The Yale Program on Financial Stability (YPFS) interviewed Zoltan Pozsar regarding his time as senior trader/analyst in the Federal Reserve Bank of New York’s Markets Group from 2008–2011—the height of the Global Financial Crisis—during which he developed an expertise in what was coming to be known as the “shadow banking system” and provided market intelligence on securitized credit markets.

Pozsar dedicated himself to learning about the then obscure and overlooked asset-backed securities market and the role it played in liquidity and market functions. He became the point man at the New York Fed for this market and established an extensive network of contacts with market participants. His dispatches on developments in the asset-backed securities (ABS) arena were much sought after and distributed widely throughout the regulatory agencies, including the Federal Reserve Board, the US Treasury, and the White House.

Pozsar’s work laid the groundwork for the Term Asset-Backed Securities Loan Facility, or TALF, that was instrumental in getting credit flowing again in this critical channel. His detailed research and mapping of the shadow banking system provided a way for the Financial Stability Board (FSB) to more closely track risks presented by nonbanks.

As the crisis wound down, Pozsar moved to the International Monetary Fund as a visiting fellow and continued his focus on understanding the origins and workings of the shadow banking system, publishing several papers on the topic explaining how it grew to be a market force. Later, he joined the US Treasury as a senior adviser where, among other roles, he served as a liaison to the FSB on financial innovation. In 2015, Pozsar joined investment bank Credit Suisse as global head of short-term interest rate strategy. In 2023, Pozsar became founder and CEO of Ex Uno Plures, a macroeconomic advisory firm specializing in global funding and interest rate markets.

Full Interview Transcript
Lesson Learned Summary