Foreword xi
Preface xvii

PROLOGUE: A BIRD'S-EYE VIEW
The Dodd-Frank Wall Street Reform and Consumer Protection Act 1
Viral V. Acharya, Thomas Cooley, Matthew Richardson, Richard Sylla, and Ingo Walter

PART ONE
Financial Architecture 33

CHAPTER 1
The Architecture of Financial Regulation 35
Thomas Cooley and Ingo Walter

CHAPTER 2
The Power of Central Banks and the Future of the Federal Reserve System 51
Thomas Cooley, Kermit Schoenholtz, George David Smith, Richard Sylla, and Paul Wachtel

CHAPTER 3
Consumer Finance Protection 73
Thomas Cooley, Xavier Gabaix, Samuel Lee, Thomas Mertens, Vicki Morwitz, Shelle Santana, Anjolein Schmeits, Stijn Van Nieuwerburgh, and Robert Whitelaw
## CONTENTS

### PART TWO

**Systemic Risk** 85

**CHAPTER 4**

*Measuring Systemic Risk* 87
Viral V. Acharya, Christian Brownlees, Robert Engle, Farhang Farazmand, and Matthew Richardson

**CHAPTER 5**

*Taxing Systemic Risk* 121
Viral V. Acharya, Lasse Pedersen, Thomas Philippon, and Matthew Richardson

**CHAPTER 6**

*Capital, Contingent Capital, and Liquidity Requirements* 143
Viral V. Acharya, Nirupama Kulkarni, and Matthew Richardson

**CHAPTER 7**

*Large Banks and the Volcker Rule* 181
Matthew Richardson, Roy C. Smith, and Ingo Walter

**CHAPTER 8**

*Resolution Authority* 213
Viral V. Acharya, Barry Adler, Matthew Richardson, and Nouriel Roubini

**CHAPTER 9**

*Systemic Risk and the Regulation of Insurance Companies* 241
Viral V. Acharya, John Biggs, Hanh Le, Matthew Richardson, and Stephen Ryan

### PART THREE

**Shadow Banking** 303

**CHAPTER 10**

*Money Market Funds: How to Avoid Breaking the Buck* 305
Marcin Kacperczyk and Philipp Schnabl

**CHAPTER 11**

*The Repurchase Agreement (Repo) Market* 319
Viral V. Acharya and T. Sabri Öncü