

SALOMÓN GARCÍA

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RESEARCH INTERESTS

Macroeconomics, Mortgage Markets, Banking and Macroprudential Policy, Business Cycles.

CURRENT EMPLOYMENT

Research Economist 2020 -
Macroprudential Policy Division, Banco de España

EDUCATION

University of Minnesota, USA 2014 - 2020
PhD in Economics. *Advisors:* V.V. Chari, Ellen McGrattan.
University of Minnesota, USA 2014 - 2016
MA in Economics
University of Chile, Chile 2009 - 2011
MSc in Economics
Polytechnic University of the Coast (ESPOL), Ecuador 2005 - 2009
Bachelor in Economics

WORKING PAPERS

Mortgage Securitization and Information Frictions in General Equilibrium.

Working Paper Banco de España, No 2221.

I develop a macro model of the U.S. housing finance system that delivers an equilibrium connection between the securitization and mortgage credit markets. An endogenous securitization market has the dual role of reallocating illiquid assets and providing liquidity to fund mortgage lending. However, its benefits are hindered by originators' private information about loan quality. Fluctuations in household credit risk endogenously induce expansion and contractions of mortgage credit through the securitization liquidity channel.

The Amplification Effects of Asymmetric Information in the Mortgage Market.

Revise and Resubmit, Journal of Housing Economics.

This paper studies how information frictions in the securitization market amplify the response of mortgage credit supply to house price shocks. I model securitization as an optimal contracting problem between investors and banks. Investors are uninformed about the risk of mortgages they buy from banks, leading to an adverse selection problem. Banks face stochastic mortgage repayment rates and are less efficient than security investors at managing mortgages.

PUBLICATIONS

Countercyclical Fiscal Rule, an Analysis for Chile

Revista Compendium. Cuadernos de Economía y Administración. Vol. 3 Núm. 5 (2016)

WORK IN PROGRESS

On the Interactions between Monetary and Macroprudential Policies. *Joint with Jorge Abad, Hervé Le Bihan, and Galo Nuño*

The role of macroprudential policy in the climate change transition, a general equilibrium perspective. *Joint with Enric Martorell*

Wedges: Taxes vs Policies. A cross-country analysis. *Joint with Paulina Restrepo-Echavarria, Lee Ohanian and Mark Wright*

Monetary Policy under an Exchange Rate Rule: an analysis for Small Open Economies. *Joint with Rodrigo Heresi*

CONFERENCE AND SEMINAR PRESENTATIONS

Lancaster University, CEMFI (scheduled), University of Edinburgh (scheduled). 2023

European Economic Association (EEA) Annual Congress; Heterogeneous Agents Conference, Bank of France and Bank of Spain. 2022

IFABS 2021 Oxford Conference, European Economic Association (EEA) Annual Congress; MadBar, Universidad Carlos III. CEMLA Annual Congress. CEMFI, Banking and Finance RG. 2021

SUNY Buffalo. NERA economics. Bank of Spain. University of Copenhagen. 2020

Midwest Macro Meetings, Michigan State University (MSU). FRB Minneapolis Seminar. 2019

LACEA-LAMES 2018 Annual Meeting, ESPOL. Midwest Economic Association, Northwestern. 2018

PROFESSIONAL ACTIVITIES

Refereeing Service

Review of Financial Economics, Research Feature Bank of Spain, Compendium Cuadernos de Economía.

Short-term Academic Visits

Center for Monetary and Financial Studies (CEMFI). 04/10 - 05/20/2023

Other Activities

Member of ECB Agile Team on Interactions Macroprudential and Monetary Policy 2022 - 2023

Member of ECB Agile Team on Inflation and Financial Stability. 2022

Co-organizer Reading Group in Banking and Finance, Bank of Spain. 2021 - 2023

Past Appointments

Consultant to the Inter-American Development Bank. 06/2020 - 09/2020

Research Assistant to Dr. Mark L.J. Wright, Research Department
Federal Reserve Bank of Minneapolis, Minneapolis, USA 2019 - 2020

Research Analyst, Opportunity and Inclusive Growth Institute (OIGI)
Federal Reserve Bank of Minneapolis, Minneapolis, USA 2017 - 2019

Research Analyst, Department of Modelling and Forecasting (GAM)
Central Bank of Chile, Santiago, Chile 2013 - 2014

Research Fellow, Office of Oversight and Evaluation (OVE)
Inter-American Development Bank, Washington DC, USA 2011 - 2013

TEACHING EXPERIENCE

Instructor

Financial Economics, University of Minnesota, Minneapolis, USA	2016 - 2017
Introduction to Microeconomics, University of Minnesota, Minneapolis, USA	2016

Teaching Assistant

Intermediate Microeconomics, University of Minnesota, Minneapolis, USA	2015
Econometrics II (Master Level), University of Chile, Santiago, Chile	2011
Macroeconomics I (Master Level), University of Chile, Santiago, Chile	2010

HONORS AND AWARDS

Homer Hoyt Doctoral Dissertation Award. The American Real Estate and Urban Economics Association	2019
Graduate Research Program Partnership (GRPP) fellowship, Summer. University of Minnesota	2017
Distinguished Instructor. Department of Economics, University of Minnesota	2017
Distinguished Teaching Assistant. Department of Economics, University of Minnesota	2015 - 2016
Kurt Winkelmann and Janine Gleason Fellowship. University of Minnesota	2014 - 2015
Masters Scholarship, Department of Economics. University of Chile	2009 - 2011

OTHER INFORMATION

Language	English (Fluent), Spanish (Native).
Computing Skills	Python, Matlab, Stata, R, MS Office, LaTeX.

REFERENCES

Ellen McGrattan Professor University of Minnesota erm@umn.edu	V.V. Chari Professor University of Minnesota chari002@umn.edu	Anmol Bhandari Assistant Professor University of Minnesota bhandari@umn.edu	Dr. Mark L.J. Wright Research Department FRB Minneapolis mark.wright@mpls.frb.org
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