

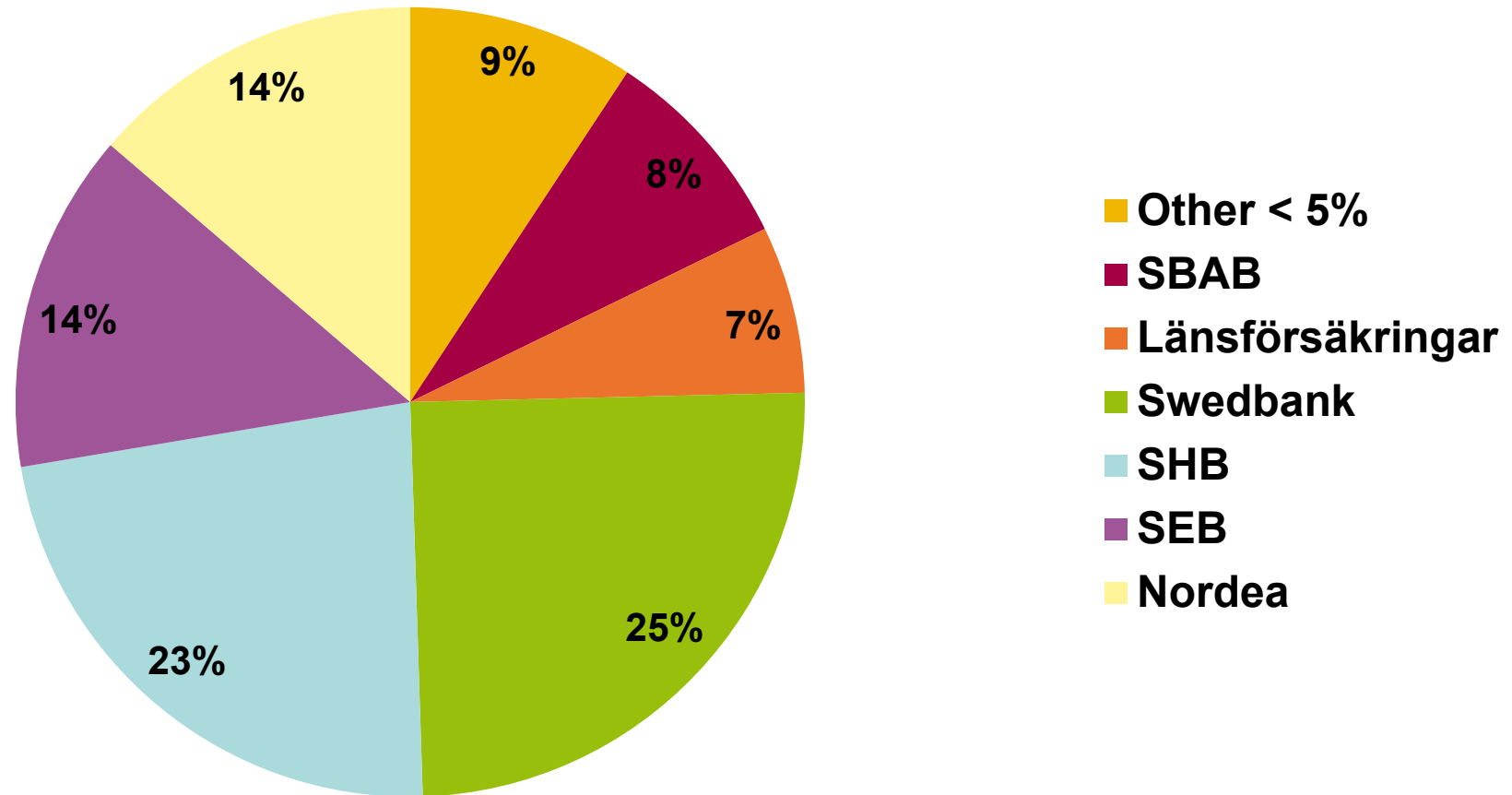


Evolution of Mortgage Finance

FI's view on new mortgage structures

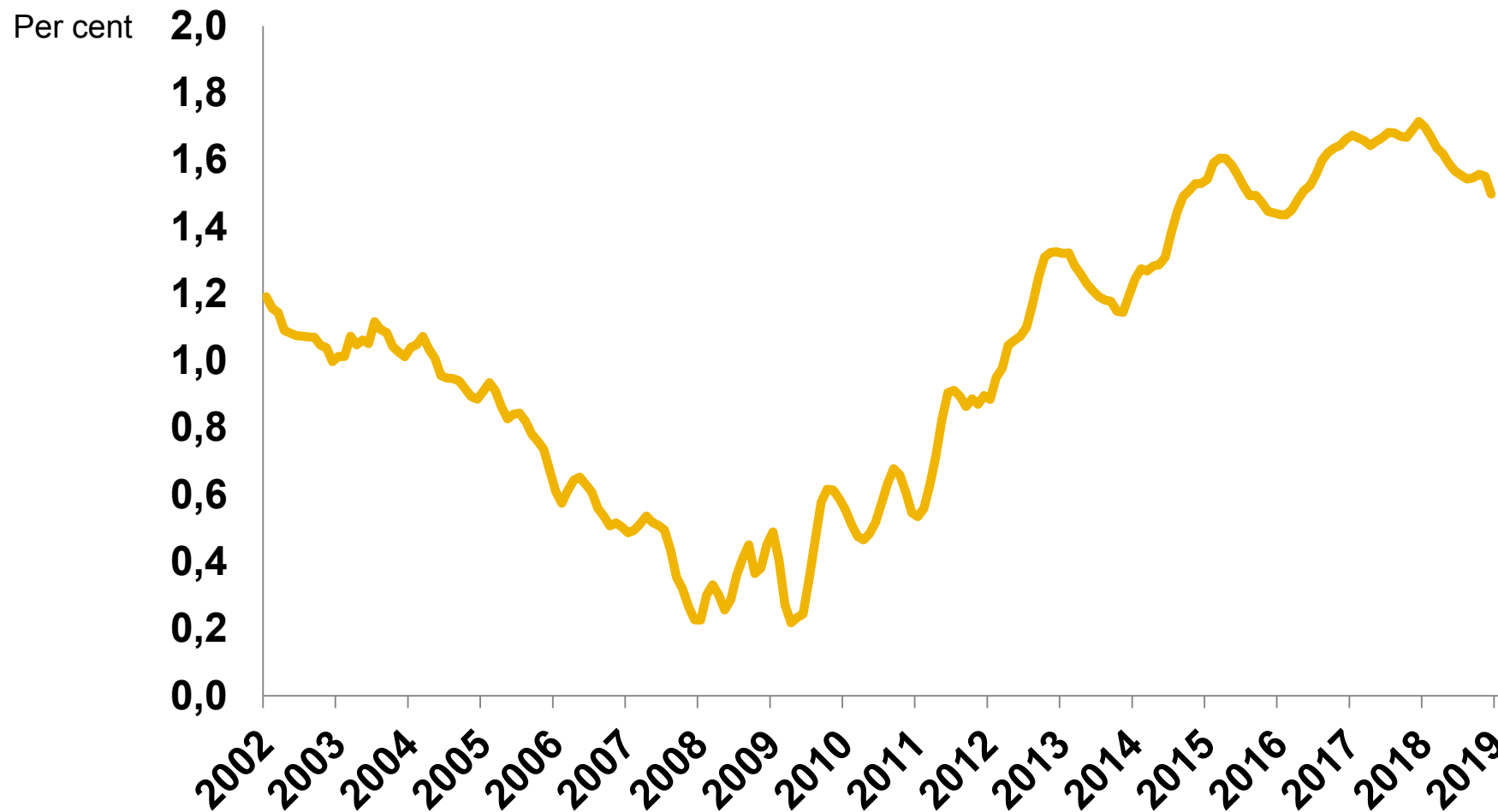
Erik Thedéen, Finansinspektionen

Market shares for Swedish mortgage lending



Source: SCB

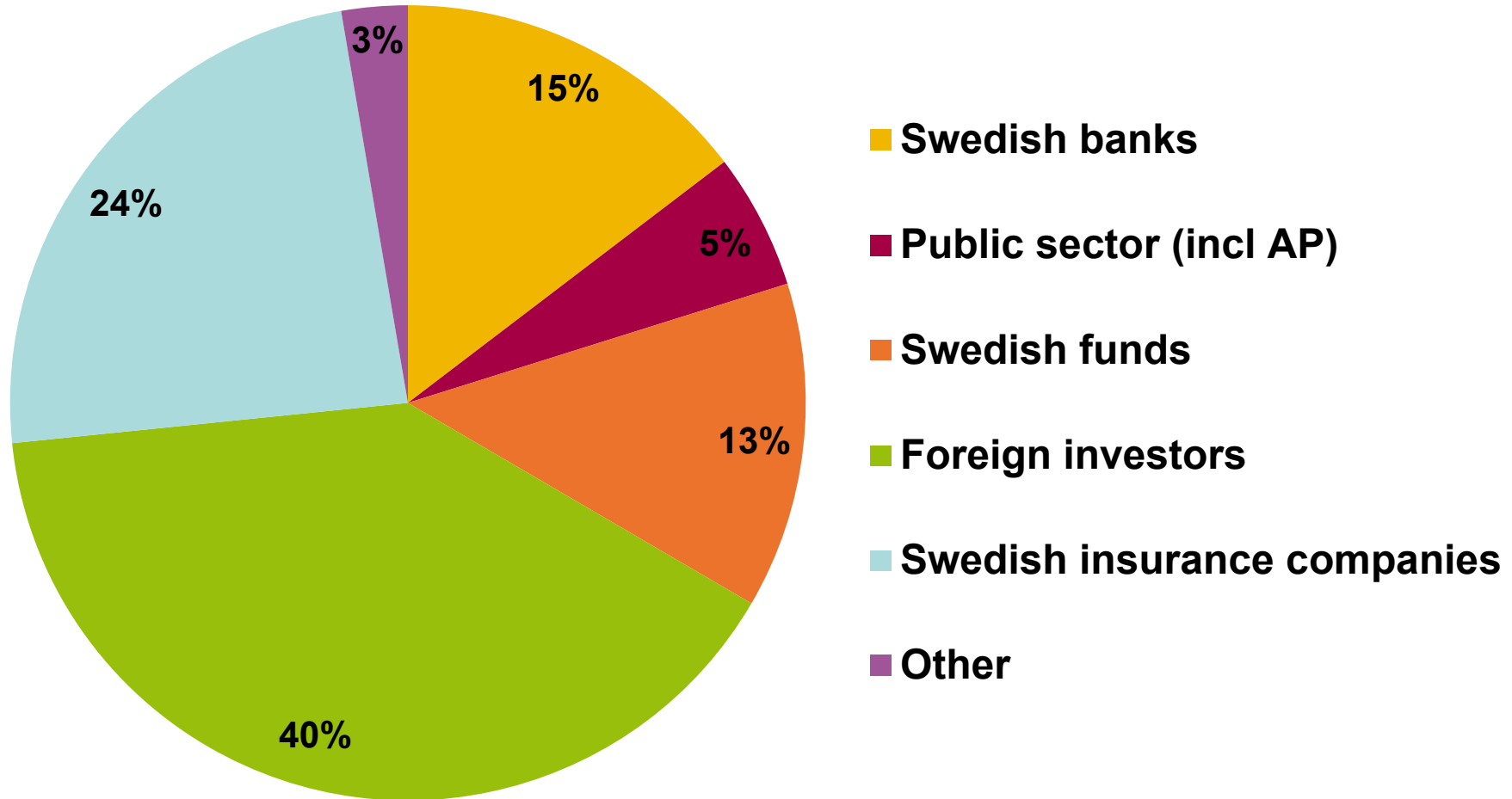
Growing profits on mortgages



Source: FI



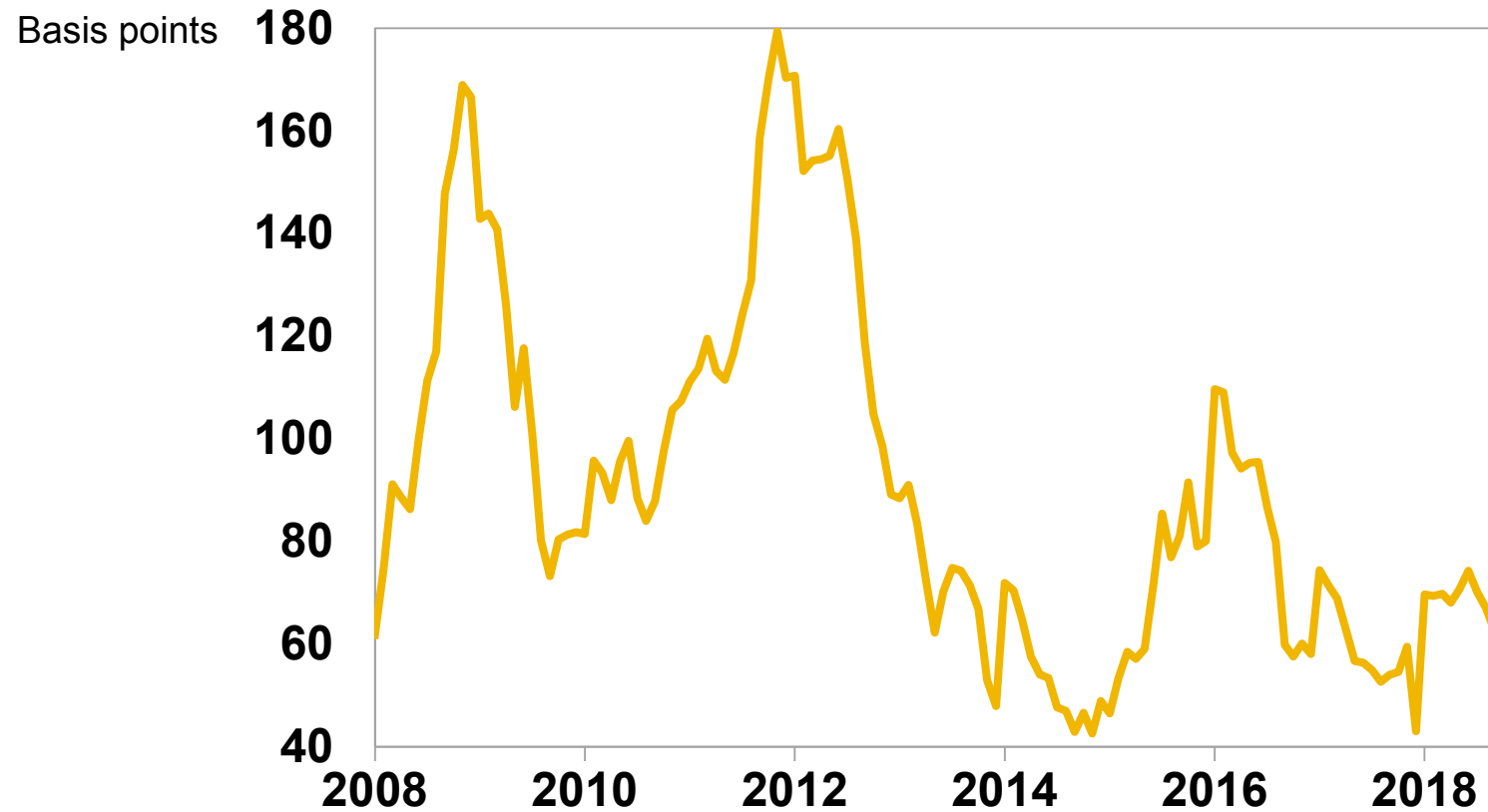
Investors in Swedish covered bonds



Source: SCB

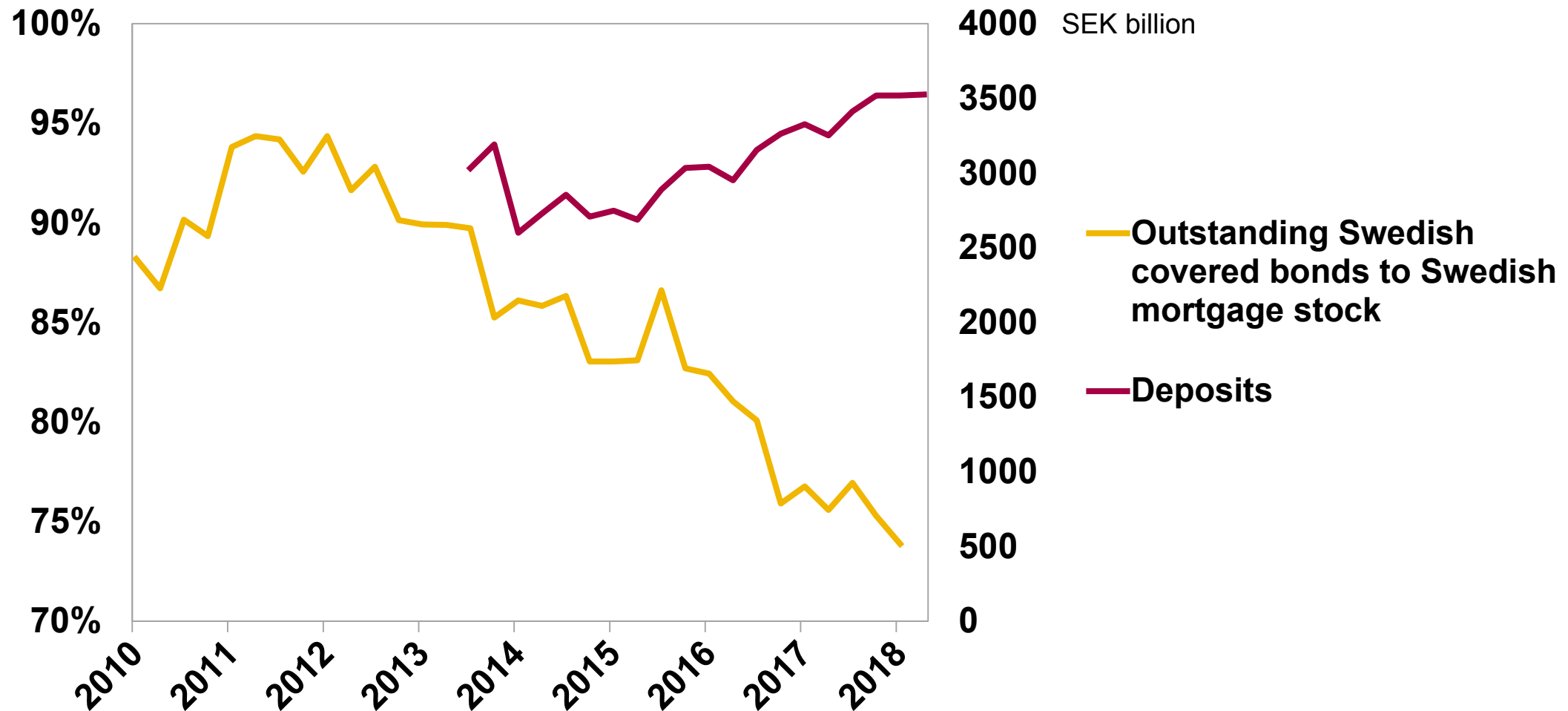


Credit spread between Swedish covered bonds and government bonds



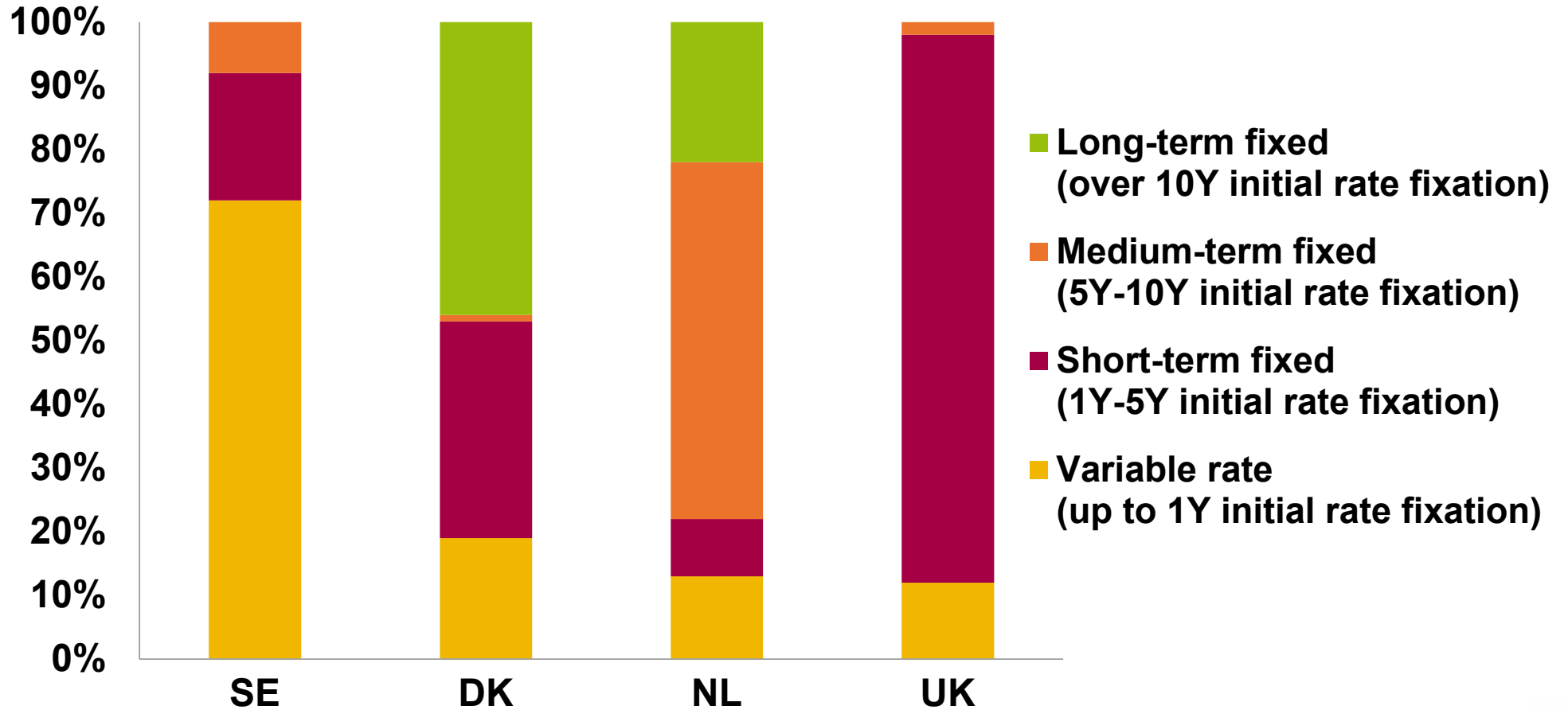
Source: The Riksbank and Thomson Reuters Datastream

Declining funding by covered bonds



Source: SCB and FI

Floating vs. fixed mortgage rates



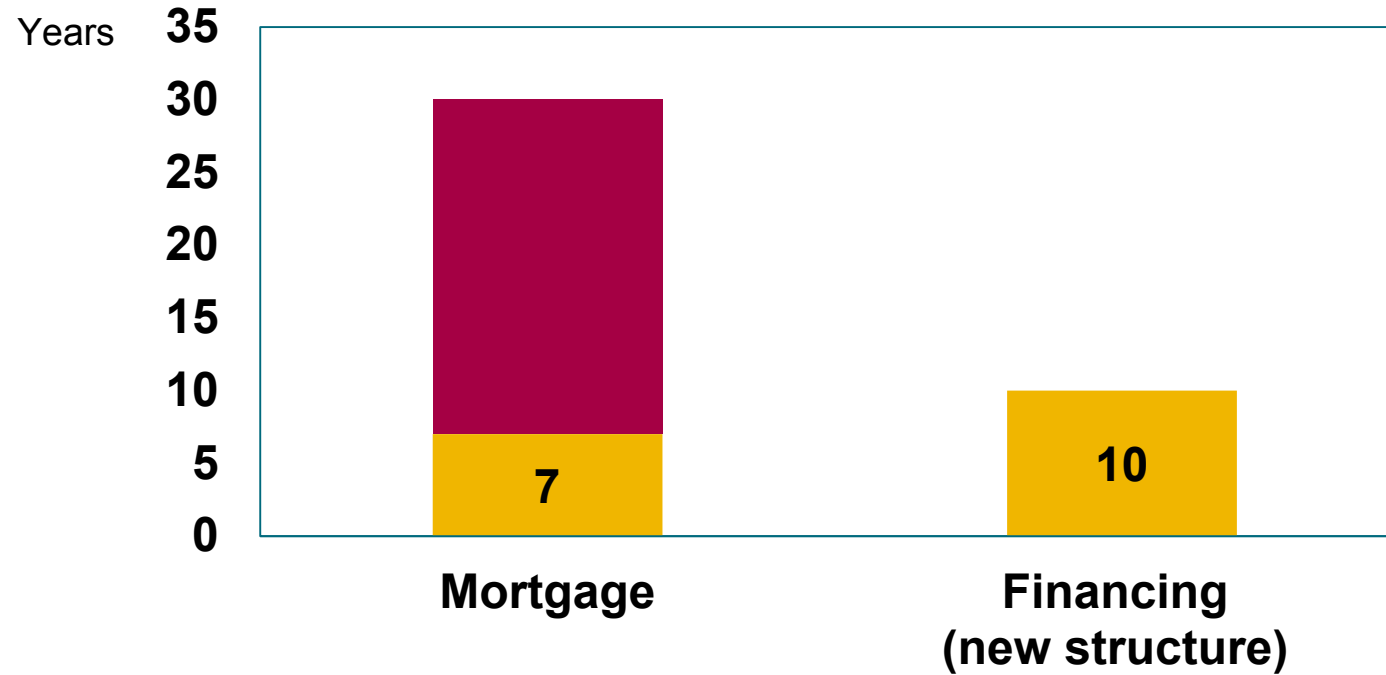
Source: European Mortgage Federation (EMF)

Note: Data for mortgages issued in 2017



Mortgage finance

Contractual vs. behavioural maturities





Priorities for FI

■ Consumer protection and effects on financial stability

■ Summary of preconditions:

- Consumer protection rules apply regardless of which party is the creditor
- Investors in mortgages should be professionals with risk awareness
- Refinancing risks must be limited (financing from investors must have a fixed maturity of at least 10 years)
- Banks need to assess and manage any flowback risks

