

# A Brief History of Mortgage Finance With An Emphasis on Mortgage Insurance

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## **Comments on Herzog**

This short paper consists of brief (often just one-paragraph) accounts of the major institutions and legislative and regulatory frame work of the U.S. mortgage market beginning with the major legislation of the first Roosevelt administration and continuing to the present day. The paper is clearly written and makes a useful reference. However, it lacks the kind of connecting narrative that would make it really valuable. It raises important questions about the origins of the on-going financial crisis, but does not give a unified account of its causes. It explains briefly the role of credit default swaps and other derivatives, but does not really get into their role in the crisis. Its short descriptions of key institutions need some filling out. The significance of some, like the Glass-Steagall Act, is not explained.

**Editor's Note:** These comments are based on a preliminary draft. The paper included in the monograph was significantly expanded from the preliminary.