

A framework for estimating structural models of mortgage debtors' behavior

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This paper discusses alternative approaches to estimate models of behavior of mortgage debtors. Specifically, the focus is on the understanding of default decisions. The goal is the development of empirical techniques that yield estimates of the structural parameters of the model that generates observed behavior. Such estimation would allow the computation of default probabilities and the evaluation of counterfactual equilibria in a manner that is consistent with an underlying economic model.