

Publications: Abstracts

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Paper: Clearinghouse Loan Certificates as a Lender of Last Resort
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Abstract: Looking across multiple panics of the nineteenth and twentieth centuries, this paper treats borrowing of clearinghouse loan certificates as borrowing from a lender of last resort. We evaluate individual bank use of clearinghouse loan certificates in New York City using bank balance sheet data. Bank capital ratios do not predict positive net borrowing. Lower pre-panic reserve ratios increased the probability of positive net borrowing of loan certificates. Bank borrowing behavior from a lender of last resort remained relatively constant across all three crises considered.