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# The American Economic Review

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Dr. Gonzalo Paz-Pardo  
European Central Bank  
Sonnemannstraße 20  
Frankfurt am Main  
60314  
Germany

RE: AER-2024-1025: The aggregate and distributional implications of credit shocks on housing and rental markets

Dear Gonzalo, Juan, and Andrew,

Thank you for submitting your paper “The aggregate and distributional implications of credit shocks on housing and rental markets” to the *American Economic Review*.

I have now heard back from three referees and have attached the reports to this email. Unfortunately, my news is not good. Two of the referees recommend rejection and I have decided not to publish your paper in the *American Economic Review*.

For future reference,

- Referee 1’s report begins “Summary: Empirically, this paper follows...”
- Referee 2’s report begins “This paper deals with an important question...”
- Referee 3’s report begins “This paper examines how credit shocks...”

R1 and R2 recommend rejecting the paper while R3 is positive. All three referees think the topic is interesting and your paper well done.

I read your paper myself and agree that the topic is interesting and the paper well done. My main reason for siding with the two negative referees is that I was convinced by them that your contribution relative to the existing literature is not quite sufficient for the *AER*. Specifically, R1 highlights the two papers by Gete and Reher (2018) and Greenwald and Guren (2024) which you are aware of in this regard. So, in a nutshell, the problem is simply that this is quite a crowded literature and, therefore, the bar for an *AER*-level contribution is very high at this point.

I'm sorry I wasn't able to give you positive news and I hope I can do so on another occasion. Please also keep in mind that the *AER* can only accept about five percent of the submissions for publication and that, as a result, many quality papers do get rejected. I hope that the referees' comments are helpful as you think about the next steps for this paper.

As you probably know, there is a transfer option from the *AER* to the *AEJs*. I would encourage you to consider this option for *AEJ:Macro*. Both the negative referees explicitly mention *AEJ:Macro* or a "top macro field journal" in their letters to me so I imagine they would be supportive (and, of course, so will the positive R3). If I were handling the paper at *AEJ:Macro* (where I was previously an editor) with these three reports, I would see potential as well. If you consider using the transfer option, please take a look at the guidance from the *AEJ* editors: <https://www.aeaweb.org/journals/mac/submissions>. Please note that the *AEJ* editors are fully independent and make their own evaluations of the manuscript. They may thus very well have a different assessment of the paper than I have.

Thank you for offering us the opportunity to consider your interesting paper, and I hope that you will send us more of your work in the future. Sorry for the disappointing news and good luck with the project.

Sincerely,

Benjamin Moll  
Coeditor  
*American Economic Review*