MONETARY POLICY, HETEROGENEITY, AND THE HOUSING CHANNEL

Fact Sheet

Project Information

HANK-w-HOUSING
Grant agreement ID: 897835

Funded under
EXCELLENT SCIENCE - Marie Skłodowska-Curie Actions

Total cost
€ 87 836,64

EU contribution
€ 87 836,64

Coordinated by
EUROPEAN UNIVERSITY INSTITUTE
Italy

DOI
10.3030/897835

Project terminated on 18 May 2021

Start date
1 June 2020

End date
31 December 2021

Project description

The connection between monetary policy and mortgages

Mortgages and monetary policies are linked. Debt results in a redistribution between lenders and borrowers. A contractionary monetary policy raises cost of borrowing, reducing liquidity in the housing market and bringing down house prices, which in turn increase the cost of borrowing. The EU-funded HANK-w-HOUSING project will shed light on any asymmetry between contractionary and expansionary monetary policy responses. It will also determine whether effectiveness of monetary policies depends on the distribution of mortgage debt. To study the issues, the project will develop a heterogeneous agent new Keynesian (HANK) model with a frictional
housing market and nominal mortgage debt. It will match the empirical heterogeneity in home ownership, leverage and marginal propensity to consume across households.

**Fields of science**

social sciences ➔ economics and business ➔ economics ➔ monetary and finances

**Keywords**

Housing   Mortgages   Monetary Policy   Heterogeneous Agents   Foreclosure

Consumption   New Keynesian

**Programme(s)**

H2020-EU.1.3. - EXCELLENT SCIENCE - Marie Skłodowska-Curie Actions

H2020-EU.1.3.2. - Nurturing excellence by means of cross-border and cross-sector mobility

**Topic(s)**

MSCA-IF-2019 - Individual Fellowships

**Call for proposal**

H2020-MSCA-IF-2019

See other projects for this call

**Funding Scheme**

MSCA-IF - Marie Skłodowska-Curie Individual Fellowships (IF)

**Coordinator**
EUROPEAN UNIVERSITY INSTITUTE

Net EU contribution
€ 87 836.64

Address
Via dei roccettini 9
50014 Fiesole
Italy

Region
Centro (IT) > Toscana > Firenze

Links
Contact the organisation Website Participation in EU R&I programmes HORIZON collaboration network

Other funding
€ 0.00

EC signature date 4 May 2020
Last update: 24 July 2023

Permalink: https://cordis.europa.eu/project/id/897835

European Union, 2023