Abstract

House price developments have a large impact on the macroeconomic stability, which has proven in the recent global financial and economic crisis triggered by a house price boom and bust. The aim of this thesis is to assess the effectiveness of macroprudential regulation aiming at the contract between lenders and borrowers in mitigating housing price and associated credit cycle. To assess effectiveness the macroprudential regulation is analyzed in ten European countries. The regulation in individual countries is subsequently compared. The comparison shows that countries with high proportions of foreign currency denominated debt use macroprudential measures to mitigate foreign exchange risk. Furthermore, the immediate influence of regulation on housing credit is relatively high. However, it diminishes with time.