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Curriculum Vitae
Fall 2019

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Citizenship: Ecuadorian (F-1 Visa)

Major Fields of Concentration

Macroeconomic Finance, Public Economics

Education

<i>Degree</i>	<i>Field</i>	<i>Institution</i>	<i>Year</i>
PhD	Economics	University of Minnesota (expected)	2020
MA	Economics	University of Minnesota	2017
MSc	Economics	University of Chile (Santiago, Chile)	2011
Bachelor	Economics	Polytechnic University of the Coast - ESPOL (Guayaquil, Ecuador)	2009

Dissertation

Title: "Regulation and Trade in the Secondary Mortgage Market"

Dissertation Advisor: Professor Ellen McGrattan and Professor V. V. Chari

Expected Completion: Summer 2020

References

Professor Ellen McGrattan	(612) 625-6714 erm@umn.edu	Department of Economics University of Minnesota 4-101 Hanson Hall
Professor V. V. Chari	(612) 626-7151 chari002@umn.edu	1925 Fourth Street South Minneapolis, MN 55455
Professor Anmol Bhandari	(612) 625-0511 bhandari@umn.edu	
Dr. Mark L. J. Wright	mark.wright@mpls.frb.org	Research Department Federal Reserve Bank of Minneapolis Minneapolis, MN 55480

Honors and Awards

Summer 2017 2017	GRPP Fellowship, University of Minnesota, Minneapolis, Minnesota <i>Distinguished Instructor</i> , Department of Economics, University of Minnesota, Minneapolis, Minnesota
2016	<i>Distinguished Teaching Assistant</i> , Department of Economics, University of Minnesota, Minneapolis, Minnesota
2014 - 2015	<i>Kurt Winkelman and Janine Gleason Fellowship</i> , University of Minnesota, Minneapolis, Minnesota
2009 - 2011	<i>Masters in Economics Fellowship</i> , University of Chile, Santiago, Chile
2005 - 2009	<i>Equity and Excellence Scholarship</i> , Polytechnic College of the Coast - ESPOL, Guayaquil, Ecuador

Teaching Experience

September 2016 - August 2017	<i>Instructor</i> , Department of Economics, University of Minnesota, Minneapolis, Minnesota. Instructor for <i>Financial Economics</i> .
June 2015 -	<i>Teaching Assistant</i> , Department of Economics, University of Minnesota, Minneapolis, Minnesota.
May 2016	Led recitation sections for <i>Intermediate Microeconomics</i> .
August 2010 -	<i>Teaching Assistant</i> , University of Chile, Santiago, Chile.
April 2011	Led weekly recitation sections for master's level macroeconomics and econometrics courses.

Research Experience

September 2017 - present	<i>Research Analyst</i> , Opportunity and Inclusive Growth Institute, Federal Reserve Bank of Minneapolis, Minneapolis, Minnesota. Research assistant to Mark Wright.
July 2013 -	<i>Research Fellow</i> , Central Bank of Chile, Santiago Chile.
July 2014	Managed Central Bank's SDGE Model for Analysis and Simulation (MAS) and conducted economic studies on banking and financial macroeconomic issues.
June 2011 -	<i>Research Fellow</i> , Inter-American Development Bank - IDB, Washington, DC.
June 2013	Conducted analysis of macroeconomic performance and long term aspects of specific Latin American countries. Accountable for project indicators as well as managing databases.

Publication

"Countercyclical Fiscal Rule, an Analysis for Chile," *Revista Compendium. Cuadernos de Economía y Administración*. 3 (5) November 2016:133-168.

Papers

"Regulation and Trade in the Secondary Mortgage Market," job market paper
 "Loan Origination and Trade in the Secondary Mortgage Markets"
 "State Taxation in the US: Have States Moved Toward Less Distortive Tax Systems?" joint with Jose Casco

Presentations

"Loan Origination and Trade in Secondary Mortgage Markets," presented at LACEA-LAMES 2018 Annual Meeting, November 2018; Midwest Economic Association, Northwestern University, March 2018.
 "Regulation and Trade in the Secondary Mortgage Market," at LACEA-LAMES 2019 Annual Meeting, November 2019 (scheduled); Midwest Macro Meeting, November 2019 (scheduled).

Computer Skills

Python, Matlab, STATA, Eviews, Dynare, SQL, LaTeX

Languages

English (fluent), Spanish (native)

Abstracts

“Regulation and Trade in the Secondary Mortgage Market,” job market paper

Mortgage originators sell, or securitize, in the secondary market close to 70 percent of all mortgages they originate. Because of this, fluctuations, and sometimes collapses, in the volume of issuances of mortgage-backed securities in the secondary market are associated to large fluctuations in the volume of new issuance of mortgage loans to households in the primary market. These dynamics are a concern for policymakers because of the government mandate of providing affordable and stable mortgage credit to households. I develop a quantitative model of financial intermediation and securitization that accounts for these large fluctuations based on a theory of adverse selection in the secondary market. I extend a standard credit model, in which borrowers and lenders face exogenous income and default risk, by adding a secondary market where lenders can trade loans. The environment features heterogeneity in lenders' loan origination technology, and private information about the quality of loans traded, which generates an adverse selection problem. Large shocks on the default rate can lead to a collapse of trade, which in turn generates a contraction of credit in the primary market. I calibrate the model to match key moments of the cross-section of mortgage lenders, and time series of aggregates for households and lenders in the U.S. mortgage market. The model accounts for two-thirds of the collapse of the mortgage market during the great recession. Then, I study policy interventions in the secondary market, and find that policies that compensate investors against losses from default and adverse selection can generate welfare gains by improving liquidity and stabilizing trade. Borrower households benefit from lower interest rates but face a higher tax burden.

“Loan Origination and Trade in the Secondary Mortgage Markets”

This paper studies how the Adverse Selection problem, present in the secondary market of mortgages, affects the way shocks are transmitted into a bank's loan origination decision. For this, I model a bank's loan origination and loan sales decisions jointly in a partial equilibrium environment. I perform a simulation exercise to illustrate the mechanics of the model. The results indicate that when information asymmetries in the secondary market of loans are taken into account, the response of loan originations and loan sales volumes to shocks can be amplified. The model can rationalize the large contraction and expansions observed in mortgage credit during the great recession.

“State Taxation in the US: Have States Moved Toward Less Distortive Tax Systems?” joint with Jose Casco

We construct a tax panel database for all states in the U.S. from 1980 to 2016, and document cross sectional and time series patterns for a wide set of tax variables that provide a general view of the evolution of the states' tax systems. We find: i) the average corporate income tax rate has declined by approximately 40%; and ii) there exists strong evidence of strategic interaction in setting tax policies between neighboring states. Based on these observations, we build a spatial model that incorporates key aspects of corporate taxation - such as accounting for tax revenue earned from multi-state corporations - and use this framework to evaluate changes in tax policies.