

In this issue:

- Global Mortgage Systems: What Sweden Can Learn – Seminar with Harvard’s John Y. Campbell
- Callable Bonds: A Tool for Corporate Flexibility – New Research
- World Bank at Swedish House of Finance: Discussing Carbon Pricing

## Mortgages Around the World: Insights and Lessons for Policy

How do global mortgage systems differ, and what can Sweden learn from them? How does mortgage regulation affect economic stability and household spending? Are flexible mortgage rules crucial for protecting consumers and the economy? Join us for a seminar with Harvard’s **John Y. Campbell**, this year’s recipient of the Skandia Research Award on Long-Term Savings.

**Campbell**, a leading expert in household finance and asset pricing, has conducted influential research on mortgages, savings, and investments. His work compares mortgage systems in countries like the U.S., Denmark, and Sweden, offering valuable insights into how these markets influence financial stability. His expertise is particularly relevant as Sweden revisits its mortgage regulations to balance consumer protection and macroeconomic risks.



SWEDISH HOUSE OF FINANCE

SKANDIA AWARD SEMINAR 2024

# Mortgages Around the World: Insights and Lessons for Policy

WITH JOHN Y. CAMPBELL,  
PROFESSOR OF ECONOMICS,  
HARVARD UNIVERSITY

[Register here](#)

## License to Call: Callable Bonds Mitigate Debt Overhang, Increase Corporate Flexibility

Callable bonds, which issuers can repurchase before maturity, is an important tool of corporate financial management, according to an award-winning study by **Bo Becker** (SHoF/SSE), **Victor Thell** (Finansinspektionen), **Dong Yan** (SHoF/ Erasmus University), and **Murillo Campello** (Cornell University).

These bonds allow issuers to repay their debt before maturity, typically when market conditions improve, enabling companies to refinance at lower interest rates. This can improve investment incentives by reducing debt overhang and providing greater flexibility, the study showed.

### Key insights:

- Call features reduce debt overhang by capping debt investors' returns
- To compensate investors for the lost upside, callable bonds offer higher yields
- Non-investment grade and long-term bonds are most likely to include call features
- Issuance of callable bonds rises during periods of credit market stress

[Read more](#)

---

## NEWS

### World Bank Visits Swedish House of Finance to Discuss Carbon Pricing and Emissions Research

World Bank officials **Alexandra Campmas** and **Susanne Åkerfeldt** recently visited SHoF to explore the impact of Sweden's carbon pricing policies and their broader implications. The discussion centered on a study by Swedish House of Finance researchers **Christian Thomann** (KTH), **Gustav Martinsson** (SU) and **Per Strömberg** (SSE) that showed how carbon pricing, along other policies, can achieve emissions reductions.

[Read more](#)

---

## VIDEOS & PRESENTATIONS

### Is Basel III Sufficient in Preventing Another Financial Crisis?

# BASEL III: IS IT ENOUGH?

**VIRAL ACHARYA**

NYU STERN SCHOOL OF  
BUSINESS



Listen to **Viral Acharya** (C.V. Starr Professor of Economics, NYU Stern) on: [Basel III, Financial Stability, and Regulatory Gaps](#)

## Watch also:

- [Does Forgiving Debt Automatically Improve Well-Being?](#) - Interview with **Neale Mahoney** (Stanford University)
- [What Really Drives Bankruptcy? Liquidity or Moral Hazards?](#) - Interview with **Sasha Indarte** (The Wharton School)

---

## IN THE PRESS

[Intense negotiations about Northvolt's future: "Until the end of the month"](#)

2024-09-20 • Swedish • *Dagens Nyheter*

Northvolt's ambitions and problems as unique in Swedish corporate history, SHoF's **Bo Becker** tells DN. "The normal way to finance a company that has no income is to take in risk capital, not loans. But Northvolt needed a huge amount of money very quickly, and then they had to take out loans much earlier."

[After the inflation shock: This is what the Swedes' economy looks like today](#)

2024-09-18 • Swedish • *Sveriges Radio*

In fall 2022, inflation hit 10%, and two years ago, the Riksbank raised the key interest rate by a full percentage point. How do Swedes' private finances look now, post-high inflation? **Roine Vestman** (SHoF/ Stockholm University) is interviewed on Sveriges Radio.

---

## About SHoF

The Swedish House of Finance (SHoF) at the Stockholm School of Economics is Sweden's national research center for financial economics.

SHoF is an equally private and government funded, nonprofit, nonpartisan organization. It hosts approximately 40 resident research fellows with research assistants, as well as around 30 PhD students in finance.

---

