



**Illinois Wesleyan University**  
**Digital Commons @ IWU**

---

John Wesley Powell Student Research  
Conference

2010, 21st Annual JWP Conference

---

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

## **The Frequency of Subordination Agreements Per Month in McLean County (1998-2009)**

Samantha Eads  
*Illinois Wesleyan University*

Diego Mendez-Carbajo, Faculty Advisor  
*Illinois Wesleyan University*

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



Part of the [Business Commons](#)

---

Eads, Samantha and Mendez-Carbajo, Faculty Advisor, Diego, "The Frequency of Subordination Agreements Per Month in McLean County (1998-2009)" (2010). *John Wesley Powell Student Research Conference*. 3.

<https://digitalcommons.iwu.edu/jwprc/2010/oralpres3/3>

This Event is protected by copyright and/or related rights. It has been brought to you by Digital Commons @ IWU with permission from the rights-holder(s). You are free to use this material in any way that is permitted by the copyright and related rights legislation that applies to your use. For other uses you need to obtain permission from the rights-holder(s) directly, unless additional rights are indicated by a Creative Commons license in the record and/ or on the work itself. This material has been accepted for inclusion by 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 O3.2

**THE FREQUENCY OF SUBORDINATION AGREEMENTS PER MONTH IN  
MCLEAN COUNTY (1998-2009)**

Samantha Eads and Diego Mendez-Carbajo\*  
Economics Department, Illinois Wesleyan University

This paper studies the impact of business cycles on the frequency of subordination agreements per month in McLean County, Illinois from January 1998 to December 2009. This study examines trends, seasonal components, and autoregressive and moving-average components of the data to forecast this impact in the future. Both autoregressive and moving-average components indicate the influence of previous values on the current value of the data. A subordination agreement is a legal document that establishes the place of priority of mortgages, liens, and claims on the same parcel of land. It is estimated that the frequency of subordination agreements per month is countercyclical, meaning it will increase during a recession and decrease during an expansion. The data shows that during the recession of the early 2000s there was a dramatic increase in the number of subordination agreements per month, but after the housing market collapsed there was only a slight increase in this frequency.