

---

[Access this article at Elsevier](#)

[Access this article at REPOSITORIO BANREP](#)

Keep in mind

En la revista Ensayos sobre Política Económica (ESPE) divulgamos los resultados y las propuestas de política que surgen de investigaciones académicas realizadas en el Banco de la República. Cuando nos lea, tenga siempre presente que el contenido de nuestros artículos, así como los análisis y conclusiones que de ellos se derivan, son exclusiva responsabilidad de sus autores. El material divulgado en nuestra revista ESPE no compromete ni representa la opinión del Banco de la República ni la de su Junta Directiva.

AUTHOR OR EDITOR

Martha López

AUTHORS AND/OR EDITORS

[Tenjo-Galarza, Fernando](#)

[Zárate-Solano, Héctor M.](#)

---

Publication Date:

Sunday, 01 June 2014

## **Abstract**

In this paper we investigate the impact of rapid credit growth on ex ante credit risk. We present microeconomic evidence of the positive relationship between rapid credit growth and deterioration in lending portfolios: Loans granted during boom periods have higher probability of default than those granted during periods of slow credit growth. In addition, given their importance for macroprudential policy, we evaluate the effectiveness of the implementation of the countercyclical loan provisions. We find a negative relationship between the amplitude of credit cycles and this kind of macroprudential tool.