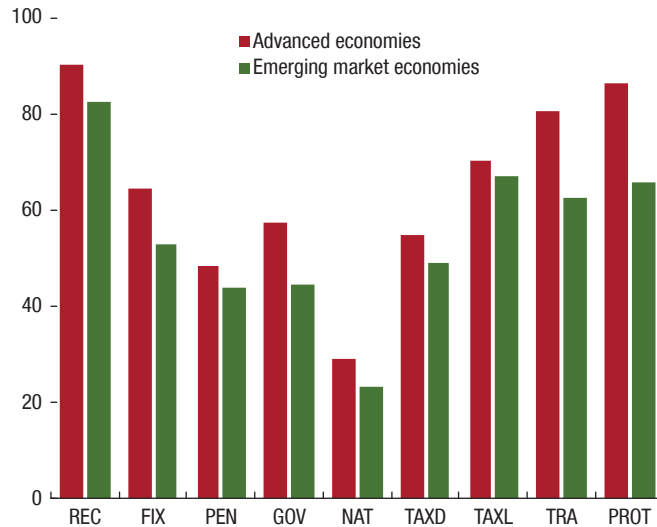


Annex Figure 2.1.1. Loan Characteristics, Rules, and Regulations



Source: IMF staff calculations.

Note: Figure is based on an IMF desk survey of the prevalence of certain debt characteristics in 80 countries. The desk survey reveals that a majority of countries have financial protection regulations (against predatory lending practices) and loan transparency rules and regulations (through credit registries or credit bureaus). In 80 percent of the sample, recourse is commonplace in loan agreements, whereas early prepayment restrictions feature in about 40 percent of the countries surveyed. Tax deductibility is common in half of the sample, with limitations on how much debt (or interest payments) households can deduct from their taxes. Fixed-rate mortgages (with the initial rate fixed for 10 or more years) are offered in most countries. Administrative restrictions on land supply are more prevalent in advanced economies (about 60 percent) than in emerging market economies (44 percent), whereas natural restrictions exist in about 30 percent of the countries surveyed (related to size of the country, livable land area, population density, and the like). FIX = fixed rates are offered; GOV = administrative restrictions on land supply; NAT = natural restrictions on density of development, such as topography and geography; PEN = restrictions on early payment; PROT = consumer financial protection legislation in place; REC = mortgage loans are full recourse; TAXD = debt or interest payments are tax deductible; TAXL = limits on TAXD exist; TRA = credit registry.