



香港城市大學
City University of Hong Kong

專業 創新 胸懷全球
Professional · Creative
For The World

CityU Scholars

Correction: Wong, M.C.S.; Ho, H.M. A Framework for Integrating Extreme Weather Risk, Probability of Default, and Loss Given Default for Residential Mortgage Loans. *Sustainability*, 2023, 15, 11808

Wong, Michael C. S.; Ho, Ho Ming

Published in:
Sustainability (Switzerland)

Published: 01/03/2024

Document Version:
Final Published version, also known as Publisher's PDF, Publisher's Final version or Version of Record

License:
CC BY

Publication record in CityU Scholars:
[Go to record](#)

Published version (DOI):
[10.3390/su16062516](https://doi.org/10.3390/su16062516)

Publication details:
Wong, M. C. S., & Ho, H. M. (2024). Correction: Wong, M.C.S.; Ho, H.M. A Framework for Integrating Extreme Weather Risk, Probability of Default, and Loss Given Default for Residential Mortgage Loans. *Sustainability*, 2023, 15, 11808. *Sustainability (Switzerland)*, 16(6), Article 2516. <https://doi.org/10.3390/su16062516>

Citing this paper

Please note that where the full-text provided on CityU Scholars is the Post-print version (also known as Accepted Author Manuscript, Peer-reviewed or Author Final version), it may differ from the Final Published version. When citing, ensure that you check and use the publisher's definitive version for pagination and other details.

General rights

Copyright for the publications made accessible via the CityU Scholars portal is retained by the author(s) and/or other copyright owners and it is a condition of accessing these publications that users recognise and abide by the legal requirements associated with these rights. Users may not further distribute the material or use it for any profit-making activity or commercial gain.

Publisher permission

Permission for previously published items are in accordance with publisher's copyright policies sourced from the SHERPA RoMEO database. Links to full text versions (either Published or Post-print) are only available if corresponding publishers allow open access.

Take down policy

Contact lbscholars@cityu.edu.hk if you believe that this document breaches copyright and provide us with details. We will remove access to the work immediately and investigate your claim.

Correction

Correction: Wong, M.C.S.; Ho, H.M. A Framework for Integrating Extreme Weather Risk, Probability of Default, and Loss Given Default for Residential Mortgage Loans. *Sustainability* 2023, 15, 11808

Michael C. S. Wong ^{1,*} and Ho Ming Ho ²

¹ Department of Economics and Finance, City University of Hong Kong, Kowloon Tong, Hong Kong, China

² College of Business, City University of Hong Kong, Kowloon Tong, Hong Kong, China; homingho3@cityu.edu.hk

* Correspondence: efmw103@cityu.edu.hk

The authors would like to make the following corrections about the published paper [1]. The changes are as follows:

(1) Additional Affiliation:

In the published publication [1], there was an error regarding the affiliation for Michael C. S. Wong. In addition to affiliation 1, the updated affiliation should include: Department of Economics and Finance, City University of Hong Kong, Kowloon Tong, Hong Kong, China.

Ho Ming Ho is belongs to affiliation 2: College of Business, City University of Hong Kong, Kowloon Tong, Hong Kong, China.

(2) Replacing the fourth sentence in the abstract:

“Using simulation techniques, this paper shows that the loss of the bank’s residential mortgage portfolio can reach a median of around 36% of the portfolio value.”
with

“Using simulation techniques, this paper shows that the loss of the bank’s residential mortgage portfolio can reach a portfolio loss of 24.1% at the 99th percentile and of 39.04% at the 99.9th percentile.”

(3) Replacing line 4 on page 3:

“The results show that the bank can suffer a loss with a median of around 36% of the portfolio value and with an upper quartile of around 47% of the portfolio value.”
with

“The results show that the bank can suffer a portfolio loss of 24.1% at the 99th percentile and of 39.04% at the 99.9th percentile.”

(4) Replacing the first sentence of the last paragraph on page 10:

“Table 4 shows a median portfolio loss percentage of 36.77%, which is close to the total stressed loss percentage of 35.58% in Table 2.”
with

“Table 4 shows a portfolio loss of 24.1% at the 99th percentile and of 39.04% at the 99.9th percentile, which are close to the total stressed loss of 35.58% in Table 2.”

(5) Replacing line 2 on page 11:

“The portfolio loss % values in Table 4, from Top 1% to Median, are all higher than the total stressed loss of 35.58% in Table 2.”
with



Citation: Wong, M.C.S.; Ho, H.M. Correction: Wong, M.C.S.; Ho, H.M. A Framework for Integrating Extreme Weather Risk, Probability of Default, and Loss Given Default for Residential Mortgage Loans. *Sustainability* 2023, 15, 11808. *Sustainability* 2024, 16, 2516. <https://doi.org/10.3390/su16062516>

Received: 29 February 2024

Revised: 1 March 2024

Accepted: 4 March 2024

Published: 19 March 2024



Copyright: © 2024 by the authors. Licensee MDPI, Basel, Switzerland. This article is an open access article distributed under the terms and conditions of the Creative Commons Attribution (CC BY) license (<https://creativecommons.org/licenses/by/4.0/>).

“The portfolio loss % values in Table 4, from the top 10% to the top 0.1%, range between 9.82% and 39.04%.”

(6) Replacing line 7 on page 12:

“Under default correlation, the portfolio loss can reach a median of 36% and an upper quartile of 47%.”

with

“Under default correlation, the portfolio loss can reach 24.1% at the 99th percentile and 39.04% at the 99.9th percentile.”

(7) The authors would like to change the table content, replacing the original Table 4, as follows:

Table 4. Simulated outcomes of the residential mortgage portfolio.

	Portfolio Loss (USD 000)	Portfolio Loss%
Top 1%	3248.5	63.61%
Top 5%	2969.2	58.14%
Top 10%	2764.1	54.12%
Top 25%	2358.1	46.17%
Median	1878.0	36.77%
Bottom 25%	1358.5	26.60%
Bottom 10%	959.3	18.78%
Bottom 5%	774.5	15.17%
Bottom 1%	574.4	11.25%

with

Table 4. Simulated outcomes of the residential mortgage portfolio.

Percentile	Portfolio Loss (USD 000)	Portfolio Loss%
Top 0.1% (99.9%)	1993.9	39.04%
Top 1% (99%)	1230.6	24.10%
Top 5% (95%)	705.6	13.82%
Top 10% (90%)	501.3	9.82%
Top 25% (75%)	240.3	4.71%
Median (50%)	0	0.00%

(8) Other questions

The authors apologize for any inconvenience caused and state that the scientific conclusions are unaffected. This correction was approved by the Academic Editor. The original publication has also been updated.

Reference

1. Wong, M.C.S.; Ho, H.M. A Framework for Integrating Extreme Weather Risk, Probability of Default, and Loss Given Default for Residential Mortgage Loans. *Sustainability* **2023**, *15*, 11808. [[CrossRef](#)]

Disclaimer/Publisher’s Note: The statements, opinions and data contained in all publications are solely those of the individual author(s) and contributor(s) and not of MDPI and/or the editor(s). MDPI and/or the editor(s) disclaim responsibility for any injury to people or property resulting from any ideas, methods, instructions or products referred to in the content.