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Briefing note on application of moratoria established by law and by the banking sector up to 31 March 2021

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 debts¹ 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.² 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.³ These banking sector moratoria relate both to mortgage and non-mortgage loans. Two new moratoria were approved in early July 2020 relating to the tourism sector and the public transport of goods and the charter bus sector.⁴ Lastly, in early February 2021, the application deadline and duration of the legislative moratoria were extended, and these two aspects of all the moratoria were in general adapted to the guidelines published by the European Banking Authority (EBA).⁵

¹ 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.

² See, respectively, Royal Decree-Law 8/2020 of 17 March 2020 (last update, 30 March 2021) 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 lower than the IPREM, a Spanish public income indicator) and other conditions ensuing from the pandemic (for example, becoming unemployed).

³ 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.

⁴ The moratorium relating to the tourism sector is regulated by Royal Decree-Law 25/2020 of 3 July 2020 on urgent measures to support economic recovery and employment. The moratorium relating to transport is regulated by Royal Decree-Law 26/2020 of 7 July 2020 on economic recovery measures to address the impact of COVID-19 on transport and housing. In contrast with the previous three moratoria, which relate only to natural persons, these two new moratoria also apply to legal persons.

⁵ See Royal Decree-Law 3/2021 of 2 February 2021 adopting measures to narrow the gender gap and on other Social Security and economic matters.

This briefing note updates that published a month ago⁶ and presents the information available on the application of the moratoria established by law and by the banking sector, with the data submitted by institutions to the Banco de España. The information may be summarised as follows (see tables attached):

- More than 270,000 applications for legislative moratoria on mortgage loan payments had been received, of which almost 225,000 had been granted. The outstanding amount of loan payments suspended stood at over €20.2 billion.
- Almost 440,000 applications for legislative moratoria on non-mortgage loan payments had been received, of which 373,000 had been granted. The outstanding amount of loan payments suspended stood at more than €2.8 billion.
- Over 870,000 applications for banking sector moratoria had been received, of which more than 843,000 had been granted. The outstanding amount of loan payments suspended was over €33.5 billion.
- 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 account for almost 80% of the total moratoria granted for self-employed workers.
- For the two most recently approved types of moratorium, related to the tourism and transport sectors, the number of applications received and granted is much lower. Specifically, 2,167 applications had been received for legislative moratoria on mortgage loans for property used in tourism, of which 1,692 had been granted. The outstanding amount of loan payments suspended stood at more than €2.3 billion. In turn, 2,929 applications for legislative moratoria had been received from the transport sector, of which 2,511 had been granted. The outstanding amount of loan payments suspended was over €195 million.

⁶ Briefing note on application of moratoria established by law and by the banking sector up to 28 February 2021.

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

APPLICATIONS	Number	
Moratoria applications submitted	271,307	
Moratoria applications granted	224,967	
LOANS SUSPENDED	€m	Total system loans (€m)
Outstanding amount of loans suspended	20,257	469,710
BORROWERS BENEFITING FROM MORATORIA MEASURES*	Number	Percentage
Wage and salaried workers	269,167	72.2
Self-employed (entrepreneurs or professionals)	103,416	27.8
GUARANTORS*	Number	Percentage
Wage and salaried workers	72,157	91.2
Self-employed (entrepreneurs or professionals)	7,002	8.8
BREAKDOWN OF SELF-EMPLOYED BORROWERS BY CNAE (Spanish National Classification of Economic Activities)	Number	Percentage
A Agriculture, forestry and fishing	1,660	1.6
B Mining and quarrying	65	0.1
C Manufacturing	4,828	4.7
D Electricity, gas, steam and air conditioning supply	151	0.1
E Water supply	83	0.1
F Construction	5,707	5.5
G Wholesale and retail trade	19,792	19.1
H Transportation and storage	7,202	7.0
I Accommodation and food service activities	20,035	19.4
J Information and communication	1,058	1.0
K Financial and insurance activities	489	0.5
L Real estate activities	1,539	1.5
M Professional, scientific and technical activities	8,019	7.8
N Administrative and support service activities	2,923	2.8
O Public administration and defence; compulsory social security	42	0.0
P Education	2,180	2.1
Q Human health and social work activities	2,706	2.6
R Arts, entertainment and recreation	2,814	2.7
S Other service activities	22,070	21.4

* 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	439,145	
Payment suspension applications granted	373,092	
LOANS SUSPENDED	€m	Total system loans (€m)
Outstanding amount of loans suspended	2,823	182,034
BORROWERS BENEFITING FROM MORATORIA MEASURES*	Number	Percentage
Wage and salaried workers	314,229	73.3
Self-employed (entrepreneurs or professionals)	114,168	26.7
GUARANTORS*	Number	Percentage
Wage and salaried workers	13,416	78.1
Self-employed (entrepreneurs or professionals)	3,771	21.9
BREAKDOWN OF SELF-EMPLOYED BORROWERS BY CNAE (Spanish National Classification of Economic Activities)	Number	Percentage
A Agriculture, forestry and fishing	1,415	1.2
B Mining and quarrying	59	0.1
C Manufacturing	4,212	3.7
D Electricity, gas, steam and air conditioning supply	131	0.1
E Water supply	103	0.1
F Construction	5,090	4.5
G Wholesale and retail trade	20,670	18.1
H Transportation and storage	11,665	10.2
I Accommodation and food service activities	22,652	19.9
J Information and communication	1,331	1.2
K Financial and insurance activities	654	0.6
L Real estate activities	1,242	1.1
M Professional, scientific and technical activities	6,995	6.1
N Administrative and support service activities	2,865	2.5
O Public administration and defence; compulsory social security	55	0.0
P Education	2,302	2.0
Q Human health and social work activities	2,296	2.0
R Arts, entertainment and recreation	3,332	2.9
S Other service activities	26,910	23.6

* 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	871,914	
Payment suspension applications granted	843,332	
LOANS SUSPENDED	€m	Total system loans (€m)
Outstanding amount of loans suspended	33,665	651,744
BORROWERS BENEFITING FROM MORATORIA MEASURES*	Number	Percentage
Wage and salaried workers	909,724	80.6
Self-employed (entrepreneurs or professionals)	218,880	19.4
GUARANTORS*	Number	Percentage
Wage and salaried workers	83,740	89.9
Self-employed (entrepreneurs or professionals)	9,381	10.1
BREAKDOWN OF SELF-EMPLOYED BORROWERS BY CNAE (Spanish National Classification of Economic Activities)	Number	Percentage
A Agriculture, forestry and fishing	8,624	3.9
B Mining and quarrying	356	0.2
C Manufacturing	10,409	4.8
D Electricity, gas, steam and air conditioning supply	337	0.2
E Water supply	220	0.1
F Construction	12,502	5.7
G Wholesale and retail trade	41,370	18.9
H Transportation and storage	17,652	8.1
I Accommodation and food service activities	37,581	17.2
J Information and communication	2,918	1.3
K Financial and insurance activities	2,257	1.0
L Real estate activities	4,014	1.8
M Professional, scientific and technical activities	24,871	11.4
N Administrative and support service activities	6,342	2.9
O Public administration and defence; compulsory social security	191	0.1
P Education	4,517	2.1
Q Human health and social work activities	5,897	2.7
R Arts, entertainment and recreation	5,735	2.6
S Other service activities	33,109	15.1

* 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.