

In this issue:

- Sweden's mortgage rules review suggests higher loan cap, eased amortization
- Startups have a lesson to learn from Northvolt's crisis
- Households' perceptions of the economy shape their financial decisions
- The gender pay *stability* gap: women face more job instability during turbulent times

## Changes to Sweden's Mortgage Ceilings and Amortization Requirements



The Ministry of Finance appointed a committee with the task of reevaluating mortgage amortization regulations.

This month, the committee, chaired by **Peter Englund** (SHoF/SSE), presented [its findings](#) to the government, proposing several measures aimed at addressing debt-driven risks in the housing market.

### Key recommendations:

- **Mortgage Cap Adjustment:** Raise the mortgage cap to 90%, ease amortization requirements, and introduce a 550% loan-to-income ratio limit to mitigate housing-related financial risks.
- **Flexible Lending Measures:** Introduce portfolio-level regulations allowing a 10% exemption for banks to offer more adaptable lending terms.

- **Phased Implementation:** Gradual rollout to avoid triggering a rapid housing market expansion.

**Panel Discussion:** Last week, Peter Englund joined a [panel](#) of experts to discuss how the proposed regulations could reshape Sweden's housing and financial landscape. They discussed the potential impact of these recommendations on household finances, the stability of the financial system, housing prices, and the construction sector.

**In the press:** The announcement of the committee's proposals have received extensive media coverage from [Dagens Nyheter](#), [Dagens Industri](#), [Jönköpings-Posten](#), [Bulletin](#), among others.

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## FEATURED ARTICLE

### Startups Have a Lesson to Learn from Northvolt's Crisis

Following a path similar to SAS, Northvolt has filed for reconstruction in the U.S. under Chapter 11—a legal process that allows financially distressed companies to continue operations while restructuring debts, aiming to attract new strategic investors.

Northvolt's case serves as a cautionary tale for startups: cash flows are essential for managing debt, says **Bo Becker** (SHoF/SSE) in his [Affärsvärlden column](#). Becker underscores critical financial principles from Northvolt's case:

- **Cash flows are critical for managing debt:** Companies with low or uncertain revenue should prioritize equity funding to avoid liquidity crises.
- **Collateral matters:** Businesses with stable, high-value assets can borrow more easily. Startups without such assets face greater financial risks when relying on debt.
- **Industrial policy implications:** Northvolt's situation underscores potential pitfalls in Europe's reliance on credit support over direct subsidies, which can increase financial risks for companies and taxpayers alike.

**Panel Discussion:** Together with panel of experienced lawyers, Bo Becker examined the differences between Sweden's corporate restructuring system and the U.S. Chapter 11 process in a [seminar](#) earlier this year. They highlight how Sweden's approach can be complex and costly for small businesses while identifying opportunities for legislative improvement.

**In the press:** Becker has shared his insights on Chapter 11 with [Dagens Industri](#), [Sveriges Radio](#), [Dagens Nyheter](#), [Aftonbladet](#), and [others](#).

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## INTERVIEWS

### How does Sweden's Mortgage System Differ from Other Countries?

During this year's Skandia Award, **John Campbell** (Harvard) shared findings from his [research on global mortgage trends](#), comparing Sweden with Denmark, the U.S., and the U.K. He suggested targeted measures that could make the Swedish mortgage market more efficient, such as special loan conditions for young, first-time homebuyers and for older homeowners wishing to remain in their current homes.

Campbell also outlined [common financial mistakes](#) made by households, such as insufficient emergency savings and ineffective financial product shopping. His practical insights shed light

on how financial literacy and strategic planning can significantly enhance household financial stability.

[Watch here](#)

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## RESEARCH IN THE SPOTLIGHT

### Women Face Higher Risks in Company Downturns

A [new study](#) by **Ramin Baghai** (SHoF/SSE), and **Rui Silva** and **Margarida Soares** (Nova School of Business and Economics) reveals a “Gender Pay Stability Gap”: women face steeper wage cuts and are more likely lose their jobs compared to men when firms experience internal challenges such as sudden drops in sales or financial difficulties.

#### Key findings:

- Women’s wages are 25% more sensitive than men’s.
- Women are 34% more likely to lose jobs than men in downturns.
- The gap is wider for women with children, at smaller firms, or where there are no female executives.

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