Moving On

Name: Alfred (Al) Coleman

Most recent position: Community Affairs Specialist

Division: Division of Depositor and Consumer Protection

Location: Houston Field Office

When and where joined the FDIC: I joined the FDIC in April of 1985 as a Bank Liquidation Specialist (Baby GG).

Career highlights: The highlights of my career were traveling across the United States on FDIC business. I assisted in the closing of financial institutions in 43 of 50 states. My work took me to the Midwest (Iowa, the Dakotas, Minnesota, Indiana, and Illinois), across the Northeast (Connecticut, New York, Washington DC, New Hampshire, Rhode Island, Massachusetts, Vermont), the West (California, Arizona, Oregon), and finally the South (Texas, Georgia, Louisiana, Mississippi, Alabama and Florida). Throughout my journey I gained lessons in geography that I will cherish for a lifetime.

Retirement Date: February 27, 2021

Plans for retirement: No immediate plans, but travel takes priority. My mindset is 1000 miles from nowhere and time doesn't matter to me anymore. I just want to enjoy the moments.

Comments and thoughts: I can think of a 100 comments and thoughts to add, but here are a couple:

For those early in their careers, never be afraid to try something new. "Remember, amateurs built the Ark…. professionals built the Titanic." Your value does not decrease because of someone's inability to see your worth.

Finally, "Never regret a day in your life – good days give happiness, bad days give experience, worst days give lessons, and the best days give memories." I've had a mix of all of these throughout my FDIC career. 🏛

Alfred (Al) Coleman

In Memoriam

John Edwin Olsen
Community Affairs Specialist
Division of Consumer Protection

John Edwin Olsen, 67, Community Affairs Specialist (Atlanta Region), passed away in service Tuesday, January 26, 2021, following a courageous fight against cancer.

Born and raised in Mobile, Alabama, John graduated with honors from Williamson High School before completing his bachelor's degree from Livingston University (now known as the University of West Alabama). He was also an active member of the Delta Chi Fraternity where he gained several lifelong friends.

Following his graduation, John began his FDIC career in 1985 as a Bank Examiner Trainee, then became a commissioned Bank Examiner in 1989. From 1993 to 2002, he served as a the Field Supervisor for the Montgomery, Alabama field office, managing eight examiners and maintaining compliance supervision for 145 banks in Alabama, northwest Florida, and southwest Georgia. His dedication to the FDIC went above and beyond his daily duties, however, leading diversity activities, participating in FDIC's Mentoring Program, planning FDIC training conferences, and being a presenter for multiple annual seminars by the Alabama Bankers Association. In 2002, he joined the Atlanta Region's Community Affairs branch as a Community Affairs Specialist where he worked until his passing. Effectively engaging bankers, trade associations, community organizations, the Federal Reserve, and the Office of the Comptroller of the Currency, John was involved in advancing compliance with fair lending laws and regulations, community development initiatives like affordable housing, and compliance with the Community Reinvestment Act. John remained in FDIC service for more than 35 years.

His colleagues in the Atlanta Region, missing him greatly, had much to say about John's tremendous contributions to the FDIC:

Phyllis Patton, Deputy Regional Director, writes that his easygoing but effective nature as a supervisor encouraged her and the rest of the team to stretch their capabilities. John participated and led many outreach events to promote public confidence in the financial system and was well-versed in FDIC's

John Edwin Olsen

see **Memoriam**, *page 5, column 1*

Memoriam, *from page 4*

MoneySmart program. He always spoke highly of his wife Debbie and their two sons.

April Atkins, Community Affairs Specialist, also mentions John's easygoing but effective nature, adding that John took her under his wing when she joined the FDIC ten years ago and showed her the ropes. Working closely together, April and John shared the Florida market and would often coordinate roundtables, community forums, and exhibit booths together. He loved talking about SEC football and Florida beaches. Even well into his illness, John remained committed to the FDIC and the Community Affairs family.

Victor Galloway, another Community Affairs Specialist, writes that the team would collectively refer to John as "the John Olsen" for his almost institution-like status within the Atlanta Region Community Affairs office. Victor remembers John's almost uncanny preparation for the job. One day, realizing they needed additional MoneySmart handouts due to an incredible event turnout, Victor suggested to John they drive back to town to make additional copies. John just laughed and walked to the car, where his trunk was organized into a seemingly "portable office" of MoneySmart handouts and other collateral. When Victor said "I'm surprised you don't have a copier packed in there," John laughed even harder and pulled out a large black roller case with a portable copier inside!

John is survived by his wife Debbie, two sons Tyler and Jordan, his mother Lilly, and his sisters Margaret and Mary Olsen. He was preceded in death by his father Bernhard, sister Linda, and infant brother Bernard Johan.

Marvin J. Lehman
Financial Institution Examiner
Division of Consumer Protection

Marvin J. Lehman

Marvin J. Lehman, Financial Institution Examiner, passed away in service on December 8, 2020 from natural causes.

Born January 25, 1977, Marvin grew up in Great Falls, Montana where he attended Great Falls High School. After high school, he worked construction where he met the love of his life Raechel Durden. Married on August 21, 1999 in Bozeman, Montana, both focused their careers in construction and moved to Phoenix, Arizona.

In 2006, Marvin, his wife, and two sons Andrew and Ethan relocated to Cheney, Washington for Marvin to attend Eastern Washington College. Graduating magna cum laude in 2009, Marvin obtained his degree in Business Administration, double majoring in Finance and Economics.

Upon graduation in June 2010, Marvin accepted FDIC's offer to be a Financial Institution Examiner, relocating to Middleton, Wisconsin where he and his family remained.

Amy Richardson, Supervisory Examiner and Marvin's supervisor for the last ten years, writes that "Marvin was a very social and fun-loving person who always saw the best in people. He was an amazing teammate and made sure everyone felt welcome and heard. Marvin had a knack for developing friendships wherever he went and remained close to his FIS Class throughout his years with FDIC. His Wisconsin DCP family will miss him deeply."

Aaron Witkowski, Senior Compliance Examiner, writes that "Marvin was a good father, friend, and coworker. He dedicated his life to ensuring his two sons were cared for and brought up in a safe and comfortable setting. He packed as much into life as he could fit, including frequent hikes with the boys and friends to Devil's Lake State Park, taking in a Madison Mallards baseball game, and getting together with friends on Sundays to watch football and track fantasy football scores for his and his boys' teams. He was generous with his time and resources, often inviting friends and their families to join him and the boys on boating trips and trips to water parks in Wisconsin Dells. In the office he was reliable, always cheery, and up for buying a soda and discussing whatever was going on with work or life. He is missed."

Marvin was a family man from the start, and when he lost his wife Raechel to brain cancer in 2013, he took on the role of single dad with every piece of his heart and soul. Those who knew Marvin loved, respected, and admired his strength and commitment. Marvin's two sons were the center of his life. He enjoyed spending lots of outdoors time with them, playing sports, hiking, walking, biking, or going on fun vacations.

Marvin is survived by his sons Andrew and Ethan, his mother Kathi, his brothers Jake and John, his sister Carrie, his grandfather Don, his aunt Mary, his uncle Charles, and many nieces, nephews, cousins, and friends.

James "Jim" Hitchings
Former Senior Case Manager

James "Jim" Hitchings

James "Jim" Hitchings, former Senior Case Manager, passed away in retirement on February 7, 2021 from cancer.

Born September 28, 1948, Jim grew up in East Aurora, NY. He attended Northeastern University and spent most of his adult life and career in the Boston Area. Upon retirement from the FDIC after more than 25 years of service, Jim and his wife, Margaret "Peggy," moved to South Carolina in retirement.

In Jim's more than 25 years of distinguished service, recognized by his Division Director on behalf of the FDIC's Board of Directors, he faithfully performed the duties of Bank Examiner, Review Examiner, Case Manager, Senior Case Manager, Acting Assistant Regional Director, and Acting Chief of the Large Bank Brand in the New York Region. Among his career highlights, Jim served as a Supervisory Agent during the Savings and Loans Crisis, helping to lessen the cost of financial institution failure. Jim also regularly worked with large banks, other banking regulators, the Federal Reserve, and the Office of the Controller of the Currency. He also represented the FDIC in BASEL II planning with regulators from the United Kingdom, Germany, and Luxembourg, and in yearly Regulatory Colleges with the Canadian Banking Regulator. After several years in the New York Region, Jim left the FDIC to join the Federal Home Loan Bank of Boston. He eventually rejoined the FDIC in the Boston Regional Office where he remained until he retired on December 31, 2010.

Meg Hanrahan, Financial Analysis Section Chief, writes that she "worked with Jim many years ago in Boston." Meg was a "young examiner and he was the 'older' review examiner who made working in the office fun." Jim often shared stories about the "old" days of examinations, which were legendary. "He was truly a joy to be around."

Gregory Battone, Assistant Regional Director, was a fellow Senior Case Manager in the Boston Regional Office before becoming Jim's supervisor. They shared a love of their hometown football teams despite some painful performances over the years – Jim with the Buffalo Bills and Greg with the Washington Football Team. Jim was always fun to work with and had great stories about his life as a Field Examiner in the 70's and 80's. Greg adds that "[Jim] was an excellent case manager, and was selected as the first Senior Case Manager handling the Boston Region's largest banks. Wherever Jim went, he made friends."

Paul Driscoll, former Deputy Regional Director, writes that Jim was a "great guy and that [he was] glad to have known him since their time working in the New York Region in the 70's." Both attended Northeastern University and were cooperative work students for the FDIC while students. Jim made many friends over the years and never seemed to lose even one; "he remained in touch with friends from prep school, university, FDIC's New York Region, and the Federal Home Loan Bank of Boston. Paul says he will "miss their morning walks to get coffee and trips to Lynwood Café for pizza."

Ann Adams, Supervisory Examiner, writes that Jim, or "Hitch" as she knew him, had a "unique combination of charisma, intelligence, and humor. He truly made work fun. His book roasts at retirement parties were legendary, taking clearance books with titles like Strange Noises Investigated as a reference to our old office building. His Christmas cards were equally entertaining, ensuring his beloved pet that passed years earlier was superimposed in each photo. [He] was amazing at work, but even better at being a wonderful human being."

Chris Shanahan, Senior Examination Analyst, writes that he had the "good fortune of being associated with Hitch for many years," and they kept in touch since Jim's retirement. Jim "was the life of every occasion, whether it be serving as the auctioneer for annual fundraisers, doing his humorous book routine as a farewell to colleagues, or-

Jim was an avid football fan, always rooting for his hometown team the Buffalo Bills.

see **Memoriam**, *page 7, column 1*

Memoriam, *from page 6*

ganization daily lunch exercise runs and periodic lunch outings, arranging gold outings, telling stories, or having fun at the many FDIC conferences and events. Most importantly, Jim “treated everyone with the same high level of respect and courtesy.”

Sheila Bennett, Senior Examination Specialist, writes that Jim’s sense of humor was legendary. Like Ann, she recalls that “it was never a retirement party/goodbye without [Jim’s] book roasts!”

In his free time, Jim enjoyed traveling, hosting dinner parties, attending concerts and theatrical performances, and playing golf with his son. He was described by friends and colleagues as an exceptionally kind and warm man, devoted to his family.

Jim is survived by his wife Margaret "Peggy", his son James M. "Jimmy", Jr., his sister Betsy Hitchings Hampton (Brian), many cousins, nieces, nephews, and his beloved dog Oscar.