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Briefing note on mortgage foreclosure processes

Total deposit institutions

In accordance with the commitment announced by the Banco de España in May 2013, to ask credit institutions for information on judicial procedures relating to residential mortgages and to publish it regularly, this note provides the figures for 2015.

Information on mortgage foreclosure processes was published for the first time by the Banco de España in May 2013, with the aim of providing statistical data on this matter, which was largely unavailable to the public at that time. Since then, the Banco de España has required this information of all banks, publishing it in briefing notes.

There have, however, been notable advances in the availability of public information on mortgage foreclosures since the first note was published by the Banco de España. In particular, in June 2014, the National Statistics Institute (INE) published the first results using series on mortgage foreclosures. The quarterly data published by INE since then break down the information into different types of properties, including individuals' principal dwellings and also offer figures broken down by region. In other words, INE's statistic has greater detail and is published more frequently than that prepared by the Banco de España.

For this reason, the Banco de España announced in July 2015 that it would complete its own statistic with the data for 2015, but would discontinue publishing mortgage foreclosure data thereafter, having achieved its initial aim of providing information to the public which was lacking in 2013, and having noted the emergence of more complete and more frequent statistical sources.

Mortgage foreclosure data

Table 1 shows the latest information published by the Banco de España on mortgage foreclosures. The information requested includes repossession of foreclosed dwellings and dwellings received in payment of debt arising from lending to households for house purchase, distinguishing between principal residences and other types of dwellings (second homes or dwellings to let).¹ The scope of the data included in this note encompasses all deposit institutions and they relate to 2015, comparing them with those for 2014. The main conclusions drawn are as follows:

¹ The information reported refers solely to mortgage lending to retail customers without a business or professional purpose, i.e. the scope of reference is residential mortgage lending for house purchase.

- The total number of mortgages granted to households for house purchase as at December 2015 was 6,385,023, 1.1 % less than at December 2014.
- The number of repossessions as a percentage of the number of mortgages granted to households for house purchase in 2015 was 0.57 %. In the case of principal residences this percentage was 0.51 %.
- Voluntary repossessions accounted for 51.4 % of the total, rising to 52.8% in the case of principal residences. In turn, defaults in payment of debt in 2015 accounted for 85.2 % of all voluntary repossessions, 85.1 % of which relate to principal residences.
- The total number of judicial repossessions accounted for 48.6 % of total repossessions and 47.2 % of principal residences. Of the total number of judicial repossessions, 93.8 % related to dwellings that were unoccupied at the time of repossession. In the case of principal residences this percentage was 93.5 %. Law enforcement agents were involved in 14 judicial repossessions.
- In 82 % of judicial repossessions of occupied dwellings, the related mortgage was originated in 2007 or earlier.

Finally, the following conclusions may be drawn from a comparison of the 2015 figures with those for 2014.

- The total number of repossessions decreased by 3.4 % in 2015. In the case of principal residences this decrease was 2.4 %.
- The total number of voluntary repossessions decreased by 14.8 % in 2015. In the case of principal residences the decrease was 20.1 %.
- There was an 11.3 % increase in judicial repossessions over the previous year. In the case of unoccupied dwellings the increase was 14 %. However, repossessions of occupied dwellings dropped by 18.2 %.
- Finally, the number of repossessions with the involvement of law enforcement agents fell by 44 % in 2015 relative to 2014.

Table 1. December 2015 data and comparison with those for 2014²

	December 2015			December 2014		
	Principal residence	Other dwellings	Total dwellings	Principal residence	Other dwellings	Total dwellings
1. No. of mortgages to households for house purchase	5,803,699	581,324	6,385,023	5,828,427	629,701	6,458,128
2. Repossessions	29,327	7,602	36,929	30,056	8,346	38,402
2.1 Voluntary repossessions	15,500	3,490	18,990	19,406	2,881	22,287
Of which: dations in payment	13,193	2,982	16,175	16,489	1,994	18,483
2.2 Judicial repossessions	13,827	4,112	17,939	10,650	5,465	16,115
2.2.1 Judicial repossessions of unoccupied dwellings	12,925	3,902	16,827	9,521	5,234	14,755
2.2.2 Judicial repossessions of occupied dwellings	902	210	1,112	1,129	231	1,360
With involvement of law enforcement agents	6	8	14	20	5	25

² The figures for 2014 have been changed from those published in the July 2015 briefing note due to reporting errors by one bank. Those included in this table have been duly corrected.