

Table 1: Unit root test results for nominal mortgage rate series.  
Series 1995.04-2003.06.

	Levels			First differences		
	ADF <sup>(1)</sup>	PP <sup>(1)</sup>	KPSS <sup>(2)</sup>	ADF <sup>(1)</sup>	PP <sup>(1)</sup>	KPSS <sup>(2)</sup>
Germany	-2.0015	-2.1742	0.1496*	-5.7602*	-5.7602*	0.1442
Austria	-2.6084	-2.2042	0.1817*	-3.3060*	-6.8766*	0.1791
Belgium	-2.3075	-2.4330	0.1796*	-7.8007*	-8.1170*	0.2383
Spain	-2.2894	-1.4284	0.2710*	-3.8252*	-3.7820*	0.3194
Finland	-2.1300	-1.9414	0.1578*	-4.8619*	-4.8116*	0.1585
France	-2.0834	-1.4432	0.2523*	-3.4583*	-10.591*	0.1539
Netherlands	-1.8451	-2.2932	0.1423*	-6.0338*	-6.0458*	0.1551
Ireland	-2.0718	-1.9759	0.0654	-6.7621*	-6.6976*	0.0729
Italy	-0.5059	-0.8927	0.2878*	-1.6310	-9.6816*	0.2599
Portugal	-1.4115	-1.2298	0.2669*	-4.9865*	-4.8682*	0.2333
A_w_Germany	-2.5336	-1.2830	0.2740*	-2.3133	-7.7583*	0.2298
A_w_Austria	-2.2121	-1.4950	0.2553*	-2.7864**	-6.0724*	0.2273
A_w_Belgium	-2.2300	-1.4702	0.2566*	-2.7354**	-6.1366*	0.2264
A_w_Spain	-2.1420	-1.5392	0.2470*	-2.9286*	-6.6236*	0.2020
A_w_Finland	-2.2191	-1.4961	0.2557*	-2.7313**	-6.0842*	0.2296
A_w_France	-1.6999	-1.5886	0.2521*	-5.5863*	-5.7283*	0.2219
A_w_Netherlands	-2.2484	-1.4587	0.2580*	-2.6808**	-6.4110*	0.2334
A_w_Ireland	-2.2288	-1.5029	0.2552*	-2.7321**	-5.9928*	0.2307
A_w_Italy	-1.6996	-1.8037	0.2227*	-4.7244*	-4.7049*	0.2220
A_w_Portugal	-1.7484	-1.8865	0.1959*	-5.1216*	-5.1082*	0.1698

<sup>(1)</sup> H<sub>0</sub>: The series has a unit root

<sup>(2)</sup> H<sub>0</sub>: The series is stationary

\* Indicates rejection of the null hypothesis at 5% level of significance.

\*\* Indicates rejection of the null hypothesis at 10% level of significance.

Table 2: Unit root test results for nominal mortgage rate series.  
Chain-linked series 1995.04-2008.06

	Levels			First differences		
	ADF <sup>(1)</sup>	PP <sup>(1)</sup>	KPSS <sup>(2)</sup>	ADF <sup>(1)</sup>	PP <sup>(1)</sup>	KPSS <sup>(2)</sup>
Germany	-2.8133	-2.8685	0.0891	-7.7335*	-7.6915*	0.1299
Austria	-2.1886	-1.6710	0.1263**	-3.4906*	-8.6806*	0.3820
Belgium	-2.4729	-2.5829	0.1439**	-10.046*	-10.497*	0.1879
Spain	-2.1123	-1.1007	0.2280*	-4.2746*	-4.1758*	0.5981*
Finland	-1.7339	-1.5638	0.1366**	-5.8684*	-6.0523*	0.3450
France	-2.0397	-1.4809	0.1608*	-5.1450*	-14.069*	0.2530
Netherlands	-2.4913	-2.7520	0.1024	-8.2798*	-8.3886*	0.1589
Ireland	-1.3043	-1.3869	0.1975*	-8.6190*	-8.8163*	0.2214
Italy	-3.4887*	-0.4967	0.2992*	-2.2333	-12.187*	0.5494*
Portugal	-1.1098	-0.8282	0.2822*	-3.1212*	-5.8125*	0.5762*
A_w_Germany	-2.4010	-0.9685	0.2399*	-2.6146**	-8.8016*	0.5151*
A_w_Austria	-1.4792	-1.3987	0.1838*	-4.8836*	-6.9228*	0.4304**
A_w_Belgium	-1.4446	-1.3704	0.1860*	-4.8774*	-6.9120*	0.4290**
A_w_Spain	-1.3370	-1.3630	0.1739*	-5.1246*	-7.3535*	0.3945**
A_w_Finland	-1.3370	-1.2725	0.1858*	-4.7774*	-6.7876*	0.4468**
A_w_France	-1.7195	-1.5881	0.1929*	-6.6918*	-6.8884*	0.4652**
A_w_Netherlands	-2.2236	-1.4344	0.1979*	-3.5464*	-7.4378*	0.4432**
A_w_Ireland	-2.2517	-1.5213	0.1887*	-3.6515*	-7.2455*	0.4293**
A_w_Italy	-1.9857	-2.0886	0.1203**	-6.5757*	-6.6952*	0.3505**
A_w_Portugal	-2.2671	-1.5534	0.1842*	-3.7245*	-7.4329*	0.4448**

<sup>(1)</sup> H<sub>0</sub>: The series has a unit root

<sup>(2)</sup> H<sub>0</sub>: The series is stationary

\* Indicates rejection of the null hypothesis at 5% level of significance.

\*\* Indicates rejection of the null hypothesis at 10% level of significance

Table 3: Unit root test results for mortgage rate spreads.  
Series 1995.04-2003.06.

	LEVELS			FIRST DIFFERENCES		
	ADF <sup>(1)</sup>	PP <sup>(1)</sup>	KPSS <sup>(2)</sup>	ADF <sup>(1)</sup>	PP <sup>(1)</sup>	KPSS <sup>(2)</sup>
Germany	-1.9867	-1.7491	0.5724*	-4.2233*	-8.7290*	0.1167
Austria	-3.4013*	-2.6388*	0.0514	-7.5053*	-7.5344*	0.0405
Belgium	-1.5465	-1.4156	0.9549*	-10.899*	-10.963*	0.0821
Spain	-2.5416	-3.1085*	0.3398	-8.3399*	-8.3399*	0.1480
Finland	-2.8242**	-2.5541	0.1365	-3.9589*	-8.3560*	0.1205
France	-2.4409	-2.1823	0.6222*	-4.2761*	-9.2448*	0.0830
Netherlands	-2.5398	-2.4246	0.4714*	-8.9460*	-10.708*	0.0774
Ireland	-2.2698	-1.9382	0.1666	-7.4246*	-7.5515*	0.1154
Italy	-1.8806	-2.0034	0.7027*	-11.043*	-11.106*	0.3780**
Portugal	-1.0989	-1.2859	0.7597*	-7.1121*	-7.2342*	0.2035
A_w_Germany	-1.9273	-2.2337	0.5979*	-4.5142*	-9.4603*	0.1997
A_w_Austria	-2.1124	-2.4431	0.4830*	-4.5956*	-9.8873*	0.1786
A_w_Belgium	-2.0785	-2.3571	0.5151*	-4.5486*	-9.7412*	0.1785
A_w_Spain	-2.0288	-2.3424	0.4788*	-4.6479*	-10.188*	0.1704
A_w_Finland	-2.1410	-2.4282	0.4775*	-4.5842*	-9.7994*	0.1698
A_w_France	-2.3646	-2.6122**	0.3849	-10.118*	-10.119*	0.2053
A_w_Netherlands	-2.1372	-2.4144	0.4957*	-4.5062*	-9.6967*	0.1764
A_w_Ireland	-2.1613	-2.4588	0.4763*	-4.5890*	-9.8211*	0.1693
A_w_Italy	-2.9994*	-2.7934**	0.1145	-4.3970*	-9.2212*	0.0711
A_w_Portugal	-2.6906**	-2.4178	0.1201	-4.1000*	-8.7463*	0.0883

<sup>(1)</sup> H<sub>0</sub>: The series has a unit root

<sup>(2)</sup> H<sub>0</sub>: The series is stationary

\* Indicates rejection of the null hypothesis at 5% level of significance.

\*\* Indicates rejection of the null hypothesis at 10% level of significance.

Table 4: Unit root test results for mortgage rate spreads.  
Chain-linked series 1995.04-2008.06

	LEVELS			FIRST DIFFERENCES		
	ADF <sup>(1)</sup>	PP <sup>(1)</sup>	KPSS <sup>(2)</sup>	ADF <sup>(1)</sup>	PP <sup>(1)</sup>	KPSS <sup>(2)</sup>
Germany	-0.9897	-1.1220	0.9526*	-10.204*	-10.250*	0.0901
Austria	-3.3914*	-3.1766*	0.3115	-9.4236*	-9.5062*	0.0267
Belgium	-1.3352	-1.2161	0.3366	-12.613*	-12.613*	0.1440
Spain	-1.9484	-1.7900	1.0548*	-10.125*	-10.144*	0.0712
Finland	-2.4732	-1.9695	0.7909*	-4.9636*	-10.013*	0.0521
France	-1.7275	-1.4281	1.1020*	-5.5942*	-11.400*	0.1099
Netherlands	-1.3467	-1.3329	0.9806*	-12.560*	-12.564*	0.0773
Ireland	-2.6404**	-2.3656	0.2702	-5.0974*	-9.7466*	0.0615
Italy	-1.7911	-2.0140	0.8472*	-13.411*	-13.388*	0.2198
Portugal	-1.2894	-1.3196	1.0315*	-8.7781*	-9.0212*	0.0927
A_w_Germany	-1.7266	-1.6402	1.1283*	-5.6934*	-11.319*	0.1215
A_w_Austria	-0.8772	-1.0771	1.2783*	-11.560*	-11.560*	0.1134
A_w_Belgium	-0.9093	-1.1258	1.2720*	-11.451*	-11.454*	0.1077
A_w_Spain	-0.8034	-0.9685	1.2686*	-11.772*	-11.772*	0.1251
A_w_Finland	-0.9062	-1.1092	1.2711*	-11.487*	-11.490*	0.1095
A_w_France	-1.2139	-1.1748	1.2558*	-11.652*	-11.664*	0.0974
A_w_Netherlands	-1.3710	-1.1659	1.2625*	-11.408*	-11.412*	0.1099
A_w_Ireland	-0.9041	-1.1090	1.2758*	-11.491*	-11.495*	0.1074
A_w_Italy	-1.2742	-1.0485	1.2546*	-5.6636*	-10.954*	0.0658
A_w_Portugal	-0.9288	-1.1304	1.2694*	-11.545*	-11.544*	0.1098

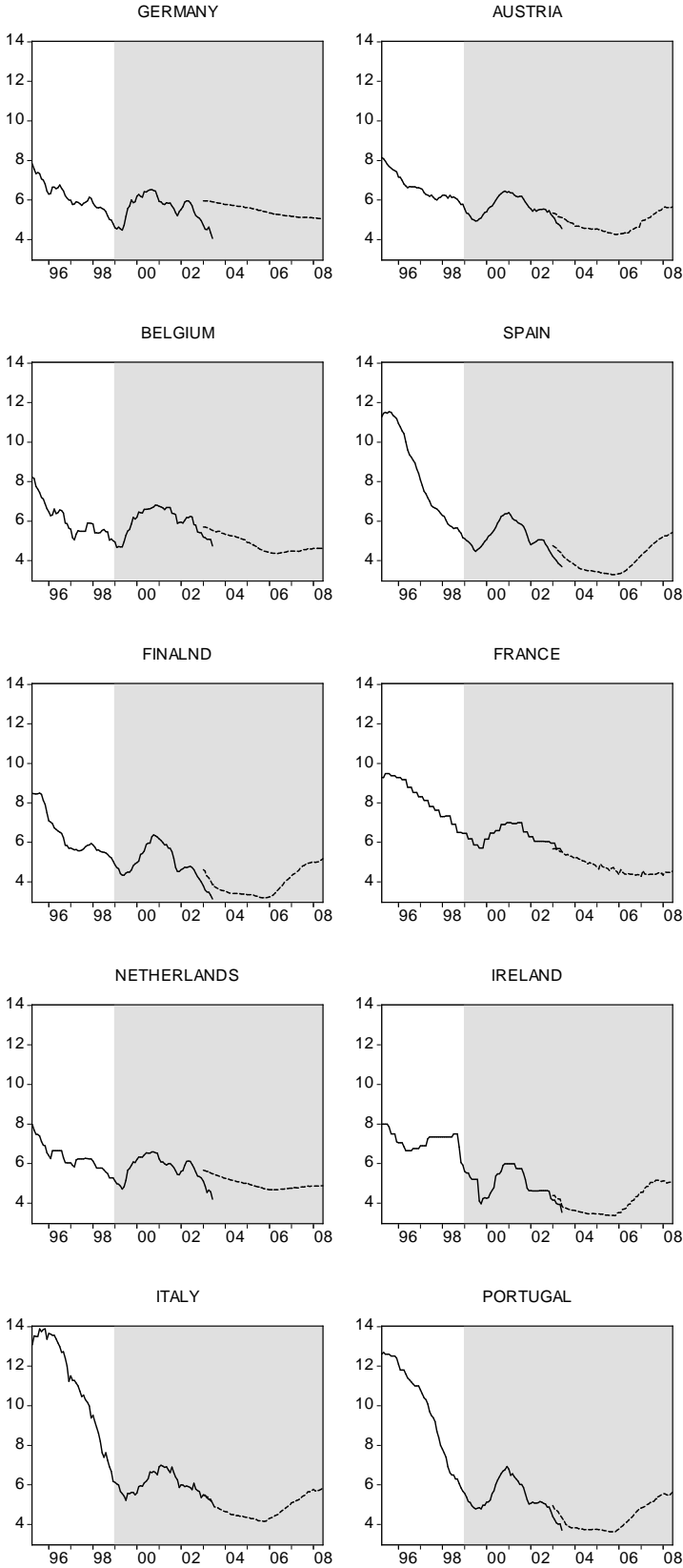
<sup>(1)</sup> H<sub>0</sub>: The series has a unit root

<sup>(2)</sup> H<sub>0</sub>: The series is stationary

\* Indicates rejection of the null hypothesis at 5% level of significance.

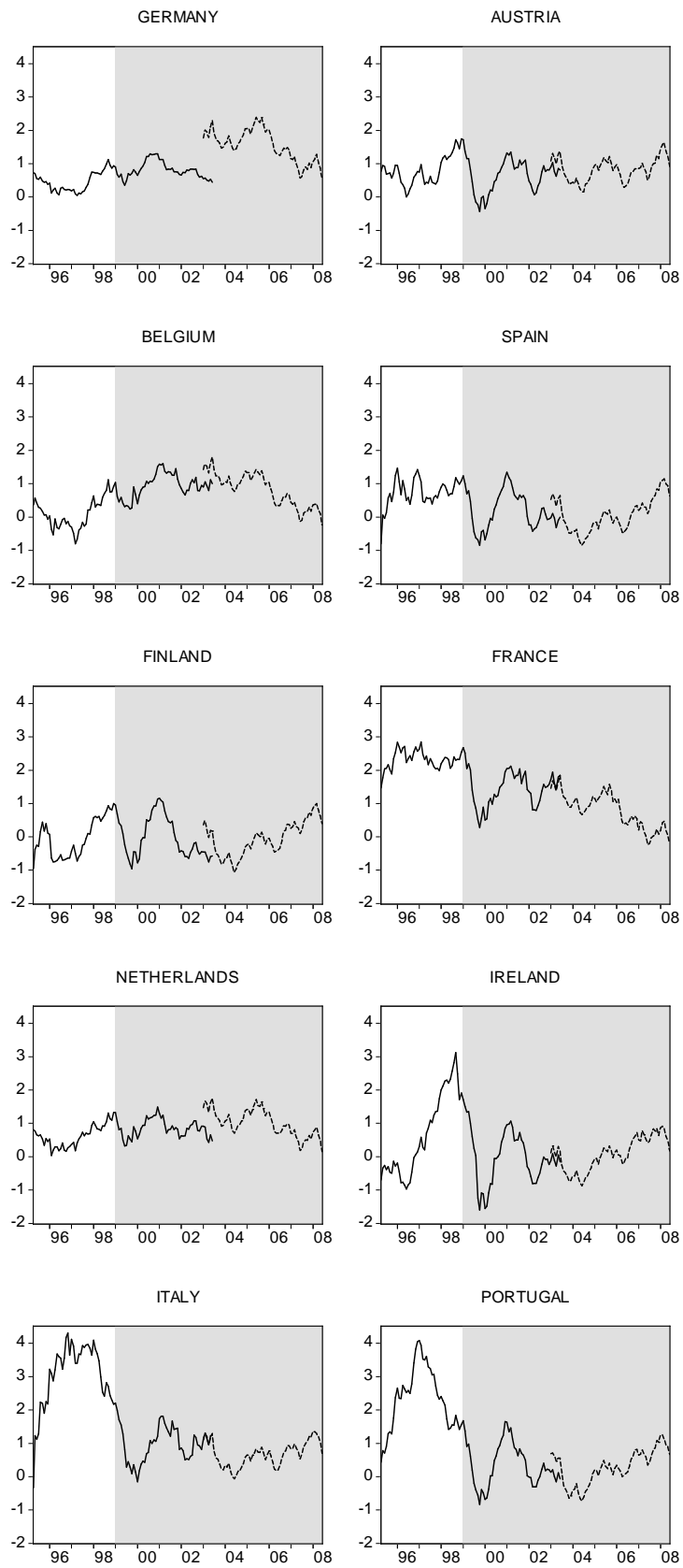
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Graph1: Nominal mortgage rate series



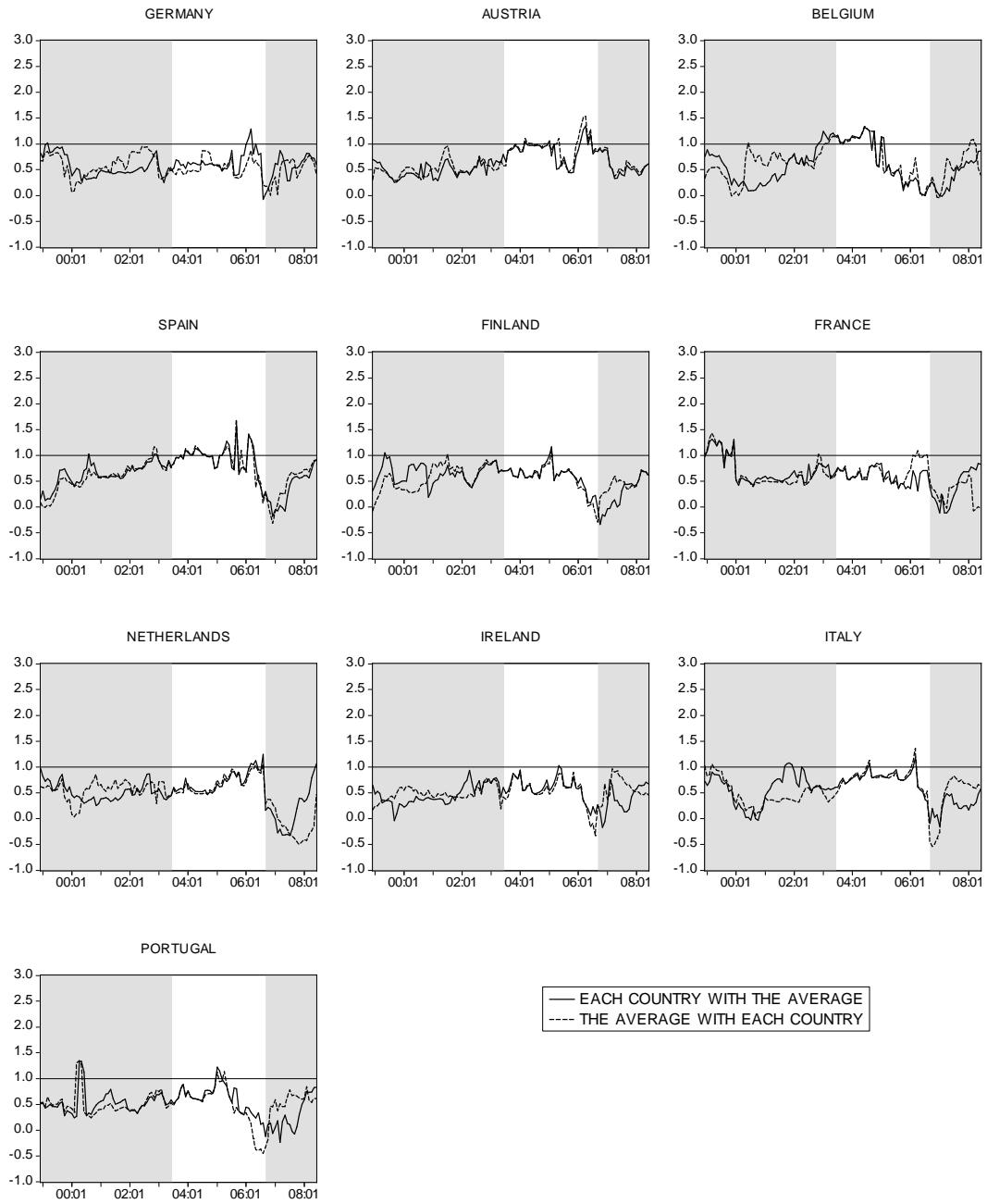
Shaded area: creation of the Euro Area

Graph 2: Spread rate series

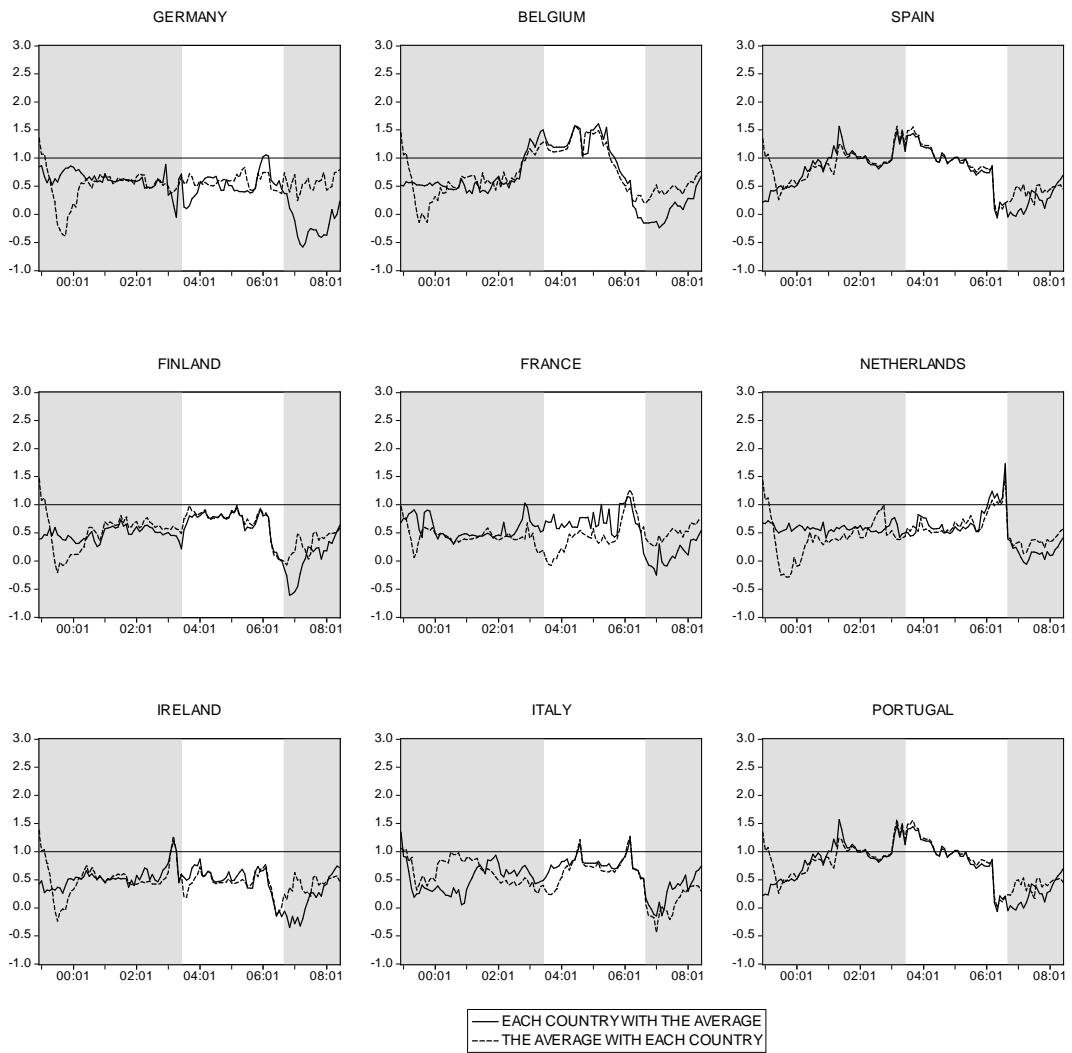


Shaded area: creation of the Euro Area

Graph 3: Results of co-integration rolling tests, nominal mortgage rate series

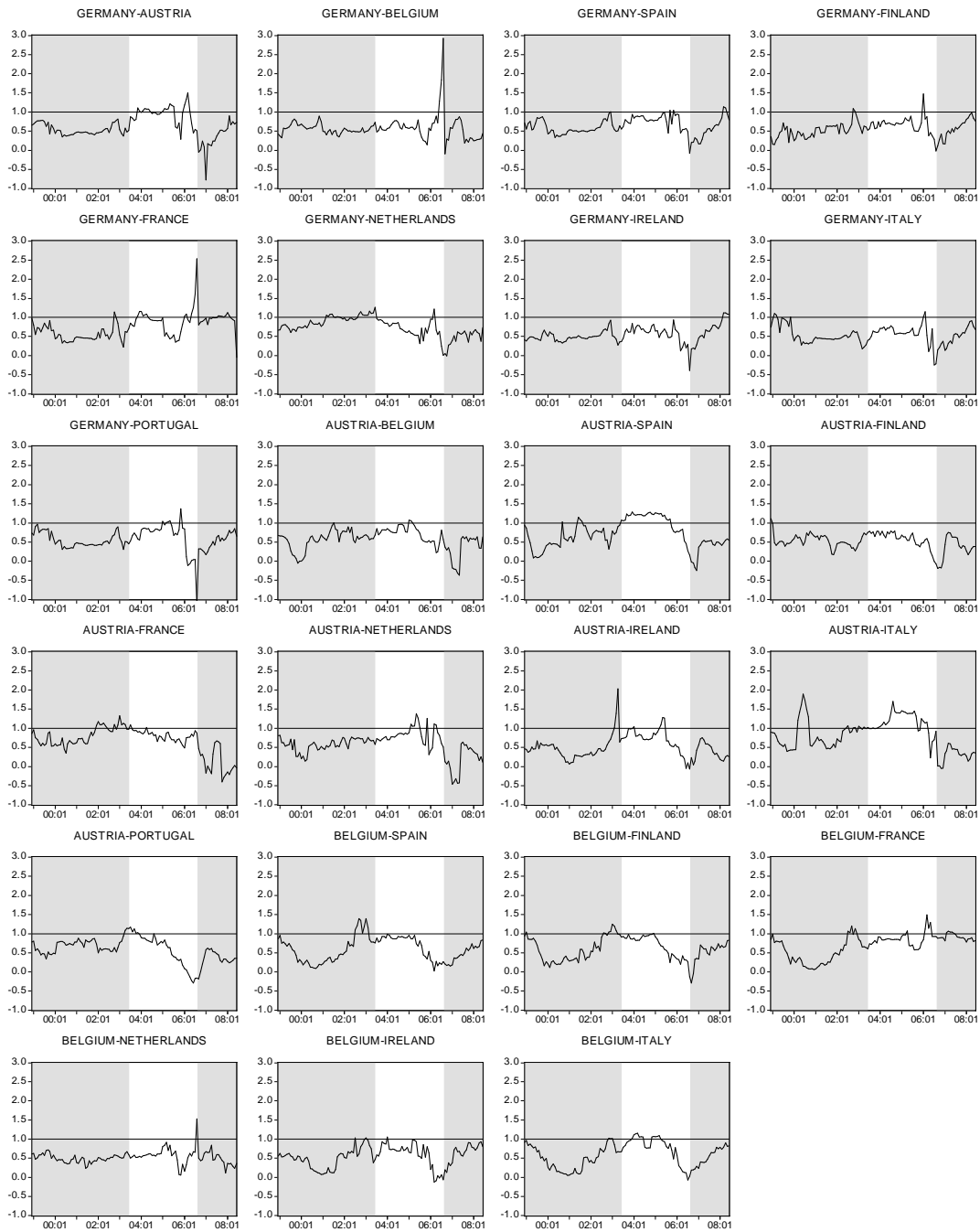


Graph 4: Results of co-integration rolling tests, spread mortgage rate series

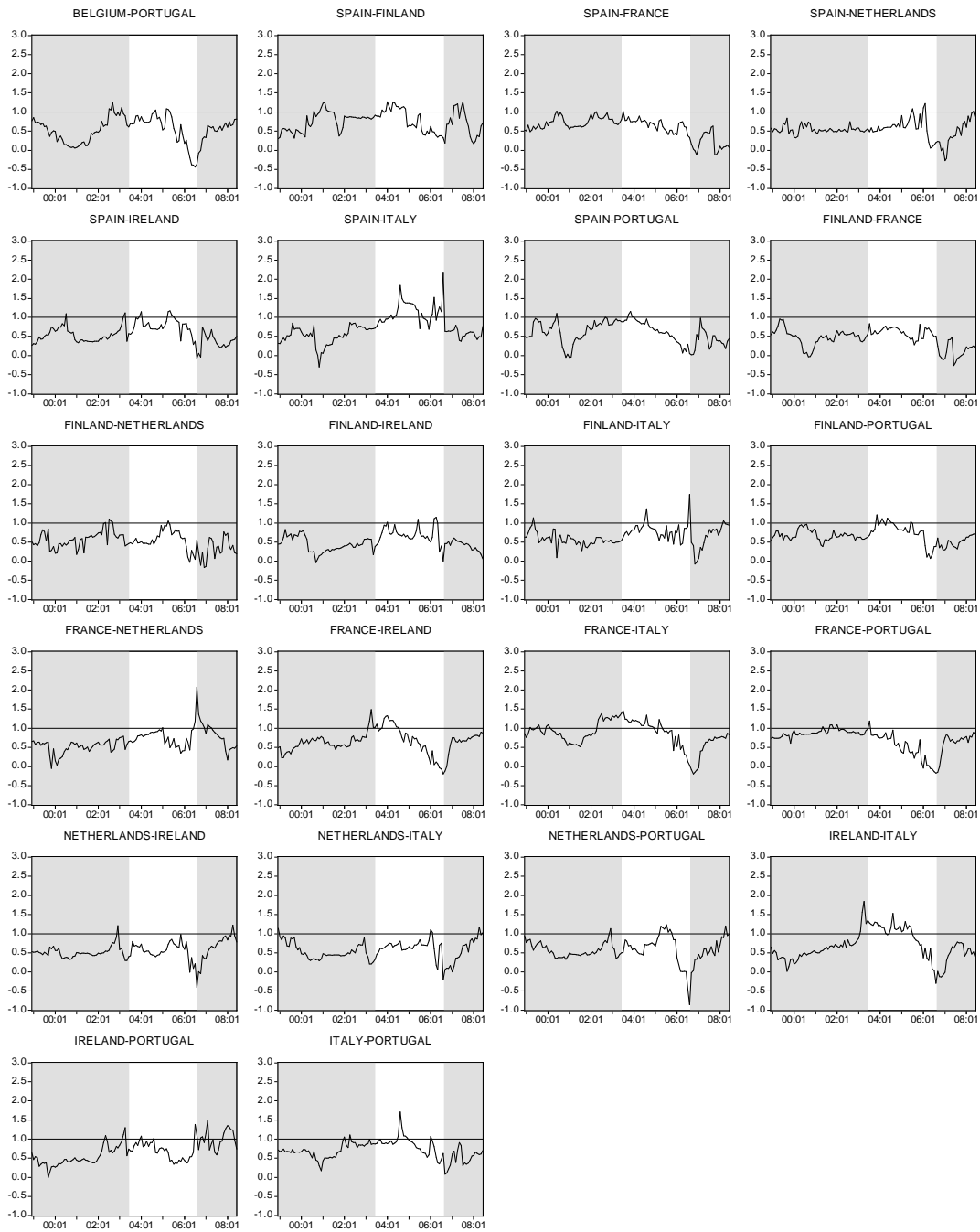




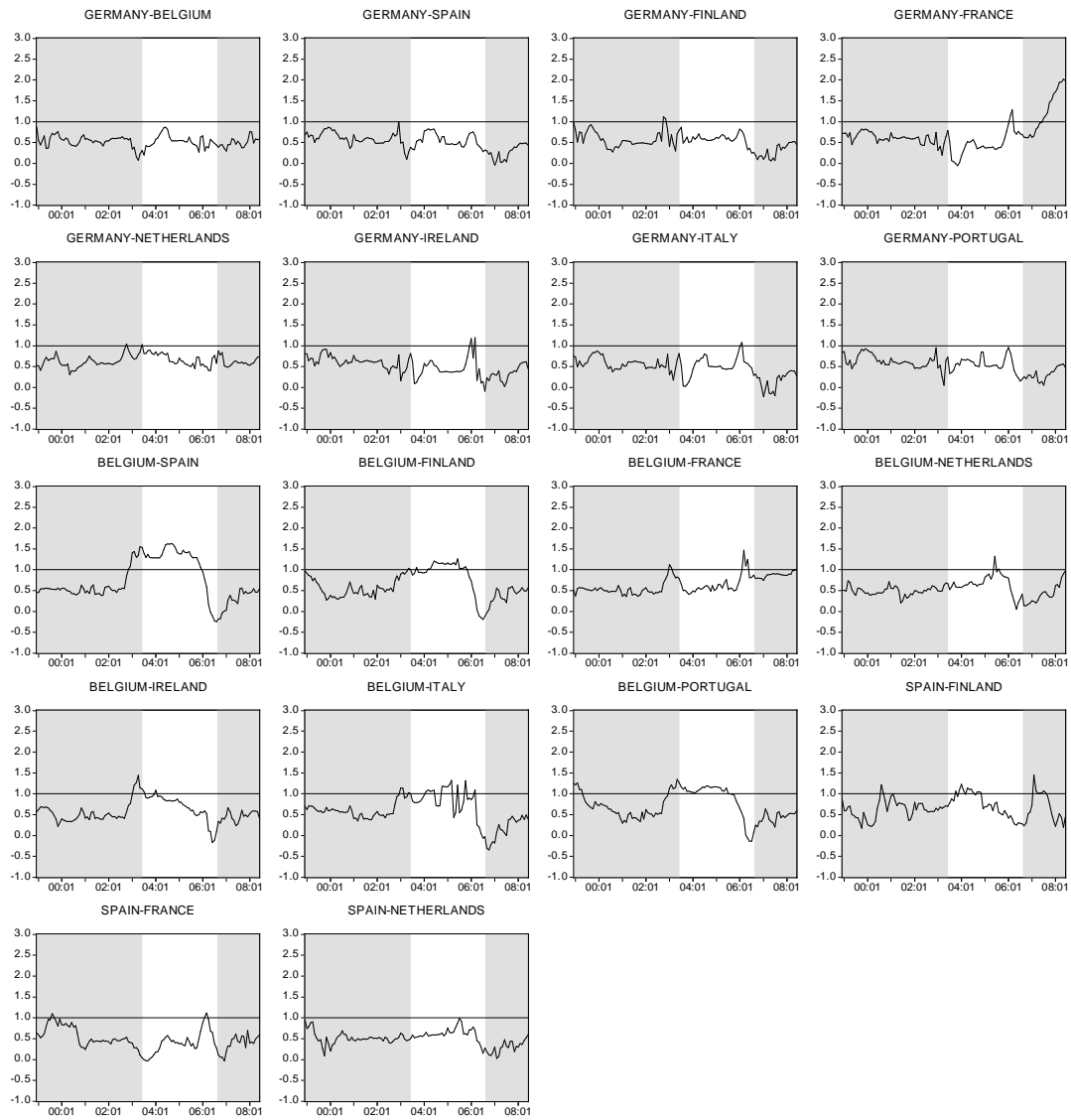
Graph 5: Results of co-integration rolling tests, nominal mortgage rate series. Relations between pairs of countries.



Graph 6: Results of co-integration rolling tests, nominal mortgage rate series. Relations between pairs of countries (continued)



Graph 7: Results of co-integration rolling tests, spread mortgage rate series. Relations between pairs of countries



Graph 8: Results of co-integration rolling tests, spread mortgage rate series. Relations between pairs of countries (continued)

