

# Matteo Crosignani

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**EMPLOYMENT**      **University of Michigan, Ross School of Business**, Ann Arbor, MI  
Assistant Professor of Finance, Jul 2018 -

**Board of Governors of the Federal Reserve System**, Washington, DC  
Economist, Division of Monetary Affairs, Sep 2016 - June 2018

**EDUCATION**      **New York University Stern School of Business**, New York, NY  
Ph.D., Finance, Sep 2011 - May 2016  
Dissertation: *“Essays in Financial Institutions and Central Banking”*  
Committee: Viral Acharya (chair), Philipp Schnabl (chair), Alexi Savov, Andres Liberman

**London School of Economics and Political Science**, London  
M.Sc., Finance and Economics, Research Track, Sep 2010 - Jun 2011

**Columbia University**, New York, NY  
Exchange Student, Economics, Jan 2010 - May 2010

**Università Bocconi**, Milan  
B.Sc., Economics, Sep 2007 - Jul 2010

**RESEARCH INTERESTS**      Transmission of Monetary Policy, Macroprudential Regulation  
Financial Intermediation, Bank Portfolio Choice  
Sovereign Crises, Government Bond Markets, Sovereign Debt Capacity

**PRIZES AND AWARDS**      Young Economist Award, ECB Forum on Central Banking, 2016  
Edwin Elton Prize for the Best Finance Job Market Paper, 2015  
3rd SUERF/UniCredit & Universities Foundation Research Prize, 2015  
Klaus Liebscher Award, 2015  
NYU Stern Teaching Commendation, 2014  
D. Graifman Memorial Award for the Best 2<sup>nd</sup> Year Summer Paper in Finance at Stern, 2013

**FELLOWSHIPS AND GRANTS**      Jules Bogen Fellowship, 2015-2016  
Macro Financial Modeling Group (Becker Friedman Institute) Dissertation Fellowship, 2014  
Unicredit & Universities Crivelli Europe, Runner-up, 2012  
NYU Stern School-wide Doctoral Fellowship, 2011-2015  
Ph.D. Director’s Fellowship, 2011-2015

**1) The Effect of Central Bank Liquidity Injections on Bank Credit Supply** (with Luisa Carpinelli), January 2018

- *AFA 2017, RFS BSRMM 2017*
- *Young Economist Award, ECB Forum on Central Banking, 2016*
- *Edwin Elton Prize for the Best NYU Stern Finance Job Market Paper*
- *Media Coverage: Wall Street Journal*

*Abstract:* We analyze central bank provisions of collateralized liquidity to banks following a wholesale funding dry-up. Combining firm-level data from the Italian loan credit registry with supervisory data on security-level holdings, we examine the European Central Bank's three-year Long Term Refinancing Operations. We find that (i) long-term, but not short-term, central bank liquidity helped banks hit by the dry-up restore their credit supply to firms; (ii) banks used most liquidity to buy government bonds; and (iii) a government guarantee, by granting banks hit by the dry-up access to central bank liquidity, was necessary for the transmission of liquidity to firms.

**2) Why Are Banks Not Recapitalized During Crises?**, July 2017

- *Revision requested at the Journal of Financial Economics*
- *EFA 2016, OxFIT 2016, Barcelona GSE Summer Forum 2015*
- *Shortlisted, Ieke van den Burg Prize for Research on Systemic Risk, 2016*
- *2015 Klaus Liebscher Award*

*Abstract:* I develop a model where the sovereign debt capacity depends on the capitalization of domestic banks. Low-capital banks optimally tilt their government bond portfolio toward domestic securities, linking their destiny to that of the sovereign. If the sovereign risk is sufficiently high, low-capital banks reduce private lending to further increase their holdings of domestic government bonds, lowering sovereign yields and supporting the home sovereign debt capacity. The model rationalizes, in the context of the eurozone periphery, the increase in domestic government bond holdings, the reduction of bank credit supply, and the prolonged fragility of the financial sector.

**3) The (Unintended?) Consequence of the Largest Liquidity Injection Ever** (with Miguel Faria-e-Castro and Luis Fonseca), January 2018

- *AFA 2016, SED 2016, CFIC 2017*
- *3rd SUERF/UniCredit & Universities Foundation Research Prize, 2015*
- *Media Coverage: Wall Street Journal, Frankfurter Allgemeine Zeitung*

*Abstract:* We show that the design of lender-of-last-resort interventions can exacerbate the bank-sovereign nexus. During sovereign crises, central bank provision of long-term liquidity incentivizes banks to purchase high-yield eligible collateral securities matching the maturity of the central bank loans. Using unique security-level data, we find that the European Central Bank's three-year Long-Term Refinancing Operation caused Portuguese banks to purchase short-term domestic government bonds, equivalent to 10.6% of amounts outstanding, and pledge them to obtain central bank liquidity. The steepening of eurozone peripheral sovereign yield curves right after the policy announcement is consistent with the equilibrium effects of this "collateral trade."

**4) The Anatomy of the Transmission of Macroprudential Policies: Evidence from Ireland** (w. Viral Acharya, Katharina Bergant, Tim Eisert, Fergal McCann), January 2018

- *RFS BSRMM 2018, FIRS 2018*

*Abstract:* We provide a comprehensive analysis of the transmission of macroprudential policies aimed at limiting bank risk-taking in residential real estate. Combining supervisory loan- and security-level data, we examine the effect of loan-to-income and loan-to-value limits on residential mortgages issued by Irish banks after February 2015 on household access to credit,

bank risk-taking, and real estate prices. We find that, in response to the macroprudential policy, low income households borrow less and banks reduce the rate charged to high income households who lever up taking out larger loans. The resulting credit reallocation is effective in slowing down the ongoing house price appreciation and causes banks to increase their risk-taking in both corporate credit and holdings of securities.

OTHER PAPERS **5) The Portuguese Banking System During the Sovereign Debt Crisis**, with Miguel Faria-e-Castro and Luis Fonseca, *Banco de Portugal Economic Studies*, 1(2), pp. 43-80, July 2015

CITATIONS Google Scholar: 117 citations, h-index 4, i10-index 3

- *Why Are Banks Not Recapitalized During Crises?* (47)
- *The Effect of Central Bank Liquidity Injections on Bank Credit Supply* (37)
- *The (Unintended?) Consequence of the Largest Liquidity Injection Ever* (25)
- *The Portuguese Banking System During the Sovereign Debt Crisis* (6)
- *The Anatomy of the Transmission of Macroprudential Policies: Evidence from Ireland* (2)

PRESENTATIONS **2018**

\* by co-author

† discussion

*Conferences:* Federal Reserve System “Day-Ahead” Conference (Philadelphia)\*, Midwest Finance Association Meetings (invited session), Midwest Finance Association Meetings†, RFS Conference on “New Frontiers in Banking Research”, SFS Cavalcade (Yale)†, Fixed Income and Financial Institutions Conference (University of South Carolina)†, Annual FIRS Finance Conference (Barcelona)\*, Annual FIRS Finance Conference (Barcelona)†, Western Finance Association Meeting†.

*Seminars:* Johns Hopkins Carey.

**2017**

*Conferences:* American Finance Association Meetings, Macro Financial Modeling Winter Meeting, Chicago Financial Institutions Conference\*, RFS Banks and Systemic Risk Measurement and Mitigation Conference (Rome), Irish Economic Association Annual Conference\*, North American Summer Meetings of the Econometric Society, Banco de Portugal Conference on Financial Intermediation\*, Yale Program on Financial Stability (YPFS) Conference, Norges Bank Workshop on Housing and Household Finance\*, Oxford-NY Fed Monetary Economics Conference\*, Basel Committee-CEPR “The Impact of Banking Regulation on Financial Market” Conference\*, Western Finance Association Meeting†, Baffi Carefin Conference (Bocconi), CREDIT “Interest Rates, Growth, and Regulation” Conference\*, “Bank Performance, Financial Stability and the Real Economy” (CSEF)\*, “Financial Regulation: Fit for the Future?” Conference (Atlanta Fed), Regulating Financial Markets Conference (Frankfurt)†, Meeting of German Economists Abroad (Bundesbank)\*.

*Seminars:* New York Fed, Federal Reserve Board, Michigan Ross.

**2016**

*Conferences:* American Finance Association Meetings\*, Third International Conference on Sovereign Bond Markets, 5th MoFiR Workshop on Banking\*, Marco Fanno Alumni Workshop, European Finance Association Meetings, European Finance Association Meetings†, European Finance Association Meetings, Third ECB Forum on Central Banking (Sintra), Society for Economic Dynamics Annual Meeting, Fifth Oxford Financial Intermediation Theory (OxFIT) Conference, Yale Program on Financial Stability (YPFS) Conference\*, Baffi Carefin Banking Conference (Bocconi), Baffi Carefin Banking Conference (Bocconi)†, CREDIT “New Credit Solutions for the Real Economy”\*, Regulating Financial Markets Conference (Frankfurt)†, 4th Workshop in Macro Banking and Finance (Rome)\*, European Banking Center Network Conference (Tilburg), Monetary Policy Implementation in the Long Run (Minneapolis Fed)†, Atlanta Fed “The Impact of Extraordinary Monetary Policy on the Financial Sector” Conference, Workshop on Empirical Monetary Economics (Sciences Po)\*.

*Seminars:* Rochester Simon, European Central Bank, UCLA Anderson, McGill Desautels, Boston Fed, Fed Board, Fordham Gabelli, NYU Stern.

#### 2014-15

*Conferences:* MFM Winter Group Meeting, Barcelona GSE Summer Forum, London Business School TADC, First ECB Forum on Central Banking (Sintra)\*, Second ECB Forum on Central Banking (Sintra)\*, Ninth Annual Meeting of the Portuguese Economic Journal\*, 3rd NYU Economics Alumni Conference\*, Second Belgrade YEC, Finance, Economics Graduate Student Conference (WashU)\*, Bocconi-Carefin Conference, Capital Reallocation and Growth 1st FGN Conference (University of St. Gallen and CEPR).

*Seminars:* NYU Stern, NYU Econ, Universiteit van Amsterdam.

#### DISCUSSIONS

- 1) Sharing the Pain? Credit Supply and Real Effects of Bank Bail-ins by Beck, Da-Rocha-Lopes, Silva, *Annual FIRS Finance Conference* June 2018.
- 2) Villains or Scapegoats? The Role of Subprime Borrowers during the Housing Boom by Conklin, Frame, Gerardi, Liu, *Western Finance Association Meeting*, June 2018.
- 3) FinTech Credit and Service Quality: Evidence from Alibaba Online Merchants by Huang, Lin, Sheng, Wei, *SFS Cavalcade (Yale)*, May 2018.
- 4) Making Room for the Needy: the Credit-Reallocation Effects of the ECB's Corporate QE by Arce, Gimeno, and Mayordomo, *Fixed Income and Financial Institutions Conference, University of South Carolina*, April 2018.
- 5) Banking on the Boom, Tripped by the Bust: Banks and the World War I Agricultural Price Shock by Wheelock and Jaremski, *Midwest Finance Association Annual Meeting*, March 2018.
- 6) Whatever it Takes: The Real Effects of Unconventional Monetary Policy, by Acharya, Eisert, Eufinger, and Hirsch, *Western Finance Association Meeting*, June 2017.
- 7) Inefficient Banking, by Begenau and Stafford, *Regulating Financial Markets Conference (Frankfurt)*, June 2017.
- 8) Does a Larger Menu Increase Appetite? Collateral Eligibility and Bank Risk-Taking, by Van Bakkum, Gabarro, Irani, *Baffi Carefin Annual International Banking Conference (Bocconi)*, October 2016.
- 9) Surviving the Perfect Storm: The Role of the Lender of Last Resort, by Alves, Bonfim, Soares, *Monetary Policy Implementation in the Long Run (Minneapolis Fed)*, October 2016.
- 10) Lending Standards Over the Credit Cycle, by Rodano, Serrano-Velarde, Tarantino, *European Finance Association Meetings (Oslo)*, August 2016.
- 11) Lending-of-last-resort is as Lending-of-last-resort Does: Central Bank Liquidity Provision and Interbank Market Functioning in the Euro Area, by Garcia-de-Andoain, Heider, Hoerova, Manganeli, *Regulating Financial Markets Conference (Frankfurt)*, May 2016.

#### REFEREEING

*Review of Economic Studies, Journal of Finance, Journal of Monetary Economics, Journal of Financial Economics, Review of Financial Studies, Review of Finance, Journal of Financial and Quantitative Analysis, Journal of the European Economic Association, Journal of Banking and Finance, International Journal of Central Banking, Journal of Financial Stability, Economica.*

#### MEDIA COVERAGE

Wall Street Journal, April 2017; VoxEU.org, April 2017; Wall Street Journal, February 2017; Il Sole 24 Ore, October 2016; Frankfurter Allgemeine Zeitung, January 2016.

TEACHING **NYU Stern**  
TRIUM EMBA Finance Pre-Module Tutorial, Spring 2015  
Foundations of Finance, UG, Summer 2014, *Awarded Teaching Commendation*

NON ACADEMIC **JP Morgan**, London  
POSITIONS Intern, Interest Rates Strategy, Summer 2011

REFERENCES

<b>Prof. Viral Acharya</b> Leonard N. Stern School of Business New York University 44 West Fourth Street, Suite 9-190 Email: <a href="mailto:vacharya@stern.nyu.edu">vacharya@stern.nyu.edu</a> Tel: (212)998-0354	<b>Prof. Philipp Schnabl</b> Leonard N. Stern School of Business New York University 44 West Fourth Street, Suite 9-76 Email: <a href="mailto:schnabl@stern.nyu.edu">schnabl@stern.nyu.edu</a> Tel: (212)998-0356
<b>Prof. Alexi Savov</b> Leonard N. Stern School of Business New York University 44 West Fourth Street, Suite 9-85 Email: <a href="mailto:asavov@stern.nyu.edu">asavov@stern.nyu.edu</a> Tel: (212)998-0311	<b>Prof. Andres Liberman</b> Leonard N. Stern School of Business New York University 44 West Fourth Street, Suite 9-53 Email: <a href="mailto:aliberma@stern.nyu.edu">aliberma@stern.nyu.edu</a> Tel: (212)998-0322

LANGUAGES  $\LaTeX$ , Matlab, Python, STATA

PERSONAL Born July 23, 1988. Italian citizen. H-1B VISA

OTHER Tennis player. Highest rankings: 2.8 (Italy), 3.1 (UK), 5.5 NTRP (US)