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Sommario/riassunto	Callable mortgage bonds are utilized by individuals and companies to finance the purchase of real estate, and this asset class therefore plays a crucial role in modern society. Callable mortgage bonds constitute an enormous asset class and often offer long-term stable investments that are very attractive for pension funds. This book focuses on the pricing and calculation of risk numbers of callable fixed-rate mortgage bonds.

Owing to the, from a financial perspective, irrational behaviour of borrowers, the pricing of these instruments usually requires the use of numerical solutions. Traditionally, it has been either a Monte Carlo simulation or a Finite Difference method. This book covers both methods and, in addition, the relatively new Fourier technique. This latter technique also creates a link between the interest rate derivatives market and the market for callable mortgage bonds. Finally, a chapter presenting a model for the valuation of a mortgage credit institute's loan book is included. .