A Static Capital Buffer is Hard to Beat
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  - Basel III: should increase with credit/GDP ratio

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  - Static $\gamma_t = \gamma$ is probably better

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  - Doesn't seem to be quite what Basel III has in mind.

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    - Pancost & Robatto (2023): time-constant cost of ERT

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  - Households in the model can do this for you!

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- Very least: Sensitivity analysis with respect to this calibration target.

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  - Is it too much, e.g. do we need γ_t to undo HCA?

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  - Show how/whether results vary with ξ.

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  - Three possible equilibria? all banks behave, all banks mis-behave, or banks randomize.
  - Fine, but then a "RTE" is when they randomize, or when they *all* misbehave?
  - Or is it that each bank is all-good or all-bad, but then an endogenous fraction μ_t are all bad? $\mu_t \in (0, 1)$ or $[0, 1]$?

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- Description of when banks do ERT confusing
  - More economics and less notation in the text would help.
  - Intro motivation is about low interest rates; where is that here?
  - Why not have a monetary policy shock?
- "Risk-taking episode" is a key feature of the model, but never defined.
  - Three possible equilibria? all banks behave, all banks mis-behave, or banks randomize.
  - Fine, but then a "RTE" is when they randomize, or when they *all* misbehave?
  - Or is it that each bank is all-good or all-bad, but then an endogenous fraction μ_t are all bad? $\mu_t \in (0, 1)$ or $[0, 1]$?
  - Just needs more explaining / clearer writing

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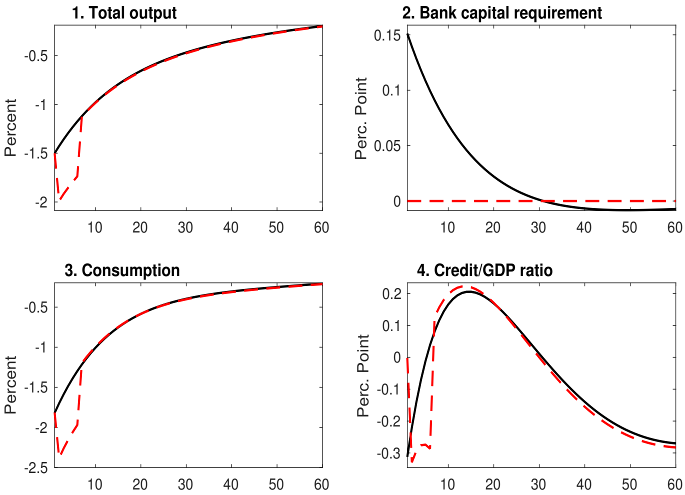
  - What is "estimated by SMM"? Tell me what data moment you match (simulated is fine)

Negative TFP Shock



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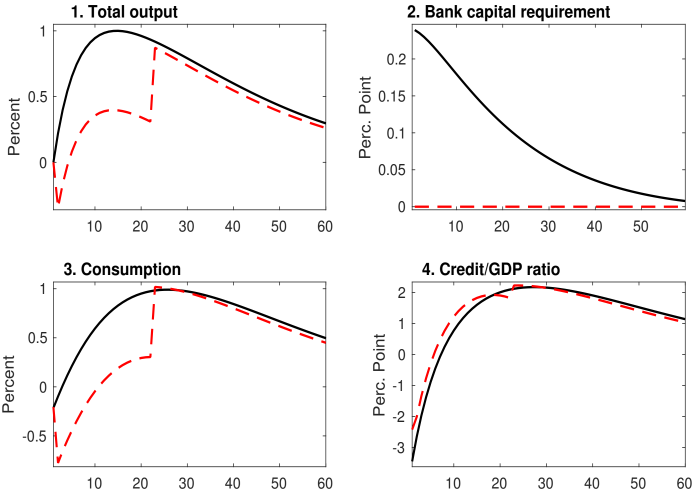
Positive Investment Shock



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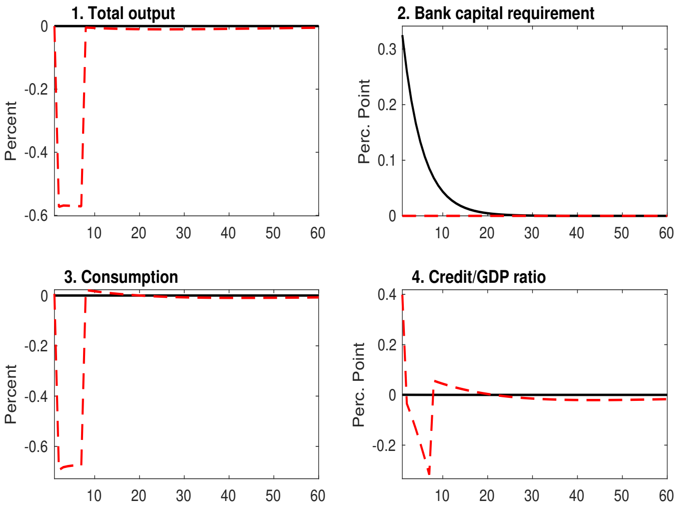
Positive Volatility Shock



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