



Measuring and Managing Federal Financial Risk

Edited by **Deborah Lucas**

The University of Chicago Press

Chicago and London

Contents

	Preface	ix
	Introduction	1
	Deborah Lucas	
1.	Bringing Financial Literacy to Washington	13
	Peter R. Fisher	
2.	Measuring and Managing Federal Financial Risk: A View from the Hill	21
	Donald B. Marron	
3.	The Cost of Risk to the Government and Its Implications for Federal Budgeting	29
	Deborah Lucas and Marvin Phaup	
	<i>Comment:</i> Henning Bohn	
4.	Federal Financial Exposure to Natural Catastrophe Risk	61
	J. David Cummins, Michael Suher, and George Zanjani	
	<i>Comment:</i> Greg Niehaus	
5.	Housing Policy, Mortgage Policy, and the Federal Housing Administration	97
	Dwight M. Jaffee and John M. Quigley	
	<i>Comment:</i> Susan M. Wachter	

6.	Valuing Government Guarantees: Fannie and Freddie Revisited	131
	Deborah Lucas and Robert McDonald <i>Comment: Alan J. Marcus</i>	
7.	Guaranteed versus Direct Lending: The Case of Student Loans	163
	Deborah Lucas and Damien Moore <i>Comment: Janice C. Eberly</i>	
8.	Market Valuation of Accrued Social Security Benefits	213
	John Geanakoplos and Stephen P. Zeldes	
9.	Environment and Energy: Catastrophic Liabilities from Nuclear Power Plants	235
	Geoffrey Heal and Howard Kunreuther <i>Comment: William Pizer</i>	
	Contributors	261
	Author Index	263
	Subject Index	267