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## **“EMF Responds to EBA on Responsible Lending and Arrears Handling Good Practices”**

**Brussels, 30 August 2013 – For immediate release**

The European Mortgage Federation ([EMF](#)) has today responded to the European Banking Authority's (EBA) Opinions on Good Practices for Responsible Mortgage Lending and for the treatment of borrowers in mortgage payment difficulties (“arrears handling”). These Opinions are addressed to competent authorities and aim at promoting common practices, with the ultimate goal of enhancing consumer protection and contributing to the stability, integrity and effectiveness of the financial system.

In the first instance, the EMF raises a general concern about possible overlap between the two Opinions and the soon-to-be-adopted Commission Proposal for a Directive on Credit Agreements relating to Residential Property (CARRP) on the one hand, and the recently adopted Capital Requirements Package (CRD IV/CRR) on the other, and the subsequent need for careful monitoring to ensure consistency.

The EMF then goes on to comment extensively on the EBA's statements regarding the causes of the crisis in Europe and creditors' prudential conduct in the EU, e.g. how they fund their lending activities. In relation to the proposed Good Practices on Responsible Lending, the EMF provides its views on income verification, reasonable debt service coverage, in particular lending thresholds, and lending & supervisory processes. Regarding the Opinion on Good Practices for “arrears handling”, the EMF reiterates the importance the Industry places on providing sustainable long-term access to home ownership and details the extensive measures that lenders are already taking to support those in financial difficulty.

The full EMF response is available now via the EMF [website](#) and the EBA Opinions are available [here](#).

### **Contacts:**

**Annik Lambert**  
Secretary General  
Tel: : +32 2 285 40 44  
[alambert@hypo.org](mailto:alambert@hypo.org)

**Jennifer Johnson**  
Head of Legal Affairs  
Tel: : +32 2 285 40 45  
[jjohnson@hypo.org](mailto:jjohnson@hypo.org)

### **Notes to the Editor:**

- Established in 1967, the **European Mortgage Federation** ([EMF](#)) is the voice of the European mortgage industry, representing the interests of mortgage lenders and covered bonds issuers at European level. The EMF provides data and information on European mortgage markets and its members grant more than 75% of residential and non-residential mortgage loans in Europe (worth over €6.5 trillion at the end of 2011).



**European Mortgage Federation aisbl**

Avenue de Cortenbergh, 71 B-1000 Brussels - Belgium | Tel: +32 2 285 40 30 | Fax: +32 2 285 40 31 | TVA BE 411 583 173  
[emfinfo@hypo.org](mailto:emfinfo@hypo.org) | [www.hypo.org](http://www.hypo.org)



As of August 2013, the EMF has 26 members across 16 EU Member States as well as a number of observer members in the EU and the Russian Federation.

- In 2004 the EMF founded the **European Covered Bond Council (ECBC)**, which is a platform that brings together covered bond market participants including covered bond issuers, analysts, investment bankers, rating agencies and a wide range of interested stakeholders. As of August 2013, the ECBC has 100 members across 25 active covered bond jurisdictions and many different market segments. ECBC members represent over 95% of covered bonds outstanding (worth over €2.8 trillion at the end of 2012).
- In 2012, the EMF established the **Covered Bond Label Foundation (CBLF)**, which highlights the quality of labelled assets. As of August 2013, 84 labels have been granted to over 4000 covered bonds from 70 issuers in 14 countries for a total face value of covered bonds which amounts to over €1.4 trillion (approximately 55% of the global outstanding and 58% of the EU covered bond market).
- For the latest updates from the EMF & ECBC, follow us on [Twitter](#) and [LinkedIn](#).



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emfinfo@hypo.org | [www.hypo.org](http://www.hypo.org)