



TENTH JACQUES POLAK ANNUAL RESEARCH CONFERENCE
RESEARCH DEPARTMENT, IMF
NOVEMBER 5–6, 2009

Financial Frictions and Macroeconomic Adjustment

Venue: HQ1-R-710 (Auditorium)

Thursday, November 5

8:45–9:15am **Welcome - Opening Remarks - Dominique Strauss-Kahn, Managing Director, IMF**

9:15–10:45am **Session 1: Household Leverage and Balance Sheets**

Chair: Jonathan D. Ostry (Deputy Director, Research Department, IMF)

Household Leverage and the Recession of 2007 to 2009

Atif Mian (University of Chicago and NBER) and **Amir Sufi** (University of Chicago and NBER)

Discussant: Kevin Lansing (Federal Reserve Bank of San Francisco)

Balance Sheet Adjustment

Zhiguo He (University of Chicago), In Gu Khang (Northwestern University) and **Arvind Krishnamurthy** (Northwestern University and NBER)

Discussant: Nicolae Gârleanu (University of California, Berkeley, NBER and CEPR)

10:45–11:00am *****Coffee Break*****

11:00–12:30pm **Session 2: Financial Intermediation and Bank Runs**

Chair: Stijn Claessens (Assistant Director, Research Department, IMF)

Macro Risk Premium and Intermediary Balance Sheet Quantities

Tobias Adrian (Federal Reserve Bank of New York), Emanuel Moench (Federal Reserve Bank of New York), and Hyun Song Shin (Princeton University and CEPR)

Discussant: Simon Gilchrist (Boston University and NBER)

A Model of a Systemic Bank Run

Harald Uhlig (University of Chicago, NBER and CEPR)

Discussant: Robert Marquez (Boston University)

12:30–2:00pm

Lunch

*(By invitation, IMF Gallery)***Luncheon Remarks****Ben Bernanke's War on the Great Panic: Lessons Learned**David Wessel (Economics Editor for *The Wall Street Journal*)

2:15–3:45pm

Session 3: Financial Constraints and Debt Overhang

Chair: Carlo Cottarelli (Director, Fiscal Affairs Department, IMF)

**What Hinders Investment in the Aftermath of Financial Crises:
Balance-Sheet Mismatches or Access to Finance?****Sebnem Kalemli-Ozcan** (University of Houston, NBER), Herman Kamil (IMF) and Carolina Villegas-Sanchez (University of Houston)*Discussant: C. Fritz Foley (Harvard University and NBER)***The Macroeconomics of Debt Overhang****Thomas Philippon** (New York University, NBER and CEPR)*Discussant: Mark Aguiar (University of Rochester and NBER)*

3:45–4:00pm

Coffee Break

4:00–5:30pm

Mundell-Fleming Lecture

Chair: Olivier Blanchard (Economic Counsellor and Director, Research Department, IMF)

Sudden Financial Arrest

Ricardo J. Caballero (MIT and NBER)

Friday, November 6, 2009

9:15–10:45am

Session 4: Asset Prices and Crises

Chair: Jan Brockmeijer (Deputy Director, Monetary and Capital Markets Department, IMF)

**Do Global Banks Spread Global Imbalances? The Case of Asset-Backed
Commercial Paper During the Financial Crisis of 2007–09**Viral Acharya (New York University, NBER and CEPR) and **Philipp Schnabl** (New York University)*Discussant: Adam Ashcraft (Federal Reserve Bank of New York)***Credit Traps**Efraim (Effi) Benmelech (Harvard University and NBER) and **Nittai Bergman** (MIT and NBER)*Discussant: Owen Lamont (Harvard University)*

10:45–11:00am

*****Coffee Break*****

11:00–1:15pm

Session 5: Credit, Housing Finance and Lobbying

Chair: Jorge E. Roldos (Division Chief, IMF Institute)

Self-Fulfilling Credit Market Freezes

Lucian Bebchuk (Harvard University, NBER and CEPR) and **Itay Goldstein** (University of Pennsylvania)

Discussant: Paolo Pesenti (Federal Reserve Bank of New York, NBER and CEPR)

Mortgage Default, Foreclosures and Bankruptcy in the Context of the Financial Crisis

Wenli Li (Federal Reserve Bank of Philadelphia) and **Michelle J. White** (University of California, San Diego and NBER)

Discussant: Stijn Claessens (IMF and CEPR)

A Fistful of Dollars: Lobbying and the Financial Crisis

Deniz Igan (IMF), Prachi Mishra (IMF), and Thierry Tresselt (IMF)

Discussant: Raymond Fisman (Columbia University and NBER)

1:15–2:45pm

*****Lunch*****

(By invitation, IMF Gallery)

3:00–4:30pm

Economic Forum: Macro-Financial Policies After the Crisis

Moderator: Olivier Blanchard

(Economic Counsellor and Director, Research Department, IMF)

Panelists: Franklin Allen (University of Pennsylvania)

Randall S. Kroszner (University of Chicago)

Laurence Meyer (Macroeconomic Advisers)

Eswar Prasad (Cornell University, Brookings Institution and NBER)

Conference Organizing Committee: Ayhan Kose (Chair), Abdul Abiad, Chris Crowe, Deniz Igan, Pau Rabanal (All IMF), and Pierre-Olivier Gourinchas (University of California, Berkeley).

Conference Coordinator: Tracey Lookadoo