

John L. Glascock, PhD, FRICS  
*West Shell Professor of Real Estate Finance*  
Director, Real Estate Center  
College of Business  
University of Cincinnati

## 2007 Liquidity Crisis

# Why?



UNIVERSITY OF  
Cincinnati

*29<sup>th</sup> Oct 2009,  
Beijing, China*

# 三种可能

Renmin  
University

Cincinnati Real  
Estate Center

## Three Plausible Answers?

- 1. Luck--the perfect storm
- 2. Business collusion--bad incentives, etc.
- 3. Government set the incentives--and people played by them

Each of these implies a different solution or cure to the problem to prevent a reoccurrence.

1. 时运不济——完美风暴说
2. 行业共谋——激励理论
3. 政府制定激励——人们受利益驱动

原因不同，解决手段和预防手段  
也不同



*29<sup>th</sup> Oct 2009,  
Beijing, China*

## 完美风暴说

Renmin  
University

Cincinnati Real  
Estate Center

### Luck – the perfect storm

This has happened twice times  
before:

1907--California Quake and  
financial collapse

1929--The GREAT depression

- 历史上曾两度发生
- 1907年加州地震和金融危机
- 1929年大萧条



*29<sup>th</sup> Oct 2009,  
Beijing, China*

## 1907 加州地震

Renmin  
University

Cincinnati Real  
Estate Center

### California Collapse of 1907

1. Earth Quake
2. Fire
3. Insurance Companies had not guessed correctly about potential damage--many go bankrupt -- just an error in unknowns
4. Loss of liquidity--Gold was the currency standard
5. USA initially borrowed Gold for England and it helped--then England became risk-averse and stopped lending
6. True crisis

- 1 地震
- 2 火灾
- 3 保险公司未能正确预测损失的发生，很多公司因此破产——未知量的差错
- 4 流动性损失——黄金为当时的硬通货
- 5 美国曾一度向英国借贷黄金，当英国开始回避风险时，就停止借出
- 6 真正的危机



29<sup>th</sup> Oct 2009,  
Beijing, China

## 1929年股市崩盘

Renmin  
University

Cincinnati Real  
Estate Center

### 1929 Stock Market Crash and Collapse

1. Trade deficit issues with Europe
2. Insider trading and stock manipulations
3. Extensive leveraged investments, easy money
4. Stock Crash--following a great run up in prices
5. FEDERAL RESERVE Took Out liquidity
6. REAL Crash occurred

- 1. 与欧洲的贸易赤字
- 2. 内部交易和股票操纵
- 3. 过度杠杆交易
- 4. 在股价大幅攀升之后，股市开始崩溃
- 5. 联储控制流动性
- 6. 引发真正危机



29<sup>th</sup> Oct 2009,  
Beijing, China

## 流动性

Renmin  
University

Cincinnati Real  
Estate Center

LIQUIDITY did us in both  
Times

The leap from adjustment to  
CRASH was lack of liquidity:

in 1907--GOLD standard  
prevented liquidity  
in 1929--the FED got it wrong!

- 缺乏流动性引发了从价格调整到市场崩溃的跃进
- 1907年，金本位制阻碍了流动性
- 1929年，联储的错误干预



*29<sup>th</sup> Oct 2009,  
Beijing, China*

## 接近危机

Renmin  
University

Cincinnati Real  
Estate Center

### We came close in:

- Oil embargo days (70's)
- Long-Term capital collapse
- Dot com adjustment

In each case, the FED liquefied the economy and no crash occurred.

- 70年代的石油禁运
- LTCM 的垮台
- .COM 热的破灭
- 在上述三次情况下，联储都提供了流动性从而避免了经济崩溃



*29<sup>th</sup> Oct 2009,  
Beijing, China*

## THE CASE for LUCK

- People thought that housing would go up forever!
- The new CMBS (and CDO) were too complex and people lost information.
- Banks formed too many securitized instruments (in volume)
- Basil rules didn't work
- Auto-industry problems accidentally occurred at the same time

- 人们认为房价会无限上涨
- 房贷衍生产品 CMBS, CDO 等设计过于复杂, 致使投资者信息缺失
- 银行设计了太多的证券化产品
- 巴塞尔协议在衍生品方面监管无力
- 汽车行业的危机恰巧在同一时间发生



*29<sup>th</sup> Oct 2009,  
Beijing, China*

## 反驳1: 通用汽车

Renmin  
University

Cincinnati Real  
Estate Center

### NO 1--it does not look that way for GM

- GM has been in trouble essentially since early 1960s-- its stock price in 2008 was essentially that of 1962!

Market share has continually declined. It had produced no real brand winner in the USA since the 1956 Chevy!

- GM was already a DEAD company just awaiting the funeral--dinosaurs take a long time to die.

- You may not remember, but SEARS overtook the then retail giant Montgomery Ward in about 1954...M-Ward did not die until 1996! Dinosaurs take a long time to die.

- 通用公司自60年代早期就已经开始走下坡路——其2008年的股价和1962年不相上下；市场份额一路下滑；而其制造的真正王牌是1956年的Chevy
- 通用公司是百足之虫，死而不僵
- SEARS公司在1954年接收当时的零售巨头M-Ward，后者直到1996年才正式破产。



29<sup>th</sup> Oct 2009,  
Beijing, China

## 反驳2：房价并非天价

### No 2--Houses were not that over-priced

- Real House prices have not risen that much for the country and they had stopped growing nation-wide by 2006.

- Additionally, the damage was caused by very few counties in very few states--involving less than 80 counties nation-wide. Tennessee alone has 96 counties, so this was a small number of markets.

Renmin  
University

Cincinnati Real  
Estate Center

- 美国实际房价的增长并非像人们想象的那么高，而且在2006年左右就停止了全国范围的增长。
- 此外，危害是由少数州的少数郡造成的——涉及郡总数不超过80个，考虑到田纳州有96个郡，因此，波及到的只是市场的一小部分。



29<sup>th</sup> Oct 2009,  
Beijing, China

# 房价随建筑面积 (和收入) 增长

Renmin  
University

Cincinnati Real  
Estate Center

House went up as size (and  
income) went up!

面积 (平方英尺)	1950	1970	80	90	95
1999					
■ <1200	36	21	11	10	7
■ 12-1600	28	29	22	26	19
■ 16-2000	16	32	22	23	32
■ 20-2400	30	13	17	17	18
■ 2400 +	12	15	28	28	34
■ Median (中值)	850	1385	1595	1905	1920 2030



*29<sup>th</sup> Oct 2009,  
Beijing, China*

# 每平方英尺房价

Renmin  
University

Cincinnati Real  
Estate Center

Hour Price per Sq Ft  
by Median Family  
Income

Year:	1970	1980	1990	2000
■ New	23,400	64,600	122,900	169,000
■ Median	1385	1595	1905	2030
■ PP-SQ ft	16.89	40.50	64.51	83.25
■ Median F	6,734	17,710	40,611	48,950
■ Income				
■ PP-SQ ft	.0025	.0023	.0016	.0017
■ By median Y				



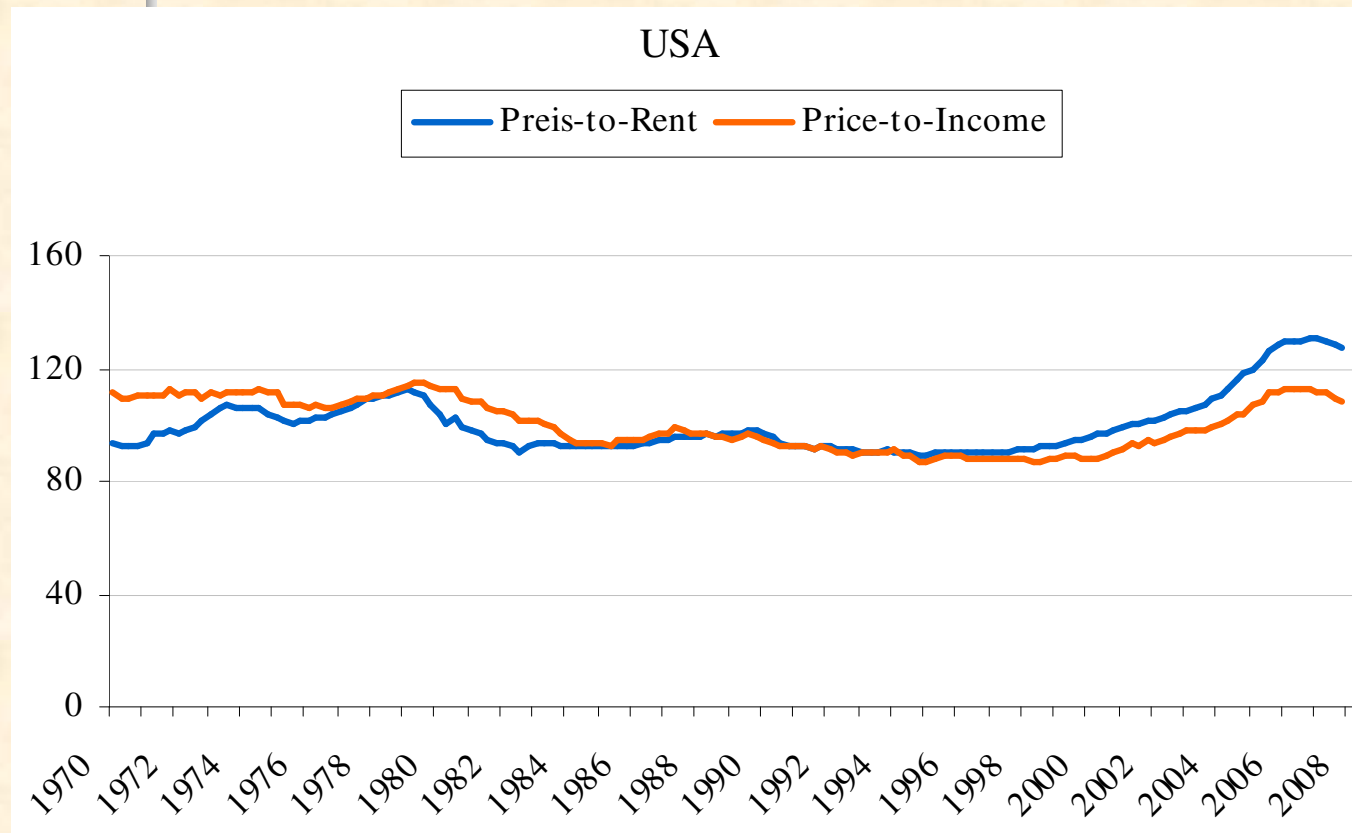
29<sup>th</sup> Oct 2009,  
Beijing, China

# 房价/租金和 房价/收入 70-08

Renmin  
University

Cincinnati Real  
Estate Center

Price-to-Rent and  
Price-to-Income Ratio  
for the USA: 1970 to  
2008



29<sup>th</sup> Oct 2009,  
Beijing, China

## 反驳3: 次贷发行

Renmin  
University

Cincinnati Real  
Estate Center

No 3--we've had Sub-prime mortgage defaults before and the Volume was not that bad this time!

Overall sub-prime originations **did not** escalate in 2004-05-6!

18.5% in 04  
20% in 05  
and 20.1% in 06

sub-prime backed mortgages **didn't either!**

401 billion in 04  
507 in 05  
and 483 in 06

- 次贷违约并不新鲜，而实际违约的数额也并不巨大
- 04-06年间整体次贷发行的比例并未激增：04年为18.5%，05年为20% 而06年为20.1%
- 次贷的数量也同样：04年4010亿，05年为5070亿，06年为4830亿



29<sup>th</sup> Oct 2009,  
Beijing, China

## 反驳3: 次贷违约

Renmin  
University

Cincinnati Real  
Estate Center

No 3--again, defaults not that bad!

### DEFAULTS

13.04% in 2003  
declined into 2005  
then 13.33% in 2006 4th QT  
and then 17.31% 4thQT 2007

As Anderson, Capozza and Van Order (2008) point out--  
'neither the volume nor the delinquency rates by themselves seem to explain the crisis'

- 违约比例
- 2003年为13.04%，2006年第四季度为13.33%，2007年第四季度为17.31%
- 正如ACV 2008 文章指出：仅靠次贷的数量和违约率本身不能解释危机的发生



29<sup>th</sup> Oct 2009,  
Beijing, China

## 4: 巴塞尔协议

Renmin  
University

Cincinnati Real  
Estate Center

### NO 4--Basel was not tried!

Bear Sterns did not use Basel for its leveraged mortgage portfolio

Northern Rock did not use Basel for its portfolio of loans and financing

Value at Risk had too many holes--this was not a linear event

- 贝尔斯通没有遵守巴塞尔要求管理其杠杆房贷组合
- 北石也没有依照巴塞尔要求管理其信贷和融资组合
- VaR 有太多缺点和漏洞



29<sup>th</sup> Oct 2009,  
Beijing, China

This was not the perfect storm-  
-in fact most of the events such  
as sub-prime were not the  
cause or even the  
enhancement agent of the  
crisis.

- 这场危机并非“完美风暴”——  
事实上次贷并非危机的原因或  
助推器



*29<sup>th</sup> Oct 2009,  
Beijing, China*

## 商人贪欲说

Renmin  
University

Cincinnati Real  
Estate Center

**Answer 2--Maybe it was greedy businessmen**

Clearly business individuals were trying to make a buck-- even to make big bucks.

There are always greedy people, the QUESTION is why did they come out for this event? Also why did they come out in the S&L crisis?

Remember, (greedy) business people did not and do not write the rules!

- 人之熙熙，皆为利来
- 贪婪是人的本性，问题是为什么贪婪恰巧在这场危机中扮演了重要的角色
- 记住，市场规则并不是由（贪婪）的商人制定的



*29<sup>th</sup> Oct 2009,  
Beijing, China*

### 2. More on Greedy Business People

It was not just large incentives, but with supply of low cost leverage...it took the environment to pull off this caper!

Something allowed the greedy group to be able to operate--it was all the easy capital at low cost.

- 危机的原因不仅仅是利益的诱惑，更是由于廉价的金融杠杆——时势造英雄！
- 廉价且易得的资本是容许贪婪商人兴风作浪的原因



*29<sup>th</sup> Oct 2009,  
Beijing, China*

## 政府失灵说

### ANSWER 3-- GOV'T is the PRIZE

Government set the stage and encouraged the game--without government help, this game could have not been played.

There was no earth quake. Everybody did not go out and buy a house--most already had one!

Everybody did not go out and buy CMBs and drive up their price.

Renmin  
University

Cincinnati Real  
Estate Center

- 政府是这场豪赌的发起人——没有政府的支持，游戏无法进行
- 这次危机中没有“地震”——人们并非蜂拥而动去购买房屋
- 人们并非蜂拥而动去购买商业房贷衍生证券，从而推动价格上扬



29<sup>th</sup> Oct 2009,  
Beijing, China

## 政府是元凶

Renmin  
University

Cincinnati Real  
Estate Center

### Causes of the liquidity crisis-- GOVERNMENT!

1. Congress lowered capital requirements in 2004
2. Federal Reserve, world markets and China created low interest rate environment--the FED had essentially never tightened up after the DOT.COM crisis.
3. Congress/White House and Parliament and Blair/Brown encouraged liberal lending for housing and to keep expansion going.
4. Yield Seeking Behaviour by all.
5. Effectively non-recourse lending to IB and funds.

- 1. 国会在2004年降低资本储备标准
- 2. 美联储，国际市场和联手打造了低息环境——联储自互联网危机后从未紧缩利率
- 3. 国会/白宫和英国议会（布莱尔/布朗政府）鼓励房屋市场的自由借贷并持续扩张
- 4. 群体追求高资本利得
- 5. 实际上形成了对投行和基金的非追索性借贷



29<sup>th</sup> Oct 2009,  
Beijing, China

## 2004 资本要求

### Congress and capital requirements: 2004

	old rule	new rule
Congress	1 to 7	1 to 15
Banks		
SEC	1 to 15	1 to 30
I-Banks		

Over next several years: Banks bought back over \$500 billion of bank stock--thus, banks could not increase loans fast enough, so they gave capital back to stockholders! Capital that during the crash would have been useful--but CONGRESS said you do not have to keep that capital.

Renmin  
University

Cincinnati Real  
Estate Center

### 旧规则

### 新规则

- 银行 1-7 1-15
- 投行 1-15 1-30

- 在其后数年间，银行回购了5000亿美元的股票——因此，银行不能快速增加贷款额度，所以他们将资本还给投资者。在金融危机发生生，这些资本本因起支撑作用，但由于国会的原因，银行放弃继续持有资本



29<sup>th</sup> Oct 2009,  
Beijing, China

## 持续的低利率

Renmin  
University

Cincinnati Real  
Estate Center

### Continued Low Interest rates

- Nominal and Real rates were historically low
- China funded USA deficit and consumer spending
- This causes asset revaluation and instant wealth
- Real Estate was particularly affected
- Commercial real estate leverage increased
- Home ownership and leverage increased--in many cases unqualified people bought ...worsening any adjustment later

- 名义和实际利率都为历史新低
- 中国为美国的财政赤字和居民消费提供资金支持
- 造成了资产重估和财富的瞬时产生
- 房地产行业首当其冲
- 商业地产的杠杆增加
- 个人拥有住房和杠杆增加-在很多情况下为不具备还款资质的个人所购买-在后续的调整中起恶化影响



29<sup>th</sup> Oct 2009,  
Beijing, China

## 英美政府行为

Congress/Parliament/Bush & Blair/Brown

Bush--everyone should own a house!

Congress encouraged Freddie/Fannie to lend in sub-prime and help the needy (lending standards were ignored--or relaxed due to credit scoring)

Brown suggests government participation--shared equity loans. Everyone should get on the property ladder! Brown runs a large deficit...Encourages interest only payments.

Renmin  
University

Cincinnati Real  
Estate Center

- 布什——全民有房
- 国会鼓励“两房”开放次级贷款，帮助有需要的民众（借贷标准被忽视或因为信用分数的原因而放松）
- 布朗建议政府参与集资建房。布朗的金融体系大幅赤字，同时鼓励贷款者只还利息



29<sup>th</sup> Oct 2009,  
Beijing, China

## 政府失灵

Renmin  
University

Cincinnati Real  
Estate Center

### GOV'T One more time!

Early 1990s regulation forced FREDDIE and FANNIE to hold affordable mortgages and low-income mortgages!

In early 90, 30% of all Freddie/Fannie purchases had to be affordable mortgages. IN 2007, Congress required that 55% be affordable and 25% be to low-income buyers.

Freddie/Fannie had to reduce their lending standards to meet these CONGRESS imposed rule.

- 90年代早期政府通过法规，强制“两房”持有经济适用房和低收入房贷
- 90年代早期，30%的两房购买为经济适用房。在2007年，国会要求55%为经济适用房，而25%为低收入房
- 两房不得不降低其信贷标准总而迎国会定下的目标



29<sup>th</sup> Oct 2009,  
Beijing, China

## 国会之错

Renmin  
University

Cincinnati Real  
Estate Center

### More on Congress

It was not (only) greedy executives at Freddie/Fannie, but CONGRESS as well.

Congress tried to do good--but in a way that helped cause the crisis.

- 贪婪的不仅是“两房”的高管，更是国会的成员
- 国会的“善举”从某种程度上造成了当前的危机



*29<sup>th</sup> Oct 2009,  
Beijing, China*

## GOV'T tries to do good

Congress, the Administration and the FED all wanted the recovery to continue--so they:

1. Keep money loose
2. Kept interest rates low
3. Encouraged debt
  - By Banks and investment by changing the rules
  - By consumers by second mortgages and more mortgages
4. Forced Freddie/Fannie to hold weaker mortgages--and then took them over!

See: WSJ page A19, 16-Oct-2009 Opinion by Peter Wallison for more on this.

- 国会，政府和联储希望经济恢复可以持续，因此他们；
- 1. 保持宽松的货币政策
- 2. 保持低利率
- 3. 鼓励负债
  - 银行和投资机构：改变资本要求
  - 消费者：第二套住房
- 4. 强制两房持有次级贷款



29<sup>th</sup> Oct 2009,  
Beijing, China

## 结果：投行青睐 金融杠杆

**Outcome--Investment bankers liked Leverage**  
Bear-Sterns was financing 50% plus of its operations with **HOT** money! 70% of its mortgages were financed by **HOT** money...

**HOT** money is funding that is re-set in rate on a very short basis and no promise of continued funding

The **REPO** desk--this is where banks borrow from each other overnight

The **COMMERCIAL Paper** market is a 30-120 day market for big firms

The **auction debt** market is for long-term commitment of the funds but day-day or 7 day or 51 day setting of the interest rate

Renmin  
University

Cincinnati Real  
Estate Center

- 贝尔斯通50%以上的交易是由热钱融资的，70%的抵押贷款是由热钱融资的
- 热钱融资需要不断调整回报率，而且不能确保持续融资
- PEPO-银行间隔夜贷款
- Commercial Paper – 30-120天
- Auction Debt-长期性贷款但是每7或51天要调整利率



29<sup>th</sup> Oct 2009,  
Beijing, China

## 政府在赌局中

Renmin  
University

Cincinnati Real  
Estate Center

### Government was in the game!

Without government, BEAR could not have leveraged as it did!

Without UK tax regulatory rules, Northern Rock could not have borrowed short to lend medium!

- 如果没有政府的导向，贝尔斯通不可能过度使用金融杠杆
- 如果没有英国的税法，北石不会用短期借款去进行中期信贷



*29<sup>th</sup> Oct 2009,  
Beijing, China*

# 信贷增幅

Renmin  
University

Cincinnati Real  
Estate Center

Savings/GDP    Debt/GDP

1979    20%    180%

household 47%

2007 (Aug)

14%    350%  
household 100%

存款/GDP

1979

20%

2007. 8

14%

负债/GDP

180%

居民 47%

350%

居民 100%



29<sup>th</sup> Oct 2009,  
Beijing, China

## 并非次贷

Renmin  
University

Cincinnati Real  
Estate Center

**Sub-Prime--in the USA  
Market was not big enough to  
cause the problem**

Sub-prime itself is not such a  
BIG deal!

Sub-Prime:

About 4-6% of the total USA  
Mortgage market

Maybe 25-40% of sub-prime  
has an issue

Say 30% default--work  
out/price declines/ etc costs can  
be about 25-35%

Overall portfolio then  
earns: about 5% instead of 6!--  
-that's if all losses were in this  
year

- 次贷本身并非大问题
- 次贷：
- 占整个美国抵押贷款市场的4-6%
- 其中25-40%的次贷出现问题
- 假设30%违约，实际损失为5%
- （这是在全部分损失都在当年发生的情况下）



*29<sup>th</sup> Oct 2009,  
Beijing, China*

## 并非次贷—续

Renmin  
University

Cincinnati Real  
Estate Center

### Continued: sub-prime NOT the issue

Thus, sub-prime cannot be the cause of the fundamental problem--if one held a balanced mortgage portfolio, their returns this year would still be positive.

1. If we held ONLY sub-prime with say an 20-30 equity position, we'd still be solvent: BUT illiquid
2. HOWEVER, if we highly leveraged a sub-prime only portfolio...TROUBLE! Bear had one fund leverages about 300-1!!! WOW! That's leverage.

- 因此，次贷违约并不是根本原因—如果投资者（机构）持有分散的抵押产品组合，其当年的回报应当为正！
- 如果仅持有20-30年限的次贷产品（全股权），次贷违约会导致丧失流动性，但仍有清偿能力
- 如果使用高金融杠杆，同时仅持有次贷产品——大问题！贝尔斯通有一支基金的杠杆度为300-1



29<sup>th</sup> Oct 2009,  
Beijing, China

## 过度杠杆

Renmin  
University

Cincinnati Real  
Estate Center

### Excess Leverage

The real problem was that leveraged sub-prime portfolios were toxic.

A loss of 5% that is 10 times is 50%. Then with only 10% equity, the leveraged portfolio is toxic..not the mortgages!

- 真正的问题是杠杆融资的次贷组合是毒性的
- 5%的损失，在杠杆的作用下成为50%。如果仅有10%的股本，**杠杆融资的资产组合是剧毒**。——有毒的是杠杆而非抵押贷款！



29<sup>th</sup> Oct 2009,  
Beijing, China

## 问题实质——杠杆

Renmin  
University

Cincinnati Real  
Estate Center

### The real 'sub-prime' issue-- leveraged bets!

A. Most bought the sub-primers in a vehicle (SPV) that leveraged the deal

The TWO Bear Stearns funds that went bankrupt had 10-1 plus leverage in their sub-prime fund!

B. Many played the interest-rate market: buying long with short debt {this was Northern Rock's strategy}

C. Investment Banks well Geared

**Bear Stearns 29-1**

**Lehman 30-1**

**Morgan Stanley 32-1**

**Goldman 24-1**

**Merril Lynch 23-1**

- A. 大部分的次贷以杠杆形式交易
  - 两支破产的贝尔斯通基金都有超过10-1的杠杆率在其次贷组合中
- B. 很多机构试图在利率市场中套利——北石的策略：买入远期，卖空近期
- C. 投行的杠杆结构
  - 贝尔斯通 29-1
  - 黎曼兄弟 30-1
  - 摩根斯坦利 32-1
  - 高盛 24-1
  - 美林 23-1



*29<sup>th</sup> Oct 2009,  
Beijing, China*

## 杠杆与热钱

Renmin  
University

Cincinnati Real  
Estate Center

Continued: It is leverage and  
HOT money

Let's remember:

LTCM 'failed' due to extra leverage (about 28-1) and an illiquid bond (Russian) market where rates went against them  
The S&L's in USA failed due to lend long--borrow short!  
Northern Rock in UK 'failed' due to financing it's loan portfolio with interbank short term debt...

- 请记住:
- LTCM 的失败在于高杠杆度28-1, 和低流动性债券
- 美国 S&L 危机由于借短线, 贷长线
- 英国北石的失败在于利用银行间短期借款来发行高回报贷款



29<sup>th</sup> Oct 2009,  
Beijing, China

## 杠杆与热钱—续

Continued: It is leverage and HOT money

HOT money...

is money that is committed for only a short period of time...

+ the repo market is overnight (Bear Sterns was *financing over 50%* of the firm's operations in the overnight market-- Goldman only does 10% there!) Most of the SPV's (and Northern Rock too) were using short-term I-bank loans and commercial paper (30-120 days)

Renmin  
University

Cincinnati Real  
Estate Center

- 热钱：是短期融资来源
- Repo 为隔夜市场（贝尔斯通 **50%** 的融资来源与隔夜市场！高盛只有 10%）
- 大部分的SPV（包括北石）利用短期银行间贷款和30-120天商业票据



29<sup>th</sup> Oct 2009,  
Beijing, China

建议：金融监管

Renmin  
University

Cincinnati Real  
Estate Center

Suggested

REGULATION

■ 金融监管是良策！



*29<sup>th</sup> Oct 2009,  
Beijing, China*

## 监管 1

### Regulation 1 (not politics--it is not salaries)

#### 1. Require EQUITY for risky investments

A. Go back to 7-1 for Banks loans to capital  
(note Canadian did not adopt the 'new' rules and none failed)

#### B. Real Estate

Usually double that of a potential severe price adjustment. In sub-prime values typically fall by about 10-25% for risky portfolios, thus no more than 2-1 or 4-1 debt for such.

Usually market wide-mortgage portfolios fall by about 3-8%, thus not more than 12-1 debt.

Renmin  
University

Cincinnati Real  
Estate Center

- 对于风险投资，规定股权投资
- A 银行  
回归到7-1（加拿大没有实施新规则，也没有遭受危机）
- B 房地产  
对可能有重大价格波动的产品，资本要求加倍。（次贷价格可能下跌10-25%，因此杠杆比率不应该超过2-1或4-1）  
通常情况下，整体房贷市场价格可能下跌3-8%，因此杠杆率不能超过12-1



29<sup>th</sup> Oct 2009,  
Beijing, China

请牢记

Renmin  
University

Cincinnati Real  
Estate Center

## REMEMBER

Banks are not supposed to make 'big' money

It is the conservative banks that are left standing:

Standard Carter now ahead of HSBC

PNC in the USA (who is PNC? Anyway)

Who is king in Spain--not the old big guys!

If we restrict leverage and require EQUITY, salaries will take care of themselves.

- 银行不应追求巨额利润
- 保守性银行屹立不倒
  - Standard Carter 优于HSBC
  - 美国PNC（闻所未闻）
  - 西班牙的王者也并非巨头银行
- 如果政府限制杠杆，并要求股本比例，高管的工资会自动调整



29<sup>th</sup> Oct 2009,  
Beijing, China

### Regulations2

Require REAL Equity for leveraged portfolios

In Bear Sterns case, they had already leveraged their own money 30-1, then they put some in an SPV that was leveraged 10-1!

Don't double count.

- 对于杠杆的资产组合，要求真实股本投入
- 在贝尔斯通的案例中，杠杆率本已达到30-1，而他们还将这些产品通过杠杆率10-1的SPV将风险进一步放大
- 不要双重计算



29<sup>th</sup> Oct 2009,  
Beijing, China

### Regulation 4

- As the market has sustained prosperity,
- increase capital requirements for Banks
- and raise down payment requirement for real estate, especially commercial

- 当市场繁荣时，
- 加大对银行的资本要求
- 提升对地产首付的要求，特别是商业地产



*29<sup>th</sup> Oct 2009,  
Beijing, China*

- We should encourage extra building at the peak of a cycle-- reduce debt and require equity.
- We should not encourage home-ownership of people who have not made it at the top. We should help those that have made it at the bottom, still employed and have modest down payment.

- 我们应当鼓励在市场周期顶峰时新增建设-但同时降低杠杆和提高股本要求
- 我们应当帮助愿意在周期底部购房的人群，给与其适度的首付要求；而不应鼓励在接近周期顶峰时购房的人群



*29<sup>th</sup> Oct 2009,  
Beijing, China*

### Regulation 3—derivatives

- All derivative instruments and contracts must be sold on regulated exchange--AIG credit swaps were essentially a put agreement and thus would need to be sold on the exchange.
- Do not allow pensions or insurance companies to underwrite derivatives.

- 所有的衍生品都应在有监管的交易所进行交易——AIG的信用互换协议从根本上将是一个看跌期权，因此应该在交易所进行出售
- 不要批准养老基金或保险公司承购衍生产品



*29<sup>th</sup> Oct 2009,  
Beijing, China*

## 监管原则

Renmin  
University

Cincinnati Real  
Estate Center

### Guiding Principle

Let the market work, but do not allow business entities to bet with citizen (Banks, public pensions or insurance company) money.

- 市场说话，但不要让公司用人民（银行，公共养老基金，保险公司）的钱来豪赌！



*29<sup>th</sup> Oct 2009,  
Beijing, China*

欢迎提问!

Renmin  
University

Cincinnati Real  
Estate Center

Thank you!

Your view



*29<sup>th</sup> Oct 2009,  
Beijing, China*