

04.06.2020

## **Briefing note on application of moratoria established by law and by the banking sector on mortgage and non-mortgage loans up to 31 May 2020**

---

To address the economic and social impact of the COVID-19 pandemic, several support measures have been approved for workers, households and vulnerable groups. These measures include the introduction of legislative moratoria on mortgage debts<sup>1</sup> and the temporary suspension of payment obligations deriving from non-mortgage loan agreements for individuals who are economically vulnerable as a consequence of the health crisis caused by COVID-19, in accordance with the criteria established in the regulations.<sup>2</sup> Further, with the intention of allowing loan repayment deferrals on a broader scale, and in addition to the deferral measures initially envisaged in the legislative moratoria, a special system has been established for moratoria agreements between lenders and their customers through the banking sector associations.<sup>3</sup>

This briefing note updates that published a month ago<sup>4</sup> and presents the information available on the application of the moratoria established by law and by the banking sector, with the data as at end-May submitted by institutions to the Banco de España. The information may be summarised as follows (see tables attached):

- A total of 258,611 applications for legislative moratoria on mortgage loan payments had been received, of which 208,698 had been granted. The outstanding balance of loan payments suspended amounted to €18,833 million.
- A total of 383,320 applications for legislative moratoria on non-mortgage loan payments had been received, of which 318,751 had been granted. The outstanding balance of loan payments suspended amounted to €2,345 million.
- A total of 345,506 applications for banking sector moratoria had been received, of which 260,472 had been granted. The outstanding balance of loan payments suspended amounted to €11,748 million.

---

<sup>1</sup> Initially, the moratoria only affected main residence mortgages, but the measures were subsequently extended to include property used by self-employed entrepreneurs and professionals for their economic activity, as well as rented housing other than the main residence in cases in which the mortgagor/lessor ceased to receive rent payments by application of the measures introduced to assist tenants as a consequence of the state of alert.

<sup>2</sup> See, respectively, Royal Decree Law 8/2020 of 17 March 2020 (last update, 27 May 2020) and Royal Decree Law 11/2020 of 31 March 2020. The definition of economic vulnerability includes conditions prior to the pandemic (for example, having in general a level of income that is three times less than the IPREM, a Spanish public income indicator), and other conditions ensuing from the pandemic (for example, becoming unemployed).

<sup>3</sup> Royal Decree 19/2020 of 26 May 2020 includes special moratoria measures under a sectoral framework agreement, broadening the range of persons eligible for debt deferrals beyond the economically vulnerable and allowing the latter to extend their deferrals when the legislative moratoria come to an end.

<sup>4</sup> [Briefing note on application of legislative moratoria on mortgage and non-mortgage loans up to 30 April 2020.](#)

- For all three types of moratorium, the vast majority of borrowers and guarantors benefiting from these measures (over 70%) are wage and salaried workers.
- In the case of self-employed workers, the breakdown by sector of activity shows that, for all three types of moratorium, the main sectors benefiting from the measures are wholesale and retail trade, accommodation and food service activities, and other services, followed at some distance by professional, scientific and technical activities, transport and construction. Together these sectors of activity account for more than 75% of the total moratoria for self-employed workers granted to date.

**Table 1. Information on legislative mortgage debt moratoria, total system**

APPLICATIONS	Number	
Moratoria applications submitted	258,611	
Moratoria applications granted	208,698	
LOANS SUSPENDED	€m	Total System loans (€m)
Balance outstanding of loans suspended	18,833	474,009
BORROWERS BENEFITING FROM MORATORIA MEASURES*	Number	Percentage
Wage and salaried workers	235,476	73.4
Self-employed (entrepreneurs or professionals)	85,365	26.6
GUARANTORS*	Number	Percentage
Wage and salaried workers	65,509	90.4
Self-employed (entrepreneurs or professionals)	6,963	9.6
BREAKDOWN OF SELF-EMPLOYED BORROWERS BY CNAE (Spanish National Classification of Economic Activities)	Number	Percentage
A Agriculture, forestry and fishing	1,645	1.9
B Mining and quarrying	46	0.1
C Manufacturing	4,033	4.7
D Electricity, gas, steam and air conditioning supply	132	0.2
E Water supply	70	0.1
F Construction	4,960	5.8
G Wholesale and retail trade	16,729	19.6
H Transportation and storage	5,591	6.5
I Accommodation and food service activities	16,568	19.4
J Information and communication	873	1.0
K Financial and insurance activities	407	0.5
L Real estate activities	1,397	1.6
M Professional, scientific and technical activities	6,212	7.3
N Administrative and support service activities	2,449	2.9
O Public administration and defence; compulsory social security	36	0.0
P Education	1,779	2.1
Q Human health and social work activities	2,405	2.8
R Arts, entertainment and recreation	2,256	2.6
S Other service activities	17,779	20.8

\* The number of borrowers benefiting from the suspension measures does not coincide with the number of moratoria applications granted because one loan may include more than one borrower. Similarly, the number of guarantors benefiting from the suspension measures does not coincide with the number of moratoria applications granted because they do not all include a guarantor.

**Table 2. Information on legislative suspension of payment obligations deriving from non-mortgage loan agreements, total system**

APPLICATIONS	Number	
Payment suspension applications submitted	383,320	
Payment suspension applications granted	318,751	
LOANS SUSPENDED	€m	Total System loans (€m)
Balance outstanding of loans suspended	2,345	181,211
BORROWERS BENEFITING FROM SUSPENSION MEASURES*	Number	Percentage
Wage and salaried workers	241,062	74.3
Self-employed (entrepreneurs or professionals)	83,324	25.7
GUARANTORS*	Number	Percentage
Wage and salaried workers	11,392	75.4
Self-employed (entrepreneurs or professionals)	3,715	24.6
BREAKDOWN OF SELF-EMPLOYED BORROWERS BY CNAE (Spanish National Classification of Economic Activities)	Number	Percentage
A Agriculture, forestry and fishing	1,431	1.7
B Mining and quarrying	58	0.1
C Manufacturing	3,020	3.6
D Electricity, gas, steam and air conditioning supply	85	0.1
E Water supply	72	0.1
F Construction	3,727	4.5
G Wholesale and retail trade	15,049	18.1
H Transportation and storage	8,058	9.7
I Accommodation and food service activities	16,368	19.6
J Information and communication	892	1.1
K Financial and insurance activities	486	0.6
L Real estate activities	995	1.2
M Professional, scientific and technical activities	5,916	7.1
N Administrative and support service activities	2,063	2.5
O Public administration and defence; compulsory social security	39	0.0
P Education	1,610	1.9
Q Human health and social work activities	1,976	2.4
R Arts, entertainment and recreation	2,369	2.8
S Other service activities	19,119	22.9

\* The number of borrowers benefiting from the suspension measures does not coincide with the number of moratoria applications granted because one loan may include more than one borrower. Similarly, the number of guarantors benefiting from the suspension measures does not coincide with the number of moratoria applications granted because they do not all include a guarantor.

**Table 3. Information on banking sector moratoria, total system**

APPLICATIONS	Number	
Payment suspension applications submitted	345,506	
Payment suspension applications granted	260,472	
LOANS SUSPENDED	€m	Total System loans (€m)
Balance outstanding of loans suspended	11,748	655,220
BORROWERS BENEFITING FROM SUSPENSION MEASURES*	Number	Percentage
Wage and salaried workers	242,398	74.7
Self-employed (entrepreneurs or professionals)	82,260	25.3
GUARANTORS*	Number	Percentage
Wage and salaried workers	25,890	84.8
Self-employed (entrepreneurs or professionals)	4,627	15.2
BREAKDOWN OF SELF-EMPLOYED BORROWERS BY CNAE Spanish National Classification of Economic Activities)	Number	Percentage
A Agriculture, forestry and fishing	3,899	4.7
B Mining and quarrying	50	0.1
C Manufacturing	3,581	4.3
D Electricity, gas, steam and air conditioning supply	126	0.2
E Water supply	65	0.1
F Construction	4,779	5.7
G Wholesale and retail trade	15,607	18.7
H Transportation and storage	6,062	7.3
I Accommodation and food service activities	14,740	17.7
J Information and communication	1,125	1.4
K Financial and insurance activities	663	0.8
L Real estate activities	1,392	1.7
M Professional, scientific and technical activities	7,411	8.9
N Administrative and support service activities	2,465	3.0
O Public administration and defence; compulsory social security	106	0.1
P Education	1,540	1.8
Q Human health and social work activities	2,514	3.0
R Arts, entertainment and recreation	2,021	2.4
S Other service activities	14,117	16.9

\* The number of borrowers benefiting from the suspension measures does not coincide with the number of moratoria applications granted because one loan may include more than one borrower. Similarly, the number of guarantors benefiting from the suspension measures does not coincide with the number of moratoria applications granted because they do not all include a guarantor.