

# Fiscal Policy under Staggered Loan Contract

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This paper investigates the effects of fiscal policy in DSGE model with staggered loan contracts under monopolistic competition as a financial friction. We show that the qualitative and quantitative effects of fiscal policy are affected by the stickiness of loan contracts to simulate the model, and its effect is effective in the meaning of shrinking the spread to use the Bayesian structural estimation.

**JEL classification:** E62, E32, G21, H63, F41

**Keyword:** Staggered loan contracts, Fiscal policy, Bayesian Estimation