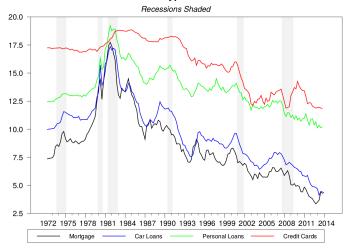
## Default risk and credit

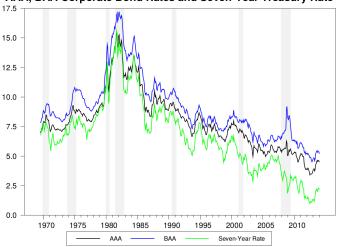
School of Economics, University College Dublin

Spring 2017

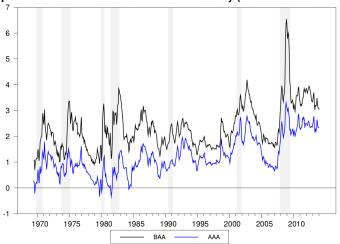
## **US Interest Rates on Types of Household Credit**



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



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



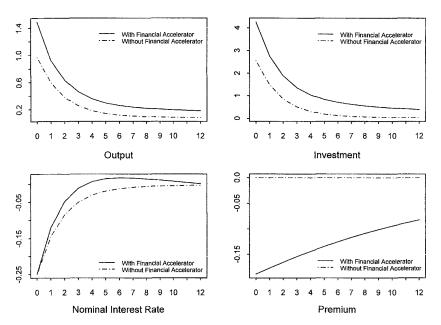


Fig. 3. Monetary shock - no investment delay. All panels: time horizon in quarters.

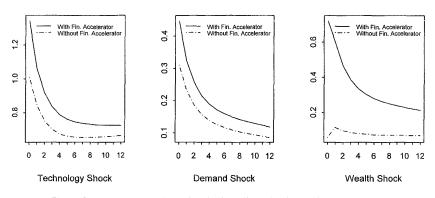


Fig. 4. Output response – alternative shocks. All panels: time horizon in quarters.

