



Norwegian Ministry
of Finance

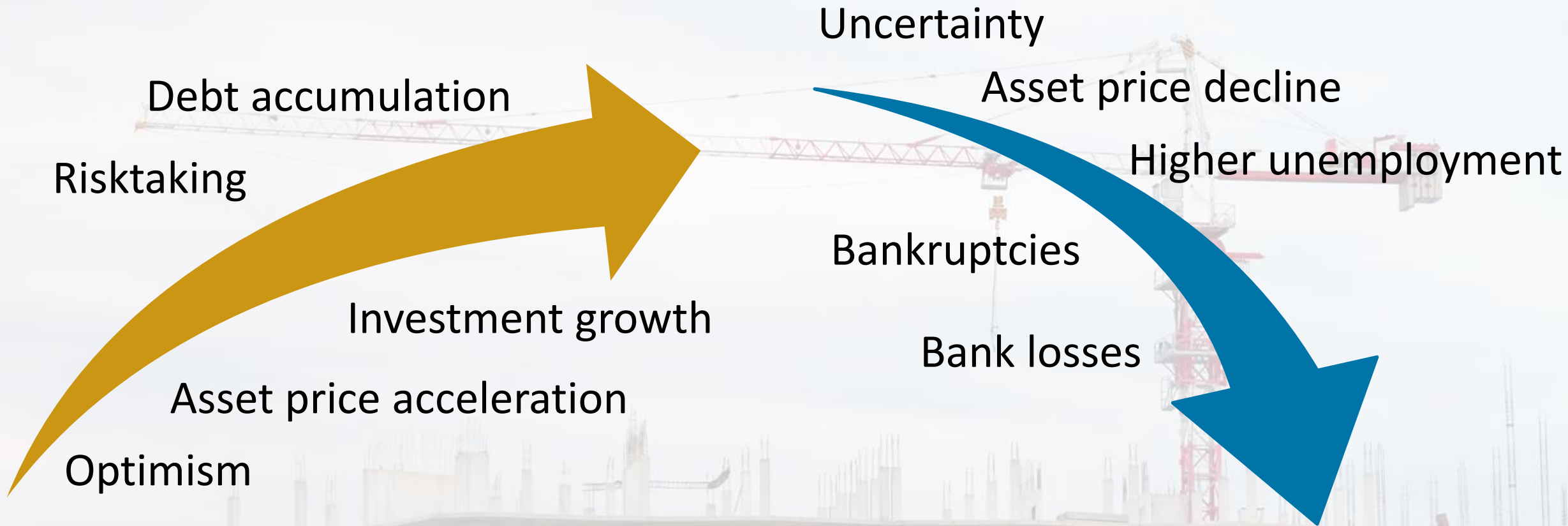
How to ensure financial stability in a European environment?

The need for a cross policy approach

Siv Jensen, Minister of Finance

London, 06.04.2018







[..] I have, at present, a strong conviction that these two economic maladies, the debt disease and the price-level disease, are, in the great booms and depressions, more important causes than all others put together.

Irving Fisher (1933): «The Debt-Deflation Theory of Great Depressions»





ARGENTINA 2018



BANK FOR
INTERNATIONAL
SETTLEMENTS

The Basel Committee on Banking Supervision



FINANCIAL
STABILITY
BOARD



EU/EEA
CRD4/CRR

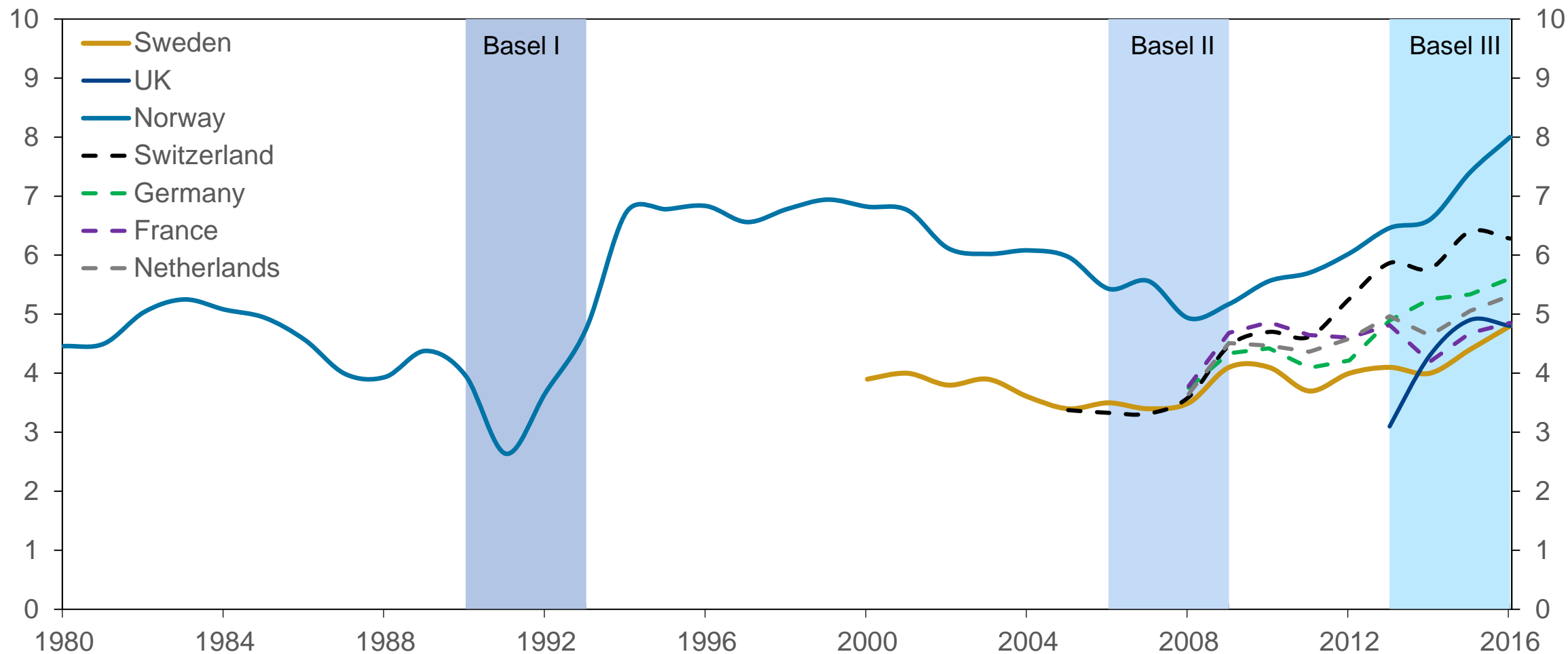


US Congress
Dodd-Frank Act



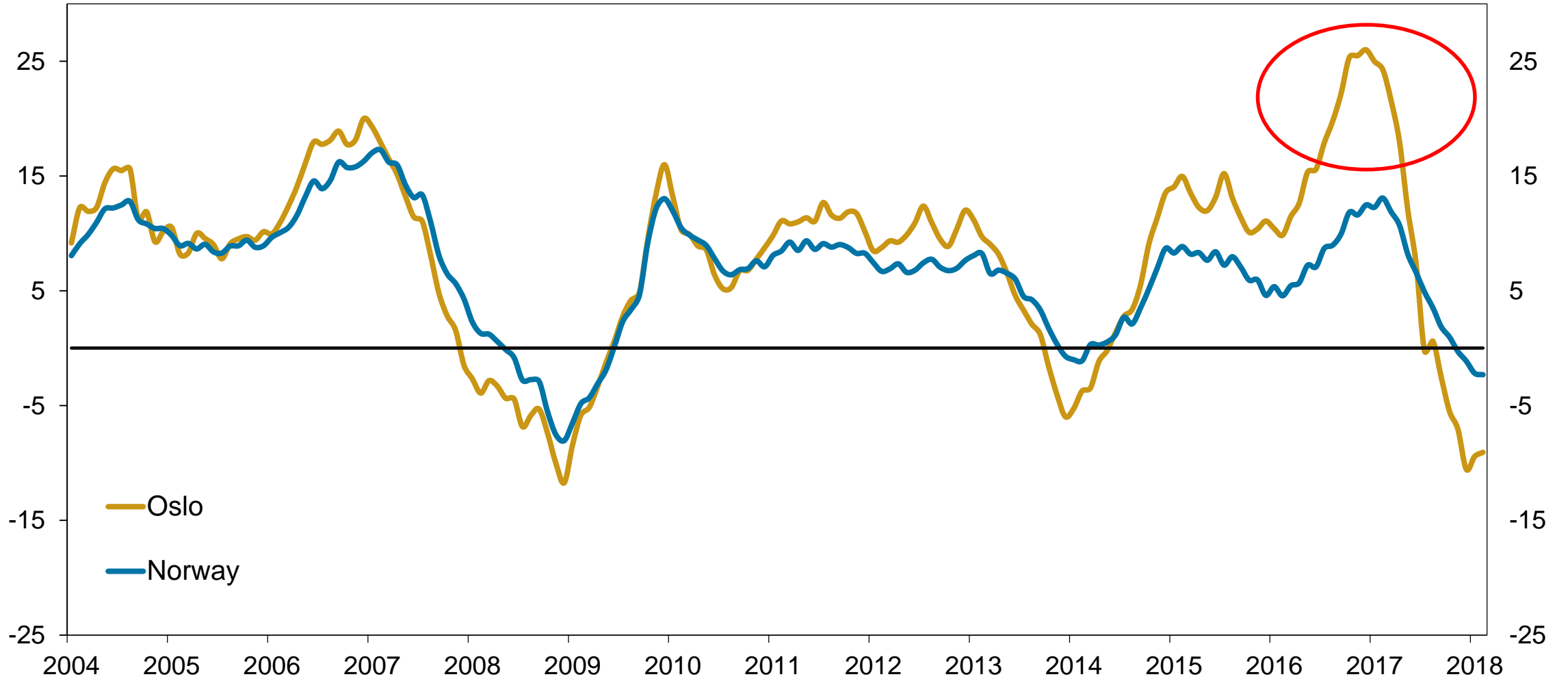
International regulation

Leverage ratio. Selected countries



House prices in Norway

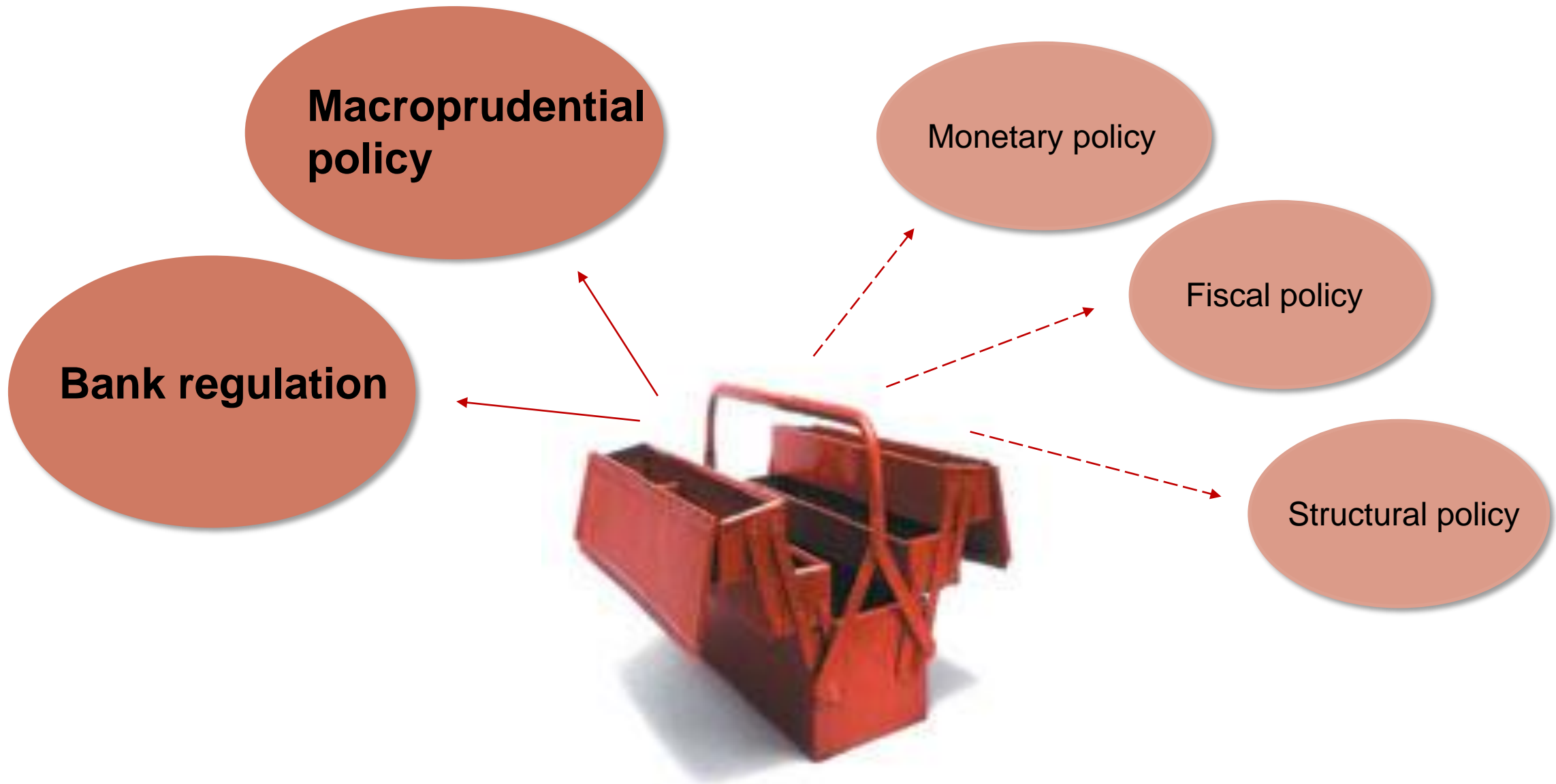
Twelvemonth growth. Percent



National regulation

Regulation on requirements for residential mortgage loans

	Jan 2017 – June 2018
Loan-to-value ratio (LTV), down payment loans	85 pct.
LTV, other housing loans	60 pct.
LTV, interest only loans	60 pct.
Debt-to-income ratio (DTI)	500 pct.
Stress test, 5 pp interest rate increase	5 pp
Speed limit	10 pct. (8 pct. in Oslo)
LTV, secondary housing, Oslo	60 pct.



Modernisation of the Monetary Policy Regulation

§ 1 Monetary policy shall maintain monetary stability by keeping inflation low and stable.

§ 3 The operational target of monetary policy shall be annual consumer price inflation of close to 2 percent over time. Inflation targeting shall be forward-looking and flexible so that it can contribute to high and stable output and employment and to counteracting the build-up of financial imbalances.

