

Legal cost of contract enforcement and nonperforming loans: Is credit information sharing relevant?

[Michael Adusei](#), [Ngozi Adeleye](#), [Beatrice Sarpong-Danquah](#)

First published: 17 January 2022

<https://doi.org/10.1002/mde.3540>



48-Hour online access\$10.00

• [Details](#)



Online-only access\$18.00

• [Details](#)



PDF download and online access\$42.00

• [Details](#)

[Check out](#)

Abstract

We examine the impact of legal cost of contract enforcement on nonperforming loans (“NPLs”) with data from 132 countries. In addition, we examine whether this impact is sensitive to the income groups of countries and the presence of credit information sharing. We observe a robust negative association between legal cost of contract enforcement and NPLs in both full sample and subsample

analyses. We also observe that in the presence of credit information sharing, the effect of legal cost of contract enforcement slowing down NPLs is constrained across all income groups except the low-income one.

About Wiley Online Library

- [Manage Cookies](#)

Copyright © 1999-2022 [John Wiley & Sons, Inc.](#) All rights reserved

WILEY