

As Price of
money
Drops





Quantity Demanded for funds (borrowing)
Increase

Interest Rate

Quantity Borrowed

2%



7

5%



6

10%

5



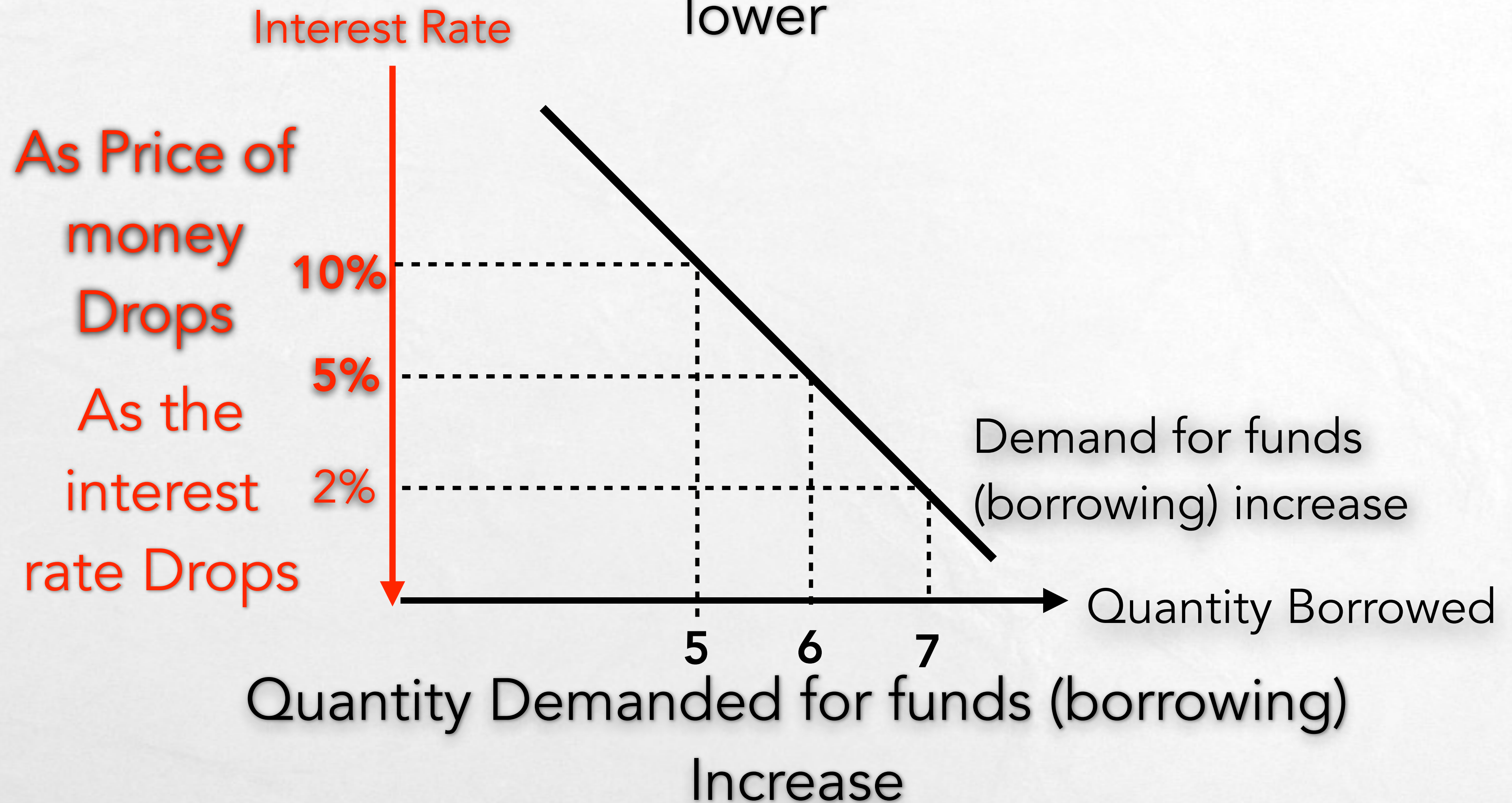
More people are willing and able
to borrow when interest rate is
lower

Demand for funds
(borrowing) increase

As the
interest
rate Drops

More people are willing and able to borrow when interest rate is

lower



Rental Market