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Education

Ph.D., Economics, Yale University, 1999
M.S. and M.A., Economics, Yale University, 1989
B.A., Arts and Sciences, University of Virginia, 1985

Employment History

Current position (since Summer 2018): Chief Economist and Executive Managing Director, the Bank Policy Institute

Principal Responsibilities

- Contribute to and oversee research and analysis to support the advocacy of BPI on behalf of the owner banks.
- Conduct longer-term research on issues related to supervisory and regulatory policy, lender of last resort, and monetary policy.
- Organize and participate in academic conferences on issues related to supervisory and regulatory policy.
- Advise the BPI owner banks on monetary policy.

Current position (since Winter 2021): Adjunct Professor, Georgetown University

Spring 2016 – Summer 2018: Chief Economist, Head of Research, and Executive Managing Director, The Clearing House Association; Chief Economist, The Clearing House Payments Company

- The Clearing House Association became the Bank Policy Institute when it merged with the Financial Services Roundtable in Summer 2018. Responsibilities were unchanged.

Summer 2008 – Spring 2016: Officer (ending as Deputy Director) in the Division of Monetary Affairs, Board of Governors of the Federal Reserve.

Principal Responsibilities

- *Monetary Policy.* Oversee and participate in the preparation of documents related to monetary policy strategy for each FOMC meeting. Prepare research notes for and brief the FOMC on ad hoc monetary policy topics. Participate in ongoing staff work on potential post-normalization monetary policy frameworks. Co-Chair of the CGFS/MC working group on regulatory change and monetary policy.
- *Discount Window policy.* Helped design the post-Lehman emergency liquidity facilities. Board staff manager of the AMLF, CPFF, MMIFF, and TALF. Briefed the Board and FOMC on emergency

liquidity facilities. Meet with the press, Congress (including formal testimony), the GAO, and others to explain the Federal Reserve's provision of emergency liquidity during the crisis. Evaluate current risks to the financial system and consider any associated need for emergency liquidity. Chair of System committee evaluating ways to address discount window stigma.

- *Enhanced supervision.* Serve as liaison between the Division of Monetary Affairs and the Bank Supervision and Regulation Division and the Office of Financial Stability Policy and Research. Member of the Large Institution Supervision Coordinating Committee. Member of the Steering Committee over the Fed's annual large bank liquidity assessment. Chair or member of four BIS working groups on liquidity regulations.

2007 – Summer 2008: Bank for International Settlements (secondment)

- Senior economist in the Monetary Policy and Exchange Rate section. Summarized the activities of the BoJ and ECB for the BIS Annual Report. Arranged and led a workshop for central bank economists on how different central bank staffs prepare their forecasts and interact with their policymakers.
- Secretary for the CGFS working group on central bank operations in response to the financial turmoil.

2004 – 2007: Chief of the newly formed Monetary and Financial Stability section, Division of Monetary Affairs, Board of Governors of the Federal Reserve

- Determined the responsibilities and structure of the new section. Initiated, oversaw, and contributed to regular financial stability reports and briefings for the Board. Developed indicators of financial stress.

1998 – 2004 Senior Economist, Monetary and Financial Markets Analysis section, Division of Monetary Affairs, Board of Governors of the Federal Reserve

- Contributed to the 2003 overhaul of discount window operations, researched monetary policy rules, followed Treasury and interbank markets.

1993 – 2003 Economist, Banking Analysis section, Division of Monetary Affairs, Board of Governors of the Federal Reserve

- Conducted and analyzed results from the Senior Loan Officer Survey and Survey of Terms of Bank Lending. Developed the staff model used to forecast bank credit. Assessed the condition and profitability of the banking industry using bank balance sheet and income data.
- Evaluated the scope for monetary or credit variables to augment a standard Phillips curve.

Selected Publications

[“Quantifying the costs and benefits of quantitative easing”](#) with Andrew Levin and Brian L. Lue, NBER working paper 30749. National Bureau of Economic Research, December 2022.

“Helicopter Money, Fiscal QE, the Magic Asset, and Collateralizing the Currency,” in *Populism and the Future of the Fed*, Edited by James Dorn, the Cato Institute, 2022.

“The Fed’s Novel Lender-of-Last Resort Programs” in *First Responders: Inside the U.S. Strategy for Fighting the 2007–2009 Global Financial Crisis*, with Lorie Logan and Patrick Parkinson, edited by Ben S. Bernanke, Timothy F. Geithner, and Henry M. Paulson, Jr., with J. Nellie Liang. New Haven: Yale University Press, 4 February 2020.

“Connecting the dots: market reactions to forecasts of policy rates and forward guidance provided by the Fed”, with Michelle Bongard, Gabriele Galati, and Richhild Moessner, Forthcoming in *International Journal of Finance and Economics*. ([DNB Working Paper 532](#), October 2016.)

[“Digital Currencies and Payments: Financial Stability and Monetary Policy Implications”](#), *The Journal of Investing*, vol. 28, no. 3, April 2019.

[“Current Expected Credit Loss: Lessons from 2007-2009,”](#) Staff Working Paper 2018-1, with Francisco Covas, Bank Policy Institute.

[“Recognizing the value of the central bank as a liquidity backstop,”](#) Staff Working Paper 2017-1, The Clearing House.

“Idiosyncratic Shocks for Stress Test Scenarios,” with Francisco Covas, Burcu Duygan-Bump, Rochelle Edge, Luca Guerrieri, and Egon Zakrajsek, manuscript, 2015.

[“Why Do We Need Both Liquidity Regulations and a Lender of Last Resort? A Perspective from Federal Reserve Lending during the 2007-09 U.S. Financial Crisis,”](#) with Mark Carlson, and Burcu Duygan-Bump, *Finance and Economics Discussion Series 2015-011*. Washington: Board of Governors of the Federal Reserve System, 2015.

"The Demand for Short-Term, Safe Assets and Financial Stability: Some Evidence and Implications for Central Bank Policies," with Mark Carlson, Burcu Duygan-Bump, Fabio Natalucci, Marcelo Ochoa, Jeremy Stein, and Skander Van den Heuvel, *International Journal of Central Banking*, vol. 12, no. 4, pp. 307-333, 2014.

"Using Policy Intervention to Identify Financial Stress," With Mark Carlson and Kurt F. Lewis, *International Journal of Finance & Economics*, vol. 19, no. 1, pp. 59-72, 2014.

"Central Banks as Lenders of Last Resort: Experiences during the 2007-10 Crisis and Lessons for the Future," with Dietrich Domanski and Richhild Moessner, *BIS Papers 79*. Bank for International Settlements, *Finance and Economics Discussion Series 2014-110*. Board of Governors of the Federal

Reserve System (U.S.), 2014.

"Lessons from Lender of Last Resort Actions during the Crisis: The Federal Reserve Experience," BIS Papers 79. Bank for International Settlements, 2014.

"Securitization Markets and Central Banking: An Evaluation of the Term Asset-Backed Securities Loan Facility," with Sean Campbell, Daniel Covitz, and Karen Pence, *Journal of Monetary Economics*, vol. 58, no. 5, pp. 518-531, 2011.

"Monetary Operations and the Financial Turmoil," with Claudio Borio, *BIS Quarterly Review*, March, pp. 31-46, 2008.

"Selected indicators of financial stability," with Roberto Perli, *Risk Measurement and Systemic Risk* 4 (2007): 343-372.

"Central Bank Policy Rate Guidance and Financial Market Functioning," with Richhild Moessner, *International Journal of Central Banking*, vol. 4, no. 4, pp. 193-226, 2008.

"Interpreting the Significance of the Lagged Interest Rate in Estimated Monetary Policy Rules," with William English and Brian P. Sack, *Contributions to Macroeconomics*, Vol. 3, no. 1, 2003.

"Proposed Revision to the Federal Reserve's Discount Window Lending Programs," with Brian Madigan, *Federal Reserve Bulletin*, vol. 88, no. 7, pp. 313-319, 2003.

"Criteria for Central Bank Assets: Lessons from Pre-ECB France," *Federal Reserve Bank of Boston New England Economic Review*, vol. 0, no. 0, pp. 33-34, 2002.

"[Pragmatic Monitoring of Financial Stability](#)," with Wayne Passmore, Paper Presented at BIS Autumn Meeting of Central Bank Economists, October 2000.

"Profits and Balance Sheet Developments at U.S. Commercial Banks in 1998," with Antulio Bomfim, *Federal Reserve Bulletin*, vol. 85, no. 6, pp. 369-395, 1999.

"Evidence of Excess Returns on Firms that Issue or Repurchase Equity," *Finance and Economics Discussion Series 1999-06*. Board of Governors of the Federal Reserve System (U.S.), 1999.

"The Aggregate Change in Shares and the Level of Stock Prices," *Finance and Economics Discussion Series 1999-08*. Board of Governors of the Federal Reserve System (U.S.), 1999.

"Why does the Change in Shares Predict Stock Returns?" *Finance and Economics Discussion Series 1999-07*. Board of Governors of the Federal Reserve System (U.S.), 1999.

"Recent Changes to the Federal Reserve's Survey of Terms of Business Lending," with Thomas F. Brady,

and William B. English, Federal Reserve Bulletin, vol. 84, no. 8, pp. 604-615, 1998.

"Bank Risk Rating of Business Loans," with William B. English, Finance and Economics Discussion Series 1998-51. Board of Governors of the Federal Reserve System (U.S.), 1998.
1999.

Selected Blog Posts

["U.S. Bank Capital Levels: Aligning With or Exceeding Midpoint Estimates of Optimal,"](#) BPI Research Note with Francisco Covas, 18 September 2023.

["Will a De Facto Tightening of Regulations Cause a Recession and an Early End To QT?"](#) BPI Research Note, 6 September 2023.

["The Middle Course: What Fed History Teaches Us About Liquidity Requirements,"](#) BPI Research Note, 22 August 2023.

["Central Bank Contingency Funding in Resolution Plans,"](#) BPI Research Note, 1 August 2023.

["CLF Notes – What is a Committed Liquidity Facility?"](#) BPI Research Note, 22 June 2023.

["Why Regulators Should Consider Banks' Borrowing Capacity from the Fed in Liquidity Assessments,"](#) BPI Research Note, 30 March 2023.

["Why is the Federal Reserve Abetting a Drain of Deposits from Banks?"](#) BPI Research Note, 29 March 2023.

["The Fed's Discount Window Lending,"](#) BPI Research Note, 17 March 2023.

["Is It Time for a Holistic Review of Liquidity Requirements?"](#) BPI Research Note, 23 February 2023.

["Against What Liquidity Risks should a Bank Self-insure?"](#) BPI Research Note, 1 December 2022.

["Two Important Fed Programs that Should Be Mutually Reinforcing Are in Conflict. Why?"](#) BPI Research Note, 13 October 2022.

["Is Climate Really a Financial Stability Risk or Solvency Risk for Large Banks?"](#) BPI Research Note with Lauren Anderson, 29 September 2022.

["Bank Examiner Preferences Are Obstructing Monetary Policy,"](#) BPI Research Note, 19 September 2022.

["Potential Costs of Banning Capital Distributions by Banks in Bad Times,"](#) BPI Research Note, 16 June 2022.

["How to Measure the Change in Financial Stability Risk Resulting From a Merger: Some Technical Considerations,"](#) BPI Research Note, 24 May 2022.

["Financial Stability Considerations for Bank Merger Analysis,"](#) BPI Research Note with Greg Baer and Paige Pidano Paridon, 16 May 2022.

[“When Will Banks Start Raising Deposit Rates: Here’s What History Shows,”](#) BPI Research Note with Gonzalo Fernandez Dionis, 25 April 2022.

[“Should the High Resiliency of Large Banks Be Used as the Basis for Prohibiting Bank Mergers?”](#) BPI Research Note, 28 March 2022.

[“More Taxis Sitting Idle,”](#) BPI Research Note, 16 February 2022.

[“A Major Limit on the Fed’s Crisis Toolkit: Shame,”](#) BPI Research Note with Pat Parkinson, 25 January 2022.

[“The Fed is Stuck on the Floor: Here’s How it Can Get Up,”](#) BPI Research Note, January 11, 2022.

[“A Costly Misunderstanding About CBDC,”](#) BPI Research Note with Greg Baer, 17 December 2021

[“Rummaging Through the Fed Archives: When Capital and Liquidity Regulations Were Integrated”](#), BPI Research Note with Gonzalo Fernandez Dionis, 12 October 2021.

[“Bank Treasurers’ Views on Liquidity Requirements and the Discount Window”](#), BPI Research Note with Brett Waxman, 12 October 2021.

[“The Benefits and Costs of a Central Bank Digital Currency for Monetary Policy”](#), BPI Research Note, 15 April 2021.

[“CECL Under Stress”](#), BPI Research Note, 2 April 2021.

[“Liquidity Transformation Always Finds The Path of Least Regulation”](#) BPI Blog Post, 23 September 2021.

[“Credit Losses from Declining Industries: Lessons for Climate-risk Modeling”](#) BPI Blog Post, 15 September 2021.

[“Discount Window Stigma: We Have Met the Enemy, and He Is Us”](#) BPI Blog Post, 10 August 2021.

[“Green Lending: Is Regulatory Exuberance Irrational \(and a Little Dangerous\)?”](#) BPI Blog Post, 14 July 2021.

[“A Very Different Federal Reserve Funding Model”](#) BPI Blog Post, 16 June 2021.

[“QE May Raise Deposits at Banks Immediately, but Not Permanently”](#) BPI Blog Post, 6 April 2021.

[“When the Fed Buys a Treasury Security, the Debt Does Not Go Away”](#) BPI Blog Post, 5 January 2021.

[“The Farmer and the Seed Corn: Why Lowering the CCyB and Imposing Dividend Restrictions Are Opposites”](#) BPI Blog Post, 18 November 2020.

[“Medieval Money Changers, FinTechs, and the Risk of Unbundling”](#) BPI Blog Post, 12 August 2020.

[“How to Design a Fed Credit Facility to Help Support LMI Communities”](#) BPI Blog Post, 5 August 2020.

[“Should We Take Estimates of the Optimal Level of Bank Capital Ratios Seriously or Not”](#) BPI Blog Post, 15 July 2020.

[“A Few Observations on Professor Stein’s Remarks Last Week at the Brookings Institutions”](#) with Francisco Covas, BPI Blog Post, 11 June 2020.

[“Have Liquidity Regulations Reduced Market Liquidity”](#) with Pat Parkinson, BPI Blog Post, 9 June 2020.

[“So, What Have We Just Learned About...the Countercyclical Capital Buffer”](#) BPI Blog Post, 24 April 2020.

[“Reserve Requirements Should – and Must – Be Set to Zero”](#) with Greg Baer, BPI Blog Post, 18 February 2020.

[“Ringfencing versus Cooperation: A Game-theoretic Perspective”](#), BPI Research Note, 22 January 2020.

[“Does Excluding Reserves from the Leverage Ratio Make Quantitative Easing More Effective? More Yes than No”](#), BPI Research Note, 15 January 2020.

[“Why Is LIBOR Being Replaced Rather Than Reformed?”](#), BPI Research Note, 2 April 2019.

[“Understanding the Fed’s Implementation Framework Debate”](#), BPI Research Note, 26 November 2018.

[“A better way to combined stress test results”](#), BPI Research Note, with Rob Lindgren, 20 November 2018. (See also, [“An Even Better Way to Combine Stress Test Results”](#), BPI blog post, June 19, 2019).

[“The Fed designed the GSIP Surcharge to Achieve a Flawed Objective”](#), TCH Research Note, April 2018.

[“Liquidity and Leverage Regulation, Money Market Structure, and the Federal Reserve’s Monetary Policy Framework in the Longer Run”](#), TCH Research Note, September 2016.

[“Liquidity Regulations, the Neutral Real Federal Funds Rate, and the Money Premium”](#), TCH Research Note, August 2016.

[“Shortcomings of Leverage Ratio Requirements”](#), with Francisco Covas, TCH Research Note, August 2016.

[“The Net Stable Funding Ratio: Neither Necessary nor Harmless”](#), with Francisco Covas, TCH Research Note, July 2016.

[“Overview and Assessment of the Methodology Used to Calibrate the U.S. GSIB Capital Surcharge”](#), with Francisco Covas, TCH Research Note, May 2016.

Op-Eds

[“Op-Ed: Show Them the Money: Why the Fed Should Adopt CLFs”](#), Risk.net, 1 April 2022.

[“Stablecoins Are Backed by ‘Reserves’? Give Us a Break”](#), with Paige Paridon, American Banker, 10 December 2021.

[“I Don’t Know Why She Swallowed a Fly”](#), Morning Consult, 5 August 2021.

[“Setting the record straight on why leverage ratio must change”](#), American Banker, 11 August 2017.

[“Why paying interest on reserves is good for lending”](#), American Banker, 5 June 2017.

[“Living Wills: The Biggest Liquidity Rule of Them All”](#), American Banker, 24 May 2016

Presentations and Podcasts

[“Addressing the Underlying Causes of the Banking Crisis of 2023”](#), Remarks at the American Enterprise Institute, 10 May 2023.

[“Remarks on Lessons from the Bank Failures in Spring 2023”](#), Presentation at the MIT Golub Center for Finance and Policy 10th Annual Conference, 7 September 2023.

[“Discount Window Lending, Shifting Size of the Fed’s Balance Sheet”](#), Macro Musings Podcast, 10 April 2023.

[“Why Banks and Suddenly Borrowing from the Discount Window”](#), Odd Lots Podcast, 13 January 2023.

[“How the Fed Fell Behind the Curve”](#), Macro Musings Podcast, 16 May 2022.

“Helicopter money, fiscal QE, the magic asset, and collateralizing the currency,” Presentation at CATO Institute’s 39th Annual Monetary Policy Conference: Populism and the Future of the Fed, 18 November 2021.

[“Big Genie, Small Bottle: Normalizing Abnormal Monetary Policy”](#) Presentation for Money Marketeers of New York, Inc. event, 12 May 2021.

“Comment on [‘Reserves Were Not So Ample After All’](#)” Presentation at a Hoover Institution, Stanford University, conference, 28 October 2021.

[“The Fed’s Balance Sheet Can and Should Get Much Smaller”](#), Panel presentation at the Brookings Institute symposium on “The Repo Market “The Repo Market Disruption: What Happened, Why, and Should Something Be Done About It?”, 5 December, 2019.

[“The Fed’s Pre-Crisis Monetary Policy Framework Is Well-Suited for a Free Society”](#), Panel presentation at Cato Institute’s 37th Annual Monetary Conference, November 14, 2019.

[“Recognizing the value of the central bank as a liquidity backstop”](#), Seminar at the Norges Bank and Riksbank, June 2019, and Bank of England, June 2018.

[“Narrow banks are a problem of the Fed’s own making”](#), Presentation at the American Enterprise Institute, 6 May 2019.

[Discussion of 3 papers on the impact of capital regulation on bank behavior and economic](#)

[performance](#),” Financial Stability: Markets and Spillovers, Office of Financial Stability and Federal Reserve Bank of Cleveland, 29-30 November 2018.

[“Implication of the LCR and leverage ratio requirements on money markets and the Fed’s framework, Symposium on Bank Funding Conditions,”](#) The Clearing House, 31 May 2018.

[“Get Up Off the Floor,”](#) Currencies, Capital, And Central Bank Balances: A Policy Conference, Hoover Institution, Stanford University, 4 May 2018.

[“Financial Stability and Monetary Issues Associated with Digital Currencies,”](#) Fintech-The Impact on Consumers, Banking, and Regulatory Policy, Federal Reserve Bank of Philadelphia, 28-29 September 2017.

[“In Defense of Going Home,”](#) New York Fed/Columbia SIPA, Monetary Policy Implementation Workshop, 11 July, 2017.

[“Connecting the dots: Market reactions to forecasts of policy rates and forward guidance provided by the Fed,”](#) Conference on the Future of Forward Guidance, Sveriges Riksbank, 11-12 May 2017.

[“Federal Reserve Monetary Policy Normalization,”](#) Workshop at De Nederlandsche Bank, 15 August, 2015.

[“Regulatory change and monetary policy,”](#) Conference on Financial Stability: Developments, Challenges, and Policy Responses, South African Reserve Bank, 23 November 2015.

[“Challenges associated with forward guidance,”](#) Conference on Forward Guidance and Communication about Unconventional Monetary Policy, De Nederlandsche Bank, 14 November 2014.

[“Lessons from Lender of Last Resort Actions during the Crisis: The Federal Reserve Experience,”](#) Workshop at the Bank for International Settlements, 15 May 2014

