

## Jung-Eun Kim, Ph.D.

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### EMPLOYMENT

Financial Economist, Federal Reserve Bank of Richmond, Quantitative Supervision & Research

Aug 2015 to present

Visiting Professor, University of Georgia, Terry College of Business, Department of Finance

Aug 2013 to May 2015

### EDUCATION

Ph.D. – Finance, University of Texas at Austin 2013

M.S. – Finance, University of Texas at Austin 2009

B.A. – Economics, Seoul National University 2006

Graduated *Summa Cum Laude*.

### RESEARCH INTEREST

Banking, Real Estate Finance, Corporate Finance, Household Finance

### WORKING PAPERS

#### **Banks' Concerns about External Appearances and Resolution of Problem Loans**

This paper examines whether banks' concerns about external appearances affect resolution of distressed commercial mortgage loans. I find that larger loans are more likely to be renegotiated than smaller loans and that a bank takes a shorter amount of time to initiate a renegotiation than a foreclosure. In addition, the impact of loan size on the propensity to renegotiate is magnified for banks with a higher reputational stake, consistent with these banks seeking to avoid recognizing loan losses early. Finally, as a falsification test, I compare the bank-held sample with a commercial mortgage-backed securities (CMBS) sample. The results are weaker or absent for the CMBS loan sample, in contrast to the bank loan sample.

#### **Returns in the Nontraded REIT Industry: Evidence from Full-Cycle Events** (with Jay Hartzell, Vee Kimbrell, and James Sprow) *Published in Real Estate Finance, 2012, 29 (4), 1-17.*

In this study, we assess the total returns to investors of nontraded REITs for the sample of 17 firms that experienced a liquidity event through March, 2012. While this sample is admittedly small relative to the population of all nontraded

REITs, it is the complete set of “full cycle” events in this sector, and our analysis is the first (to our knowledge) to analyze the ultimate returns to investors in nontraded REITs. Our results indicate that for this sample of full-cycle, nontraded REITs, an investor who bought shares in a typical firm at the beginning of their fund-raising cycle experienced a reasonable IRR (above 10 percent), albeit one that is somewhat lower than the benchmarks (that tend to be greater than 11 percent). For the median firm, this difference in IRRs results in a wealth impact of roughly 16 cents per dollar of final wealth, which is roughly in line with many nontraded REITs’ upfront fees. Adding back a plausible estimate of fees leads to estimates of unloaded return that suggest that nontraded REITs perform fairly similarly to their benchmarks in terms of their real estate portfolios’ returns. We also find that the realized IRRs of nontraded REITs exhibited less variation (across firms) than their benchmarks.

### **Lending Relationships and Resolution of Problem Mortgages**

This paper studies how lending relationships affected banks' resolution decisions on problem commercial mortgage loans in the recent financial crisis. If a bank has multiple loans with a borrower, the bank may renegotiate more easily to maintain a good relationship, or the bank may renegotiate less because of reputation concerns. Empirical results suggest that the sample banks choose to act “tougher”, i.e., foreclose more, as they have more loans with a borrower. Secondly, I look at how big players (borrowers) in the market are treated differently. On average, bigger players' were more likely to be renegotiated, but not when they had regionally concentrated problem loans. Also, the degree of geographical diversification in banks' problem loan portfolios may affect banks' resolution decisions. I find that as banks have geographically concentrated problem loan portfolios, they are more likely to renegotiate larger loans. This evidence suggests “negative spillover” affected banks' resolution decisions.

### **WORK IN PROGRESS**

**Borrowers and Lenders’ Decision Making in Mortgage Loans - A Model and Estimation in a Game Theoretic Framework** *(with Ari Kang and Richard Lowery)*

**Is the Index Really an Index?: A study on CMBX**

**A Foreclosure: Lenders’ Choice or Borrowers’ Choice?**

### **TEACHING EXPERIENCE**

Instructor with sole responsibility

- “Investments”, Terry College of Business, Univ. of Georgia, Professional MBA 2014
- “Financial Management”, Terry College of Business, Univ. of Georgia, undergraduate 2014
- “Survey of Investments”, Terry College of Business, Univ. of Georgia, undergraduate 2013-2015
- “Foundations of Finance”, McCombs School of Business, Univ. of Texas at Austin, undergraduate 2011
- “Business Finance”, McCombs School of Business, Univ. of Texas at Austin , undergraduate 2010

**DISCUSSANT SERVICE**

AREUEA-ASSA Conference Boston 2015, AREUEA National Conference Washington DC 2015

**HONORS OR SCHOLARSHIPS**

SAMSUNG Scholarship (From Samsung Scholarship, Given to 70 students per year)	2007 - 2012
BK(Brain Korea)21 Scholarship (From Korea Research Foundation)	2006 - 2007
Dan-Ahm Scholarship (From Dan-Ahm scholarship Foundation)	2003 - 2006