

**The impact of the recent financial crisis on bank loan interest rates and guarantees.
The case of Italian small-sized firms.***

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Abstract. The paper analyzes the role of guarantees on interest rates before and during the recent financial crisis on small-sized firm financing. The novelty of this work is the distinction between real and personal guarantees, and the potential different role they could have played in the bank-borrower relationship as the recent financial crisis is taken into account.

This paper uses individual Italian bank and producer households data drawn from the Central Credit Register at the Bank of Italy over the period 2006-2009.

Our analysis shows that collateral and personal guarantees affect the cost of credit of small business by reducing systematically the spread of secured loans, once we control for borrower and loan riskiness, and that this effect is amplified during the crisis.

Keywords: small firms, financial crisis, asymmetric information, collateral.

JEL classification: E43, G21, D82

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