

The 'real' impact of FX lending?

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The crisis impact: 'West' vs. 'East'



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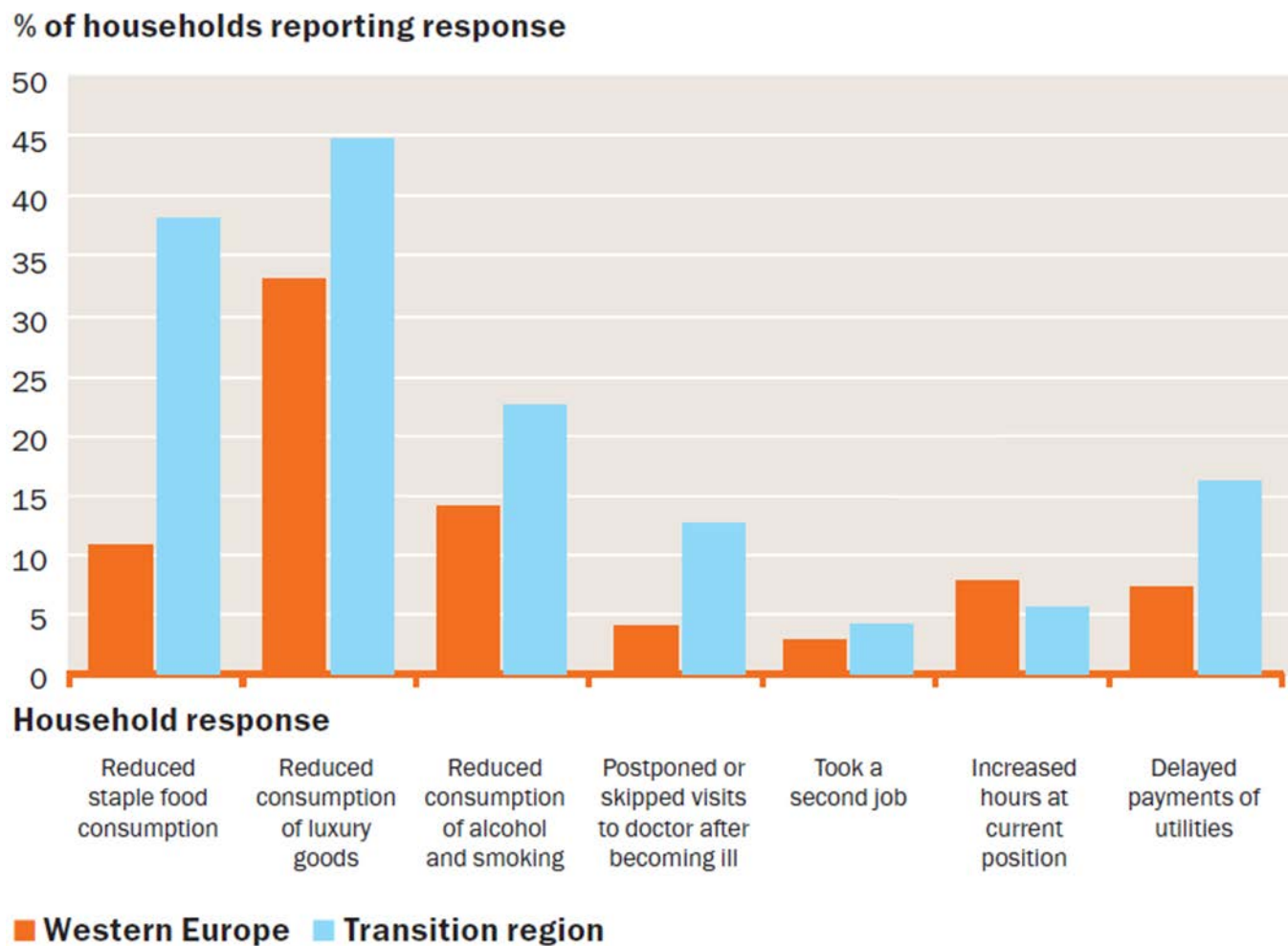




Table 2.1.1
Households with an FX mortgage in countries with a currency crisis reduced their consumption more

Exchange rate development	Small depreciation		Large depreciation	
Dependent variable	Base consumption		Base consumption	
	[1]	[2]	[3]	[4]
FX mortgage	0.045 (0.171)	-0.118 (0.188)	0.240*** (0.061)	-0.340*** (0.093)
Debt-service burden	0.309 (0.455)	0.620 (0.492)	0.266 (0.410)	-1.227 (0.952)
Crisis event impact	0.522*** (0.076)	0.548*** (0.150)	0.260* (0.134)	-0.342*** (0.053)
<i>Crisis event impact * FX mortgage</i>		0.123 (0.090)		0.422*** (0.048)
<i>Crisis event impact * Debt service burden</i>		-0.230 (0.372)		1.154*** (0.430)
Observations	702	702	174	174
R-squared	0.237	0.238	0.225	0.262
Socio-economic controls	Yes	Yes	Yes	Yes
Country fixed-effects	Yes	Yes	Yes	Yes

Source: LiTS.

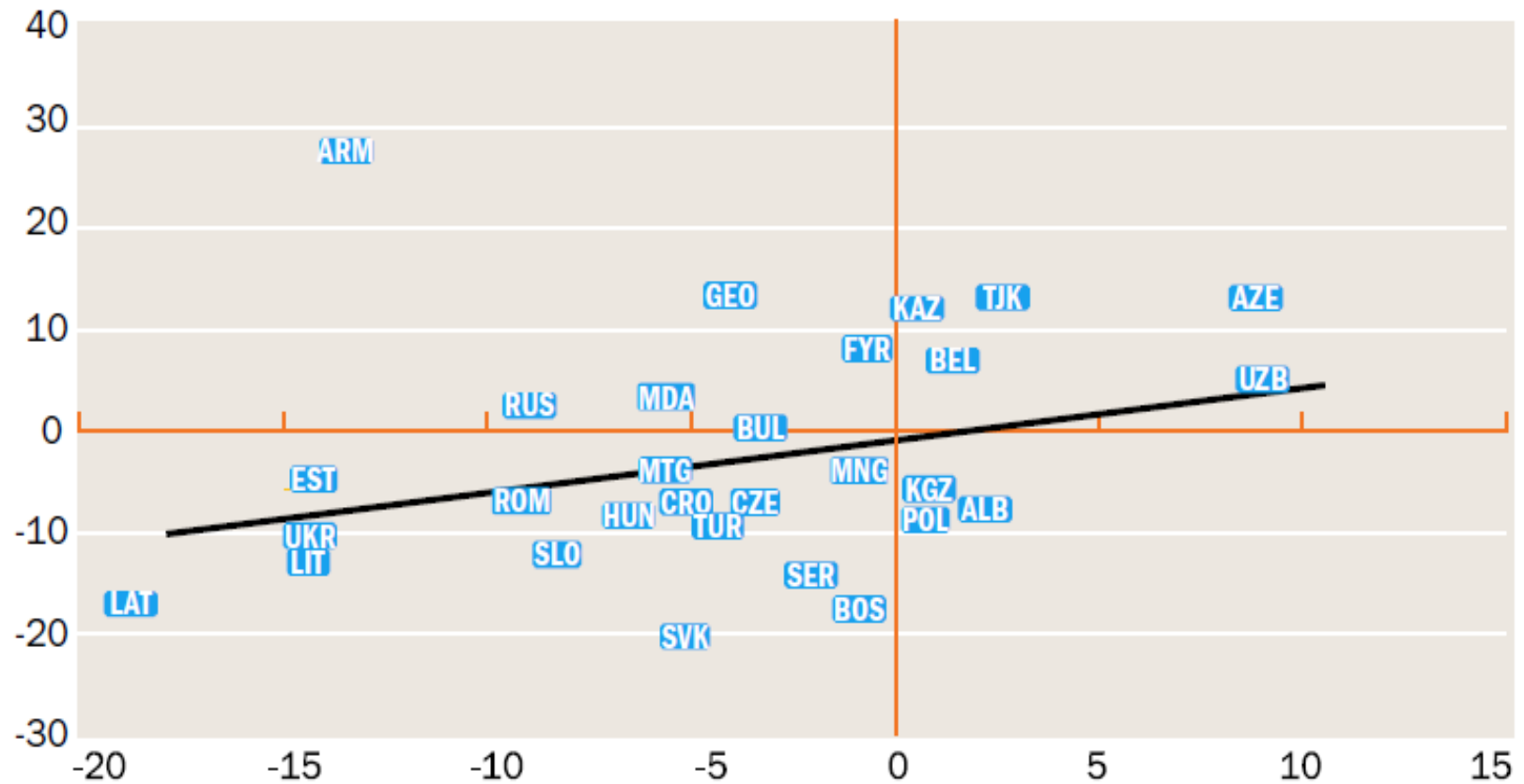
Note: The table shows OLS regression coefficients with standard errors in parentheses. The regressions explain a household's consumption response through various mortgage characteristics while controlling for household characteristics. The sample only includes households that held mortgages. For the definition of crisis event impact, see note to Table 2.1.

Erosion of democratic support



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Change in share of supporters of democracy, 2006–10 (%)



Real GDP growth, 2009 (%)