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Credit risk  
Systemic risk  
Securities  
Credit  
Money  
Financial regulation and supervision  
Financial sector policy and analysis  
Financial institutions  
Financial risk management  
Financial instruments  
United States

<b>Lingua di pubblicazione</b>	Inglese
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<b>Livello bibliografico</b>	Monografia
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<b>Nota di contenuto</b>	Contents; I. Introduction; II. Lessons from Previous Rating Crises; III. Credit Ratings in Capital Markets; A. The Demand and Supply for Credit Ratings; B. Use of Credit Ratings in Legislation, Regulations and Supervisory Policies (LRSP's); C. Costs and Benefits of Ratings; IV. The Systemic Risk of Ratings; V. Role of CRA's in Structured Products Markets; A. The Rapid Growth of Structured Products; B. AAA as the Gold Standard; VI. Model Risk in the Rating of Structured Credit Products; VII. Governance Issues in the Rating of Structured Credit Products; VIII. Policy Recommendations A. Regulating CRAsB. Regulating Rated Securities Markets; C. Ensuring Systemic Stability; IX. Conclusions; X. Reference
<b>Sommario/riassunto</b>	Credit ratings have contributed to the current financial crisis. Proposals to regulate credit rating agencies focus on micro-prudential issues and aim at reducing conflicts of interest and increasing transparency and competition. In contrast, this paper argues that macro-prudential regulation is necessary to address the systemic risk inherent to ratings. The paper illustrates how financial markets have increasingly relied on ratings. It shows how downgrades have led to systemic market losses and increased illiquidity. The paper suggests the use of "ratings maps" and stress-tests to assess the systemic risk of ratings, and increased capital or liquidity buffers to manage such risk.