

Macro Roundup Article

Headline: [Mortgage Interest Payments and the Policy Cycle](#)

Article Link: <https://moneyinsideout.exantedata.com/p/mortgage-interest-payments-and-the>

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Tweet: [.@GeneralTheorist](#) notes that the prevalence of 30-year fixed mortgages makes the US less sensitive to policy rate changes than peer economies.

Summary: The average maturity of household debt differs across countries due to structural characteristics. This is reflected in the share of fixed and flexible rate mortgages, for one. But the average maturity of fixed-rate mortgages also differs—being only 5 years in the UK, for example, but about 30 years in the US. The US shows limited sensitivity to the policy rate through mortgage payments historically—though the marginal buyer could be impacted still, impacting house prices through this channel.

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Primary Topic: Housing

Topics: Business Cycle, GDP, Housing, Monetary Policy, Op-Ed/Blog Post

Permalink: <https://www.edwardconard.com/macro-roundup/generaltheorist-notes-that-the-prevalence-of-30-year-fixed-mortgages-makes-the-us-less-sensitive-to-policy-rate-changes-than-peer-economies?view=detail>

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