

September 29-30, 2005

Recent Developments in Consumer Credit & Payments

A conference sponsored by the Research Department
& the Payment Cards Center



For more information, including events we sponsor and the research we produce, please visit our web sites.

Research Department
www.philadelphiafed.org/econ

Payment Cards Center
www.philadelphiafed.org/pcc



FEDERAL RESERVE BANK
OF PHILADELPHIA

Recent Developments in Consumer Credit & Payments

A conference sponsored by the Research Department
& the Payment Cards Center

Thursday, September 29

Boehne Auditorium & Eastburn Court

4:30 p.m. Registration

5:00 p.m. Conference Introduction

Anthony M. Santomero
President, Federal Reserve Bank of Philadelphia

Economic Research and the Role of the Federal Reserve in Payments

Gary H. Stern
President, Federal Reserve Bank of Minneapolis

6:00 p.m. Reception

Friday, September 30

Pennsylvania Room (3rd floor)

8:00 a.m. Continental Breakfast

8:45 a.m. Introduction

Loretta J. Mester
*Senior Vice President & Director of Research,
Federal Reserve Bank of Philadelphia*

9:00 a.m. Session I Chair: Robert M. Hunt, *Federal Reserve Bank of Philadelphia*

How Well Do Consumers Forecast Their Future Borrowing?

Nicholas Souleles, *University of Pennsylvania*
Coauthors: Sumit Agarwal, *Bank of America*; Souphala Chomsisengphet,
Office of the Comptroller of the Currency; Chunlin Liu, *University of Nevada, Reno*
Discussant: John V. Leahy, *New York University*

Accounting for the Rise in Consumer Bankruptcies

Igor Livshits, *University of Western Ontario*
Coauthors: James MacGee, *University of Western Ontario*;
Michèle Tertilt, *Stanford University*
Discussant: Satyajit Chatterjee, *Federal Reserve Bank of Philadelphia*

10:30 a.m. Break

11:00 a.m. Session II Chair: Ronel Elul, *Federal Reserve Bank of Philadelphia*

Predatory Lending in a Rational World

Bilge Yilmaz, *University of Pennsylvania*
Coauthors: Philip Bond, *University of Pennsylvania*;
David Musto, *University of Pennsylvania*
Discussant: Andrew Winton, *University of Minnesota*

Credit Registries, Relationship Banking, and Loan Repayment

Martin Brown, *Swiss National Bank*
Coauthor: Christian Zehnder, *University of Zurich*
Discussant: Paul S. Calem, *LoanPerformance*

12:30 p.m. Lunch

1:45 p.m. Session III Chair: Wenli Li, *Federal Reserve Bank of Philadelphia*

**Observing Unobservables: Identifying Information Asymmetries
with a Consumer Credit Field Experiment**

Jonathan Zinman, *Dartmouth College*
Coauthor: Dean S. Karlan, *Yale University*
Discussant: Pierre-Andre Chiappori, *Columbia University*

2:30 p.m. Break

2:45 p.m. Session IV Chair: Leonard Nakamura, *Federal Reserve Bank of Philadelphia*

Skewed Pricing in Two-Sided Markets: An IO Approach

Alexander F. Tieman, *International Monetary Fund*
Coauthor: Wilko Bolt, *De Nederlandsche Bank*
Discussant: Rafael Rob, *University of Pennsylvania*

3:30 p.m. Break

3:45 p.m. Session V Chair: Mitchell Berlin, *Federal Reserve Bank of Philadelphia*

**The Welfare Consequences of ATM Surcharges:
Evidence from a Structural Entry Model**

Gautam Gowrisankaran, *Washington University in St. Louis*
Coauthor: John Krainer, *Federal Reserve Bank of San Francisco*
Discussant: James McAndrews, *Federal Reserve Bank of New York*

4:30 p.m. Concluding Remarks

Peter Burns
*Vice President & Director, Payment Cards Center,
Federal Reserve Bank of Philadelphia*