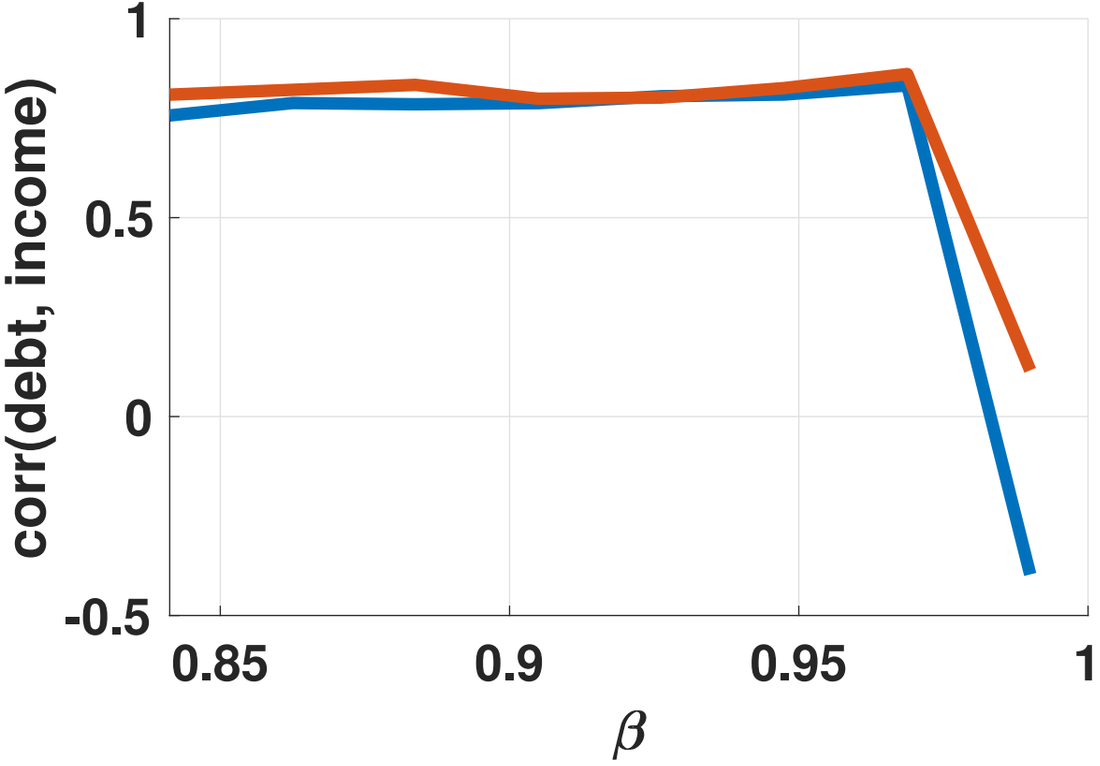
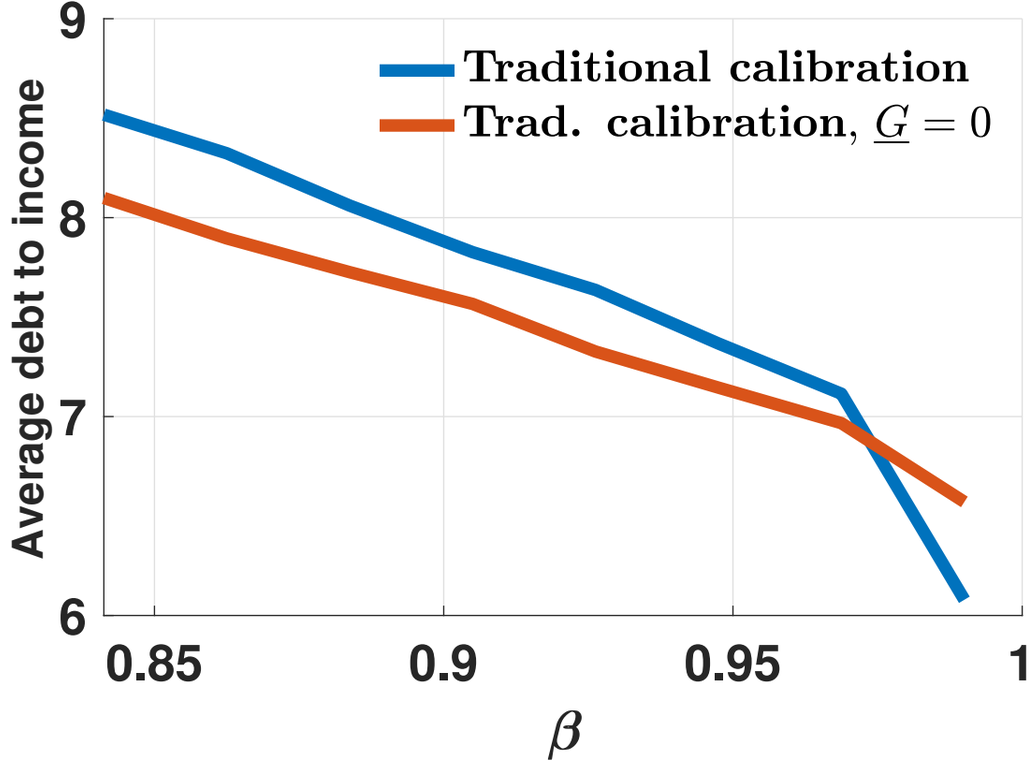
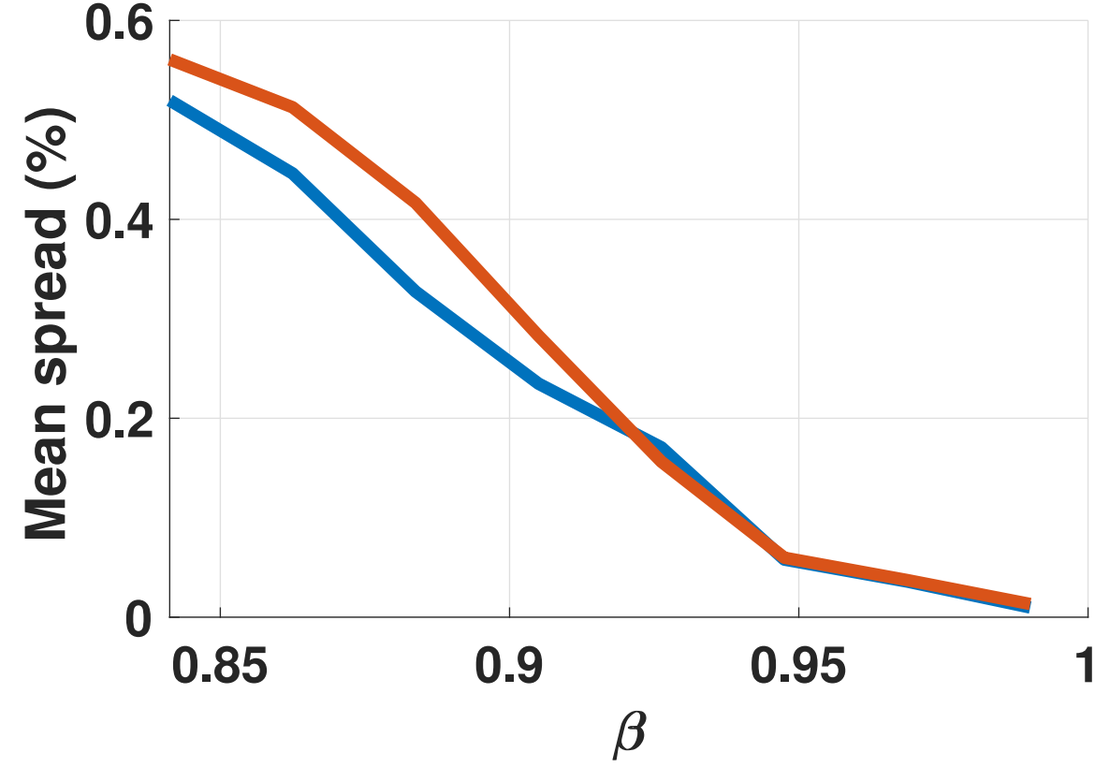
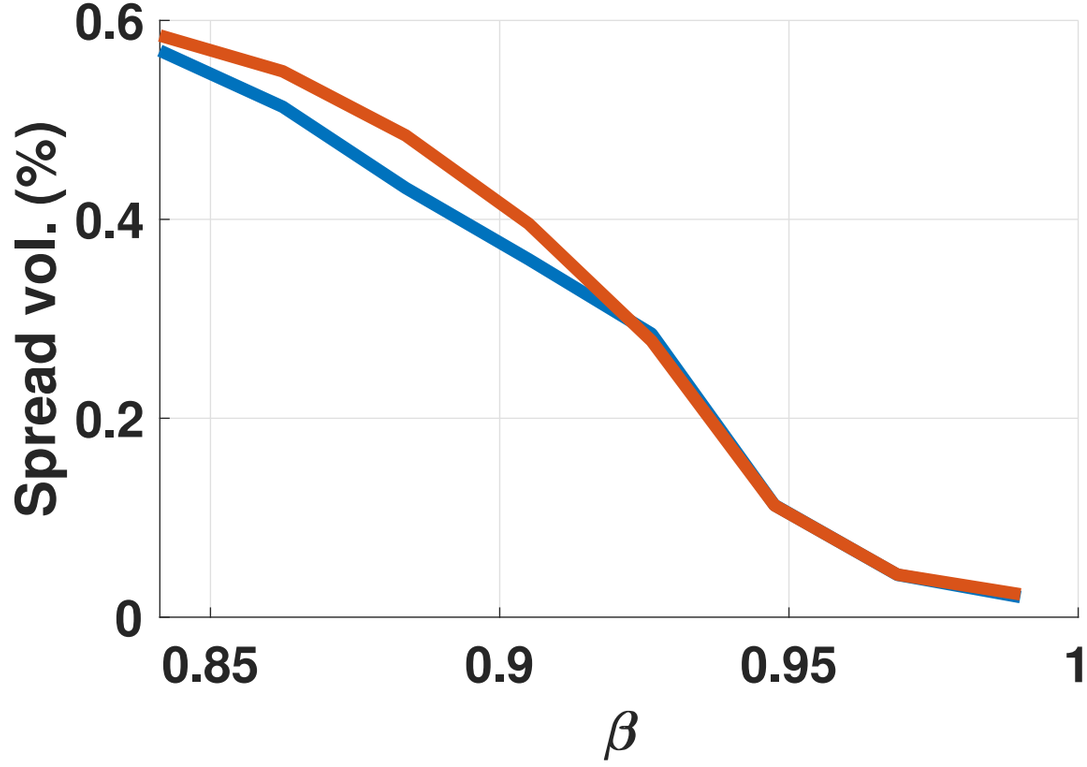

corr(debt, income)
1
0.5
0
-0.5
0.85
0.9
0.95
1
β


Average debt to income
9
8
7
6
Traditional calibration
Trad. calibration, $\underline{G} = 0$
0.85
0.9
0.95
1
β


Mean spread (%)
0.6
0.4
0.2
0
0.85
0.9
0.95
1
β


Spread vol. (%)
0.6
0.4
0.2
0
0.85
0.9
0.95
1
β