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Briefing note on application of legislative moratoria on mortgage and non-mortgage loans up to 30 April 2020

To address the economic and social impact of the COVID-19 pandemic, in recent weeks several support measures have been approved for workers, households and vulnerable groups. These measures include the introduction of legislative moratoria¹ on mortgage debts² 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.³

This note presents the information available on the application of these measures, with data as at 30 April, submitted by institutions to the Banco de España. The information may be summarised as follows (see tables attached):

- A total of 228,322 applications for moratoria on mortgage loan payments had been received, of which 65,559 had been granted. The outstanding balance of mortgage payments suspended amounted to €6,525 million.
- A total of 296,924 applications for moratoria on non-mortgage loan payments had been received, of which 59,163 had been granted. The outstanding balance of non-mortgage payments suspended amounted to €585 million.
- For both loan types, the vast majority of borrowers and guarantors benefitting from these measures (over 70%) are wage and salaried workers.
- In the case of the self-employed, the breakdown by sector of activity shows that, for both loan types, the main sectors benefitting from the moratoria are wholesale and retail trade and accommodation and food service activities, followed at a considerable distance by other service activities, transport and construction. Together they account for more than 70% of the total moratoria applications granted to date.

¹ Accordingly, this information only includes moratoria deriving from application of the measures approved by the Government, but not any such measures that may have been freely agreed by institutions with borrowers.

² 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.

³ See, respectively, Royal Decree Law 8/2020 of 17 March 2020 (last update, 6 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).

Table 1. Information on mortgage debt moratoria, total system

APPLICATIONS	Number	
Moratoria applications submitted	228,322	
Moratoria applications granted	65,559	
LOANS SUSPENDED	€ 000s	Total System loans
Balance outstanding of loans suspended	6,524,661	476,348,410
BORROWERS BENEFITTING FROM MORATORIA MEASURES*	Number	Percentage
Wage and salaried workers	70,411	72.6
Self-employed (entrepreneurs or professionals)	26,583	27.4
GUARANTORS*	Number	Percentage
Wage and salaried workers	17,902	90.9
Self-employed (entrepreneurs or professionals)	1,798	9.1
BREAKDOWN OF SELF-EMPLOYED BORROWERS BY CNAE (Spanish National Classification of Economic Activities)	Number	Percentage
A Agriculture, forestry and fishing	628	2.4
B Mining and quarrying	14	0.1
C Manufacturing	1,415	5.3
D Electricity, gas, steam and air conditioning supply	50	0.2
E Water supply	27	0.1
F Construction	1,657	6.2
G Wholesale and retail trade	5,910	22.2
H Transportation and storage	1,721	6.5
I Accommodation and food service activities	6,101	23.0
J Information and communication	326	1.2
K Financial and insurance activities	125	0.5
L Real estate activities	463	1.7
M Professional, scientific and technical activities	1,428	5.4
N Administrative and support service activities	963	3.6
O Public administration and defence; compulsory social security	12	0.0
P Education	651	2.4
Q Human health and social work activities	846	3.2
R Arts, entertainment and recreation	816	3.1
S Other service activities	3,430	12.9

* The number of borrowers benefitting 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 benefitting 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 suspension of payment obligations deriving from non-mortgage loan agreements, total system

APPLICATIONS		Number
Payment suspension applications submitted		296,924
Payment suspension applications granted		59,163
LOANS SUSPENDED	€ 000s	Total System loans
Balance outstanding of loans suspended		181,952,906
BORROWERS BENEFITTING FROM SUSPENSION MEASURES*		Percentage
Wage and salaried workers		70.1
Self-employed (entrepreneurs or professionals)		29.9
GUARANTORS*		Percentage
Wage and salaried workers		79.4
Self-employed (entrepreneurs or professionals)		20.6
BREAKDOWN OF SELF-EMPLOYED BORROWERS BY CNAE Spanish National Classification of Economic Activities)		Percentage
A Agriculture, forestry and fishing		1.5
B Mining and quarrying		0.0
C Manufacturing		3.6
D Electricity, gas, steam and air conditioning supply		0.1
E Water supply		0.1
F Construction		4.6
G Wholesale and retail trade		20.1
H Transportation and storage		13.8
I Accommodation and food service activities		22.0
J Information and communication		1.1
K Financial and insurance activities		0.5
L Real estate activities		1.5
M Professional, scientific and technical activities		5.2
N Administrative and support service activities		2.7
O Public administration and defence; compulsory social security		0.0
P Education		2.2
Q Human health and social work activities		3.5
R Arts, entertainment and recreation		3.6
S Other service activities		13.8

* The number of borrowers benefitting 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 benefitting from the suspension measures does not coincide with the number of moratoria applications granted because they do not all include a guarantor.