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Briefing note on application of moratoria established by law and by the banking sector up to 28 February 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 to both mortgage and non-mortgage loans. Two new moratoria were approved in early July 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

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):

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, 27 January 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.

⁶ Briefing note on application of moratoria established by law and by the banking sector up to 31 January 2021.

- More than 265,000 applications for legislative moratoria on mortgage loan payments had been received, of which over 222,000 had been granted. The outstanding amount of loan payments suspended stood at almost €20 billion.
- More than 420,000 applications for legislative moratoria on non-mortgage loan payments had been received, of which almost 364,000 had been granted. The outstanding amount of loan payments suspended stood at more than €2.7 billion.
- Over 845,000 applications for banking sector moratoria had been received, of which more than 819,000 had been granted. The outstanding amount of loan payments suspended totalled over €32.5 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 of activity account for almost 80% of the total moratoria for self-employed workers that have been granted.
- 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, a total of 1,699 applications had been received for legislative moratoria on mortgage loans for property used in tourism, of which 1,410 had been granted. The outstanding amount of loan payments suspended stood at more than €2 billion. In turn, a total of 2,117 applications for legislative moratoria had been received from the transport sector, of which 1,783 had been granted. The outstanding amount of loan payments suspended stood at €135 million.

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

APPLICATIONS		Number
Moratoria applications submitted		265,061
Moratoria applications granted		222,256
LOANS SUSPENDED	€m	Total system loans (€m)
Outstanding amount of loans suspended	19,993	469,710
BORROWERS BENEFITING FROM MORATORIA MEASURES*		Percentage
Wage and salaried workers	266,276	72.2
Self-employed (entrepreneurs or professionals)	102,493	27.8
GUARANTORS*		Percentage
Wage and salaried workers	71,357	91.2
Self-employed (entrepreneurs or professionals)	6,914	8.8
BREAKDOWN OF SELF-EMPLOYED BORROWERS BY CNAE (Spanish National Classification of Economic Activities)		Percentage
A Agriculture, forestry and fishing	1,631	1.6
B Mining and quarrying	65	0.1
C Manufacturing	4,797	4.7
D Electricity, gas, steam and air conditioning supply	152	0.1
E Water supply	83	0.1
F Construction	5,660	5.5
G Wholesale and retail trade	19,624	19.1
H Transportation and storage	7,085	6.9
I Accommodation and food service activities	19,804	19.3
J Information and communication	1,040	1.0
K Financial and insurance activities	480	0.5
L Real estate activities	1,533	1.5
M Professional, scientific and technical activities	7,973	7.8
N Administrative and support service activities	2,895	2.8
O Public administration and defence; compulsory social security	41	0.0
P Education	2,164	2.1
Q Human health and social work activities	2,688	2.6
R Arts, entertainment and recreation	2,778	2.7
S Other service activities	22,000	21.5

* 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	Total system loans (€m)
Payment suspension applications submitted	421,045	
Payment suspension applications granted	363,949	
LOANS SUSPENDED	€m	Total system loans (€m)
Outstanding amount of loans suspended	2,711	182,034
BORROWERS BENEFITING FROM MORATORIA MEASURES*	Number	Percentage
Wage and salaried workers	306,587	73.2
Self-employed (entrepreneurs or professionals)	111,975	26.8
GUARANTORS*	Number	Percentage
Wage and salaried workers	13,053	78.0
Self-employed (entrepreneurs or professionals)	3,685	22.0
BREAKDOWN OF SELF-EMPLOYED BORROWERS BY CNAE (Spanish National Classification of Economic Activities)	Number	Percentage
A Agriculture, forestry and fishing	1,360	1.2
B Mining and quarrying	58	0.1
C Manufacturing	4,168	3.7
D Electricity, gas, steam and air conditioning supply	130	0.1
E Water supply	103	0.1
F Construction	5,021	4.5
G Wholesale and retail trade	20,337	18.2
H Transportation and storage	11,269	10.1
I Accommodation and food service activities	22,231	19.9
J Information and communication	1,319	1.2
K Financial and insurance activities	632	0.6
L Real estate activities	1,226	1.1
M Professional, scientific and technical activities	6,746	6.0
N Administrative and support service activities	2,792	2.5
O Public administration and defence; compulsory social security	55	0.0
P Education	2,275	2.0
Q Human health and social work activities	2,275	2.0
R Arts, entertainment and recreation	3,246	2.9
S Other service activities	26,732	23.9

* 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	845,356	
Payment suspension applications granted	819,170	
LOANS SUSPENDED	€m	Total system loans (€m)
Outstanding amount of loans suspended	32,548	651,744
BORROWERS BENEFITING FROM MORATORIA MEASURES*	Number	Percentage
Wage and salaried workers	884,258	80.7
Self-employed (entrepreneurs or professionals)	211,312	19.3
GUARANTORS*	Number	Percentage
Wage and salaried workers	80,846	89.9
Self-employed (entrepreneurs or professionals)	9,040	10.1
BREAKDOWN OF SELF-EMPLOYED BORROWERS BY CNAE (Spanish National Classification of Economic Activities)	Number	Percentage
A Agriculture, forestry and fishing	7,906	3.7
B Mining and quarrying	349	0.2
C Manufacturing	9,927	4.7
D Electricity, gas, steam and air conditioning supply	322	0.2
E Water supply	212	0.1
F Construction	12,061	5.7
G Wholesale and retail trade	39,962	18.9
H Transportation and storage	16,974	8.0
I Accommodation and food service activities	36,196	17.1
J Information and communication	2,780	1.3
K Financial and insurance activities	2,162	1.0
L Real estate activities	3,880	1.8
M Professional, scientific and technical activities	23,984	11.3
N Administrative and support service activities	6,095	2.9
O Public administration and defence; compulsory social security	181	0.1
P Education	4,400	2.1
Q Human health and social work activities	5,742	2.7
R Arts, entertainment and recreation	5,548	2.6
S Other service activities	32,633	15.4

* 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.