Abstract
The aim of this paper is the economic analysis of the mortgage crisis occurred in the United States and its impact on Mexico from a theoretical perspective. The immediate origin of the crisis focuses on the U.S. mortgage market. The expansion of the housing sector led to a massive range of mortgages, of which one fifth was granted to families with enough income to liquidate only if interest rates were low. By raising interest rates and increasing banks' nonperforming loans that were granted mortgages they proceeded to sell mortgage securities to financial markets leading to a crisis that spread throughout the financial system, with the resulting lack of liquidity and significant reduction in the supply of credit to consumers and businesses. This situation resulted in lower investment and reduction of productive activity not only in America but also in other countries, including Mexico where the impacts on production and employment have been adverse.