Contents

Preface ix

Introduction 1
Deborah Lucas

1. Bringing Financial Literacy to Washington 13
Peter R. Fisher

Donald B. Marron

3. The Cost of Risk to the Government and Its Implications for Federal Budgeting 29
Deborah Lucas and Marvin Phaup
Comment: Henning Bohn

4. Federal Financial Exposure to Natural Catastrophe Risk 61
J. David Cummins, Michael Suher, and George Zanjani
Comment: Greg Niehaus

5. Housing Policy, Mortgage Policy, and the Federal Housing Administration 97
Dwight M. Jaffee and John M. Quigley
Comment: Susan M. Wachter
   Deborah Lucas and Robert McDonald
   Comment: Alan J. Marcus
   131

7. Guaranteed versus Direct Lending: The Case of Student Loans
   Deborah Lucas and Damien Moore
   Comment: Janice C. Eberly
   163

8. Market Valuation of Accrued Social Security Benefits
   John Geanakoplos and Stephen P. Zeldes
   213

9. Environment and Energy: Catastrophic Liabilities from Nuclear Power Plants
   Geoffrey Heal and Howard Kunreuther
   Comment: William Pizer
   235

Contributors
   261

Author Index
   263

Subject Index
   267