

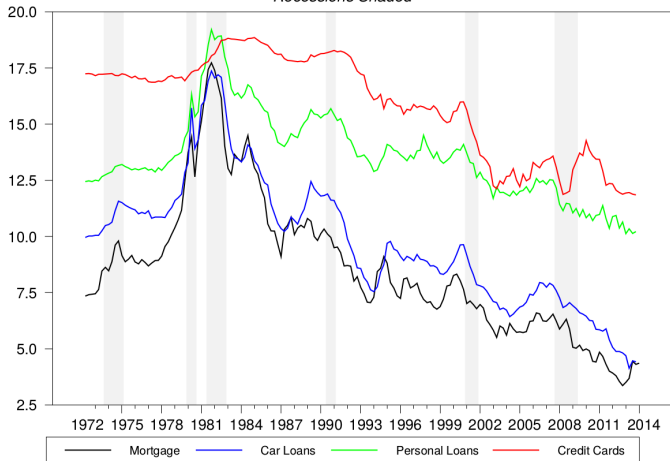
Default risk and credit

School of Economics, University College Dublin

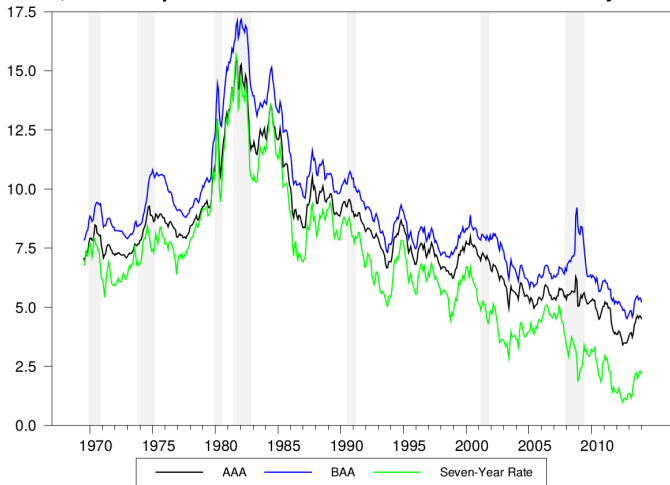
Spring 2017

US Interest Rates on Types of Household Credit

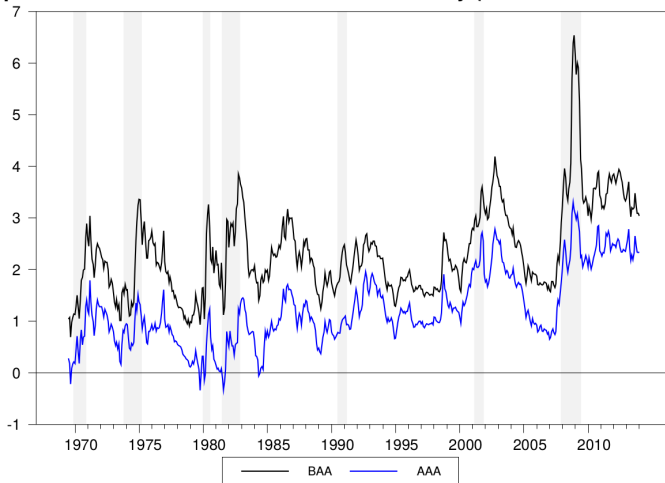
Recessions Shaded



AAA, BAA Corporate Bond Rates and Seven-Year Treasury Rate



Spreads of AAA and BAA over 7-Year Treasury (Recessions Shaded)



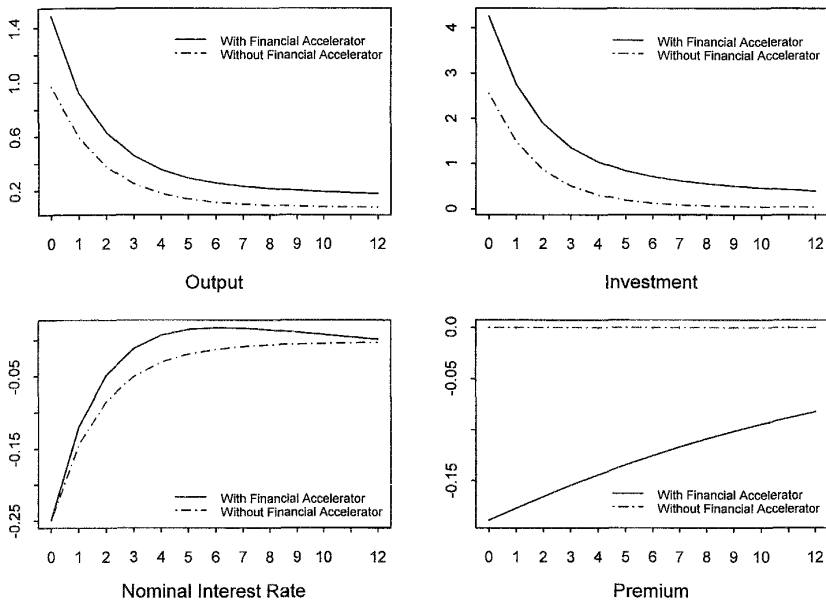
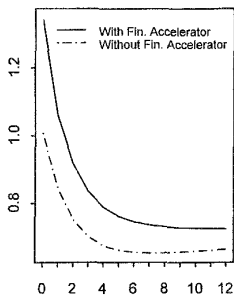
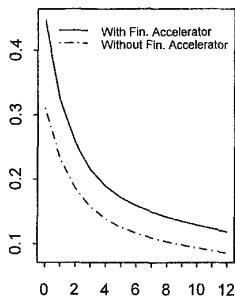


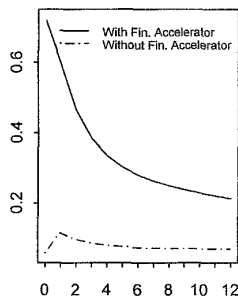
Fig. 3. Monetary shock – no investment delay. All panels: time horizon in quarters.



Technology Shock



Demand Shock



Wealth Shock

Fig. 4. Output response – alternative shocks. All panels: time horizon in quarters.

