



PAST EVENT

Day 1: Responding to the Global Financial Crisis

What we did and why we did it

 Join the conversation on Twitter using #FinCrisisLessons

Dozens of consequential decisions were made by U.S. authorities during and after the financial crisis of 2007-2009. It is important to understand how and why the elements of the rescue were designed the way they were. In an initiative led by Ben Bernanke, Tim Geithner and Hank Paulson, the **Hutchins Center on Fiscal and Monetary Policy at Brookings** and the **Program on Financial Stability at the Yale School of Management** are filling that gap by commissioning papers by individuals who were actively involved in designing the elements of the rescue. The primary objective is to answer the inevitable question that those who fight future financial crises will ask: Why and how did they do it the way they did in 2007-2009?

On September 11, 10 years after some of the worst moments of the crisis, some of the authors of the papers presented highlights of their findings in a full-day conference at Brookings. Preliminary versions of some of the papers will be available below as working papers. You can learn more about the project by visiting the [**Program on Financial Stability at the Yale School of Management**](#).

- An 85-page book that illustrates the crisis in pictures. [Download it here](#) (PDF).
- 13 working papers available for download below.
- [Video Ben Bernanke, Tim Geithner, and Hank Paulson](#) in conversation with Andrew Ross Sorkin at Brookings.

AGENDA

Welcome



Ben S. Bernanke

Distinguished Fellow in Residence - Economic Studies



BenBernanke

Overview

What happened?



Nellie Liang

Miriam K. Carliner Senior Fellow - Economic Studies, The Hutchins Center on Fiscal and Monetary Policy



SESSION MATERIALS



Download the presentation



Download the full chart

book

Panel

The lender of last resort: Old and new

In the early stages of the crisis, the Federal Reserve acted as a lender of last resort to stabilize the financial system, initially innovating its traditional practices and later invoking emergency authorities to expand lending to more counterparties and more collateral. What problems were they trying to fix? What were the key design decisions? What constraints did they face? How successful were these efforts?

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MODERATOR

Brian Sack

Director of Global Economics - The D. E. Shaw Group



PRESENTER

Patricia Mosser

Senior Research Scholar of International & Public Affairs - Columbia University , Director, MPA Program in Economic Policy Management - Columbia University



PANELIST

Pat Parkinson

Special Adviser - Bank Policy Institute



Chief Economist and Head of Global Macroeconomic Research - PGIM

SESSION MATERIALS



Download the Working

Paper "The Use and Effectiveness of Conventional Liquidity Tools Early in the Financial Crisis"



Download the Working

Paper "Novel Lender of Last Resort Programs"



Download the Working

Paper "The Federal Reserve's Swap Lines: Lender of Last Resort on a Global Scale"

Panel

Capital and Guarantees for the Banks

At the worst of the financial crisis, the solvency of major banking institutions came into serious question. The Treasury, the Federal Reserve, FDIC, and other regulators had to determine how to keep the financial system functioning. What approaches did they consider, and what approaches were considered and discarded? What were the key decision points in guaranteeing liabilities of the banking system, injecting capital, etc.? What worked well, and what didn't?



MODERATOR

D

Monetary Policy

PRESENTER**Dan Jester**

BDT & Company

**PRESENTER****Lee Sachs**

Co-Founder and Managing Partner - Gallatin Point

**PANELIST****Jim Wigand**

Great Point Financial, LLC

**PANELIST****Tim Clark**

formerly Federal Reserve

SESSION MATERIALS



**Download the Working
Paper "Back Capital, Phase 1
Recapitalizing the Banking
System"**



**Download the Working
Paper "The Temporary
Liquidity Guarantee Program"**



**Download the Working
Paper "Bank Capital, Phase 2
The Banks: Reviving the
System"**

Panel

Beyond the Banks

Questions about solvency extended beyond the banks to all sorts of financial firms, including securities firms and AIG. How did authorities decide that the failure of these financial firms would cause material damage to the functioning of the financial system and economy? What tools did they consider and what tools did they use to prevent investor runs and disruptive failures? How did they weigh the consequences of potential bankruptcy of the auto companies in a fragile economy?



MODERATOR

David Wessel

Director - The Hutchins Center on Fiscal and Monetary Policy , **Senior Fellow** - Economic Studies

 [davidmwessel](#)



PRESENTER

Bill Dudley



PANELIST

Scott Alvarez

S

PANELIST

Steve Shafran

AMRI Financial

SESSION MATERIALS



**Download the Working
Paper "Nonbank Financial
Institutions: New
Vulnerabilities and Old Tools"**



**Download the Working
Paper "The Legal Authorities**

Panel

Government Sponsored Enterprises and Housing

Housing was at the root of the financial crisis. The unwinding of the house price bubble, record-high mortgage debt, and low risk premiums on mortgage securities had a massive depressive effect on the financial system and economy. What was done to support homeowners and the mortgage market? What was considered and rejected? Which tools proved most effective? How was the decision to put Fannie Mae and Freddie Mac into conservatorship made?



MODERATOR

Neel Kashkari

President - Federal Reserve Bank of Minneapolis



PRESENTER

Michael Barr

Joan and Sanford Weill Dean of Public Policy - University of Michigan

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PANELIST

Dan Jester

BDT & Company



PANELIST

Andreas Lehnert

Director - Federal Reserve Board

SESSION MATERIALS



Download the Working

**Paper "Rescuing the
Mortgage Giants"**

**The Administrative
Architecture of the Troubled
Assets Relief Program"**

Panel

Monetary and Fiscal Policy Around the World

Monetary and fiscal policies, both in the United States and abroad, were used aggressively to offset the contractionary effects on the macro economy of the severe stresses in financial and credit markets. How did policymakers calibrate these efforts? How did U.S. policymakers coordinate with foreign counterparts? How well were these efforts communicated? What were the constraints? How well did all this work?



MODERATOR

Janet L. Yellen

United States Secretary of the Treasury - United States Department of the Treasury ,
Former Distinguished Fellow in Residence - Economic Studies



PRESENTER

Jason Furman

Former Brookings Expert , Professor of the Practice of Economic Policy - Harvard
University , Senior Fellow - Peterson Institute for International Economics



[jasonfurman](#)



PRESENTER

Donald Kohn

Robert V. Roosa Chair in International Economics , Senior Fellow - Economic Studies

B

PANELIST

Brian Sack

**Ted Truman**

Nonresident Senior Fellow - Peterson Institute

SESSION MATERIALS

**Download the Working**

**Paper "The Fiscal Response to
the Great Recession: Steps
Taken, Paths Rejected, and
Lessons for Next Time"**

**Download the Working**

**Paper "Monetary Policy during
the Financial Crisis"**

Panel

So what have we learned?

Policies became more aggressive as the crisis intensified, starting with the provision of liquidity, to resolution, guarantees, and capital when solvency was in question. After ten years, what is the empirical evidence on the effects of the policies? What are the major criticisms and shortcomings? What lessons can we draw from the papers commissioned for this project that may prove useful for future crisis fighters?

**MODERATOR****Andrew Metrick**

Janet L. Yellen Professor of Finance & Management - Yale University

M**PRESENTER****Meg McConnell**

M**PANELIST****Michele Davis**

Global Head of Corporate Affairs - Morgan Stanley

**PANELIST****Matt Kabaker**

Senior Managing Director, New York - Centerbridge

**PANELIST****William B. English**

Professor in the Practice of Finance - Yale School of Management

SESSION MATERIALS

**Download the Working
Paper "Evidence on
Outcomes"**

Closing Remarks**Hank Paulson**

Chairman - Paulson Institute

**Tim Geithner**

President - Warburg Pincus