

## **Call for Papers**

### **NBER/Sloan Working Group: The Functioning of Financial Firms and the Resolution of their Distress**

**Anil Kashyap and Raghuram Rajan, organizers**

The NBER has obtained funding from the Sloan Foundation to organize a series of conferences which will be broadly focused on the causes and consequences of the current credit crisis, as well as the implications for regulation. The intention is to have a select audience of academics, regulators, and financial sector participants discuss a set of papers that explore different aspects of the crisis. We are writing now to encourage you to send us papers that are complete and ready for presentation at the Summer Institute and/or to consider making a proposal for a paper that would be prepared for a conference in the latter half of 2010 that will be published as a special issue of the Journal of Financial Economics.

This year's meetings will be held over 3 days at the NBER Summer Institute (July 7-9 2009), the same week that the Corporate Finance and Asset Pricing groups are holding their regular meetings. Mark Carey and René Stulz will organize one set of sessions on July 8-9, focusing on the general area of liquidity and market imperfections, and we (Kashyap and Rajan) will organize another on July 7-8, focusing on the functioning of financial firms as well as the adequacy of mechanisms to resolve financial distress in such firms. There will, obviously, be some overlap between topics for the different sessions.

We also want to use the time at the Summer Institute to begin discussing candidate papers for the 2010 conference. Besides papers that are already complete, proposals for papers for the 2010 conference are also encouraged now. An acceptable proposal would be one that outlines the paper to be written in three pages and has a timetable for completion. Authors of the most promising proposals and papers submitted on or before April 24, 2009 will be invited to attend a meeting at the NBER Summer Institute on July 7 and 8 to discuss them. These candidates will have a better chance of being accepted for the 2010 conference. We will, however, continue to consider proposals and papers for the 2010 conference until November 15, 2009. Papers ultimately invited for consideration at the 2010 conference will be eligible for a stipend and for funding to cover the submission fee to the JFE.

With this preamble, we invite the submission of papers and proposals for our working group meeting. The range of permissible issues will be broadly interpreted. The broad topic of the functioning of financial firms can include issues such as the nature and effectiveness of governance and compensation in financial firms, the organization and effectiveness of the risk management function, the effects of size, the range of activities, and the interconnectedness of financial firms on their behavior as well as on regulatory action, the capital structure of financial firms and how they vary over time and across activities, etc. Within the broad topic of financial distress, we encourage the submission of papers on issues such as the problems that arise as firms get closer to distress, including the behavior of employees, investors, customers, and counterparties, the constraints in selling assets or refinancing, and

the adequacy of existing legal procedures to preserve the value of distressed financial firms as going concerns, as well as procedures to share the burden of distress amongst claim-holders.

Please send two hard copies of your proposal/paper to Rob Shannon at the NBER by April 24th 2009, indicating that it is for the Kashyap-Rajan working group in the NBER/SLOAN conference on the credit crisis; our working group is going by the acronym "SLKR". The address is 1050 Massachusetts Avenue, Cambridge, MA 02138. You can also email your submissions to [rshannon@nber.org](mailto:rshannon@nber.org). We will get back to authors of selected papers by early May.

Submissions made between April 25 and November 15, should also be sent to Rob Shannon and be marked as SLKR.