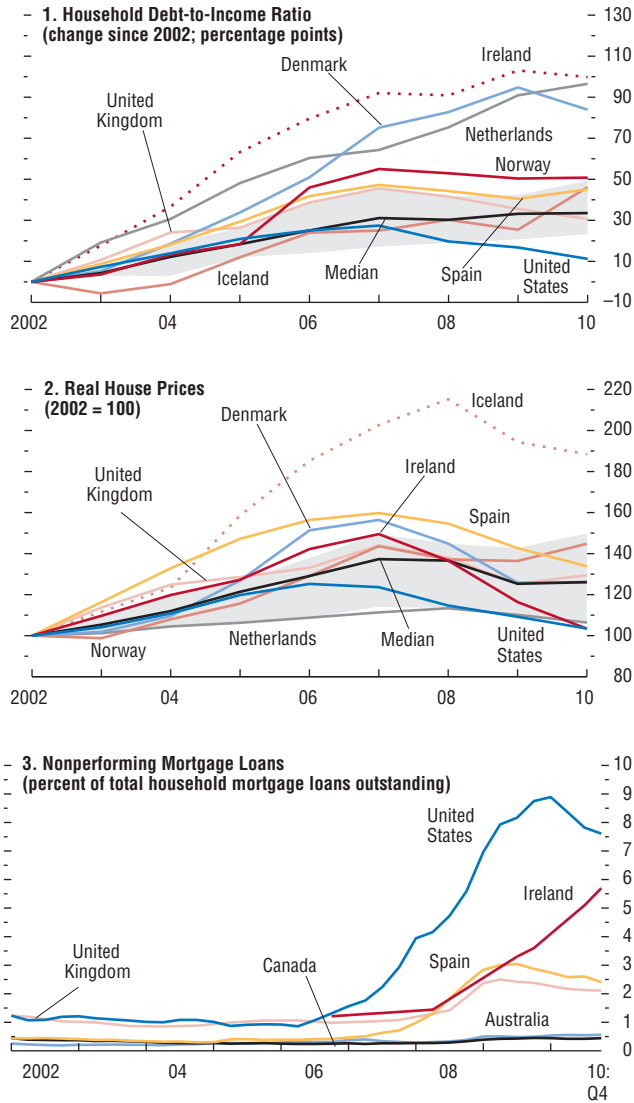


Figure 3.1. Household Debt, House Prices, and Nonperforming Mortgage Loans, 2002–10

Household debt and house prices soared in the years leading up to the Great Recession. When house prices declined, ushering in the global financial crisis, household nonperforming mortgage loans rose sharply in a number of economies.



Sources: Eurostat; Haver Analytics; Federal Reserve Bank of New York; Reserve Bank of Australia; Bank of Spain; U.K. Council of Mortgage Lenders; Central Bank of Ireland; Chapter 3 of the April 2011 *Global Financial Stability Report*; and IMF staff calculations.

Note: The shaded areas in panels 1 and 2 denote the interquartile range of the change in the household debt-to-income ratio since 2002 and the real house price index, respectively. Nonperforming loans are loans more than 90 days in arrears.