

Comments on Darrell Duffie

By

C.A.E. Goodhart
Financial Markets Group
London School of Economics

- Darrell looks at the adequacy of what the regulatory authorities have done.
- I shall, instead, look at what they have not done.

(1) Housing Finance

(1) Housing Finance

(2) Governance

- Leverage ratio discriminates against low risk, high asset activities.
- Yes, but do not respond by re-inserting RW by the back-door.
- Can we deal with the problem by a more liberal approach to netting?