



## Illinois Wesleyan University Digital Commons @ IWU

---

John Wesley Powell Student Research  
Conference

2010, 21st Annual JWP Conference

---

Apr 10th, 11:00 AM - 12:00 PM

# Analysis of Mortgage Values

Dennis Zic

*Illinois Wesleyan University*

Diego Mendez-Carbajo, Faculty Advisor

*Illinois Wesleyan University*

Follow this and additional works at: <http://digitalcommons.iwu.edu/jwprc>

 Part of the [Economics Commons](#)

---

Zic, Dennis and Mendez-Carbajo, Faculty Advisor, Diego, "Analysis of Mortgage Values" (2010). *John Wesley Powell Student Research Conference*. 1.

<http://digitalcommons.iwu.edu/jwprc/2010/oralpres8/1>

This Event is brought to you for free and open access by The Ames Library, the Andrew W. Mellon Center for Curricular and Faculty Development, the Office of the Provost and the Office of the President. It has been accepted for inclusion in Digital Commons @ IWU by the faculty at Illinois Wesleyan University. For more information, please contact [digitalcommons@iwu.edu](mailto:digitalcommons@iwu.edu).

©Copyright is owned by the author of this document.

Oral Presentation O8.1

**ANALYSIS OF MORTGAGE VALUES**

Dennis Zic and Diego Mendez-Carbajo\*  
Economics Department, Illinois Wesleyan University

This study attempts to analyze the impact of the Federal Housing Tax Credit of 2009 on home purchasing patterns. With an estimated 18% of U.S. GDP tied to the recovery of the housing market, an effective policy to stimulate the housing market could potentially portend the overall recovery of the overall U.S. economy. To determine the impact of the tax credit, it is necessary to first identify the seasonal component of the data. To isolate the tax credit's degree of impact, I will subtract the average seasonal component from 1999 to 2008 from seasonal component for the year 2009. Based on the statistical significance of this difference, a hypothesis can begin to be formulated about the effectiveness of the tax credit. The mortgage values for this sample come from McLean County, Illinois on a monthly basis, from January 1999 through December 2009. With an urban to rural ratio and homeownership rate similar to the national average, McLean County provides a representative sample of the American housing market.