



PRESS RELEASE

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The Banco de España calls on credit institutions to review whether their *floor clauses* conform to Ruling 241/2013 by the Supreme Court

The Directorate General Regulation and Financial Stability of the Banco de España has today sent a letter to the professional associations of the banking sector (AEB, CECA and UNACC) requesting they convey to their respective members the need to review whether the so-called floor clauses in their outstanding mortgage loans conform to the transparency standards laid down by the recent Ruling No. 241/2013 dated 9 May delivered by the Civil Division of the Supreme Court. This ruling has declared the *floor clauses* in the mortgage loan agreements of three credit institutions entered into with consumers as null and void, owing to a lack of transparency.

Institutions should inform the Banco de España before 31 July of the conclusions of this review and, in particular, of the impact that the elimination of the clauses – where this is deemed appropriate or necessary in view of the above-mentioned Ruling – might have on their results .

The letter further states that banks should henceforth take all due care when selling mortgage loans that include this type of clause, adhering in particular to: the information requirements of Ministerial Order EHA/2899/2011 of 28 October 2011 on transparency and protection of banking services customers; Banco de España Circular 5/2012 of 27 June 2012, addressed to credit institutions and payment service providers, on the transparency of banking services and responsibility in the extension of loans; and the criteria laid down by the above-mentioned Ruling.

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