

Francisco Covas

Contact Information

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Personal Information

Born November 1974
Portuguese citizen, US resident

Education

University of California, San Diego

Ph.D. in Economics, June 2004

Universidade Nova de Lisboa, Faculdade de Economia

Licenciatura em Economia, June 1997

Professional Experience

The Clearing House

Senior Vice President, Deputy Head of Research, since 2016

Federal Reserve Board

Assistant Director, Monetary Affairs, 2015-2016

Chief, Monetary Affairs, 2013-2015

Senior Economist, Monetary Affairs, 2011-2013

Economist, Division of Banking Supervision & Regulation, 2007-2011

Bank of Canada

Senior Analyst, Monetary and Financial Analysis, 2004-2007

Banco de Portugal

Economista, Departamento de Estudos Económicos, 1998-1999

Academic Journal Publications

1. “Stress Testing U.S. Bank Holding Companies: A Dynamic Panel Quantile Regression Approach,” with Ben Rump and Egon Zakrajsek, *International Journal of Forecasting*, 30(3), 691-713, 2014.
2. “The Impact of the 2007 Liquidity Shock on Bank Jumbo Mortgage Lending,” with Paul Calem and Jason Wu, *Journal of Money Credit and Banking*, 45(s1), 59-91, 2013.

3. "The Role of Debt and Equity Finance over the Business Cycle," with Wouter J. den Haan, *The Economic Journal*, 122, 1262-1286, 2012.
4. "Private Equity Premium and Aggregate Uncertainty in a Model of Uninsurable Investment Risk," with Shigeru Fujita, *The B.E. Journal of Macroeconomics*, 11(1), (Contributions), 2011.
5. "The Cyclical Behavior of Debt and Equity Finance," with Wouter J. den Haan, *American Economic Review*, 101(2), 877-899, 2011.
6. "Procyclicality of Capital Requirements in a General Equilibrium Model of Liquidity Dependence," with Shigeru Fujita, *International Journal of Central Banking*, 6(4), 137-173, 2010.
7. "Price-Level versus Inflation Targeting with Financial Market Imperfections," with Yahong Zhang, *Canadian Journal of Economics*, 43(4), 1302-1332, 2010.
8. "Uninsured Idiosyncratic Production Risk with Borrowing Constraints," *Journal of Economic Dynamics and Control*, 30, 2167-2190, 2006.
9. "A Modified Hurdle Model for Completed Fertility" with J. Santos Silva, *Journal of Population Economics*, vol. 13, 2, 173-188, 2000.

Working Papers

1. "Capital Requirements in Supervisory Stress Tests and their Adverse Impact on Small Business Lending," TCH Working paper, August 2017.
2. "Macroeconomic Effects of Banking Sector Losses across Structural Models," with Luca Guerrieri, Matteo Iacoviello, John Driscoll, Michael Kiley, Mohammad Jahan-Parvar, Alberto Queralto Olive and Jae Sim, BIS Working Papers No. 507, July 2015.
3. "Bank Liquidity and Capital Regulation in General Equilibrium," with John Driscoll, Finance and Economics Discussion Series, #2014-85, September 2014.

Research Notes and Other Publications

1. "The Fed's versus banks' own models in stress testing: what have we learned so far?," *The Clearing House Research Note*, November 2017.
2. "Rationale for keeping the cap on the substitutability category for the G-SIB scoring methodology," *The Clearing House Research Note*, November 2017.
3. "Are the supervisory bank stress tests constraining the supply of credit to small businesses?" *The Clearing House Research Note*, May 2017.
4. "The capital allocation inherent in the Federal Reserve's capital stress test," *The Clearing House Research Note*, January 2017.
5. "Bank capitalization and loan growth," *The Clearing House Research Note*, December 2016.
6. "The Clearing House Bank Conditions Index," *The Clearing House Research Note*, December 2016.

7. “Why have banks' market-to-book ratios declined?” with Bill Nelson, *The Clearing House Research Note*, November 2016.
8. “Shortcomings of the leverage ratio,” with Bill Nelson, *The Clearing House Research Note*, August 2016.
9. “The net stable funding ratio: neither necessary nor harmless,” with Bill Nelson, *The Clearing House Research Note*, July 2016.
10. “Overview and assessment of the methodology used by the Federal Reserve to calibrate the single-counterparty credit limit,” with Bill Nelson, *The Clearing House Research Note*, June 2016.
11. “Overview and assessment of the methodology used to calibrate the U.S. GSIB capital surcharge,” with Bill Nelson, *The Clearing House Research Note*, May 2016.
12. “Comparison between United States and European Union stress tests,” *The Clearing House Research Note*, May 2016.
13. “The 2016 Federal Reserve’s stress testing scenarios,” *The Clearing House Research Note*. March 2016.
14. “Why are net interest margins of large banks so compressed?” with Cindy Vojtech and Marcelo Rezende, 2015 FEDS Notes.
15. “Moving the Escudo into the Euro,” in *Shaping the New Europe: Economic Policy and Challenges of European Union Enlargement*, ed. by M.A. Landesmann and D.K. Rosati, Palgrave, 2004 with J. Braga de Macedo and L. Catela Nunes.
16. “Outlet substitution bias,” *Economic Bulletin*, Banco de Portugal, vol. 5, 3, pp. 77-85, 2000 with Joao Santos Silva.