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EC391

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Evaluation 3

***Research Question:*** What were the causes of the 2008 mortgage crisis? Are we still recovering from it today?

***Personal Abstract:*** The lending of money and completion of mortgages back in around 2007 was becoming faulty. The use of subprime mortgages which were high risk and high interest, was a great cause of the housing bubble popping. The use of NINJA loans was also a great cause. NINJA was a loan for those who had No Income, No Jobs or Assets. The expression, “You can’t get hurt in the dirt.” was completely wrong and it has showed. Also the irony of this is that Barney Frank was the one saying we have nothing to worry about when it comes to the home investment side of the market.

***Abstract Links:***

* <http://eds.b.ebscohost.com.ezproxy.una.edu/eds/detail/detail?vid=6&sid=dd9ea04a-b7b4-4cba-8a1b-1c04282030f0%40sessionmgr103&hid=108&bdata=JkF1dGhUeXBlPWNvb2tpZSxpcCZzaXRlPWVkcy1saXZlJnNjb3BlPXNpdGU%3d#AN=120533335&db=bth>
* <http://eds.b.ebscohost.com.ezproxy.una.edu/eds/detail/detail?vid=7&sid=dd9ea04a-b7b4-4cba-8a1b-1c04282030f0%40sessionmgr103&hid=108&bdata=JkF1dGhUeXBlPWNvb2tpZSxpcCZzaXRlPWVkcy1saXZlJnNjb3BlPXNpdGU%3d#AN=119845221&db=bth>
* <http://eds.b.ebscohost.com.ezproxy.una.edu/eds/detail/detail?vid=8&sid=dd9ea04a-b7b4-4cba-8a1b-1c04282030f0%40sessionmgr103&hid=108&bdata=JkF1dGhUeXBlPWNvb2tpZSxpcCZzaXRlPWVkcy1saXZlJnNjb3BlPXNpdGU%3d#AN=119728519&db=bth>
* <http://eds.b.ebscohost.com.ezproxy.una.edu/eds/detail/detail?vid=9&sid=dd9ea04a-b7b4-4cba-8a1b-1c04282030f0%40sessionmgr103&hid=108&bdata=JkF1dGhUeXBlPWNvb2tpZSxpcCZzaXRlPWVkcy1saXZlJnNjb3BlPXNpdGU%3d#AN=120024223&db=bth>
* <http://eds.b.ebscohost.com.ezproxy.una.edu/eds/detail/detail?vid=10&sid=dd9ea04a-b7b4-4cba-8a1b-1c04282030f0%40sessionmgr103&hid=108&bdata=JkF1dGhUeXBlPWNvb2tpZSxpcCZzaXRlPWVkcy1saXZlJnNjb3BlPXNpdGU%3d#AN=61047576&db=bth>

***Abstract Summaries:***

***1.*** This study uses the 2008 **mortgage** **crisis** to demonstrate how the relationship between vertical integration and performance crucially depends on corporate governance. Prior research has argued that the vertical integration of **mortgage** origination and securitization aligned divisional incentives and improved lending quality…

***2.*** This paper highlights the importance of middle-class and high-FICO borrowers for the **mortgagecrisis**. Contrary to popular belief, which focuses on subprime and poor borrowers, we show that **mortgage** originations increased for borrowers across all income levels and FICO scores…

***3.*** The banking industry in USA and Europe is, up to a great extent, connected to a global slowdown and to the world economy. Globalization and innovation, which used to be regarded as important factors for having contributing the global GDP increase, recently have showed us their downsides…

***4.*** The sub-prime **mortgage** **crisis** of 2007 that affected the US economy is considered the most severe financial catastrophe that affected the United States since the Great Depression. The main purpose of this study is to examine whether any contagion effect occurred across international financial markets after the sub-prime financial **crisis**…

***5.*** Using loan-level data, we analyze the quality of subprime **mortgage** loans by adjusting their performance for differences in borrower characteristics, loan characteristics, and macroeconomic conditions. We find that the quality of loans deteriorated for six consecutive years before the **crisis** and that securitizers were, to some extent, aware of it…