

Request for Proposals

March 15, 2016

The Center for Innovation in Banking and Financial Services (CIBFS) is currently accepting research proposals from qualified parties for studies of the dual-banking system as it operates in the United States, state-chartered financial institutions and their role and contributions to the local economies in which they operate, and the financial services ecosystem as it operates at the level of communities and states.

Proposals are welcome from:

- Scholars working at any university or college with a demonstrated history of success completing and publishing research in reviewed outlets.
- PhD and other graduate students doing research under the supervision of a qualified faculty mentor.
- Qualified scholars working for government agencies that support an active research agenda, including the Federal Reserve Bank, FDIC, SEC and state-banking oversight organizations.
- State and national industry associations either supporting a research organization or partnering with a qualified research scholar.

The CIBFS supports research initiated with intent to publish in peer-reviewed, scholarly journals, although the Center does encourage presentation of interim findings at conferences and other pre-publication outlets. The Center will publish summaries of funded research in its annual research report. Research collaborations between an organization with policy interests, such as an industry association, and a team of scholars who can articulate the potential to publish the funded research are encouraged.

The CIBFS accepts two types of proposals:

1. Proposals that address the Center's general call for research focused on state-chartered banking and the dual banking system in the U.S.
2. Proposals that address the specific topics released annually by the Center. Specific proposals are not advantaged relative to well-developed general proposals, i.e., both have equal chances of funding.

I. General Call

The Center for Innovation in Banking and Financial Services supports research on the dual banking system in the U.S. and the role of state-chartered banking in the communities these institutions serve. Proposals that deal with the industry, its evolution, challenges, and contributions are welcome.

In addition to proposals dealing in general with the dual banking system and state-chartered banking, the CIBFS encourages researchers to consider analyses of:

- A. The regulatory regimes that govern state-chartered banking and how these regimes have shaped the industry.
- B. The competitive structure of the banking and financial services industry, the role of various institutions and regulatory agencies in shaping competition, the evolution of competition, and the role of innovation in shaping the banking and financial services industry.

- C. The role of state-chartered institutions in the development and proliferation of innovations in financial services that have shaped the U.S. banking industry.
- D. Regulatory practices, as distinguished from actual regulations, that have shaped the dual banking system. Such an analysis might document the roles played by different regulators, their efforts to exercise influence vis a vis one another, and the role of federal bodies relative to state regulatory bodies. Studies of opportunities for improved inter-agency cooperation are of great interest.
- E. The variation in state regulatory regimes and how various practices have impacted state-chartered banking in different states.
- F. The historic role of unregulated institutions, how the landscape for unregulated financial institutions has changed over time, and the challenges unregulated institutions pose for state-chartered institutions.
- G. Implications of the decline of state-chartered institutions for local economies and the role of regulatory practices in this decline.

In addition to industry studies, the CIBFS is also generally interested in studies of innovations and innovation challenges that have shaped and are currently shaping the industry. Such studies might include:

- H. The implications of mobile technologies and the emergence of alternative financial services for state-chartered banks and the populations they serve.
- I. Cyber-security challenges and solutions for state-chartered banks that lack the scale of large national banks.
- J. An analysis of the potential for evolving technologies like bit chains to fundamentally change the nature of financial services.
- K. The potential of emerging artificial intelligence technology to impact banking practices, improve customer experiences and bank risk management, and to deal with cyber-security threats.

II. 2016 Topics

1. The CIBFS would like to fund a complete bibliography of research using state-chartered banking samples, focused on state-chartered banking, and with implications for state-chartered banking, including implications for regulatory policy, for the period 2000-present. The Center will provide \$5,000 to fund the assembly of the bibliography and \$20,000 for a review of the studies included in the bibliography. The review need not be comprehensive, but should identify major areas of research – likely focused on dependent variables – major findings, and should highlight the papers and studies that have had the greatest impact on our current understanding of state-chartered banking, the challenges these organizations are facing, and the economic role of state-chartered banks and how it has evolved over time. Ideally, the proposal is to complete this work by September 2016, but other time frames will be considered. This work will be critical to the Center’s future work and the Center will support publication of this review by the recipient of the funding by issuing a Center-sponsored online special publication of research.
2. The CIBFS would like to fund 2-3 independent projects focused on emerging “FinTech” sectors and companies. Specifically, CIBFS is seeking proposals that address the following:
 - a. Proposals to generate a census of companies currently operating in “FinTech” sectors broadly defined, their founding dates, markets served, annual growth statistics, and funding sources. These data will be integrated into the CIBFS master database of financial services companies operating independent of FDIC oversight.
 - b. An industry competitive analysis of FinTech and its relationship with regulated financial organizations. This can be a follow-on project done in conjunction with the census of FinTech companies.

- c. A strategic analysis of organizations offering services to the unbanked and the competitive position of these organizations relative to the services offered by state-chartered financial institutions. Ideally such a proposal addresses both existing options like payroll cards, debit cards, and payday lending and the potential of mobile FinTech options, including peer-to-peer funding, mobile payment systems, and mobile credit options.
3. In addition to a general interest in the relationship between the financial structure of state-chartered institutions and their safety and soundness, the CIBFS seeks proposals that specifically document and study the implications of non-depository funding sources like internet-based funding and brokered deposits on the safety and soundness of state-chartered financial institutions. The CIBFS currently is funding a major project on brokered deposits using FDIC call report data and is seeking research that will make a data as well as substantive contribution to this effort.
4. The decline in the number of state-chartered institutions since 2000 is well documented and is associated with consolidation associated with mergers of state-chartered institutions and the “freeze” in the issuance of new charters. The CIBFS is interested in seeing proposals for studies examining the joint impact of these two trends, the implication for local communities, especially rural communities, and the community responses to the lack of access to banking and other financial services. Are community needs met by online and mobile services and what community needs are unmet? Is the decline in state-chartered institutions a factor in the decline in new business formations that has occurred since 2010?

Grant Process

The CIBFS Research Committee reviews all submissions with participation by representatives of state-chartered banks, state banking regulators, federal regulators, industry associations and university researchers. Proposals should be submitted to the CIBFS/Pierre Lassonde Institute, University of Utah, 105 Ft. Douglas Blvd #604, Salt Lake City, Utah 84113 Those submitting proposals can expect to hear about funding 6-8 weeks after submission.

A typical CIBFS grant is \$5,000 for the development of a detailed research prospectus documenting data sources and providing an overview of the intended research. This is payable at the time the original proposal is accepted. A typical second stage of funding is \$20,000 on completion of the proposed research. Second stage funding is confirmed after review of the research prospectus and a final contract is generated along with this second stage of funding. Where the proposed research is programmatic and involves several studies, funding may be greater.

Funding is provided with a consulting contract from the CIBFS to the primary researcher. Funds can be dispersed to multiple individuals, but all second-stage disbursements are held until the research is completed. The CIBFS does not pay research overhead but will pay documented direct data expenses, which should be included in the research prospectus.

Questions and Requests for Further Information

Questions and requests for further information can be directed to the Director of Research, Center for Innovation in Banking and Financial Services at research-cibfs@eccles.utah.edu. Information on currently funded projects and contact information is available on the CIBFS website, which is <http://lassonde.utah.edu/cibfs/>.