'Swedish banks fail to cut mortgage rates'

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Bloomberg said that Sweden’s banks have drawn criticism from Finance Minister Anders Borg for failing to cut mortgage rates. Their reluctance to do so is about the only thing preventing a full-blown housing bubble.

“What Borg wants is for banks to hand out cheaper loans without that increasing demand for loans,” Pär Magnusson, chief analyst for Scandinavian rates at Royal Bank of Scotland Group Plc in Stockholm, told the newswire. “That’s an impossible equation.”