

DAVID ALDAMA-NAVARRETE

Federal Reserve Bank of Richmond
Charlotte Branch
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EMPLOYMENT

Federal Reserve Bank of Richmond, *Quantitative Supervision and Research*
Supervision, Regulation and Credit Department

Charlotte, NC
August 2020-Present

Financial Economist (Intermediate)

Prestamos para Crecer, Sofom (Microfinance)

Product Development Manager
Director of Sales
Director of Business Operations

Mexico City, Mexico
2010-2012

Compartamos Banco (Microfinance/Retail banking)

Product Development Coordinator
Product Development Manager

Mexico City, Mexico
2006-2009

EDUCATION

Boston College, *Carroll School of Management*
Ph.D. in Finance

Chestnut Hill, MA
2015-2020

Tufts University, *The Fletcher School*
Master of International Business

Medford, MA
2013-2015

Instituto Tecnológico Autónomo de México (ITAM)
Graduate Studies, Economic Theory

Mexico City, Mexico
2010-2011

Instituto Tecnológico Autónomo de México (ITAM)
Licenciatura in Political Science
(Double major in Economics)

Mexico City, Mexico
2000-2005

RESEARCH INTERESTS

Banking, Corporate Finance, Political Economy, Finance and Development

WORKING PAPERS

Dark Banking? Banks and Illicit Financial Flows from the Mexican Drug Trade
(Job Market Paper)

Do banks enable crime? Does regulation insulate finance from criminal activity? I address these questions using evidence from the drug trade in Mexico, finding that local drug cartel activity causes an increase in bank deposits. Accordingly, branch networks grow in affected areas; this growth is not driven by increased lending opportunities. After the election of a “law-and-order” government, these effects dissipate, with liquidity flowing into branches of U.S. banks along the border. I interpret this as evidence that “finance follows crime” in weak institutional environments, and that, absent transnational policy coordination, regulatory arbitrage via cross-border liquidity flows undermines banking regulation.

Bank Branch Networks, Banking Relationships, and Organized Crime

In this paper, I explore if banks develop long-standing implicit contracts with criminal organizations, exploiting spatial variation in drug-cartel activity. I use Mexico, where local banking markets have been differentially exposed to this activity, as an empirical laboratory. I test whether banks with prior exposure to criminal activity are more likely to enter areas where cartels operate, as well as whether previous exposure to specific cartels predicts entry into local banking markets which said cartels have entered. Results suggest that certain banks do establish these: bank characteristics that have significant effects on differential behavior regarding “relationship-like” interactions with organized criminal organizations are domestic majority equity ownership and bank size.

WORK IN PROGRESS

Does the CRA Mitigate Housing Busts?

(with Walter D'Lima, Tom Schneider, Phil Strahan, and Jun Yang)

In this paper, we investigate how government mandates on lending in low-income neighborhoods affect mortgage-credit supply. In particular, we test if banks constrained by the Community Reinvestment Act (CRA) increase credit supply in response to declines in credit demand. The motivation behind this hypothesis is that the CRA imposes costs on banks related not to their supply of credit, but to the *equilibrium* quantity of credit in low-income neighborhoods. As an instrument, we use a planned service disruption to the NYC mass-transit system, which produces a large exogenous change in real estate amenities –and hence in the demand for housing.

TEACHING EXPERIENCE

Course Instructor

Carroll School of Management, Boston College

Fundamentals of Private Venture Financing

Summer 2019

Teaching Assistant

Carroll School of Management, Boston College

Data Analytics for Finance (Intro to Python programming)

Prof. Jonathan Reuter

Prof. Nancy Xu

Fall 2019

Spring 2019

The Fletcher School, Tufts University

Econometric Impact Evaluation for Development

Prof. Jenny C. Aker

Spring 2015

Corporate Finance and Global Financial Markets

Prof. Laurent L. Jacque

Spring 2015

Strategic Management

Prof. Bhaskar Chakravorti

Summer 2014

PROFESSIONAL ACTIVITIES

Summer School on Liquidity in Financial Markets and Institutions

Finance Theory Group

Olin Business School,

Washington University in St. Louis

Summer 2017

Ad-hoc Referee

Journal of Banking and Finance

FELLOWSHIPS AND AWARDS

Boston College, Carroll School of Management

PhD Fellowship

2015-present

Bank of Mexico

Summer Research Fellowship

Summer 2018

PRESENTATIONS

2020 and scheduled

American Economic Association Meetings (Poster Session), Clemson University, Drexel University, Federal Reserve Bank of Richmond, Queen's University (Canada), Southern Economic Association Meetings, The Brattle Group, Tulane University, University of Texas at San Antonio

2019

Boston College (×2)

2018

Bank of Mexico

REFERENCES

Philip Strahan

John L. Collins, S.J. Professor of Finance
Carroll School of Management
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